**‘A bleak, high-tax future’: The hidden cost of sprawl development**

<https://www.thestar.com/opinion/contributors/2022/11/27/a-bleak-high-tax-future-the-hidden-cost-of-sprawl-development.html>

“Ford raises property taxes.”

This is not exactly a headline you would expect to see written about Ontario’s [buck-a-beer premier](https://www.thestar.com/politics/provincial/2019/01/29/premier-fords-buck-a-beer-push-going-flat-as-cool-brewing-scales-back-dollar-suds-to-long-weekends.html?rf). By his own words, Doug Ford is all about cutting costs, taxes and red tape. He promised to reduce income taxes in both the 2018 and 2022 provincial elections. After all, that’s the standard conservative playbook.

But increased taxes are the inevitable result of Ford’s Bill 23. In case you missed it, Ford used the period of change right after the October municipal election to dramatically facilitate sprawl development. To begin with, the bill cuts the charges paid by developers to cities to cover the cost of [useful things like clean water](https://www.amo.on.ca/advocacy/municipal-gov-finance/development-charges-reform-and-community-benefit-charge). Ford is cutting the fees so deeply that [mayors](https://www.thestar.com/opinion/contributors/2022/11/14/three-former-mayors-of-toronto-on-why-the-more-homes-built-faster-act-disempowers-municipalities-and-needs-a-serious-rethink-before-proceeding.html?rf) and councils are issuing dire warnings of shortfalls and tax increases. Markham says they could [have to raise taxes by 80 per cent](https://globalnews.ca/news/9292260/ontario-cities-protest-ford-government-housing-bill/)..
It will get worse in the future — much worse — because sprawl is a net loser when it comes to tax dollars. The city gets a quick hit of money from the development charges (now reduced), but it’s all downhill from there. Every new development involves a lot of pipes, power lines, roads and other infrastructure. The developers build the infrastructure and then “give” it to the city, handing off responsibility. Eventually the roads and pipes start to decay, and after 20-25 years or so need to be rebuilt. You may have noticed that we are [a bit behind on fixing our infrastructure](https://www.cbc.ca/news/canada/toronto/ofao-infrastructure-report-1.6143888) in this province already.

In a sane world, what happens is that the people who own the property pay taxes, and those taxes pay for the repairs. That’s what happens downtown and in the denser parts of cities where taxes are a net positive, more than covering repairs — with a surplus for other important items like libraries, parks, snow clearance and so on. But in a sprawl, the houses are so far apart, the shops so spread out, the roads so wide, that the taxes don’t cover the upkeep. Taxes are lower than costs.

What happens when the property taxes can’t cover the costs? Then they must go up, and so they inevitably do. And since taxes are citywide, that means that people in compact neighbourhoods will have to pay more, even though they don’t gain any of the (dubious) benefits of living in sprawl. This process is well-documented by the [Strong Towns movement](https://www.strongtowns.org/the-growth-ponzi-scheme/) and author [Chuck Marohn](https://www.strongtowns.org/contributors-journal/charles-marohn).

So who benefits from Ford’s sprawl override? People who want to live in a sprawl benefit — those who have enough money to afford a new single-family house and own a car or two. They are mostly upper-middle class and don’t need to be subsidized.
The Progressive Conservatives, of course, would prefer not to be associated with higher taxes, so they are presumably hoping no one will notice this connection.

The Ontario Taxpayers Federation — a pro-conservative group — [criticized Ford a year ago](https://www.taxpayer.com/newsroom/when-it-comes-to-cutting-taxes%2C-ford-is-the-emperor-that-has-no-clothes) for not yet fulfilling his promise to lower income taxes. Even so, Ford probably thinks he can get through this without becoming known as the conservative who raised taxes and passed the gains on to his buddies.

What can we do about it? The Ford government has refused so far to listen to cities, denying the [Association of Municipalities of Ontario from even presenting their objections](https://www.cbc.ca/news/canada/toronto/ont-housing-1.6655998). We have yet to hear from the conservative groups, but they can’t be happy.

At this point, however, Bill 23 is not yet law. If enough voices combine from across the political spectrum, perhaps we can pull back from a bleak, high-tax future.

The largest benefit goes to the developers. They’ve been [buying up rural and Greenbelt land in recent years](https://www.thestar.com/news/investigations/2022/11/17/they-recently-bought-greenbelt-land-that-was-undevelopable-now-the-ford-government-is-poised-to-remove-protections-and-these-developers-stand-to-profit.html?rf), anticipating this moment. A number of them have spent large sums lobbying for these very changes, and now these developers are getting their reward. They get to turn their land into a massive profit and walk away with the cash, with no worries about infrastructure or taxes at all.