

BARRY'S CONSTRUCTION AND INSULATION LTD.

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December 8, 2011

Warden Duncan McKinlay
Grey County Council

Dear Sirs/Mesdames:

Re: Grey County Development Fees

I wish to address the upcoming vote on increasing Development Fees in Grey County. Previous appointments prevented me from addressing you at the public meeting but it is a critical issue and I want to express my views today.

I estimate I will have completed 40 new homes in Grey County in 2011. If the average taxes the new home owner pays for example, in the Municipality of Georgian Bluffs, is \$3,200.00, then that will generate approximately \$49,920.00 in tax revenue for the Municipality, \$49,920.00 for the County of Grey and an additional \$28,150.00 for Education in Grey County. It generates \$128,000.00 in total taxes. As a developer, I will have paid for the roads in any new subdivision I built like the one in the OSCVI project in Owen Sound and will eventually turn over to the Municipality. The roads will last a long time and the taxes will more than cover snow removal.

Whether I build a custom built home or a spec home, the costs are passed on to the consumer. In addition to the Grey County Development Tax of \$2,314.30 the consumer may have to have a letter from the Conservation Authority, reports from Engineering Services and the Health Unit, which will add a tax of thousands more dollars to their house construction. If I built a home for a military family in Meaford, there is an additional Development Tax of \$4,371.00. If the consumer is a retiree wishing to build in Owen Sound in the former OSCVI project, the additional fee paid to the City of Owen Sound is \$3,854.42. If I continue to build in Arran-Elderslie or the Town of Hanover, there is no additional Development Tax.

Now let's consider the Land Transfer Tax paid to the Province of Ontario on a house valued at \$320,000.00 is an additional \$3,275.00. In addition to those taxes the Harmonized Sales Tax adds a whopping \$41,600.00 in tax for the consumer. Some of the HST is recovered if it's the customer's principal residence and if the cost of the home is under a certain dollar value. If it is a secondary residence no HST can be recovered. I hope the Province uses that revenue wisely. The taxes, and please don't call them fees when in fact they are all taxes, paid on a \$320,000.00 house in Grey County just added up to **\$51,560.30** before the conservation letter, engineering study and the health unit letter. It's a lot of tax money.

Your children and grandchildren may never experience living their whole lives in Grey County. Heavy job losses and factories teetering on the brink of bankruptcy drive them to other parts of Ontario. They can't return here. Grey County can no longer offer them an affordable future here. They will never know what it is like to live in a new house. If they had a job perhaps they could look past these Development Taxes, but they don't and that is the reality.

As each sector decides to increase their taxes, often on an annual basis, it makes the cost of building new homes even further out of the realm of possibility for most people. If there had been a County Development Tax a decade ago, there would have been far fewer subdivisions built which generated hundreds of thousands of dollars in revenue for the County and each Municipality. They would have remained as farm fields.

During this long recession I have tried to keep my trades people employed for there are few alternatives for them left in Grey County. The construction industry keeps the retail sector viable as people buy appliances, flooring material, lights, pools, furniture and landscaping materials locally. It's a huge offshoot of the construction industry and if we keep adding expenses then people will either stop building or they will cut back to the point where the whole economy suffers.

The population statistics offered in the Hemson report will be considered more than optimistic if you vote for this increase in Development Fees. Save your money on future studies. Ask the people who buy the new homes, and who build the new homes what the projections are. Why spend money on a report that doesn't reflect the accurate picture of the economic growth and the population growth in the County of Grey? Use that money instead to provide health care education, ambulance service and better County roads. It would go a long way compared to the value of the report.

You will not attract the out-of-town buyer or the retiree trying to live on a fixed income. It is this buyer and the grandchildren of our generation that I am most concerned with. Local residents of Grey County can listen to the radio or read in the local papers of increases but the out-of-town segment of the population who are critical to our growth and those young children who don't even know they are contemplating a new home will have no voice in this. Raising these fees will result in fewer homes being built, fewer trades needed to complete these homes, less building material bought locally and less services provided by retailers and professionals. The only way to increase your tax base is to have new construction. We are at the breaking point and this increase you are considering will stall the industry for a decade.

I ask you to freeze the Development Fees and work within the revenue provided through the millions of tax dollars available to you.

I would appreciate receiving your comments. Thank you for your consideration.

Yours very truly,

BARRY'S CONSTRUCTION AND INSULATION LTD.

A handwritten signature in black ink, appearing to read 'Barry Kruisselbrink', written over the company name.

Barry Kruisselbrink
President
BK:bg