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**Tuesday 19 October 2004**

**Journal  
des débats  
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**Mardi 19 octobre 2004**

**Standing committee on  
estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires municipales  
et du Logement

Chair: Cameron Jackson  
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

## STANDING COMMITTEE ON ESTIMATES

## COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Tuesday 19 October 2004

Mardi 19 octobre 2004

*The committee met at 1539 in room 151.*

### MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

**The Chair (Mr Cameron Jackson):** I'm pleased to call to order the standing committee on estimates. We have four hours and 34 minutes remaining.

We're pleased to welcome the Minister of Municipal Affairs and Housing, the Honourable John Gerretsen, with his staff. We are beginning a new rotation, and I think we will do 20-minute rotations. Is everybody comfortable with that? Hearing no objections—

**Mr John Milloy (Kitchener Centre):** Sorry. How much?

**The Chair:** Twenty-minute rotations. We will begin with Mr Hudak.

**Mr Tim Hudak (Erie-Lincoln):** Thank you, Minister, Deputy and members of the Ministry of Municipal Affairs and Housing.

Last time we met, last week, I was discussing the number of broken promises that had occurred under the McGuinty government.

*Interjection.*

**Mr Hudak:** The member asked, "How many were there?" We had a debate on that. I don't know if it's in the estimates book. The NDP said 42; we said 37. It could be 79 if they're two different sets.

Nonetheless, we were addressing the issue of broken promises and our expectation that there has been a New Year's resolution by Dalton McGuinty, with the new year being a year from the election, that the broken promises are going to stop, that we'll start the new year on a different foot and there will be no more broken promises. I hope as we—

*Interjection.*

**Mr Hudak:** My colleague's a bit more skeptical than I am. But I, on good faith, hope the minister and other members of cabinet will do their best to try to keep their promises this year, because last year certainly earned them an F grade from many different parties and observers.

One that I was concentrating on was the Oak Ridges moraine land swap. What I was suggesting, and I think other members may or may not agree, was that Dalton McGuinty made a promise that he knew he couldn't keep, irresponsibly made a promise to try to win votes in the GTA. Granted, the Liberal Party did well in the

GTA—I would argue under some false pretenses in terms of what they promised and what they deliver—but nonetheless won a number of seats in that area.

Once coming into office, I believe Dalton McGuinty knew he couldn't keep that promise, but having been hit with an epidemic of broken promises, he said, "You know what? We've got to find some way to save face." So he sent in his Minister of Municipal Affairs to try to save as much face as possible for this broken promise. The minister was able to secure an additional, I think we saw in session last time, 47 acres of land in the Richmond Hill area. What we don't know is, what is the price of Dalton McGuinty's broken promise? What is the total cost, on the other hand, in terms of additional land that's being given away in the Seaton area, and any additional costs to that deal? I think the other shoe has yet to drop in that respect, that Dalton McGuinty's broken promise and his attempt to save face has cost taxpayers a considerable amount, either of money or in land that has been given up or additional promises that have not yet come to light.

One way for the minister and the government to address the concerns we've brought up here in the estimates committee is to put out the exact details surrounding this swap of land between the six Richmond Hill land-owners and Seaton.

According to our discussions last week, it seems like that's pretty well done. There are some small things to be done with respect to around the edges of the borders through an environmental review. Nonetheless, I believe the answer I received was that the quantity of land in Seaton in exchange for the additional 47 acres in Richmond Hill has pretty much been determined. But this committee has yet to find out, to ascertain, exactly how many additional acres have been handed over to the Richmond Hill developers, the value of that land and how much better the deal was for the Richmond Hill developers than the land they gave up. The minister can quell that speculation simply by putting that report forward.

I asked the minister to do so, and the minister gave me a very curious answer. He referred to the report of the fairness commissioner—and I'm quoting from Hansard. The minister indicated that the fairness commissioner stated in his letter that it would, "not be wise, from the taxpayers' viewpoint, to start making those documents available right now, because it may very well impact negotiations with the Uxbridge people."

I've looked closely through the Honourable Lloyd Houlden's report as fairness commissioner, and at the end of our discussion on Wednesday I asked the minister to point out—I think you actually referred to the last page, which is a couple of paragraphs—and the minister was unable to point out exactly where in that document the fairness commissioner said what the minister said he had said.

I looked through the rest of the letter in case the minister was mistaken—it was on a different page than the last page—but I still have not been able to find exactly where the fairness commissioner says what the minister attributes to him. I assume that the minister, later in his time, will address this issue. Maybe he'll table additional documents from the fairness commissioner where the fairness commissioner speaks to the taxpayer's viewpoint or speaks to not making the documents available right now. That will answer that question. But I suspect this is the minister's interpretation, because the minister knows that the deal he made with the six Richmond Hill landowners, in the view of taxpayers, will be so extravagant and a bad deal for taxpayers that if revealed publicly it will be an embarrassment to the government, an embarrassment to Premier McGuinty and will artificially drive up the exchange with the Uxbridge landowner.

If I'm wrong, I'll be relieved to hear that I'm wrong. I think it's up to the minister to table those documents so this estimates committee and the taxpayers as a whole will be able to judge for themselves if it is a fair deal or not. But I'm more pessimistic than I was last week, because the words that the minister attributed to the fairness commissioner do not exist in the fairness commissioner's document.

I want to explore a bit more the value of the land in the Seaton area that has been signed over, or almost signed over, to the Richmond Hill landowners. Mr Kozman, I think, was helping me with my presentation last time. Is Mr Kozman available?

**Hon John Gerretsen (Minister of Municipal Affairs and Housing, minister responsible for seniors):** No, he is not available. But the acting assistant deputy minister, Joanne Davies, is available.

**Mr Hudak:** There was a particular value in Mr Kozman's being here. I think he had described his capacity as part of the North Pickering land exchange enterprise—I apologize, I've forgotten the name exactly, but the enterprise agency in charge. Mr Kozman seemed to be very knowledgeable.

**The Chair:** He's on the board.

**Mr Hudak:** He's on the board. He's a staff member, actually, who runs that and he seemed to answer my questions quite well. He seemed very knowledgeable about the issues.

**Hon Mr Gerretsen:** Just to correct the record, he's not on the board. He's a staff member of the Ministry of Municipal Affairs and Housing.

**Mr Hudak:** Even better: The board would give sort of general direction and general advice, but I would think a

staff member would really know the details. Having been a minister, I know that we as ministers can set strategic direction and make the general decisions, but the staff members themselves tend to know the issues inside out and present that advice. So, Chair, I wonder what are the abilities of the committee to bring Mr Kozman forward to respond to questions since he did such a good job last time.

**The Chair:** We have a request for Mr Kozman's presence. Can you advise us when he can be—

**Hon Mr Gerretsen:** Well, Mr Kozman reports to Ms Davies, so—

**The Chair:** Minister, if you say to me that he is unavailable because he's out of town, that's fine, but if you say to me, "We've got someone else who will answer in his place"—you submitted the names of the individuals to whom this committee has access, and if access has been denied, then we'll put that on the record. If he is unable and won't be here any day this week, then fine, but it's within the authority of the committee, especially since you put him on your deputation list.

**Hon Mr Gerretsen:** It's my understanding that he was here the last time filling in for the acting assistant deputy minister. The acting assistant deputy minister is here today. Mr Kozman can be made available at some point in time in the future if he's needed, but he's not here right now.

1550

**The Chair:** He still exists on the list and that's fine. Let's not make a big issue out of it and move on, but for the record the committee has specific authority under the act to request not only ministry staff at their will, but also agencies, boards and commissions and their representatives that receive any kind of funding from your ministry. Having clarified that, we will proceed. Mr Kozman cannot be here today.

**Hon Mr Gerretsen:** I don't have any problem at all with Mr Kozman's being here. It's just that he isn't here today because the acting assistant deputy minister has replaced him because he replaced her the last time.

**The Chair:** Very good.

**Mr Hudak:** I appreciate the minister's response, and I appreciate the presence of the acting assistant deputy minister. My point is that Mr Kozman was doing a great job responding to questions. He had command, and I'm sure the acting ADM does as well, because I believe you sit on the board. Mr Kozman, as a staff member, would probably be privy to a bit more information, a bit more detail and background or maybe more readily at his fingertips. I worry that Mr Kozman is not here because you weren't happy with some of the answers Mr Kozman brought forward.

**Hon Mr Gerretsen:** I'm very happy with the answers Mr Kozman provides. He provides great service to the ministry. But we don't want to empty the whole ministry and bring them here. We want to make sure they carry on with the other much-needed work within the ministry as well, so we bring the number of people that we think are most important to the operation, at the assistant deputy

minister level, at the deputy minister level and also at the director level. If you want a specific person to be here, we will certainly endeavor to get him here for tomorrow.

**Mr Hudak:** Sure. Maybe you'll let me know why Mr Kozman is not here today when he was here for the full committee last Tuesday and Wednesday.

**Hon Mr Gerretsen:** I'll have to ask the acting assistant deputy that, because I don't know why Mr Kozman isn't here today.

**The Chair:** Who has the floor? Mr Hudak.

**Mr Hudak:** I think the assistant to the deputy was responding to why Mr Kozman, who was here Tuesday and Wednesday and is a member of the list, and whom I was fully expecting to be here today, has been pulled by the ministry.

**The Chair:** Mr Hudak, I think the matter has been dealt with. If you choose to use the remaining part of your time to discuss the absence or attendance of a member of the staff, that's fine. However, I'm satisfied with the response that was given, and if we could please move on, that would be helpful to completing the estimates. If you could be guided by that, that would be helpful.

**Mr Hudak:** Okay. Fair enough. I'll bow to the Chair's advice. Thank you, sir.

What I wanted to address was how the land was valued in terms of the swap. Exactly how was the determination made of the value of the land owned by the Richmond Hill owners, specifically the 47 additional acres they have given to the province?

**Ms Joanne Davies:** Similarly to the way the initial lands were valued, we used the advice of professional appraisers. So the principles of value for value that were talked about are the same principles that apply. The valuation date is different, because the first valuation date was in May 2001 and the second valuation date was in November 2003. We simply used accredited appraisers to conduct appraisals, as I think prudent financial managers would.

**Mr Hudak:** The appraisers came from outside the ministry? They were consultants that were hired?

**Ms Davies:** Right. There is no appraisal expertise in the Ministry of Municipal Affairs and Housing.

**Mr Hudak:** Were the contracts for those appraisers tendered or did they have a record of work with the ministry?

**Ms Davies:** The appraisers were sole-sourced, and that is because sole-sourcing is recognized under the Management Board guidelines as a legitimate method of procurement. As you are aware, there are a number of parties involved in this negotiation and there is a fixed number of appraisers on the market. Through Management Board, we looked at who was available to provide professional assistance to us and went to them and sought their services.

**Mr Hudak:** I'm not sure what the privacy provisions are, but could you let the committee know which appraisers won that contract?

**Ms Davies:** Yes. We used two sets of appraisers, which we contracted with in order to do due diligence. The first set of appraisers was Kellough, Pestl, Singh, which is a well-known appraisal firm. We also retained the Altus Group of appraisers to provide assistance through doing appraisals for us.

**Mr Hudak:** Thank you very much. Did both work on the additional 47 acres appraisal? I'm concerned about the additional acres, which I believe is 47, I think I'm accurate from our last session, for the Richmond Hill landowners.

**Ms Davies:** Both sets of appraisers had involvement because it's one broad analysis, but the appraisers Kellough, Pestl, Singh were our primary source of appraisal advice on that.

**Mr Hudak:** What kind of review was done, perhaps by the fairness commissioner, with respect to Kellough, Pestl, Singh and any relationship they may have with participants in negotiations?

**Ms Davies:** I think I'm going to be responsive to your question. If I'm not understanding it please correct me. All professionals, including appraisers, have a professional responsibility to ensure that they don't have conflict when they do work, and the general procurement provisions of government require disclosure of any conflict. So, if that's the point, they were held to the same standard of any consultant. Kellough associates effectively conducted an appraisal for the government on the lands in accordance with the normal standards.

**Mr Hudak:** Did the fairness commissioner play any kind of oversight role with respect to the choice of those that appraised the value of the land?

**Ms Davies:** No. The fairness commissioner, in preparing his report, had two roles. At the end of the day it was his job to look at all the documentation and make an independent assessment on whether he thought it met the standard of fairness in the public interest. So he was the one who looked at the end of the process. Through the process we would update him with status reports on where we were so he would know approximately at what point we would be coming forward with material, but he provided no direction per se to individual pieces of work in the process or to those appraisers directly.

**Mr Hudak:** What was the value of the land that was given up by the Richmond Hill developers, specifically the 47 acres, in relation to the additional lands that they received in the Seaton area?

**Ms Davies:** As you know, the government has disclosed certain information, which is the overall amount of land which is expected to be exchanged in Richmond Hill and Seaton. But, as I think was alluded to last time, at the very beginning of the land exchange a confidentiality protocol was entered into between the parties, and the new participants who came on board were also subject to that confidentiality protocol. That protocol provides that only once the transaction is completed can all of the details, which are then going to be broken down on a property-specific basis, be released. So the government is bound by that confidentiality protocol and at this point,

until the lands close, can't go any further in disclosing details.

**Mr Hudak:** But when you say that all the details on a property-specific basis will be released, that will include the individual value on a per parcel basis so we'll know what value was exchanged in Richmond Hill and what value came back in return in Seaton?

**Ms Davies:** My understanding is the minister and the government have committed to disclosing exactly what lands were given up in Richmond Hill on a per owner basis and what lands those owners got in Seaton in exchange for those lands.

**Mr Hudak:** I guess I'm asking specifically, aside from the individual acres, what particular parcels of land—will the exact value of each parcel of land similarly be disclosed, the value that the ministry's hired appraisers had come up with?

**Ms Davies:** The minister is committed to disclose the details of the exchange and that's what he said. I think that's really not a question for me.

1600

**Mr Hudak:** OK. Maybe I'll have the minister address that in his time, if he has that opportunity.

I want to make sure that not only the geographic area, the particular parcels, but also the value of those parcels is made available for public oversight.

How did they determine the value of the parcels of land that were exchanged? On what basis was that ascertained?

**Ms Davies:** The principle established in the minutes of settlement that apply to both the original lands and the additional lands is value for value. The second critical component is the establishment of a valuation date for both the lands being given up and the lands being received. And those dates, as you know, differ between the original lands and the subsequent lands.

Appraisers then take the valuation date that they are given for the respective parcels and apply the normal appraisal processes, which include looking at whether there's any relevant market data available, comparables—there's a whole detailed process that appraisers go through, but those are two of the main components that they look at. They look at land values, comparables, recent sales, projections and those kinds of factors.

**Mr Hudak:** So is it fair to say they would look at the value of land in Pickering, the 47 acres, what that value would have been if they had moved ahead and built houses and then sold those houses off?

**Ms Davies:** In terms of the Pickering lands, as of the valuation date that's provided for, they would look at the value of those lands for the purposes of development, yes.

**Mr Hudak:** And how about with the Richmond Hill lands? How is that value determined?

**Ms Davies:** Similarly; a different date, and that's the difference. So the date that's fixed—and in terms of the additional lands, that's November 2003—but taking that as the premise, market value of developable lands for residential purposes. Yes.

**Mr Hudak:** Did the appraisers look at the number of homes that could be built on the parcels of land in Richmond Hill versus the number of homes on the Pickering-Seaton lands that were exchanged?

**Ms Davies:** What they look at is the normal or expected type of density that you would expect in an urban setting of that nature. And that's important because in neither case are we at the stage of detailed subdivision plans. So there is a process that appraisers look at for what the normal scope of development, density, range of mix and use would be, and they create, in effect, an average in coming up with land value.

**The Chair:** I'd like to recognize Mr Prue.

**Mr Michael Prue (Beaches-East York):** Is it half an hour? Twenty minutes?

**The Chair:** Twenty minutes.

**Mr Prue:** Thank you, and my apologies to all. I got called away on something I could not get out of for a few minutes.

I'd like to deal with—oh, you've disappeared. Come on back, because this somewhat intrigued me about the market value of developable land which had not been zoned. Is that the basis on which lands were traded? Were they zoned, either of these properties?

**Ms Davies:** No. The appraisals were done on the basis that both parcels are developable. That's the value-for-value component of the exchange.

**Mr Prue:** I am somewhat curious. As you correctly said, land can be developed in many ways. It can be developed residential, commercial, industrial or multi-residential. First of all, were the lands in Richmond Hill zoned in any way that you could put a value on them?

**Ms Davies:** The date of the Richmond Hill appraisal was May 2001. That was the date that was agreed upon for the valuation. As of that date, there technically was not zoning on the Richmond Hill lands. And for the valuation date of the Pickering lands, similarly, as of the date chosen, there was not actual zoning on the lands.

But for the purposes of the appraisal and the value for value, appraisers work from assumptions that they're given, and the assumptions that were set out and agreed to between the province and the owners were to look at the value of the respective lands on the basis that they could be developed for the purpose of ensuring a value-for-value exchange. So it is in the nature of an assumption that the appraisals were done, distinct from saying, look at these lands on a certain day and what their legal status was in terms of land use planning and zoning versus these. In order to achieve value for value, you had to have a common set of assumptions, and that is the basis on which the appraisals were done.

**Mr Prue:** The common set of assumptions was single-family, residential 40-foot lots? Multi-residential?

**Ms Davies:** The assumptions were looking at what typical development is, and appraisers are experienced in that type of thing. When you're looking at a certain scale of land beyond a small parcel, there are factors, which are ratios of employment lands to residential, which are a mix of densities. So they include what a typical area of

that size would include, which would include, as you noted, residential, a certain amount of commercial, for example, your corner stores, all of the types of uses that you would find in a typical community that is located, in this case, both in York region and Durham region. So there's a set of assumptions.

**Mr Prue:** I know where both places are, but I cannot tell you I have actually visited those lands. Can you tell me, are they in any way surrounded by other developments? I would think up the Yonge corridor would more than likely, although I could be wrong, be a little bit more dense in terms of surrounding houses and businesses and things than north Durham.

**Ms Davies:** I don't think I could make that kind of generalization. The Richmond Hill lands are on the Oak Ridges moraine, and the objective of this entire exercise was to protect the Oak Ridges moraine. So in terms of the Richmond Hill lands, the area is, as a general observation, fairly undeveloped, but one side of it, as you noted, does abut Yonge Street, which is a major corridor which has development on it of a certain scale and type that you would expect of an arterial road. So the lands abut some lands that have some development. They are also on the Oak Ridges moraine, and the other way, they don't have that type of development. So there's some of both there.

**Mr Prue:** Is this the reason why more acreage was given in the Seaton lands to compensate for the—I was trying to get to that the other day and I couldn't understand why the ones off Yonge Street were more valuable, if you can't build on them, than the ones where you can.

**Ms Davies:** I think it would be fair to observe—and I'm not a land economist—that in the current economic climate, and this can change over time, the westerly lands in Halton, Peel and York have seen some higher values than some of the lands in the east, in Durham east. I think it was purely—and I'm not the appraiser, but the appraiser looked at values, as I said, on a market-comparable basis, and the professional outcome, the appraisal, showed a slightly higher value for developable land in the Richmond Hill area than in the Pickering area.

**Mr Prue:** OK. Thank you.

Back to the minister, from a statement you made the other day. First of all, I want to commend the general population, because when I finished my questioning of you, I got an e-mail the next day. A woman was watching it on TV—and I want people to know that we are being watched—and believes that you were not correct. So I want to put the question to you again. My question to you was the invitation of the city of Toronto to participate in the immigration process. I asked you and you concurred that you had done so. Then I asked if any other cities were involved, and I believe the answer was in the negative. Am I correct in my recollection?

**Hon Mr Gerretsen:** I don't recall that, but I could have said that, and if I did and I'm incorrect, I'm incorrect. It's my understanding—and I get my information in this respect from the Minister of Citizenship and Immigration—that she has advised both the House and, I

think, the general public that when she was involved in the discussion with the federal government and the province, obviously, the city of Toronto was invited as well, with respect to the latest immigration agreement, that that was a first in Canada. But if it turns out that another municipality has already done that before, I certainly stand to be corrected.

1610

**Mr Prue:** The e-mail I got from a woman from London was that London had actually been invited prior to Toronto, not by the minister in Ontario but by the federal minister. I'm wondering, is there any coordination between the federal government, the Minister of Immigration, and the Ontario Ministry of Citizenship and Immigration? Which city or cities are being invited, and why?

**Hon Mr Gerretsen:** Our ministry doesn't deal with immigration matters. That's number one. Where our ministry gets involved in the process is that, as a result of the MOU agreement we have with AMO, there have been certain understandings reached that when the province gets into discussions with the federal government on subjects of interest to municipalities in general or to a particular municipality, that municipality would be invited to attend. It's my understanding that it's under those circumstances, because of the large immigrant population here in Toronto, that Toronto was invited to those meetings by way of the Minister of Citizenship and Immigration. Toronto was invited to the meeting that took place—when would that have been?—sometime in the spring.

Afterwards, a statement was made that this was a new arrangement whereby the province, the federal government and a city worked on a joint immigration agreement. If it turns out that there are other cities that have already done this in the past—perhaps London was involved prior to this, directly through AMO. I just don't know. That's not an area of involvement by our ministry.

**Mr Prue:** This leads me to my next couple of sets of questions relating to AMO. You are the past president of AMO and I know you hold the organization in very high esteem, as do we all. But—

**Mr John O'Toole (Durham):** Toronto is not a member.

**Mr Prue:** That's where I'm going. This caused a huge kerfuffle. The fact that your government was dealing with Toronto through AMO caused, I think, some consternation from the mayor and council of the city of Toronto. They have since left AMO. If you're going to deal through AMO from this point on, does that mean that you are going to deal with Toronto separately or not at all?

**Hon Mr Gerretsen:** Let me just correct the record on a number of things. Yes, I was president of AMO back in 1986-87. As my kids say, "You were president in the Stone Age." It was quite some time ago. I left municipal life in 1988 and really had not been involved with the association at all until my reinvolvement as minister some time ago.

I hold that organization in high regard, as I do any organization that speaks on behalf of a certain constituency to another order of government. I think it's always advantageous for any order of government, whether we're talking about the province or the federal government, to deal with an organization that represents, if not all of the stakeholders or interested parties in that particular area, at least most of them.

If you want to get into why Toronto left AMO, or at least has suspended its operations with AMO, you'd have to discuss that with them, quite frankly.

This is a purely biased, personal opinion, but I believe that over the last year our government and certainly our ministry have done an awful lot of work in order to build up an excellent relationship with the municipal world in general, with municipalities in general and with municipalities on an individual basis. When we came in as a government, we felt that that had been lacking to a large extent with the last government. When you look at the fact, for example, that the last government was going to impose a law upon municipalities that would have prevented them from raising any kind of tax revenue without a referendum, we felt that didn't show the kind of respect that a provincial government should have for another level of government. I think we've turned that around.

On a personal basis, both the Premier and I get along very well with Mayor Miller, as we should. Toronto is an extremely important component of this province. It's the economic engine of this province and, whether you like Toronto or not, nobody would ever deny that. But Toronto ultimately has to decide whether or not it wants its voice heard through AMO. I can tell you that on many issues, we deal with Toronto directly, as we deal with other municipalities directly on issues.

The kerfuffle over the MOU process with AMO kind of left me bewildered because, number one, the memorandum of understanding was a revisiting of the same memorandum of understanding that had been signed three years before that with then Minister Chris Hodgson and AMO. The only difference was the fact that it now also referred to the protocol with respect to the federal government that hadn't been part of the earlier memorandum of understanding. Plus, we always said right from the beginning that we wanted to legislate the memorandum of understanding, we wanted to make it a legislative requirement that before the province changes the rules or changes laws or regulations that affect municipalities, particularly their financial abilities, we discuss those issues with them and, secondly, that we wouldn't impose any additional burdens on them until at least the next fiscal year.

As to whether or not Toronto is a member of AMO I suppose it would be better if they were from the point of view that there would be one municipal voice out there on a lot of issues. But that's really something for Toronto to decide. We will continue to deal with Toronto on an ongoing, one-to-one basis, and with AMO as well, or with any constituent member of AMO.

**Mr Prue:** OK, but AMO has never represented all of the municipalities.

**Hon Mr Gerretsen:** It's my understanding, though, that they have traditionally represented a good 96% or 97% of all the residents of Ontario out there. I'm not sure what the next large municipality would be that is not a member of AMO, but traditionally I think most municipalities have been members of AMO.

**Mr Prue:** But the sad reality is that today they represent less than 80%; I think 75% of the people of Ontario.

**Hon Mr Gerretsen:** Yes. I think there is one other thing that should be clearly put on the record, and that is that the MOU process that was put into place whereby on a monthly or a six-week basis we get together—when I say “we,” I mean the ministry—with AMO. The AMO MOU committee is made up of the different chairs of the different sections of AMO, and it's my understanding that the chair of the Toronto caucus has always been an integral part of the AMO MOU process.

**Mr Prue:** In the past.

**Hon Mr Gerretsen:** No, but even leading up to the current MOU that was signed in Ottawa. Certainly that was presented with a representative from Toronto there. Now, as to what the internal communications are between that representative and the city, or between any of the representatives and the organizations they represent, I have no knowledge of; that's for them to determine.

**Mr Prue:** I'm leading down to the question. They're not a member today. You have a memorandum of understanding that accommodates 80%, approximately, of the people of this province, but not the 20% who live around this building.

**Hon Mr Gerretsen:** Right.

**Mr Prue:** How are you going to proceed? Are you going to have a separate memorandum of understanding with the city of Toronto or are you going to deal with them on an ad hoc basis?

**Hon Mr Gerretsen:** We will certainly deal with the city of Toronto on any issue they want to engage us in. It may be by way of a separate memorandum of understanding. I also think it may not be totally accurate to say they have left AMO. It's my understanding they have suspended their membership in AMO until the end of the year and then it's going to be re-evaluated. That's my understanding; I could be corrected on that, but I understand that's the case.

As you know, we're also taking a look currently at the City of Toronto Act.

**Mr Prue:** You anticipated my next line of questioning. OK, go ahead.

**Hon Mr Gerretsen:** What may come out of that, one of the aspects, may very well deal with the kind of issues you're talking about right now.

I mean, it's absolutely important for the province of Ontario and for this government or any government to have a good working relationship with the government of the largest community in this province. This is something



we have been working toward, and we will continue to work toward no matter how that unfolds itself, either collectively with other municipalities or on a one-off basis.

**Mr Prue:** Is it your intention then, at this stage, to deal with the memorandum of understanding and what it contains through amendments to the City of Toronto Act? Because you referred to that in your opening statement. I wrote it down; it was item 7. You are anticipating changes to the City of Toronto Act in this upcoming year. Is that where you intend to do this?

1620

**Hon Mr Gerretsen:** I think when we're dealing with the City of Toronto Act—and I'm not trying to evade your question—obviously the city of Toronto will have a number of items that maybe it wants to put into legislation, and we will have to see what they are. If they show an interest in this, there's absolutely no reason why a memorandum of understanding of this nature cannot be discussed and implemented with them as well. We'll see what happens.

I don't want to prejudice the discussions, in other words, but we're certainly open to discussing it, absolutely.

**Mr Prue:** Again, this place often has some bizarre twists and turns. About two weeks ago, when we started this, you talked in your speech about your intention of bringing forward a City of Toronto Act, and we have a private member's bill doing much the same on Thursday.

**Hon Mr Gerretsen:** Well, isn't it wonderful for private members to come up with initiatives and ideas? I was fully aware as to what that private member wanted to do. She came to me, and I said, "It's a wonderful idea. Bring it forward."

I don't get all that excited about private members bringing up bills that deal with particular items in our ministry. That doesn't concern me at all. If they're good ideas, we'll look at them and maybe they will form part of the new City of Toronto Act. I think it's a great idea. I think any private member should be allowed to bring up any bill they want to discuss in the House—

**Mr Prue:** Absolutely.

**Hon Mr Gerretsen:** —and get some sort of feedback on. But this isn't a trial balloon that has been planted by the ministry or myself to get some opinion on, I can tell you that. These are the heartfelt opinions of that particular member, and I think she should be congratulated for that.

**Mr Prue:** OK, but if it's not a trial balloon—and I have heard some suggest that it may be—

**Hon Mr Gerretsen:** Well, it's not. I can tell you it's not.

**Mr Prue:** OK. If it is not, then by your statement that it could be worked into what you are planning, I would take it, it is not your intention as minister to have that private member's bill act instead of what you and your ministry are proposing to bring forward later in the year.

**Hon Mr Gerretsen:** Our review of the City of Toronto Act and our review of the Municipal Act, which

will hopefully go side by side, will deal with a whole variety of situations. I believe the contents of the private member's bill deal only with one specific aspect as to how the City of Toronto Act should be amended. It deals mainly with representation and, I believe, issues like that.

**Mr Prue:** No, it's quite all-encompassing in terms of election law reform, elections boundaries.

**Hon Mr Gerretsen:** Right. But what we're talking about in review of the City of Toronto Act is giving Toronto much greater permissive legislation, possibly, as well as other municipalities, through the Municipal Act review.

**The Chair:** Thank you, Mr Prue. You can pick that up in the next rotation. Mr McNeely.

**Mr Phil McNeely (Ottawa-Orléans):** Minister, I sat on the council of the city of Ottawa for three years. It was something new to me, this political game. One of the things that surprised me was—we deliberated quite a long time to come up with the new changes to the official plan and the bylaws in order to freeze the urban boundaries and to come up with a densification plan for the city of Ottawa. This took a lot of thought. This was, I think, supported by a large majority on council, 22 people sitting around the table, including the mayor. This was one of the big achievements of that first three years of the new city of Ottawa. Then you see that these decisions can be appealed to the OMB.

I just wonder how we can relate—a city of 500,000, 600,000 or 700,000; you have the councillors doing all their work; you have all the planning staff doing it. You put two or three years into it, and yet you have a couple of people who are appointed on a board who can change some of these things. I just would like a better explanation of that and how that's going to change under this government, if it is.

**Hon Mr Gerretsen:** I think, first of all, Bill 26 speaks to that to a large extent. There are a number of aspects to Bill 26. One is that all official plans have to be consistent with the provincial policy statement. I should preface all of these remarks by saying "if passed." If I don't say it, please insert "if passed" somewhere. I don't want to be accused of assuming anything at all. We'll just have to wait and see what happens in the House.

The other aspect deals with time factors. Sometimes municipalities feel they've been rushed, particularly with respect to official plan amendments, and that's why we've improved that.

I think another very significant aspect of Bill 26 is the notion that elected councils of a municipality should be the deciding factor in determining where the urban boundaries of that municipality should be. It had been our impression that there had been times in the past when the urban boundaries of a municipality may have been imposed at the Ontario Municipal Board against the wishes of a particular municipality. So that's what we were trying to overcome with Bill 26.

Some people may have a different opinion. Some people may say the OMB is the proper forum. I certainly don't hold that belief at all. I believe fundamentally that

people who are elected at the local level are just as legitimately elected as people at the provincial and federal levels. They're just as smart, just as dumb, just as bright, just as whatever. If people don't like what they're doing, they are held accountable every three years when elections come around in exactly the same way as governments are held to account and we as individual members are held to account every four years or whenever elections come around. I guess they will be every four years now. I think that's one fundamental decision that should not rest with basically an unelected body. This is not taking a shot at the OMB or anything like that. It's just a fundamental difference of opinion as to what an appeal mechanism should be all about.

On the other hand, I certainly don't share the view that the Ontario Municipal Board should no longer exist. I think there will always be room for certain appeals, where there are legitimate differences of opinion between developers and municipalities and individual ratepayers or organizations etc, that are best determined by the Ontario Municipal Board. But where the urban boundaries should be for a municipality should not be decided by the OMB.

I think that answers your question as to, why should another group of people, other than the elected people, determine where the urban boundaries should be?

**Mr McNeely:** Thank you. The second question deals with another issue that came up over the three years. It was the Nutrient Management Act and the amendments made in 2002, which stripped municipalities and even cities—again, it's the same 22 people sitting around trying to protect the communities. These mega hog factories—I believe the legislation was written for them, by them. It has really presented a problem where you have villages or towns or even the urban areas of major communities like Orléans. You can come within 700 metres with one of these large polluters and they're not classified as industries. You don't have the same rules that other industries have. Your air emissions are thrown out. Again, this was the province throttling the cities, taking their authority. It was under the guise of not wanting this checkerboard. I don't go for that at all. I think you have to protect villages and towns and cities.

This was one of the issues that came up over the three-year period at the city of Ottawa, and it's still there. I just wonder, if you've got 700 people, if you're paying 22 councillors and a mayor, if you've got staff who know what they're doing—this relates to the first answer—we should maybe have more respect for the city politicians, in this case, where by a large majority we tried to change the rules. We have something, a three-kilometre buffer, that's coming up to the OMB. I think those are the things that former governments did to cities. I'm wondering, are we going to be able to bring that back at all?

**Hon Mr Gerretsen:** I don't think I want to comment on that. I think you yourself said it's before the OMB right now, and I certainly don't want to comment about anything that's before the OMB. I do know that the ministry has challenged Ottawa on the official plan

relating to that issue, and that's about all I want to say right now about that. It would be imprudent for me to say anything else. Sometimes there are legitimate differences of opinion between municipalities and the province, and that will always continue that way, but I won't comment on that particular situation.

**Mr McNeely:** Thank you.

1630

**Mr Milloy:** Minister, I want to take a minute and talk about some specifics related to those who are on social assistance: the working poor, the less fortunate. They go by different terms in our communities. In my area, since I've been elected and even before, I've spent a great deal of time with various social agencies, with advocates for those who are poor or on social assistance and also with recipients themselves. In fact, our colleague Deb Matthews, the parliamentary assistant to the Minister of Community and Social Services, was in my area about a week and a half ago to hold a series of consultations with these various groups on how the government should be moving forward.

The one thing that comes to light in all these discussions is that one of the big determinants of well-being, I think, is housing. It's amazing the number of people you talk to who are in the social assistance field who tell you that the starting point and, in many ways, the end point for the well-being of someone is having adequate housing. As you know, it's not just about the difference between homelessness and having a place to sleep, because those individuals may be sleeping on a friend's apartment couch or in adequate housing; it's not their own housing.

I realize that your colleague the Minister of Public Infrastructure Renewal has a significant role to play in terms of housing, but obviously I want you, as minister of housing, to put that hat on and talk a bit about what you're doing to create and maintain affordable housing.

**Hon Mr Gerretsen:** Certainly the issue you've raised is very important; there's no question about it. I think the government, and certainly I as an individual, feel that housing is a basic human right and speaks to the basic dignity and self-worth of the individual.

As you've indicated, the Minister of Public Infrastructure is negotiating an agreement right now with the federal government that deals with the balance of the 20,000 units of affordable housing that we committed to in the party platform we ran on during the election. I believe that about 2,300 of those units have been built, but the other 17,000 are being negotiated right now with the federal government. Quite frankly, if we hadn't been left in a such a horrible financial mess, with a deficit of over \$5.6 billion, we probably would have been able to do more by now; I'm not going to shirk from that.

There are some programs we were able to start up. I think the rent bank idea, with \$10 million added to the individual rent banks of housing providers around this province, has been a positive thing. The feedback we've had from the different housing providers says it's really a good program. It helps people who have emergency need

situations, as a result of the loss of a job or a health situation, and may not be able to pay rent for a month or two. In effect, rather than being evicted from their units and going on social assistance, which would cost the system a heck of a lot more money, they're able to stay in their home environment. It's a program that's working well. In some municipalities, it's a grant program; in other municipalities, it's a loan program and some of the money is being returned. What we basically tried to do with that program—which, in the totality of things, may be a relatively small program—was not set up another administrative network. We basically said that if an administrative network for the rent bank existed in a housing provider's area, that's the system we would use. It has worked, by and large, fairly well.

In the ministry budget, on page 121, you will see that there is a transfer payment to the Ontario Housing Corp that includes \$50 million for rent supplement, which supplements the rent of about 8,000 units across the province. Should it be more? Hopefully so, but the funding just isn't there right now.

We also talked in our platform about the housing allowance program for 35,000 of the neediest working families out there. I think a lot of people who deal with the housing issue have come to the conclusion—and there's nothing new about that—that quite often it isn't so much a housing problem as it is an affordability issue. When people spend more than 50% of their total income, whatever that may be, on housing, there isn't going to be too much left for the other necessities of life, particularly for people on the lower income scale.

So we're working on these programs. It's certainly my hope that the Minister of Public Infrastructure will be able to sign an agreement with his counterpart at CMHC, the Honourable Joe Fontana, and that that will come sooner rather than later. There's no question that if we weren't in the financial mess we're in right now, we probably could be doing a lot more. I know the will is there, but the money just isn't there right now.

Of course, the other area is the whole tenant protection area. Within the next little while we will be bringing forward a bill that I think will provide better protection for tenants than there is right now. We'll just have to wait and see what that bill looks like when it gets to the House fairly soon.

**Mr Milloy:** Can I, as a follow-up, ask about the rent bank system and the changes that were introduced, the major change being an infusion of cash. You talked about the feedback. Has it been quantified in a way? Have there been new communities that have started rent banks? I know that in my own community, Waterloo region, there's a very well run rent bank. They were very pleased to receive the additional funding, and it works quite well. I just wonder what the experiences are in other individual communities, whether new ones have come up.

**Hon Mr Gerretsen:** We have the assistant deputy minister for housing, Doug Barnes, here, and maybe he can get more specific. But I understand that in those areas that didn't have rent banks before—there were some ser-

vice providers, and Mr Barnes can give you the number—we gave them the opportunity to start a rent bank. In those areas that weren't covered by any service providers, the ministry is prepared to get involved directly. We want to make sure the rent bank money is available to 100% of the people in the province.

Doug, do you have any more particular information?

**Mr Doug Barnes:** In fact, we've had a very good record. All the service managers across Ontario—that includes all areas of Ontario—have signed a memorandum of agreement in terms of interest and intent. I believe 21 are completely in gear and running right now in terms of provincial funding and the rest will be done by the end of this month.

In terms of dealing with the rent bank, the minister is quite right. I believe there were 21 rent banks before. So we are expanding it quite extensively.

**The Chair:** Ms Di Cocco, three minutes.

**Ms Caroline Di Cocco (Sarnia-Lambton):** One of the things I hear—I was a city councillor before I came to the provincial level for a year and a half. I have not had as lengthy experience as you, Minister, but my year and a half certainly provided the sense of an attitude to the municipalities that seemed to be prevalent from the provincial government at the time. It seemed to be one of confrontation, an attitude of “Thou shalt.” When I was in the House in opposition, different legislation would come down and I remember some of the mayors who felt as if they were left out. One of the things I note is the extensive consultation and the time you're taking to meet with mayors, to talk to them. I remember, for instance, a couple of times Ministers of Municipal Affairs coming into my neck of the woods who would not meet with mayors; they had their own reasons for being there. I certainly hope this government, our government, has changed its attitude toward municipalities, and I'm really glad to hear that.

Maybe you can speak a little bit about the relationship of the provincial government with municipalities and how different it is, compared to where we were when it came to the confrontational approach. I'd like to know that we don't have that confrontational approach. I think we believe that we can do more with co-operation than confrontation. Maybe you could provide some comment on the relationship between the province and our municipal partners.

1640

**Hon Mr Gerretsen:** Well, I'm not one for tooting my own horn. I just don't play that game, you know. I think that you have to look at it historically. Historically, municipalities have always relied tremendously on the provincial government. At some points in time, when money was plentiful, municipalities got a lot of money; at other times, they didn't. I think the last eight years were that way. I think it's fair to say that a lot of responsibilities were transferred, which usually meant higher cost to local municipalities and things like that.

There has to be a cultural change. If municipalities really want to stand up on their own, there has to be a

cultural change both provincially and municipally. I think that's going to take some time. It's not going to be solved in a year or four years. Maybe it's going to take eight to 10 years, maybe longer than that. There's too much of an attitude, I think, within the municipal world of, "Well, if we haven't got the money"—this has been the traditional attitude—"let's see if we can get it from Toronto."

I think we have to be fair about it. When you look at a lot of the old subsidy programs that were around at one time, most of them were started during the Depression, when a lot of municipalities went bankrupt or nearly bankrupt. There's no way they could have done any of the major infrastructure work that was needed then, during those times when the road network was being established in the province of Ontario, when water and sewage plants were coming on stream etc. They just didn't have the financial capacity, because basically they only rely on the municipal property tax base etc. So I think over the years, probably starting with the Second World War, municipalities became more and more dependent on the provincial government and also, to a certain extent, on the federal government for infrastructure funding. That idea of dependence over a period of time perhaps transferred to a lot of other areas as well.

On the other hand, it was always convenient for most governments, regardless of political stripe, to keep continually thinking of municipalities as being creatures of the province. There was a certain niceness about the dependency, so that when any major project needed to be done in the municipality, the province sort of had to concur with that.

What we're trying to do now is to make municipalities more financially independent, perhaps through the Municipal Act review and through acts like the city of Toronto and city of Ottawa review, to give them more permissive legislation, allow them a greater level of autonomy in wide areas. The example that Mayor Miller always uses is, when he wants to put a speed bump on a residential street, does he really need an environmental assessment? On a residential street, on a local street, do you need an environmental assessment? There are many issues like that. I don't think that's necessary. The municipality itself should decide what they want to do on their own residential streets, and there's a whole variety of areas that way. So it's going to take a lot of time. Certainly three or four years aren't going to do it, but we're giving it an honest attempt and we'll see where we get in the long run.

**The Chair:** Thank you very much. I'd like to recognize Mr Hudak.

**Mr Hudak:** If I could, Minister, if the assistant deputy minister wouldn't mind—

**Hon Mr Gerretsen:** Which one? We have a number of them here.

**Mr Hudak:** Is it Ms Davies? Thank you. I just want to get back to a couple of things that we were discussing before, particularly, and Mr Prue talked about it: the common set of assumptions that were agreed to by the parties on the valuation of the land. Again, could you describe what those assumptions were?

**Ms Davies:** I think I have described the normal way that appraisals are done on land. If you're asking effectively for a summary of the particular appraisal reports on these particular lands, I would have to take you back to my earlier comment, because I feel bound by it, that the confidentiality protocol requires that the details related to the exchange be put in the public realm when the transaction has closed. I think what's important about that is, if you conceptually think of it, there are minutes of settlement that set value for value. Then there's a land exchange agreement that's like an agreement of purchase and sale. But the critical point is that until the transaction closes there is not, in effect, an exchange. The confidentiality protocol requires us to hold in confidence the details in respect of what's in the specific appraisal reports until the transaction is closed.

I spoke, in answer to your question, of the general approach to appraisals which is common across any appraisal of urban type of land and the types of assumptions that one would expect in that type of appraisal report. But if your question is to go to a deeper level of detail, we are precluded from disclosing that at this time.

**Mr Hudak:** Previously, when we had discussed this, you said the minister would make the decision whether to make that document public once the land swap is finalized. If I could ask the minister just a quick question, is the minister willing to make that public?

**Hon Mr Gerretsen:** We're willing to make those documents public once the final negotiations and agreements with the Uxbridge landowners have been arrived at, whatever documentation finally culminates those deals. Then, at that point in time, we're more than willing to make those documents public. The reason for that is—

**Mr Hudak:** Minister, I think the assistant deputy minister meant by "those documents," in response to my question, the specific land appraisals of the parcels that were exchanged. So will you make those specific land appraisals public as part of your public process?

**Hon Mr Gerretsen:** I'd have to seek advice on that. Basically, what we're talking about here is a value-for-value exchange wherein 1,052 acres were exchanged for twelve hundred and some-odd acres. So the actual dollar value put at each particular property is the same, but what that amount is, I don't see the relevance of that, quite frankly. But maybe you do.

**Mr Hudak:** I do from this point of view: I think we have a role in opposition in the estimates committee to make sure that the valuations that were arrived at were done in a fair and equitable manner. As part of that analysis, I think it's important to get public review of those specific appraisals of the land value. You said you'll get advice and hopefully get back to the committee whether you'll make those documents public as well.

The assistant deputy minister talked—it's obviously complex; right? You talked about the number of homes, commercial developments and industrial developments that could occur. Is industrial part of this equation, or just residential and—

**Ms Davies:** "Employment lands" is generally the term used, which can include a variety of types of uses.

**Mr Hudak:** OK. I guess an assumption was made of how much in each area, how dense and the value of each particular parcel to come to an aggregate number that should be a value-for-value swap, an identical swap.

**Ms Davies:** Correct.

**Mr Hudak:** So it's complex and I think it's important for us to be able to review that agreement for the general public and taxpayers, particularly in that area.

**Hon Mr Gerretsen:** You were part of a government that made the original agreements, so I'm sure you went through some of those considerations as well in 2001.

**Mr Hudak:** For sure. What I'm trying to be specific with, and I thank the minister for reminding me, is the additional 47 acres. As I said, my belief is that Dalton McGuinty made an irresponsible promise, knew he was going to break that promise and tried to save face. So I'm worried that what I think we're calling the 2003 supplemental agreement is not a good deal for taxpayers because the Premier was over a barrel with respect to his promise. If I'm proven to be wrong, great. I think taxpayers will be relieved to hear that, but I think we do have a duty to review that.

To the assistant deputy minister—

**Hon Mr Gerretsen:** But I can tell you that the valuation of that particular land—

**The Chair:** Minister.

**Hon Mr Gerretsen:** He just made a statement that I think—

**The Chair:** He's entitled to make statements, but when he asks you a question, we'd ask you try and—

**Hon Mr Gerretsen:** I thought there was a question there, but maybe I'm wrong.

**Mr Hudak:** No.

**The Chair:** No, you did call it a statement and I call it a statement, so we're in agreement.

**Hon Mr Gerretsen:** I yield to you, Mr Chair.

**Mr Hudak:** To the assistant deputy minister again, I know you have a confidential agreement, which I respect, and I appreciate the position you're in. Is the quantity of land in Seaton greater, as part of the 2003 supplemental agreement, than the 47 acres that were given up in Richmond Hill?

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**Ms Davies:** It is included in the overall exchange number of 1,057 in Richmond Hill for 1,275 in Pickering. That is the aggregate expectation of the lands that will be exchanged. As we noted, the actual closing has not occurred.

**Mr Hudak:** Right. But if I understood from Mr Kozman, we had come to a point with—I forget the title, but the original deal, if you will, had agreed to parcels in Richmond Hill in exchange for parcels in Seaton. Then we had the 2003 supplemental agreement where 47 additional acres were found in the Richmond Hill area in exchange for X number of additional acres in the Seaton area. I just wonder if those additional acres in Seaton, as a result of the 2003 supplemental, are greater than 47 acres.

**Ms Davies:** To respond to your question, there was no agreement on what we're calling the first group. There

was never a signed agreement until the minister signed an agreement recently. There were negotiations that were proceeding but were never concluded. So it's not possible to say there was X amount of lands at a point in time, because there was never a meeting of the minds, because there was never a signed agreement. So I can't answer that.

**Mr Hudak:** I'll review Hansard on that, but I thought Mr Kozman had said last week that he could actually quantify that, that there was a basic level that had been agreed to before the supplemental agreement and then you could quantify the 47 additional acres from Richmond Hill which would equal an additional amount in the Seaton area.

**Ms Davies:** I believe what Mr Kozman said was discussions had proceeded to an advanced stage, when I looked at his remarks. I concur that there had been a long process of discussions, but I would like to make clear that there was never an agreement, so there was never a number.

**Mr Hudak:** OK. There's obviously a great deal of complexity here as to how the valuation took place by outside consultants. The minister may or may not reveal the documents of that appraisal; hopefully he will. He's talked about the agreement as a whole, but I think this committee and taxpayers could benefit from the appraisals themselves.

A quick question to the minister: Given the complexity of this and given that the fairness commissioner did not review the appraisals, would the minister consider allowing the Provincial Auditor to review that appraisal to make sure it's a fair deal for taxpayers?

**Hon Mr Gerretsen:** I'm not at all sure whether the fairness commissioner didn't review the appraisals. I'm not sure whether you're correct in that.

**Mr Hudak:** Either way, Minister, would you agree to have the auditor look at the appraisal [*inaudible*].

**Hon Mr Gerretsen:** Look, first of all, this government is working under the confidentiality agreement that you negotiated as the previous government—

**Mr Hudak:** It's just a simple question, Minister.

**Hon Mr Gerretsen:** —and we will disclose all the necessary details as soon as we're able to.

**Mr Hudak:** I understand.

**Hon Mr Gerretsen:** The fairness commissioner has taken a look at it. You appointed Mr Crombie and the group that made the original agreement. I believe he was involved—

**Mr Hudak:** But, Minister, my question is very specific with respect to the appraisals of the lands that were exchanged as part of the 2003 supplemental agreement. It's obviously complex. The assistant deputy minister has explained the complexity of it. Why not have the Provincial Auditor look that over to determine whether it's a fair—

**Hon Mr Gerretsen:** I'll take your question under advisement and get back to you in due course.

**Mr Hudak:** The committee goes on for a few more hours. Could you get back to us perhaps tomorrow with respect to the auditor's review?

**Hon Mr Gerretsen:** Maybe, but maybe not.

**Mr Hudak:** Chair, again, I'd like to register that. I'd appreciate the minister getting back to us. It seems fair to me that we have an unbiased outsider as the auditor on the exact value of the exchange of land, just as the fairness commissioner was on the process. I hope the minister will take me up on this to ease any fears the committee may have that it was not a good deal for taxpayers. I think that's a process the minister should take under consideration and hopefully come back to us in a positive way.

**Hon Mr Gerretsen:** I can assure you of this—

**Mr Hudak:** To the assistant deputy minister, if I could.

**Hon Mr Gerretsen:** OK.

**Mr Hudak:** With respect to the Seaton parcels of land that will be exchanged, help me understand, whereabouts are they? Are they close to an existing urban settlement? Are they on a major highway? Where exactly are these parcels? If we walked there what would we see?

**Ms Davies:** The parcels are abutting and south of Highway 407, which is a major transportation corridor. They are also south of the federal airport lands. They have, for example, a significant arterial in Pickering, being Brock Road, which connects down to the GO train line in the south. So they are a large parcel and they abut some major transportation corridors.

**Mr Hudak:** What's their level of servicing currently?

**Ms Davies:** The Seaton lands are not serviced currently.

**Mr Hudak:** I think the municipality of Pickering has expressed a great deal of concern about the servicing costs for this land. In a Toronto Star article of October 12, they quantify it at \$200 million as the cost of servicing to that land. What obligations has the province taken up as part of this land swap to help pay for the servicing in the Pickering area?

**Ms Davies:** The servicing of lands is generally done through two processes. The first is the development charges process. Major servicing—sewer and water, roads—those services will be provided through the same process as they'd be provided in any area, which is to say, through the region of Durham development charges bylaw.

There is also servicing which is referred to as subdivision servicing or servicing within plans, which is the responsibility of those who are actually developing the parcel of land, that is, the responsibility of the individual developer or builder, depending on who is actually constructing the houses.

The province as a landholder in Pickering—as we know, the amount of land the government has said they're exchanging, 1,275 acres, is not the entirety of the Seaton parcel. There is residual land held by the province. Theoretically, if the province sold those lands, the person who bought them would be responsible for those costs; and if they developed them, then the province would be responsible for those costs. That is a process that's currently under discussion between the future

owners of Seaton, the province and the region of Durham, trying to develop what the servicing scheme should be in order that it can be costed, in order that it can be put into the legal framework for collecting the money.

**Mr Hudak:** Has the province made any commitment to the landowners in the Seaton area that will be contributing to the servicing costs—roads, water, sewer or any servicing costs?

**Ms Davies:** The province as a landowner would be expected to contribute to that as long as it remains a landowner—absolutely—by the normal operation of law.

**Mr Hudak:** Is there a value of the province's commitment in terms of developing the Seaton area? Were you committed to a certain level of funding?

**Ms Davies:** In negotiating, the province has been able to—it does get complicated. When you're dealing with development charges, when you're bringing large new areas on, sometimes there is something called front-ending, which is where you put the services in in advance of development occurring, in order that the development can occur. Major landholders do that and they get a credit against the development charges that are subsequently payable. The province, as long as it remains a landholder, has negotiated that its contribution will be capped at a fixed amount in terms of the front-ending component, yes.

**Mr Hudak:** Is that part of the overall agreement, then, subject to confidentiality, or can you tell us?

**Ms Davies:** Yes, it is.

**Mr Hudak:** What is the involvement of the city of Pickering in those negotiations with respect to servicing costs?

**Ms Davies:** At this point, the servicing scheme we're looking at is those services that are the responsibility of the upper tier, so the major roads, trunk sewers and water. The negotiations have been primarily with the region of Durham, but as I believe the minister pointed out, planning is never that simple. Pickering is ultimately the municipality that will be the host to that development, so, as directed by the minister, we have been making the offer to include Pickering in any and all discussions that are taking place with the region on servicing, because the master servicing plan has an impact on how the community ultimately develops and is of interest to Pickering from a land use planning perspective. So they've been invited to participate in those discussions.

**Mr Hudak:** When the government did its communications, or specifically the ministry, with respect to the Oak Ridges moraine land swap, in those public releases did it talk about the province making a commitment to the servicing costs of Seaton?

**Ms Davies:** I would need to go back and look at that press release.

**Mr Hudak:** Because it seems like it's part of the deal, right? There is an exchange of land—

**Ms Davies:** It is part of the overall scheme because it is a landowner, but I can't answer whether the specific news release referenced that.

1700

**Mr Hudak:** Is it fair to say though that in addition to receiving lands in the Seaton area in exchange for the Richmond Hill packages, the province will be making investments that will benefit the new landowners from a servicing point of view?

**Ms Davies:** That's not how I would interpret it; I would say that any investment the province makes is only because of its role as a residual landholder. Should it sell all of its residual holdings tomorrow, the successor in title would be responsible, so that the province's investment goes to the value of its retained lands. I don't see it as having—I actually see it as the reverse benefit, that the developers, in perhaps moving forward more quickly to develop the land, will provide some benefit to the residual provincial holdings, which at this point have no plans for development on a particular time scheme.

**Mr Hudak:** Would it be accurate to say that the developers will be responsible for 100% of the servicing costs to the properties that they will receive as part of this land swap?

**Ms Davies:** Yes.

**Mr Hudak:** One hundred per cent?

**Ms Davies:** Of the attributable portion to those lands they will ultimately get through the normal development charges and front-ending scheme, yes.

**Mr Hudak:** How about transportation corridors for Seaton? Are they sufficient, or would we hear that they're not sufficient to support a development of that size?

**Ms Davies:** What you're really now talking about is the OPDA planning exercise that's taking place under the Ontario Planning and Development Act to establish a development plan for Seaton. The province, as you may be aware, is in the process of consulting with the public and has held two meetings recently to put various scenarios before the public for comment.

That work is being led by consultant John van Nostrand, who's developing the plan for the province. In the consultation sessions, he's put up some different models for servicing. In the simplest of terms, you can have one big road or two small roads. Those are choices that are made based on the structure of the community that you ultimately want to see. So what we know, because of working with Durham, Pickering and our own consultant, is that at the end of the day, the type of servicing we need, the adequacy of it, is a matter of choices. And that is the process that is underway in developing the OPDA plan for Seaton. So no final decisions have been made on that servicing structure.

**Mr Hudak:** Have funds been earmarked from the province, set aside, to help with the servicing of the Seaton community?

**Ms Davies:** Not that I am specifically aware of, because the determination hasn't been made, to the best of my knowledge, of whether the province will in fact develop those lands and pay those costs, or whether they will sell those lands. That's a choice that the government in due course, I'm assuming, will make. So I'm not

aware of any specific determination of that. There's a process where one goes forward to Management Board when those servicing plans and the costs crystallize, and they would be dealt with that way.

**Mr Hudak:** To the minister, his assurance that there were no additional commitments by the province that there'd be roads, water or sewers outside of the land swap agreement to the benefit of the developers in the Seaton area?

**Hon Mr Gerretsen:** That's my understanding, yes.

**Mr Hudak:** With respect to the environmental sensitivity of the lands in the Seaton area, how did the ministry go about determining which lands to set aside, the environmental benefits of particular lands?

**Ms Davies:** There's been a two-step process, if I can put it that way. In order to embark upon the negotiations of the land exchange, we needed a framework, so the province brought together the Ministry of Natural Resources, the Ministry of the Environment and the Toronto and Region Conservation Authority. These lands, as you may know, have been studied for 30 years. There were a lot of raw data available. They took all of the data and, as you've seen in many other places, established what's referred to as a natural heritage system, those areas that, based on taking natural features and then linking them together into a system, should not be developed based on the current policy regime set out in the provincial policy statement. So through that process of MOE, MNR and the conservation authority, a natural heritage system was established. What that showed at a preliminary level is what parcels then would be left which would be developable. That is step one.

The second step, though, is that the Environmental Assessment Act requires that prior to the province acquiring or disposing of land, it must conduct a class environmental assessment. And as I know you heard last time, Ontario Realty Corp is doing a class environmental assessment to look at both the acquisition of the lands in Richmond Hill as well as the disposition of lands in Seaton. Part of that process is to determine what is appropriate to dispose of. So there is another layer, if I can use that word, being looked at in terms of cultural heritage, because there's natural heritage—the rivers, the streams, the setbacks etc—but there's also cultural heritage.

That's why, when we say that the parcels have not finally been determined, in my view it's a bit more than a detail, because it's fundamental. If the environmental assessment says, "These lands over here that you were proposing to dispose of in fact shouldn't be disposed of," then the government, I assume, would not dispose of those.

The two-step process was establishing the natural heritage system, and now there's a class environmental assessment to determine any other limitations on the lands proposed to be transferred.

**Mr Prue:** Let's go back to the City of Toronto Act, although this Seaton stuff is fascinating, I want to tell you. Because there are those out there who think that the private member's bill, Bill 120, An Act to amend the

City of Toronto Act, may be the precursor of what you plan to do, may be in lieu of what you plan to do, may be a trial balloon in terms of what you're going to do, I'd like to pose a question.

I'm reading here from the member for Don Valley West's letter that she sent to all of the members of the Legislature, dated October 14, about what she hopes to do with this particular bill. I would just like you to respond as to whether or not your bill, which is going to be coming forward later in this year, will deal with any of the same items—if you can just tell me one at a time whether your bill is intended or whether your staff are working on a bill that is intended to do any of the following things.

The first one she includes would give the city of Toronto new powers “including the authority to change its number of city councillors.” Will your upcoming bill be, in any way, dealing with this?

**Hon Mr Gerretsen:** Let me first of all say that her bill is entirely independent from any initiatives that are taking place within the ministry. If there are some areas that happen to be the same, it is by pure coincidence or by the fact, I assume, that she happens to be thinking along the same lines as what other people in this community are thinking about. I don't want to prejudge that. I have no idea how important—

**Mr Prue:** I'm not asking what's in her bill. You made a statement two weeks ago that you were proceeding with City of Toronto Act amendments. You must have a pretty good idea what you're going to do. All I would like to know is, are your amendments that you are contemplating at this time and have promised to introduce sometime this year going to include the authority to change the number of city councillors? I want to know how seriously to take this bill, and I want to know how seriously to take yours in the future as well.

**Hon Mr Gerretsen:** OK. I don't know the answer to that.

**Mr Prue:** All right.

**Hon Mr Gerretsen:** I'll be honest with you about what's happened so far with respect to the City of Toronto Act, if you're interested. A working committee has been established, made up of city of Toronto officials and officials within the ministry. The working committee, I believe, is starting to meet. The city of Toronto has, through its mayor, indicated a number of issues that they're interested in discussing.

In due course, we may be bringing a number of issues to the forefront as well. Whether or not the number of representatives in the city of Toronto is one of the issues that the city will bring up or that we're willing to legislate on remains to be seen. But we've got an open mind about it.

**Mr Prue:** That's fair. The second one that she's talking about here is, “change its ward boundaries and the number of wards in the city.” Are you contemplating any changes to that in your bill later this year?

**Hon Mr Gerretsen:** We're not contemplating any current changes on that, but it may very well arise as a

result of the discussions that we're going to have with the city of Toronto. That may very well be a possibility.

**Mr Prue:** The next one is, “change the composition or powers of community councils.” That was very contentious with the former government and the amalgamation bill.

**Hon Mr Gerretsen:** All I can tell you is that right now we're not recommending any definitive changes, because we haven't had those kinds of discussions yet with the city of Toronto to understand exactly how they feel about a lot of these issues and we haven't developed our own position on these issues. I think a lot of it depends on the city of Toronto. I believe the council of the city of Toronto and the officials of the city of Toronto have a better feel as to how Toronto should be governed internally than the province does, so we're willing to discuss any of those issues with them.

1710

**Mr Prue:** The next couple would clearly make Toronto absolutely unique, and the next one is to set its own election dates. This would allow Toronto to hold a different election date than every other municipality. It's usually the second Monday in November, every third year. It's the same in Sutton—or Georgina, I guess, now—as it is in New Liskeard as it is in Toronto as it is in Hamilton.

Are you contemplating any bill that would allow Toronto to go on its own and hold an election date different from every other municipality?

**Hon Mr Gerretsen:** That's not something we're contemplating right now, but we're willing to discuss it with them. I think, of all the issues you've mentioned so far, that's probably the one that would be the most difficult to deal with. I'd like to know the reasons for it. Is the second Monday in November such a bad day to have an election? I remember when the first Monday in December was always a bad day because it always seemed to snow on those days.

**Mr Prue:** Before that it was January 1, but you have to go back a while.

**Hon Mr Gerretsen:** Oh, that goes back well before my time.

**Mr Prue:** I remember it from when I was a boy.

**Hon Mr Gerretsen:** They had elections on January 1?

**Mr Prue:** Yes.

**Hon Mr Gerretsen:** You weren't around in those days.

**Mr Prue:** I was a boy. I wasn't old enough to vote.

The next one too is pretty strong, and I want to know whether you're contemplating this as well: “change the term of office for city councillors.” Right now, the term is three years.

**Hon Mr Gerretsen:** There has been some interest expressed by different individuals, not only in the city of Toronto but elsewhere as well, that perhaps the term of office should be more along the lines of four years. I think you and I know all of the arguments pro and con. On the one side, people will say that if you make it four years, there are a lot of good people who may not be



willing to commit themselves to four years. On the other hand, an argument can be made, “Why should the local councillors be subjected to elections more often than people at the provincial and federal levels?” I think there are good arguments to be made on all sides. If the province were to move on that, we’d certainly want to know how the municipal world and how the public in general feel about that issue.

I’m sure you and I recall, when a similar debate took place back in the early 1980s with respect to going from a two-year to a three-year term, that it was somewhat contentious. People had some very strong views on that. Maybe we’ll have that kind of discussion again on this issue; I don’t know.

**Mr Prue:** OK. But at this stage, you’re not contemplating that in your change to the City of Toronto Act?

**Hon Mr Gerretsen:** We’re not contemplating that at this stage, but we’re willing to discuss it with them.

**Mr Prue:** The next one, I think, is the most contentious of all: “adopt its own set of election finance rules.” Right now, every municipality in the province of Ontario is bound by the finance rules, election campaign finances, Municipal Elections Act, 1996, SO 1996, chapter 32, schedule, sections 66 through 82.

Are you contemplating giving the city of Toronto any jurisdiction to set its own election finance rules, different and apart from those set by provincial statute? Are you contemplating that later this year? Certainly Ms Wynne is.

**Hon Mr Gerretsen:** We’re not contemplating that, but having said that, I can well understand that the larger a particular riding or ward or area that a person runs in and the more funding that has to be collected in order to put up a legitimate and good showing—perhaps a good argument can be made that the rules in larger municipalities shouldn’t be identical to the rules in smaller municipalities. Whether or not we would allow a municipality to set its own rules—I somehow doubt that. But you realize that, while I’m giving you these views right now, they’re just my current personal views?

**Mr Prue:** Absolutely.

**Hon Mr Gerretsen:** I don’t want, at some point in time in the future, somebody to pick up a Hansard and say, “The minister said this; the minister said that.” All I’m giving you are my own personal opinions about these things. We’re willing to discuss these with Toronto and with anybody else. The whole notion is that local government should be as autonomous as possible, and we’re working toward that. So in a lot of these areas I would imagine that the rules will be loosened or changed to some extent.

**Mr Prue:** The last thing that is contemplated in Bill 120 is the control of its own voters’ list. Are you contemplating giving the city of Toronto or any municipality, in amendments you are going to be making, control of its own voters’ list?

**Hon Mr Gerretsen:** It’s my understanding that having a provincial voters’ list—and I think we’re working off the federal voters’ list now to some extent, aren’t

we?—has some advantages to it. But each one of us, over the years, has detected the deficiencies in that list from time to time. I haven’t given that much thought, quite frankly. There are good arguments to be made for it. We could certainly take a look at it, but I wouldn’t want to commit myself to it one way or another.

**Mr Prue:** So what I would take from your many statements, and I realize they’re quite preliminary, is that you are in contact with city of Toronto officials; you will be meeting them over the coming weeks, months, or longer period of time; you will listen to what changes they want to make; you will bring your own changes to bear; and you will bring an act forward sometime later in the year. Is that all pretty correct?

**Hon Mr Gerretsen:** Yes, that’s correct. Now, when we say “later in the year,” I don’t think it’ll be this year. I think a commitment was made by the Premier and by my office earlier as well that it would be sometime in the year 2005—probably more likely the fall of 2005, with everything else we’ve got on our plate.

**Mr Prue:** That’s what I meant—within the year, about a year from today. I should have been more careful with my words there. Also, what is contained within this particular bill may or may not be contained in your bill a year from now?

**Hon Mr Gerretsen:** As I mentioned to you before, there’s no connection between this bill and whatever bill may come out of the discussions with the city of Toronto.

**Mr Prue:** I’m having a hard time with this. I’m having a very hard time, given that there is a plan of the government, of which this person is a member, to bring forward an earlier and possibly alternate bill.

**Hon Mr Gerretsen:** Well, Mr Prue, I’m somewhat disappointed in your comment there. This is an independently minded individual who has come up with an idea that she feels very strongly about and that she has put into private members’ business. In the House, we have repeatedly said that private members’ business should be the opportunity for private members to bring up their good ideas about issues and get a feel of the assembly and maybe even get a particular bill passed. In every Parliament there are usually two or three of them. I can assure you that this is not something the government is putting out there as a trial balloon. Are there some good ideas in there? No doubt, and we’ll take a look at them, as we will at a whole bunch of other ideas that are out there as well.

**Mr Prue:** Just a bit of a statement, because the one here—

**Hon Mr Gerretsen:** You should be more trusting of the government, Mr Prue, really.

**Mr Prue:** I have learned bitterly not to trust everything that is done. Even when I say, occasionally, good things about the government, I find it in your campaign literature, so I have learned not to do that.

Anyway, one thing that you said, and perhaps it was a question of me, was on the setting of election dates. You were wondering why the election dates in mid-November were not a good idea. You talked about December 1, and I reminded you that before that, it was January 1.

My understanding of the reason these were picked is that it's from a time when Ontario was very rural, and it was intended that the election date and the lead-up to the election date not interfere with the harvest. However, today I think most politicians would tell you that it is getting extremely difficult to campaign in the period after October 31 due to daylight savings time, due to vandalism of signs and all of those things. I'm just wondering if you are considering changing other municipal election dates, realizing that although we still do have a farming community, it is becoming smaller and smaller and the value of having an election date during daylight saving time far outweighs any negative effect on the collection of crops.

1720

**Hon Mr Gerretsen:** What I recall about the whole debate as to whether it should be November rather than December was that there was a feeling that if it was too early, the existing council would be a lame-duck council for too long a period of time. This is when councils took office on January 1. I believe the way that this resolved is that councils now officially take over on December 1 or, I guess, whenever the regular council date is right after December 1. But your point about daylight saving time is a valid one.

**Mr Prue:** Nobody answers the door after 5 o'clock in November, at least not in urban communities.

**The Chair:** You're sure it's not because they know you're there?

**Mr Prue:** Before October 31, I'm usually wearing a costume.

**Hon Mr Gerretsen:** Your comment that many of the rules and regulations were set when Ontario was perhaps much more an agricultural community applies to this place as well. I don't know why we're not meeting in January and February, and why May and June seem to be the busiest time for elected people. I've often wondered about this, and people have always told me it had something to do with the way seed was put in the ground or crops were grown or a lot of issues around agricultural matters. Not that agriculture isn't important in our province; it's the second most important industry in this province, and I certainly wouldn't want to do anything to harm that.

This government, I want you to know, and this ministry in particular, is open, and we will take a look at any good ideas that emanate from the municipal sector or from individuals out there that will improve municipal government. There are very few issues where we will simply say, "No, we will not look at that at all." We will take a look at everything you've mentioned today and we'll discuss those issues with the city of Toronto and with the municipal world as well, through AMO and through other stakeholders, as far as the Municipal Act is concerned.

**Mr Prue:** I have three more minutes and because we've got into rural communities, I'd like to lead right in: You also made as your eighth statement that your ministry plans to strengthen rural communities. I was

reading the London Free Press today. I didn't bring it with me, but it talked about a good deal of consternation in those communities about your government cutting back some of the finances for drainage and other things. How are you intending to strengthen those rural communities if there are cutbacks in monies they relied upon for such things as drainage?

**Hon Mr Gerretsen:** Well, if you're talking about the municipal tile drainage program, I'm sure you realize that's a matter for the Minister of Agriculture to deal with. It's within his ministry, and I'm sure he would be more than pleased to answer that.

**Mr Prue:** But I'm wondering how you're going to counter that in your ministry.

**Hon Mr Gerretsen:** Well, we're not countering anything, necessarily. We each have our own responsibilities, and that happens to fall within the responsibility of the Ministry of Agriculture.

Let me just say that we do have a rural plan to strengthen economic opportunities in smaller communities. One of the programs we have enhanced is something the previous government started, OSTAR. We've put a slightly different twist on it. We feel it should be much more tied into the whole notion of economic development. So we are saying to municipalities, particularly in underserved areas with respect to medical services, that if they want to assist in coming up with a plan whereby offices or clinics can be opened up for a medical practitioner, those may be the kinds of program we look at, without sort of coming into the whole Ministry of Health, because that's their issue.

There are some communities—I remember visiting one a number of years ago; I think it was Havelock. The local community, through its council, decided to put aside some office space within, I believe, its own municipal buildings, where they had a clinic. I believe a nurse practitioner was obtained through some funding at that time. That person operated under the auspices of the building that the council was located in. That wouldn't have happened if it hadn't been for the economic development plan that particular community, through its local council and maybe through its business association, had started.

So we've put a different emphasis on OSTAR. There has to be an economic development aspect to it for the community. There is still a fair amount of funding available. We're asking municipalities and other organizations in rural areas to come up with plans, and there have been a number of announcements made just within the last two or three weeks.

On the larger issue I realize, particularly with respect to some of the funding related to transit that's been announced or is going to be announced by the government—the one cent a litre that we've all heard about over the last little while—that there is a fear within rural municipalities that maybe they aren't part of that. We, of course, feel that's more than offset with COMRIF. The negotiations will be finalized in the near future, again between Mr Caplan and his federal counterpart, which will basically speak to rural infrastructure needs, as far as

bridges and roads are concerned, to a large extent. It will put \$900 million on the table over the next five years for rural municipalities for their infrastructure needs.

**The Chair:** Ms Di Cocco.

**Ms Di Cocco:** First of all, I want to say that I've had a lengthy discussion with Ms Wynne in regard to her private member's bill. One of the things I think is important to put on the record is that Ms Wynne is a very independent individual, and she has had—

*Interjection.*

**Ms Di Cocco:** Exactly, and she has played an active role in citizens for better democracy.

**Mr Prue:** Citizens for Local Democracy.

**Ms Di Cocco:** Citizens for Local Democracy, yes. I don't want to speak for her, but I certainly want to say that her bill is all about, if you want to call it, that philosophy or that ideal. It's to put out there for discussion some of the issues she certainly found were part and parcel of why she came to do this job. She's got a real interest in this. I just want to put that on the record because it really is, and she's said that. She knew that although the government—it just happened by chance that we've got her bill coming forward and the government has its own initiative.

It is about better, if you want to call it, use of—when we talk about the Legislature and the role of private members, this is one of the places where you can present your good ideas. Sometimes they're in sync with what's happening. That's exactly what's happening here, even though I see some cynicism from Mr Prue.

**Mr Prue:** I am not at all cynical.

**Ms Di Cocco:** No. But I do want to put that on the record, because she definitely is very committed to this and wants to have it as part of the discussion about better local democracy.

This whole notion of transformation is part and parcel of how we transform government so it is about more accountability, it is about a different way of doing things and it is about better change. It's important that we start to have that discussion at some point in time, and I think that is what all this is culminating in.

One of the reasons I came here—you know that today Toronto is having an inquiry on that whole MFP issue. Before I ever got into politics, we had a local issue that dealt with behind-closed-doors decision-making, if you want to call it that, which led to a judicial inquiry locally. Actually, it was taken all the way to the Supreme Court of Canada to question whether or not local government had the autonomy to hold its own inquiry. It was the decision, I think, in 1997 by the Supreme Court of Canada on Sarnia's request to hold an inquiry on these land transactions that set the precedent for what Toronto is doing today with the MFP inquiry, by the way.

1730

Why is that? It's because decisions were made, in my view at that time, inappropriately. The local inquiry, by the way, found that to be the case, and millions of dollars were misspent because of the way decisions were made.

Getting to where I'm going with all of this is that there is also, in this whole transformation of better govern-

ment—where do you have autonomy, where do you have some checks and balances etc? One of the aspects that I find very important in the whole governance issue when it comes to municipalities—and public bodies in general, but it does deal with municipalities—is something that I feel very strongly about. It has to do with open transparency and it's about providing more openness and having penalties attached when public bodies go in camera inappropriately. I've been promoting and I believe it's about better government, an open meeting act, which I certainly feel very strongly about, and it's something that I think the general public is there on. I know the privacy commissioner certainly believes that we have to bring more transparency and accountability to how decisions are made and to have some mechanisms.

The strangest thing about the rules that are in place now—and I know we're going through the whole process of reviewing the Municipal Act, with a great deal of input across the province. One of the aspects of decision-making we don't have is that municipalities or other public bodies—it's more of a moral obligation. There are rules that say you should go in camera only under certain conditions but then you have to stay in public, but there are no penalties attached. Also, there's no mechanism whereby you can actually complain, or if there is, again, there are no penalties. So it's a moral obligation.

Our government certainly wants to look at transformation, more transparency, more accountability. I would really like to hear from you, Minister, some of your views on transparency when it comes to the conducting of public business in municipalities.

**Hon Mr Gerretsen:** I hear another private member's bill coming forward.

First of all, the province and the ministry will always have an interest in making sure there's greater accountability to the taxpayer. There's no question about it. I personally have always been in favour of more of the public's business being transacted in the open. It's one of the reasons why I got involved in this whole process back in 1972 at the local level, because I felt there were too many committee meetings held behind closed doors. A few of us got elected to council, including Mr Keith Norton, who is our Human Rights Commissioner, and we opened up the process in my own community. I'm always glad about that.

I think we should always be looking at any new ideas that make municipalities more accountable and more sustainable. I know that the city of Ottawa is currently looking at a report that they will be submitting to AMO with respect to having a municipality set its own rules on accountability. Some people will say, "This is contrary to what you're talking about, because you're talking about giving them greater autonomy and now you're taking it away," but I think that process issues as to how the business is done are totally different from the substantive issues as to what the councils should be dealing with or may be dealing with in a permissive way. So I think the province will always have an interest to make sure as many decisions as possible are done in an open, accountable and transparent way.

I guess the three exceptions to that have always traditionally been: land negotiations, because you want to make sure that the municipality doesn't end up paying too much if it were done in the open, or more than it should, or getting too little if it were on the sales side of things; personnel matters, which I think is only fair to the staff that you're dealing with; and any legal issues that the municipality is involved with from a strategic viewpoint. You certainly wouldn't want to have your legal strategy known out in the general public. But other than that, I cannot see any reason why a municipality should make its council decisions in anything other than an open and transparent fashion.

I don't know what else you would like me to react to.

**Ms Di Cocco:** One of the concerns we've had for a very long time has to do with tenants in Ontario. I know we are improving some of the standards for tenants. We were talking about affordable housing before, as a right and as one of those necessities in life, and one of the issues, especially in high-density populations within Toronto and other municipalities, has to do with rents. What is it that we're doing with regard to improving the standards for tenants?

**Hon Mr Gerretsen:** First of all, Brad Duguid, my parliamentary assistant for urban affairs, has been doing an extensive consultation with respect to the Tenant Protection Act. I think he went to at least 10 to 12 communities. We've had numerous representations and presentations made to us, both in person at those consultations and also through the ministry Web site etc.

We are evaluating all those issues right now. I think that the rent reform act that we'll be coming up with will provide greater protection for tenants than is currently the case. We're also making some changes to the ORHT process, to make the system more transparent and more understandable to tenants. Right now, I think some of the forms are very confusing.

The other thing that we've already done this year is that we basically did not impose the automatic 2% increase, which had been done for a number of years. We called a time out while consultations were going on. I think that's obviously been of assistance to tenants as well.

The other thing we're looking at is to tie in the municipal property standard bylaws and legislation much closer to the whole tenant protection area as well. This is an area that we heard about from tenants over and over again: their inability to get landlords that had work orders against properties to fix those properties. I think that's an area that needs to be strengthened so that tenants can be protected that way.

By the same token, landlords should be protected as well from bad tenants. There may be changes there which in effect will make it easier to get rid of the so-called bad tenants.

1740

You get good people and bad people in every grouping. Work needs to be done, and we hope to come up with a bill in the very near future.

**Ms Di Cocco:** Thank you. I was looking at the ministry's mandate in the overview, and one of the aspects is "developing and administering disaster and emergency recovery...."

I was actually quite pleasantly surprised, when there was the flood in Peterborough, that there was what I would call a surprisingly quick response on the part of the government. Could you possibly reiterate for us what it was you did, and the timeline? Again, I found it quite surprising that we were able to move as quickly as we did.

**Hon Mr Gerretsen:** Basically, within a week of the actual flooding, a cheque for \$5 million was delivered to the city of Peterborough to look after the emergency needs of that community. In the meantime, the city had to declare itself a disaster area so that the ODRAP application process and the ultimate funding through the ministry could start to operate.

I know the city was extremely pleased with it. They had a similar experience two or three years before that, and it took them months upon months before there was any action. All I can tell you is how quickly we reacted to it.

A further cheque for \$3.5 million was sent to the city just recently. So there is about \$8.5 million that has been paid already. The federal assistance program comes into effect after the province has paid, I believe, \$12 million.

We were initially trying to help those individuals who needed cash immediately because they needed other accommodation and needed to replace some of their personal clothing and things like that. Businesses in the downtown area of Peterborough, particularly the smaller business, were included as well and were eligible for an immediate grant of up to \$2,500 for lost inventory and things like that.

I know there have been some media stories recently in the Peterborough area where some people are not satisfied with how quickly they got their funding, but I can assure you that that is as a result of whatever may be happening locally with the committee or with the council there. I'm not trying to blame anybody, but that is not because of a lack of provincial funding; the provincial funding is there. I do not believe at this point in time that the \$8.5 million that was granted to the city of Peterborough has been totally used up by them. I could be incorrect on that, but I don't believe they've allocated all of that money as of yet. I think it's a success story from that viewpoint.

Now, a lot of that money will ultimately go to some of the infrastructure renewal that is required in the city of Peterborough. From just following the issue in the press and from speaking to the mayor from time to time and to Mr Leal, our local member, I think there's a much greater recognition within the community now that some of the infrastructure needs in the downtown area need to be addressed, because this has happened, on a minor and a major scale, twice within the last three to four years, and obviously they don't want to have these kinds of

emergency situations happen again in the future if they can be at all avoided.

**Ms Di Cocco:** Do we get—

**The Chair:** One minute.

**Ms Di Cocco:** I just want to add that certainly sometimes government reacts very, very slowly in situations, and it's heartening that when there is the political will and the goodwill on all sides, you do end up getting the assistance, because that's what it's about. It's about service to the public and to get the assistance out there in times of crisis. Too often, municipalities—and we've seen it in the past. When there is a crisis, there's a lot of goodwill, but there's little action, it seems. It's one of those actions that I think speak well of actually being able to function quickly, expeditiously and being effective at the same time. So it certainly does everyone in the Legislature proud that the provincial government is able to assist in these crisis situations.

**The Chair:** Thank you, Ms Di Cocco.

There is 15 minutes left before we hit the top of the hour, so I will begin a new rotation of 15 minutes, which will allow us to move to the NDP when we return tomorrow.

I neglected, before I began the estimates today, to ask if the minister had brought any of the answers that his staff undertook to respond to at the previous meeting. I'm just looking for a yes or no here. We have a list of five questions.

**Hon Mr Gerretsen:** It's my understanding that the undertakings that were provided will be provided to the committee.

**The Chair:** We would like that in a timely fashion, because we would like to complete tomorrow.

Having said that, I will move to recognize—Mr Hudak?

**Mr Hudak:** Actually, Chair, Mr O'Toole.

**The Chair:** Mr O'Toole; very good.

**Mr O'Toole:** Thank you very much, Chair, for that brief recognition.

To follow up on Mr Hudak's comments earlier, I was quite interested because I thought Mr Arthurs might ask some questions on the Seaton land—he's been closely involved in that—but he didn't. So I'll have to find out.

With the land deal, or the swap, with the York and Durham regions involved—and Mr Hudak has gone to some length to determine some costing issues there—I'm just wondering in a kind of naive way, if, for instance, York region were to lose 40 or 50 acres of developable land from their official plan, which is all a kind of mathematical matrix because they get current and future revenues, capital and development charges—they get that as a source of revenue. So you're taking that source of revenue away from the municipality. Likewise, with the dilemma found with the provincial lands, the Seaton area, there would be a kind of windfall, with development charges and all of the other ongoing revenue sources that would accrue because of that. Was that taken into consideration in this overall loss for—

**Hon Mr Gerretsen:** I'm not sure whether I agree with your assumptions at all. It's always been my impression

that if you put up residential developments, in effect over the long run they cost more to a municipality and that made up by the sort of employment land taxes that you get from there. So to suggest that because development isn't taking place a municipality would be losing the development charges, I don't agree with that at all, because presumably those charges go in the ground and the services are not needed now.

**Mr O'Toole:** Well, maybe that's true, Minister. I just see it as part of their overall plan. As I said, in the official plan they have so much land. They have capacity, whether it's in their library systems or their road systems, that's always segmented, going forward in their development charges; there are funds that are set aside. And then of course their tax base is always growing, which means several more administrators or whatever they need.

It really ties into the point I'm trying to make, in the very limited time I have, that municipalities for years have been talking about the revenue problem. We see that more eminently now with the discussion around the gas tax sharing, which became a huge political issue. But it's not new. They needed, and have wanted, a new source of revenue for a long time. If you look back at the Fair Tax Commission and lots of commissions on this area over time that you'd be familiar with as minister—the Who Does What—basically all those things were on the same issue. They were saying who's paying for what service and where the money comes from.

You've just stated on the record here that you know, as Minister of Municipal Affairs, that they don't have enough revenue for all the development that you're allowing to take place. You said that.

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**Hon Mr Gerretsen:** No, I didn't say that.

**Mr O'Toole:** You said it's a net loss to develop land.

**Hon Mr Gerretsen:** No, I didn't say that. Don't put words in my mouth, Mr O'Toole, please.

**Mr O'Toole:** I'll have to get Hansard on that. I don't want to misunderstand what I think you said. You told me, if I lost 50 acres of my official plan, I'd be out money. That's what you told me. You said if I lost 50 acres in York region, that ultimately developing that land would be a net cost to the municipality.

**Hon Mr Gerretsen:** No, no. Why I said—

**Mr O'Toole:** So you didn't—

**Hon Mr Gerretsen:** Do I get a chance to respond to this or not? He's trying to put words in my mouth.

**The Chair:** If it's brief, yes.

**Mr O'Toole:** I'm trying to make a point here.

**Hon Mr Gerretsen:** What I said was that any development charges or any costs that go into a development of, let's say, a subdivision, ultimately that subdivision is going to cost the taxpayers of that municipality more money because in effect it's being subsidized for services in the long run by the industrial-commercial sector. Every municipality and every municipal politician knows that.

**Mr O'Toole:** Agreed. So you're really saying if it's all residential, then it's a net loss, basically.

**Hon Mr Gerretsen:** I'm not saying that. But I can tell you this—

**Mr O'Toole:** It would be for York.

**Hon Mr Gerretsen:** We're not paying York anything at all. There has been no discussion with York about compensating them for loss of development land or anything like that, and we don't intend to have those kinds of discussions.

**Mr O'Toole:** I think the municipalities, in their search for revenues, should look at maybe being compensated in this deal. If you're taking that land off their development potential, some of which would be commercial, and in the case of Yonge Street, high-end commercial, and they pay three to four to five times residential, there would be a net loss, because you've just said it cross-subsidizes the residential tax base.

**Hon Mr Gerretsen:** Sir, your government made the original deal, and it wasn't part of that equation. By far the most amount of land relates to your government's deal. As I believe Mr Hudak has said, what we added to that was 47 acres. So you didn't consider any of that, we're not considering any of that, and as far as we're concerned, we don't owe York or anybody anything on that score.

**Mr Hudak:** Just some last questions in the time we have to Ms Davies, if I could. We were talking about the process to set aside developable parcels of land, and you described the sort of environmental assessment that happened. Maybe I'll direct this to the minister just quickly, if I could. I'm trying to remember my question. I apologize.

You talked about outside consultants that helped you with this. Could you quantify for the committee today, or maybe get back to us tomorrow, the cost of the outside consultants that helped the ministry with the environmental determination of the developable parcels? Also, you talked about the outside consultants that had done the appraisal work on behalf of the ministry for the land swap.

**Ms Davies:** There is the question you put forward yesterday about a series of consultants, both last year and this year, which were a mix of things. On your question just now—I'll answer it first, and then maybe we can go back to the earlier question if you would like—for the first step of determining the natural heritage system, there were no consulting dollars for that. That was MNR, MOE, TRCA.

The class environmental assessment that's underway is being done by the Ontario Realty Corp, and they are leading that process. In supporting them, though, because it's very important to the government, we have retained a consultant to assist us on the built heritage component. There was a study of heritage buildings done some years ago, so we have retained a Mr Scheinman to update that built heritage assessment that was done about 10 years ago. That's a cost that the Ministry of Municipal Affairs is bearing, and we are also supporting that work. We did a competitive tender, on which Archeological Assessment Ltd was the successful bidder. They are doing the

archaeological assessment of the lands, looking at the lands, whether there are pottery shards or other types of artefacts that would suggest there is perhaps some aboriginal cultural significance to the lands.

**Mr Hudak:** I appreciate that. Thanks for the descriptions. I wonder if we could get a report back to the committee, hopefully for tomorrow, on the costs or the estimates of the costs as well for this fiscal year for the work of the third-party consultants on the lands file.

**Ms Davies:** Absolutely. No problem.

**Mr Hudak:** Excellent. Thank you.

To the minister: The fairness commissioner, on page 5, says that this deal will allow more than half of the Seaton lands to be saved from development. You have a campaign commitment that two thirds of the provincially owned land will be set aside from development. Are you going to keep that commitment?

**Hon Mr Gerretsen:** The MNR process I believe identified about 52% or 53%—it's on page 5, did you say?

**Mr Hudak:** Yes. The commissioner calls it more than half.

**Hon Mr Gerretsen:** That identified about 52% of the land to be environmentally sensitive or agricultural in nature. As to whether or not the government wants to in effect sell less of the land so that a greater percentage can be helped and protected, that remains to be seen.

**Mr Hudak:** Minister, it's a very simple question: Are you going to keep your campaign commitment or not? You committed to maintain two thirds of the Seaton land holdings in public hands and not to develop them. Now you seem to be using language—you're backing away from that. You set the direction, certainly, with respect to the two thirds. Will you keep that campaign commitment or not?

**Hon Mr Gerretsen:** Certainly we will endeavour to—

**Mr Hudak:** Uh-oh.

**The Chair:** Let the minister finish, please.

**Hon Mr Gerretsen:** All I can tell you is that currently about 53% of the land has been identified to be in that particular category. It may very well be that another 13% will be added to that.

**Mr Hudak:** We talked earlier about the extent of broken promises by this government and a number in this ministry. I had said—

**Hon Mr Gerretsen:** No, we hope that—

**The Chair:** Minister, I haven't heard a question yet.

**Mr Hudak:** I would hope that in the second year of the McGuinty government there would be a rehabilitation program. I remember Dalton touring across the province, saying, "Shame on me. Maybe I was a bit too aggressive in my commitments, a bit too ambitious." But surely, Minister, it's a new year. It's 2004-05 fiscal; it's the second year of the McGuinty government. You, sir, promised, and your candidates promised on the campaign trail, to preserve two thirds of the Seaton land. Don't tell me that today, in the first week of the second year, you're going to break a new promise already. Please, Minister, say no.

**Hon Mr Gerretsen:** Mr Hudak, I am prepared to discuss these issues with you at any time at all—

**Mr Hudak:** It's a simple yes or no.

**Hon Mr Gerretsen:** —but I do not like you to put words in my mouth.

**Mr Hudak:** Just one or two words: a “yes” or a “no.”

**Hon Mr Gerretsen:** I just don't want you to put words in my mouth. Fifty-three per cent of the land has been identified to be sensitive, and it may very well be that we will add another 13% to that, sir.

**Mr Hudak:** But you set the direction, Minister.

**Hon Mr Gerretsen:** Are you not listening, Mr Hudak?

**Mr Hudak:** Yes, and I'm getting a little nervous that you're going to break—

**Hon Mr Gerretsen:** Fifty-three per cent plus 13% is 66%.

**Mr Hudak:** I've been there. I know that as a minister you set the direction. You bring the proposal to cabinet.

**Hon Mr Gerretsen:** Exactly.

**Mr Hudak:** You determine if you're going to keep that promise or not, sir. I'm hearing you today saying, “Maybe that promise is off as well.”

**Hon Mr Gerretsen:** No, you didn't hear me say that at all.

**Mr Hudak:** Please tell us, Minister, will you keep that commitment, yes or no, and will you keep your other commitment to preserve 100% of the agricultural exchange in that same area? You made two distinct promises, and I really hope you're not starting out this new year by breaking two key promises you made.

**Hon Mr Gerretsen:** It is certainly our intention to keep our platform commitments, sir. It is certainly our intention to do that.

**Mr Hudak:** But will you set aside two thirds of the Seaton land, as you promised in the campaign? Please, yes or no?

**Hon Mr Gerretsen:** Whatever we promised with respect to Seaton and with respect to the agricultural preserve, we will certainly live up to those commitments.

**Mr Hudak:** I'll take that as a yes, Mr Chair. How am I doing on time?

**The Chair:** Are you asking me or telling me? You have two minutes.

**Hon Mr Gerretsen:** Is this cross-examination, by the way, Mr Chair?

**Mr Hudak:** No, you scared me, because it looked like you were trying to break—

**Hon Mr Gerretsen:** In cross-examination, you're not allowed to ask leading questions, and they were leading questions. But I don't mind that. I don't mind it at all. Just keep it coming.

**Mr Hudak:** I just wanted to make sure that you kept—you scared me. I thought, “Oh, no. They are going

to start out by breaking their promise [*inaudible*] but now the minister assures me that they will—I hope. I will read the transcript carefully. The minister has been in politics a long time, but I sincerely hope you will live up to your campaign commitments of two thirds of Seaton and 100% of the agricultural preserve.

Ian Urquhart wrote a column on Monday, October 11, with respect to rent controls. He said, “The Liberals specifically promised to restore rent controls on vacant apartments, decontrolled by the then-Conservative government in 1998. But the Liberals added this qualifier: If vacancy rates were above 3% in any given community, full controls would not be restored.” That's Mr Urquhart's article.

Are you going to keep your promise with respect to rent controls and decontrol?

**Hon Mr Gerretsen:** You'll have to wait until the legislation is presented—

**Mr Hudak:** Oh, but we're back—

**Hon Mr Gerretsen:** Mr Hudak, you are trying have me reveal potential legislation.

**Mr Hudak:** Just tell me if you're going to keep your promise.

**Hon Mr Gerretsen:** Sure, we're going to keep our promise.

**Mr Hudak:** Both your promises.

**Hon Mr Gerretsen:** We're going to give real protection to tenants, sir. We're going to live up to our campaign commitments with respect to tenant protection.

**Mr Hudak:** And with respect to allowing vacancy decontrol for vacancy rates over 3%, as Mr Urquhart describes your campaign platform, will you live up to that specific commitment, sir?

**Hon Mr Gerretsen:** I wonder where he gets all that information. Do you ever wonder where these columnists get their information?

**Mr Hudak:** I'm just wondering if you're going to keep that promise. Are you going to keep that promise? Please tell me, because I'm the critic and I want to make sure you have a clean record in the new year.

**Hon Mr Gerretsen:** We are going to bring in better rent control legislation and better tenant protection.

**The Chair:** Thank you, gentlemen.

**Hon Mr Gerretsen:** This is fun. Can I come back tomorrow?

**The Chair:** Minister, you're more than welcome to return tomorrow.

I would like to ask if there are any members of the committee who have questions to table at this time. If not, this committee will reconvene tomorrow at 3:30 or at such time as orders of the day have been completed. At that point, we will have two hours and 15 minutes remaining. This committee stands adjourned.

*The committee adjourned at 1800.*

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