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Committee staying with five per cent recommendation

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The city's corporate services committee (CSC) Monday decided to stick with its original recommendation to city council for a five per cent reduction in the lot pricing for 167 R-1 lots in Ranchlands Phase 3B.

The original pricing of the lots had occurred during peak market conditions and the land and properties department had requested the reduction to better reflect present market conditions.

City council had voted last week to send the request back to the CSC to obtain more feedback from the two local organizations — The Canadian Home Builders' Association (CHBA)-Medicine Hat Region and the newly formed local chapter of the Urban Development Institute (UDI) of Alberta.

The committee had earlier met with representatives from the CHBA who had supported the CSC recommendation, but the UDI hadn't been invited to the meeting and had requested a meeting with the CSC at the last council meeting.

Council members agreed that both groups be invited to the CSC meeting to ensure as much transparency as possible in the process.

The UDI represents members of the development industry engaged in the subdivision of land for the purpose of creating an inventory of lots for resale.

In a presentation to the committee, local UDI chairman Sheldon Dattenberger stated that on the surface the proposed price reduction would be seen as a benefit to the lot purchasers and builders in the commu-

nity.

As a public land developer, however, he pointed out that the city has certain benefits attributed to being a governing body that are not shared by the private development industry. Those benefits include no property tax, and no financing charges, he said.

"UDI's position is that L&P (land and properties) should react to market pricing, but should not be the leader in establishing market pricing," he stated in a letter to the committee.

"As lots continue to be developed within the city and under the new OSL (off-site levies) rates, the higher costs associated with developing land will reflect in higher lot pricing compared to what Medicine Hat builders have been previously accustomed to. This is an unfortunate fact of life."

Dattenberger stressed that although it was premature to offer alternative solutions, it would be beneficial if UDI and others could, as stakeholders, enter into dialogue to discuss other opportunities that would be amenable to all parties.

UDI's position, he said, was to keep the current lot pricing scheme as it was and not to go ahead with the five per cent price reduction for the lots.

The three aldermanic representatives on the CSC — Julie Friesen, Jeremy Thompson and Ted Clugston — voted to stay with the original recommendation to city council for a five per cent lot price decrease.

