

Sites for hotel could be secured within weeks, says Town

By Brock Weir

With the Region of York taking action on reducing Development Charges for potential incoming hotel developers, the Aurora hotel market is heating up once again, according to the Town.

Anthony Ierullo, Aurora's Manager of Strategic and Long Range Planning, told members of the Aurora Chamber of Commerce's committee on building a business case for a hotel in Town that while they have committed to confidentiality while talks take place, there could be movement within a few weeks.

There are some real positive vibes going on when it comes to a hotel, said Mr. Ierullo. First, from an interest perspective, we have seen a couple of groups get more advanced in their process towards a hotel. We're aware of at least one, possibly two groups getting more serious on land acquisition and beginning to secure sites [for a potential hotel] in the next little while.

But, the good news was tempered.

A lot of things can happen in a few weeks, but we feel they are somewhat active in that regard. We have been active through the Mayor's office in engaging the Region. We feel like the Development Charge issue has been addressed to a certain extent. We have public reports published by the Region in June and full reports coming this fall outlining the new methodology that will eventually, with the support of Regional Council, see a significant reduction in Development Charges based on the proposed methodology Council approved in June.

According to the Region and, in turn, the Town, exorbitant Development Charges, the amount of money developers have to pay to a municipality to account for growth, have been continually cited by hoteliers as the main barrier to bringing new hotels, motels and other accommodations to York Region.

Aurora Council pressed the case to the Region earlier this year and doing something about it has gained traction at the Region. A final solution, could still be over six months away and Mr. Ierullo says the Region and the hotel industry are mulling a transition plan to help bridge the gap between hotel opportunities arising today and when the new Development Charge bylaws, if and when approved, finally kick in.

There have been a number of peaks and valleys through this process, he told the group. I try not to get too excited or too down depending on where we are in those curves, but I think we're in a good place right now with the hotel portfolio [based on] what has been happening over the last few months.

Now that the Town, the Region, and the hotel industry appear to be on the crest of the curve, however, the Committee members questioned what their next steps should be. Among their concerns was if a new Development Charges bylaw opens the floodgates for hotel activity in the Region, how does Aurora stay competitive in a pack of nine municipalities, each with the potential of making a case to investors.

There is a market opportunity here and that is why there has been interest, said Mr. Ierullo. We don't have a hotel in Town. There is a significant business base. The current activity does seem to be meeting the need and we have been hearing that both from a business side and also from the perspective hotelier's side. Where there is an opportunity, there is always more of a catalyst for investment.

Are we competing? We're always competing. We have a competitive disadvantage in York Region around Development Charges since 2009 and during that period we haven't built a hotel in the Region anywhere and it has been one of the fastest growing regions in Canada. Is there an opportunity to service a rapidly growing population through additional hotels everywhere in York Region? Likely. Is there a finite amount of investment towards hotels? Absolutely. Is there competition for that investment? Absolutely.

Adding to the case, noted Mayor Geoff Dawe, is the fact Richmond Hill and Newmarket both have a number of hotels, while Aurora, King and Whitchurch-Stouffville have none.

If you want to look at where the population and/or business base is, it is Aurora, said Mayor Dawe. It is like any other business proposal. What looks the most feasible would be Aurora. We are equidistant between King and Whitchurch-Stouffville. One of the indirect benefits of Magna staying until 2022 is that there is that base which will attract a certain level of business activity, so I think that is happening as well.