

The Tale of Two Administrative Buildings

In my past travels I had the privilege to visit Romania and see the second largest administrative building in the world (the “People’s Palace”). The history of the building is fascinating and may draw similarities to our Tiny Township proposed administrative building (the not so “Tiny Palace”).

The People's Palace is viewed as a symbol of the excesses and oppression of the Ceaușescu regime, and its construction came at tremendous cost to the Romanian people. Let’s compare and contrast the two unwanted, unnecessary, and unaffordable projects.

Did the people support the proposed building?

People’s Palace

Romanians were unhappy with the project due to the severe hardships it would impose on the people. The construction required massive resources, and the government prioritized it over basic necessities like food, heating, and medicine. This led to widespread resentment among the population. The project was seen as a symbol of the regime's excesses and disregard for the well-being of the Romanian people.

The economic hardship and oppressive measures of the leadership led to widespread dissatisfaction and eventually contributed to the Romanian Revolution and the Communist regime collapsed.

Tiny Palace

The Tiny community expressed considerable disdain for this project and made their feelings known to Council in many ways, only to be ignored time and time again. Tiny council prioritized the building over basic needs like maintaining roadways, clean and safe water supplies, and septage solutions (see the Tiny Township Asset Management Plan). The project was seen as a symbol of the council’s excesses and disregard for the well-being of the Tiny constituents.

The actions of Council and senior staff led to widespread dissatisfaction within the community and contributed to numerous protests. We will have to wait for the next election to see if this regime collapses.

Was the project economically feasible?

People’s Palace

The costs of constructing the People's Palace vastly exceeded the initial estimates. The project was initially projected to cost around US\$400 million, but the final cost ballooned to approximately US\$2 billion. This cost overrun was due to several factors, including the rushed construction schedule, the use of expensive materials, and the sheer scale of the project.

To finance the construction, Romania took on enormous foreign debt which lowered the Romanian standard of living. The funding required could have been used to improve the living conditions of the Romanian people, but instead it was spent on an unwanted, unnecessary, and unaffordable massive building for the ruling elite.

Tiny Palace

The project costs ballooned from \$6 million to over \$28 million based on preliminary estimates and before any actual third party quotes for construction were obtained. Projects of this magnitude undertaken by politicians have rarely, if ever, come in near original estimated costs (see Renfrew Ma-te-Way Activity Centre expansion original budget of \$18.9 million, the final cost ballooned to \$38.7 million,

which is about 115% over budget). The reason for the significant cost increases includes the sheer scale of the project, the rushed construction schedule, and the use of expensive materials.

To finance the construction, Tiny proposes to take on enormous debt which could push the initial estimated cost to around \$50 million. This could lead to a lowered standard of living for many Tiny residents, particularly those on fixed incomes, those with lower levels of income, those with young families, and those supporting aging family members. The funding required could have been used to improve the living conditions of Tiny constituents and to keep Tiny affordable, but instead it was spent on an unwanted, unnecessary, and unaffordable building for the ruling elite.

Were taxes increased as a result of this building and the diversion of funds from other priorities?

People's Palace

The Romanian government implemented several measures to generate additional revenue, including increasing taxes. These measures were part of the broader economic strategy to finance the unwanted, unnecessary, and unaffordable building while the country faced severe shortages of basic necessities.

Tiny Palace

Municipal taxes in Tiny have already risen 28.29% under the current council and those increases barely address the massive cost of the proposed building. Debt needs to be repaid, and that repayment will come from constituents, primarily in the form of property taxes. I was once told that taxation is like the art of plucking feathers from a goose. You want to pluck as many as you can before the goose starts hissing. The Tiny goose has been hissing big time! And what are all those feathers going to be used for? An unwanted, unnecessary, and unaffordable building.

Conclusion

I take you down this historic stroll and comparison because those who cannot remember the past are condemned to repeat it. That would be a tragic outcome for the wonderful community of Tiny.

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