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Development fees make a comeback

City needs cash to cover downtown infrastructure costs

By DEREK PUDDICOMBE, CITY HALL BUREAU

With the city faced with aging infrastructure and little cash to pay for improvements, one city councillor wants downtown developers to start handing over development fees again.

The former City of Ottawa passed a bylaw in the early 1990s that waived millions of dollars in development charges in an effort to stimulate growth in the urban core.

At the time, there was very little new development downtown. However, Somerset Coun. Diane Holmes says the policy has had its desired effect, so it's time to start charging downtown development fees again.

"It's (the urban core) now seen as a viable neighbourhood with lots of services," said Holmes.

Development fees, which can range anywhere from \$2,500 to \$20,000 per unit outside the Greenbelt and \$4,600 to \$11,200 inside the Greenbelt, are collected to help pay for roads, transit, police, recreation facilities, sewers, and other projects.

AGING INFRASTRUCTURE

Holmes said the city badly needs the extra cash.

"The city needs the money to pay for an aging infrastructure," said Holmes, adding it will cost more than \$600 million to upgrade downtown's antiquated sewer lines.

"This just isn't needed anymore to convince developers to build (downtown)," she said of the development fee holiday.

The city will be hiring a consultant to study the issue and prepare a report due in July, when the current bylaw expires.

Alta Vista Coun. Peter Hume remembers the debate to eliminate the charges.

"No one was building anything," said Hume, adding many property owners were boarding up windows to avoid paying property taxes. "We are now seeing a renaissance in the core and no longer need this incentive."

For years, developments in the suburbs had to make up the difference, Hume said.

"It's a matter of fairness and we need the revenue to invest in the downtown," he said.