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The power to build business

The good, the bad and the parking meter

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Independent, core-area merchants take biggest hit from 2008 city budget

It was a good news, bad news budget for Ottawa's business community, with a 4.9-per-cent property tax hike for 2008 and a "cash grab" critics say could hammer core-area merchants.

Parking meter rates will be going up 50 cents an hour and, even more worrisome, the period in which they must be plugged will be extended, leading some merchants to already ask the city to reverse its decision.

However, Ottawa business improvement areas (BIAs) are breathing a sigh of relief that council didn't vote to snatch five per cent of their annual operating costs in "administration fees" as it had threatened. And the city's economic development division and outside economic development agencies are pleased the city didn't cut their annual operating funds or capital budgets.

But the almost five-per-cent tax hike didn't go over well with groups looking for more tightening of the municipal belt, akin to last year's near zero increase.

The Ottawa Chamber of Commerce urged council to reduce compensation costs and "other operational inefficiencies," the day after the budget came out.

"Difficult financial situations often demand difficult decisions," said Richard Clayman, incoming chair of the chamber. "(We're) concerned that it appears, once again, all taxpayers will lose a golden opportunity to see council put Ottawa on a more sound fiscal footing for the future."

OCRI RELIEVED

Ottawa Centre for Research and Innovation CEO Jeffrey Dale watched the three days of budget deliberations, hoping the city wouldn't carry out a proposal to lower OCRI's annual operating budget of \$4 million by 14 per cent over the next two years, or \$130,000 a year.

The city didn't, and OCRI can continue doing business as usual, subsisting on the status quo.

"That's tremendous news," said Mr. Dale.

"We are willing to live within the budget allocations that the city has provided us with the last couple of years.

"We had asked for two things," he said. "One was to maintain our budget at 2007 levels, and the other was to reinstate the (\$1.25-million) capital budget – which is not just for OCRI but can be accessed by all the economic agencies, like Ottawa Tourism or Team Ottawa-Gatineau – back to the 2007 levels. We're very pleased that both of those were part of the budget package."

CORE MERCHANTS MIFFED

Beginning Jan. 1, residents hoping to park and shop in many areas of the city's core should be prepared to pay for parking, unless they go to a mall. Prices are going up, and the meters will be running longer than before.

The city hopes to earn an extra XXX a year from the parking measures, but are estimated to cost some \$6.5 million to implement in the first place.

Merchants in the core are not happy, least of all merchants in and around Hintonburg, Beechwood Avenue and Old Ottawa South, meter free until now but soon to be graced with their presence.

"Let's take a reasoned and strategic approach to this," said Dennis Van Staalduinen, an organizer of the Wellington West BIA, which will encompass Hintonburg once it is formalized later this year. "Let's not stick (parking metres) into the ground for an immediate cash grab, because that's what this is. It was a last-minute decision to jam this down our throats against the will of the community and against the recommendations of the parking authority and against the economic development interests of the local business community."

Jasna Jennings, executive director of the ByWard Market BIA, said extending parking meter operational hours to 9 p.m. from the current 5:30 p.m. will hurt business. Customers are used to parking in all areas after the end of the business day and into the evening.

"This is a huge negative impact, to restaurants in particular," she said. "No one is going to get up in the middle of a meal to feed the meter after their hour standard is up."

Ms. Jennings said members of her BIA will begin collecting data on how much business is affected after the Jan. 1 planned changeover to expanded hours, which includes charging for parking on Sundays.

Until now, Sundays have been a free parking day. The BIA was planning on sooner or later instituting paid parking on Sunday anyway, with proceeds going towards constructing new parking garages or added security. Now, though, those revenues will be in city hands.

"The (ByWard Market BIA) board really doesn't have an issue with raising (meter rates) to \$3 an hour. It's probably one of those necessary evils, and is in line with other cities," she said. "It's the hours of operation that we have an issue with, and we'll see what we can do to reverse the decision on that."

BIA BUDGETS SECURE

A proposal to skim five per cent off annual BIA operating budgets, however, expected to net \$220,000 for the city, didn't receive council approval, which was the silver lining for city BIAs. The ByWard BIA had already passed its 2008 budget, and a loss of some \$15,000 out of a total \$285,000 budget would have meant "serious" cutbacks.

"That's definitely good news, it's a huge relief," said Ms. Jennings. "That would have been difficult for us to manage and to figure out what programs and what events to cancel to make up for that shortfall."

Another win, at least for merchants of Westboro, was a last-minute decision to delay installation of parking meters in that area, at least until the local councillor is consulted. But that councillor is former BIA executive director Christine Leadman, who championed in the first place the little known pre-amalgamation bylaw that prevents more meters in Westboro.

"Meters are there to support the commercial area, not to penalize them," she said. "They work where there is high turnover and high employment base. In other areas, it's not the case. All it does is hurt small business."

But the win for Westboro merchants will likely be even more problematic for merchants next door to the east in the Wellington West BIA, which wasn't as lucky.

"Hintonburg is an economically developing area that needs help from the city to reach its full potential," said Mr. Van Staalduinen. The installation of meters will hinder that growth, has already been rejected by the local community, and seems like a backwards proposal with street redevelopment scheduled in 2009, he said.

His area is also looking at having council reverse its decision.

"They're talking about putting in the meters in 2008, then tearing up the street in 2009 and taking out the parking metres. Then presumably, putting them back in again afterwards," he said.

"(And) if Westboro doesn't have parking meters, and the struggling area of Hintonburg does . . . That would be strike four against us," he said, with shoppers choosing to park next door or in malls, where there are no meters.

