

Didsbury's low cost lures oil company

SUZANNE WILTON
CALGARY HERALD

Didsbury is rolling out the welcome mat to a junior oil company that's abandoning its downtown Calgary headquarters.

JED Oil Inc. is buying a building in the rural town 38 kilometres north of Calgary and plans to move its dozen or so staff there by the end of March.

Though the move is a risk, CEO Tom Jacobsen said it's one he's willing to take because of the escalating expense that comes with having downtown digs.

The company started thinking about the move in November, in anticipation of its downtown lease coming due in March and rent going up to about \$53,000 per month. For the estimated \$600,000 annually it was going to cost to lease space downtown, Jacobsen said it was worthwhile to buy a building somewhere else.

Calgary is pricing itself out of business

JED OIL
CEO TOM
JACOBSEN

Developers who build in the inner city said they have mixed feelings about the levies. "Generally we are pleased," said Andrew Wallace, who represented the Calgary Region Home Builders Association. "It gives us some

certainty on the infrastructure side." Wallace, also development manager for Resiance Corp., said developers recognize the need to pay their share for better water and sewer lines. "It has to be done, there is no question about it," he said. "You can see the benefit and you don't want to be surprised with that cost when you are ready to get your permit re-

leased. Knowing up-front is much easier to handle."

But both he and another developer, Paul Battistella, said they were concerned about having to pay for infrastructure such as parks and recreation facilities.

"It's a philosophical question if it's the right place for new development to be funding those things in the absence of a serious commit-

ment from the city's general tax revenues," Battistella said, noting the parks levy expected developers to foot the entire bill for buying and developing new parks.

Battistella said there needs to be more discussion.

"There's a gap," he said. "It seems like a compressed timeframe and, given the serious issues and the dollars we are talking about, more

time would have been appreciated."

The utilities levy amounts to \$1,823 per metre of site frontage (or how many metres of the property is along the street). There is about 20,000 metres of developable frontage in the centre city, although homeowners would be exempted if they decide to rebuild on their property.

In addition, the city wanted to bring in levies between \$50 and \$150 for police stations, libraries and public parks — similar to the community infrastructure levy which added between \$2,500 and \$3,500 to every home built in the suburbs — to pay for nearly \$100 million in needed projects.

Ald. Ric McIver, who voted against the levies, said they are simply another excuse for more taxes.

"This was a bad idea for the suburbs and it's a bad idea for the inner city," he said. "Two wrongs don't make a right."

McIver said the levies will drive away developers.

While Ald. Druh Farrell also had concerns about the levies, she said they are the only way to pay for downtown improvements.

"I am having a hard time imagining how else we would fund these amenities."

He said some staff have left because they don't want to commute to Didsbury, but others are considering moving to the town, which boasts a lack of traffic jams. Jacobsen said he is confident the company won't have trouble finding replacements.

Mayor Dorothy Moore said the move for JED makes sense, and other companies are considering relocation.

The addition of an oil company to the town will be a boon to its already rapid growth.

"An office is the kind of industry that doesn't have any negative aspects to it whatsoever," said Moore.

"We are in an area that's already an oil and gas area of expertise — five oil and gas plants within a commuting distance."

Moore said city housing prices are also driving people to outlying areas where costs, although also going up, are more affordable.

Didsbury, she added, has been planning for growth and has double the development permits being issued this year compared with last year.

"If you're prepared, then it's exciting, and we're excited," said Moore.

Michael Gigliuk, CB Richard Ellis's director of research for Alberta, said many businesses are moving out of the downtown, and a smaller number right out of the city due to the rising costs of rent. But there's no shortage of others ready to take their space.

"It's another response to the high rates and poor availability," said Gigliuk.

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INFRASTRUCTURE

Developers face new levies

Charge to pay for upgrades in 'centre city'

COLETTE DERWORZ
CALGARY HERALD

Calgary developers will soon be charged a levy — worth about \$27,000 for a 15-metre lot — for improvements to water and sewer lines when they build in and around downtown.

A city council committee agreed Wednesday to go ahead with the levy to improve water and sewer lines needed for redevelopment in the "centre city," which includes the downtown and Beltline.

But the decision on whether to charge additional levies for transit buses, fire stations and public parks — for a total of another \$78,000 for a 15-metre lot — will be made by city council Feb. 5, after the committee was divided on the issue.

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Resiance Corp. development manager Andrew Wallace says the need to charge a levy to upgrade sewer and water lines in the "centre city" is a reasonable plan.

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Colleen DeNero, Calgary Herald

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