

Bylaw 19734

A Bylaw to authorize the City of Edmonton to assess, undertake, construct and finance Integrated Infrastructure Services Project for the Footbridge Construction Local Improvement on 170 Street Pedestrian Bridge

Purpose

To authorize the City of Edmonton to borrow the sum of \$2,000,000 to assess, undertake, construct and finance Integrated Infrastructure Services Project for the Footbridge Construction Local Improvement on 170 Street Pedestrian Bridge.

Readings

Bylaw 19734 is ready for second and third readings.

Advertising and Signing

This Bylaw was advertised in the Edmonton Journal on Thursday, July 8, 2021, and Thursday, July 15, 2021. The Bylaw cannot be signed and thereby passed prior to Tuesday, August 3, 2021.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw provides debt financing for Integrated Infrastructure Services Project for the Footbridge Construction Local Improvement on 170 Street Pedestrian Bridge, scheduled for 2021.

Report

At the June 22, 2021 City Council meeting, Bylaw 19734 received first reading.

The petition period expired on Friday, July 30, 2021. No petitions were received, so this Bylaw may proceed.

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On the June 22, 2021 City Council meeting agenda, as part of the Integrated Infrastructure Services report IIS00255rev Updated Funding Strategy for the 170th Street Footbridge, new capital budget for profile 21-20-2100 170 Street Pedestrian Bridge was approved by Council. The profile has a project cost of \$9,501,000 which includes funding from Federal Gas Tax Fund and Local Improvement financing. To complete this project it will be necessary to borrow \$2,000,000.

This new pedestrian bridge is located just north of 87 Avenue, will allow for safe east-west pedestrian crossing and pedestrian access to area businesses, schools and transit options while minimizing disruption to vehicular traffic along 170 Street. Construction cost of the new pedestrian bridge is proposed to be financed, in part, by way of a Local Improvement Tax, amortized over a period of 30 years, as the project is deemed to be a benefit to a neighbouring parcel of land.

Council has given proper notice of its intention to undertake and complete a Footbridge Construction Local Improvement on 170 Street Pedestrian Bridge. The required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta.

The petition period expired on May 15, 2021. There are no valid petitions on the project, as outlined in Attachment 2 of this report, which is less than the two-thirds petition requirement under the *Municipal Government Act* and the one-half petition requirement as outlined in City Policy C619, Local Improvements - Surface.

The cost of the footbridge construction local improvement on 170 Street Pedestrian Bridge is estimated to be \$9,501,000. Borrowing of \$2,000,000 is required to finance the property owners' share of the estimated local improvement costs.

Corporate Outcomes and Performance Management

Corporate Outcomes: The City of Edmonton has sustainable and accessible infrastructure and The City of Edmonton has a resilient financial position.			
Outcomes	Measures	Results	Targets
Ensure transparent, conservative and reasonable debt financing as a source of funding to support the City's long-term capital plans and strategies while maintaining long-term financial affordability,	<ul style="list-style-type: none"> The City of Edmonton is subject to limits both for total debt and debt servicing by the <i>Municipal Government Act</i> and by the City's internal Debt Management Fiscal Policy (C203C). <ul style="list-style-type: none"> The <i>Municipal Government Act</i> debt limit is 2 times the revenue of the City and the debt servicing limit is 35% 	<ul style="list-style-type: none"> Based on the limits set under the <i>Municipal Government Act</i>, as of December 31, 2020, the City had used 58.2% of its debt limit and 30.6% of its debt servicing limit. 	<ul style="list-style-type: none"> Total debt and debt servicing are in line with the limits set by the <i>Municipal Government Act</i> and by the internal <i>Debt Management Fiscal Policy</i>

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flexibility and sustainability.	<p>of City revenues. For this calculation, revenues are net of capital government transfers and contributed tangible capital assets.</p> <ul style="list-style-type: none"> The internal Debt Management Fiscal Policy (C203C) sets more conservative debt service limits at 22% (total debt) of City revenues and 15% (tax-supported debt) of Tax Levy Revenues. Debt financing preparation for Local Improvements is performed in accordance with internal policy Financing of Local Improvements (C200B). 	<ul style="list-style-type: none"> Based on the limits under the <i>Debt Management Fiscal Policy</i>, as of December 31, 2020, the City had used 59.4% of its tax-supported debt servicing limit and 45.3% of its total debt servicing limit. 	<p>(C203C).</p> <ul style="list-style-type: none"> Debt financing preparation for Local Improvements is performed in accordance with internal policy Financing of Local Improvements (C200B).
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Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Exceeding regulated debt and debt servicing limits.	<p>The internal City policy <i>Financing of Local Improvements (C200B)</i> directs the City to obtain debt financing for Local Improvements in accordance with the <i>Debt Management Fiscal Policy (C203C)</i>. The description of risk includes exceeding debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal <i>Debt Management Fiscal Policy (C203C)</i>. Exceeding the Debt Limit Regulations requires approval from the minister. Failure by a municipality to fall within the <i>Debt Limit</i></p>	1-Rare	4-Severe	4-Low	<p>Quarterly monitoring of the City's debt borrowings, debt positions and debt servicing to ensure compliance with the debt and debt servicing limits regulated by the <i>Municipal Government Act</i> and the internal <i>Debt Management Fiscal Policy (C203C)</i>. The City considers and models the impact to the debt position and debt servicing</p>	<p>Long term forecasts are used to determine the impact of approved and potential future unapproved projects and their impact on debt limits.</p>

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	<p><i>Regulations</i> may result in the refusal of an application to the City's Provincial Lender to purchase the City's debentures in order to finance a capital project.</p>				<p>limits due to future unapproved borrowings and potential changes to interest rates.</p>	
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Public Engagement

The City engages with the public when a local improvement plan is proposed for the affected areas. When a local improvement is proposed, the City must prepare a local improvement plan and send notice to the property owners who will be liable to pay the local improvement. If the affected property owners are not in favour of this local improvement, the affected property owners may file a petition as set out in sections 222 to 226 and 392 of the *Municipal Government Act*. These petitions must be filed and received by the City's Chief Administrative Officer within 30 days from the notices being sent. If no sufficient petitions have been received, the City may proceed with the preparation of a local improvement bylaw.

Legal Implications

This local improvement bylaw must be advertised in accordance with section 263 of the *Municipal Government Act* as the amount the City will contribute to this project is greater than the amount of the local improvement tax. Local improvement bylaws are prepared in accordance with sections 263, 397 and 398 of the *Municipal Government Act*. In the case that sufficient petitions are received, the City cannot proceed with the local improvement.

Attachments

1. Bylaw 19734
2. Petition Received
3. Declaration Re: Local Improvement
4. Location of Proposed Local Improvement

Others Reviewing this Report

- K. Fallis-Howell, Acting City Solicitor