

ADMINISTRATION RESPONSE TO THE ARTERIAL ROADWAY ASSESSMENTS AUDIT

RECOMMENDATION

That the June 17, 2022, Urban Planning and Economy report UPE01256, be received for information.

Report Purpose

Information only.

This report provides Administration's response to the recommendations outlined in the Arterial Roadway Assessment Audit.

Executive Summary

- The Office of the City Auditor undertook an audit of the Arterial Roadway Assessment (ARA) program.
- The objectives of the audit were to determine if the Development Services Branch:
 - Developed guiding documents that are clear and understandable; and
 - Administered the ARA program to meet the program goals.
- The Office of the City Auditor identified areas of improvement and provided two recommendations.
- Administration accepts the auditor's findings and recommendations. All actions will be completed by the end of Q1 2023.

REPORT

The City's Development Services Branch administers the Arterial Roadway Assessments (ARA) program and oversees the funding and construction of new arterial roadways in developing areas. Under the ARA program, developers pay for and construct the arterial roads.

ADMINISTRATION'S RESPONSE TO THE ARTERIAL ROADWAY ASSESSMENTS AUDIT

The ARA Steering Committee, with technical support from the ARA Working Committee, assists in guiding the ARA program. The ARA Steering Committee makes decisions on all policy related issues arising in the operation and administration of the program.

The program establishes how developers will proportionally share the cost of arterial roadway construction. An audit was conducted to determine whether the Development Services Branch has developed guiding documents that are clear and understandable, and has administered the arterial roadway assessments program to meet program goals.

As a result, the Office of the City Auditor made two recommendations. Administration accepts these recommendations, outlined below, and implementation will be completed by Q1 2023.

Recommendation 1

Recommend that the Development Services Branch update arterial roadway assessments guidance documents.

Response from Administration

The guiding documents for the ARA program are:

- Arterial Roads for Development Bylaw 14380
- City Policy and Procedure C507: Arterial Roads for Development

Administration will update the guiding documents to clarify the criteria for the phasing/staging of arterial roads, to clarify the criteria that will be used to trigger the requirement for additional lanes and to provide for contingency in cost estimates.

Recommendation 2

Recommend that the Development Services Branch document the methodology for and enhance reviews of the arterial roadway assessment calculations.

Response from Administration

Administration will document how unit rates (costs per metre of roadway type) are calculated, and document how ARA rates (ARA costs per hectare) are calculated, including rationale and assumptions to reduce inconsistencies and more accurate cost estimates. Further, quality control processes will be established to mitigate errors in calculations prior to ARA Steering Committee approval of the ARA rates.

Through the Office of the City Auditors' analysis, the audit did find errors in the rate calculations, some of which resulted in developers being modestly undercharged. The remaining undeveloped areas of the catchment areas will then have to make up the difference. In many cases it is the same developers who will pay a little more for their remaining lands. All errors have been corrected with the establishment and approval of the 2022 ARA rates.

ADMINISTRATION'S RESPONSE TO THE ARTERIAL ROADWAY ASSESSMENTS AUDIT

The ARA rates are updated annually as more accurate cost information becomes available. Rates are initially based on estimated costs, but then are adjusted as actual as-built costs become available, and any remaining estimated costs are updated to account for inflation. These annual adjustments allow the assessments in a specific catchment to continue to be refined such that when the last development in a catchment occurs there are no outstanding over-expenditures. The net result is that with the last development all developers within the catchment will have paid their proportionate share, and will have recovered any amount they were required to pay in excess of the proportionate share.

COMMUNITY INSIGHTS

The existence, absence or stage of implementation of arterial roadways can impact the overall safety of the neighbourhood, neighbourhood access options and timing of further arterial roadway construction, and the impacts to travel options and related delays. Administration continues to listen to Edmontonians and communities throughout the different forms of engagement processes to assist in implementing timelines for developer-led projects, and recommend changes when necessary.

GBA+

The scope of this audit focused on Arterial Roadway Assessments. Part of that process discusses how development funds are distributed for the planning, design and construction of arterial roads. Throughout the process of planning, designing, and delivering developer arterial projects, there are increasing efforts to integrate GBA+ into the engagement, communications, design and construction processes of all developer projects. The Corporate Accessibility Plan and corresponding policy, Accessibility for People with Disabilities Policy C602, are ways in which Administration is ensuring infrastructure meets the needs of all Edmontonians.