

Financial Loss During Major Construction Policy

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Relations



Context

- In 2018, CFIB Study highlighted the need for municipal mitigation policies during infrastructure projects.
- From 2012–17, about 41% Canadian businesses had been impacted by the ongoing construction projects.
- Edmonton City Council has directed Administration to review or draft financial assistance policies approximately six times since 2019.
- Building Edmonton: 80 projects under build or operate phase – 88% on budget, 75% on schedule.

Supporting local business

- Edmonton's **34,154** businesses are the backbone of our local economy.
- Major construction projects can have severe consequences:
 - Impacts vary greatly – environmental disruptions, decreased food traffic and sales, resorting to personal savings to manage cash flow, closure, etc.
- Businesses on Stony Plain Road provide one of many local examples of such disruptions.

Competing with other jurisdictions

- In 2018, Montreal became the first city to offer financial assistance to businesses affected by construction.
- Other Canadian municipalities have or are considering similar programs – Brampton, Toronto, Winnipeg, Quebec City, etc.
- In 2024, Calgary became the most recent city to pilot a similar program for two neighbourhoods.

Attractive and business-friendly environment

- **Edmonton's City Plan:** *“businesses are an essential part of Edmonton. They are the economic engine of our city. They provide jobs, attract residents, spur entrepreneurship and provide the goods and services we all want and need.”*
- Rising inflation, rising costs of inputs, and rising interest rates and debt costs, are the top three obstacles facing Alberta businesses.
- *Financial Loss During Major Construction Projects Policy*, would alleviate some of these pressures and signal a strong commitment.

Recommendation

- Establish a permanent policy:
 - That Executive Committee recommend approval of the draft *Financial Loss During Major Construction Projects Policy* to City Council.
- Alternative: launch a pilot program similar to Calgary for 2025 calendar year.
 - *That an unfunded service package be prepared for a pilot Financial Assistant for Businesses Impacted by Major Construction program* for consideration during Fall 2024 SOBA.



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