

# Capital City Downtown Community Revitalization Levy

Revised Boundary and Revenue  
Forecasts

## Recommendations:

1. That the revised proposed boundary of the Capital City Downtown Community Revitalization Levy area as shown in Attachment 1 of the March 5, 2013, Sustainable Development report 2013SHE012, be approved.
2. That Mayor S. Mandel, on behalf of City Council, send a revised application to the Provincial Government requesting designation of the Capital City Downtown Community Revitalization Levy by way of regulation.

## Report Summary

**This report provides an update on progress towards completion of the Capital City Downtown Community Revitalization Levy and provides direction on the next steps.**

## Previous Council/Committee Action

At the October 26, 2011, City Council meeting, the following motion was passed:

1. That the boundary of the Capital City Downtown Community Revitalization Levy area as shown in Attachment 2 of the October 26, 2011, Sustainable Development report 2011SCO505 be approved.

2. That Mayor S. Mandel, on behalf of City Council, make an application to the Provincial Government requesting designation of the Capital City Downtown Community Revitalization Levy in a regulation.

## Report

On October 17, 2012, Administration provided a Downtown Arena Update to City Council that included information clarifying the application of a Community Revitalization Levy to fund specific City-led Catalyst Projects, including the arena and related infrastructure.

Administration indicated that it was not the intent to dedicate any increase in municipal and education property tax revenue that would accrue naturally through the appreciation of already existing fully developed property to pay for Catalyst projects. The presentation pointed out that the increase in revenue that is generated by the inflationary appreciation of existing properties is essential to the City's ability to continue to deliver programs and services to the entire City.

Administration has been engaged in discussions with the Province about the proposed Capital City Downtown Community Revitalization Levy. The Province shares Administration's position about the focus of the Community Revitalization Levy most appropriately being the underdeveloped areas of Downtown Edmonton. Both the Province and City Administration believe that the boundary of the Community Revitalization Levy should be adjusted to eliminate the most significant fully developed properties.

To that end, Administration is recommending that the boundary for the Capital City Downtown Community Revitalization Levy be adjusted as shown in Attachment 1. This revised boundary excludes the most intensely-developed area between 100<sup>th</sup> Street and 102<sup>nd</sup> Street, which contains many of the City's existing largest office buildings.

### Next Steps

- Administration will report to City Council on an updated list of catalyst projects and estimated costs at an upcoming City Council meeting.
- Once the provincial government approves the Capital City Downtown Community Revitalization Levy Regulation, Administration will advance the Community Revitalization Levy Plan and Bylaw to City Council at a Public Hearing.
- If City Council adopts the Community Revitalization Levy Plan and Bylaw at a Public Hearing, the Plan will be advanced to the provincial government for final approval.

### **Policy**

The Capital City Downtown Community Revitalization Levy and the catalyst projects contained within it are consistent with the following policies:

- City of Edmonton Strategic Plan 2009-2018 – *The Way Ahead*
- City of Edmonton Municipal Development Plan – *The Way We Grow*
- City of Edmonton Transportation Master Plan – *The Way We Move*
- City of Edmonton Environmental Strategic Plan – *The Way We Green*
- Capital City Downtown Area Redevelopment Plan – *Bylaw 15200*

- City of Edmonton Zoning Bylaw – *Bylaw 12800*
- Debt Management Fiscal Policy – *C203C*

### **Corporate Outcomes**

*The Way Ahead*, Edmonton's Strategic Plan 2009-2018:

- Transform Edmonton's urban form;
- Improve Edmonton's liveability; and
- Shift Edmonton's transportation mode.

### **Budget/Financial Implications**

The Community Revitalization Levy, if approved, will be the primary funding mechanism for specific City-led catalyst projects within the recommended Capital City Downtown Community Revitalization Levy area.

Administration estimates that a Community Revitalization Levy based on the proposed boundary could generate between \$612 million and \$1.1 billion over 20 years (\$298 million to \$550 million in net present value @5.5%).

These revenue projections are based on development forecasts provided by an external consultant with expertise in real estate and economic analysis. The different scenarios include between 20% and 70% of the consultant's forecast for new development over a 20-year period.

### **Legal Implications**

A letter to the Minister of Municipal Affairs (Attachment 2) requesting a regulation has been prepared for the Mayor's signature in accordance with the required legislative steps that must be taken in order to get a Community Revitalization Levy area approved.

**Justification of Recommendation**

1. City Council approval of the revised Capital City Downtown Community Revitalization Levy boundary is required to continue the Community Revitalization Levy process.
2. Provincial Government approval is required in order to obtain a Community Revitalization Levy Regulation. Attachment 2 outlines the draft letter to the Province.

**Attachments**

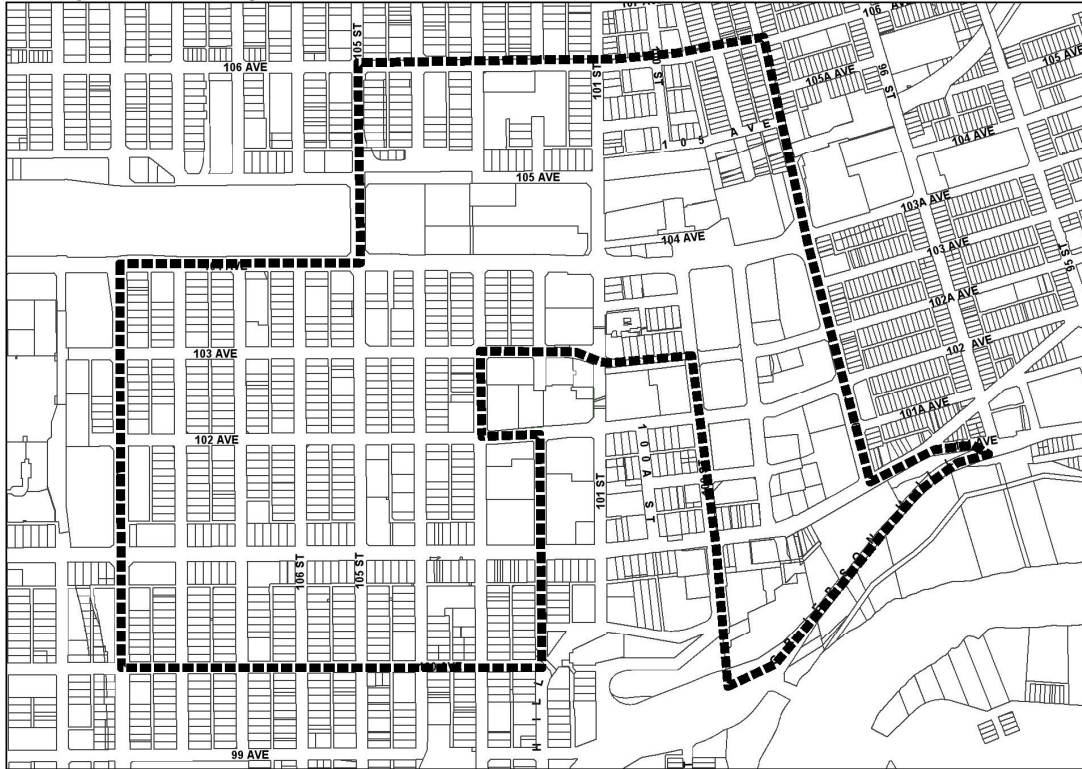
1. Capital City Downtown Community Revitalization Levy Boundary and Revenue Projections.
2. Letter to the Honourable Doug Griffiths, Minister of Municipal Affairs.

**Others Reviewing this Report**

- L. Rosen, Chief Financial Officer and Treasurer
- D. H. Edey, General Manager, Corporate Services

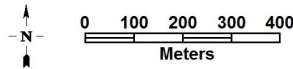
## Capital City Downtown Community Revitalization Levy Boundary and Revenue Projections

### Proposed Capital City Downtown Community Revitalization Levy Boundary



Prepared by: Downtown Plan Implementation,  
Sustainable Development

Date: March 5, 2013



<b>COMMUNITY REVITALIZATION LEVY REVENUE PROJECTIONS*</b>			
<b>TOTAL CRL REVENUE (Cumulative)**</b>	<b>High Revenue Scenario</b>	<b>Medium Revenue Scenario</b>	<b>Low Revenue Scenario</b>
<b>Total</b>	<b>\$1,101 M</b>	<b>\$929.3 M</b>	<b>\$612.4 M</b>
<b>TOTAL CRL REVENUE (Net Present Value)**</b>	<b>@ 5.5%</b>	<b>@ 5.5%</b>	<b>@ 5.5%</b>
<b>Total</b>	<b>\$550.4 M</b>	<b>\$469.8 M</b>	<b>\$298.2 M</b>

\*Revenue forecasts are determined based on development forecasts provided by an external consultant with expertise in real estate and economic analysis. The different scenarios include approximately 20% (Low), 40% (Medium), and 70% (High) of the consultant's forecast for new development over a 20-year period.

\*\*Cumulative revenue is the total amount of revenue the CRL is anticipated to generate over 20 years, while Net Present Value has discounted the future revenue to reflect its current value, as if it existed today.

**Letter to the Honourable Doug Griffiths, Minister of Municipal Affairs**

Honorable Doug Griffiths  
Alberta Municipal Affairs  
#104 Legislature Building  
10800 97 Avenue  
Edmonton, AB T5K 2B6

VIA Courier Delivery

Dear Minister Griffiths:

On \_\_\_\_\_, 2013 Edmonton City Council passed the following resolution:

That Mayor S. Mandel, on behalf of City Council, send a revised application to the Provincial Government requesting designation of the Capital City Downtown Community Revitalization Levy by way of regulation.

In accordance with section 381.5(1) of the Municipal Government Act, RSA 2000, c M-26, the City of Edmonton looks forward to receiving a regulation from the Lieutenant Governor in Council with respect to the Capital City Downtown Community Revitalization Levy area.

Yours truly,

Stephen Mandel  
Mayor

c: