

Bylaw 15977

A Bylaw to authorize the City of Edmonton to undertake, construct and finance the Quarters Downtown Community Revitalization Levy Area Projects

Purpose

To authorize the City of Edmonton to undertake, construct and finance the Quarters Downtown Community Revitalization Levy Area Projects in the amount of \$56,000,000.

Readings

Bylaw 15977 is ready for second and third readings.

Advertising and Signing

This Bylaw has been advertised in the Edmonton Journal on Saturday, December 24, 2011, and Saturday, December 31, 2011. This Bylaw cannot be signed and thereby passed prior to Monday, January 16, 2012.

Position of Administration

Administration supports this Bylaw.

Report Summary

This Bylaw provides for borrowing for Phase I of the Quarters revitalization project.

Previous Council/Committee Action

At the December 14, 2011, City Council meeting, Bylaw 15977 received first reading.

At the June 20, 2011, City Council Public Hearing, Bylaw 15800 (The Quarters Downtown Community Revitalization Levy Bylaw) was passed.

Report

- The petition period expires on January 15, 2012. At the date of writing this report, no petition has been received and it is anticipated that none will be received by January 16, 2012. If any are received, this will be reported at the January 18, 2012, City Council meeting. If none are received, this Bylaw may proceed.
- Funding for debt servicing costs related to the borrowing is to come from the Quarters Downtown Community Revitalization Levy.

Policy

The content of this bylaw is consistent with Edmonton's *Debt Management Fiscal Policy (C203C)* and applicable sections of the *Municipal Government Act*.

Corporate Outcomes

This Bylaw is consistent with Council's corporate outcome to transform Edmonton's urban form.

Budget/Financial Implications

Based on the assumptions outlined in the Community Revitalization Levy Plan, estimated expenditures will exceed revenues for the first ten years.

The plan assumes this shortfall will be covered by incremental tax levy increases of 0.09 percent (\$900,000) in year two, 0.1 percent (\$1 million) in year three and 0.18 percent (\$1.9 million) in year four for a total of 0.37 percent (\$3.8 million). The tax levy requirement will then decline incrementally in each of the years five to nine to a requirement of zero in year ten.

If Community Revitalization Levy Plan revenue is sufficient, it will be used to repay the general tax levy funding utilized in the short term.

Estimated redevelopment costs for Phase I are \$56 million plus \$110 million for future phases.

Estimated project office and interest costs for Phase I total \$39 million.

Proposed financing for the Phase I redevelopment costs of \$56 million is tax-supported debt which will be funded in the short term (one to nine years) with tax levy and community revitalization levy revenues and in the long term (ten to twenty years) with community revitalization levy revenues.

In the event that market value assessments do not increase and/or new developments do not occur as planned, resulting in no revenues from the Community Revitalization Levy, the shortfall would need to be covered by tax levy increases. The impact of the worst case scenario would result in incremental increases of 0.16 percent in year two, 0.21 percent in year three and 0.23 percent for a total of 0.60 percent until outstanding debt is retired.

Attachments

1. Bylaw 15977
2. Capital Project Profile (11-17-0407 – The Quarters-Phase I)