

## Long Term Approach to Off-Site Levies

The City's current approach to the application of levies (Arterial Road Assessments) and other mechanisms (Permanent Area Contributions) facilitate and finance growth in developing areas of the city. This approach is usually straightforward and uncomplicated to administer.

A holistic growth management framework would include the integration of long range planning for land use policy, infrastructure, and financing, the allocation of funding (e.g., pay-as-you-go,, levies/development charges) for prioritized infrastructure through the City's capital and operating budgets, and the phasing and staging of public and private development. The objective of this approach would be to focus investment in growth to support a desired city form.

Edmonton's long range policy framework includes:

- The Municipal Government Act and Charter Provision, which set out how municipalities function, develop land, and raise funds for infrastructure and services in the context of what they must do and what they may do.
- The Edmonton Metropolitan Regional Growth Plan, which guides the growth and development of the Edmonton metropolitan region for the next 30 years.
- The City Plan (under development) that will identify priority growth areas - i.e., where to invest/incent to concentrate growth geographically for people and jobs.

Together, legislation and strategic level plans enable and outline broad development objectives and inform master infrastructure and investment plans for the region and the City, respectively.

Long range infrastructure plans that include facilities and levels of service for business areas would identify infrastructure needed that also supports policy direction on where to grow. A long range financial plan establishes an approach to pay for the infrastructure a municipality needs, aligned with the infrastructure plan. The financial plan might assign revenues, including those for levies, to growth and eligible infrastructure. The plan must also consider how different revenues are collected and the timing of their expenditure.

An approach to the phasing of private and public development, or growth coordination, is informed by a city's growth strategy, infrastructure and financial plans, the capacity of the capital and operating budget, and the optimum location and timing of planning approvals and infrastructure delivery.

The interrelated nature of a framework as described requires monitoring and regular adjustment to optimize its operation. For example, to better match future

costs to future revenues, it may be necessary to reduce specific infrastructure levels of service, adjust levy rates, and/or schedule spending and delivery differently. An integrated decision making system like this can become a primary tool to implement a municipality's investment approach, where development levies are one tool that assist in building a much broader understanding of how investment decisions meet policy goals.

The concept of off-site levies being embedded in a broader planning and investment framework whereby collecting and spending levy money on growth related infrastructure would need to be informed by:

- strategic policy direction on where and how to grow based on a preferred regional and city-wide development concept,
- population and employment projections for a preferred development concept, to inform future infrastructure needs and spending requirements,
- infrastructure plans that identify, cost, and prioritize the infrastructure necessary to support a preferred development concept,
- a financial plan to fund the infrastructure plan, and
- a phasing and staging plan on when to fund and deliver growth related infrastructure.

Through the above approach, off-site levies serve as both a funding tool, and a planning tool to advance desired city building outcomes.