



June 14, 2021

City of Edmonton

City Hall

Edmonton, Alberta

Members of Executive Committee

**Re: Executive Meeting June 14, 2021 Agenda Item 6.15 – Facilities Off –
Site Levies Bylaw**

UDI Edmonton is most appreciative for the opportunity to be meaningfully and substantively engaged with Administration to develop a fair and equitable Off Site Levy Bylaw. Your administrative team exhibited a high degree of professionalism throughout as evidenced by a high degree of transparency, constructive and productive consultation.

As City Builders, we believe that growth should pay for growth. Fundamentally, smart growth is growth that pays for itself. Accordingly, we support the inclusion of fire halls as an off-site levy. This concept is generally aligned with all other forms of major infrastructure that developers fund as it directly benefits and provides a core service to residents of that community.

We believe the bylaw is generally reasonable and which we support with two recommended modifications:

(1) The definition of “Construction Cost” of the facility.

- The provision of a fire hall directly relates to the safety of new community residents, accordingly this cost as a levy is reasonable.
- City policy costs above and beyond this level of service (safety) are broader city wide related goals. From a fairness and equity perspective,

as well as risk of double taxation, these costs should not be borne by specific residents, rather should be borne by the city as a whole. As an example, climate resilience is a City goal and therefore the benefitting basin is the entire city and not just a specific community where a net-zero building is built in.

For these reasons, our recommendation is to amend the definition of “Construction Cost” in the bylaw so that it reads: “Construction Cost” means the estimated / actual cost of design, construction or expansion of a Facility, in accordance with National Building Code in place at time of planned construction, including an amount for engineering and administration, the purchase price or the estimated market value of land required for the Facility, the estimated costs of any related Appurtenances, interest on any borrowed money, and contingency of 10%.’

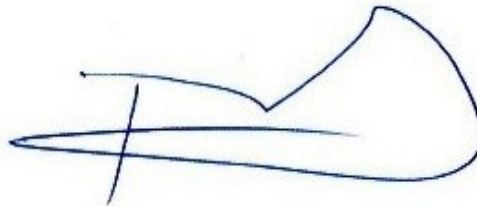
(2) “Appurtenances” is an extremely broad term defined in the bylaw that can significantly increase the risk (due to unknown amounts) and cost of the levy. While some of these costs are directly related to the capital cost of a new building, some are arguably not (i.e. furniture, fixtures, kitchen supplies, fitness equipment, fire trucks, etc.) and set a precedent that again carries significant unknowns, risk and cost. Additionally, the City is collecting tax revenue from residents for the ongoing operations and maintenance of services, including fire services. It is our view that the scope of this definition should be limited to specifically remove from the bylaw part (iv) of the “Appurtenances” definition. All other costs included in this definition are reasonable.

We believe the Standards included in the report are critical to successful implementation of the bylaw. Although the Standards are provided for Information to members of Council, we believe it is critical to ensure that City admin have flexibility to continue to work with the development industry and adjust as it makes sense in line with the Guiding Principles in Attachment 3. In doing so, we will help ensure the effectiveness of the policy as measured by advancing infrastructure and services to residents in a fair, equitable, cost effective and transparent manner.

We look forward to continue working with staff on the governance components to these new levies, as well as the Standards. We would again like to express our appreciation to work with staff on this complex file that we believe will achieve our common goals.

A handwritten signature in blue ink that reads "Mike Kohl". The signature is fluid and cursive, with the first name "Mike" written in a larger, more prominent script than the last name "Kohl".

Mike Kohl
Board Chair

A handwritten signature in blue ink that reads "Rick Preston". The signature is stylized, with a large, sweeping loop at the end of the last name "Preston".

Rick Preston
Executive Director

Cc.

Edmonton City Clerk.

Deputy City Manager Stephanie McCabe

UDI ER Board of Directors