



FRAMEWORK AGREEMENT FOR CHARTERS

BETWEEN:

HER MAJESTY THE QUEEN, IN RIGHT OF THE PROVINCE OF ALBERTA, as represented by the Government of Alberta, hereinafter the "Province"

-and-

CITY OF CALGARY, a Municipal Corporation in the Province of Alberta, hereinafter "Calgary"

-and-

CITY OF EDMONTON, a Municipal Corporation in the Province of Alberta, hereinafter "Edmonton"

WHEREAS the Province, Edmonton and Calgary (collectively, the "Parties") entered into a Memorandum of Understanding on June 18, 2012 (the "MOU") to explore options for a legislative framework for Edmonton and Calgary (collectively, the "Cities") that recognizes the evolving needs of each City's individual relationship with the Province in accordance with the principles set forth therein;

AND WHEREAS the Parties recognize that the Cities require a new legislative framework that adequately recognizes the capabilities and responsibilities of the Cities;

AND WHEREAS the Parties have agreed to a framework for the development of the appropriate legislation with the relevant regulations, agreements or other mechanisms to govern the relationship between the Province and each City (collectively, the "Charters");

NOW THEREFORE the Parties agree to the following:

1.0 OVERARCHING VISION AND GUIDING PRINCIPLES

The Cities are growing and vibrant world class cities that are vital to Alberta's prominent place on the world stage. This *Framework Agreement for Charters* (the "**Agreement**") sets a course for forging a new relationship between the Cities and the Province through the development of a Charter for each city. This partnership will be constructed on the understanding that the Cities and the Province have great strengths and shared interests and that, in working collectively, great strides can be made in maintaining and fortifying Alberta's global presence.

This Agreement defines and enables this new and modern relationship between the Parties. This relationship will:

- foster mutual respect and open, ongoing collaboration between the Cities and the Province;
- recognize the contributions of the Cities to the economic vibrancy and competitiveness of their respective regions and in Alberta;
- recognize the administrative capabilities of the Cities, which support high levels of autonomy;
- recognize the Cities' accountability to their communities; and
- ensure the Cities are provided with new and/or enhanced tools, whether economic or administrative, to deliver services to their citizens.

2.0 COMMITMENT TO CONSULT

This Agreement commits the Parties to working together in a relationship of ongoing consultation and cooperation on matters of mutual interest. To this end, this Agreement commits the Parties to establishing a process for facilitating regular meetings that will promote strong working interactions and achieve:

- agreement on matters that will initiate a consultation between the Cities and the Province, such as:
 - proposed changes to legislation, bylaws or regulations that will have a significant financial or policy impact on the other government;
 - policy matters where both governments may have mutual interests; and
 - initiatives where one government may be involved with the federal government, stakeholders or other organizations in matters that may potentially impact the other government;
- agreement on the timing around when one government will commit to consult with the other regarding the impacts of changes being contemplated; and
- agreement on a process for resolving disputes where timely consultation has not occurred.

3.0 GOVERNANCE

The Parties agree that the Cities operate at a high level of autonomy and accountability. The Parties also agree that some aspects of provincial legislation pose obstacles to further innovations and efficiencies that the Cities may wish to explore and implement on behalf of their citizens, given the legislative ability to do so. Specific areas of consideration are described in Appendix I: Charters – Next Steps.

4.0 PLANNING AND DEVELOPMENT

The Parties recognize the importance of sound land-use planning and orderly development that recognizes the realities of urban growth for Edmonton, Calgary and Alberta. This principle will continue to be upheld in legislation. However, the Parties also agree that some aspects of the existing legislation may pose obstacles to the Cities as they seek to address growth and development matters in a manner that best meets the needs of their communities. Specific areas of consideration are described in Appendix I: Charters – Next Steps.

5.0 ASSESSMENT AND PROPERTY TAXATION

The Parties recognize the importance of a fair and equitable assessment and property tax system in Alberta. This principle will continue to be upheld in the Charters. However, there is agreement that further efficiencies could be achieved by the Cities in administering the assessment and property tax system, if given the legislative ability to do so. Specific areas of consideration are described in Appendix I: Charters – Next Steps.

6.0 FEDERAL GOVERNMENT NEGOTIATIONS

There is agreement that when the Province is negotiating with the federal government on certain key strategic issues, the Province will include the Cities in these discussions, where appropriate, or seek timely feedback from the Cities, where issues impact the Cities. This includes but is not limited to, matters related to labour supply, airports, urban Aboriginal issues, settlement of immigrants, environment, housing, transportation, emergency management, the province's profile, and attraction of major events.

7.0 BUILDING SAFETY

There is agreement that more timely provincial adoption of new safety codes and standards is important to ensure the Cities can remain competitive. The Parties commit to achieve an agreement on a process to improve the timely adoption of new national building and safety codes and standards.

8.0 CROSS-MINISTRY POLICY MATTERS FORUM

The Parties commit to continuing to advance discussions to seek solutions to broad policy issues that have cross-ministry jurisdiction. To advance these discussions, a tripartite forum will be established, facilitated by the Ministry of Alberta Municipal Affairs ("**Municipal Affairs**"), to assist the Cities in having conversations with other provincial ministries. In addition, the Parties will continue to work on the issues that fall within the jurisdiction of Municipal Affairs.

Once solutions have been agreed to by the Cities and the relevant provincial ministries, these policy provisions will be included in the Charters. Specific areas of consideration are described in Appendix I: Charters – Next Steps.

9.0 REVENUE SOURCES

The Parties acknowledge that a key element going forward will be consideration of the adequacy and form of current revenue streams. The Parties agree that a resolution to the issue of resources available to the Cities will be a key determinant in the ongoing success of the Cities and the Province, and the ability of the Cities to address growth challenges. This Agreement commits the Province and the Cities to entering into a process to consider development of a new fiscal framework that will recognize and address the needs and challenges facing all Parties.

10.0 REVIEW/RENEWAL

The Charters that result from this Agreement will be reviewed every five years. Any party to a Charter will be entitled, at any time, to propose amendments to the Charter to address emerging issues.

11.0 MUNICIPAL GOVERNMENT ACT

The Charters shall set out the legislative provisions that are designed specifically for the Cities. The provisions of the *Municipal Government Act* that will continue to apply to all municipalities shall be incorporated by reference into the Charters.

12.0 GIVING EFFECT TO THIS FRAMEWORK AGREEMENT

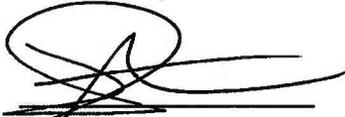
The Parties agree to work jointly in this newly forged partnership to develop the appropriate

legislation with the relevant regulations, agreements or other mechanisms that will allow for the implementation of the Charters.

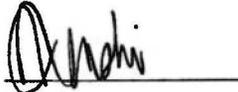
The Cities and the Province acknowledge that focused public discussion by each of the Parties may occur on the Charters, their form and impact prior to final approval by each of the Parties.

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties on the 7 day of Oct, 2014.

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA, THE CITY OF CALGARY AND
THE CITY OF EDMONTON



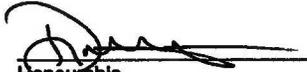
Honourable
Jim Prentice
Premier of Alberta



His Worship
Naheed K. Nenshi
Mayor of *Calgary*



His Worship
Don Iveson
Mayor of *Edmonton*



Honourable
Diana McQueen
Minister of Municipal Affairs

Appendix I to the Framework Agreement for Charters
(the "Framework Agreement")

Charters - Next Steps

Summary

The City of Edmonton and The City of Calgary (the "Cities") and the Province of Alberta (the "Province") are working on a three-phased process with the ultimate outcome being the development of legislation with the relevant regulations, agreements or other mechanisms to govern the relationship between the Province and each City (collectively, the "Charters").

Senior administration from the Cities and the Province (collectively, the "Parties") will develop a workplan and timetable to create the Charters and the other mechanisms required to implement the objectives of the Framework Agreement. The workplan and timetable will be presented for approval to the Minister of Municipal Affairs, the Mayor of Edmonton and the Mayor of Calgary as soon as possible.

Plan

1.0 PHASE ONE:

Phase One will involve ongoing collaboration between all Parties at the administrative, senior official, and elected levels to identify items that can be addressed without the involvement of the Province's ministries other than the Ministry of Alberta Municipal Affairs ("Municipal Affairs").

As described in the Framework Agreement, items for research and action in this phase include:

- The determination of which parts of the *Municipal Government Act* will continue to apply to the Cities;
- The development of a formal mechanism by which ongoing consultation can occur on matters of mutual interest;
- The development of a formal mechanism by which the Province will engage the Cities in federal discussions;
- The exploration of a process for the timely adoption for new national building and safety codes that will ensure the Province places the most recent codes in force as quickly as possible;
- The development of appropriate mechanisms to provide increased authority or flexibility in the following areas of municipal governance:

- **Mayor and Council Powers**

The authority of each city council to determine the City's own governance model, codes of conduct and enforcement provisions, and division of power and authority between the Mayor and other members of council.

- **Elections – Campaign Financing**

Providing each City with the authority to determine, by bylaw, campaign financing and other rules that are appropriate to the large-scale elections held by the Cities.

- **Fiscal Accountability**

Recognizing that each City will continue to be accountable for ensuring they are fiscally responsible, and have appropriate auditing procedures in place.

- **City Bylaws**

This Agreement commits the Province to providing the Cities with enhanced authority and/or flexibility to:

- define matters that can be delegated to the city administration;

- define the matters for which they may create bylaws within their areas of responsibility;
 - set their own maximum bylaw penalties in their jurisdictions;
 - choose the methods to best communicate bylaw changes to their citizens; and
 - provide oversight to their subdivision and development appeal boards.
- **Controlled Corporations**

This Agreement recognizes the authority of each City to establish or control for-profit corporations to deliver services and programs within and beyond its boundaries, in accordance with mutually agreed upon criteria.

- The development of the Charter provisions to provide increased authority or flexibility to the Cities in the following areas of municipal planning and development:
 - defining the types of planning instruments that may be required to improve the current planning processes, the content of the instruments, and their relationship to each other and to the land use bylaw;
 - defining land uses that will be permitted on municipal reserve lands;
 - balancing opportunities for public engagement with certainty in the development process through greater flexibility to adjust requirements for notices, hearings and appeals in relation to planning proposals;
 - adjusting the timelines for decisions on subdivision and development permit applications; and
 - managing non-conforming uses, variances and density bonuses to expedite decision-making and reduce administrative complexity.
- The development of appropriate mechanisms to provide increased authority or flexibility to the Cities in the following areas of municipal assessment and taxation:
 - providing taxpayers with the option (at the taxpayers' discretion) to receive and respond to requests for assessment information and receive assessment and tax notices electronically;
 - enabling routine assessment and property tax bylaws to be enacted for continuous periods of time, rather than annually;
 - determining when farm land within the Cities' boundaries should be regarded as developable land for assessment and property tax purposes;
 - refining administrative procedures for renewing exemptions from property tax; and
 - defining improvements to be assessed and taxed in downtown parking lots.

It is anticipated that all Phase One work will be completed with the appropriate mechanisms in place no later than the spring of 2015.

2.0 PHASE TWO:

Phase Two will involve ongoing collaboration between all Parties at the administrative, senior official, and elected levels to identify items that require involvement from Ministries other than Municipal Affairs.

As described in the Framework Agreement, items for completion in this phase include:

- The development of a regulatory review forum that will facilitate dialogue between the Cities and other provincial ministries about regulatory barriers to planning and development or business issues. Agreements emanating from this forum may be incorporated into the Charters.
- The identification of partner ministries, discussion of issues, and the development of appropriate mechanisms to provide increased authority or flexibility to the Cities related to the following areas:

Social Policy

- o clarifying roles and responsibilities on a range of social policy issues including, but not limited to, affordable housing, policing, poverty reduction, urban Aboriginal issues, settlement of immigrants, community services and seniors.

Planning Policy

- o engaging in broader discussions to achieve a cross-ministry resolution to planning policy issues including municipal and environmental reserves historic resources, and development levies.

Environmental Policy

- o clarifying roles and responsibilities, and enhancing the Cities' input into the development of legislative instruments in a number of policy areas including land, air, water, waste, environmental monitoring, brownfield remediation and governance.

Energy Policy/Energy Efficiency

- o engaging in discussions on local electricity generation, energy efficiency and conservation and other regulatory matters that impact the decision-making authority of the Cities.

Transportation Policy

- o identifying and resolving inconsistencies among municipal and provincial transportation policies and strategies that support effective and integrated transportation and transit networks.

Economic Policy

- o engaging in discussions to advance the economic prosperity of Alberta and the role that the Parties have in supporting this prosperity and enhancing competitiveness.

It is anticipated that all Phase Two work will be completed with appropriate mechanisms in place no later than the fall of 2015.

3.0 PHASE THREE:

Phase Three will involve development of a fiscal framework that will recognize and address the needs and challenges facing all Parties. The Parties will make best efforts to complete this work by the spring of 2016.