



Financial Tools to Fund Growth-Related Investments in the Established Area

2023 May 10



Update on Established Area Financial Tools

Purpose

To provide an update on financial tools that support established area improvements

Recommendation

That the Infrastructure and Planning Committee recommend that Council accept this report for the corporate record

Established Area Highlights

Financial tools and strategies can help create **consistency, certainty and equity** for funding the investments that enable growth and support communities

- Since 2018, nearly **\$200M** has been dedicated by The City to established area growth-related improvements
- This **helps realize** the vision of Local Area Plans and reinvestment in communities
- We are collaboratively determining the **most effective ways** to fund growth investment
- **Bonus density** is of limited effectiveness outside of the Greater Downtown
- **Property tax uplift** is one consideration for recommending levels of investment as part of The City's budget



Finding the Right Financial Tools

The investigation of financial tools involves consideration of several factors



Provides
opportunity for
meaningful
investment



Province of Alberta

MUNICIPAL GOVERNMENT ACT

Can be used in
accordance with
the Legislation



Works with
existing financial,
policy and budget
processes



Does not
discourage growth
or impact housing
affordability



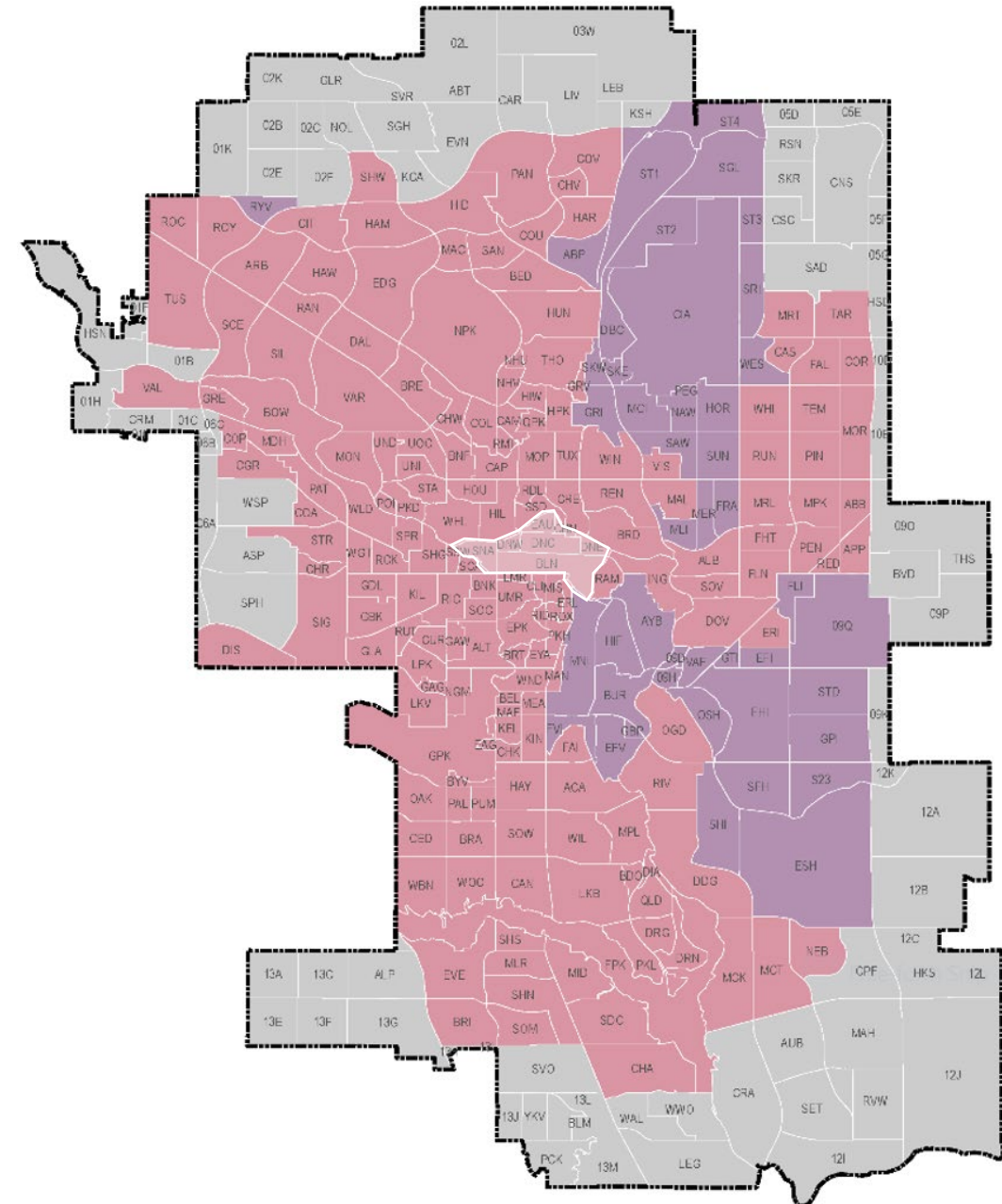
Is
straightforward
and flexible to
administer

Bonus Density Review

For programs outside the Greater Downtown, bonus density has been found to have **limited effectiveness**

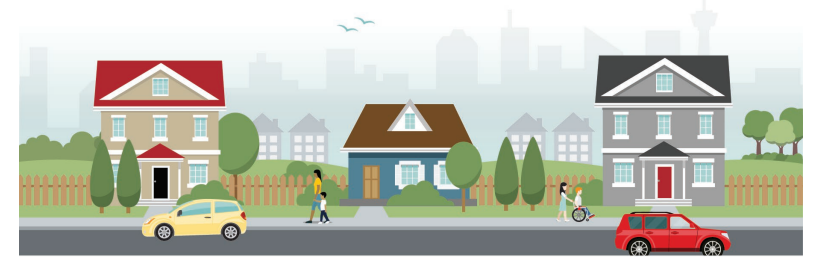
Work continues on finding effective investment tools

- Deliver **City-led investment** using property tax funding
- Explore **alternative mechanisms** for developer and community contributions
- Consider how these tools **function** under a modern Local Area Plan



Conclusions of the Property Tax Uplift Pilot

- Property tax uplift is **not recommended** as a financial tool, but it can be one factor to help **inform** established area growth investment funding levels
- The pilot generated **\$1.44M** in municipal tax uplift revenue to be reinvested into the North Hill Communities
- This represents about 10 established area communities
- To more reliably fund established area investment, an **Annual Investment Program** for **\$33M** was approved within the 2023-2026 Service Plans and Budgets



Building a Set of Financial Tools

PHASE 1 - 2020

- Prioritized tools and identified strategies to explore
- Explored challenges with bonus density
- **Budget allocation: \$90M**

PHASE 2 - 2022

- Evaluated performance of bonus density
- Piloted Property Tax Uplift
- Implemented an Annual Investment Program
- **Budget allocation: \$109M**

PHASE 3 - 2023+

- Will undertake a public space inventory
- Will refine the investment rationalization
- Will investigate alternative financial tools

Recommendation

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