

# Branch — Community Revitalization Levy

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## Introduction

Sustainable Development is responsible for the advancement of urban renewal initiatives through the implementation of three Council approved revitalization plans: The Quarters Downtown, Belvedere and Capital City Downtown Community Revitalization Levy Plans (CRL). These CRL's provide a sustainable funding source for public infrastructure investments that attract new investment and development that would not otherwise occur in the revitalization areas.

A Community Revitalization Levy is a financing mechanism designed to provide up to 20 years of stable funding, which is necessary to achieve economic, social and environmental objectives for the CRL areas. The baseline assessment for properties in a Plan area is set as of December 31 of the year the CRL is approved by the Province. Thereafter, any increases above the baseline in the assessed value of the properties in the Plan area forms the levy (both municipal and school tax increases). The levy collected is then applied to pay off expenditures, including borrowings, incurred by the City of Edmonton for capital infrastructure projects, land acquisition, remediation, etc. in the revitalized Plan area. This levy is not an additional tax on property owners. Rather, it is a levy based on the incremental difference between assessed property values in the baseline year and subsequent years for a maximum of 20 years or until costs have been fully repaid.

The Province has approved three Community Revitalization Levies in the City of Edmonton. These CRL's are funding implementation of Phase I in The Quarters Downtown, implementation of the Belvedere urban design plan and Capital City Downtown catalyst projects, specifically the Arena and Drainage Upgrades.

- The Quarters Downtown CRL- approved in 2011, commenced in 2012.
  - Phase I - \$56 million in City improvements currently in progress has attracted over \$500 million in investment and development.
  - Phase II - \$43 million in City improvements will help attract additional investment and development.
- Belvedere CRL - approved in 2012, commenced in 2013.
  - Construction of infrastructure improvements is complete and the stage set for new transit oriented developments to occur in this area. To date the City's investment of \$34.5 million has attracted over \$150 million in planned new investments.
- Capital City Downtown CRL - approved in 2014, commencing in 2015.
  - Construction is underway on the Arena. The impact of the Arena and other downtown catalyst projects will spur an estimated \$2.4 billion in new downtown developments over the next 20 years.



# The Quarters Community Revitalization Levy

## Approved 2015 Budget – Summary

| (\$000)                                  | 2013<br>Actual | 2014<br>Budget | 2015<br>Budget | \$<br>Change<br>'14-'15 | %<br>Change<br>'14-'15 |
|--|----------------|----------------|----------------|-------------------------|------------------------|
| <b>Revenue &amp; Transfers</b>           |                |                |                |                         |                        |
| User Fees, Fines, and Permits            | 600            | 1,415          | 2,639          | 1,224                   | 86.5                   |
| Transfer from Reserves                   | 3,931          | 1,558          | 1,487          | (71)                    | (4.6)                  |
| <b>Total Revenue &amp; Transfers</b>     | <b>\$4,531</b> | <b>\$2,973</b> | <b>\$4,126</b> | <b>\$1,153</b>          | <b>38.8</b>            |
| <b>Expenditure &amp; Transfers</b>       |                |                |                |                         |                        |
| Personnel                                | 357            | 555            | 582            | 27                      | 4.9                    |
| Materials, Goods, and Supplies           | 6              | 13             | 13             | -                       | -                      |
| External Services                        | 96             | 698            | 178            | (520)                   | (74.5)                 |
| Intra-municipal Charges                  | 3,182          | 3              | 3              | -                       | -                      |
| Utilities & Other Charges                | 1,032          | 1,846          | 3,492          | 1,646                   | 89.1                   |
| Subtotal                                 | 4,673          | 3,115          | 4,268          | 1,153                   | 36.9                   |
| Intra-municipal Recoveries               | -              | -              | -              | -                       | -                      |
| <b>Total Expenditure &amp; Transfers</b> | <b>\$4,673</b> | <b>\$3,115</b> | <b>\$4,268</b> | <b>\$1,153</b>          | <b>36.9</b>            |
| <b>Net Operating Requirement</b>         | <b>\$142</b>   | <b>\$142</b>   | <b>\$142</b>   | <b>-</b>                | <b>-</b>               |
| <b>Full-time Equivalents</b>             | <b>5.0</b>     | <b>5.0</b>     | <b>5.0</b>     | <b>-</b>                | <b>-</b>               |

# The Quarters Community Revitalization Levy

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## Budget Changes for 2015

(\$000)

### Revenue & Transfers - Changes

#### Community Revitalization Levy \$1,224

CRL revenues increasing year over year due to new developments and increasing property values.

#### Transfer from Reserves \$(71)

Decrease in reserves needed to fund debt servicing is due to an increase in projected CRL revenues.

### Expenditures & Transfers - Changes

#### Personnel \$27

Realignment of existing positions, movement toward job rate and changes in benefits.

#### External Services (\$520)

Decrease due to 1% for Art project funding, a one time expenditure related to capital budget for Phase I.

#### Debt Utilities & Other Charges \$1,646

Increase due to timing of The Quarters Phase I capital expenditures and commencement of approved Phase II Service Package.

### Full-time Equivalents - Changes

There are no changes to Full-time Equivalents.

# The Quarters Community Revitalization Levy

## Approved 2015 Budget - Program Summary

### Program Name - The Quarters CRL

#### Link to 10-Year Strategic Goals



#### Results to be Achieved

The Quarters Downtown Community Revitalization Levy finances City investments in public infrastructure improvements that is attracting new investments and developments, new residents and families and creating vibrancy in the eastern part of Edmonton's Downtown.

#### Cost Drivers

- Increasing demand for input and collaboration with internal and external stakeholders
- Increasing construction cost escalations and land costs.
- Time required to address remediation on city-owned brownfield sites.

#### Service Standards

Employ implementation strategies for The Quarters Downtown CRL Plan that optimizes limited resources for maximum impact. Leverage opportunities to partner with public and private developments; collaborate with community partners to achieve goal of building a vibrant urban village, and provide timely responses to citizen, developer, business and Council inquiries.

| Resources<br>(\$000)                          | Project<br>Total  | Actuals<br>2012-2013 | Projected    |              |                |
|---|-------------------|----------------------|--------------|--------------|----------------|
|   |                   |                      | 2014         | 2015         | 2016-2031      |
| <b>Revenues</b>                               |                   |                      |              |              |                |
| Community Revitalization Levy                 | \$ 185,480        | \$ 1,087             | \$ 1,415     | \$ 2,639     | \$ 180,339     |
| Transfer from Reserves                        | 500               | 500                  | -            | -            | -              |
| Base Tax Levy                                 | 710               | 284                  | 142          | 142          | 142            |
| <b>Total Revenue</b>                          | <b>\$ 186,690</b> | <b>1,871</b>         | <b>1,557</b> | <b>2,781</b> | <b>180,481</b> |
| <b>Expenditures</b>                           |                   |                      |              |              |                |
| Debt Servicing Phase I                        | \$ 67,837         | 1,095                | 1,723        | 3,069        | 61,950         |
| Debt Servicing Phase II                       | 57,848            | -                    | -            | 423          | 57,425         |
| Non-Capital Items                             | 6,119             | 5,099                | 1,020        | -            | -              |
| Administrative Costs                          | 6,608             | 1,061                | 758          | 776          | 4,013          |
| <b>Total Operating Expenditures</b>           | <b>\$ 138,412</b> | <b>7,255</b>         | <b>3,501</b> | <b>4,268</b> | <b>123,388</b> |
| Net Income (Loss)                             | \$ 48,278         | (5,384)              | (1,944)      | (1,487)      | 57,093         |
| Cumulative Net Income (Loss) -<br>End of Year | \$ 48,278         | (5,384)              | (7,328)      | (8,815)      | 48,278         |

The pro forma reflects projects in The Quarters Community Revitalization Levy plan that have been approved to date by Council as well as operating impacts related to the Phase II approved 2015-2018 capital budget and associated borrowing bylaws.

#### 2014 Services

- Oversight of infrastructure improvements, including: construction of streetscape improvements on 96 street and 104th Avenue to ensure alignment with Urban Design Plan.
- Support community partner activities and events that provide opportunities for people to come to The Quarters Downtown, change public perceptions of the area and create vibrancy.
- Work with developers of the Hyatt Place Edmonton Hotel, Five Corners Tower One and Artists Quarters to address impediments to timely development.
- Create local employment opportunities by contracting Downtown Proud to pick up litter in the area.

#### Changes in Services for 2015

- Find development partner for the York Hotel site
- Assemble land to consolidate next development site on 96 street
- Complete land assembly to facilitate Phase I development of the 96 street park
- Develop Surface Parking Lot Strategies

# The Quarters Community Revitalization Levy

|   |   |
|---|---|
| <b>Program – Urban Renewal</b><br><b>Title - The Quarters CRL Phase II Service Package*</b> | <b>New or Enhanced Service<br/>Funded</b> |
|---|---|

## Results to be Achieved

This service package is for Phase II implementation of The Quarters Downtown Community Revitalization Levy Plan. The Plan identifies City investments in land and infrastructure that will play a critical role in transforming Edmonton's east downtown over the next 20 years. The goals of The Quarters CRL Plan are to attract new investment, new residents and families and create vibrancy. Phase I implementation of The Quarters Plan started in 2012 and has already stimulated over \$500 million in new investments in projects that are completed, under construction or in planning. Phase I investments have also attracted new residents and families and are creating vibrancy in the Plan area. Phase II implementation will continue to build on the work done to date.

## Description

This service package will be funded from The Quarters Downtown CRL Revenues. The Quarters Downtown CRL revenues have surpassed original projections which means there is additional capacity within the CRL to repay debt servicing costs arising from borrowings for Phase II. Phase II investments include acquiring urban park land, development of New City Park Phase I as well as drainage upgrades and streetscape improvements along 102A avenue.

## Background

The Quarters Downtown Community Revitalization Levy Plan 2011 (Bylaw 15800) was approved by City Council in June 2011 and approved by the Province through an order in Council in September 2011. The CRL commenced on January 1, 2012. City Council approved implementation of Phase I with a budget of \$56 million.

## Options

This service package is proposed in response to Council's approval of The Quarters Downtown Community Revitalization Levy Plan in 2011. This Plan proposed a phased approach to implementation of The Quarters Downtown Urban Design Plan based on the ability of CRL revenues to repay debt servicing on borrowings. CRL revenues have surpassed original projections and are sufficient to service the debt required for Phase II.

## Implications of Not Funding

Implementation of The Quarters Downtown Community Revitalization Levy Plan would not be able to continue which would directly impact the City's ability to deliver on the goals of attracting new investments, residents and families and creating vibrancy in the area.

| incremental   | 2015         |            |          |          | 2016           |              |          |          | 2017           |              |          |          |
|---------------|--------------|------------|----------|----------|----------------|--------------|----------|----------|----------------|--------------|----------|----------|
| (\$000)       | Exp          | Rev        | Net      | FTEs     | Exp            | Rev          | Net      | FTEs     | Exp            | Rev          | Net      | FTEs     |
| New Budget    | 423          | 423        | -        | -        | 1,109          | 1,109        | -        | -        | 1,316          | 1,316        | -        | -        |
| Annualization | -            | -          | -        | -        | -              | -            | -        | -        | -              | -            | -        | -        |
| <b>Total</b>  | <b>\$423</b> | <b>423</b> | <b>-</b> | <b>-</b> | <b>\$1,109</b> | <b>1,109</b> | <b>-</b> | <b>-</b> | <b>\$1,316</b> | <b>1,316</b> | <b>-</b> | <b>-</b> |

# The Quarters Community Revitalization Levy

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## Performance Measures

The Quarters Community Revitalization Levy (CRL) Reserve has a projected year-end deficit balance of (\$8,814), inclusive of the forecast 2015 reserve transfer of (\$1,487), to offset the annual projected CRL revenue shortfall. Operating costs are anticipated to exceed the projected CRL revenue until 2019. This shortfall will be bridge financed by general government working capital and is projected to be repaid by 2025 from future years' CRL revenues. The balance in the reserve is an accumulation of debt servicing costs and other operating costs from inception of the revitalization levy January 1, 2012. Currently the reserve deficit is projected to peak at the end of 2019 at (\$11,995). From 2020 onward the CRL projections show annual positive net income which will reduce the reserve deficit ultimately reaching a positive position in 2025.

### Attract New Investment

Over \$500 million in new investments.

- Completed developments – over \$100 million
- Projects currently under construction - \$270 million
- Planned projects - \$170 million

### Attract New Residents and Families

Current projects will result in 2,500 new residents, a 33% increase in The Quarters Downtown population.

- Completed developments:  
240 affordable housing units and 276 market rental units = 750 new residents
- Projects under construction:  
60 affordable housing units plus 639 market units = 1,060 new residents
- Projects in planning:  
Estimated 30 affordable housing units plus 380 market units = 660 new residents

# Belvedere Community Revitalization Levy

## Approved 2015 Budget – Summary

| (\$000)                                  | 2013<br>Actual | 2014<br>Budget | 2015<br>Budget | \$<br>Change<br>'14-'15 | %<br>Change<br>'14-'15 |
|--|----------------|----------------|----------------|-------------------------|------------------------|
| <b>Revenue &amp; Transfers</b>           |                |                |                |                         |                        |
| Land Sales Residential                   | -              | 5,200          | 5,200          | -                       | 3.3                    |
| Community Revitalization Levy            | 182            | 347            | 530            | 183                     | 3.3                    |
| Transfer from Reserves                   | 813            | -              | -              | -                       | -                      |
| <b>Total Revenue &amp; Transfers</b>     | <b>\$995</b>   | <b>\$5,547</b> | <b>\$5,730</b> | <b>\$183</b>            | <b>3.3</b>             |
| <b>Expenditure &amp; Transfers</b>       |                |                |                |                         |                        |
| Cost of Land Sold - Residential          | -              | 1,586          | 1,792          | 206                     | 13.0                   |
| External Services                        | -              | -              | 50             | 50                      | -                      |
| Intra-municipal Charges                  | 70             | 131            | 39             | (92)                    | (70.2)                 |
| Debt, Utilities & Other Charges          | 925            | 2,614          | 2,709          | 95                      | 3.6                    |
| Transfer to Reserves                     | -              | -              | 1,140          | 1,140                   | -                      |
| Subtotal                                 | 995            | 4,331          | 5,730          | 1,399                   | 32.3                   |
| Intra-municipal Recoveries               | -              | -              | -              | -                       | -                      |
| <b>Total Expenditure &amp; Transfers</b> | <b>\$995</b>   | <b>\$4,331</b> | <b>\$5,730</b> | <b>\$1,399</b>          | <b>32.3</b>            |
| <b>Net Income (Loss)</b>                 | <b>-</b>       | <b>\$1,216</b> | <b>-</b>       | <b>(\$1,216)</b>        | <b>-</b>               |
| <b>Full-time Equivalents</b>             | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>                | <b>-</b>               |

The 2014 budgeted net income is transferred to the Belvedere CRL reserve.

# Belvedere Community Revitalization Levy

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## Budget Changes for 2015

(\$000)

### Revenue & Transfers - Changes

#### Land Sales Residential \$0

Timing of Belvedere land sales has been revised.

#### Community Revitalization Levy \$183

Increase due to CRL lift related to natural growth, expected property development and sale of City owned property in the Belvedere CRL area. The revenue is dedicated to funding the improvements made by the City within the CRL area.

### Expenditures & Transfers - Changes

#### Cost of Land Sold - Residential \$206

Belvedere land sales have been revised.

#### External Services \$50

Adjusted budget to reflect actual expenditures.

#### Intra-municipal Services \$(92)

Adjusted budget to reflect actual expenditures.

#### Debt Utilities & Other Charges \$95

Adjusted budget to reflect actual expenditures.

#### Transfer to Reserves \$1,140

Increase is due to land sales in Belvedere.

### Full-time Equivalents - Changes

There are no changes to Full-time Equivalents.



# Belvedere Community Revitalization Levy

## Approved 2015 Budget – Program Summary

### Program Name - Belvedere Community Revitalization Levy

[Link to 10-Year Strategic Goals](#)



### Results to be Achieved

The City of Edmonton Belvedere Community Revitalization Levy Bylaw 15932 funds the municipal infrastructure improvements needed to attract development along Fort Road to promote Transit Oriented Development and to encourage private sector redevelopment in the area.

### Cost Drivers

Debt servicing costs, CRL administration

### Service Standards

Services provided by this program include hardscaping, streetscaping and landscaping and ongoing marketing and sales work for remaining lots in Station Pointe, Edmonton's first transit-oriented community.

| Resources<br>(\$000)                          | Project<br>Total | Actuals<br>2012-2013 | Projected    |              |               |
|---|------------------|----------------------|--------------|--------------|---------------|
|   |                  |                      | 2014         | 2015         | 2016-2031     |
| Revenues                                      |                  |                      |              |              |               |
| Land Sales                                    | \$ 18,720        | \$ -                 | \$ 4,640     | \$ 5,200     | \$ 8,880      |
| Community Revitalization Levy                 | 40,530           | 182                  | 464          | 530          | 39,354        |
| Total Revenue                                 | <u>\$ 59,250</u> | <u>182</u>           | <u>5,104</u> | <u>5,730</u> | <u>48,234</u> |
| Expenditures                                  |                  |                      |              |              |               |
| Cost of Land Sold                             | \$ 10,479        | -                    | 2,728        | 1,792        | 5,959         |
| Debt Servicing                                | 36,799           | 3,831                | 1,866        | 2,023        | 29,079        |
| Administrative Costs                          | 1,804            | 157                  | 593          | 775          | 279           |
| Total Operating Expenditures                  | <u>\$ 49,082</u> | <u>3,988</u>         | <u>5,187</u> | <u>4,590</u> | <u>35,317</u> |
| Net Income (Loss)                             | <u>\$ 10,168</u> | <u>(3,806)</u>       | <u>(83)</u>  | <u>1,140</u> | <u>12,917</u> |
| Cumulative Net Income (Loss) -<br>End of Year | \$ 10,168        | (3,806)              | (3,889)      | (2,749)      | 10,168        |

### 2014 Services

Ongoing management and administration of the Belvedere Community Revitalization Levy. Marketing, promotion and development coordination activities, which promote development and attract investment to the area.

### Changes in Services for 2015

No changes

# Belvedere Community Revitalization Levy

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## Performance Measures

Belvedere development costs including debt servicing charges are anticipated to exceed the projected revenue in the early years. This shortfall will be bridge-financed by Land Enterprise's retained earnings, and is projected to be repaid by future years CRL revenues. In 2027, Belvedere CRL is expected to be in a positive cash position.

### Attract New Investment

Over \$150 million in new investments.

- Planned projects - \$150 million

# Capital City Downtown Community Revitalization Levy

## Approved 2015 Budget – Summary

| (\$000)                                  | 2013<br>Actual | 2014<br>Budget | 2015<br>Budget | \$<br>Change<br>'14-'15 | %<br>Change<br>'14-'15 |
|--|----------------|----------------|----------------|-------------------------|------------------------|
| <b>Revenue &amp; Transfers</b>           |                |                |                |                         |                        |
| Community Revitalization Levy            | -              | -              | 1,213          | 1,213                   | -                      |
| Transfer from Reserves                   | -              | -              | 8,395          | 8,395                   | -                      |
| <b>Total Revenue &amp; Transfers</b>     | -              | -              | \$9,608        | \$9,608                 | -                      |
| <b>Expenditure &amp; Transfers</b>       |                |                |                |                         |                        |
| Personnel                                | -              | -              | 318            | 318                     | -                      |
| Materials, Goods, and Supplies           | -              | -              | 10             | 10                      | -                      |
| External Services                        | -              | -              | 459            | 459                     | -                      |
| Debt, Utilities & Other Charges          | -              | -              | 8,821          | 8,821                   | -                      |
| Subtotal                                 | -              | -              | 9,608          | 9,608                   | -                      |
| Intra-municipal Recoveries               | -              | -              | -              | -                       | -                      |
| <b>Total Expenditure &amp; Transfers</b> | -              | -              | \$9,608        | \$9,608                 | -                      |
| <b>Net Income (Loss)</b>                 | -              | -              | -              | -                       | -                      |
| <b>Full-time Equivalents</b>             | -              | -              | 3.0            | 3.0                     |                        |

# Capital City Downtown Community Revitalization Levy

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## Budget Changes for 2015

(\$000)

### Revenue & Transfers - Changes

**Community Revitalization Levy \$1,213**

CRL commences on January 1, 2015, providing increase.

**Transfer from Reserves \$8,395**

CRL commences on January 1, 2015, providing increase.

### Expenditures & Transfers - Changes

**Personnel \$318**

CRL commences on January 1, 2015, providing increase.

**Material, Goods & Supplies \$10**

CRL commences on January 1, 2015, providing increase.

**External Services \$459**

CRL commences on January 1, 2015, providing increase.

**Debt Servicing & Other Charges \$8,821**

CRL commences on January 1, 2015, providing increase.

### Full-time Equivalents - Changes

Additional 3.0 FTE Planners related to Downtown CRL commencement.

# Capital City Downtown Community Revitalization Levy

## Approved 2015 Budget – Program Summary

### Program Name - Capital City Downtown CRL

Link to 10-Year Strategic Goals



### Results to be Achieved

The Capital City Downtown Community Revitalization Levy funds catalyst projects that will attract new investment and developments, residents, and businesses, to create a more vibrant, sustainable, well-designed, and accessible Downtown.

### Cost Drivers

- Construction cost escalations for Catalyst Projects
- Increase in land values
- Debt servicing costs

### Service Standards

- Oversight of infrastructure improvements, including: construction of Green and Walkable streetscape improvements on 104 Avenue to ensure alignment with Urban Design Plan.
- Support community partner activities and events that provide opportunities for people to experience the Downtown while under construction and create vibrancy.
- Work with developers as required to address impediments to timely development.

| Resources<br>(\$000)                          | Project<br>Total | Actuals<br>2012-2013 | Projected |          |              |
|---|------------------|----------------------|-----------|----------|--------------|
|   |                  |                      | 2014      | 2015     | 2016-2034    |
| <b>Revenues</b>                               |                  |                      |           |          |              |
| Community Revitalization Levy                 | \$ 1,153,383     | \$ -                 | \$ -      | \$ 1,213 | \$ 1,152,170 |
| Base Tax Levy                                 | -                | -                    | -         | -        | -            |
| Total Revenue                                 | \$ 1,153,383     | -                    | -         | 1,213    | 1,152,170    |
| <b>Expenditures</b>                           |                  |                      |           |          |              |
| Debt Servicing                                | \$ 570,185       | -                    | 2,820     | 8,800    | 558,565      |
| Non-Capital Items                             | 4,684            | -                    | -         | 93       | 4,591        |
| Administrative Costs                          | 17,600           | -                    | -         | 715      | 16,885       |
| Total Operating Expenditures                  | \$ 592,469       | -                    | 2,820     | 9,608    | 580,041      |
| Net Income (Loss)                             | \$ 560,914       | -                    | (2,820)   | (8,395)  | 572,129      |
| Cumulative Net Income (Loss) -<br>End of Year | \$ 560,914       | -                    | (2,820)   | (11,215) | 560,914      |

The pro forma reflects the projects included in the Capital City Downtown Community Revitalization Levy Plan that have been approved to date by Council, and also those that administration has prioritized to begin between 2015 and 2020, subject to Council approval.

### 2014 Services

Not applicable, CRL commences January 1, 2015.

### Changes in Services for 2015

- The CRL commences January 1, 2015.
- Initiate implementation and administration of the CRL and its constituent Catalyst Projects.
- Marketing, development and communication activities to encourage development, attract investment, and build excitement around Edmonton's Downtown.

# Capital City Downtown Community Revitalization Levy

|   |   |
|---|---|
| <b>Program - Urban Renewal<br/>Title - Downtown CRL</b> | <b>New or Enhanced Service<br/>Funded</b> |
|---|---|

## Results to be Achieved

Implementation of the Capital City Downtown Community Revitalization Levy (CRL) Plan (Bylaw #16521). The Plan identifies Catalyst Projects that will play a critical role in transforming the Downtown over the next 20 years. Catalyst Projects include the Arena, Jasper Avenue New Vision, Green and Walkable, 105 Street/102 Avenue Park, Warehouse Neighbourhood Central Park, Drainage upgrades, River Valley Promenades and Edmonton Academic and Cultural Centre (Galleria). The CRL Program will help stimulate growth, attract new businesses, design a more complete and vibrant Downtown neighbourhood, encourage quality urban design, increase the use of downtown amenities, and create a more vital Downtown which is vibrant, sustainable, well-designed and accessible. The CRL Plan anticipates that the CRL will generate from \$597 million to \$1,156 million over 20 years which will fund the program.

## Description

This service package will be funded from Downtown CRL Revenues. The program coordinates with external partners including the Downtown Vibrancy Task Force, the Downtown Community League, MacEwan University as well as multiple city departments. Strategic communication and CRL reporting are also among the work program outcomes. The key components of this service package are: Debt Repayment: \$8.8 million in 2015; \$15.2 million in 2016 and \$19.1 million in 2017; estimated allowance for non-Tangible Capital Asset items associated with capital projects such as percent for Art: \$90,000 (2015); Personnel and office costs: \$366,000 annually; and External Services (planning consulting, communications & marketing consulting): \$350,000 annually.

## Background

On September 17, 2013, City Council approved the Capital City Downtown Community Revitalization Levy Plan and Bylaw (#16521). On April 16, 2014, the Province approved the CRL Plan and Bylaw through an Order in Council. The Downtown CRL will be collected beginning in 2015. CRL funds must be used to fund implementation of infrastructure projects within the CRL area as outlined in the CRL Plan.

## Options

This service package is proposed in response to Council's direction to adopt a Community Revitalization Levy and implement the Capital City Downtown Catalyst Projects. It is critical that the Downtown CRL Plan implementation program is managed efficiently and effectively. Resources to implement the CRL plans are optimized through an integrated management model that pools skills and expertise. External professional services will be retained where appropriate to achieve the desired outcomes for the Capital City Downtown Plan.

## Implications of Not Funding

Inability to implement CRL Catalyst Projects. Failure to achieve the vision of the Capital City Downtown Plan (Bylaw 15200). Ongoing Downtown work will be uncoordinated.

| incremental   | 2015           |              |          |            | 2016           |              |          |          | 2017           |              |          |          |
|---------------|----------------|--------------|----------|------------|----------------|--------------|----------|----------|----------------|--------------|----------|----------|
| (\$000)       | Exp            | Rev          | Net      | FTEs       | Exp            | Rev          | Net      | FTEs     | Exp            | Rev          | Net      | FTEs     |
| New Budget    | 9,608          | 9,608        | -        | 3.0        | 6,576          | 6,576        | -        | -        | 3,780          | 3,780        | -        | -        |
| Annualization | -              | -            | -        | -          | -              | -            | -        | -        | -              | -            | -        | -        |
| <b>Total</b>  | <b>\$9,608</b> | <b>9,608</b> | <b>-</b> | <b>3.0</b> | <b>\$6,576</b> | <b>6,576</b> | <b>-</b> | <b>-</b> | <b>\$3,780</b> | <b>3,780</b> | <b>-</b> | <b>-</b> |

# Capital City Downtown Community Revitalization Levy

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## Performance Measures

The Capital City Downtown Community Revitalization Levy (CRL) Reserve has a projected 2015 year-end deficit balance of \$11.2 million inclusive of the forecast 2015 reserve transfer of \$8.4 million to offset the annual projected CRL revenue shortfall. The balance in the reserve is an accumulation of debt servicing costs and other operating costs from program inception. Currently the reserve deficit is projected to peak at the end of 2018 at \$36 million. From 2019 onward the CRL projections show annual positive net income which will reduce the reserve deficit ultimately reaching a positive position in 2021.

### Attract New Investment

- Performance will be reported after the program commences in January 2015.