

# Community Revitalization Levy

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## Introduction

A Community Revitalization Levy (CRL) is the funding source the City can use to dedicate future property tax revenue in a specific area to pay for a new public facility or new infrastructure. A CRL can be used to fund public projects designed to encourage new development and revitalize a specific part of the city. A new public project or investment in infrastructure encourages private sector investment that otherwise would not occur. The resulting new development generates tax revenue that would otherwise not occur, and raises property values within the area.

This source of financing was made available by an amendment of the Municipal Government Act. This legislation provides a mechanism whereby the baseline assessment for the properties within the Plan area will be frozen as at December 31 of the year the CRL bylaw is approved by the Province. Thereafter, any increase in the incremental value of the properties in the Plan Area forms the CRL Levy (both municipal and school), through which the capital investment made by the City of Edmonton in the project may be repaid. This levy is not an additional tax on property owners within the Plan area, rather it is dedicating the future amounts above the base line for the repayment of the costs of redevelopment projects for up to 20 years.

The City borrows money to pay for the construction of CRL projects. Once built, projects funded by the CRL spark new developments, and property values rise on existing developments. The City then uses the growth in taxes from new developments and increased property values within the CRL zone to pay back the borrowed funds for the CRL projects.

City Council and the Province have approved the Belvedere (Station Pointe) and the Quarters Community Revitalization Levies.

The Quarters Downtown CRL was approved in 2011. Infrastructure improvements are currently in progress and private-sector investment is already starting to appear.

The Belvedere CRL was approved in 2012. Infrastructure improvements are currently in progress which will bring new transit-oriented housing to this area of Fort Road.

Sustainable Development is responsible for the advancement of urban renewal initiatives through the implementation of Council approved revitalization plans including Quarters CRL and Belvedere CRL. These CRL's provide funding to invest in public infrastructure to attract private sector investment.



LAYING FOUNDATIONS FOR A SUSTAINABLE AND LIVEABLE CITY

# The Quarters Community Revitalization Levy

## Approved 2014 Budget (\$000)

	2012 Actual	2013 Budget	2014 Budget	\$ Change '13-'14	% Change '13-'14
<b>Revenue &amp; Transfers</b>					
Community Revitalization Levy	\$ 487	\$ 918	\$ 1,415	\$ 497	54.1
Transfer from Reserves	1,453	-	1,558	1,558	-
<b>Total Revenue &amp; Transfers</b>	<b>1,940</b>	<b>918</b>	<b>2,973</b>	<b>2,055</b>	<b>223.9</b>
<b>Expenditure &amp; Transfers</b>					
Personnel	332	515	666	151	29.3
Materials, Goods & Supplies	11	21	21	-	-
External Services	325	68	58	(10)	(14.7)
Intra-municipal Services	263	3	3	-	-
Debt, Utilities & Other Charges	74	10	1,847	1,837	18,370.0
Grants	1,577	409	520	111	27.1
Subtotal	2,582	1,026	3,115	2,089	203.6
Intra-municipal Recoveries	-	-	-	-	-
<b>Total Expenditure &amp; Transfers</b>	<b>2,582</b>	<b>1,026</b>	<b>3,115</b>	<b>2,089</b>	<b>203.6</b>
<b>Net Operating Requirement</b>	<b>\$ 642</b>	<b>\$ 108</b>	<b>\$ 142</b>	<b>\$ 34</b>	<b>31.5</b>
<b>Full-time Equivalents</b>	5.0	5.0	5.0	-	

City Council approved Bylaw 15800, Schedule "A" - The Quarters Downtown Community Revitalization Levy (CRL) Plan on June 20, 2011. The Quarters CRL will provide funding for public infrastructure needed to attract private investment, redevelopment and revitalization of the defined area. Council approved \$56 million in funding for The Quarters. Capital costs for The Quarters will be financed through Borrowing Bylaw 15977 which was approved by Council in January 2012. The CRL enables the City to apply both the municipal and education tax levy increases related to the incremental increase in the assessed value over the baseline to pay for the debt servicing and other related infrastructure improvements. The assessment baseline for the CRL was set on December 31, 2011. Funds generated from both the Municipal and Provincial Tax Levy within the CRL boundary will be used to cover all costs of the CRL. The Quarters CRL will remain in place for up to a maximum of 20 years from 2012 to 2031.

Infrastructure improvements in the Quarters CRL are in progress and private-sector investment is starting to appear.

The Quarters CRL is projected to be in a positive annual cash position in 2017 with prior years' deficits plus base tax levy repaid by 2020.

# The Quarters Community Revitalization Levy

## Budget Changes for 2014

(\$000)

### Revenue & Transfers - Changes

#### **Community Revitalization Levy (CRL) \$497**

Increase Community Revitalization Levy (CRL) revenue generated from planned new development in The Quarters.

#### **Transfer from Reserves \$1,558**

Increase in draw from The Quarters CRL Reserve to fund projected 2014 revenue shortfall. This will be recovered from future years' CRL revenue.

### Expenditures & Transfers - Changes

#### **Personnel \$151**

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

#### **External Services (\$10)**

Decrease is comprised of a numbers of small changes.

#### **Debt, Utilities & Other Charges \$1,837**

Increase in projected debt servicing costs related to construction.

#### **Grants \$111**

Increase due to timing of % For Art payments.

# The Quarters Community Revitalization Levy

## Approved 2014 Budget – Program Summary

(\$000)

### Program Name - The Quarters CRL

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



### Results to be Achieved

The Quarters Downtown CRL funds investments in municipal infrastructure improvements that will attract private investment, redevelopment and revitalization to the area.

### Cost Drivers

- Increasing demand for input and collaboration with internal and external stakeholders
- Increasing property values and construction cost escalation
- Fragmented land ownership and ageing infrastructure

### Service Standards

Sound management and strategic implementation of The Quarters Downtown CRL Plan: advancing construction of Phase I; facilitating acquisition, remediation, and redevelopment of lands within The Quarters Downtown; coordinating implementation of infrastructure projects/private developments; collaborate with community partners to achieve the goal of building a safe, vibrant, engaged community and providing timely responses to Council inquiries.

Resources (\$000)	2012 Actual	2012 Budget	2013 Budget	2014 Budget
Revenue & Transfers	\$ 1,940	\$ 478	\$ 918	\$ 2,971
Expenditure & Transfers	2,582	1,120	1,026	3,113
Subtotal	642	642	108	142
Intra-municipal Recoveries	-	-	-	-
Net Operating Requirement	\$ 642	\$ 642	\$ 108	\$ 142
Management		-	-	-
Professional/Technical/Union Exempt		2.0	2.0	2.0
Union		3.0	3.0	3.0
Temporary		-	-	-
Full - Time Equivalents		5.0	5.0	5.0

### 2013 Services

- Oversee infrastructure improvements, including: completion of detailed design of the Armature (96 Street), construction of streetscape improvements on 96 street, and new water main and shallow storm on 96 street
- Support delivery of public events to attract people to The Quarters, including: co-sponsoring the Edmonton Chinatown Conference, the Heritage Chinatown Nightmarket, and the Boyle Plaza 'What the Truck?' Food Truck Stop
- Development coordination and support for the advancement of projects in the Quarters, including Boyle Renaissance Phase 1 & 2, Five Corners, Artists Urban Village, York Hotel site, and the Quarters Hotel

### Changes in Services for 2014

- None

# The Quarters Community Revitalization Levy

## Financial Information - Quarters CRL (\$000)

	Project Total	Actual 2012	----- Projected -----					2018 to 2031
			2013	2014	2015	2016	2017	
<b>Revenues</b>								
	\$ 149,402	\$ 487	\$ 599	\$ 1,415	\$ 2,305	\$ 3,951	\$ 5,156	\$ 135,489
1	Base Tax Levy	\$ 710	142	142	142	142	-	-
	<b>Total Revenues</b>	<b>150,112</b>	<b>629</b>	<b>741</b>	<b>1,557</b>	<b>2,447</b>	<b>4,093</b>	<b>5,156</b>
<b>Expenditures</b>								
	69,117	77	1,036	1,837	3,197	3,936	3,936	55,098
4	Debt Servicing	3,854	1,971	1,363	520	-	-	-
1	Non-Capital Items	3,807	533	970	758	768	778	-
	Administrative Costs	<b>Total Expenditures</b>	<b>76,778</b>	<b>2,581</b>	<b>3,369</b>	<b>3,115</b>	<b>3,965</b>	<b>4,714</b>
2	<b>Net Income (Deficit)</b>	73,334	(1,952)	(2,628)	(1,558)	(1,518)	(621)	1,220
	<b>Cumulative Net Income (Deficit), End of Year</b>	<b>\$ 73,334</b>	<b>\$ (1,952)</b>	<b>\$ (4,580)</b>	<b>\$ (6,138)</b>	<b>\$ (7,656)</b>	<b>\$ (8,277)</b>	<b>\$ (7,057)</b>
								<b>\$ 73,334</b>

	Project Total	Actual 2012	----- Projected -----		
			2013	2014	2015
<b>Project Costs - Capital Profile 11-17-0407 (Phase I)</b>					
3	Infrastructure Improvements	\$ 52,146	\$ 12,821	\$ 7,359	\$ 21,009
4	Non Capital Items	3,854	1,971	1,363	520
		<b>\$ 56,000</b>	<b>\$ 14,792</b>	<b>\$ 8,722</b>	<b>\$ 21,529</b>
<b>Funding</b>					
	Debt	\$ 52,146	\$ 12,821	\$ 7,359	\$ 21,009
2	FSR	3,854	1,971	1,363	520
		<b>\$ 56,000</b>	<b>\$ 14,792</b>	<b>\$ 8,722</b>	<b>\$ 21,529</b>

## Explanatory Notes

- 1 In the 2012 Operating budget, Council approved an operating expenditure budget of \$620 for The Quarters project office offset by \$478 in CRL revenue with net tax levy of \$142. 2012 expenditures will be lower than expected due to delays in hiring personnel dedicated to this project. Project office costs are expected to end after 2016.
- 2 The total deficit balance will be funded by the Financial Stabilization Reserve as bridge financing. Any deficit balances plus total Base Tax Levy (\$710) are projected to be repaid by future CRL revenues. In 2017, The Quarters CRL will be in a positive cash position with prior years' deficits plus Base Tax Levy repaid by 2020.
- 3 Future requirements for Phase 2 and Phase 3 capital for The Quarters will be presented to Council in 2014.
- 4 Non Capital Items include expenditures related to municipal incentives, remediation and operating activities for which the City will not be able to borrow.

# Belvedere Community Revitalization Levy

## Approved 2014 Budget (\$000)

	2012 Actual	2013 Budget	2014 Budget	\$ Change '13-'14	% Change '13-'14
<b>Revenue &amp; Transfers</b>					
Land Sales Residential	\$ -	\$ 8,840	\$ 5,200	\$ (3,640)	(41.2)
Belvedere CRL Tax Levy	-	168	347	179	106.4
<b>Total Revenue &amp; Transfers</b>	<b>-</b>	<b>9,008</b>	<b>5,547</b>	<b>(3,461)</b>	<b>(38.4)</b>
<b>Expenditure &amp; Transfers</b>					
Cost of Land Sold - Residential	-	3,998	1,586	(2,412)	(60.3)
Utilities & Other Charges	3,610	2,554	2,745	191	7.5
<b>Total Expenditure &amp; Transfers</b>	<b>3,610</b>	<b>6,552</b>	<b>4,331</b>	<b>(2,221)</b>	<b>(33.9)</b>
<b>Net Income (Loss)</b>	<b>\$ (3,610)</b>	<b>\$ 2,456</b>	<b>\$ 1,216</b>	<b>\$ (1,240)</b>	<b>(50.5)</b>

### Full-time Equivalents

- - - -

Belvedere CRL program includes the revenues from the Belvedere Community Revitalization Levy Bylaw 15932. The Belvedere CRL plan has been approved with a baseline date of December 31, 2012. The levy is equal to the incremental assessed value of property within the community revitalization area. The revenue raised is used for debt servicing costs and other direct costs associated with the redevelopment of property within the CRL area.

The 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 2028, Belvedere CRL is expected to be in a positive cash position.

## Budget Changes for 2014

(\$000)

### Revenue & Transfers - Changes

**Land Sales Residential** \$ (3,640)

Decrease due to reduction in projected sale of residential lots.

**Belvedere CRL Tax Levy** \$ 179

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

### Expenditures & Transfers - Changes

**Cost of Land Sold - Residential** \$ (2,412)

The decrease is due to lower residential lot sale projections for 2014.

**Utilities & Other Charges** \$ 191

The increase is due to an increase in debt service costs related to the Belvedere CRL.

# Belvedere Community Revitalization Levy

## Approved 2014 Budget – Program Summary (\$000)

### Program Name - Belvedere CRL



#### Link to 10-Year Strategic Goals

#### Results to be Achieved

The City of Edmonton Belvedere Community Revitalization Levy Regulation (AR 57/2010) provides investment funding for the public infrastructure program needed to encourage private sector investment and revitalization of the Fort Road area described in Edmonton's first transit oriented design vision laid out in the Fort Road Urban Design Plan.

#### 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 (\$000)	2012 Actual	2012 Budget	2013 Budget	2014 Budget
Revenue & Transfers	\$ -	\$ -	\$ 9,008	\$ 5,547
Expenditure & Transfers	3,160	-	6,552	4,331
Subtotal	(3,160)	-	2,456	1,216
Intra-municipal Recoveries	-	-	-	-
Net Income (Loss)	\$ (3,160)	\$ -	\$ 2,456	\$ 1,216
Management		-	-	-
Professional/Technical/Union Exempt		-	-	-
Union		-	-	-
Temporary		-	-	-
Full - Time Equivalents		-	-	-

#### 2013 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 2014

None.

# Belvedere Community Revitalization Levy

## Financial Information - Belvedere CRL (\$000)

	Project Total	Actual 2005 to 2012	----- Projected -----					2018 to 2032
			2013	2014	2015	2016	2017	
<b>Revenues</b>								
1 Land Sales	\$ 17,720	\$ -	\$ 3,640	\$ 5,200	\$ -	\$ 2,516	\$ 6,364	\$ -
Tax Levy CRL Revenue	39,441	-	180	347	423	500	688	37,303
<b>Total Revenues</b>	<b>57,161</b>	<b>-</b>	<b>3,820</b>	<b>5,547</b>	<b>423</b>	<b>3,015</b>	<b>7,053</b>	<b>37,303</b>
<b>Expenditures</b>								
Cost Of Land Sold	9,265	-	2,412	1,586	-	1,760	3,508	-
2 Debt Servicing	35,973	2,871	1,764	1,929	1,917	1,904	1,882	23,707
Other Costs	1,504	289	105	816	38	38	39	179
<b>Total Expenditures</b>	<b>46,742</b>	<b>3,160</b>	<b>4,281</b>	<b>4,331</b>	<b>1,955</b>	<b>3,702</b>	<b>5,428</b>	<b>23,886</b>
<b>Net Income (Deficit)</b>	<b>10,419</b>	<b>(3,160)</b>	<b>(461)</b>	<b>1,216</b>	<b>(1,531)</b>	<b>(687)</b>	<b>1,624</b>	<b>13,417</b>
3 <b>Cumulative Net Income (Deficit), End of Year</b>	<b>\$ 10,419</b>	<b>\$ (3,160)</b>	<b>\$ (3,621)</b>	<b>\$ (2,405)</b>	<b>\$ (3,936)</b>	<b>\$ (4,622)</b>	<b>\$ (2,998)</b>	<b>\$ 10,419</b>

	Project Total	Actual 2005 to 2012	----- Projected -----	
			2013	2014
<b>Project Costs - Capital Profile 04-16-2100</b>				
Infrastructure Improvements	\$ 23,906	\$ 17,219	\$ 6,687	\$ -
Land Developed	9,265	9,265	-	-
4 Non Capital Items	1,079	394	-	685
	<b>\$ 34,250</b>	<b>\$ 26,878</b>	<b>\$ 6,687</b>	<b>\$ 685</b>
<b>Funding</b>				
Debt	\$ 33,171	\$ 26,484	\$ 6,687	\$ -
Land Enterprise RE	1,079	394	-	685
	<b>\$ 34,250</b>	<b>\$ 26,878</b>	<b>\$ 6,687</b>	<b>\$ 685</b>

### Explanatory Notes

- The CRL is projected to end by 2030 as there will be sufficient cumulative net income to service the remaining debt payments and other CRL associated costs.
- The 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 2028, Belvedere CRL is expected to be in a positive cash position.
- Includes project management and incentive program.
- Non Capital Items include expenditures related to municipal incentives and operating activities for which the City will not be able to borrow.