

Enacting Community Revitalization Levies

For Consideration - Alberta Municipalities 2022 Resolution Process

Moved by: City of Airdrie

Seconded by: Town of Olds (*proposed*)

WHEREAS municipalities collect education tax from property assessment on behalf of the province.

WHEREAS the *Municipal Government Act* includes legislation to allow for community revitalization levy bylaws to be enacted and use incremental education tax increases as a financial tool to incentivize redevelopment.

WHEREAS the province retains the original education tax revenue from the property values where a community revitalization levy bylaw has been enacted.

WHEREAS the community revitalization levy legislation has proven tremendously successful in the redevelopment of downtowns and neighbourhoods where it has been employed.

WHEREAS the province has placed a moratorium on the enactment of the community revitalization legislation since 2014.

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the province to reinstate the use of the community revitalization levy legislation within the *Municipal Government Act*.

Background

Alberta Municipalities has previously called on the Government of Alberta to implement all the recommendations within the *Brownfield Development Report* [2011], including the use of the community revitalization levy legislation.

The Town of Calmar and the City of Medicine Hat combined to create a resolution for the 2021 Alberta Municipalities conference entitled “Creating jobs by remediating and redeveloping brownfields” which received over 98% approval by member municipalities and referenced the recommendations of the 2011 report and the value of the community revitalization legislation.

A community revitalization levy (CRL) is a funding initiative that allows a municipality to redirect a portion of the provincial tax revenues coming from a designated revitalization area and direct them to proposed municipal expenditures in that area. The revenue that is redirected is a portion of the provincial (education) share of the property tax revenue. The expenditures must have a direct role in fostering redevelopment of the area, and therefore tend to be capital improvements or one-time investments. These municipal improvements encourage property owners to invest in their properties resulting in a renewal and revitalization of an existing area.

A community revitalization levy is not a municipal or provincial tax rate increase. However, the revenue from the incremental increase in value must be directed toward infrastructure or amenity improvements within that defined area, which does provide a degree of constraint on the purposes to which future revenue can be applied.

A CRL works best in areas that could use additional economic or infrastructure stimulus to incite development or redevelopment. Vacant, contaminated, or underdeveloped areas tend to provide the best opportunity for a CRL in any size of community, because they allow for the greatest possible incremental assessment value increase. Correspondingly, this makes more funds available to be redirected from the provincial government for local purposes.

Prior to 2014, the provincial government had allowed and promoted a wide range of purposes for funds gained under a CRL, including:

- cleanup of environmental damage in areas where development is needed;
- directing tax dollars to improve the economic viability of neighbourhoods;
- addressing affordable and social housing needs in an area;
- improving the livelihoods of area residents and addressing socio-economic issues;
- reducing urban sprawl through better land-use;
- increasing safety for residents;
- creating a larger tax base; and,
- improving infrastructure and environmental conditions through new building practices

Legislation for Community Revitalization Levies is found in Section 381.1 of the Municipal Government Act. Some highlights of the rules regarding Community Revitalization Levies include:

- A CRL must be adopted as a bylaw with a defined geographic area by the local Council;
- The defined geographic area for the CRL is not subject to change;
- A CRL Bylaw has a typical lifespan of 20 years and is not allowed to exceed 40 years; and,
- A CRL Bylaw has no effect unless adopted by the Lieutenant Governor in Council; who also has the power to:
 - o Make regulations in establishing any Community Revitalization Levy area;
 - o Vary the time limit for a CRL Bylaw at his/her discretion;
 - o Adjust the boundaries of a CRL Bylaw area at his/her discretion

The Government of Alberta has previously approved five Community Revitalization Levy Bylaws with considerable redevelopment success:

- Calgary Rivers District CRL (2008)

- Edmonton Quarters Downtown CRL (2010)
- Edmonton Belvedere CRL (2010)
- Cochrane South-Central CRL (2012)
- Edmonton Capital City Downtown CRL (2013)

While many of the past examples have occurred in metropolitan centres, the CRL legislation is flexible to the size of the community and the nature of the capital improvements needed to redevelop an area. The redevelopment conducted via the Cochrane South-Central CRL showcases the opportunities from brownfield sites, even in smaller locales, where redevelopment values exceeded anticipated timelines.