MEDICINE HAT & DISTRICT Chamber of COMMERCE

Completed Policy Book

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With the largest and most influential business organizations locally, provincially and federally, the Chamber network is the most unified, valued and influential business network in Canada and works together to shape policy and programs that will make a difference to businesses in our region.

MEDICINE HAT & DISTRICT Chamber of COMMERCE

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COMPLETED POLICIES

APPROVED POLICIES FOR THE MEDICINE HAT & DISTRICT CHAMBER OF COMMERCE

MUNICIPAL

PROVINCIAL –

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FEDERAL

Municipal Engagement

Issue(s): *The City of Medicine Hat does not currently have a municipal public engagement strategy policy that defines an effective, efficient, consistent and transparent consultative process between the City of Medicine Hat's and its citizens and stakeholders.*

EXECUTIVE SUMMARY

To encourage effective and collaborative decision making that leaves both City representatives and stakeholders feeling considered and open to future engagement, the City of Medicine Hat should develop a public policy on municipal engagement that sets a minimum standard for stakeholder and community consultation, participation and involvement. This policy would include principles such as inclusive planning, transparency, authentic intent, broad, informed and accessible participation, appropriate processes, authentic use of information received and analysis, feedback and evaluation to the community. Once implemented, this engagement process should apply across all City departments, resulting in an easy to follow framework for the City to engage public opinion and expertise.

BACKGROUND

Public Engagement is a general term used for a broad range of methods through which members of the public can become more informed about and/or influence public decisions. In order to support effective public involvement in Medicine Hat, the City must be focused on how officials use public involvement practices to help inform residents and help guide the policy decisions and actions of our local government.

There are a number of different methods for public engagement including:

Public Information/Outreach: This kind of public engagement is characterized by one-way local government communication to residents and other members of the community to inform them about a public problem, issue or policy matter.

Public Consultation: This kind of public engagement generally includes instances where local officials ask for the individual views or recommendations of residents about public actions and decisions, and where there is generally little or no discussion to add additional knowledge and insight and promote an exchange of viewpoints. Examples could include typical public hearings and council or board comment periods, as well as resident surveys and polls.

Public Participation/Deliberation: This form of public engagement refers to those processes through which participants receive new information on the topic at hand and through discussion and deliberation jointly prioritize or agree on ideas and/or recommendations intended to inform the decisions of local officials. Examples could include community conversations that provide information on the budget and the budget process and ask participants to discuss community priorities, confront real trade-offs, and craft their collective recommendations or it could include the development of a representative group of residents who draw on community input and suggest elements and ideas for a general plan update.

Sustained Public Problem Solving: This form of public engagement typically takes place through the work of place-based committees or task forces, often with multi-sector membership, that over an extended period of time address public problems through collaborative planning, implementation, monitoring and/or assessment.

Why Engage the Public?

Engaging the public provides better identification of the public's values, ideas and recommendations. Good public engagement can also provide more nuanced and collective views about an issue by a broader spectrum of residents. This also provides a populace of residents who are more informed about issues and about the local municipal government. While most residents do not regularly follow local policy matters carefully, good public engagement can present opportunities for residents to better understand an issue and its impacts and to see municipal challenges as their challenges as well.

Additionally, engagement improves local decision-making and actions, with better impacts and outcomes because members of the public have information about their community's history and needs. They also have a sense of the kind of

place where they and their families want to live. They can add new voices and new ideas to enrich thinking and planning on topics that concern them. This kind of knowledge, integrated appropriately into local decision making, helps ensure that public decisions are optimal for the community and best fit current conditions and needs.

In turn, this type of process creates more community buy-in and support; with less contentiousness public engagement by residents and others can generate more support for the final decisions reached by the municipal decision makers. Put simply, participation helps generate ownership. Involved residents who have helped to shape a proposed policy, project or program will better understand the issue itself and the reasons for the decisions that are made. Good communications about the public's involvement in a local decision can increase the support of the broader community as well.

By engaging the public you have more civil discussions, reasoned conversations and problem solving, which creates more civil decision making. This in turn assists in more streamlined and expedient project implementation timelines with less of a need to revisit the issue or policy frequently. Buy-in and the potential for broad agreement on a decision, are important contributors to faster implementation and reduces the need for unnecessary decision-making "do-overs."

In the end good public engagements establishes greater trust in each other and in local government. People who work together on common problems usually have more appreciation of the problem and of each other. Many forms of public engagement provide opportunity to get behind peoples' statements and understand the reasons for what they think and say. This helps enhance understanding and respect among the participants. It also inspires confidence that problems can be solved – which promotes more cooperation over time. Whether called social capital, community building, civic pride or good citizenship, such experiences help build stronger communities.

Many Canadian municipalities have evaluated their own methods of community engagement. Based on their findings, these municipalities have developed procedures and identified the roles and responsibilities of those involved. These communities include, but are not limited to:

1. Calgary, AB
2. Fort McMurray, AB
3. Fort Saskatchewan, AB
4. Grande Prairie, AB
5. Saskatoon, SK
6. St. Albert, AB
7. Strathcona County, AB
8. Vancouver, BC
9. Victoria, BC
10. Waterloo, ON

ANALYSIS

The City of Medicine Hat has consulted with stakeholders (industry groups, not for profits, general public, etc.) on several different issues in the recent past. However, having participated as a stakeholder in many of these consultations, the Medicine Hat & District Chamber of Commerce has found the structure and implementation of these consultations were neither consistent nor efficient.

There have been some core challenges that have limited effective engagement including:

1. **Role Confusion:** Clarifying the roles & responsibilities of staff, Council and citizens in decision making, project/program design, service, etc.
2. **Prioritization:** Identifying areas where civic engagement is most needed.
3. **Resourcing:** Ensuring top priorities receive the necessary resources to be well addressed.
4. **Consistency & Coordination:** Clarifying how & when engagement efforts are undertaken; and coordinating efficiently across City departments.
5. **Customer Service & Communication:** Ensuring prompt response times and clarity of responses are provided
6. **Diversity:** Recognizing that the City is diverse in its interests, preferred input methods and understanding of City processes.

The Institute for Local Government published the 10 Principles of Local Government Public Engagement and would serve to guide trusted, high-quality and effective public engagement efforts that are sponsored, designed, convened, and/or facilitated by local officials. The Principles of Local Government Public Engagement includes the following ten elements:

1. **Inclusive Planning:** The planning and design of a public engagement process includes input from appropriate local officials as well as from members of intended participant communities.
2. **Transparency:** There is clarity and transparency about public engagement process sponsorship, purpose, design, and how decision makers will use the process results.
3. **Authentic Intent:** A primary purpose of the public engagement process is to generate public views and ideas to help shape local government action or policy, rather than persuade residents to accept a decision that has already been made.
4. **Breadth of Participation:** The public engagement process includes people and viewpoints that are broadly reflective of the municipality's population of affected residents.
5. **Informed Participation:** Participants in the public engagement process have information and/or access to expertise consistent with the work that sponsors and conveners ask them to do.
6. **Accessible Participation:** Public engagement processes are broadly accessible in terms of location, time, and language, and support the engagement of residents with disabilities.
7. **Appropriate Process:** The public engagement process utilizes one or more discussion formats that are responsive to the needs of identified participant groups, and encourages full, authentic, effective and equitable participation consistent with process purposes. This may include relationships with existing community forums.
8. **Authentic Use of Information Received:** The ideas, preferences, and/or recommendations contributed by the public are documented and seriously considered by decision makers.
9. **Feedback to Participants:** Local officials communicate ultimate decisions back to process participants and the broader public, with a description of how the public input was considered and used.
10. **Evaluation:** Sponsors and participants evaluate each public engagement process with the collected feedback and learning shared broadly and applied to future engagement efforts.

From our analysis and in addition to the points above, a successful consultation process should include:

1. Documentation of the goal for the consultation (ie: inform, consult or involve) and the promise made to stakeholders (how the City will achieve that goal);
2. Defines the roles & responsibilities of those involved;
3. Proactively identifies affected parties;
4. Reaches the targeted market using methods that foster effective engagement;
5. Provides decision makers with all necessary information prior to a decision being made;
6. Ensures affected Stakeholders are well informed of potential issues/changes that may affect them;

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat develop and adopt a consistent and transparent public engagement policy to ensure municipal decisions are made with all relevant data considered and in the best interests of stakeholders. This would include, but would not be limited to:

1. Inclusion of the 10 principles for local government public engagement
2. Creation of a budget for the resources required to maintain the policy and engage the public;
3. Creation of an interested stakeholder list to refer to as issues arise;
4. Creation and implementation of a Service Level Agreement (SLA) to ensure affected parties are being heard and responded to within a consistent and acceptable timeframe;
5. Defining and publicizing in each consultative circumstance;
    a. The roles & responsibilities of those involved (ie: Manager(s) in charge, contact people, etc) prior to commencement;
    b. Identification of the targeted segment of the population;
    c. Identification of the methods of engagement and approximate timeline;
        i. Explain the reason for the chosen methods
        ii. Providing appropriate notice (minimum notice time)
        iii. Schedule dates & times that meet the needs of the targeted groups;
    d. Provision to the stakeholders of a summary of the issue and access to any relevant information.
6. Provision of documentation of key differences between current policies/bylaws and proposed documents.
7. Provision to stakeholders of a summary of the feedback received prior to the decision being made;
8. A summary of stakeholder input should be made public and the City should explain how that feedback was incorporated or why it was not.
9. Inclusion of multiple methods for consultation and engagement including:
    a. Surveys: Both on-line and printed survey options.

b. Social Media: Including Facebook, Twitter and You Tube.
c. Website Feedback: Utilization of a website link where residents can send a question or voice a concern. Strathcona County also provides links to information about previous consultations/decisions.
d. Open Houses: Open houses are used by many municipalities for various public engagement purposes.
e. Letters/Correspondence: Letters to stakeholders can be utilized depending on the issue/situation.
f. Information/Subscriptions: Utilization of a subscription option whereby interested parties can sign up to receive emails on particular subjects of interest or to follow an issue.
g. Advertisements in newspaper
h. Radio/Television advertisements

RESOURCES

1. http://www.ca-ilg.org/public-engagement
2. National Coalition for Dialogue and Deliberation's Core Principles for Public Engagement: www.thataway.org/pep.
3. International Association for Public Participation's Core Values for the Practice of Public Participation: www.iap2.org.

Date Drafted: November 4, 2013
Date Reviewed: November 12, 2013
Date Approved: November 20, 2013
Completed: March 2018

Medicine Hat Air Service

Issue(s): *The Medicine Hat Airport (YXH) has a single air service provider for passenger flight departures from and arrivals to Medicine Hat. The current standards and practices are imposing barriers to increase load capacity for flights from Medicine Hat. The major restrictions include:*

a) Airfare Premiums
b) Wait Times for Connecting Flights
c) Flight Frequency
d) Destination Options
e) Capacity of passenger flights

EXECUTIVE SUMMARY

There has been significant concern from the business community related to the high airfare related to the current air service provider. Additionally, the wait times, flight schedules and destinations are prohibiting both business and leisure travelers from choosing the Medicine Hat Airport as their airport of choice. While businesses have indicated that they would choose to fly out of Medicine Hat, if the fares were more reasonable and schedules would accommodate same daytime business travel, we continue to face obstacles related to a more conducive model for air service. The Medicine Hat & District Chamber of Commerce recommends that the City of Medicine Hat aggressively pursue options for lower airfares, an additional destination to Edmonton, increased flight frequency and better connection times for travelers in Southeast Alberta and Southwest Saskatchewan catchment area.

BACKGROUND

Currently, scheduled passenger service is available only on Air Canada with direct flights to Calgary. There are 75% of air passengers travelling to/from Medicine Hat by road between Calgary and Medicine Hat. This is due to high airfare premiums from Medicine Hat, the need to connect to other markets once in Calgary and the lack of convenient departure times and connections. Additionally, flights are often full during peak periods forcing passengers to drive to/from Calgary to catch a flight.

There is a higher potential for air service passengers from Medicine Hat with the catchment area population of approximately 93,000, including the Medicine Hat, Redcliff, Cypress County, Forty Mile County and Southwest Saskatchewan areas. With the proximities of the Lethbridge, Regina and Calgary Airport, there are very few, if any passengers that would drive to catch a flight given the drive time of over 2 hrs. Most passengers would prefer to fly from Medicine Hat if the flight was available with reasonable fares and departure/connection times.

For air travel, 57% of travelers are on business, with 37% travelling for leisure and the remaining 6% travelling for both. There are 62% of travelers that make one connection to reach their final destination, 28% make two or more connections with only 10% not making connections, as their final destination is Calgary.

Additionally, business and organizations are increasingly asking for an additional direct destination flight to Edmonton and would like to be able to use air service for same day business trips to both Calgary and Edmonton. This would increase the number of travelers utilizing the Medicine Hat airport and maximize potential for connecting flights with the additional option of the Edmonton airport.

ANALYSIS

A new route to Edmonton and additional frequency to Calgary would be attractive not only to business and leisure travelers, but also to the air service provider as it would increase initial load factors and provide for large growth potential, increasing the number of new passengers to Air Canada and utilizing the Medicine Hat Airport for service. With 75% of air passengers currently travelling to alternate destinations, there is a large growth potential if a more cost effective and conducive model for air service was provided.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends that the City of Medicine Hat aggressively pursue options for lower airfares, an additional destination to Edmonton, increased flight frequency, better connection times and increased load capacity for travelers in Southeast Alberta and Southwest Saskatchewan catchment area.

Date Approved: October 17, 2012

Accountability in the City of Medicine Hat Land Development Business

Issue(s): *There have been concerns raised regarding the City's involvement in land development related to:*

a. Proportion of market share
b. Transparency
c. Fair Competition with the private sector

EXECUTIVE SUMMARY

The City's involvement in land development as it relates to transparency, equity and market share has been a topic of debate for many years. As a result the Medicine Hat & District Chamber of Commerce has researched and analyzed the issue. Following review, the Medicine Hat & District Chamber of Commerce is recommending that the Land and Properties department of the City is split into a property management function and a separate land development function. This would allow Land Development to operate under a separate governance model and be arms-length from the City with full transparency and accountability, operating as any other land developer. The City would retain all Corporate Asset Management functions, including long term land banking and economic incentive programs, separate from the land development business and could make all raw land available for purchase by bid to all developers including the land development business.

BACKGROUND

In August 2013, the Medicine Hat & District Chamber of Commerce researched the topic of municipal participation in land development as a result of concerns brought forward from the business community that the City's Land and Properties (L & P) Department receives preferential treatment in land development. On example consistently pointed out by private developers as demonstrating L & P's advantage in land development is that L & P's land pricing is typically much less than private developers pricing.

The release of the L & P Business Model in December 2013 caused the Chamber to review its research and modify its recommendations to address the Chamber's concerns with the proposed business model.

Additionally, the Chamber reviewed the practices of other comparable municipalities within Alberta including Lethbridge, Airdrie, Lloydminster, Fort McMurray, Strathcona County, Grande Prairie and St. Albert. Responses were received from all municipalities except Fort McMurray, with only the municipalities of Lethbridge and Lloydminster in the land development business. The percentage of land which the City of Lethbridge holds is unknown and Lloydminster is reported to be holding 30% of residential lands and 60% of non-residential. Land development in Lethbridge is run separately from municipal operations, while Lloydminster is not. Both municipalities subject their land development operation to taxes, offsite levies and both have stated that their operations run at a profit.

Outside of Alberta there were two examples of 'fast growth' communities, Saskatoon, SK and Waterloo, ON, who were both involved in land development. Specifically of interest was Saskatoon, who follows separate cost accounting with the program having no impact on the tax base/mill rate. The City pays the same taxes and levies paid by private developers with a profitable operation and the net proceeds are returned to City Council projects and programs that benefit the community.

L & P is the largest land developer in Medicine Hat, holding approximately 87% of the land inventory, and leads the industry in market share. The City of Medicine Hat also has an asset management role related to land: parks, civic buildings, green spaces, long term land banking for strategic growth, and industrial land for economic development.

POINTS OF AGREEMENT WITH THE L & P BUSINESS MODEL

The Chamber of Commerce is in agreement with the L & P business model on the following points:

1. Many municipalities participate in land development and each community is different in how they conduct business. There is general agreement that as long as there is fair competition with the private sector that municipalities can be involved in land development.
2. That L & P should operate as a business unit.
3. That L & P department currently has two primary functions:

a. Steward of the City's land holdings not assigned to other portfolios
b. Real estate development.

4. Overall, the stated process for developing land within the L & P Business Model is logically laid out and the financial objectives seem to correspond to the private sector.

POINTS OF DISAGREEMENT WITH THE L & P BUSINESS MODEL

However, there are some concerns with L & P's business model:

1. The claim that the role of stewardship of the City's land holdings and its real estate development are complementary. We do not agree with this statement and see many opportunities for conflict inside the department because of these different roles.
2. L & P acknowledges that they provide services to, and receive services from, other City departments and it is undetermined as to whether these services are charged at fair market value; it is also undetermined as to what business advantage L & P gains over the private sector from these relationships.
3. There is currently no interest paid or earned on capital, which would be major aspects for private developers and it represents a potential unfair advantage for L & P.
4. The City service agreements require that private developers put up a security in the form of a Letter of Credit (LOC) to ensure that the development is constructed as per City standards and is completed by the developer. The value of an LOC is typically between 10% and 50% of the estimated construction costs and is required prior to the commencement of construction. LOC's typically cost the developer 1.5% per year of the value of the LOC. LOC's are held by the City until FAC's are given for the development. This process currently can take up to 4 years. The advantage to L&P is that it is not required to provide security and does not incur these costs in comparison to a private developer.
5. L & P lot prices are supposed to be "market driven" and optimize the return to the City of Medicine Hat. Currently the cost structure is not transparent. However the price should be set in function of "what the market will bear" and generally close to competitors' prices. If lot pricing is cost-driven, and the costs are not transparent or fairly derived, then lot pricing may not be "market driven".
6. L&P states they are required to sell its properties for market value as defined in the Municipal Government Act (Section 70). The exceptions listed in Section 70 of the MGA for under valued land are:
    a. the land must be advertized for sale, or
    b. for the public purpose, or
    c. during a certain time period on land gained by the municipality through tax forfeiture.
7. Finally, the dictation of lot mix, adoption of sustainable development objectives, LEED, etc. are from an overall City perspective and are better addressed through the Land Use Bylaw, Area Structure Plans (which are adopted by bylaw) and other Council policies than by inclusion in the L & P business plan. If L & P wishes to be a leading "green" developer then that is part of their business model and the cost implications of such should be included in their presentations to their governance board for a business decision.

ANALYSIS

There is no evidence that municipalities should not be in land development. However to be involved in land development requires a municipality to demonstrate that it is either not in competition with the private sector or that its land development business practices are subject to the same rules, standards and cost structure as what is borne by private developers. To do this requires a level of transparency not normally observed in the land development business.

The processes proposed for a land development "business unit" by L&P are sound but confused by the other roles imposed on L&P by the City. There is a perception that the L&P business unit is merely a City of Medicine Hat department and benefits from many synergies that would not be available to the private sector. To the extent that L&P has a dominant land position in the city and due to cost advantages, undercuts private sector competition, there is not a level

playing field in land development, creating an environment whereby the City of Medicine Hat is competing unfairly with the private sector.

Additionally there is seemingly a lack of transparency at present, particularly within land pricing and fair market value. Concerns related to fair competition in that the City of Medicine Hat does not pay taxes, interest, security or the same overhead costs as private developers and can undercut private sector competition creates an unfair advantage and playing field that is not equitable to private sector development.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat:

1. Implement the option considered in the Corporate Services Committee decision item to split the Lands and Properties Department and move the property management function to another City department to create greater transparency to the functions of the land development business.
2. Provide a separate governance model for the land development business unit to:
   a. Act as an independent developer at arms-length from the City
   b. Be separate from general City of Medicine Hat operations
   c. Improve transparency, and
   d. Provide accountability
3. Retain all Corporate Asset Management functions, including long term land banking, economic incentive programs, etc., within the City of Medicine Hat.
4. Remove the City's land development business unit from City Hall
5. Land development business unit capitalize fairly, service its debt and contract consulting (including legal and accounting) from outside suppliers.
6. Council should make use of current bylaws and legislation to govern and direct land development including the Municipal Development Plan, Land Use Bylaw and area structure plans. Council can further direct growth through council approved bylaws and plans and through decision of what raw land is released for sale to developers, including the City's land development business unit, from the City's land bank.

Date Drafted: January 7, 2014
Revised: January 14, 2014
Date Reviewed: January 15, 2014
Date Approved: January 15, 2014

RESOURCES:

City of Medicine Hat Land & Properties Business Model

Development cost charges:
http://www.cscd.gov.bc.ca/lgd/intergov_relations/library/DCC_Best_Practice_Guide_2005.pdf

Land Use Planning & Municipal Economic Development: A Municipalities Newfoundland and Labrador Community Development Project, Prepared by Dave Curran and Associates, with John Baird and Graham Letto, Municipal Consultant with Ryan Lane:
http://www.municipalnl.ca/userfiles/files/Land%20Use.pdf

603- 1st Street Development

Issue: *There has been concern regarding the City's proposed solution to the development of 603-1st Street and the restrictions placed on the property, creating a project that is deemed as economically unviable without large subsidization.*

Executive Summary

There is currently an ongoing debate in Medicine Hat as to how development should move forward on the City-owned 603-1st Street SE property. It has been deemed a high priority for development, but is currently subject to significant restrictions that have made it economically unviable for private developers. Due to the importance Council has placed on this project, it has given the City a mandate to implement and execute the development of 603-1st Street at the cost of the taxpayer. The Chamber recommends that the development of the property should be left to private developers, and that City time and resources cease to be expended on this project. The Chamber also recommends that the restrictions on the property be reset to those found in the Land Use bylaw and the Downtown Development plan in order to allow developers to propose economically viable projects for the site.

Background

The property at 603-1st ST SE has sat vacant since 1978. Since then it has been purchased once with the premise of having the property developed, and had several proposals from developers, but it has never progressed beyond the planning stage.[1] Through most of this time period it has served as a parking lot, and has periodically been used as a gathering area for downtown events.

In 2011, Council identified the Glanville lot as one of the top five priorities for the City,[2] and in 2014 the City launched a request for proposal for the site, which included numerous conditions, including that the project be a multi-story project with both residential and commercial space, and include at least two levels of underground parking. While several proposals were tendered to the City, none were able to meet the City's requirements without substantial direct or indirect subsidies from the City.

As initial efforts to development the property did not come to full realization, Council has authorized the City to move forward on the property with the intention of ensuring that it is a marquee project that represents the optimism and energy of the urban center.[3] As such, the City has moved forward with the development of the site by funding the creation of a Development Concept. Additionally, a subsequent request for qualifications closed on January 21, 2016 seeking investors interested in participating in the financing, development, leasing, sales and ownership of a mixed use development at 603 1st Street with the development constructed in accordance with the plans established by the City.

[1] (City Desk 2015)
[2] (City of Medicine Hat 2011)
[3] (City of Medicine Hat 2016)

Public Feedback
In order to gauge public perception of this project, the Chamber distributed an anonymous public survey, to which 320 people responded.[4]

This survey found that 82% of respondents support the development of the 603 1st Street property in general, whereas 17% did not support the development. When asked as to who should develop the property, 91% preferred that private development should be the ones developing 603 1st Street, whereas 9% were opposed to private development.

When the question was posed as to whether the City should be imposing additional design restrictions on a development at 603 1st Street in addition to those already regulated through the Land Use Bylaw and Downtown Redevelopment Plan, 17% stated Yes and 82% stated no.

When asked as to what amount of subsidy would be appropriate, 67% did not support any kind of subsidy for the development of 603 1st Street and 33% support for some type of subsidy with a range of options submitted in response to what would be a reasonable amount to be subsidized by tax payer dollars. However on further query, the percentage jumped to 87% not in support of the development of 603 1st Street if subsidizing the project meant that there would no longer be any funds remaining for the downtown development incentive program (DDIP) with only 13% being in favour if it meant that the DDIP would no longer exist. There was no strong argument either way when the question was posed about moving downtown businesses from one location downtown to the 603 1st Street location.

In addition to the Chamber's formal survey, Mayor Clugston performed a quick survey at the Mayor's "State of the City" event, in which he included a question regarding support for subsidizing the project. In this survey the Mayor asked "Should the City spend $6 million to incent a developer to build a $30-$40 million development at 603 First St. SE?" In response to this question 52 replied yes, whereas 90 replied no.[5]

These results show that the general citizenry of Medicine Hat are supportive of developing the property, but not proceeding with the development as a City project, in either scope of design or funding.

Recommendations

The Medicine Hat & District Chamber of Commerce supports the development of 603 1st Street, but recommends that the City of Medicine Hat:

1. Allow private development to be the primary developer of that property in design, build and investment;
2. Limit restrictions of the property to those already regulated through the Land Use bylaw and Downtown Redevelopment Plan;
3. Provide no subsidy towards the development of 603 1st Street, aside from what would typically be made available through the downtown development incentive program;
4. Continue with the downtown development incentive program and create a more robust plan and incentive to spur development downtown;

[4] (Medicine Hat & District Chamber of Commerce 2015)
[5] (City of Medicine Hat 2016)

5. Halt further spending on the project and conduct further consultation with industry, stakeholders and developers to include discussion on other project options and uses for the property;
6. Not proceed with the development of 603 1st Street until it is economically viable by private industry to develop without significant subsidization for development of the property.

Date Drafted: January 26, 2016
Date Reviewed: February 17, 2016
Date Approved: February 17, 2016

Sources:

City Desk. "Key dates over the 36-year history of the city's ownership of Glanville Lot." *Medicine Hat News.* July 2015. http://medicinehatnews.com/news/local-news/2015/07/29/key-dates-over-the-36-year-history-of-the-citys-ownership-of-glanville-lot/.

City of Medicine Hat. "603 First Street SE, City of Medicine Hat - Qualifications Submittal RFQ No. LP15-146." *Alberta Purchasing Connection.* January 15, 2016. http://vendor.purchasingconnection.ca/Opportunity.aspx?Guid=6167F986-EA69-48BF-A2AD-6EC96AB4AE80&.

"Council Identifies Top Five Priorities for 2011." *Medicine Hat Media.* January 11, 2011. http://www.medicinehatmedia.com/2011/01/council-identifies-top-five-priorities-for-2011/.

City of Medicine Hat. "Mayor's Informal Survey during the State of the City." Informal Survey, Medicine Hat, 2016.

Medicine Hat & District Chamber of Commerce. "603 - 1st Street Development Survey." Survey, Medicine Hat, 2015.

Clarity in Council Minutes

Issue(s): *The minutes of Municipal Council meetings can be difficult to decipher and analyze based on the information provided, as the motions presented do not always clearly indicate the issue or the action being voted upon by Council without the need to reference a committee report or other supporting documented evidence.*

EXECUTIVE SUMMARY

Extrapolating information from the minutes of Municipal Council meetings is cumbersome and it is difficult to determine the direction of Council based on the information provided. The motions presented often reference committee recommendations or reports (i.e. motion to accept the committee recommendation was carried), rather than outlining the specific issue or the action being voted upon by Council. Currently, without reference of a committee report or other supporting documented evidence, historical reference to Council actions cannot be easily determined. Therefore the Medicine Hat & District Chamber of Commerce is requesting more clearly documented Council actions through motions with clear and descriptive direction as to the intent of the resulting action.

BACKGROUND

Resolutions or motions, including their proposal, discussion, amendments, and final passing, are probably the most important tasks undertaken by any municipal council. They are legislated and are the basis for all action exercised by a Council. Direction given without a resolution is without legal validity.

Additionally, resolutions or motions are usually structured to stand on their own merit and answer the "who, what, where, when and why" questions. As the basis for establishing the actions of the municipality, each resolution should provide administration with a clear direction that can be implemented without having to interpret or guess as to the intent. In order to facilitate the development of clear and complete resolutions, recommendations on decision items that are prepared by administration and included in the council agenda packages should set out or suggest the anticipated resolution.

Additionally, as is the current practice, every resolution or motion must be followed by a clear indication as to whether it is "carried" or "defeated".

ANALYSIS

Utilizing municipal best practices when preparing council meeting minutes is an important step in maintaining a reliable and useful document for current day and historical purposes. The resulting minutes will continue to reflect each council's unique approach to conducting municipal business and is not only a reference for City Council and City administration, but also for the community to track the history and records of Council.

While there is broad legislative requirements for documenting council minutes, there is also parliamentary procedure and best practices that can be implemented to provide transparency and clarity to Council's conduct.

There are various examples of the types of records kept within Council, with recent examples extracted from the September 16, 2013 Council meeting minutes. An example of a motion states:

"The recommendations in the report were received for adoption and/or information" on the motion of Ald. Kelly – Ald. Pearson.

This is a sample of the type of ambiguous motion that can be witnessed through minutes.

Alternately, Alderman Robert Dumanowski made two motions at the same meeting on September 16, 2013. These were clearly defined and recorded.

(a) ***Flood Mitigation Resolution to City Council***
Ald. Dumanowski made the following motion:
WHEREAS*, the City of Medicine Hat has endured repeated floods in the past two decades from flooding in the river and creeks.*

***WHEREAS**, the floods have caused substantial property losses followed by long term social and emotional devastation of the community.*
***WHEREAS**, in the past the flood events were considered isolated events and appropriate mitigation measures were not implemented and/or supported by the higher levels of governments.*
***WHEREAS**, in response to the 2013 floods, there are provincial announcements for support to the communities for mitigation measures, however not all of the details are clear at this point.*
***WHEREAS**, the City of Medicine Hat should get support and funding from the Provincial government, and CAO and Commissioner of Development & Infrastructure should continue to work on that.*
***WHEREAS**, the City of Medicine Hat has an obligation to its' residents to do whatever within its capacity and means possible to protect them from the devastations caused by the flooding.*
THEREFORE BE IT RESOLVED THAT:

1. *The 'Flood Mitigation Plan' presented at the Development & Infrastructure Committee be updated to include flood protection of the residents and critical infrastructure from 1 in 200 year floods in the river and creeks.*
2. *The updated aforementioned plan be presented to the community at-large, as soon as possible, but no later than December 31, 2013.*
3. *The Plan should identify mitigation measures that would protect the residents from both surface flooding and sewer backups.*
4. *Starting immediately, the City will start implementing the flood mitigation measures and will fund it from the Community Capital Reserve and Infrastructure Reserve.*
5. *Forthwith all the non-committed funds in the Community Capital Reserve are hereby dedicated and committed to the flood mitigation measures, and no other project or initiative will be funded from the reserves until all the flood mitigation initiatives are in place that would provide complete protection to a 1 in 200 year frequency flood level.*
6. *Any funding received for a flood mitigation initiative from the higher levels of governments will allow the money to be put back in the reserves and that funding should be redirected to other flood mitigation measures.*
7. *The implementation of Flood Mitigation measures should be the highest priority of the CAO, and the CAO shall provide a quarterly presentation providing updates to the public, the Development & Infrastructure Committee, and City Council on the progress being made.*
8. *The Development & Infrastructure Committee will lead the implementation of the flood mitigation measures and will review the progress on a monthly basis.*

(b) ***Second Street Grand Opening Funding Re: – City Centre Development Agency***
Ald. Dumanowski made the following motion:
Consideration of Council to appropriate approximately $15,000 towards the grand opening promotion for the second street development.

There is a mover on the motions and the motions are clear, however there is information that is not recorded as there is no seconder and no direction indicated, which leaves it unclear as to if the motion was accepted or rejected by Council. While we recognize that no seconder is required to be noted on a motion, this is a sample of inconsistency in record keeping. If motions are recorded in a certain manner, it should be consistent throughout.

Council minutes, motions or resolutions and how they are recorded, including the voting responses have been unclear and inconsistent. It is imperative, that Council creates a policy that will clearly and succinctly record Council motions, resolutions and decisions to protect the integrity of council actions and decisions moving into the future.

A preferred method of documenting a motion is as follows:

Councillor <name>, seconded by <Councillor <name>, moved that:

<insert the motion discussed in its entirety>

Outcome: carried, defeated, deferred, etc.

Voting in Favour: list all Councilors voting in favour
Voting Opposed: list all Councilors voting opposed

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat:

1. Create a policy for the development of Council minutes in order to provide clarity of motions or resolutions approved, defeated or deferred. Motions, in their final form, voted on by Council should be fully documented within the minutes such that reviewers are not required to seek supporting documentation for clarity or explanation of the issue at hand.

2. Adopt a policy of recording individual Councilor voting records on all matters within the meeting's minutes.

3. Compile and make available a single resource detailing all motions voted on at Open Council meetings. Included in this summary shall be the motion's mover and the record of voting. An example of such motion was provided in the "Analysis" section of this policy.

Date Drafted: January 9, 2014
Date Reviewed: January 15, 2014
Date Approved: January 15, 2014

Resource: A GUIDE TO THE PREPARATION OF COUNCIL MEETING MINUTES, Municipal Affairs, April 2013

Required Updates to the Anti-Noise Bylaw

Issue(s): *The Medicine Hat & District Chamber of Commerce has had concerns from members regarding Bylaw 1926, the Medicine Hat Anti-Noise Bylaw, in relation to commercial snow removal and the difficulty to remove snow in commercial areas within certain times.*

EXECUTIVE SUMMARY

The current Anti-Noise Bylaw, adopted in 1979, has had some concerns associated to relaxation and relief related to the application of commercial snow removal in areas that abut residential properties. While the City of Medicine Hat can provide relief from requirements in section 3 of the bylaw it has still hampered commercial snow removal and has resulted in ticketing of member companies under the noise bylaw for removal of snow during early morning hours. The Medicine Hat and District Chamber of Commerce recommends City Council immediately request a revision to the Anti-Noise bylaw #1926 to add a relaxation for commercial snow removal, as well as to update the noise bylaw to encompass current standards, regulations and requirements for enforcement.

BACKGROUND

Bylaw 1926, a bylaw for the purpose of prohibiting, eliminating or abating noise, was adopted in 1979 without consideration of updates since that time to accommodate the needs of regulatory change, a growing population and the changing needs of a City.

More specifically, from time to time, there have been concerns associated to relaxation and relief related to the application of commercial snow removal in areas that abut residential properties. While the City of Medicine Hat can provide relief from requirements in section 3 of the bylaw it has still hampered commercial snow removal and has resulted in ticketing of member companies under the noise bylaw for removal of snow during early morning hours.

While the City of Medicine Hat does provide a 24 hour allowance for snow removal after a snow fall, many commercial areas require snow removal before the start of a business day to ensure that their sidewalks and parking lots are safe for individuals and that fallen snow does not become packed and icy.

The current bylaw does allow for any person to make an application to the Chief of Police to be granted an exemption from any of the provisions of the bylaw with respect to any source of sound for which he may be prosecuted. However, the Chief of Police may refuse to grant an exemption or may grant the exemption and specify time periods for which it is effective and may contain terms and conditions as seen fit.

Through research, it was found that other cities have implemented exemptions or time accommodations under their municipal noise bylaw. Two such examples include:

Lethbridge Bylaw #5270:
"Notwithstanding any other provision of this bylaw, where an open area is provided for parking of patrons or employees in connection with a retail store, office, or medical and health facility, the owner or person in charge of the parking area, after having obtained written permission from the City Manager and making no more noise than is reasonably necessary in connection therewith may use a machine for clearing snow or debris from that open area during such hours as is necessary or expedient to keep that area clear of snow and debris."

Calgary Bylaw #5M2004:
Notwithstanding subsection 31(1)(e), a person may operate a snow clearing device powered by an engine for the purpose of commercial and non-commercial removal of snow and ice from streets, parking lots and sidewalks during the 48 hour period following a snowfall, rain or freezing rain, subject to the right of the Chief Bylaw Officer to ***withdraw*** this relaxation on a site-specific basis.

ANALYSIS

While it is beneficial to have an option to apply for relief from requirements available to individuals or businesses, this type of relief and process can also be perceived as burdensome to a business and requires extra cost to the Police Department for administration of this type of application for relief.

If nothing is changed and the status quo remains, there can also be a potential conflict between snow removal, as it pertains to safety concerns, and the regulations within the noise bylaw.

Many businesses find it necessary to begin snow removal prior to opening in the early morning. As such, it is reasonable to allow for noise related snow removal as it facilitates the safety of clientele and can be seen as a reasonable requirement during the winter.

RECOMMENDATIONS

The Medicine Hat and District Chamber of Commerce recommends the City of Medicine Hat:

1. Immediately add a relaxation for commercial snow removal similar to Calgary Bylaw #5M2004.
2. Immediately work on plans to update the noise bylaw, with a specific focus on best practice, current regulatory practices and requirements for enforcement and penalty.

Date Approved: May 19, 2010
Revised: March 29, 2014
Date Approved: September 17, 2014

Highway 1 and Dunmore Road Interchange Project

Issue(s): *A high level of commercial and residential development has occurred in the south end of Medicine Hat which has caused an increase to traffic flow to the area. This has increased the potential for major traffic collisions at the Highway 1 and Dunmore Road intersection.*

EXECUTIVE SUMMARY

An increase in commercial and residential development in the South area of Medicine Hat has caused a considerable increase in the traffic flows at some major intersections in the city, namely Highway 1 and Dunmore Road. This, coupled with Highway 1 through Medicine Hat not meeting National Highway System Standards as a freeway, make it plausible to move forward with a Dunmore Road/Highway 1 interchange. The Medicine Hat and District Chamber of Commerce recommends that Alberta Infrastructure and Transportation expedite the construction of such an interchange as a preventative measure against fatalities and accidents, while also improving the traffic flow on the Trans Canada highway.

BACKGROUND

Development

Residential and commercial development largely increased in the south area of Medicine Hat in 2007 and 2008. The Southlands/Somerset residential area was built in 2007 and contains more than 600 residences and multi family buildings. Development will continue in 2011-2012 across South Boundary Road in the Somerside area with another 200+ available lots. In 2008 a Super Walmart and Canadian Tire were built in this district, spurring major commercial development in a small area. Since this time a visible increase in traffic flows to this area has raised concerns regarding the intersection at Dunmore Road and Highway 1. Fortunately, no fatalities have been reported at this intersection however there has been an increase to collisions since 2007 as seen in Table 1.

Table 1 **Severity of Collisions**	**2009**	**2008**	**2007**
Fatal Collisions	--	--	--
Injury Collisions	7	4	4
Property Damage Collisions	23	27	12
Total Reportable Collisions	**30**	**31**	**16**

- As reported by Alberta Transportation, Office of Traffic Safety, July 2011

Timelines

In 2006, Alberta Infrastructure and Transportation (AIT) with Stantec Consulting conducted a functional study of Highways #1 and #3 in an effort to create a future long-range plan that would have each section of highway conforming to criteria that would label them as Expressways within the National Highway System. Such criteria include preferred posted speeds of 100km/h (no less than 90km/h) and no traffic signals to maintain free-flow traffic conditions.

In the summer of 2007 AIT came forward with enhanced operation and development options of the Highway #1 and #3 corridors for support by the City of Medicine Hat.

On September 4, 2007 City Council adopted the recommendations by the Development and Infrastructure Committee to endorse the item ‘Highways By-Pass Study – Internal Corridors Improvements’ which included the recommendation of a full interchange at Dunmore Road and Highway #1.

On January 26, 2009 Mayor Norm Boucher sent a letter to Luke Ouellette, Minister of Transportation, supporting the recommendations of the Stantec report with specific attention given to safety and the Dunmore Road interchange.

On April 23, 2009 AIT held the final Open House for Internal Corridor Improvements Planning Study.

The City of Medicine Hat sent a letter to Luke Ouellette on May 25, 2009 stating that Medicine Hat City Council rescinds their support of the Stantec report's recommendation with the following motion: 'That City Council rescind its support of the Trans Canada Highway Improvements until public consultation with stakeholders is conducted.'

On June 18, 2009 Minister Luke Ouellette sent a response to Mayor Boucher stating their decision to rescind support for the study was regrettable and that sufficient public consultation was given regarding such a study.

On September 9, 2009 a letter was sent from Mayor Norm Boucher to Minister Luke Ouellette suggesting that the improvement to the Dunmore Road interchange move forward as a programmed improvement, separate to the other recommendations in the Internal Corridor Improvements Planning Study.

On October 5, 2009 Minister Luke Ouellette responds to the letter of September 9, 2009 indicating that the Dunmore Road interchange can be addressed separately from the rest of the internal corridor improvement issues. He also states that the interchange project is well outside the three year capital construction program and will be dependent on overall provincial priorities and funding availability.

On December 1, 2009 a letter was sent from Minister Luke Ouellette to Mayor Norm Boucher detailing how priorities of future infrastructure projects are ranked, while stating he was unable to provide a definite time frame for when engineering work would be advanced because of the current financial constraints on the province.

On May 11, 2010 the City of Medicine Hat offers to contribute 50% of the engineering design fees, up to $1 million, to expedite the design process. The City asks that the funds be reimbursed prior to the commencement of construction and the design work be initiated in the summer of 2010 and be completed within 12 months.

On June 9, 2010 the City received a letter from Minister Luke Ouellette stating the province is unable to accept the terms of the offer of $1 million, specifically the provision to return the contribution at the time of construction. He also states that the project is considered a future project and is not within the three-year construction program.

On August 12, 2010, Luke Ouellette instructs his staff to begin the process of hiring a consultant to undertake the design phases for the proposed interchange. It was anticipated that the design work would take two years to complete. He also stated that to advance the construction of the interchange would require a significant cost share with the City of Medicine Hat.

In the spring of 2011 an update on Trans Canada Highway Improvements was sent to the City of Medicine Hat from Alberta Transportation (AT). AT informs the City that an RFP has been sent to three prequalified engineering firms with a closing date of May 24, 2011. AT called for design completion by the summer of 2012.

ANALYSIS

Development in the south area of Medicine Hat is set to continue in the coming years. The City of Medicine Hat has an additional 20+ acres of land that can be commercially developed and the potential for more residential development exists south of the Somerset area. With these considerations in mind and the inevitable increase to traffic flows which will continue with future development, it is imperative to improve infrastructure at the same time. As noted by the Medicine Hat Police Service in early 2009, "The long lines (noted lining up from said intersection past the mall entrance at Wendy's) are mainly due to the increased traffic in the south with the large retail stores all being located in one small area. The collisions occur when the users of Dunmore Road are tired of waiting at the lights and take chances when crossing the highway." This increase of motorists frustration coupled with the posted speed limit of 80km/h on Highway 1 provide the potential for serious accidents to occur.

Also of note, Stantec and Alberta Transportation estimate the eventual re-routing of Highway 1 and Highway 3 to bypass the City of Medicine Hat is a 20 to 30 year plan. As the population and traffic continues to increase during this time, improvements will have to be made to the existing infrastructure to accommodate the increase.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce supports the construction of an interchange at the intersection of Dunmore Road and Highway 1, as a preventative measure against fatalities and accidents, while also improving the traffic flow on the Trans Canada Highway. Therefore, the Medicine Hat & District Chamber of Commerce recommends that:

1. The City of Medicine Hat and the Government of Alberta consider this project a top priority in infrastructure plans and development for the City of Medicine Hat.

2. That the Government of Alberta expedite the process for completion of the interchange at Dunmore Road and Highway 1 and complete the design phase by 2012 with plans for construction to commence by 2013-2014.

Date Approved: November 16, 2011

Development and Infrastructure Division Fees and Charges

Issue(s): *The Development & Infrastructure Division Fees and Charges are being proposed to increase by as much as 185%, with primary areas of concern related to the Planning Building & Development Services - Engineering Services, Planning Services and various permit increases under the Safety Codes Services.*

EXECUTIVE SUMMARY

There have been some significant increases in the Development and Infrastructure Fees and Charges being proposed recently with increases ranging up to 185%. The methodology for the increase is based on a six city average including Lethbridge, Red Deer, Airdrie, County of Strathcona, St. Albert and Grand Prairie. With Medicine Hat lagging behind other communities in Alberta in the recovery of its real estate and development projects, significant increases at this time would serve as a deterrent to additional investment in our community. At this point in the business cycle, the magnitude of many of the increases is not reasonable and has not been clearly justified to the business community. For this reason, the Medicine Hat & District Chamber of Commerce recommends that the City of Medicine Hat re-evaluate the increases in fees and charges and consult with industry, key stakeholders and organizations for reasonable fee structures that are implemented over a period of time. Additionally any fees and charges should be based on a baseline structure, with incremental percentage increases over a period of time, in line with the cost of service delivery and taking into consideration natural inflationary costs.

BACKGROUND

Fees & Charges

As noted in the proposed fees and charges schedule, commercial and industrial permit costs have been frozen since 1999, as Medicine Hat was always consistently higher than the six City average. However, this is no longer the case and the fees have now been adjusted according to the methodology below.

According to the Development and Infrastructure Division, the fees and charges schedule was prepared in accordance with the principles approved by council in 2003:

a) To set fees at 100% of the average fees charged by comparable sized cities;
b) Fees reflect industry guidelines and local market conditions;
c) Fees take into consideration the actual unit cost for the service including costs associated with the creation of the new on-line permitting and approvals system.

The revenues are to be directly linked to growth and market based and so may vary greatly depending on economic situation over the next three years. In order to bring fees up to the average of comparable cities, certain fees are increasing substantially.

The notation was made by Development and Infrastructure that public expectations are that fees are fair, competitive and reflective of the market place and that the fees recognize the concept of user pay for the service provided.

Economic Climate

In relation to the economic conditions of Medicine Hat, compared to last year, business licenses issued during the first seven months of 2011 have been lower than those issued during the same period last year.

The housing market, after proving to be a powerful economic driver in the previous years, will most likely not serve as strong a function as it had in the past. July's 2011 numbers for both starts and completions were down year-to-year by double digits. Dwelling starts for the first 7 months has dropped by almost 50% from the same time last year.

In the real estate market, the number of sales and the dollar value associated with those sales dropped from the previous year, as well as on a month-over-month basis. There also was a decrease in the number of listings placed on a month to month, and year to year basis.

Building permits issued in July 2011, on the whole, were higher than the previous month and year. However, the residential side did not do as well as the non-residential, and within the latter, it was the permits issued for commercial new buildings that tipped the net number for permits issued in favour of July 2011. Additionally, the building permits issued over the past 7 months of 2011 are substantially lower than the same time last year – by almost 40%.

Overview of Fee Increase Concerns

With the proposed changes, fees for engineering services for subdivisions will be increasing from $1,600 to $9,265 in 2012. This is due to the addition of many new fees. The subdivision base application fee would increase from about $340 to $920. The application fee per residential lot would increase from $130 to $370.
On top of most of these permits and fees, there is a proposed e-permit charge of 5%. This is in addition to the other changes in proposed fees.

Additionally Residential Development Permit Fees are currently $150. With the increase based on other communities, they would become $275 and $289 with the e-permit charge. Home Business Licensing Fees are being proposed to increase from $71 to $170, and with the e-permit it would be $179. Additionally, Taxi Business Licenses are increasing from $51 to $120 and with the e-permit it would increase to $126. Occupancy Permits are also increasing by 52.4% and 92.3% and demolition permits are increasing by $122.2%. Additionally the Commercial and Industrial permit fees are increasing in the $3001 to $22,000 range by as much as 26.8%, but the fee increases within this schedule are not consistent percentile increases in relation to the fees.

ANALYSIS

Medicine Hat is lagging behind other communities in Alberta in building permits, construction and the recovery of its real estate industry. Significant fee increases would serve as a deterrent to additional investment in our community. The Chamber is very cognizant of the business climate and in turn has also been very conservative when evaluating rates and fees.

Additionally, the cities that the City of Medicine Hat has chosen to compare itself to may not be accurate comparables due to their proximity to major centers, their cost of business due to location (higher cost of living for a Northern community such as Grand Prairie) and the cost of service delivery. The Medicine Hat & District Chamber of Commerce would rather see the fee changes tied to the cost recovery needs of the City rather than to just arbitrarily pick an average of six other cities. Furthermore, if an average amount is taken, the City of Medicine Hat must also take into account other aspects and costs of building in other communities – i.e. Letter of Credit requirements in the City of Lethbridge are negligible when compared to Medicine Hat, hence Medicine Hat's requirements add additional costs to the builder.

The methodology adopted by council in 2003 may also be counter productive in itself, as choosing a 100% average fee base may not be reflective of industry guidelines, local market conditions and the actual unit cost for the service. The average pricing structure proves itself as unsound methodology to legitimize price increases and can be seen as counter productive in being responsible for fair pricing. This type of methodology can discourage development rather than to promote the Medicine Hat Advantage and being "open for business".

To prevent "rate shock" and to create a structure that is more reasonable and justifiable to the end user, rate reviews should be conducted each year. If rates are reviewed on a regular basis and are in line with the rate structures as outlined in the recommendations below, then an environment is created that is more manageable and palatable to the business community.

During these slow and volatile economic times Medicine Hat businesses are cutting back, watching expenses and reducing profit margins. Our municipality should be no different and it should be charged by our City representatives and elected officials to reduce costs, become more efficient and promote development.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends that the City of Medicine Hat:

1. Re-evaluate the increases in fees and charges and consult with industry, key stakeholders and organizations for reasonable fee structures that are implemented over a period of time.

2. Base any fees and charges on the current baseline structure, with incremental percentage increases over a period of time, in line with the cost of service delivery and taking into consideration natural inflationary costs.

3. Not implement these fee increases on February 1, 2012, but rather send the fee structure back to the Development & Infrastructure committee for reconsideration, evaluation, consultation and resubmission based on the recommendations above.

4. Rescind its policy to base its fees and charges on a 100% average of fees charged by comparable sized cities and only use this methodology as a reference for research purposes.

RESOURCES

City of Medicine Hat Development & Infrastructure Fees and Charges:
http://www.medicinehat.ca/City%20Government/Committees,%20Commissions,%20Boards/2012-14%20D%20and%20I%20Fees%20and%20Charges.pdf

Medicine Hat News, November 1, 2011:
http://www.medicinehatnews.com/local-news/city-considers-raising-some-building-fees-11012011.html

Alberta Economic Highlights Reports 2011:
H:\Business Advocacy Committee\Policy Research\Economic Development\Alberta, Canada - Economic highlights.mht

Economic & Labour Market Research and Analysis Project July 2011:
http://edalliance.ca/files/ELRAP%20Report%20No10-July%202011.pdf

Date Approved: December 21, 2011

Medicine Hat Tourism Policy

Issue(s): *Should the City of Medicine Hat increase accountability in its use of funds for Tourism Medicine Hat through the formation of a formal Tourism Advisory Board.*

EXECUTIVE SUMMARY

The City of Medicine Hat spends tax dollars in each annual budget through tourism Medicine Hat to promote tourism in our region. Currently these funds are spent through a closed RFP process with a private contractor not developed with direct input from industry. In order to ensure that funds are spent efficiently and with accountability, the Chamber of Commerce supports the creation of a formal Tourism Advisory Board for the City of Medicine Hat.

BACKGROUND

The Medicine Hat & District Chamber of Commerce provides leadership and advocacy on issues facing our members in the business community. Tourism has long been recognized as a priority for our Chamber and, as a former contract manager in partnership with the city of Medicine Hat, we have some unique insight into helping identify challenges and recommending solutions to help best serve our members.

The city of Medicine Hat currently creates a contract with a tourism contractor for the provision of tourism services in Medicine Hat. The stakeholders have no direct input into the priorities of that contract or the best use of resources allocated.

In addition, under the current framework there is ambiguity when it comes to public funds from other sources. Should Canadian badlands or some other agency move funds into our region there is no transparent or accountable framework in place for the management of those funds; who gets them, who decides how they are best spent, etc.

ANALYSIS

Tourism is an important segment of our local economy and members are concerned that we are not maximizing the return on our investment. In addition, there is no longer any accountability to the stakeholders under the current framework. Currently the stakeholders have no input into the contract to run Tourism Medicine Hat and the contractor has no accountability towards those stakeholders - only to their contract with the City of Medicine Hat.

As a result there is concern that the investment is being targeted without the oversight or accountability to the industry it is meant to assist. There is concern that a disconnect exists between perceived needs and actual needs and business members feel a frustration with the current situation.

The City of Medicine Hat has developed a Tourism Industry Group which meets once per month with city administration and the Tourism contractor. Members of this group come from a very diverse background with regards to tourism in our industry. While the group has had some positive dialogue it still suffers from the fact that it has no mandate or authority. It has been made clear that the Tourism contractor is not accountable to this group.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce supports the formation of a proper tourism advisory board or society, to be mandated with the oversight of all public or grant funds to be spent on tourism in our region. Rather than have city administration craft a proposal in future we would turn to the expertise and oversight from industry to decide on the priority of available public dollars. This independent organization would be accountable to its Tourism industry members. This would allow city and industry oversight, a framework of accountability and an organization prepared to apply for and manage funds from all other sources.

Date Approved: March 17, 2010

Development Benefit (Assist) Considerations for Off-Site Levy Bylaw

Issue(s): *The off-site levy bylaw #3746 was adopted on November 8, 2006 with levy rates to be reviewed every two years. In the absence of a review in 2008 and 2010, the rates were automatically adjusted by the Consumer Price Index (CPI) for the previous calendar year. Within the financial review of bylaw #3746 concerns surfaced from the City of Medicine Hat regarding developer contribution, municipal assist and actuals. In contrast, the current bylaw review has resulted in substantial increases to off-site levy costs, exceeding the CPI that has been customary for the previous years, and has not factored in a municipal assist or development benefit to balance economic impacts, competitiveness and rate shock.*

EXECUTIVE SUMMARY

The off-site levy bylaw review commenced in April 2012 with involvement from the Medicine Hat & District Chamber of Commerce, the Canadian Home Builders Association, the Urban Development Institute, the Intensification/Redevelopment area, a Greenfield Developer and a Citizen at large. There have been concerns raised with some of the consultation process, how consensus was determined, the overall off-site costs and the final financial review process and bylaw approval timelines. As the off-site levy bylaw node system is a new system of allocating off-site costs, it was difficult for stakeholders to fully understand the process and implications that a node system would have on the end results. After receiving the final costs and off-site levy amounts, there was concern over the impact that off-site levies would have on development, growth and the overall rate shock of the increase to development. In reviewing all of the factors that have been received to date, the Medicine Hat & District Chamber of Commerce recommends that there is a development benefit or assist factor considered prior to approval of the new off-site levy bylaw, with consideration given for competitiveness, development and the percentage increases in the levies.

BACKGROUND

Off-site levies provide a mechanism to recover capital costs incurred for infrastructure to support growth and development. The Municipal Government Act provides the framework for off-site levies in Division 6 Part 17 of the Act (section 648, page 357) and under Alberta Regulation 48/2004 with provision that an off-site levy is to be used only to pay for all or part of the capital cost of any or all of the following:

(a) New or expanded facilities for the storage, transmission, treatment or supplying of water;
(b) New or expanded facilities for the treatment, movement or disposal of sanitary sewage;
(c) New or expanded storm sewer drainage facilities;
(c.1) new or expanded roads required for or impacted by a subdivision or development;
(d) Land required for or in connection with any facilities described in clauses (a) to (c.1).

Off-site levies may be collected only once in respect of land that is the subject of a development or a subdivision and off-site costs must be used for the specific purpose for which it is collected with the bylaw setting out the object of each levy and how the amount of the levy was determined.

In November 2006 the Off-site Levy Bylaw #3746 was determined and adopted in consultation with developers and consultants and calculated by the development unit to ensure that each developer would bear a share of the costs associated with development. The levies were to be reviewed every two years; however when a review was not conducted in 2008 and 2010 the rates were automatically adjusted by the Consumer Price Index (CPI) for the previous calendar year. The list of projects for the subsequent 20 years was developed and identified based on the 2004 Municipal Development Plan/Growth Strategy. At that time developers requested a 'Municipal Assist[1]' to avoid rate shock, with the assist factor equaling 43.5%. In 2010 the Off-Site Levy rates at March 31, 2010 were $115,500 per ha with the Municipal Assist and without the Assist were $204,064. With the premature depletion of off-site reserves, it resulted in taxes and rates paying for debenture costs for the off-site projects.

[1] The Municipal Assist Factor represents the City's contribution towards the capital costs for projects that are attributed to growth development. For water and sewer, the municipal assist has been provided from utility rates and for roads and storm water the assist is provided from general revenues/property taxes and grants.

The council directive in March 2012 was to have a fair, balanced and consistent approach to uphold the regulatory principles and guidelines along with "good faith" consultation with stakeholders. There was to be a clear and objective measurement of the degree of benefit based on engineering and accounting numbers rather than perception. The benefit allocation principles were to be established at the outset with the incorporation of both Greenfield and Intensification Development, taking all projects into consideration.

In the stakeholder consultation process, there were 26 off-site levy areas identified with those areas aggregated into six development nodes for allocation purposes. In the commencement stages of the consultation, stakeholders agreed with the nodal system, until such time that they could determine the implications of a node system and the costs associated with each node. As the node system was determined before the project review and benefit allocations were commenced, it was difficult to form consensus on whether this was indeed the best methodology. Additionally, in relation to the stakeholder consultation process, the stakeholder review process had changed in both timelines and the stakeholders' understanding of the role they would have in the final results.

In the initial stakeholder process summary provided, the initial stage and review was to be completed in four months with the review of costs, bylaw and municipal assist factor considered in the following three months. Stakeholders including the Urban Development Institute, the Canadian Home Builders Association, the Intensification/Redevelopment area, the Greenfield Developer and the Chamber of Commerce were all under the impression that they would have a role in recommendations for the financial considerations and a review of the node system and the financial model. From the initial timeline provided to the Stakeholders, the allocation of time significantly changed with the consultation regarding growth, projects and allocations taking approximately from April 2012 (the initial organizational meeting) to January 2013 with the final off-site costs being presented in March. With the compressed timeline for review of the financial data, stakeholder organizations have been pressed for research, review and consultation regarding municipal assist factors and final review stage.

MUNICIPAL COMPARISONS:

Municipality	**Cost/hectare**	**Notes**
Medicine Hat (Node)	Node 1: $257,297 Node 2: $253,490 Node 3: $277,439 Node 4: $186,446 Node 5: $263,881 Node 6: $ 91,411	(Average $221,660) Bylaw Under Review
Grand Prairie (Single System[2])	Transportation Levy: $52,800	**Greenfield:** Recover full cost of transportation only. **Brownfield:** Not charged, unless substantially increases demand. **Note:** In 2007 administration recommended a staged increase of the fees from $36,578 to $55,480, so not to be onerous on the development industry. Administration also recommended that the full increase not be passed on to the Developer.
Red Deer (Single System)	$197,379	**Greenfield:** Recover full cost **Brownfield**: Not charged unless there was no off-site levy charged during original construction. Downtown is exempt from all levies.
Lethbridge (Single System)	$195,000	**Greenfield:** Recover full cost **Brownfield:** Not charged unless redevelopment creates demand for increased service – negotiated on an ad-hoc basis, less than full cost recovery.
Wood Buffalo (Node)	Range from $4,050 to $55,845	The cost is dependent on whether the development area is defined as low/medium or high density. There is a Developer incentive in effect for lower town site which results in a reduction of fees by 60%
Calgary	$188,744 to $239,992	**New Infrastructure:** Recover 50%

[2] Single System is also referred to by the City of Medicine Hat as the "Postage Stamp" System whereby levies are equally distributed across the municipality and shared equally by all development on a per hectare cost.

(Node)		**Redevelopment:** Currently Developing Methodology
Brooks (Node)	$18,252to $36,408	**Greenfield:** Recover full cost unless infrastructure projects benefit existing or future development, which is allocated accordingly. **Brownfield:** Not charged if land was previously the subject to an off-site levy.
Airdrie (Node)	$158,775	
Lloydminster (Single System)	Arterial acreage off-site: $72,397 Utility off-site: $40,474	**Greenfield:** Recover full cost. **Brownfield:** Do not charge redevelopment levy.
Strathcona County (Node)	$67,682-$194,087	
Stony Plain (Node)	East: $67,437 Central: $80,557 West: $70,817 North: $61,950	
St. Albert (Node)	$214,346 (Average)	St. Albert has 54 separate development areas. Municipal assist is called "demonstrated benefit" and offered most often for water infrastructure, however is factored into some transportation projects based on a case by case basis

ANALYSIS

The methodology for determining off-site levies across the province is varied and the fees range in costs, however in consideration of the information above, if the off-site levies bylaw is implemented without consideration of an assist factor, Medicine Hat will transition from one of the lowest off-site levies in the province to one of the highest, with the fees similar to that of Calgary.

A Municipal Assist Factor can be favoured in support of growth, development and the addition to the assessment tax base with new development. There is also support for an assist factor as it can be used as a tool to provide incentive for economic activity and job creation. The multiplier affect can also be used in relation to the affordability to the home buyer or end user/purchaser of a development and maintaining lower costs for development and cost of living, resulting in an increased tax base.

Arguments opposing municipal assist factors include the interference in free market, the factor that development is not paying for itself and an unfair burden on existing tax payers, acting as a subsidy with the potential to alter development in favour of Greenfield compared to Brownfield and reducing property values in existing development. However this opposition can be argued in the same manner and considering slow economic times, government needs to look at an action plan for economic growth and development. This would not interfere in free market, rather stimulate it and create opportunities. Development benefits a municipality through creation of an expanded tax base and ultimately a reduced tax burden because of the growth and share in the tax burden. Economic stimulation, the creation of commercial development and a new residential tax base will ultimately benefit the community as a whole, contribute to the tax base and will motivate, rather than stagnate, growth. If fees increase substantially, growth will halt and therefore there will not be the same level of development and growth and overall will not contribute to the achievement of our Municipal Development Plan.

With consideration that municipalities vary in their methodology and each determine the benefit and cost to the developer, the City of Medicine Hat must consider all of the implications of increasing the costs and consider the best methodology and best practice for our municipality.

The current off-site levy rates provided by City Administration are $133,885 with the Municipal Assist, with the increases proposed the percentage change would equate to the following for each node:

Node 1: 257,297 (92.2%)
Node 2: 253,490 (89.3%)
Node 3: $277,439 (107.2%)
Node 4: 186,446 (39.3%)
Node 5: 263,881(97.1%)
Node 6: 91,411 (-31.7%)

Based on the background and research gathered, there are a few options for the City of Medicine Hat to consider when determining the final results and costs for the off-site levy bylaw.

RECOMMENDATIONS

In order to remain competitive and to mitigate the increase of levies to developers, as well as to provide a stimulus to the local economy, the Medicine Hat & District Chamber of Commerce recommends that the City of Medicine Hat:

1. Evaluate and consider the competitive advantage with other municipalities in the province, factoring in both off-site and on-site developer costs and create a comparison chart for marketing purposes to promote the off-site cost advantage.

2. Mitigate the percentage increase in the levies by providing either a phased in approach to the increases, a 50% municipal assist (or maintaining the existing Municipal Assist percentage) or removal of one of the levy project areas i.e. Transportation or Water. (Examples included in Schedule A).

3. Work to maintain off-site levies as one of the lowest in the province and market the competitive advantage to prospective businesses and developers.

4. Consider off-site levies as a means to stimulate development and increase the tax base and the creation of job opportunities.

5. Reconsider the application of levies to Brownfield development, particularly related to Intensification and downtown redevelopment, and either consider the levies as part of the downtown incentive program grants or remove Intensification and Brownfield development from off-site costs and consider them on a case by case, ad-hoc basis with consideration for whether there is an increased demand on off-site infrastructure services for the development proposed.

6. Evaluate the node system and whether the six system approach is preferred over a development area by development area basis on the 26 areas identified (similar to St. Albert and the 54 development areas considered).

7. Re-evaluate the off-site levies on an annual basis.

8. Commence plans to re-evaluate the MDP in consideration of population growth projections or alternatively look at ways to stimulate the economy in order to implement the plans and reach the target projections within the MDP.

9. Delay approval of the bylaw until recommendations 1 through 6 have been presented to Council for consideration and information to base their final decision.

10. Provide stakeholders with the additional information presented in recommendations 1 through 6 for information and transparency purposes.

Date Drafted: April 9, 2013
Date Reviewed: April 17, 2013
Date Approved: April 17, 2013

SCHEDULE A

The following charts show comparisons of what the levies could be for each of these options. The last chart is the summary.

Node	CURRENT PROPOSAL	Roads	Water	Sanitary	Storm	Total
1	Downtown, River Flats, IXL	$30,530	$93,703	$88,522	$44,542	**$257,297**
2	Burnside, Cancarb, BSBP, River Ridge	$88,087	$107,164	$33,665	$24,574	**$253,490**
3	Cimarron SW lands, Saamis 7, S Vista 11	$114,461	$87,138	$66,229	$9,611	**$277,439**
4	Suntech, Airport	$40,528	$76,382	$59,417	$10,119	**$186,446**
5	Hamptons, Southlands 7, 6C	$153,438	$50,189	$50,643	$9,611	**$263,881**
6	Ranchlands 4, 3C	$30,530	$50,522	$10,359		**$91,411**

Node	Transportation Removed	Roads	Water	Sanitary	Storm	Total
1	Downtown, River Flats, IXL		$93,703	$88,522	$44,542	**$226,767**
2	Burnside, Cancarb, BSBP, River Ridge		$107,164	$33,665	$24,574	**$165,403**
3	Cimarron SW lands, Saamis 7, S Vista 11		$87,138	$66,229	$9,611	**$162,978**
4	Suntech, Airport		$76,382	$59,417	$10,119	**$145,918**
5	Hamptons, Southlands 7, 6C		$50,189	$50,643	$9,611	**$110,443**
6	Ranchlands 4, 3C		$50,522	$10,359		**$60,881**

Node	Water Removed	Roads	Water	Sanitary	Storm	Total
1	Downtown, River Flats, IXL	$30,530		$88,522	$44,542	**$163,594**
2	Burnside, Cancarb, BSBP, River Ridge	$88,087		$33,665	$24,574	**$146,326**
3	Cimarron SW lands, Saamis 7, S Vista 11	$114,461		$66,229	$9,611	**$190,301**
4	Suntech, Airport	$40,528		$59,417	$10,119	**$110,064**
5	Hamptons, Southlands 7, 6C	$153,438		$50,643	$9,611	**$213,692**
6	Ranchlands 4, 3C	$30,530		$10,359		**$40,889**

Node	50% Assist
1	**$128,648.50**
2	**$126,745.00**
3	**$138,719.50**
4	**$93,223.00**
5	**$131,940.50**
6	**$45,705.50**

		no assist	50% assist	Roads not included	Water not included
1	Downtown, River Flats, IXL	$257,297	$128,648.50	$226,767	$163,594
2	Burnside, Cancarb, BSBP, River Ridge	$253,490	$126,745.00	$165,403	$146,326
3	Cimarron SW lands, Saamis 7, S Vista 11	$277,439	$138,719.50	$162,978	$190,301
4	Suntech, Airport	$186,446	$93,223.00	$145,918	$110,064
5	Hamptons, Southlands 7, 6C	$263,881	$131,941	$110,443	$213,692
6	Ranchlands 4, 3C	$91,411	$45,705.50	$60,881	$40,889

RED - lowest cost alternative
GREEN - 2nd lowest cost alternative

Medicine Hat Sign Regulations

Issue(s): *The Medicine Hat & District Chamber of Commerce has consulted with Members of the Chamber of Commerce, other municipalities and the provincial government regarding the process, permitting and regulations required to gain approval for signage within the Municipal Land Use Bylaw. The research conducted has led the Chamber to identify three primary concerns within the regulations:*

i. Regulations are too restrictive and excessive
ii. Lengthy processing times and delays with the approval process
iii. Applications and re-applications can become quite costly

EXECUTIVE SUMMARY

The establishment of a fair, equitable and consistently applied system of standards, permissions and procedures is a necessary component of the development of municipal bylaws. As with most bylaws, a bylaw which monitors signage within the City of Medicine Hat has to be developed and adopted with consideration of the community it serves in mind. Currently the business community views sign regulations as excessive and inconsistent, and permit processing times lengthy and costly. The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat take into consideration recommendations from the business community as it pertains to sign regulations, interpretation of the bylaw and consistency when working with municipal staff to ensure a positive business community is maintained, and not hindered within the City of Medicine Hat.

BACKGROUND

The current City of Medicine Hat land use bylaw (LUB), including 'Schedule C – Sign Regulations', was adopted on August 25, 1998. In August 2011, a 2009 City Council decision to approve the first charter for preparation of a new LUB was reviewed and a consultant was hired, which culminated into the first draft of an updated land use bylaw being sent to community stakeholders for review and comments in May 2012.

Preparation of a land use bylaw is a requirement of the Municipal Government Act (MGA); however, sign regulations are not a mandatory component to be included under this bylaw. Under section 640 subsection 4 in the MGA it specifies that a land use bylaw may provide for one or more of the items listed therein and does not make sign regulations a compulsory component. As a city grows and changes it may be necessary to update sign regulations more often than within the confines of a complete review of the land use bylaw. With this in mind and taking into consideration that signs are not a mandatory component of the Land Use Bylaw, sign regulations may be better applied and updated as a separate municipal bylaw.

In Medicine Hat, although legally in effect since 1998, Schedule C of the Land Use Bylaw was not enforced municipally for more than a decade allowing businesses to put up signage without adherence to the regulations listed within the Land Use Bylaw. In July of 2011, municipal employees began enforcing the 1998 Land Use Bylaw without notice given to any businesses or stakeholders to advise them of this change in process, unfortunately causing confusion and concern within the business community. While a business owner would have easily erected a sign in the past they were now receiving additional fees for violation of the current bylaw in addition to having to pay for multiple sign permits that they were previously not required to obtain. The increased costs coupled with a perceived lack of collaboration by the City of Medicine Hat caused business frustration and dissatisfaction.

Since 1998 the requirement for a development permit for signage had not been enforced, however as sign companies and businesses learned of the new enforcement of Schedule C, many more sign permits were being brought to the city for approval. This influx of permitting brought to the surface numerous cases of inconsistencies among municipal staff coupled with unreasonable wait times to obtain a development permit. Many businesses had to return to City Hall numerous times only to receive inconsistent answers to their questions by municipal employees due to the interpretation of the bylaw. One new business to Medicine Hat stated "I have been involved in over 150 [franchise] projects across the country…I can have a store open in approximately seven weeks in most municipalities. In Medicine Hat, with a considerable amount of assistance and time from our landlord and our architect it took us 13 weeks (sign permit process

six weeks, total permit process almost three months).” A number of consultations with Alberta municipalities found that two to three weeks is sufficient time to approve complete sign permit applications.

Another local company had their original sign permit denied, therefore forced to put up a smaller, less desirable sign. Subsequently, city staff reversed their decision and approved the original application a few weeks later. The local company could not afford to have another sign constructed and erected and are currently operating with the smaller sign due to costs. In order to avoid this type of situation, a more specific and detailed appeal process should be added to the land use bylaw and, should the sign regulations be approved as a separate bylaw, be added to the sign bylaw as well.

Along with enforcement of the approval, erection, construction, placement and use of signs, design and copy components were also becoming subject to approval by the City of Medicine Hat. One municipal employee stated to a business that their ‘shade of green’ would not be approved, and made comment that a national franchise that previously painted their building ‘would never happen again in Medicine Hat’. As design and aesthetics can be interpreted differently by each individual, this type of approval may increase the occurrences of inconsistencies among municipal staff and could be viewed by the business community as over regulation. Additionally, it is difficult to disallow company branding, trademarks and other aesthetics that coincide with a companies overall brand identity. Other municipalities consulted stated they do not require approval for ‘design or aesthetic components’ as this could infringe upon freedom of expression and many businesses are subject to corporate and/or business guidelines. Currently, in the City of Medicine Hat, each sign goes through a two week public appeal process, which gives citizens the opportunity to raise concerns over specific signs and their location. This process should provide sufficient notice and opportunity for the general consensus of our community to respond and/or object.

As a result of the considerable amount of questions and comments that surfaced regarding specific sign regulations and enforcement, a stakeholder ‘task force’ was developed to consult with city staff in relation to new sign regulations as included in the first draft of the updated land use bylaw. The Chamber applauds this effort as both private sector and public consultation will provide the opportunity for businesses to voice their concerns and offer amendments to ensure a final draft of the sign regulations is conducive to a fair and equitable system that promotes a healthy business environment.

Draft one of the land use bylaw includes statement ‘10.1 (f): that signs do not unduly interfere with or diminish the amenities of the district in which they are located.’ As Medicine Hat is a diverse community that contains a wide variety of commercial, retail and residential districts a consideration should be made to include specific sign regulations relative to each district, such as used in sign regulations by the City of Lethbridge and the City of Red Deer. Such an inclusion would eliminate an over regulation of signage in the city as a whole, while providing the opportunity for less restrictive regulations in specific areas due to the nature of those land use districts.

ANALYSIS

To ensure the establishment of a fair, equitable and consistently applied system of standards, permissions and procedures in regards to signage in Medicine Hat and to ensure past misunderstandings are not repeated, amendments should be made to the draft land use bylaw to ensure the bylaw is specific, concise and business friendly, while eliminating the opportunity for broad interpretation and inconsistent implementation.

RECOMMENDATIONS

The Medicine Hat and District Chamber of Commerce recommends the City of Medicine Hat:

1. Remove Schedule C ‘Sign Regulations’ from the Land Use Bylaw and approve as a separate municipal bylaw.

2. Inform industry, key stakeholders and the business community of any changes or amendments to regulations and enforcement as it pertains to current or future sign regulations in a timely and effective manner that allows for consultation, review and subsequent collaboration, compliance and adherence to the bylaw.

3. Ensure all municipal staff are well equipped with the knowledge, customer service training and documentation needed to properly inform businesses, interpret and implement bylaws and process permits in a concise and consistent manner.

4. Once complete applications are received, implement a maximum three week permitting process for development permits for signage.

5. Include a comprehensive appeal process section to both the land use bylaw, and the sign regulations should they be approved separately, such as *Part 6 – Appealing Decisions* of the City of Lethbridge Land Use Bylaw 5700.

6. Remove any vocabulary that alludes to municipal staff approving signage based on 'desirable appearance' or 'aesthetics', as this should be left to the public appeal process currently in place for all sign permit approvals.

7. Use municipal land use districts in making specific recommendations regarding the type, size and usage of signs permissible in each district.

8. Ensure that change of sign copy for an existing sign does not require a development permit, or design approval if the sign area occupies the same general area of copy originally created and/or provided for an awning, canopy, window, fascia, wall, roof, or free-standing sign. The canopy/awning structure (overall display area) or permanent sign cabinet on a fascia or free-standing sign cannot be expanded or increased in area as that change (increase in area) would constitute a new sign.

9. Adopt the specific recommendations outlined in Schedule A

Date Approved: June 20, 2012

SCHEDULE A – RECOMMENDATIONS FOR CHANGES TO PART 10 - SIGNS OF THE DRAFT LAND USE BYLAW

10.1 - Purpose

- (c) – *'a desirable appearance of the City of Medicine Hat by regulating the type, location, size, number, construction, design and usage of signs.'*

Remove **'design and usage'** as the interpretation of desirable design and usage of signs is dependent on the business owners and corporate regulations. To ensure permits are being approved fairly and uniformly language within the bylaw should ensure municipal employees cannot approve a permit based on the design components of a sign.

10.2 – Application, Interpretation and Enforcement

- 10.2.11 – *'Non-compliance with any regulation in Part 10 of this by-law may result in the City removing a sign without notice and any cost associated with its removal being charged to the sign owner…'*

As it is highly inappropriate for the development authority to interfere with private property without providing prior notice, we cannot support this provision. However, we do understand the City may have concerns with temporary signs that have been placed on City owned land and those which pose an immediate safety issue to the public; both instances where it may be necessary to remove a sign without notice to the owner. As a balanced approach we suggest changing 10.2.11 to read 'Where a sign located on private property is, in the opinion of a designated officer, in contravention of this Bylaw, the contravention may be dealt with in accordance with section 545 of the Municipal Government Act. Temporary Signs located on land owned by the City which are found to be in contravention of this Bylaw may be removed by the City without notice to the Owner and any cost associated with the removal of such Sign may be charged to the Owner."

- 10.2.15 (c) – *'notify the Development Authority when construction and installation of the sign for which the Development Permit has been granted is complete.'*

Specify that notification is not required for a change of copy, when a business is simply changing out the lettering of their sign for change of logo, color, update, etc.

- 10.2.17 – *'The owner or the lessee of a sign shall at all time maintain the sign in a proper and safe state of repair and shall not allow or permit the sign to become dilapidated or unsightly. Where the Development Authority finds a sign to be abandoned or in a state of disrepair the Development Authority may, by notice in writing, order the registered owner, the person in possession of the land or building, or the person responsible for the abandoned or dilapidated sign to:'*

In order to ensure the sign bylaw focuses on safety of the community the preceding paragraph should be changed to read: 'The owner or the lessee of a sign shall at all times maintain the sign in a safe state of repair. Where the Development Authority finds a sign to be abandoned or unsafe the Development Authority may, by notice in writing, order the registered owner, the person in possession of the land or building, or the person responsible for the abandoned or dilapidated sign to:'

- 10.2.18 (c*) - 'a sign is abandoned or vacant for an excessive period of time;'*

As previously stated in 10.2.15 (e) any signs located on land or a building that is discontinued has to be removed within 30 days. This provision, if enforced properly, should remove the instance of a sign becoming 'abandoned' and should therefore be removed, or be changed to read 'a sign is abandoned or vacant for over 30 days', removing the subjectivity of the phrase 'excessive period of time'

10.2.18 (e) – '*A sign is ripped, cracked, split, excessively worn or requires maintenance*.'

Should be changed to read 'A sign that is excessively worn and therefore presents a safety hazard to the public' to ensure subjectivity on what requires maintenance is not left to the Development Authority.

10.3 – Definitions

- Ensure all referenced terms in the sign bylaw are defined in section 10.3 including terms such as 'abandoned' and 'poster' which are referenced throughout the bylaw, but not defined.

10.4 – Signs For Which A Development Permit Is Required

- 10.4.1.1 (a) – *Bench Sign*;

Move 10.4.1.1 (a) to 10.5.1 – Signs Not Requiring a Development Permit. Bench signs currently do not require a development permit and aesthetically are not a cause for concern for the City. A development permit should not be required to place or change copy on such an object

- 10.4.1.2 - *Temporary Signs*
  (a) A-Board;
  (b) Banner Sign;
  (c) Construction site identification sign;
  (d) Development Marketing Sign
  (e) Portable sign; and,
  (f) Any sign containing any flashing lights or electronic message display features

Remove items (a), (b), (c), and (d) to 10.5.1 – Signs Not Requiring a Development Permit. These signs would still be subject to the regulations, but should not require a development permit

10.5 – Signs For Which A Development Permit Is Not Required

- 10.5.1 – Include 'Property Management Signs' to the list of signs that do not require a development permit.

- 10.5.1 (j) – *'a sign advertising a garage or yard sale provided that it is not displayed for not more than 48 hours, does not exceed an area of 1m2 and is not located on public property;'*

As 10.5.1 (j) and 10.5.1 (v) are very similar in nature, the first pertaining to garage sale signs on private property and the second pertaining to garage sale signs located on public property, a clear distinction between the provisions for each location should be clarified in the final draft to avoid confusion.

- 10.5.1 (k) – *'a notice, placard or poster attached to a window for the sole purpose of advertising or calling attention to a non-profit organization, activity or event taking place in the City, provided that the sign area of the notice, placard or poster does not exceed 0.5 square metres.'*

Posters are often a cost effective and efficient means of advertising for a small business. Currently it appears that only posters relating to non-profit groups are exempt from applying for a development permit. This should be changed so that all posters are exempted from the requirement for a development permit for a poster.

- 10.5.1 (l) & (m) – *'a change in the words, numbers, symbols, or pictures on non-portable billboards, portable billboards, or portable signs;'* and *'a change in copy on a billboard, electronic message sign or video sign;'*

As stated in recommendation eight of the Medicine Hat Sign Regulations policy, we suggest that a change in copy to ANY sign should be permitted without the need to apply for a development permit.

- 10.5.1 (u) – *'window signs, except window signs associated with home occupations, provided that no more than 50% of the area of the window is covered with the sign;'*

Remove the provisions that pertain to home occupations and the area of a window that can be covered, as there are many businesses that may have more than 50% of their windows covered and the regulation comes across as overly intrusive.

10.6 – General Regulations for Signs

- 10.6.1 – *'No sign shall be constructed, placed, relocated, or altered which conflicts with the general character of the surrounding streetscape or the architecture of building in the area; and,'*

Remove as this regulation is too broad and open to interpretation and will only serve to promote inconsistency and uncertainty. Replace with specific uses of sign type based on each separate land use district.

- 10.6.6 – *'No sign shall be constructed, placed, relocated or altered which unduly distracts the attention of pedestrians or persons operating vehicles on a highway or road;'*

In order to ensure this regulation is uniformly enforced, include specifics restrictions such as the minimum distance signs can be erected from roadways and what size and types of signs are allowed near intersections.

- 10.6.11 – *'No sign shall be placed on a stationary motor vehicle for the purpose of advertising.'*

Remove or reword this provision so not to be misinterpreted with signs painted and/or adhered to motor vehicles that will all be stationary at some point.

- 10.6.13 – *'The required distance from overhead power and service lines, as set forth in the Electrical Protection Act, shall be maintained.'*

Revise this section as this statute does not exist in Alberta.

- 10.6.22 *'In addition to the conditions that may be imposed on development permits generally, the Development Authority may attach conditions to a development permit for signs which may require: (a) landscaping to be provided along with the sign to reduce the visual impact of the sign while maintaining its purpose; (b) that wall on which a sign is attached to be improved; or (c) the skirting associated with the sign be erected in a manner that is aesthetically pleasing in the opinion of the Development Authority.'*

Remove section 10.6.22 in its entirety. Using terms 'may attach' and 'in the opinion of the Development Authority' provides the opportunity for subjective and inconsistent interpretation.

- 10.6.26 '*With the exception of signs painted on or adhered to the surface of motor vehicles which perform a specific duty related directly to that business (making deliveries, service calls, sales representatives, etc.), all signs displayed on or within trailers, motor vehicles, or other moving vehicles for the expressed purposes of advertising are prohibited in all districts;'*

Remove section 10.6.26 in its entirety. While it is worthwhile to have consistent sign regulations, it is important that such restrictions be reasonable. This section would unreasonably prohibit many business owners from advertising their business on their own private vehicles unless they could show that the vehicle was directly involved in a specific duty related to that business. Furthermore, given the number of vehicles with signs, it seems unlikely that the new

regulations could be consistently enforced, leading to confusion in the mind of the public and business owners as to the status of the law.

If the planning department feels that specific types of vehicle signage, such as billboards affixed to the side of vehicles parked on public roadways, we suggest that more specific wording directed at those types of signs should be developed.

- 10.6.27 – *'Notwithstanding any other provision in this By-law, no person shall place a motor vehicle or a trailer on a site where the purpose for placing the motor vehicle or trailer on the site is to display a sign, whether or not those vehicles are normally used in the conduct of that business such as delivery or service vehicles. For purposes of this clause "trailer" shall not include a trailer that is designed exclusively for the purpose of displaying and transporting a portable sign or portable billboard.'*

As the City should not regulate vehicles placed on a private property, this section should be removed. 10.6.26 and 10.6.27 are contradictory to 10.5.2 (c) which states that part 10 does not apply to motor vehicles or trailers.

- 10.6.28 – '*Third-party advertising is only permitted on billboards, event signs and the electronic message display component of freestanding signs. Third-party advertising is not permitted in any residential district.'*

Remove this section in its entirety.

10.7 – Specific Sign Regulations for Permanent Signs By Type

- 10.7.5 Fascia Signs (h) – *'A fascia sign shall not exceed 15% (of the area of the face of the building or the wall on which it is located). Where more than one sign is provided, the aggregate area of the sign faces may not exceed 25%.'*

Remove. This point is contradictory to 10.7.5 (g), which states a fascia sign shall not exceed 30 percent of the total building face area.

- 10.7.7 Wall Signs (e) – *The sign area of wall signs in all Districts other than the Major Commercial District shall be limited as follows:'…*

Typographical error in (i) and (ii), replace 'fascia' with 'wall sign'.

- 10.7.10 Roof Signs (b) – *'A roof sign shall be architecturally integrated with the building on which it is located;'*

Remove as this provision can be subject to interpretation by the development authority and other guidelines within this subsection will cover the regulations and installation for this type of signage.

10.8 – Specific Sign Regulations for Temporary Signs by Type

- 10.8.2 Banner Signs (d) – *'Banners for extend across a public street only by permission of the Development Authority and only if they maintain a minimum clearance of 6.1 metres above a public street; and,*

Typographical error. Remove 'for' and replace with 'may'

- 10.8.3 Portable Signs

Regulations imposed in the 1st draft LUB, including time restrictions and third party advertising would cause Portable Sign Companies in Medicine Hat to drastically lose business and be forced to cease operations. To ensure portable

sign companies can continue to operate, and businesses can continue to advertise, while still maintaining a desirable appearance to the City of Medicine Hat, we propose that *10.8.3 Portable Signs* is removed in its entirety and replaced with the following:

(a) The name of the owner of the sign and the serial number of the sign, as issued by the Development Authority when a permit is first issued for that sign shall be attached to the sign in a conspicuous location;

(b) Shall not exceed a maximum sign area of 5 square meters (or maximum dimensions of 3.65 by 2.43 meters);

(c) Only one portable sign shall be located on any individual property at one time, regardless of number of occupants, except for parcels larger than 78m total frontage which may have two signs at one time, permitting they maintain the minimum 30m separation;

(d) A portable sign shall not be located within 30 meters of any other portable sign;

(e) Portable signs are not permitted to be placed on any City property, including but not limited to road rights-of-way, boulevards and parks, except for signs advertising community or non-profit events, and then, only with the written authorization of the Development Authority;

(f) Portable signs shall only be placed on the ground and shall not be placed on roofs, or elevated by any means;

(g) Portable signs shall be located in such a way that they do not obstruct sight lines for pedestrians, cyclists or motorists;

(h) A portable sign may be illuminated; but shall not be illuminated with red, green, or amber lights; and may include a changeable copy component but shall not employ flashing lights;

In addition, a permitting process for portable signs is undesirable due to the nature and quick advertising turnover of the signs, however, if necessary we would propose an annual permitting process whereas**: 'Portable sign owners shall obtain an annual sign permit sticker in January of each year for each individual portable sign they use.'** The city is then able to monitor how many portable signs are in use in any particular timeframe, but would not regulate where a sign is placed on private property with the possible exception of specific districts.

- 10.8.4 Real Estate Signs (g) – *'Two temporary A-board signs associated with that open house may also be placed in the road right-of-way within 200 metres of the open house provided they are not placed on a median and they are removed immediately following the end of the open house; and,'*

This provision should be removed. Real Estate signs are currently not a problem within the City of Medicine Hat and this regulation is over restrictive and unnecessary. Open House signs are typically necessary at the entrance of a neighborhood, which may be located more than 200m from the property where an open house is taking place.

- 10.8.6 Electronic Message Boards (k) – *'shall only be used for the tenants or users of the lot or for community service messages. No third party advertising is allowed; and,'*

Remove 10.8.6 (k) as businesses who have previously installed electronic signs did so with the knowledge that they would be able to have third party advertising displayed on those signs, additionally most businesses need to subsidize the cost of the electronic sign and should be allowed to secure third party advertising as an option, similar to portable sign companies. An alternative is to allow electronic message boards up to 60% third party advertising on their electronic message boards.

Medicine Hat Land Use Bylaw
4th Draft Recommendations:

Issue(s): *The Medicine Hat & District Chamber of Commerce has consulted with members of the Chamber of Commerce and other municipalities regarding Draft 4 of the update to the Medicine Hat Land Use Bylaw. The consultations conducted have led the Chamber to identify three primary concerns within this latest draft:*

i. *The draft Land Use Bylaw is too difficult to analyze without appropriate, comparable changes depicted between the draft versions of the LUB and the current LUB #3181*
ii. *Public consultations, although appreciated, are too broad and do not allow for proper feedback.*
iii. *Clarity needs to be provided on qualitative elements, numerical parameters and the authority of each entity that comprises the Development Authority.*

EXECUTIVE SUMMARY

The current City of Medicine Hat Land Use Bylaw was adopted on August 25, 1998 when the city was just over 56,000 people. At present the city has grown to more than 61,000 people and encompasses a population that is more diverse, and requires a greater variety of needs for housing, recreation and business. An update to the Land Use Bylaw is necessary to the City of Medicine Hat to facilitate the opportunity for growth and prosperity in our region. The establishment of a fair, equitable and consistently applied system of standards, permissions and procedures is a necessary component of the Land use Bylaw and must be developed and adopted with consideration of the community it serves in mind. Currently the business community feels the need to slow the approval process of the land use bylaw to provide for greater understanding and comparison of the changes being implemented, as well as the opportunity for consultation of specific sections of the land use bylaw that affect particular interest groups.

BACKGROUND

The current City of Medicine Hat land use bylaw (LUB) was adopted on August 25, 1998. In August 2011, a 2009 City Council decision to approve the first charter for preparation of the new LUB was reviewed and a consultant was hired, which culminated into the first public draft of an updated land use bylaw being sent to community stakeholders for review and comments in May 2012. After several public and private consultations the City of Medicine Hat and their consultants began to rework a next draft of the LUB which was distributed to community stakeholders on October 22, 2012. It was noted at the time of distribution that City (i.e. Planning and Legal) had not reviewed the document and substantial changes were possible.

The Chamber appreciates the opportunity to be included in this process and commends the City for its consultations and openness during the development of the Land Use Bylaw. Including considerations from stakeholders within our community will ensure a bylaw is produced that is conducive to the future vision of the City of Medicine Hat, while also eliminating over regulation that is burdensome to businesses in our community.

On October 31, 2012 the Medicine Hat and District Chamber of Commerce held a workshop to review and assess the 4th draft of the City's proposed Land Use Bylaw, particularly with respect to its potential impact on the business community. The participants in the workshop included a general cross-section of business operators – representing retail, the construction and building sector, real estate, as well as industrial representatives; two members of City Council were also in attendance. The workshop was conducted by Stantec Consulting Ltd with the assistance of staff from the Medicine Hat & District Chamber of Commerce.

Throughout the workshop attendees concluded that the direction of the bylaw was generally forward thinking and demonstrated an underlying vision to make the City a better place to live. The largest concern that surfaced regarding the Land Use Bylaw was the inability to dissect the changes to each draft of the Land Use Bylaw as it pertains to the current, enforced bylaw. Many members felt that due to the size, rewording and reorganizing of the document it was nearly impossible to decipher all changes that had been made. As an example, there appear to be many new additions and changes that the building and development community is likely unaware of, examples include:

- *S.5.16- Bicycle Parking Requirements;*
- *S.6.3.4.9 – Minimum Size of Private Amenity Area;*
- *S.5.12 – Changes to some parking standards;*
- *S.5.2.5 – Surface treatment of parking areas;*
- *S.5.1.4.2- changes to loading space requirements;*
- *S.6.8.4 (d) - new site sizes for Manufactured Home Community;* etc.

Members felt it would be beneficial for the City to provide a side by side comparison of the current LUB outlining changes that were made and an explanation of those changes.

In relation to the size and complexity of the Land Use Bylaw, members felt the City should slow the approval process of the LUB, perhaps continuing the consultation process on a section by section basis to ensure the community is properly informed of all the changes in each draft and the possible effects of those changes. The City also has the potential to gain much more useful feedback by using this focused approach.

Concerns also surfaced regarding the qualitative, subjective and potentially judgmental, language in the proposed bylaw. Examples of these include:

- S. 2.4.4.2 "…the Development Authority may attach other conditions to do any or all of the following (i) to *upgrade the overall functionality and/or aesthetics of the lot*"
- b) S.6.2.7 (b)"...Proponents may be required to demonstrate as part of the Development Permit processes *how the new dwelling is compatible from a design and architectural perspective with existing homes on adjacent lots…"*
- c) S. 2.4.2.1 "…development authority must consider…
    - (g) …The *merits* of the proposed development
    - (n) …*Sound planning principles"*
- d) S.6.5.6 (Residential High Density) – Additional Criteria for Considering Discretionary Uses – (a) – (o)…. E.g. (i) – *Any proposed new buildings will have heights, massing and scale that are appropriate to the lot and be generally compatible* with that permitted by the bylaw for adjacent properties and properties on the same public road"
- e) S 7.7 (Major Commercial District) No size or dimension requirements appear to be set out. However the Development Authority…must be satisfied that: (S.7.7.4 (a)) smaller architectural elements and features on the public road frontages are used *to create a more human scale..."*

Members felt this language has, and could again, provide the opportunity for inconsistent application of the Land Use Bylaw to applying parties.

ANALYSIS

The Chamber of Commerce commends the City of Medicine Hat for their openness during the Land Use Bylaw update process and their willingness to gain feedback from stakeholder groups and the general public.

However, there remains to be some underlying concerns. As the last complete bylaw was adopted in 1998, we do not believe it to be unreasonable to spend another 12 months in review of the bylaw to ensure proper consultations, inclusions and amendments are made to ensure that any contentious issues are addressed.

The Chamber is committed to facilitating opportunities for our members to provide feedback to the City of Medicine Hat; the following are recommendations generated at the conclusion of the Land Use Bylaw workshop and consultation in October 2012.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat:

1. Slow the review and approval process for the LUB to allow more time for evaluation and consultation. The evaluation process could include:

a. Carrying out workshops/meetings on specific issues or sections of the bylaw that pertain to different interest groups e.g. builders, contractors, industrial park businesses, the general business community, retail community, etc.
b. Following a proper 12 month public engagement period, consider "phasing in" some elements of a new bylaw if these appear contentious or would benefit from a trial period.
c. Provide information pertaining to comparisons with other municipalities and the framework as to which concepts have been applied from the Land Use Bylaws of other municipalities.
d. Reissue the current draft or any future drafts as per recommendation 2 below.

2. Present and depict the draft version (Version 4, October 2012) or the next draft (Version 5) in a manner that shows the comparable changes between the proposed draft(s) and the present LUB Bylaw 3181. Furthermore, this comparison should explain the reasons for the changes.

3. Ensure the bylaw and the administration of the bylaw, provides clarity on any "qualitative" terms and advise how the requirements are to be interpreted. Furthermore, instill confidence in the public and the business community that the administration's interpretations of the LUB's "qualitative elements" will be consistent and fair.

4. Supplement the bylaw with additional graphics and illustrations for ease of understanding and interpretation, particularly for the "character" and "aesthetic" related requirements, as well as additional numerical parameters, eg: dimensions, minimums/maximums, within some of the proposed districts to facilitate applicant understanding.

5. Place less emphasis on subjective matters of the bylaw and more emphasis on specifics related to planning, building, and safety.

6. Any permits that are issued for permitted uses that meet all the requirements of the bylaw should not be subject to notice provisions. Section 2.3.6 implies that developments could be subject to such notice: S. 2.3.6 (a) "*...The Development Authority may also, at its discretion, require public notice for other types of applications and if this occurs, such notification must also be provided in accordance with the requirements of this section"*

7. Cleary define the division of powers and responsibilities of the three entities that comprise the "Development Authority". We recommend that the roles and responsibilities of the Development Authority as defined in section 2.1.2 a), the Municipal Planning Commission (MPC) and City Council, be clearly enunciated. Section 2.3.3 speaks to referrals to the MPC, it should be clearly defined what abilities the Development Officers have especially as it pertains to discretionary uses.

8. Provide a clearer description of the referral processes to MPC and Council, as well as the appeal process to these authorities (including the Subdivision and Appeal Board) as an illustration in the appendix of the document.

9. We recommend that the landscape requirements be reviewed. The generic minimum size of "20% of the lot area" where more than 3 units occur has been applied to a number of residential districts (RMD, RHD, and RMU). It may be more reasonable to consider greater discretion since each project may have different site and locational circumstances e.g. in close proximity to existing parks.

10. We note that in an earlier version of the draft LUB, the existing developments were considered to be "permitted" or "grandfathered". This version of the bylaw appears to exclude reference to this "grandfathering". If this has indeed been removed, we recommend that it be re-inserted.

Date Drafted: January 11, 2013
Date Reviewed: February 20, 2013
Date Approved: February 20, 2013

Medicine Hat Events Center

Issue(s): *(a) Should the City of Medicine Hat construct a new events center to replace the existing hockey arena?*

EXECUTIVE SUMMARY

The City of Medicine Hat has proposed the construction of a new Events Centre to replace the old hockey arena. The prohibitive costs of renovating and operating the current hockey arena make it an unfavorable option. In addition to this, the construction of a new arena is expected to attract considerable private investment in and around the Events Centre. Because of this, the Medicine Hat & District Chamber of Commerce supports its construction.

BACKGROUND

The City of Medicine Hat's current hockey arena is in need of repair and renovation to be brought up to code. Renovations are estimated to cost approximately $30 million. The current operating loss of the existing arena is approximately $300 000 annually. Renovations would not address venue limitations or reasonably attract new and varied events.

As the current arena is not conducive to any other events, in 2007 City Council approved the construction of a new replacement arena and events center.

The New Event Centre as proposed by the GEC Phase 4 study in October 2009 is estimated to cost $94 316 105.00 with operating losses estimated to be less than $153 000. Currently, City of Medicine Hat Annual Debt Repayment on $94 million is $6.79 million per year (based on the $54 million for $3.892 million per year in Administrative Review Part III). The Government of Canada has committed $10 million towards the cost of the center on the condition that the Government of Alberta matches that commitment. To date, no such committal of funds has been made by the provincial government.

ANALYSIS

The construction of a new events center would have considerable effects on the region of construction, particularly in the form of commercial development and attraction of new businesses. Some sources have estimated that the Centre would attract an additional $75 million in commercial developments which would result in an increased tax base of approximately $1.5 million. Other estimates based on the Administrative Review III August 2009 predict anywhere from $400 million to $2 billion in private investment as a result of the creation of such an events center. In addition to this, the new events center would have an operating cost approximately $150 000 less than the existing arena.

Currently, the cost of the events center has decreased due to the decreased prices in construction services and materials resulting from the depressed economy.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce supports the City of Medicine Hat in its efforts to immediately pursue the building of the proposed events center as a catalyst to the development of a new commercial district (the Arena District), as presented in the GEC Phase 4 Feasibility Study of October 2009. As such, the Chamber recommends the immediate construction of the Events Center in order to take advantage of the lower costs of construction.

Date Approved: November 18, 2009

Municipal Government Act Review: Required Updates and Provisions for Transparent, Consistent and Effective Municipal Governance

Issue(s): *The Municipal Government Act is one of Alberta's largest pieces of legislation, containing 18 parts and more than 650 sections. There has been an overarching concern as to the application and interpretation of the Municipal Government Act in the different municipalities. This extensive document is in need of updates and provisions in order to ensure that it is transparent, fair, effective, appropriate and predictable and can be applied consistently across municipalities to ensure good governance and equity is applied across the province.*

EXECUTIVE SUMMARY

The Municipal Government Act (MGA) is the legislative framework in which all municipalities and municipal entities across the Province of Alberta operate. The MGA has and will continue to have significant implications for all business and industry members, the citizens of Alberta, and the competitiveness of Alberta Municipalities relative to other jurisdictions. With 18 parts and over 650 sections, the MGA continues to be one of Alberta's largest pieces of legislation, with an over 20 year lifespan. The Medicine Hat & District Chamber of Commerce has focused on the three primary areas including governance, planning and development and assessment and taxation, all of which have been raised as concerns on various levels municipally, particularly in relation to the application and interpretation of the MGA. The Medicine Hat & District Chamber of Commerce has several recommendations in order to work towards achieving a more fair and equitable application of rules and procedures, more transparent processes, more efficient review processes, more appropriate guidelines, a more consistent slate of rules and procedures, and greater predictability and certainty for business and industry.

BACKGROUND

The **Municipal Government Act** (MGA) is the legislative framework in which all municipalities and municipal entities across the Province of Alberta operate. The MGA has and will continue to have significant implications for all business and industry members, the citizens of Alberta, and the competitiveness of Alberta Municipalities relative to other jurisdictions.

The MGA is one of Alberta's largest pieces of legislation, containing 18 parts and more than 650 sections. The MGA provides the governance model for cities, towns, villages, municipal districts, specialized municipalities, and other forms of local government. It lays the foundation for how municipalities operate, how municipal councils function, and how citizens can work with their municipalities.

The MGA contains three major "themes" or areas of focus:

- governance;
- planning and development; and
- assessment and taxation.

The MGA should ensure that modern, effective and leading-edge legislation is in place for the municipalities, citizens, and businesses of Alberta for future generations. As such, the Province and its Municipalities should play a fundamental role in building the platform to accommodate growth and securing the strength of our province by investing in infrastructure, providing services, stewarding communities and providing a competitive advantage in the global economy.

The Province can also help ensure that Alberta is a strong choice for locating businesses by ensuring the competitiveness of municipal jurisdictions in Alberta in terms of regulation and taxation and that rate-paying stakeholders, like electoral stakeholders, have a vested interest in the future of our Province.
We recognize that the business community in Alberta contributes to the well-being of our province and our citizens by creating and sustaining vibrant communities. As such, business and industry must work in partnership with the Province and municipalities to ensure future success in business and within our communities.

Through the Municipal Government Act review, the recommendations in Taxation, Municipal Planning, and Regional Planning, the Chamber is seeking to:

1. Establish clear direction on priorities and interests of business and industry;
2. Identify and clarify key issues, directions and recommendations regarding current activities related to policies and practices within municipalities and the Government of Alberta (GoA);
3. Provide coherent, consistent and meaningful input as part of the MGA review process;
4. Establish broad enough principles so as to attract broad business based support;

ANALYSIS

The Medicine Hat & District Chamber of Commerce recognizes that the legislation we establish today will set the groundwork for the growth and development of our province for future generations. It is essential that the MGA works in the best interests of all stakeholders and that the principles of fairness, transparency, efficiency, appropriateness, competitiveness, consistency, and predictability are reinforced and enshrined in the legislation and subsequent regulations.

As part of assessing the current legislation and processes, the MGA should consider the following criteria with the overarching theme of equity:

a. Fair & Equitable – rules and procedures should be fair and equitable within and across jurisdictions and applied equally.
b. Transparent – processes and evaluation metrics should be clear and defined.
c. Efficient – processes should be streamlined wherever possible and timelines should be abided with consequences for inaction.
d. Appropriate – guidelines or codes of practice should be established to ensure responsibility and accountability.
e. Competitive – jurisdictions need to remain competitive in attracting new businesses.
f. Consistent – rules and procedures should be consistent within and across jurisdictions.
g. Predictable – assessments and decisions should be consistent over time, replicable, and provide certainty.
h. Competence – deciding authorities should maintain independence and professionalism in adjudicating planning and assessment matters.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the Government of Alberta amend the Municipal Government Act to:

1. **Clearly define the Powers of the Municipality to ensure that municipalities have a clear understanding, interpretation and application of municipal powers**.
   Municipalities, both the governing bodies and the administrators, have different interpretations and applications for the Municipal Government Act and what decisions a municipality can undertake. There needs to be a clear understanding and a resource for municipal elected officials to adhere to, rather than taking the interpretation of municipal administrators. There needs to be a pathway that provides a clear, consistent application and interpretation of the MGA by municipalities.

2. **Implement regular interpretation bulletin in conjunction with the Municipal Government Act Legislation**.
   There have been circumstances where municipalities interpret the MGA in different manners. An interpretation bulletin and guiding documents would ensure consistent interpretation and application of the legislation in the future and would provide guidance on the intent of the Act.

3. **Ensure that the criteria for municipal structures are defined not only by population, but also by the financial status and infrastructure assets.**

4. **Implement regularly scheduled reviews, inspections and/or audits of municipalities to promote good governance amongst municipalities.**
   A regular inspection would include review of major bylaw documents as well as reviews of processes and implementation of the legislation to ensure compliance and consistent application of the MGA.

5. **Clearly define the intent and use of in camera and closed council meetings.**

There are several circumstances of inconsistent and possible misuse of in camera sessions amongst municipalities. Legislation should define when closed or in camera sessions can be held i.e. After an open council meeting, rather than before and implement a requirement to define the purpose for in camera by means of a motion. Additionally, the MGA should more clearly define what in camera or closed sessions can be used for (land, labour, legal) as well as a release of an in camera agenda, the category and the number of items to be discussed.

6. **Implement an ombudsman's office for municipal purposes, similar to the Provincial Ombudsman.**
   Currently there is no office or mechanism to specifically assist a municipality or industry issues related to municipal legislation. Since every Albertan has the right to be treated fairly in the provision of public services, there should be an ombudsman to protect this right on a municipal level to ensure standards of fairness are upheld. A municipal ombudsman would also have the authority to make recommendations if investigation reveals unfairness. This would not only assist in providing information to municipal elected officials, but also provide for an ombudsman for individuals and industry to have a mechanism to respond to unfair treatment by municipal government authorities and municipal regulation, as well as to gain clarity and information on issues related to application of the MGA.

7. **Define how municipalities set up for-profit industries that compete with private sector**
   When a municipality sets up a business entity that competes with private business there needs to be regulatory standards implemented in order to guide how that business is governed. This will ensure a corporate municipal entity is set up fairly and transparently, that it has a different governance model and ensures clear accounting procedures and transparency.

8. **Ensure that municipalities are required to incorporate policy for Local Government Public Engagement.**
   A policy for local government public engagement would serve to guide trusted, high-quality and effective public engagement efforts that are sponsored, designed, convened, and/or facilitated by local officials. The Principles of Local Government Public Engagement includes the following ten elements:
   1. **Inclusive Planning:** The planning and design of a public engagement process includes input from appropriate local officials as well as from members of intended participant communities.
   2. **Transparency:** There is clarity and transparency about public engagement process sponsorship, purpose, design, and how decision makers will use the process results.
   3. **Authentic Intent:** A primary purpose of the public engagement process is to generate public views and ideas to help shape local government action or policy, rather than persuade residents to accept a decision that has already been made.
   4. **Breadth of Participation:** The public engagement process includes people and viewpoints that are broadly reflective of the municipality's population of affected residents.
   5. **Informed Participation:** Participants in the public engagement process have information and/or access to expertise consistent with the work that sponsors and conveners ask them to do.
   6. **Accessible Participation:** Public engagement processes are broadly accessible in terms of location, time, and language, and support the engagement of residents with disabilities.
   7. **Appropriate Process:** The public engagement process utilizes one or more discussion formats that are responsive to the needs of identified participant groups, and encourages full, authentic, effective and equitable participation consistent with process purposes. This may include relationships with existing community forums.
   8. **Authentic Use of Information Received:** The ideas, preferences, and/or recommendations contributed by the public are documented and seriously considered by decision makers.
   9. **Feedback to Participants:** Local officials communicate ultimate decisions back to process participants and the broader public, with a description of how the public input was considered and used.
   10. **Evaluation:** Sponsors and participants evaluate each public engagement process with the collected feedback and learning shared broadly and applied to future engagement efforts

9. **Implement a regular compliance inspection process for municipal bylaws that are governed by the Municipal Government Act.**
   Hire trained and knowledgeable personnel within Municipal Affairs that would be responsible for reviewing and inspecting items such as land use bylaws and off-site levy bylaws for compliance within the Act. Many municipalities interpret the MGA differently and there are concerns amongst industry with application of the MGA within their municipalities and the inconsistencies that are prevalent in comparison to other municipalities when it comes to compliance. One recommendation to address this would be to provide standardized bylaws that can be used as a template by municipalities so that municipalities are compliant. A standardized document would provide a

model that could be applied, but also modified to the municipalities' specific requirements. This would provide for consistent definitions for zoning, standardized signage requirements, etc. This would be similar to what is applied through the National Building Codes of Canada and modified to provincially based standards.

10. **Ensure that the current system of Municipal Planning is better integrated with Regional Planning.**
    A strong regional planning structure would be well positioned to manage growth and limit regional disputes. Regional Planning should identify growth corridors and better plan regional infrastructure networks including shared public transit, sanitation system, and potable water distribution across municipalities. Planning in a regional context would also support collaboration among municipalities and a sharing of benefits resulting from joint service structures and regional tax arrangements. The implementation of a Regional Planning framework would work to balance the interests between large and small municipalities, including the equitable and fair division of natural resources. A new Regional Planning framework should provide alternatives to annexation and veto powers for settling regional disputes. A new Regional Planning framework would also define the clear limitations of municipal powers and recognize that patterns of development do not follow the historical boundaries of municipalities. A regional planning framework would also define the method of cost sharing and long term planning for fair and consistent allocation of resources. This would include equitable share of risk and contributions. An example of this may reflect the authorities and responsibilities previously under Regional Planning Commissions.

11. **Provide access to services and resources that are fair, equitable, and transparent.**
    Access to major infrastructure, such as transportation corridors, water, utilities and sanitary sewer should be fair, equitable, efficient and transparent within and across municipalities. Potable water, as an example, is a resource shared by all Albertans and should not be used as a negotiating tool among municipalities, particularly in the establishment of development and growth patterns.

12. **Incorporate a section on Sustainability & Environmental Stewardship that encourages innovative solutions to address existing land use issues.**
    Environmental stewardship has become an increasingly important part of the public conversation and the MGA should be updated to accommodate innovative solutions to environmental problems. For example, Industry currently faces challenges in adapting older non-conforming buildings for reuse as the existing land use regulations make no provision for Adaptive Reuse. Industry believes an opportunity exists to provide for legal non-conforming properties to be adapted for reuse without applying modern land use bylaw restrictions that would force the closure of the property. The reuse of the properties would have environmental benefits in the avoidance of demolition and reconstruction.

13. **Establish an Alternative Dispute Resolution (ADR) mechanism and/or quasi-judicial process under the MGA to resolve disputes between developers and/or ratepayers and municipalities.**
    The goals for establishing this type of process, mechanism or model would be to:
    1) Reduce the volume of appeals currently burdening the system;
    2) Improve appeal board independence and objectivity;
    3) Reduce the adversarial nature of appeal board hearings; and
    4) Reduce dependency on an already overburdened court system.

    The dispute resolution program would be designed to facilitate a shift from adversarial, win-lose thinking, towards cooperative problem solving that favours flexible, personalized and durable outcomes. Parties would be encouraged to use mediation as the primary way to resolve disputes rather than being required to enter into the appeals process as a first step. It would also provide full disclosure so parties fully understand the case being made. Unlike a formal hearing, the parties would have control over the outcome and therefore would likely be more satisfied with mediated results than with decisions imposed by the appeal boards.
    Pre-hearing dispute mediation conferences should be a pre-requisite to certain types of appeals and would help ensure that the parties have the assistance of highly qualified representatives when discussing their dispute and exploring how best it may be resolved. Business believes that an ADR process would substantially reduce the number of appeals and reduce the number of court proceedings that follow unsuccessful appeals; reducing the burden on the system and ultimately costs to taxpayers.

14. **Revise and specify a valid definition for land that is to be used for municipal purposes.**
    In order to expropriate land, a council needs to define land as being required for municipal purposes, but the definition of municipal purposes is not clearly defined. i.e. Expropriating land for building a berm would be

acceptable, but there is cause for concern when a municipality is expropriating land at the detriment of another for purposes of private development or something that should not qualify as a 'required' municipal purpose.

This uncertainty and a lack of transparency in relation to the use of these types of lands can be addressed by legislating clear and easily interpreted definitions for the expropriation of land, the powers of municipalities to expropriate land and land that is to be used for municipal purposes.

15. **Establish and define which lands that are not intended for occupancy such as reserve lands/ pipelines/ transportation utility corridors, and agricultural lands, linear parks and exempt such lands from any levies.**

    Those who benefit from growth should pay for the infrastructure required, but only to the degree in which they benefit. If lands are not intended for occupancy – such as reserve lands or corridors, a developer should not be subject to levies on that land. Treatment facilities, roadway improvements exceeding four lanes, overpasses and bridges, and general maintenance should be defined as lands not intended for occupancy and excluded from off-site levies. Walkways should be considered as linear parks and linear parks around storm water management facilities should be designated as municipal reserve lands.

16. **Provide greater clarity on where and how levy funding is allocated.**

    Industry generally believes that levies collected in respect of a development should directly benefit that development. Currently no assurance is given that the money sourced from developers and earmarked for particular improvements is actually spent on the earmarked improvement within the timelines agreed. Funds for improvements are often placed in general reserves to be allocated at the municipality's discretion with minimal consideration of the original intent of the funds.

    In the interest of efficiency, municipalities could grant developers the ability to implement the improvements independent of the municipality based on a prescribed funding arrangement, ensuring the improvements are developed on pace with the rest of the development.

    It is important to emphasize that leading and lagging infrastructure are different, and that some improvements require greater predictability (e.g. sewers) while others do not require the same level of predictability (e.g. schools). However, a process should be in place to ensure both predictability and accountability of all parties. Pooling of levy funds should not be permitted and off-site improvements should be identified at the Area Structure Plan Stage with levies payable at the Building Permit stage.

17. **Clearly define how brownfield development should be treated under offsite levies and ensure that offsite levies are only charged based on use and degree of benefit.**

    Brownfield development should be treated in a different manner than a Greenfield development and there should be provision for an exemption for brownfield development to spur smart growth, re-use and infield development. There should be a separation between the application of levies on brownfield and Greenfield development and allow a municipality to clearly determine the degree of benefit based on actual use and development and not as a lump sum amount.

18. **Provide for the ability for municipalities to create development benefits, incentives of development assists within offsite levy bylaws.**

    A reduction in off-site levies can be viewed as a means to stimulate development, increase the tax base and create job opportunities. Municipalities should have the ability to provide for a development benefit or reduction in offsite levies under the MGA.

19. **Ensure that municipalities advise and document development application deficiencies within 14 days of application and provide a further 60 days after notification of deficiencies to review and approve a development application that is deemed a complete application.**

    Often a developer is waiting on approvals, absorbing cost and time associated with delays. It is prudent that a municipality be required to advise of deficiencies in an application, so that a developer can address deficiencies and continue to move the application forward. If a municipality is non-compliant with the timelines and regulations, there should be a permitted refund or remuneration to the applicant if the legislated timelines are not met.

20. **Ensure that legislation regulates and defines alignment within statutory plans and bylaws.**

    There is a requirement for plans to align in a hierarchy; however municipalities are not always compliant in the application of this hierarchy. Therefore when there is non compliance, there needs to be a process whereby an audit or inspection process can be requested and that alignment of planning tools follows the statutory plans and bylaws

i.e. The MSSM needs to follow the land use bylaw and the land use bylaw should follow a Municipal Development Plan. There also needs to be more accountability on area structure plans, but with area structure plans being less prescription so that it doesn't require a council decision to make changes.

21. **Allow for an exemption to advertising and public hearing requirements on rezoning applications.**
When rezoning to a less intensive use, consistent with the statutory plans and permitted uses that will not materially affect the amenities of the neighbourhood or the use, enjoyment or value of neighbouring lands, exemptions to advertising and public hearings should be provided.

22. **Impose caps to fees and taxes**
Imposing percentage caps to municipal fees and mill rates would provide certainty and predictability to business and industry. By not only limiting the ratio of non-residential to residential taxes on mill rates, but also capping the allowable percentage increase that a municipality can impose in its fees year over year, provides a more predictable and sustainable business environment, ensuring greater consistency and competitiveness across jurisdictions. The differential between residential and non-residential could be a cap of no greater than 2% or 3% and additionally fee increases should be capped at no greater than 3 or 5%, unless there are justified reasons for greater increases.

23. **Provide for the ability for a municipality to cancel, refund or defer taxes and clearly define and provide clarity on the municipal powers of Council to implement policies for this purpose.**
Currently not all municipalities have a clear understanding of their ability to implement policies, standards or bylaws related to taxation for the purpose of tax relief or tax incentives. The MGA needs to clearly define what a municipality can impose for tax relief purposes whether for flood relief, business incentive programs or for circumstances whereby a tax will impose significant business hardship on a property owner.

24. **Establish a requirement for municipalities to implement multi-year levy and acreage assessment rate structures to give greater predictability to the industry for investment decisions.**
Business currently operates on multi-year and long-term planning horizons, but is subject to uncertainty in terms of shorter term assessments and levies. Greater predictability would encourage greater competitiveness and the recommendation to ensure that there are multi-year rates that are sustainable and predictable.

25. **Ensure that all businesses receive fair levels of service relative to the taxes they pay in comparison to residential services and residential taxes.**
Businesses generally bear the greatest municipal tax burden, however it is yet to be determined if the taxes paid are reflective of the degree in which a business utilizes the municipal services provided. By imposing caps and legislating a requirement to ensure that taxes are relative to the degree in which a ratepayer benefits will provide greater clarity and transparency the taxation process.

26. **Ensure that a municipality is required to provide greater access to property assessment data, including the coefficients utilized in the assessment calculations, to property owners, at no cost, in order to increase predictability and ensure consistency.**
Currently property owners are not given access to the fundamentals of the calculations that determine the assessed value of their properties. This information gap puts the onus on the property owner to identify in what way they believe the assessment is incorrect, without access to the tools and information that was used to create the assessment. Access to data such as the coefficients would allow property owners to engage in meaningful discussion with municipalities on the nature of their concerns and allow accurate prediction of assessments year-to-year.

27. **Shift the onus of defending the property assessment to the municipality, rather than the property owner in an appeal hearing and ensure that hearings are based on the property being appealed and the evidence related to that property and not the mass appraisal assessment.**
There is an unfair advantage when burden of proof must be provided by the property owner, rather than the municipality. The municipality should be required to present comparable data to the property owner and explain the reasons for the assessed value in order to justify a reasonable assessment. There should be an equal role by both a property owner and the municipality to justify and explain their analysis of a property's assessed value and the assessed value should be based on that property when being analyzed and discussed in an appeal hearing. By implement legislation that regulates the appeal process and that when a property goes to a hearing that the hearing is

based on the property itself and the value of the property, not the basis of the mass appraisal process ensure that there is a more consistent and fair application when a property is appealed.

28. **Harmonize the date for valuation assessments and assessment of conditions to a single date of January 1st.**
By harmonizing the date for valuation assessments, preliminary assessments would then be made available to the owner on July 1st with taxation statements being mailed on January 1st of the following year when the tax roll is set and finalized. Harmonizing the dates allows a model such as an Alternative Dispute Resolution (ADR) process and much of the appeal process to be completed prior to the finalization of the municipal tax roll; effectively mitigating the municipal revenue risk associated with tax appeals. Removing revenue risk implications from the process will also reduce the adversarial nature of the appeals process and allow a more productive mediation process. The increased time between notification and appeal deadlines would allow municipalities and property owners greater time to come to an agreement prior to entering the appeals process, reducing any burden on the court system and ultimately saving taxpayer dollars. Date harmonization would also allow property owners to more accurately predict tax implications and plan accordingly.

    In an effort to further remove the financial risk of appeals to municipalities and enhance the property owners ability to appropriately budget for property tax levies, a lag of one year could be inserted between the assessment valuation and appeal year, and the year in which that value is taxed. Tax would then be levied on the value of two years prior, rather than the current one year prior. Any changes made during the review and appeal period would have no impact on municipal tax revenue as the mill rate will not be set until the appeal period is complete. This alternation would remove the financial risk to the municipalities if corrections result in material assessment adjustments. The focus would be on getting values right absent the influence of revenue loss. In addition, Industry would know their assessment value well in advance, allowing them to better budget and plan for shifts within assessment classes.

29. **Replace the Composite Assessment Review Board (CARB) with a new provincial adjudication body.**
This new adjudication body would ensure a fair, consistent, and transparent process for appeals. This provincial appeal board should be competent (i.e. conversant in valuation matters), neutral, and independent of local influence. Consistent with these principles, membership on the appeal board should preclude elected officials and former assessors and should provide for a consistent number of representatives on the review panel (no less than three to be present at any given hearing). Industry feels that the current process is challenging in that the adjudication of appeals are being heard by the same municipalities that were involved in the assessment process, which leads inherently to a conflict and also to potential and perceived questions of the impartiality of the appeals process. Additionally, industry has experienced an unfair and inconsistent representation on the Composite Assessment Review Board with, in some cases, a case being heard by only two individuals on the Board. Essential to the fair and consistent rendering of decisions is the notion of independence and fair representation; a notion that would be supported by institutional arrangements protecting the Board and its members from any real or perceived pressure to make adjudicative decisions that are not based on merit. It is felt that a new body should be competent in taxation matters and constituted by members who view their roles within the context of public service and decide matters without prejudice, and that these principles be codified in the legislative mandate that enables this new appeal body. Industry members agree that Appeal Board membership should consist of Albertans who are knowledgeable and educated individuals with expertise in the area of real estate fundamentals. Decisions relating to assessments can be highly technical in nature and require relevant experience and an understanding of the industry and other stakeholders that are affected by the decisions of the Appeal process. The education process should be further enhanced to ensure competent adjudication.
    Improved education and adjudication combined with enhanced impartiality should result in decisions of the appeal board that are fair and consistent to allow predictability of decisions for all parties.

30. **Revise the guidelines for assessment and taxation to provide a consistent methodology for calculations of capitalization rates, use types/segmentation and disclosure of information.**
Clearly defined processes will ensure that all municipalities are following the same process, that guidelines to assessment processes can be interpreted in the same manner and that there are policies in place that ensure that taxes remain predictable, that they can be proven and that regulation provides for a consistent, fair and transparent practices and methodologies.

31. **Require that an assessment department must provide proof of receipt of information.**
Industry has indicated that there are inconsistencies related to receipt of information and being denied opportunities to be heard or to appeal because an application or information was not received by a specified or prescribed date.

This could be alleviated through the requirement of receipting or confirming receipt of information such as request for information forms and appeal documents.

32. **Ensure that the MGA does not relinquish a property owner's right to appeal if a request for information was not submitted within the specified timeframe.**
    Currently under section 295 of the MGA a property owner is not able to appeal if they did not submit their request for information. Instead of removing a property owner's right to appeal, the alternative could be a penalty fee associated with an appeal application if they had not submitted the request for information in the specified timeframe. This not only provides an incentive for property owners to submit their request for information forms, but also does not remove their right to appeal

33. **Require the tax roll to be defined in industry sectors i.e. residential versus non-residential as opposed to one sequential roll.**
    It is reasonable to have separate tax roll listing for the different categories of properties that a municipality imposes and it provides for more a more clear and transparent comparison of properties on any given tax roll.

Date Drafted: May 10, 2014
Date Reviewed: May 21, 2014
Date Approved: May 21, 2014

Impact of Increased Non Residential Property Assessments

Issue(s): The City of Medicine Hat's 2013 assessment of non-residential property values resulted in sudden, unexpected and significant increases to many property owners' tax liabilities. Of the concerns raised, four main issues were identified, including:

a. *Analysis of Market Value and Market Segmentation*
b. *Calculation of the Capitalization Rate*
c. *Customer Service*
d. *Disclosure of Information*

Executive Summary

Through the 2013 process of assessing non-residential property values, the City of Medicine Hat interpreted data in a manner which varied from the assessment process in previous years. This led to significant changes to the assessed value of a number of local properties. With over 100 properties that had assessed values of greater than 30% compared to 2012 and approximately 116 properties that appealed, there is concern about the methodology used for the 2013 assessments. Additionally, businesses expressed concerns related to the level of customer service received, issues with compliance and disclosure of information, as well as fees associated with the disclosure of information. For these reasons, the Medicine Hat & District Chamber of Commerce is recommending the City of Medicine Hat put certain measures, process and procedures in place to mitigate reoccurrence of this situation and the impacts that this process has imposed on business.

BACKGROUND

Through the 2013 non-residential property value assessment process, the City of Medicine Hat interpreted data in a way that differed from previous assessments. This new process has resulted in significant changes to the assessed value of numerous commercial properties. Of the 1400 non-residential properties, 1047 were based on the income approach to value, with the remaining properties primarily based on the cost approach (for linear, vacant and heavy manufacturing properties). The sales approach was used primarily for residential.

MARKET VALUE AND MARKET SEGMENTATION

The Municipal Government Act gives direction to municipalities to prepare assessments every year and sets out two types of valuation standards; the market value based standard and the regulated procedure based standard. The market value based standard is considered the most fair and equitable means of assessing property. It is fair because similar properties are assessed in the same manner; it is equitable because owners of similar properties in a municipality will pay a similar amount of property tax.

Market value is defined as the price a property might reasonably be expected to sell for if sold by a willing seller to a willing buyer after appropriate time and exposure in an open market. Key characteristics of market value are:

- It is the most probable price, not the highest, lowest, or average price.
- It is expressed in terms of a dollar value.
- It assumes a transaction between unrelated parties in the open market.
- It assumes a willing buyer and a willing seller, with no advantage being taken by either party.
- It recognizes the present use and potential use of the property.

There are three primary approaches to market value. A sales comparison approach, a cost approach and an income approach. A sales comparison approach compares sales prices of similar properties to the property being assessed. The cost approach take the value of land + cost of improvements – depreciation = value of property; while the income approach estimates what a potential purchaser would pay for a property given its expected rate of return.

In a smaller market, there are challenges with using an income approach to value properties; and more difficulties arise when analyzing values in an economic climate such as Medicine Hat has experienced for the past few years. Regardless of the approach, assessors are generally encouraged to use as much data as possible which could include going back to previous years' assessments, as well as expanding the analysis area, while putting as much weight as possible on the most recent data. One of the problems assessors have encountered is obtaining the lease data from property owners to be used in the income approach. For the 2013 assessment year Medicine Hat was able to obtain approximately 60% of the data from the requests for information. There were concerns that the assessor did not obtain enough data to determine the assessment, which is both a responsibility of the property owner and the assessor. Municipalities that have the most success gathering data work diligently with the owners to

obtain it. Detailed information about each property should be gathered by making on-site visits and/or by corresponding with the owner of the property. Information collected by the assessor in the assessment process is also available from other sources including Alberta Land Titles, real estate Multiple Listing Services, and financial institutions, as well as consultation with other local appraisers.

While the classification rate table the City has developed outlines seemingly appropriate categories, it is still unknown as to how properties were grouped into those categories, as there were reports where the categorization did not seem to align with the property in the segmentation.

CAPITALIZATION RATES

Assessors are expected to determine capitalization rates based on the best available data. While there are a number of methods that can be used to determine capitalization rates, the most effective method would be using sales of leased properties, subject of course to the availability of data. In areas where there is limited sale activity, this can create a challenge and assessors should support their conclusions with alternate data sources. Recommended practice would be to determine capitalization rates through an ongoing process of interviewing local appraisers, analyzing sales and consulting with ratepayers and their tax agents. As minimal sales make a more complex study difficult for the mass appraisal methodology, assessors should utilize local knowledge, expertise and consultation in determining appropriate capitalization rates, while verifying the calculation and capitalization with other methods such as the market derived method, band of investment method and/or Akerson method.

CUSTOMER SERVICE & DISCLOSURE OF INFORMATION

There was significant concern related to how the 2013 assessments were handled as it related to customer service and customer relations. While we understand that issues on both sides of the counter existed regarding treatment of individuals, there must be the utmost understanding for the customer and the level of concern that this particular circumstance would generate. We do not condone mistreatment of any individual, but would suggest that there are positive steps that can be taken to improve the situation, rather than those that may cause a situation to escalate to a more negative outcome overall.

The concerns identified were the lack of consultation and awareness before the assessments notices were distributed and the lack of consultation and communication following the distribution of assessments notices. There was also ongoing concern with the treatment of customers, the response time to deal with an issue, the disclosure of information, the fees associated with obtaining assessment information and the “unfinalized” assessment notices.

Many of the concerns may have been addressed if the 2013 assessments had been compared to the 2012 assessments and flagged for any irregularities. These irregularities could then have been managed in a consultative capacity to educate, inform and gather proper information prior to notices being distributed.

Additionally, consultation and communication with property owners, appraisers and other market experts leading up to the 2013 assessments, as well as more effective communication following the assessments, could have alleviated some of the issues and negative publicity and backlash that arose as a result. There were reports of delays in responding to inquiries and compliance issues related to obtaining information in breach of section 299 and 300 of the Municipal Government Act. An assessed person may ask for information in accordance with Municipal Government Act sections 299 and 300 and the municipality must comply in accordance with the act and regulations. The regulation sets out additional details, timelines, and the right to request a compliance review and penalties that may be imposed. If the assessed person has requested information about their property under Municipal Government Act, section 299, or other property under Municipal Government Act, section 300, the assessor is obligated to provide the information within 15 days.

Additionally, the fees associated with Bylaw 3031, to establish fees for tax certificates and other information regarding assessments and taxes provided by the City’s Assessment and Taxation Department, are among the highest in the province. In reviewing several other similar sized and larger municipalities in the province, Medicine Hat’s fees were the highest found.

Within bylaw 3031, which has not been updated since amended in February 2009, it outlines in section 1 that the following fees are established for tax certificates, information and services provided by the City’s Finance Department:

		Effective February 3, 2009	Effective January 1, 2010	Effective January 1, 2011
(1) (a)	For a manual tax certificate	$34.00	$36.00	$38.00
(1) (b)	For an e-service tax certificate	$26.00	$28.00	$30.00
(1) (c)	For written information regarding assessments and taxes and other property information	$34.00	$36.00	$38.00
(1) (d)	For verbal information regarding assessments and taxes and other property information	$12.50	$13.00	$13.50
(1) (e)	For e-services searches (e.g. legal descriptions)	$8.50	$9.00	$9.50
(1))f)	Transfer of Outstanding Utilities to the Tax Roll	$40.00	$40.00	$40.00

Other municipalities interpret section 300 of the Municipal Government Act to read that because properties owners are entitled to this information, the municipality does not charge for the information, as they are required to provide it. Some municipalities will apply a limitation or restriction on the number of free summaries requested and after a certain number of summaries (i.e. 5) they then will charge a nominal fee to cover off the administration costs for supplies and copies.

During the 2013 assessment there was also "Un-Finalized assessment" letters that were sent out to some property owners. Under the Municipal Government Act, only "assessment notices" or "amended assessment notices" can be issued by a municipality. The Municipal Government Act does not reference an "Un-finalized Assessment". The inclusion of a letter from the assessor indicating the assessment on the notice is "un-finalized" could call into question the status of the notice. Since it is the assessment notice that triggers the complaint period, such a letter could also call into question when the complaint period began and when it has ended.

If property owners receive such notice they should then have the ability to call this to question and raise the issue of appropriate notice with the City or alternatively file a complaint with the Composite Assessment Review Board and ask the board to address the matter of appropriate notice.

ANALYSIS

While there continues to be speculation and conversation over the accuracy of many specific assessments, the purpose of this policy is to limit the negative impact of significant and unexpected tax increases to business and mitigate the issues related to assessments moving forward.

The Medicine Hat & District Chamber of Commerce is committed to fostering a positive and predictable environment for businesses to operate and the ability to accurately predict expenses is important to the sustainability and growth of any successful business. In circumstances where governments impose unexpected taxes, fees, regulatory burdens or procedures, The Medicine Hat & District Chamber of Commerce feels that reasonable notice and explanation is required.

After considering the short notice of the increases and significant impact on local business, we feel that this issue needs to be addressed so that processes can improve for future years and current issues can be addressed. This would lessen the negative affect on businesses and allow a reasonable period of time to prepare for increased expenses.

The Chamber understands the limitations and that Council can not direct valuations of the assessor, as the assessor is independent, arms length and appointed by Council to ensure there is no political influence and vested stake in the results. We also understand that council can cancel, refund, defer or phase in tax increases or decreases and they have exercised that right for the time being, until they know what other measures or options Municipal Affairs will be taking or recommending.

The concern is that the process for assessments provincially has not changed, yet there are such extreme cases in our municipality for the 2013 year that need to be addressed so that we can mitigate the challenges and the negative impacts moving forward. Additionally, while the Provincial Government regulates assessments, they do not regulate the specific process taken when it comes specifically to market segmentation and determination of capitalization rates.

We understand that because of the various methods and approaches, it can become a challenge to appropriately select the best methodology in assessments. However, in consulting with colleagues in other municipalities and within our own municipality, there is a very feasible and combined approach that can be patterned.

In our research, we have found various examples of assessment methods, which include some municipalities citing a direct or sales comparison approach for condos; a cost approach used for properties such as partially completed buildings, churches, schools and industrial businesses; and a cost approach or sales comparison approach used in a few examples found for

warehouses. Rental properties or revenue producing properties such as malls, restaurants and retail outlets were assessed using an income approach and we found circumstances where gas stations were assessed on a cost approach as their income is hard to predict.

Additionally, some municipalities, such as Lloydminster, don't employ their own assessor, but will hire a third party company from another municipality to conduct the assessments on their behalf.

In researching various other municipalities, speaking with various appraisers (particularly those who are non-partisan to the issue) and speaking with Municipal Affairs, we have come to some conclusions and recommendations that are reasonable to assist in alleviating this problem moving forward and addressing the current challenges.

RECOMMENDATIONS

The Medicine Hat & District Chamber of Commerce recommends the City of Medicine Hat:

1. Assessment Department diligently corresponds with property owners to obtain all information necessary to accurately assess market value, as well as to consult with and obtain information from other sources including Alberta Land Titles, real estate Multiple Listing Services, financial institutions, and other local appraisers.
2. Assessment Department re-evaluate the classification table and provide summaries to each category that would explain what criteria a business must meet in order to be classified in a particular category (ie. what types of business are included and what types of businesses are excluded).
3. Assessment Department requests information for properties throughout the year and ensure that there is proper advertising and media exposure of this requirement. Information needs to be communicated effectively to property owners in a timely fashion.
4. Assessment Department actively and regularly meets with other municipal assessors as well as other professional assessors and appraisers to discuss market conditions, market values, processes and practices.
5. Assessment Department supports their conclusions on capitalization rates with alternate data sources through an ongoing process of interviewing local appraisers, analyzing sales and consulting with ratepayers and their tax agents, while also verifying the calculation with other methods such as the market derived method, band of investment method and/or Akerson method.
6. Create a Customer Service and Customer Satisfaction policy that addresses more prompt response times and the manner in which customers are dealt with. This may include, but would not be limited to, a service level agreement that addresses response time for walk-ins, telephone and email inquiries as well as the response time to call back and provide further information beyond the initial point of contact.
7. Assessment Department compare current assessments to prior year assessments and flag irregularities (in excess of a 20% variation), which would then be followed up with individualized consultation, education and information in order to gather proper information prior to assessment notices being distributed.
8. Assessment Department commences the assessment process two months in advance in order to allow time to address irregularities.
9. Update bylaw 3031 to establish fees for tax certificates and other information regarding assessments and taxes provided by the City's Assessment and Taxation Department and either reduce or remove the fees associated to the provision of assessment information.
10. Ensure that "un-finalized assessment notices" are not distributed to property owners, using only "assessment notices" or "amended assessment notices", as un-finalized assessments are not in compliance with the Municipal Government Act and calls into question the status of the notice.
11. Continue to pursue a Provincial Audit of the 2013 Tax Roll with Municipal Affairs and report any findings to the non-residential property owners.

RESOURCES

Guide to Property Assessment and Taxation in Alberta, Government of Alberta, Municipal Affairs
Steve White, Executive Director, Assessment Services Alberta Municipal Affairs, Government of Alberta

Date Drafted: August 27, 2013
Date Reviewed: September 10, 2013
Date Approved: September 18, 2013

Natural Gas Vehicle Training Requirement

Issue:

There is an increasing use of natural gas vehicles being used across North America, however as natural gas is a gaseous fuel and has unique fuel systems that are unfamiliar to traditional technicians, adequate training is required for cost-effective, efficient and safe maintenance and repair of natural gas vehicles.

Background

Fleet owners across North America are switching to natural gas for their truck and bus operations due to the power and performance similar to diesel engine technologies coupled with the benefits of natural gas vehicles. Some of the benefits include[14]:

- Fuel cost savings of up to 30% to 40% per kilometer
- Reduced greenhouse gas emissions by 20% to 25%
- Lower levels of air pollutants and air toxics
    - 90% reduction in Carbon Monoxide
    - 50 % reduction in Nitrogen Oxide (NOx)
    - 75% reduction in non-methane hydrocarbons (NmHC)
- CNG is non-toxic, non-carcinogenic, non-corrosive
- Natural gas vehicles comply with the 2016 emission standards
- Ability to operate on renewable natural gas for near-zero emission performance
- Quieter vehicles providing less noise in urban settings
- Mature engine technologies providing required power, torque, and reliability

More than three decades of technology development means that natural gas vehicles are ready-to-go and able to meet the demands of day-to-day fleet operations.

However with this transition to natural gas vehicles (NGV) comes a requirement for advanced education and training. As natural gas is a gaseous fuel, rather than a liquid, it behaves differently than liquid fuels. Additionally, all natural gas vehicles have unique fuel systems from their gasoline or diesel counterparts. CNG vehicle fuel systems operate at high pressures (3,600 psi), while LNG vehicle fuel systems use cryogenic fuels (-260^{o}F). Both types of NGV fuel systems are unfamiliar to traditional technicians and the key to performing safe, efficient and cost-effective maintenance and repair of natural gas vehicles is adequate training.

[14] http://www.gowithnaturalgas.ca

Work is already underway in Canada to establish a national training program for natural gas vehicles and courses should be accessible at local technical and community colleges, as well as through natural gas service providers. However there is currently very limited access to certification within Canada with most NGV personnel requiring training from the United States. There are some existing training courses available including Toronto-based Centennial College's Internal Combustion Alternative Fuel Vehicle Technician for Natural Gas course. In the U.S., NGVi offers courses on a range of subjects including CNG System Inspector, Driver and Technician Safety Training, and CNG Fueling Station Operation and Maintenance.

Compressed natural gas (CNG) and liquefied natural gas (LNG) fuel safety as well as vehicle and station operation, inspection, and maintenance should be included in the scope of programs considered in Canada and should be applicable to not only fleet owners and personnel, but also to emergency first responders. Course content should look at the following:

i. Awareness – Natural Gas for Transportation General Knowledge and Safety Practices
ii. Vehicle Service – Light Duty Road Transportation
iii. Vehicle Installation – Light Duty Road Transportation
iv. Vehicle Service – Heavy Duty Road Transportation
v. Vehicle Inspection – CNG & LNG Tanks
vi. Vehicle Inspection – Hoses, Tubes & Fittings
vii. Awareness – Natural Gas for Transportation Dispenser Stations (CNG, LNG)
viii. Station Inspection – Natural Gas for Transportation Dispenser Stations (CNG, LNG)
ix. Station Service – Natural Gas for Transportation Dispenser Stations (CNG, LNG)
x. Awareness – Fleet Management

If Alberta was an early adopter of providing the necessary certification and training, we would also see an influx of personnel from other provinces coming to Alberta for NGV training due to the lack of national access to this type of programming.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Work with industry and training institutions to develop certification and training through the Alberta Apprenticeship and Industry Training System for Natural Gas Vehicle Certification program(s).
2. Provide education grants to schools seeking to establish or grow programs that support alternate fuels education programs
3. Work with CSA Group (formerly known as the Canadian Standards Association) to develop and harmonize standards for Natural Gas Vehicle certification and develop a defined set of competency criteria that assesses and evaluates skills and experience in Natural Gas Vehicle servicing, inspection and management.

Policy Completed: November 2018

Strengthened Budgeting for Disaster and Emergency Spending

ISSUE:

The recent accounting practice of the Government of Alberta was to budget zero dollars for disaster and emergency spending when the provincial budget is tabled. Since 2003 the government has spent over $4.6 billion on emergency and disaster relief but it does not budget for these expenditures at the start of the year. While Budget 2012 marked a shift in the province's budgeting practice with an estimated $44 million being set aside for emergencies, this approach continues to underestimate the true cost of disasters and emergencies. This practice also creates challenges for budget planners and decision-makers in forecasting expenditures about the year-end budget outcomes that influence important public policy decisions. Improving the process would begin with budgeting for disaster and emergency spending using a five-year rolling average.

Background

Budgeting for disasters and emergencies is standard practice for businesses and individuals. We set aside funds in reserve in case of an emergency. The province has applied a similar approach with the Sustainability Fund, accessing the funds during difficult years to pay for needed services and programs in the event of unanticipated declines in resource revenues.

The same principle could be applied to budgeting for disasters and emergencies. Currently, the province reports disaster and emergency spending as a line item under program expenses in the Fiscal Summary. Prior to 2012 there was no set budget assigned for the expected cost of fighting wildfires, potential flooding, and the annual mountain pine beetle program. Rather, the province draws funding for disasters and emergencies from the Sustainability Fund on an as-needed basis (up to one per cent of total operating spending). Budget 2012 represents the first time in recent memory that the government has budgeted for disasters and emergencies, with an expected cost of $44 million for fiscal year 2012-13 and $17 million for fiscal year 2013-14.

The challenge in this regard is that these estimates are in no way tied to historical costs. According to the 2011 third quarter update, the province incurred $250 million on forest firefighting, $172 million on the Slave Lake wildfires, $105 million for municipal flooding, $38 million for the Agri-Recovery response, and $30 million to combat the mountain pine beetle infestation.[1] These are substantial and necessary

[1] Government of Alberta. Budget 2011-12 3rd Quarter Fiscal Update. February 2011. http://www.finance.alberta.ca/publications/budget/quarterly/2011_3rdq/report.pdf

expenditures amounting to $595 million, nearly half of which is a recurring annual cost that changes only moderately as a result of ongoing commitments to battling mountain pine beetle infestations, estimated at $46 million based on the last five year's third quarter results.

The province will continue fighting forest fires as well as fighting the mountain pine beetle for the foreseeable future, and it would be prudent to budget ahead of time for these costs in light of their recurring nature. This will provide budget planners with a more accurate snapshot early in the fiscal year of the expected actual expense, and enable more accurate financial reporting and accountability to the taxpayer.

The Alberta Chamber of Commerce recommends that the Government of Alberta:

1. Budget for declared emergencies and disasters on the basis of a rolling historical five-year average. If this had been done in Budget 2011-12, then the government would have budgeted $415 million with its latest forecast showing a total expense of $595 million.

2. Move mountain pine beetle suppression disaster spending into the Ministry of Sustainable Resource Development's budget as a program expense.

Address Alberta's Rural Physician Shortage

Issue

Alberta continues to face a chronic shortage of physicians, specifically in the rural areas of the province. Having access to family physicians is a basic need of any Albertan and a driving factor in the ability of a community to attract business. Although some gains have been made, factors such as pending physician retirement, aging populations, and timeworn infrastructure may nullify these gains. To ensure that all Albertans have timely and meaningful access to health care, action is needed to improve the distribution and availability of medical practitioners within the province.

Background

As of December 2011, 8,045 physicians were fully registered on the in-province registers in Alberta. Of these physicians, 2147 (19 per cent) are practising outside of Edmonton and Calgary.[1] Using these figures and census data from the 2011 provincial census,[2] there are 591 individuals per physician in rural Alberta and 212 individuals per doctor in urban Alberta.

In 2011, Alberta experienced a net increase of 332 physicians.[3] At 10-per-cent attrition per year and without population growth, Alberta needs over 500 physicians annually.[4] The ability of rural residents to access health care is further exacerbated by the greater distance needed to travel to access services and specialists, who are typically located in urban zones. Access to adequate health care among the growing Aboriginal population residing in non-metropolitan-influenced zones of the province is of particular concern.[5]

Geographic isolation and problems with access to and shortage of providers and services are multidimensional problems. For instance, poor road quality, combined with greater periods spent on the road, not only contributes directly to higher incidence of injury, but also compromise access to health

[1] College of Physicians and Surgeons of Alberta, Quarterly report, October 2011-December 2011 www.cpsa.ab.ca/Services/Registration_Department/Physician_Resource_Statistics.aspx
[2] 2011 Alberta census www.finance.alberta.ca/aboutalberta/census/2011
[3] College of Physicians and Surgeons of Alberta, Quarterly report, October 2011-December 2011 www.cpsa.ab.ca/Services/Registration_Department/Physician_Resource_Statistics.aspx
[4] North-western Alberta Medical Training Symposium: A Community Discussion Paper, June 22, 2007, p 3
[5] Rural Alberta Profile- A Fifteen-year census analysis

services. Moreover, difficult economic circumstances, travelling time to the city, and the lack of car ownership can affect access to and demand for health services.[6]

Impacting economic development

Studies show that rural physicians' economic contributions can be as important to a community as their medical contributions. With the growing physician shortage, rural communities are at risk of losing much more than the opportunity to receive local medical care.

Physician shortages negatively impact the business community's ability to recruit and retain employees; people want and need accessible health care for their families. In addition, employers in underserviced areas report lost productivity and increased absenteeism because employees need to invest their time, and by default their employer's time, accessing medical services for themselves and their families through hospital emergency departments, walk-in clinics and out-of-town health facilities.

The increased costs of staff recruitment and lower productivity due to inadequate access to medical care can be a significant factor in location decisions for business. This may influence companies to locate in other areas, resulting in negative economic effects for Alberta and Canada that will impact our competitive advantage in the world economy.

The province also faces increased costs to transport rural patients to health facilities in urban centres when basic care is not available in the rural hospital. Relocating rural patients to urban centres ultimately results in fewer available beds for residents of these large centres.

Recruitment and retention challenges

Recruitment efforts in rural and northern areas face significant challenges due to:

- An inadequate supply of graduates trained in Alberta and Canada.
- High costs of recruitment and retention.
- Unwillingness of graduates to undertake a rural practice – the 70/70 rule referred to by researchers states that 70 per cent of graduates tend to stay within 70 miles of where they were trained.
- Difficulties of recruitment due to diverse and demanding practices. Rural physicians typically carry a greater practice burden than their urban colleagues. They have greater population-to-physician ratios, broader scopes of practice, and less support than a typical urban practice.
- Aging infrastructure. Thirty-three per cent of health facilities and equipment in Alberta were rated as fair or poor physical condition in 2008. With many of Alberta's infrastructure assets entering the last one-third of their life expectancy, many will require major renovations, repair or replacement.[7]

Traditionally, recruiting doctors from other nations solved rural physician shortages in Canada. Currently in Alberta, there are 2,523 physicians who were trained outside of Canada.[8] This represents 31 per cent

[6] How Healthy Are Rural Canadians: An Assessment Of Their Health Status And Health Determinants http://www.phac-aspc.gc.ca/publicat/rural06

[7] Alberta's 20-year Strategic Capital Plan to Address Alberta's Infrastructure Needs www.infrastructure.alberta.ca/6.htm

[8] College of Physicians and Surgeons of Alberta, Quarterly report, October 2011-December 2011 www.cpsa.ab.ca/Services/Registration_Department/Physician_Resource_Statistics.aspx

of Alberta's doctors. However, for a privileged nation to recruit doctors from developing countries only serves to worsen the shortage of skilled health-care workers in those countries, and raises ethical questions. The existing and proposed solutions to physician shortages in Alberta are a step in the right direction, but insufficient to meet the needs of the province, particularly in rural Alberta. Simply adding new seats to the current programs without other changes will not address the problem.

Rural physician training in rural areas – a proven model

Research, including that of the Canadian Medical Association, and experience in other provinces, such as Ontario and British Columbia, indicates that medical education in rural areas is an effective model for addressing the rural physician shortage. Programs such as those developed by the Alberta Rural Physician Action Plan, are not only alleviating the overall shortage of family physicians in their provinces, but are targeting both the physician needs and community needs in rural areas.

The Alberta Chambers of Commerce recommends that the Government of Alberta:

1. Direct the departments of Enterprise and Advanced Education and Health to continue to address the shortage of family physicians, especially in rural regions, by enhancing the present medical training structure and introducing a new model. This new training model will:
    a. Collaborate with a present accredited medical training university.
    b. Focus on the training of family physicians.
    c. Be delivered in rural Alberta.

2. Ensure health infrastructure adequately supports the training and retention of physicians in rural Alberta communities.

Support to ranchers in the removal of specified risk material

The devastating effect that bovine spongiform encephalopathy (BSE) has had on Alberta ranchers is still a significant obstacle to the success of the cattle industry. In 2007 "enhanced animal health protection" requirements were introduced by the Canadian Food Inspection Agency (CFIA) designed "to help eliminate bovine spongiform encephalopathy (BSE) from Canada." The protocols and regulations introduced have led to greatly increased costs in time, resources, and administrative record keeping for producers, veterinarians, and processors forced to handle and dispose of dead stock and specified risk material (SRM).

Many facilities that accepted dead stock and SRM stopped accepting them when faced with increased costs and complications. This development has forced producers, veterinarians, and processors to absorb all the increased handling and disposal costs.

In addition to the increased costs to all involved, the Government of Alberta has also discontinued its services for removal of dead stock. Until somewhat recently, Alberta ranchers were able to request for the removal of a deceased animal by the province. This lack of service has simply been passed on to those on the front lines of the already battered industry.

At a time when profit in the industry is unstable, to say the least, these costs of disposal will very likely lead to increased disposal of dead stock and SRMs on private or public land, leading to increased and undesirable predator/scavenger activity on these lands. This type of activity will only increase the problem the industry is facing.

The Alberta Chamber of Commerce recommends the Government of Alberta:

1. Work with producers to determine a cost-effective solution to such removal until a time when the Canadian Food Inspection Agency discontinues its current polices for disposal of dead stock cattle and their associated specified risk material (SRM), as this support will discourage improper discarding of potentially diseased animals, as well as SRM disposal.

Improving Communication and Processing in the Alberta Disaster Recovery Program and Alberta Emergency Management Agency

In June 2010 severe flooding in southern Alberta resulted in the activation of the Disaster Recovery Program (DRP). This program is designed to provide financial assistance to businesses, farms and residents who are victims of disasters. Persistent delays in the response of this program to provide much-needed funding have caused serious disruptions to businesses in the affected regions and overall progress of commerce.

The Alberta Emergency Plan dictates that DRP shall exist to "provide financial assistance to local authorities and their citizens who incur uninsurable loss and damage as a result of a disastrous event."[1] The program is administered by the Alberta Emergency Management Agency (AEMA) and is authorized by the Minister of Municipal Affairs.

Criteria for eligibility in the program according to the plan are that: (a) the event is considered extraordinary, (b) insurance is not reasonably or readily available, and (c) there is evidence that the event is wide spread.

The program covers, in addition to homeowners, municipalities and non-profit organizations, small businesses, where the majority of owners operate as the day-to-day manager of impacted assets as well as deriving a minimum of 20 per cent of their gross personal income from those assets. The program covers 100 per cent of eligible loss or damage for uninsurable property. It does not cover loss or damage that:

- Was reasonably and readily insurable.
- Is recoverable through feasible legal action.
- Is recoverable through another government program.
- Was a pre-existing condition.
- Is considered an ordinary or normal risk of business, trade, calling or occupation, including loss of income or interest charges.
- Was incurred by a large business. [2]

As the program focuses on restoring uninsurable property, it provides a safety net for business owners who have no private recourse for the impact that disasters may have to their business.

[1] Alberta Emergency Management Agency. (2008). *Alberta Emergency Plan*. Section 5.2 "Disaster Recovery Program"
[2] Alberta Emergency Management Agency. (2009). *Disaster Recovery Program Information*

As such, this funding is entirely necessary for the functioning of commerce in the aftermath of such events. Concern has been expressed regarding the amount of time it has taken for the Alberta Emergency Management Agency to process applications for funding. This can delay repairs for businesses and farmers who cannot afford to pay for repairs upfront and require government assistance to return to regular production.

In addition, concerns over a lack of transparency have been expressed. Cheques made out to successful applicants have not included any explanation or justification for the amount. Some applicants are unsure of how damage has been appraised.[3] Based on these expressed concerns, three central problems have been identified within the current structure of the DRP:

(a) The Disaster Recovery Program has not fully dealt with the difference in complexity between homeowner, agricultural, and commercial business disaster assistance claims.
(b) Communication between claimants and the AEMA is inconsistent and without a clear service level expectation.
(c) Program administration is governed by ambiguous policy wording which has led to payment delays or inconsistent subjective compensation awards.

The Alberta Chamber of Commerce recommends that the Government of Alberta:

1. Create a comprehensive general guidelines document, which includes, but is not limited to:
   a. An overview of the program.
   b. An explicit outline of the process for residential, small business, large business, agricultural operation, and municipal government claims.
   c. A description of detailed coverage for residential, small business, large business, agricultural operation, and municipal government claims.
   d. A detailed eligible and non-eligible description and breakdown for residential, small business, large business, agricultural operation, and municipal government claims.

2. Implement a service level program that details the program's:
   a. Communication and transparency policies.
   b. Claims procedure.
   c. Claim account processes, including a claim numbering system in order to facilitate easy accessibility to file information by phone, in person, online, or through mail-out updates.
   d. Point-of-contact updates which dictate that claimants are updated once every 10 days on the status of their claim.
   e. Policies for consistent implementation and recursive measures should there be a failure to achieve the standards set forward.

3. Include in the creation of the comprehensive general guidelines document specific language for all procedures including, but not limited to, qualifications on eligibility, claims procedures, claim re-assessment procedures, and procedures for issuing reimbursements for expenses and payment of claims.

4. Review all related policy documents in order to remove all ambiguous language with the intent of streamlining the Disaster Recovery Program and facilitating faster service.

[3] Slade, G. (2010). "Flood relief in private hands". *Medicine Hat News*. November 6.

Reverse Negative Changes to the Temporary Foreign Worker Program

Issue

Recently announced changes to the Temporary Foreign Worker Program (TWFP) are putting businesses in Canada and especially those in Alberta at risk. Announced changes slow down access to temporary foreign workers (TFWs). The changes suspend the Accelerated Labour Market Opinion (A-LMO) process and will require each application for a TFW to include a transition plan to replace the temporary workers with Canadian workers. The introduction of new user fees may also disadvantage and discourage applications to the program.

These changes reflect intense regional pressures and put all Canadians into the same situation at a time when the economic climate across provinces varies greatly.

Background

On April 29, 2013, the federal government announced changes to the TFWP which reduces its flexibility, increases the wait times, and adds costs for employers. These changes to the program appear to be in response to increasing pressure from provinces which currently face high unemployment. The TFWP is designed to ensure that any positions for which TFWs are requested are offered to Canadian workers first. Given the design of the program, changes made by the government are unnecessary to ensure that Canadians are given priority to fill these positions. However, the program does not appear to have been managed in such a way as to deliver the intended objective.

At the provincial level, Alberta's economy has been one of the strongest in terms of economic growth (with a GDP growth of 3.9% in 2012) and has one of the lowest unemployment rates in the country.[1] These changes to the TWFP will have a strong negative impact on the Alberta economy which is increasingly reliant on this source of labour in the midst of a growing labour shortage.

Between 2008 and 2012 the amount of TFWs in Alberta increased by 18% to a total of 68,139. This figure is dwarfed by Ontario's increase of 32% to 119,899 and British Columbia's increase of 28% to 74,216. Meanwhile, the amount of TFWs in Quebec increased by 70% to 44,115 over the same period. Despite this modest growth in the use of TFWs, Alberta continues to face a growing need for labour. It is

[1] RBC Economics. (2013) *Provincial Outlook Update*, Retrieved from http://www.rbc.com/economics/market/pdf/provupd2013.pdf on May 23, 2013

estimated that Alberta currently lacks about 30,000 workers; by 2021 this number is expected to reach approximately 114,000.[2]

The following table illustrates the distribution of TFWs across the country in December 2008 and December 2012 and highlights the unemployment rate in April 2013.

TFWs and Unemployment, by province or territory[3,4]

Province	TFWs 2008	TFWs 2013	Percentage increase	Unemployment rate April 2013
NL	1,060	2,550	140	12.1
PEI	467	1,119	139	11.6
NS	2,511	4,364	73	9.0
NB	2,017	2,880	17	10.9
Quebec	25,857	44,115	70	7.8
Ontario	90,802	119,899	32	7.7
Manitoba	5,294	5,572	5	5.8
Saskatchewan	4,306	9,349	117	4.0
Alberta	57,545	68,319	18	4.4
BC	58,151	74,216	28	7.0
Yukon	245	415	69	6.5
NWT	301	302	=	8.4
Nunavut	32	53	65	11.7

[2] Government of Alberta. (2011). *Alberta's Occupational Demand and Supply Outlook (2011 – 2021)*. Alberta Enterprise and Advanced Education. Retrieved from http://eae.alberta.ca/documents/occupational-demand-and-supply-outlook.pdf on May 21, 2013

[3] Government of Canada. (2013). *Canada – Temporary foreign workers present on December 1st by province or territory and urban area, 2008 – 2012*. Citizenship and Immigration Canada. Retrieved from http://www.cic.gc.ca/english/resources/statistics/facts2012-preliminary/04.asp on May 27, 2013

[4] Government of Canada. (2013). *Labour force characteristics, seasonally adjusted, by province (monthly).* Statistics Canada. Retrieved from http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfss01b-eng.htm on May 21, 2013

Not stated	938	5,036	436	
Total	249,526	338,189	35.53	7.2

From this table, one can clearly see that the greatest growth in the use of TFWs has been in some of the provinces with significant unemployment.

despite the challenge of growing labour and skill shortages that Alberta is faced with, the growth in the use of TFWs has been at 17% less than the national average, possibly reflecting high costs of using TFWs in Alberta.

Revisions to labour policies in Canada should reflect the varied economic climate across the provinces. Restrictions on TFWPs may be more merited in provinces where plenty of labour is available (for example, Ontario and Quebec have an unemployment rate of 7.7 and 7.8 percent, respectively, with a combined total of over 910,000 unemployed workers)[5]. A principle of regional variation and appropriate policy is applicable and warranted with all immigration policy, not only TFWs.

Of the changes announced on April 29, three major changes to the TFWP are of particular concern.

1. Suspending Accelerated Labour Market Opinions
When introduced in September 2012, the A-LMO option significantly shortened the process and waiting period to apply and be approved for TFWs, allowing trusted and proven employers to bring in much-needed workers quickly and efficiently.

The sudden suspension of the A-LMO has created instability for Alberta business which has learned to rely on this effective program. Businesses in Alberta must, now, potentially wait months for approval to even begin the long process of seeking, securing and retaining the workforce they need just to keep their doors open.

Although the A-LMO suspension is “temporary,” business has no idea how long this suspension will be in effect.

The suspension and consultation period will undoubtedly slow down the regular LMO process even more.

2. Transition plan requirement
A new stipulation of the LMO process will require businesses to submit a plan to transition to a domestic workforce “over time.”

The transition plan requirement does not recognize the reality that Alberta needs TFWs due to its changing demographics, growing labour shortages and chronically low unemployment.

Creating a transition plan creates unnecessary and additional work for business. It will particularly affect small business owners who do not have human resources personnel to assist with the additional workload.

[5] *ibid*

It is already in the interest of business to transition to a domestic workforce. Hiring TFWs is a much more costly and time-consuming process than hiring domestic workers. Businesses only use this program as a stop-gap in light of insufficient labour.

3. User fees for LMOs and increased cost of work permits

The Government of Canada will introduce an LMO user fee to ensure taxpayers are not subsidizing the cost of administering the TFW process. It will also increase the cost of work permits for the same reason.

Business understands the philosophy behind user fees but these should truly reflect administrative cost; they should not be set to a level that purposefully discourages businesses from applying for TFWs.

New fees and increases to existing costs have the greatest impact on small business.
There are already many costs and additional requirements associated with hiring TFWs; only businesses that truly need to recruit internationally will take this route. Special measures to dissuade business from using the program are unnecessary, and show a lack of federal understanding for Alberta's chronic and debilitating shortage of labour.

The Alberta Chamber of Commerce recommends that the Government of Canada:

1. Immediately restart the Accelerated Labour Market Opinion process to prevent a needless and costly slowdown of Alberta's economy.

2. Eliminate the proposal to make the transition plan a part of the LMO process.

3. Ensure that the new user fees and work permit fee increases accurately reflect the cost of administering the TFWP.

4. Does not use fees as means of discouraging business from accessing the program.

5. Increase communications and awareness about the TFWP to help Canadians realize its importance to Canadian economic growth.

6. Develop a program of regional flexibilities in the federal immigration policy that would allow the Government to respond to the realities of the availability of labour and the performance of the economy in provincial and territorial jurisdictions.

7. Work with the provincial government on changes to the TFWP, that would take into account the specific needs of the individual provinces.

Physician Development

Issue

There is a critical shortage of trained physicians to meet the needs of a growing and prosperous Alberta. This shortage will become more acute with the above-average population growth that is expected as people move here from other areas of Canada and abroad seeking employment and economic opportunities. Premier Alison Redford, in her address to the Alberta Chambers of Commerce in March 2013, reported that the government expects about 95,000 new people to move to Alberta this year alone. To ensure Alberta can recruit physicians considering locating in the West, Alberta needs to align its licensing standards with those of B.C. and Saskatchewan (the other two provinces in the New West Partnership) to remove unnecessary barriers to practising medicine in our province.

Background

As of December 2012, 8420 *(CPSA January report)* physicians were fully registered on the in-province registers in Alberta, up only 375 from 2011 numbers of 8,045.

The Alberta College of Physicians and Surgeons typically requires international medical graduates to complete a two-year residency before they can be fully licensed in Alberta. This is above the standard for other provinces in the New West Partnership.

The New West Partnership premise is that professionals and skilled tradespersons certified or licensed in one province will be recognized as qualified in all three provinces, ensuring that skilled and qualified people get into the workforce faster. It also creates greater consistency in recognizing the Canadian credentials and qualifications of internationally trained professionals within the provinces. This, however, does not apply to physicians who are governed by a professional association.

The Agreement on Internal Trade signed by the First Ministers of Canada is intended to eliminate barriers to trade, investment and labour mobility within Canada. Physicians who are Canadian citizens or permanent residents and who have an independent practice licence in a Canadian province or territory may be eligible for a licence in Alberta; however, this may not always be the case, especially with international physicians.

The Canadian Chamber has cited Canada's patchwork system of internal trade regulations as one of the Top 10 Barriers to Competitiveness, blocking the free flow of workers, goods and services across the country, hindering growth, innovation, and our ability to compete in the global market.

The Alberta Chambers of Commerce recommends that the Government of Alberta:

1. Consider including physicians in the list of occupations that could be interprovincially licensed, thus making it easier for physicians to move across the New West Partnership borders.

2. Ensure that the licensing requirements for the College of Physicians and Surgeons of Alberta are consistent across the provinces that have signed the *New West Partnership Agreement*, allowing doctors to practise under the Agreement on Internal Trade without impediment.

Enhancing Municipal Financial Planning and Tax Equity

Issue

Businesses across Alberta are growing increasingly concerned about municipal tax burden and the equity in the system. Businesses are concerned that municipalities are increasing tax bills beyond the benefits businesses receive, and that taxes are rising without municipalities considering the effect on their economic competitiveness. The *Municipal Government Act* Review provides an opportunity to reform municipal budgeting practices to encourage consideration of policy objectives and principles and long-term planning.

Background

Property taxes vary widely across municipalities in Alberta. This reflects differences in assessment bases as well as the latitude given to municipalities to raise revenue in different ways under the Municipal Government Act (different classes of property taxes, user fees, etc.). Nonetheless, there is a tendency to place a greater proportion of the tax burden on businesses than on residents.

One way to compare business burden to residential burden is the property tax rate ratio. This ratio is calculated by dividing the non-residential property tax rate by the residential property tax rate. This ratio has grown from approximately 1.6 to 2.4 from 2003 to 2011 for Alberta municipalities over 5,000 people.[1] Non-residential tax rates are, on average, five times greater than residential rates for the top 10 largest ratios.[2]

Property taxes have important implications for economic competitiveness. Businesses and residents are mobile, and can move to lower tax jurisdictions. Of course, taxes are not the only consideration. Residents and businesses look at what goods and services those taxes go towards and are willing to pay higher taxes for a better provision of those goods and services, resulting in a better quality of life or standard of living or service delivery.

Businesses also benefit from positive externalities that come from quality service provision and public goods. Nonetheless, Calgary and Edmonton's business and non-residential property tax per capita ranking is disconcerting. In 2010, compared to 11 other Canadian municipalities with populations over 100,000 across Canada, Calgary ranked second highest and Edmonton ranked fourth highest in terms of

[1] Kai Horsfield, *The Real Fiscal Imbalance: An Analysis of Property Tax Gaps in Alberta*, 2012, 2.
[2] Ibid., 7.

business tax and non-residential property tax per capita. The tax bill per capita was $649.07 in Calgary and $564.40 in Edmonton, well over the $413.93 average.[3]

In jurisdictions across Canada, studies have shown various ways in which businesses pay a disproportionate share of the tax burden.[4] This problem is not Alberta's alone and others have tried to solve it. For example, some jurisdictions have opted to recommend a rate ratio cap, effectively preventing the ratio from getting too large. Important lessons can be gleaned from the approach taken in British Columbia.

In 2007, the B.C. Ministry of Community, Sport and Cultural Development changed a section of its Community Charter that laid out how municipalities plan financially. The plan functions much like a budget does for Alberta municipalities. In British Columbia, municipalities adopt a five-year financial plan every year after a public consultation process. The plan must be adopted before the annual property tax bylaw is adopted. It lays out the sources of revenue and the expenditures planned for the year.[5] The change made in 2007 requires municipalities to include the policies and objectives driving municipal revenue and property tax decisions. Concerns about property tax equity between non-residential and residential ratepayers motivated the change.[6]

Explicitly considering policies and objectives has at least three benefits: it enhances financial transparency, accountability, and prudence.[7] Setting out objectives in a public document enhances transparency, allowing businesses and other stakeholders to see why a municipality is seeking revenue from those sources. In enhancing transparency, it makes it easier for voters and other concerned interests to hold politicians accountable. Principle-based revenue sourcing encourages prudent decisions that will enhance equity and competitiveness.

There are several well-established principles and policy objectives in the literature for municipalities to consider when designing their revenue sources and property taxes. Some of the most important principles for the business community are: the benefits principle, the ability to pay principle, and the accountability principle.

The first two principles relate to tax equity while the third ensures businesses have a say in municipal finance decisions. The benefits principle argues that the tax burden should be distributed in relation to the benefits received from public expenditures (also known as the user pays principle). Ability to pay means the tax burden should be distributed in relation to the taxpayer's ability to pay and can be viewed from horizontal or vertical perspectives. Taxpayers with similar positions should be treated equally to maximize horizontal equity while taxpayers with different abilities to pay should be treated differently to maximize vertical equity.

Accountability is important for businesses because they have no direct influence in municipal politics. They cannot vote, but are subject to taxation. Municipalities that engage all stakeholders in budget planning and sufficiently report on the collection and expenditure are more accountable to ratepayers

[3] Calgary Chamber of Commerce, *Submission for the 2012-2014 City of Calgary Budget*, 2011, 4.
[4] See, for example, Vancouver, *City of Vancouver Property Tax Policy Review Commission Final Report*, 2007, which looks at business tax burdens from different perspectives.
[5] British Columbia, *Community Charter*, 2003, accessed February 15, 2013, http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/03026_00.
[6] Ministry of Community, Sport and Cultural Development, *Municipal Revenue Sources Review: An Analysis of Tax Policy Objectives*, 2012, 1.
[7] Ibid.

(citizens and businesses alike). Enhanced accountability helps ensure ratepayer dollars are prudently spent.[8]

The Alberta Chambers of Commerce recommends that the Government of Alberta:

1. Commission a study of Alberta municipalities' tax equity and competitiveness that reviews a variety of metrics, including, but not limited to, tax-to-assessment ratios, tax share proportions, and burden per unit of assessed value.

2. Amend the *Municipal Government Act* so that as part of the budgeting process, municipalities create a five-year financial plan. Minimally, the *Act* should ask municipalities to consider the policy objectives and principles established in the literature when making financial plans.

[8] Principles in the previous three paragraphs are drawn from: Harvey Rosen, Beverly Dahlby, Roger Smith, and Paul Boothe, *Public Finance in Canada*, 2003; Vancouver, *Tax Policy Review*, 2007; and Kate Berniaz, *Municipal Property Tax in BC: Principles and Provincial Strategies to Shape Local Tax Distribution Policy*, 2009.

Common-Sense Approach Livestock Identification Product Identification and Food Safety

Issue

Country of Origin Labelling legislation, as adopted by the U.S., adds huge implementation and enforcement costs to Canadian producers in the form of huge price discounts applicable to livestock exported into the U.S.

Background

Country of Origin Labelling (COOL) legislation, as adopted by the U.S., is market protectionist in nature, constitutes a technical barrier to trade, and is deemed inconsistent with international trade rules, including NAFTA and the World Trade Organization (WTO). COOL legislation adds huge implementation and enforcement costs throughout the supply chain. These additional costs are being levied against Canadian producers in the form of huge price discounts applicable to livestock exported into the U.S.

COOL legislation has negatively and profoundly impacted prices paid to Canadian producers on exports into the U.S., such that our entire red meat industry, particularly the pork industry, is at a serious competitive disadvantage, and potentially on the verge of collapse. Speedy resolution of the issues caused through the COOL legislation is imperative to prevent the marginalization or complete collapse of the Canadian red meat industry.

This legislation also fails to adequately address food safety issues, and is not uniformly applied to trade in all perishable foods and food products, and to all retailers of perishable foods and food products.

The U.S. acknowledges that the instituted COOL legislation was never intended to address food safety; rather this legislation governs “marketing issues,” and was only developed to give consumers the right to make informed purchasing decisions based upon the “country of origin.”

In 2011, the WTO ruled in Canada’s, deeming Country-of-Origin Labelling a protectionist measure for the U.S. market. The U.S. has been expected to appeal this decision and has not yet eliminated these aspects of its COOL legislation.

Canadians are concerned about food safety as a priority to be held above the origin of the food, and as such, *"Food Safety Policy*" and *"Country of Origin Labelling - Marketing Policy"* should be treated as two separate issues, each with distinct rules to better protect and inform the consumer.

Canada has some of the most stringent food production standards in the world, and as a result, Canadian consumers benefit from some of the safest food in the world. Furthermore, Canadians are demanding that labelling not lead to a discounting of prices paid on the export of Canadian products. The Alberta Chambers of Commerce applauds the federal government's continued working in strengthening this safety record through the creation of a single data system.

The Alberta Chambers of Commerce recommends that the Government of Alberta:

1. Support trade action by Canada's beef/pork production and processing sectors to combat the market protectionist aspects of Country-of-Origin Labelling (COOL) legislation.

2. Work collaboratively with Canada's beef/pork producers, producer associations and processors to apply the utmost pressure, on a continuous basis through NAFTA and the World Trade Organization (WTO), until such time as the U.S. eliminates the protectionist aspects of its COOL legislation.

3. Take a leadership role in promoting the highest level of international food safety standards and practices applicable to international trade involving all perishable foods and food products, with due recognition and consideration for the following:
    a. That Food Safety Standards Policy is to protect the health and well-being of the consumer, and
    b. That said policy must be consistent with international trade rules, including NAFTA and WTO.
    c. That said policy must be applied uniformly throughout the food supply chain, must be economically feasible to implement and to enforce, both domestically and internationally, and must include labelling requirements referenced in said policy that:
        - better inform the consumer about the quality of the product, and
        - promote existing Canadian food traceability and production systems throughout the supply chain to enhance food safety standards and practices.

Creating Accountability and Protecting Property Rights in the Alberta Land Stewardship Act

Land Stewardship Act and Land-use Framework

Released in December 2008, the Land-use Framework (LUF) sets out a comprehensive approach to managing the province's land and natural resources. The *Alberta Land Stewardship Act*, legislation complementary to the policies outlined in the LUF, was brought into law in October 2009 and governs the establishment and implementation of regional plans. According to the Alberta government "... the purpose of its Land-use Framework (LUF) is to manage growth, not stop it, and to sustain our growing economy, but balance this with Albertans' social and environmental goals."[1]

The Land-use Framework sought to establish this through seven strategies that would see the division of the province into seven regions for which regional land-use plans would be created. The plans would be developed in conjunction with Regional Advisory Committees (RACs), while the final decision on the regional plan would rest with cabinet. In order to implement this framework, the government developed the *Alberta Land Stewardship Act* (ALSA). The primary purposes of the ALSA are:

> "(a) to provide a means by which the Government can give direction and provide leadership in identifying the objectives of the Province of Alberta, including economic, environmental and social objectives;
>
> (b) to provide a means to plan for the future, recognizing the need to manage activity to meet the reasonably foreseeable needs of current and future generations of Albertans, including aboriginal peoples;
>
> (c) to create legislation and policy that enable sustainable development by taking account of and responding to the cumulative effect of human endeavour and other events."[2]

Powers within the ALSA

Various powers within the ALSA have brought forth major concerns regarding the impact that the legislation and, subsequently, the LUF itself, will have on the property rights of Albertans. Particularly problematic aspects of the legislation include;

1. The ability to extinguish statutory consents in order to implement a regional plan.[3]

[1] Executive Summary, Government of Alberta, 2008, p. 2.
[2] Section 1. *Alberta Land Stewardship Act.*
[3] Section 11, Subsection 1. *Alberta Land Stewardship Act.*

Considerations for Negotiating the Canada-European Union Comprehensive Economic and Trade Agreement

On May 6, 2009, Canadian and European Union (EU) leaders announced the launch of negotiations towards a Comprehensive Economic and Trade Agreement (CETA). The agreement set out a broad and ambitious negotiating agenda.[1] Because of the ambitious nature of this agreement, European negotiators have insisted that individual provinces in Canada sign onto the agreement in addition to the federal government.

European negotiators have three primary objectives: obtain access to government procurement at all levels in Canada; harmonize and update intellectual property rights (IPRs) in Canada; and instate geographical indications (GIs) on select products that are geographically unique.

In 2008, Canada and the EU released a *joint study, Assessing the Costs and Benefits of a Closer EU-Canada Economic Partnership*.[2] The study shows there are important benefits for both sides to pursuing a closer economic partnership. It estimates that Canadian national income could increase by $11.4 billion Cdn (€ 8.2 billion) over seven years from a comprehensive integration of the two economies. An updated analysis at the beginning of 2010 by Kitou and Philippidis of the economic and trade effects of the CETA suggested that the increase from the Agreement might be smaller but still substantial ($4.5 billion Cdn/€ 3.2 billion).[3]

Major beneficiaries of the CETA would include Alberta wheat farmers and beef and pork producers. Based on estimated increases to price and production taken from Kituo and Philippidis' analysis, total wheat crop receipts stand to increase in Alberta by nearly $200 million. Increased returns to cattle and hogs are understated in the study, which does not account for the unique regulatory and quota system imposed by Europe. Should tariffs, quotas and restrictions be reduced on these products, some estimates predict that Canadian exports may reach as high as 100,000 tons of beef per year within five to10 years[4]. Other major Canadian beneficiaries from the implementation of the CETA include manufacturing, construction, apparel and textiles, financial services, insurance, and public service.

[1] Foreign Affairs and International Trade Canada. (2010). "Canada-European Union: Comprehensive Economic and Trade Agreement (CETA) Negotiations". *[Online] Foreign Affairs and International Trade (DFAIT) Website*. Retrieved September 29, 2010 from http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/eu-ue/can-eu.aspx.
[2] European Commission and the Government of Canada. (2008). *Assessing the Costs and Benefits of a closer EU – Canada Economic Partnership*. Retrieved September 29, 2010 from http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_141032.pdf
[3] Kituo, E. and Philippidis, G. (2010) "An EU-Canada bilateral trade agreement a DefraTAP application". *Paper presented at the 84th Annual Conference of the Agricultural Economics Society, Edinburgh, 29-31 March 2010.* Retrieved September 30, 2010 from http://ageconsearch.umn.edu/bitstream/91679/2/11kitou_philippidis.pdf.
[4] Personal communication with John Masswohl, Alberta Cattlemen's Association, October 15, 2010.

Potential concerns do arise from the development of such a comprehensive agreement. In particular, EU negotiating objectives require considerable changes to Canadian procurement, Intellectual Property Rights, and Geographic Information policy.

- *Procurement*: European demands for Canadian procurement options would restrict all levels of government (federal, provincial, and municipal) from denying procurement contracts to non-domestic companies on the basis of their country of origin.
- *IPRs*: While increased IPR requirements are expected to combat major aspects of piracy and counterfeiting, there have been concerns expressed regarding specific aspects of IPR demands by the EU in regards to farmers' rights. In particular, pressure exists for Canada to adopt the March 19, 1991, revision of the International Convention for the Protection of New Varieties of Plants (UPOV '91). Many farmers' advocates, including the National Farmers Union, have opposed adopting UPOV '91 because it "would virtually eliminate farmers' rights to save, reuse, and sell seed"[5] by extending the rights of breeders.

Benefits to the Canadian economy and, in particular, to the economy of southeastern Alberta are considerable. Beef and pork producers currently face highly restrictive barriers, including regulatory restrictions and steep quota-tariff system. The liberalization of these and, similarly, of tariffs and domestic subsidies on other agricultural products (especially wheat producers) could result in hundreds of millions of dollars in increased revenue from higher production and prices.

However, the danger exists for extensive demands to open procurement may restrict stimulus spending and "buy local" programs should the need for such programs arise as part of government policy. Similarly, strengthening Canadian IPRs has the potential of increasing profits to property rights holders, encouraging innovation, and protecting copyrights. However, concerns regarding farmers' rights to save and reuse seed provide an instance where copyrights and the Canadian way of life directly conflict. As a result, the imposition of UPOV '91 could provide a serious detriment to small-scale farmers which rely on seed saving and reuse.

The Alberta Chamber of Commerce recommends that the Government of Alberta and the Government of Canada:

1. Continue to emphasize the elimination of tariffs on agricultural products.

2. Review UPOV '91 to ensure that farmers' and breeders' rights are equally addressed and considered in negotiations.

3. Ensure that open procurement requirements under the Canada EU Comprehensive Economic & Trade Agreement extended to municipal governments do not exceed the requirements within the current Agreement of International Trade and New West Partnership Trade Agreement.

[5] Boehm, T. (2010, April) "CETA/UPOV steamroller set to crush farmers." *[Online] National Farmers Union Press Release*. Retrieved September 30, 2010 from http://www.nfu.ca/press_releases/press/2010/April/CETA%20Analysis.pdf.

2. The limitation of rights to compensations by reason of the act.[4]
3. The lack of constraint on the Lieutenant Governor in Council to abide by the advice of the Regional Advisory Councils.[5]
4. The lack of a comprehensive appeals process in regards to the implementation and development of regional plans.

In the past two years since the inception of the Alberta Land Stewardship Act, increasing concern has arisen regarding the potential infringement of property rights. Strong property rights are essential for the functioning of a free market economy.

Concerns include the assurance of the value of property in light of the powers granted by the ALSA to extinguish statutory consents, particularly without compensation. The ability to dissolve statutory consents without compensation undermines the value of the economic activities which these contracts enable. This will, in turn, result in increased difficulty in procuring finances for statutory consents given that they can be abolished with a simple, regulatory change. In addition, fear of losing access to land or statutory consents without adequate compensation will create a disincentive to purchase land and enter key industries (namely, agriculture). While, it is foreseeable that a regional plan may require statutory consents to be extinguished, it must be necessary for adequate compensation to be provided to the holders of such consents.

Accountability with the creation and implementation of regional plans

Because of the extensive powers enabled by the ALSA, it is necessary that the development of the regional plans, which ultimately dictate the use of those powers, is made to be accountable and responsible. As noted, while the RACs are mandated to advise cabinet, the ALSA explicitly states that the plans may be created whether or not a RAC has been appointed or submitted its recommendations[6]. The implementation of arbitrary regulations which have the extensive powers to dictate the property rights must be held accountable in order to protect businesses against the potential excessive and improper use of such powers.

To this extent, a path for appeal must be established to ensure that: (a) the implementation of a regional plan is accountable and responsible to property owners, and (b) the regional plan itself is necessary and not excessive in its requirements on property owners and municipalities. In addition, in order to ensure that regional plans are not excessive, equal weighting and consideration of the economic, social, and environmental impacts of regional plans should be further enshrined within the ALSA.

The Alberta Chamber of Commerce recommends that the Government of Alberta:

1. ensure compulsory compensation for all action taken to implement a regional plan.
2. Establish a mechanism of independent and fair arbitration for situations where conflict exists regarding adequate value of compensation for statutory consents.

[4] Section 19, Subsection 1. *Alberta Land Stewardship Act.*
[5] Section 5, Subsection 1. *Alberta Land Stewardship Act.*
[6] Section 5, Subsection 1, *Alberta Land Stewardship Act.*

3. Make membership on the Regional Advisory Committees (RACs) transparent and accountable, with equal representation from each of the three areas of consideration as outlined in section 1, subsection (a) of the ALSA; namely, economic, social, and environmental.

4. Create an appeal process for individuals who are affected by the implementation of a regional plan by permitting appeals to the Alberta Courts on the implementation of a regional plan.

5. Create an appeal process for municipal governments and Métis settlement councils to challenge the legitimacy of a regional plan itself.

6. Prior to adopting any of the regional plans, conduct a thorough assessment of how any one plan may impact or interact with the plan of another region, and how all of the plans as a whole impact investment, development and competitiveness throughout the province of Alberta.

Alberta Transmission Capacity Upgrades

Issue

The government has made strides towards providing for a transmission system capable of handling the current needs, however, Alberta needs a transmission system capable of handling both current and future provincewide demands of Alberta businesses and industries, not to mention any opportunity for energy export. If Alberta is to regain its claim as Canada's leader in wind power, a system must be put into place that not only meets current energy needs but allows for significant future capacity.

Background

When this province held the crown in wind power, the government credited "our open competitive marketplace and commitment to a robust transmission system to serve customers across the province." This statement is no longer true. Upgrades to Alberta's transmission system are necessary to provide business and industry access to clean, reliable and consistent power, and the electric transmission system is essential to the economic development of Alberta.

For this reason, Alberta should focus on ensuring that our transmission system is capable of managing the demand for energy today, while addressing our future electric energy needs, as well as maintaining reliability and securing energy while taking advantage of the lowest-price power offers. The Alberta Interconnected Electric System (AIES) connects to British Columbia and Saskatchewan and, through these connections, enables the lowest-price power to be imported or exported when needed and provides for reliable electricity supply.

The Alberta government has previously stated that transmission is the backbone of the electric industry. It has also declared that "a key objective of the transmission policy is to support new investment in generation including renewable energy." Maintaining the transmission system at the minimum capacity necessary for today's demand does not allow new forms of energy to prosper in Alberta. Alberta losing its crown as the Canadian leader in wind power is a direct result of the government not providing the electrical capacity necessary to bring new projects onto the grid.

According to the Alberta Electric System Operator (AESO), the following points describe the provincial transmission grid:

- From 2001 to 2010, Alberta Internal Load (AIL) peak demand grew by an average of 255 megawatts (MW) or 2.9 per cent per year, from 7,934 MW to 10,236 MW, an overall increase of 28.9 per cent.
- Electricity consumption grew from 54,467 gigawatt hours (GWh) in 2001 to 71,723 GWh in 2010, for an overall increase of 32 per cent. This trend in growth is expected to continue with peak demand growth forecast to be 3.3 per cent each year on average.
- Consumption was expected to grow 3.2 per cent each year on average during the same time period.
- Alberta has been averaging three-per-cent growth in power consumption annually, the same as adding two cities the size of Red Deer and that growth is expected to continue for the next 20 years.
- Development of additional generation in Alberta will be driven by growth in demand as well as the need for capacity to replace retired units. The reduction in generation capacity due to plant retirements, in combination with the consumption forecast by the AESO, means that approximately 6,000 MW of new effective generation is expected to be developed by 2020, with 5,000 MW to meet load growth and 1,000 MW to replace retiring capacity. By 2029, nearly 13,000 MW of effective additions are expected to be added in Alberta, approximately 8,700 MW to meet load growth and 4,300 MW to replace retiring capacity.
- The long-term plan also identifies the increasing demand to integrate renewable and low-emission sources of electricity, such as wind, hydro, biomass and gasification.
- Over 2,000 MW of current supply is expected to retire in the next 20 years.
- There are more than 3,600 MW of applications for wind power waiting to come online in southern Alberta alone.
- Alberta has interties with Saskatchewan and B.C. for stability. Alberta can import between 0-780 MW from B.C. and export 0-800 MW. Through Saskatchewan, Alberta can import between 0-150 MW and export 0-60 MW of power.
- The regional transmission system has been reinforced but there has only been one major transmission line built in the last 20 years. Alberta's backbone, or major transmission system, requires reinforcement and expansion to continue providing power efficiently and reliably to meet the needs of the province's growing population and flourishing economy.
- Transmission is essential for a competitive power market. Alberta needs transmission to deliver power to customers, and if it can't be built in time to connect new generators, then investors may decide to build their power plants or wind farms elsewhere.
- In conjunction with AESO's long-term plan, the Alberta government's Provincial Energy Strategy, released in December 2008, emphasizes the need for renewable energy and low transmission energy.
- The industrial sector uses 60 per cent of Alberta's transmission capacity (including oil sands development), commercial customers account for 19 per cent and residential customers account for 12 per cent.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Reinforce Alberta's power grid system by adding transmission system upgrades that will sustain current demands, accommodate future growth needs, and allow for additional opportunities for export.

2. Support a stable, reliable electricity grid conducive to a fair, efficient and openly competitive electricity market.

3. Encourage rural growth and diversification by providing reinforced transmission to support new businesses and industries.

4. Ensure needs identifications and any regulatory approvals are completed in a consistent and timely manner.

Provincial Highway Planning: Economic Impact Considerations

Alberta Transportation plans, designs, builds, operates, and maintains provincial highways. When new highways are in the design stage, the department conducts a functional planning study of the highway corridor.

Functional studies involve long-term planning and consider standards based on provincial and/or national highway standards (in the case of interprovincial highways). Studies are usually carried out on contract by a consultant on behalf of Alberta Transportation.

Alberta Transportation encourages people in communities affected to provide issues and concerns with a proposed project. It also mandates the consultant to hold open house sessions during the course of a study. Each consultant is provided with a "mandate" or "scope of work" for the functional study. In the case of free-flow highways in Alberta the scope of the usual study focuses on these areas:

- Recommend the optimum plan for the highway corridor to provide free-flow travel.
- Evaluate all technically feasible highway routes.
- Identify planning issues and develop a preferred plan based on public input and an understanding of the technical issues.
- Recommend short- to medium-term improvements of the existing highway.
- Document the results of open houses and the issues and concerns of the public.
- Address highway safety issues.
- Address highway capacity issues.
- Identify future right-of-way or access management.

In the past the deputy minister has advised the Alberta Chambers that the impact on local business is not mandated to consultants as a part of a functional study. Alberta Transportation's Business Plan for 2009-2012 Goal 1, states: "Alberta will have a prosperous economy by way of the ministry managing the provincial highway network to support economic and social development and help rural municipalities address new resources and industry-related traffic."

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Make potential economic and social development impacts of free-flow highways on local business and local municipalities considered with Alberta Transportation's current Business Plan for 2009-2012 a key part and high priority of the Alberta Transportation functional study scope of work.

Employers and the impact of the *Health Information Amendment Act*

The development of an electronic health system has the potential to be a competitive advantage for Alberta's health care system. To be effective, the Alberta Chambers of Commerce (ACC) recognizes that health information must be collected and integrated into Alberta Netcare and that the *Health Information Amendment Act* facilitates the handling of this information.

As employers, chamber members recognize and respect the priority our employees place on the privacy of their personal information, including health information. As such, Alberta employers are particularly concerned with the possibility of being named as custodians of health information, which would authorize them to collect, use, and disclose health information of their employees, and the strains that such a decision would put on the employer-employee relationship.

ACC is concerned that the amendments in the act open up the possibility of making those employers holding detailed employment records, those providing staff with health and wellness programs, or those conducting alcohol and drug testing programs, custodians of health information – possibly exposing them to fines of up to $500,000 for non-compliance with requests for health information by the minister.

One of the intentions of the proposed legislation is to bring privately funded providers of health services into the custodial arena. This is an appropriate goal for the system, as it would fill a key health information gap; however, some in the business community are concerned that employment records could qualify as health information and that they could be named as custodians of that information.

As employee records are already subject to the *Personal Information Protection Act,* ACC is concerned that compliance with the amended *Health Information Act* may result in non-compliance with other legislation. The resulting ambiguity in the legal framework surrounding the employer-employee relationship will almost certainly lead to litigation, thus creating unwarranted tension in labour relations and driving up the costs of doing business in Alberta.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Ensure information collected by employers as personal employee information, as defined in the Personal Information Protection Act, is explicitly excluded as health information.

Higher Standards for Animal Welfare

Issue

In the agricultural industry, when an animal succumbs to injury that deems the animal as unfit for transport under the legislation, the outcome is very limited and results in negative options to the farmer or rancher. It has been researched and addressed by various groups, organizations and industry that turning a blind eye to a problem is not a solution. Therefore, organizations like the Animal Farm Care Association (AFCA), along with industry, are in full support of an initiative to implement a provincial video inspection program as one way to address the issues, provide for greater access to options within the industry and reduce overall costs to the system.

Background:

Federally, three pieces of legislation provide humane protection for farm animals[8], including the Criminal Code, Health of Animals Act and the Meat Inspection Act. However, Canadian provinces and territories have the primary responsibility for protecting the welfare of animals, including farm animals[9]. Since 2005 all provinces have strengthened their provincial Acts or have introduced legislative amendments regarding animal protection. In Alberta the acts and regulations that provide protection for farms animals in Alberta include the Animal Protection Act and Animal Protection Regulation; the Meat Inspection Act and Meat Inspection Regulation; as well as the Livestock Industry Diversification Act and its regulations.

However there is still one area that needs to be addressed within these pieces of legislation to provide for additional options when dealing with an injured animal. Current legislation permits unfit animals to be freely transported to a veterinary clinic, yet that same animal is unable to be transported to an abattoir for processing. When an animal succumbs to an injury that deems that animal unfit for transport under the legislation, there are only four options:

1. Personally process the animal without an inspection process for distribution and risk prosecution by the authorities;
2. Process the animal and sell illegally and risk prosecution by authorities;
3. Transport to a veterinarian for further cost and service fees;
4. Euthanize the animal on farm.

If an animal is deemed to be compromised or unfit, transportation can cause undue pain and suffering, so producers generally do not transport the animal. They have the ability to transport that animal to a veterinarian, but that would pose additional and unnecessary costs to the producer. Additionally, they could not transport that animal elsewhere, as that producer would end up being in contravention of Part

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[8] *Farm and Animal Welfare Law in Canada (2013)* https://www.nfacc.ca/resources/Farm_Animal_Welfare_Laws_Canada.pdf

[9] Provincial and Territorial Legislation Concerning Farm Animal Welfare http://www.inspection.gc.ca/animals/terrestrial-animals/humane-transport/provincial-and-territorial-legislation/eng/1358482954113/1358483058784

XII of the Health of Animals Regulations. Therefore the decision is generally to euthanize the animal on farm. Unfortunately, animals euthanized on farm cannot be sold for meat, as they must be inspected at the abattoir before they are slaughtered.

The agriculture industry has been given very few to no options to address the loss of valuable animals and the outcomes are very limited and result in negative options for the farmer or rancher. Businesses are forced to accept the senseless disposal of much needed meat protein. While this topic has been on the table and discussed on a provincial level for more than four years, there has been no urgency from the governing authorities, as there needs to be a more robust and focused request from industry in order to motivate change.

One way to address the challenges identified within this sector is to introduce a provincial video inspection program. This type of program would allow for an ante-mortem inspection to take place on farm and spare the animal unnecessary transportation to an abattoir or veterinarian. With the implementation of a provincial video inspection program, we can alleviate the discrepancy that exists and raise the current legislation to a much higher standard resulting in the increase of on farm animal welfare, profits to the agriculture sector and profits to processing and distribution centres.

With the creation of a video inspection program we can increase the on-farm animal welfare program; increase the response time to address the undue pain and suffering of the animals; put value and profits into the hands of the agriculture industry; increase the business opportunities of value added businesses that manufacture various protein products and open the doors to all non-for profit groups and organizations to have access to healthy affordable protein.

Organizations like AFCA (Animal Farm Care Association) are in full support of the initiative to implement a provincial video inspection program. With the implementation of video inspection program, the level of food safety and available protein will dramatically increase and this new financial opportunity will reach and benefit all businesses from producer to consumer.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Amend the Meat Inspection Act Section 4 to read: (1) Except as provided in the regulations, no person shall slaughter an animal unless (a) the animal has been inspected by an inspector immediately before the time of slaughter, or (b) the animal has been clearly identified by method of video inspection immediately before the time of slaughter.
2. Amend the Meat Inspection Regulations Part 5 section 32 (3) to read: The mobile butcher shall identify the carcass and all other portions of the animal by affixing tags on them stating (a) “uninspected – Not for resale on all carcasses retuning back to the location of slaughter or (b) “Held”- to remain held in the mobile butcher’s designated cooler until the carcass is released by an inspector or accredited veterinarian.
3. Work with the Alberta Meat Inspection Department to update all documents regarding the approval of a video inspection program and maintain that it remains in compliance with existing regulations already in place.

Clarity Needed in Employment Standards Averaging Agreements and Treatment of Statutory Holidays

Issue

Bill 17: the Fair and Family-friendly Workplaces Act was first read on May 24, 2017, receiving Royal Assent on June 7, 2017 with the final regulations being passed in early December 2017 with a number of changes coming into force on January 1, 2018. One of the primary reasons for this bill being introduced was due to the fact that the rules that govern our workplaces had not been updated since 1988. The purpose was to provide Albertans with modern, balanced workplace legislation that protects the rights of hardworking Albertans and helps businesses to stay competitive69. However, due to the lack of consultation on the legislation leading up to and after it was introduced, there were some gaps identified by employers, particularly related to averaging agreements and the treatment of statutory holidays. Further amendments need to be made in order to clarify the implementation of these standards to ensure employees continue to benefit from averaging agreements and flexible work environments, as well as to help businesses better understand the legislation and remain competitive.

Background

Alberta's Employment Standards Code provides minimum standards of employment that applies to approximately 85% of all employment relationships in Alberta. Alberta's workplaces have evolved since the Employment Standards Code was last updated in 1988, including growth in part-time jobs, shift work and flexible schedules. According to the Government of Alberta, the changes made to the Code have been passed to support family-friendly workplaces, modernize legislation, and align the minimum employment standards with the rest of Canada[70].

However, since the legislation was passed there have been a number of concerns expressed by employers about the lack of clarity in certain areas, particularly those related to averaging agreements and the treatment of statutory holidays. Ultimately these changes could be interpreted to provide less flexibility for employees and higher costs for employers, resulting in unintended consequences for many Albertans.

Previously, compressed work week arrangements were used to allow for fewer work days in a work week, but more hours of work in a work day, paid at the employees regular wage rate. Additionally overtime agreements were previously used to allow an employer and an employee to enter into an agreement whereby an employee would take time off with pay at their regular wage rate, in place of overtime. This

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[69] *Alberta Hansard, May 25, 2017:* http://www.assembly.ab.ca/ISYS/LADDAR_files/docs/hansards/han/legislature_29/session_3/20170525_1330_01_han.pdf#page=17

[70] Employment Standards Code changes: https://www.alberta.ca/employment-standards-changes.aspx#toc-2

time would be taken at a time the employee otherwise could have worked and received regular wages from that employer.

As of January 1, 2018, compressed work week arrangements have been renamed "Averaging Agreements". Any banked time is earned and taken at time and a half, rather than straight time if there is not an averaging agreement in place. Employers and employees will now be allowed to agree to average work hours over a period of one to 12 weeks for the purpose of determining overtime eligibility. Work weeks may also be compressed as part of these agreements with employers that require longer cycles requiring a permit.

There are two types of averaging agreements that now exist as of January 1, 2018:

- hours of work averaging agreements (HWAA)
- flexible averaging agreements (FAA)

These agreements allow employers to schedule an employee, or group of employees, to work longer hours per day paid at the employee's regular wage rate. The employer will average an employee's hours of work over a period to determine overtime pay or time off with pay. Employers would use an hours of work averaging agreement (HWAA) for any averaging agreement between 1 and 12 weeks. HWAAs can be between groups of employees and an employer or an individual employee and employer. Conversely, FAAs between the employer and employee can be entered into only at the employee's request and can only be used for a two week period. FAAs also can only be entered into if the employee works at least 35 hours per week.

While HWAAs and FAAs provide more flexibility than was originally anticipated under the revised employment standards, there are still gaps and a lack of clarity that exists in the employment standards regulations, in addition to increased regulatory and administrative burden for business to interpret and implement these changes.

Currently there is uncertainty around the term limit of two years for HWAAs. If an averaging agreement can only be over 12 weeks, there is uncertainly if this can be a repeated cycle of agreement that cannot exceed 2 years unless it is part of a collective agreement and if a predetermined scheduled must be set up for each of the 12 week periods. There is also uncertainty around when overtime would actually apply in an averaged period and how an HWAA is applied for employees whose regular work week is less than a typical 40 or 44 hour work week. The Code is also silent regarding how time is earned and given if an employee works a standard typical work week that is less than 8/44, but wishes to bank time that would still fall under the typical overtime threshold. For example, if an employee regularly works 6 hours per day, but some days works 7 or 8 hours and wishes to bank those additional hours at straight time to be used at a later date, there currently isn't any information that clarifies if this is permissible under the Code.

Within FAAs, the same confusion exists with employees who work under 40 or 44 regular hours or even those under a 35 hour per week work week and whether they are able to have flexible hours banked up to the 8/44 threshold. Additionally the website states that the daily overtime threshold cannot exceed 10 hours, yet it states that the daily and weekly hours of work must not exceed 12 hours per day or an average of 44 hours per week under the same FAA section.

Clarity is also needed to define whether or not the "normal" overtime rules of 8/44 are presumably ignored in an averaging agreement situation, whether an HWAA or FAA.

Concern has also surfaced regarding Employment Standards silence on the issue of how general holiday pay is treated on a day that is typically not a regular work day, when an employer would typically provide an employee with a paid day off in lieu of the general holiday. It can be standard practice for many employers to provide employees a paid regular work day off in lieu of a general holiday falling on a

weekend or non-regular work day, whereas under the Employment Standards currently, that employee must be paid on that general holiday regardless of whether it is a work day. The code remains silent on an employer's ability to provide a paid work day off in lieu of the general holiday when it falls on an unscheduled work day.

In the labour survey conducted by Employment and Social Development Canada in 2016[71] Canadians and stakeholders alike indicated that flexible work arrangements are available in many workplaces across Canada through employer human resource policies, informal workplace practices and collective agreements. Over 73 percent of those who responded to the survey question about whether they had asked for flex work in the past five years, said that they had and flexible scheduling and flexible work locations were said to be the top two types of flex work requested. Survey respondents and stakeholders recognized that flex work is—and should be—part of today's workplace reality. They generally agreed that flex work has advantages for employees and employers and pointed to a wide variety of benefits including reduced absenteeism and "presenteeism" (i.e. a drop in work activities while at work); workers who are healthier and feel they are better able to support their families and friends; more effective recruitment and retention, especially among millennials, workers with care responsibilities and older workers; more diverse, inclusive, engaged and healthy workplaces; increased labour market participation by workers with chronic illnesses, disabilities and mental health issues; and greater productivity and more innovative, more effective ways of working.

There was also general agreement that flexible work arrangements have real, positive impacts for many different types of workers (e.g. workers with care responsibilities, millennial and older workers and workers with disabilities) and that realizing these benefits requires not seeing flexible working as a one-size-fits-all solution. Building on the theme of "one size does not fit all," several employer and labour organizations and at least one think tank highlighted that the need for flex work is often unpredictable and that it is important for workplaces to have flexible work arrangements that respond to episodic, short-term and longer-term flexibility requirements. It was also noted that it is important for employees, employers and policy-makers to recognize that flexibility in work arrangements is related to but distinct from flexibility to take leave from work.

Overall, stakeholders and survey respondents agreed that the process for making requests should be as simple and straightforward as possible; clear about the conditions under which a request can be made (and the reasons for which a request can be denied); well documented and transparent; and handled fairly and without reprisal.

As such, we recognize that there is still much work that can be done to ensure that both employers and employees have the flexibility and clarity to enter into work arrangements that are beneficial to both an employer and employee for their respective workplace situations and environments. A one-size fits all solution is not the best solution and any further amendments should be simple to understand and easy to administer. If policy on flexible arrangements is seen to be too much of a cost or administrative burden for employers, less flexibility for employees will ultimately be the result for many.

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[71] Flexible Work Arrangements: What was heard Employment and Social Development Canada: http://www12.esdc.gc.ca/sgpe-pmps/servlet/sgpp-pmps-pub?lang=eng&curjsp=p.5bd.2t.1.3ls@-eng.jsp&curactn=dwnld&pid=51394&did=4875

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Evaluate the cost and administrative impact that legislated labour changes have on employers;
2. Evaluate how the legislated changes within averaging agreements will positively or negatively impact flexible work environments for employees by consulting with employer groups;
3. Work with employer and stakeholder groups to find a more flexible solution to averaging agreements that will not result in more cost and administrative burden for employers and result in more flexible work environments for employees;
4. Ensure there is clarity in the regulations so that changes are easy for employers to interpret and implement;

Revise the code to clearly indicate that employers can provide a paid work day off in lieu of the general holiday that an employee would not regularly be working.

Economic Development and Trade

Managing Impacts of Layered Legislation

Issue

Bill 17: the Fair and Family-friendly Workplaces Act and *Bill 30: An Act to Protect the Health and Well-being of Working Albertans* are viewed as comprehensive pieces of legislation that have been passed with very short consultation periods and an inadequate timeframe for employers to adjust. The changes have placed pressure on organizations to meet new legislation standards with limited additional resources from the government, coupled with a lack of understanding by Government of the time commitment and requirements to adjust and implement the changes legislated. With the final Employment Standards regulations being passed at the beginning of December and the new standards coming into effect on January 1, 2018, it did not leave sufficient time for employers to change their own internal processes, IT systems, and communicate with staff. Often human resource and occupational health and safety duties in an organization can be carried out by the same person, who may also carry additional duties or in many cases rest solely on an employer or manager. The changes and magnitude of information to digest caused immense increased workload and uncertainty for businesses trying to understand the implications of the changes. This has included cost and time to implement the changes and become compliant. This not only unfairly burdens employers, but also impacts overall operations, as employers must ultimately shift focus away from day to day operations to adjusting to these changes.

Background

Bill 17: the Fair and Family-friendly Workplaces Act was first read on May 24, 2017, receiving Royal Assent on June 7, 2017 with the final regulations being passed in early December 2017 and coming into effect on January 1, 2018. One of the primary reasons for this bill being introduced was due to the fact that the rules that govern our workplaces had not been updated since 1988. The purpose was to provide Albertans with modern, balanced workplace legislation that protects the rights of hardworking Albertans and helps businesses to stay competitive .

However, the challenge with the legislation has been more about the lack of consultation, education, awareness and balanced approach that workplace legislation should require. There was a significant difference between how the change in legislation was handled in 1988 and how the legislation was most recently handled. With only 36 days of consultation compared to the previous two year process and thorough review. When the legislation was last amended in 1988, a specific commitment was made to a thorough review of labour legislation in the province. There was some discussion about how that commitment should be met, and there was an unprecedented process initiated. The process, first of all, was that of appointing a multisector-based committee of Albertans[22]. With the speed at which the changes occurred most recently, the very narrow consultation period and short implementation period,

[22] *Alberta Hansard, May 25, 2017:* *http://www.assembly.ab.ca/ISYS/LADDAR_files/docs/hansards/han/legislature_29/session_3/20170525_1330_01_han.pdf#page=17*

there remains the question as to how this resulted in balanced workplace legislation that would help business stay competitive.

Additionally, *Bill 30: An Act to Protect the Health and Well-being of Working Albertans* was first read on November 27, 2017, receiving Royal Assent on December 15, 2017 with most changes coming into effect June 1, 2018[23] and some amendments to the Worker's Compensation Act coming into force on January 1, 2018. There was 9 weeks of consultation[24] with input closing on October 16, 2017. The purpose of this bill was to update occupational health and safety requirements and to enshrine the three rights for workers, making sure that harassment is defined and included in occupational health and safety, making sure that responsibilities for all workplace parties are clearly defined, and on the WCB side making sure that we have a sustainable system that provides the supports that Alberta's workers need[25].

Both of these Bills have introduced questions and concerns with affected employers, with uncertainty in some areas, a lack of clarity in others and minimal promotion, education and support currently provided on these changes. Call centres have experienced higher than normal call volumes coming into January 2018, with online inquiries receiving an automatic reply to allow three working days for a response.

The primary concern remains with the disconnect that exists between Government legislation and those that are required to implement the changes. It is unclear to stakeholders as to why the Government continues to feel that legislation needs to be passed so quickly without appropriate and adequate consultation and subsequent education with stakeholders to ensure a balanced and fair approach to legislation is taken.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Reduce the frequency and speed of legislative changes, taking into consideration the scope and implementation requirements of legislative changes being proposed;
2. Ensure that there is inter-departmental collaboration within ministries to avoid layering of legislative changes and the subsequent impacts;
3. Take a balanced approach in both consultation and legislative changes to reduce burden on business and provide for a reasonable time for consultation, implementation or enforcement period, while taking into consideration economic, cost and implementation impacts;
4. Provide an overview of legislation changes that are being considered in advance that will have an impact on specific stakeholder groups so that organizational changes and workload requirements can be determined and planned for in advance;
5. Conduct additional consultation with stakeholders after legislation is first introduced to identify any gaps, challenges or implementation concerns to ensure legislation and regulations are balanced and can be clearly interpreted once coming into force;
6. Provide more timely and accurate information and education to impacted stakeholders in advance of changes, providing stakeholders time to adjust to long term decisions around change management and operational systems;

[23] Occupational health and safety changes: https://www.alberta.ca/ohs-changes.aspx

[24] Alberta Handsard, November 30, 2017: http://www.assembly.ab.ca/ISYS/LADDAR_files/docs/hansards/han/legislature_29/session_3/20171130_0900_01_han.pdf#page=5

[25] Alberta Hansard, December 12, 2017: http://www.assembly.ab.ca/ISYS/LADDAR_files/docs/hansards/han/legislature_29/session_3/20171212_1930_01_han.pdf#page=23

7. Implement additional staff training, extended hours and increased support in government call centres that will be subject to increased volume and inquiries as a result of legislative changes.
8. Ensure timing of legislative changes and information is done with enough advance notice that businesses can plan in order to prevent administrative burden from occurring right at or before a calendar year end when businesses and organizations can be closed, on skeleton staff or managing yearend activities.

Reduce Alberta Corporate Income Tax Rates

Issue

Since corporate income tax represents a very large percentage of pre-tax income, decision-makers are highly sensitive to corporate income tax rates. It is in Alberta's best interests to reduce and keep corporate income taxes low to attract business to Alberta and retain them in our province.

Background

Corporations seeking to expand or relocate examine many factors; often the projected "after-tax" return on investment is one of the primary considerations. Since corporate income tax represents a very large percentage of pre-tax income, decision-makers are highly sensitive to corporate income tax rates.

Corporations have learned to be internationally mobile to gain both marketing and financial advantages, including tax advantages. It is well proven around the world that creating a low corporate tax environment attracts investment in capital, growth in trade and commerce, as well as the relocation of corporate head offices and wealthy/high-income individuals.

Corporate Tax Rates by Year

	Rate in 2005	Rate in 2015*	Rate in 2016	Rate in 2019
General	11.5 %	11.0 %	12.0 %	12.0 %
M & P	11.5 %	11.0 %	12.0 %	12.0 %
Small Business	3.0 %	2.0 %	2.0 %	2.0 %

*Rate changed from 10% to 12% and Small Business 3% to 2% effective July 1, 2015

Within Canada, there are now two provinces with lower tax rates for small businesses than Alberta and three other provinces that have a lower general rate.

The fact is that many potential investors and corporations looking at new business investment or expansion in Alberta have chosen not to invest nor locate here due to our high-tax regime (both provincial and federal); there are low-tax/no-tax alternative jurisdictions within other parts of Canada, the United States and elsewhere. We have seen examples of this happening with large oil and gas companies which considered building plants in Alberta then chose to build in other parts of Canada or the United States.

Alberta will get more attention from potential business investors when the general and small business corporate tax rates are lower and when the opportunity to enhance after-tax return on their investment is greater.

The Alberta Chambers of Commerce recommends the Government of Alberta:

1. Immediately reduce the general and manufacturing-and-processing corporate income tax rate to ten per cent; and
2. Ensure that the Alberta small business corporate tax rate applicable to Canadian-controlled private corporations does not exceed the lowest tax rate in other Canadian provinces or territories.

Common-Sense Approach to Livestock Product Identification and Food Safety

Country of Origin Labelling (COOL) legislation, as adopted by the U.S., is market protectionist in nature, constitutes a technical barrier to trade, and is deemed inconsistent with international trade rules including those established by the World Trade Organization (WTO). COOL legislation adds additional implementation and enforcement costs throughout the supply chain which are then being levied against Canadian producers in the form of immense price discounts applicable to livestock exported into the U.S.

The U.S. COOL legislation is predicated on the idea that foreign food, which meets a different safety standard than domestic, should be processed differently and separately from domestic food because the possibility of incongruent food safety standards is thought to create risk to U.S. consumers. As such, foreign foods which are processed in the U.S. must be segregated from domestically sourced foods and undergo separate production, which then creates added costs on Canadian food exports that are processed in the U.S. These added costs result in a discount on Canadian food exports. Country of Origin Labelling, as a marketing policy to help provide information to consumers is not an unacceptable policy, however, its requirements on processing has negatively impacted Canadian producers.

Furthermore, in contrast to the above description, the U.S. acknowledges that the instituted COOL legislation was never intended to address food safety; rather this legislation governs "marketing issues," and was only developed to give consumers the right to make informed purchasing decisions based upon the "country of origin."

In 2011, the WTO ruled in Canada's favor, deeming Country-of-Origin Labelling a protectionist measure for the U.S. market. The U.S., who were expected to appeal this decision, were given a deadline of May 23, 2013 to bring their COOL legislation in line with their WTO obligations. The U.S. failed to meet this deadline and has not yet eliminated the aspects from its COOL legislation. In response to their failure to comply, on June 7, 2013, Minister of International Trade, Ed Fast, announced that Canada would begin the process of retaliation pending support of the WTO. A list of commodities which would be considered for trade action was published in the Canada Gazette on June 15, 2013 and indicated a potential surtax of 100% on certain foods, including animal meat products and several other import products.

Canada has some of the most stringent food production standards in the world, and as a result Canadian consumers benefit from some of the safest food in the world. The concern of different food safety standards, which provide the justification for the U.S. COOL legislation, would be circumvented by the creation of a common food safety standard. Such a standard would easily be implemented given Canada's existing rigorous food safety environment. By negotiating a common bilateral food safety standard, processing of both U.S. and Canadian foods could occur in the same facility. This would reduce the production-based discount of Canadian goods and would reduce the negative effects of COOL legislation.

COOL legislation has negatively and profoundly impacted prices paid to Canadian producers on exports into the U.S., such that our entire red meat industry, particularly the pork industry, is at a serious competitive disadvantage and potentially on the verge of collapse. Speedy resolution of the issues caused through the COOL legislation is imperative to prevent the marginalization or complete collapse of the Canadian red meat industry.

Recommendations

That the federal government:

1. Continue to pursue trade action to combat the market protectionist aspects of Country-of-Origin Labelling (COOL) legislation including continued bilateral negotiation, working with the WTO, and pursuing retaliatory measures if necessary.

2. Take a leadership role in promoting the highest level of international food safety standards and practices applicable to international trade involving all perishable foods and food products, with an aim to unify food safety and quality standards and to eliminate the need for processing segregation of Canadian food from U.S. food.

SUBMITTED BY THE MEDICINE HAT AND DISTRICT CHAMBER OF COMMERCE; CO-SPONSORED BY THE RED DEER CHAMBER OF COMMERCE

The International Affairs Committee supports this resolution

Support to Ranchers in the Removal of Specified Risk Material (SRM)

Since 2007 increased costs associated with the removal of specified risk material from cattle has caused significant cost disadvantages for Canadian cattle producers, processors and veterinarians. In order to maintain slaughter capacity and restore competitiveness in the Canadian cattle industry, the federal government should work to implement regulatory reform and policies to offset costs and harmonize regulations with the United States.

The devastating effect that bovine spongiform encephalopathy (BSE) has had on Canadian cattle producers is still a significant obstacle to the success of the cattle industry. In 2007, "enhanced animal health protection" requirements were introduced by the Canadian Food Inspection Agency (CFIA) designed "to help eliminate bovine spongiform encephalopathy (BSE) from Canada". The protocols and regulations introduced have led to greatly increased costs in time, resources, and administrative record keeping for producers, veterinarians, and processors forced to handle and dispose of dead stock and Specified Risk Material (SRM).

The requirements have created a cost disadvantage to slaughtering cattle in Canada, as the average cost of complying with the 2007 federal SRM removal and disposal regulation is upwards of $30 per animal; which is more than the cost in the United States. While the same parts of cattle are considered SRM in Canada and the United States, one of the major factors that increase costs to Canadian processors are the disposal costs. In the United States some SRM's can be used in products such as fertilizer, while in Canada all SRM must be incinerated or sent to a special landfill exclusively used to hold SRM's. According to Canfax Research Services this equates to over 50kgs of SRM removed and disposed of from over –thirty-month (OTM) cattle in Canada, while only 0.5lbs is disposed of in the United States, this means lost value as well as increased disposal fees in Canada.

A 2007 Feed Ban Cost Survey by the Canadian Meat Council shows the average cost for complying with the feed ban regulation in Canada, and therefore the increased disposal cost is $12.41/head on OTM cattle. Based upon 2006 actual slaughter this regulation alone cost the cattle industry $22,678,272.00

Processing facilities have closed, scaled back or changed policy to deal with the increased costs and complications of the regulations and it has forced producers, veterinarians, and processors to absorb all the increased handling and disposal costs. Although costs have come down slightly, it continues to cost more to slaughter an animal in Canada than in the United States due to the different approaches the two countries take in disposing of Specified Risk Material. The increased costs have a ripple effect on our economy, as there is decreased slaughter capacity, resulting in loss of jobs and increased beef imports.

Recommendations

That the federal government:

1. Work with the cattle industry to determine a cost-effective solution to the removal of Specified Risk Material until a time when the Canadian Food Inspection Agency discontinues its current policies for disposal of dead stock cattle and their associated Specified Risk Material, to ensure processors are not operating at a competitive disadvantage relative to their American counterparts.
2. Ensure that the Canada-United States Regulatory Cooperation Council prioritize the harmonization of specified risk material regulations in Canada and the United States.
3. Work with the United States Government to harmonize regulatory standards in both Canada and the United States for Specified Risk Material.