Legislation Text

File #: AR-20-127, **Version:** 1

TAMRMS#: B09

Capital Funding Campaigns
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RECOMMENDATION(S)

1. That the Community Growth & Infrastructure Standing Committee recommend to Council that the proposed amendments to Policy C-FS-17 Public Private Partnership (P3) as outlined in Attachment 1 be approved.

2. That the Community Growth & Infrastructure Standing Committee recommend to Council that the proposed amendments to Policy C-FS-17 Public Private Partnerships (P3) serve to address the intent of Council motion AR-19-172, which was to bring forward a Council Policy regarding community facility partnerships.

PURPOSE OF REPORT

The purpose of this report is to address the 2019 Council motion to develop a policy pertaining to community facility partnerships. Administration is seeking to confirm that the proposed amendments and enhanced re-purposing of the current P3 Policy into a broader governance policy which may increase joint venture opportunities utilizing Alternative Capital Financing arrangements is supported by the Community Growth & Infrastructure Standing Committee.

While the policy would be applicable for significant community facility partnerships, it will also now serve as a governance framework to manage relationships and arrangements between the City of St. Albert and private and/or not-for-profit entities in the provision of significant infrastructure development and operations sponsored by the City.

ALIGNMENT TO COUNCIL STRATEGIC PRIORITY

N/A

ALIGNMENT TO SERVICE DELIVERY

N/A

ALIGNMENT TO COUNCIL (OR COMMITTEE) DIRECTION OR MANDATORY STATUTORY PROVISION

On June 17, 2019 Council passed the following motions:

> (AR-19-172)
> That the deadline for bringing forward to Council a Council Policy regarding community facility partnerships be extended from a June 2019 Council meeting to a June 2020 Council meeting.

BACKGROUND AND DISCUSSION

In early 2016, Administration introduced a potential initiative involving the development of a Governance policy related to “Capital Development Campaigns”. The impetus for this was to establish policy framework around funding contribution expectations from local organizations towards the development of new infrastructure that the community will benefit from (i.e. Branch Library, Capital Region Soccer Centre, etc.).

Council was supportive of the idea presented in 2016 and were provided the opportunity to submit additional comments and thoughts related to the development of the framework. Feedback received focused on the need to ensure groups requesting funding have also made a significant funding contribution. Council feedback expressed the need for the development of a process which would provide direction for which facilities or organizations the City supports and why.

Staffing changes have hindered movement forward with this initiative in the past with requests from Administration on three occasions to Council for time extensions.

Current State

The City has a number of policies and programs in place to manage external requests for capital project support, which informally speak to the funding contribution expected of the applicant including grants/sweat equity contribution, operating expenses, utility costs, future development expenses, etc.

Through closer examination of current City policies and processes, and in consultation with the Community Services Department, Finance Department, Engineering Department, and Legal & Legislative Services, Policy C-FS-17 Public Private Partnership (P3) was identified as a current policy which, if amended, could serve both the intent of providing a means to address significant capital funding requests from non-profit organizations, and a means through which to explore potential joint ventures with both private entities and/or not-for-profit organizations.

The amended policy would apply corporate-wide and would provide the opportunity for potential long-term contractual arrangements for the delivery of significant and priority infrastructure and some or all related services. Administrative Directives which speak to infrastructure procurement, development, and delivery will be updated to align to the amended policy.

The suggested amendments to Policy C-FS-17 Public Private Partnership (P3) focus on renaming the policy and replacing reference to P3’s to “Alternative Capital Financing” arrangements. Definitions have been added where needed. The Policy amendments allow Administration the flexibility to consider project delivery methods other than the traditional design-bid-build for public infrastructure and service delivery, while continuing to ensure value for money and the protection of the public interest. The policy has also been amended to include a base project amount which once identified

would trigger a “Value for Money” assessment.

Consistent with Policy C-FS-17 Public Private Partnership (P3), Council would continue to be required to approve any projects utilizing an “Alternative Capital Financing” arrangement as well as approve any anticipated financial impacts on the capital or operating budgets resulting from the project. In the event Council approves moving forward with an Alternative Capital Financing arrangement for a specific project, then the project will continue through the regular competitive procurement process, and once a partnership has been awarded, regular contract management would follow.

Suggested amendments to Council Policy C-FS-17: Public Private Partnership (P3) are attached, as well as a “clean” version.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

The amendments provided in the revision of Policy C-FS-17 were achieved through a collaboration with Engineering Services, Legal & Legislative Services, Finance Department, Community Services, and Recreation & Parks.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

None at this time.

Legal / Risk:

None at this time.

Program or Service:

None at this time.

Organizational:

None at this time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

Alternative 1. That Administration proceed based on specific direction from Council.

Alternative 2. That no action be taken at this time.

Report Date: June 9, 2020
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