



## **EMRB – Shared Investment for Shared Benefit**

Task Force Meeting

February 20<sup>th</sup> 2020



# Agenda

Opening	<b>1:00 – 1:10</b>
<ul style="list-style-type: none"><li>• Quorum</li><li>• Call to Order</li><li>• Chair’s Opening Remarks</li></ul>	
Approval of Agenda	<b>1:10 – 1:15</b>
Approval of December 6 EMRB Task Force Minutes	<b>1:15 – 1:20</b>
Update of project progress to date	<b>1:20 – 1:40</b>
Refresh on SISB Models – Inter-jurisdictional Accord example	<b>1:40 – 2:10</b>
Research to date – early observations	<b>2:10 – 2:30</b>
Break	
Exercise – discussing long-term opportunities vs solving current problems	<b>2:40 – 3:10</b>
Small groups discussion – strategic questions	<b>3:10 – 3:50</b>
<ul style="list-style-type: none"><li>• Discussing what success looks like for SISB; measures of success</li><li>• Thinking about future SISB outcomes</li><li>• Quick wins / transformational opportunities</li></ul>	
Next Steps / Questions	<b>3:50 – 3:55</b>
Next Meeting	<b>3:55 – 4:00</b>
Adjournment	<b>4:00</b>

# Approval of Agenda

## **Recommended Motion:**

That the Shared Investment for Shared Benefit Task Force approve the **Agenda** of February 20, 2020.

# Approval of Minutes

## **Recommended Motion:**

That the Shared Investment for Shared Benefit Task Force approve the December 6, 2019 **meeting minutes**.

# Objectives of Today

1

Update Task Force members on SISB project progress

2

Refresh Task Force members on SISB concepts (using an example)

3

Discuss key strategic questions emerging from Working Group

4

Understand next steps for project and how Task Force Members' input will be used

5

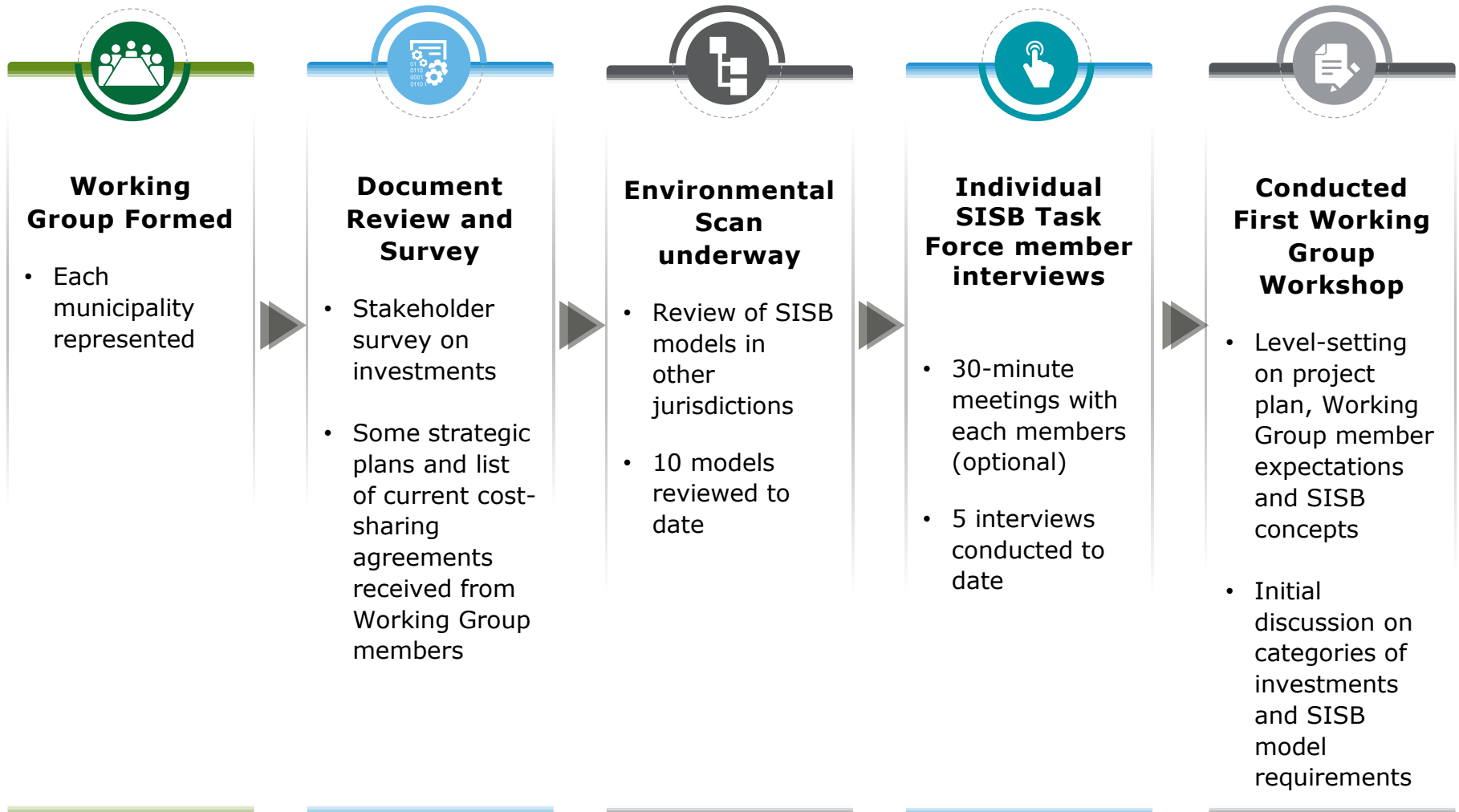
Others???



# **Update on Project Progress to Date**

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# Progress Since Last Task Force meeting (Dec 6<sup>th</sup>)



Dec 6

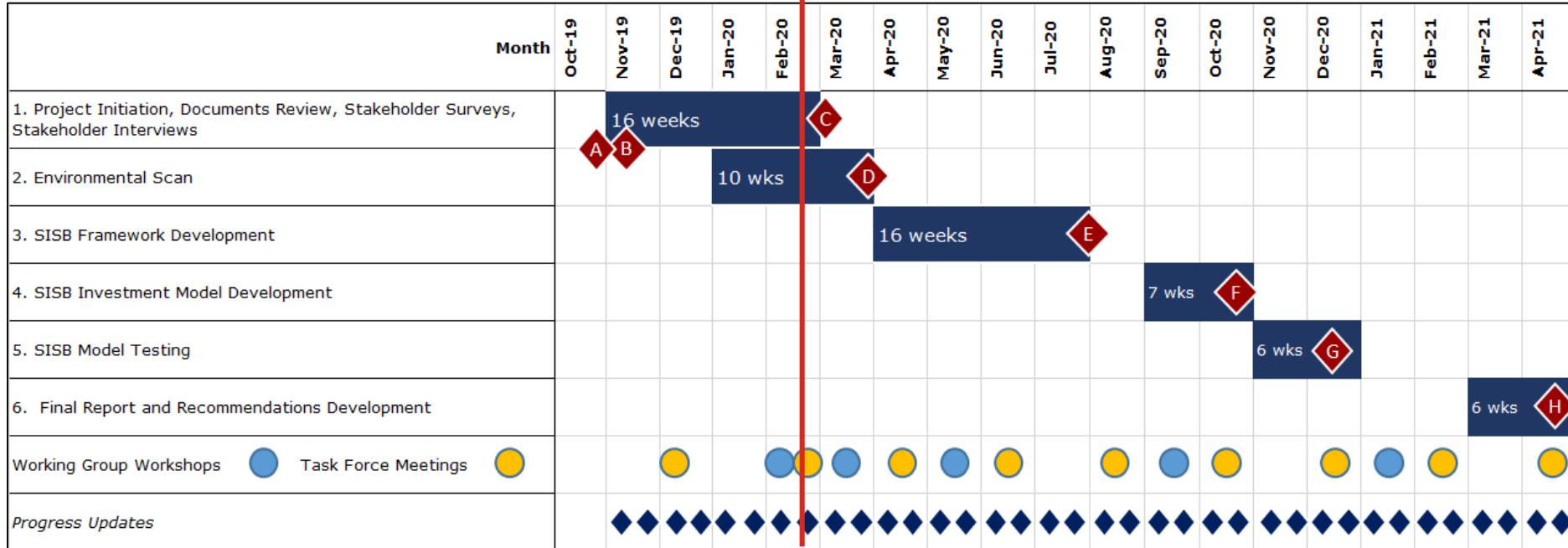
Feb 20

# EMRB SISB – Work Plan and Milestones



Overall project status is **On Track**. The initial project plan was revised following establishment of the Working Group in early January. Research and engagement activities are underway.

**Feb 20**



Milestone/Deliverable	Target Week
A. Project Start	29-Oct-2019
B. Work Plan	1-Nov-2019
C. Document Review and Initial Internal Stakeholder Engagement Complete	3-Mar-2020
D. Environmental Scan Complete	31-Mar-2020
E. SISB Framework Report Complete	31-Jul-2020
F. SISB Investment Model Development Complete	31-Oct-2020
G. SISB Investment Model Testing Complete	15-Dec-2020
H. Final Model and Report	30-Apr-2021

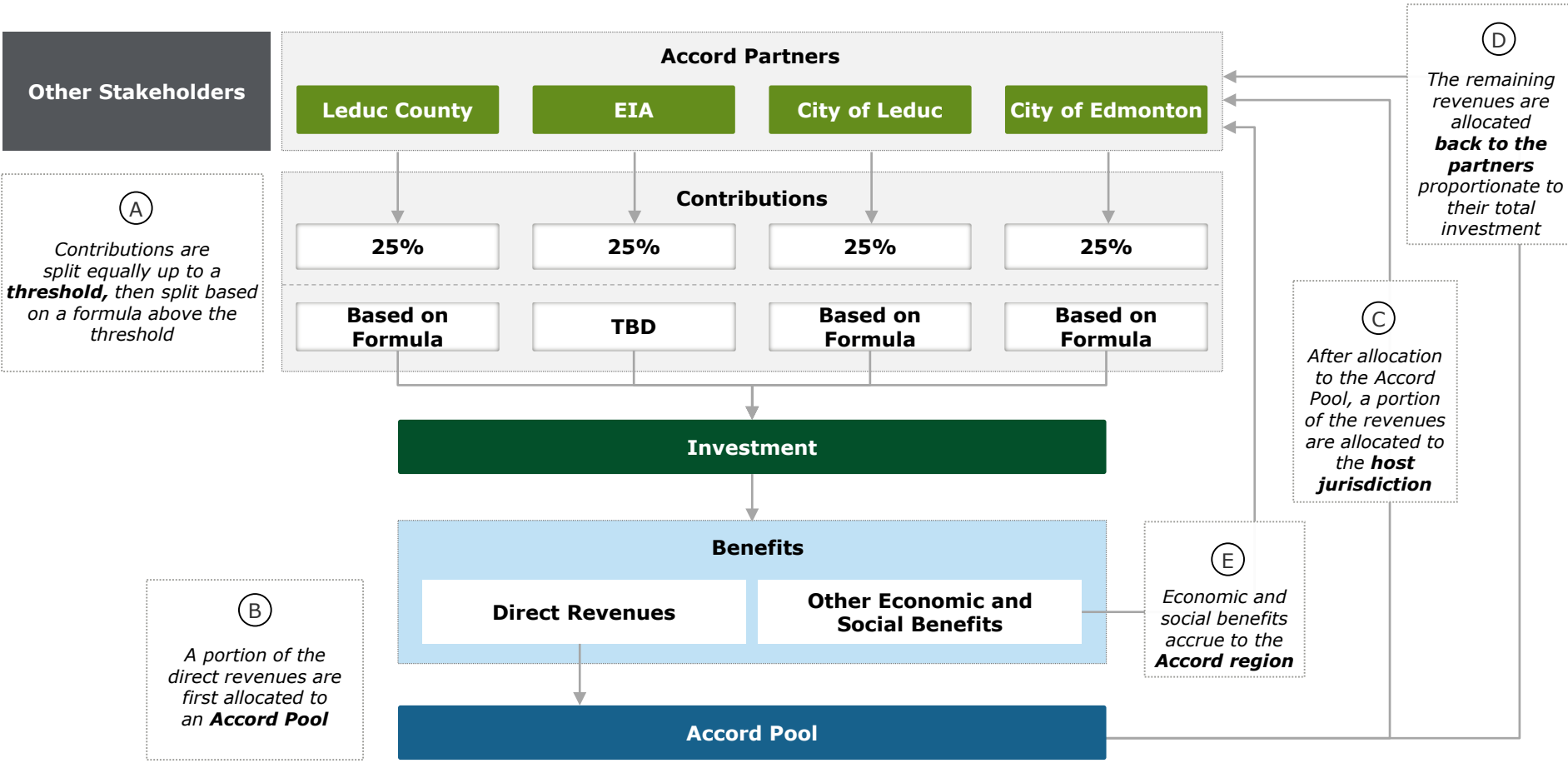




# **Refresh on SISB Models – Inter-jurisdictional Accord Example**

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# Interjurisdictional Accord SISB Model – Conceptual Diagram






# Inter-jurisdictional Accord SISB Model - Description (1/2)

*The model can accommodate a variety of stakeholders and contributions and is best suited for initiatives that generate direct revenues to be shared*




## Partner Contributions

- The model allows for **contributions by external stakeholders**, including, private partners, Provincial government, federal government 
- External stakeholders will receive **benefits in proportion to their contribution** (i.e., the benefits are allocated directly to external stakeholders and are not channeled through the Accord pool)
- The model is **agnostic to funding sources** used by partners



## Initiatives in Scope

- The model can accommodate **different sizes and types of projects** 
- The model is designed to accommodate **initiatives that generate direct revenues to be shared between partners** (e.g., initiatives that require the sharing of both investments and benefits)
- A mixed sharing mechanism **based on partner 'usage'** may be best suited to cost-sharing initiatives where applicable (e.g., using ridership for transit)\*
- The model can activate just the 'investment-sharing' function for initiatives that **share costs only**



= *Similar to model feature in Strategic Guidance document*


# Inter-jurisdictional Accord SISB Model - Description (2/2)



*The model equitably shares investments, and the resulting benefits from the investment, through a mixed-sharing mechanism for large-scale projects*




## Investment-Sharing

- Contributions towards the investment are **split equally among partners, up to a cost threshold**
- Beyond a cost threshold, contributions are split **based on a formula recognizing differences among partners** (metric will be determined in Phase 2).
- The model **can incorporate non-financial contributions** (converted to \$ value), such as land, human and technical resources or the provision of key services.
- The model ensures that **no one partner can be a beneficiary and not a contributor** 



## Benefit-Sharing

- Model allocates **financial benefits that are quantifiable and dividable** (i.e. revenues)
- **Broader economic or social benefits are not directly included** in the model but can be considered as part of project selection framework
- Financial benefits are shared **proportionately to partner contributions**
- Model applies to sharing **incremental financial benefits, from a forward looking perspective**  (not retroactive)
- Model incorporates a **revenue-pooling mechanism** to fund future initiatives
- Model incorporates a **host jurisdiction compensation mechanism** to recoup costs to the host of servicing the investment
- Model allows for the **payback (benefit) horizon to vary in duration**





# Research to date – early observations

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# EMRB Member Municipalities – a diverse group of communities



*The 13 municipalities that comprise the Region have different perspectives, priorities and capacities, shaped by differences in size, demographics and economy*

## Dimension

## Areas of Difference

## Examples



- Size
- Location
- Geographic features

**11 km<sup>2</sup>** (*Beaumont*) → **2,600 km<sup>2</sup>** (*Leduc County*)  
**Dense Urban Area** (*Edmonton*) → **Open Rural Area** (*Parkland Co*)



- Population
- Density
- Demographic characteristics

**6,500 residents** (*Devon*) → **932,500 residents** (*Edmonton*)  
**5 ppl/km<sup>2</sup>** (*Leduc County*) → **1,850 ppl/km<sup>2</sup>** (*Edmonton*)  
**\$93,600/yr med. income** (*Edmonton*) → **\$132,100/yr med. income** (*Strathcona Co*)



- Industrial mix
- Priority sectors
- Economic assets

### Example Sectors

### Example Assets

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Energy / Petrochemicals</li> <li>• Agriculture</li> <li>• Tourism</li> <li>• Technology</li> <li>• Manufacturing</li> </ul> | <ul style="list-style-type: none"> <li>• International Airport</li> <li>• Government of Alberta</li> <li>• University of Alberta</li> <li>• Devon Research Centre</li> <li>• Nisku / Leduc Business Park</li> </ul> |
|--|---|



- Maturity of economic strategy
- Resources dedicated to economic development
- Fiscal capacity

*Many member municipalities have a **dedicated economic development function***

# EMRB Member Municipalities – Common themes



*However, several common themes among some members have been identified:*



## **Common priority economic sectors:**

- *Agriculture*
- *Energy (and related industries)*
- *Tourism*



## **Common core values:**

- *Sustainability*
- *Affordability*
- *Innovation*
- *Accountability*
- *Community*



## **Common priority areas for investment:**

- *Transportation*
- *Communication (esp. broadband)*
- *Utilities*
- *Waste Management / Recycling*
- *Recreation*

# Working Group Discussions – Opportunities / Challenges



## *Emerging themes on the opportunities and challenges with the SISB project*



The biggest **opportunities** for a successful SISB project:

- *The creation of **efficiencies** and solutions to complex issues*
- *The potential of **strategic investments** that benefit the Region and attract and enable economic development*
- *The enablement of **regional collaboration** and a 'borderless' planning model*



The biggest **challenges** for a successful SISB project:

- *Finding suitable investment opportunities across **13 diverse municipalities***
- *Avoiding **duplication of efforts** with other established entities*
- *Balancing changing **political priorities***
- *Defining and measuring '**regionally**' significant benefits*
- *Determining **governance** of the model and associated processes*





# Working Group Discussions – Categories of Initiatives

*Early thinking on what categories of initiatives that the SISB Framework and Model would focus on*

 **A wide variety of initiatives** were proposed for further consideration:

- *Infrastructure (e.g. transportation infrastructure)*
- *Services (e.g. emergency services)*
- *Transit*
- *Commercial / Industrial Development*
- *Economic Development activities*
- *Ancillary Land Development*

 Several initiatives focused on **long-term regional economic development**, e.g.:

- *Power/energy infrastructure*
- *Value-added agriculture*
- *Data centre*

 Others focused on addressing **current pain points**, e.g.:

- *Water/sewer*
- *Recycling/waste facilities*
- *Expanded broadband internet service*



# **Break (10 mins)**

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# Key Questions for Discussion

1

Should the SISB initiative be focused on **realizing long-term future opportunities** (i.e. economic development) or be focused on **solving problems that exist today** (e.g. cost efficiencies)?

2

What would the Task Force determine as **success for this project?** (and how should that success be measured?)

3

It is now 2044 and SISB has been in place for over 20 years, **how is the Region different, what are some of the outcomes?**

4

Are there regionally significant initiatives that are **quick wins?**

5

What are the **long-term, transformational opportunities?**



# Discussion: Long-Term Opportunities vs Solving Current Problems


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# Long-Term Opportunities vs Solving Current Problems

## Group exercise

 Equipment: 'scale', sharpies, post-its, ideas

 Thinking about either end of the scale, please consider the following question:

*Should the SISB initiative be focused on **realizing long-term future opportunities** (i.e. economic development) or be focused on **solving problems that exist today** (e.g. cost efficiencies)?*

 Place your post-it along the scale where you feel the most appropriate balance is between these areas of focus

 Explain the rationale for your placement

 Group discussion



# Small Groups Discussion: Strategic Questions

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# Strategic Questions

## *Small group exercise*

- Equipment: worksheets, ideas
- Break into 3 groups; each with a facilitator (Sabrina, Dalibor, Slavi)
- Discuss the following questions (10 mins each):

- 1. What would the Task Force determine as **success for this project?** (and how should that success be measured?)*
- 2. It is now 2044 and SISB has been in place for over 20 years, **how is the Region different, what are some of the outcomes?***
- 3. Where are the **quick wins / long-term transformational opportunities?***

- Group discussion



# Next Steps

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# Next Steps



1

## Working Group Workshop 2 (March)

- Further discussion of Strategic Guidance document
- Review of example SISB models / features
- Detailed discussions and refinement of initiatives / benefits

2

Ongoing research on municipal strategic plans / SISBs in other geographies

3

Individual interviews with Task Force members

4

Next Task Force meeting – April 16 (1pm)

5

Others???

# Today's Accomplishments

1

Task Force members received an **update on project progress**

2

Deloitte presented an **example of an SISB model** (Inter-jurisdictional Accord)

3

Task Force members discussed **strategic questions posed by Working Group** and offered their perspectives

4

Input received today from the Task Force **will be used to inform the next Working Group workshop** in March

5

Others...



# Next Meeting – April 16

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**Thank you!**

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# Adjournment

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