

# Shared Investment for Shared Benefit

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## Project Charter

December 2018



## Introduction

In general Shared Investment for Shared Benefit (SISB) models are guided by the following principles:

- **Equity:** Costs and benefits are shared fairly across the region
- **Efficiency:** Resources are used as efficiently as possible
- **Cost-effectiveness:** Benefits are realized at the least cost
- **Accountability:** Projects are financed simply and transparently

SISB models are, ultimately, decision-making tools that help to determine the projects that require a shared approach and quantify the required investment and resulting benefits. While SISB is implemented in various regions throughout the world, there is no uniformity to creating SISB models. Each model is a solution unique to its region.

In August 2018, the Board passed a resolution to create a Task Force to pursue a SISB model for the Region. Several factors have led the EMRB to an exploration of SISB. There is an understanding among the municipalities that collaboration and leveraging multiple funding sources can increase the region's economic competitiveness.

There is also an understanding of the varied and sometimes disparate economic realities among the municipalities and their associated impacts on potential for growth. Regional initiatives such as the Edmonton Metropolitan Region Growth Plan, Regional Agriculture Master Plan, and Servicing Plan have illustrated the extent of the municipalities' interdependence and the opportunities to enhance the Region through shared infrastructure planning, transportation and transit, utilities, service delivery, and economic development.

The Board has indicated a need to enhance regional investments and contributions that will result in benefits for the Region and Alberta. In addition, SISB is referenced in Policy Areas of the Growth Plan: 1 (Economic Competitiveness and Employment), 4 (Integration of Land Use and Infrastructure), and 5 (Transportation Systems).

The Region's population is highly mobile and interdependent. This interdependency provides positive economic spin-offs and opportunities, but it also puts pressure on host municipalities. SISB approaches have the potential to maximize benefits and alleviate pressures on a regional scale. SISB approaches could be applied to infrastructure projects, service delivery, or economic development efforts that provide significant benefits to the Region.

The ultimate goal of the SISB project is to contribute to the long-term sustainability of the Edmonton Metropolitan Region and its member municipalities through investments in projects that provide benefits throughout the Region. There is a strong desire from the Board to develop a SISB model; it was highlighted as the clear top priority in the 2018-2023 EMRB Strategic Plan.

The Board will create a solution that is right for the Region.

## Project Summary

The EMRB has determined that to increase the Region’s competitiveness and collaboration, sharing investments to support regionally beneficial projects is necessary. They have also determined that these investments and resulting benefits need to be shared equitably among the municipalities. The purpose of the SISB project is to develop a model to identify regional initiatives that require shared investment among the municipalities. The model will qualify and quantify the required investments and resulting benefits and determine an equitable distribution of both. The project will also provide recommendations on the governance and the implementation of a SISB model.

## Project Objectives

The 2018-2023 Strategic Plan identifies the outcome of the SISB Project as “the shared and equitable contributions, investments, and efforts made by the EMRB result in measurable benefits for the Region as a whole”. To achieve this outcome, the objectives of the SISB Project are to:

1. Enhance the Region’s economic sustainability by providing a stable mechanism for investment that enables continued growth throughout the Region.
2. Enhance the Region’s economic competitiveness by providing a framework for municipalities to collaborate on significant initiatives in the Region.
3. Enhance municipal and regional economic growth by leveraging the collective strength of the Region while supporting equity among the municipalities.

## Project Scope

The SISB project will:

1. Conduct research on other SISB models; identify best practices and key learnings; and evaluate them for applicability in the Region; consider existing cost-sharing models in the Region to ensure alignment and explore potential synergies.
2. Develop a framework that outlines the shared parameters, principles, and operational rules for a SISB model. The framework will also define criteria to determine the eligibility of projects.
3. Develop a SISB model that can be applied to initiatives with a wide range of scope and budget (scalable) and can determine and quantify equitable investment and benefit levels for all of the contributing municipalities (predictable).
4. Provide recommendations on governance and implementing the SISB model.

## Project Approach

The recommended project approach includes five phases:

### Phase 1 – Project Initiation

The first phase will consist of setting up the project, including establishing the Project Charter, standing up the Task Force and Working Group, and contracting consultants. Meetings and

interviews with municipal representatives will be conducted and may continue throughout the project.

### Phase 2 – Environmental Scan

The Environmental Scan will collect information on funding models in other jurisdictions, including local models such as the Alberta Industrial Heartland Association and the Airport Accord SISB model, and models used throughout the world. A comparative evaluation of existing models and their potential for use in the Region will be conducted, including high-level estimates of regional and municipal investments, cost savings, revenues, and other benefits. An analysis of local cost sharing models, their strengths, gaps, and potential opportunities will also be conducted.

### Phase 3 – SISB Framework

A framework for a SISB model will be developed that outlines a shared set of parameters, principles, and operational rules. The framework will also consider sub-regional cost-sharing models (Alberta Industrial Heartland Association, Airport Accord, etc.) to ensure alignment with them. This phase will also define criteria to determine the eligibility of projects.

### Phase 4 – Scenario Modeling

The final SISB model will be developed based on the framework and iterative testing, reviewing, and refining under a range of scenarios.

### Phase 5 – Model Report and Recommendations

The SISB model will be finalized and presented with a report on how the model should be used. The report will also provide recommendations on governance and implementation.

## **Project Governance**

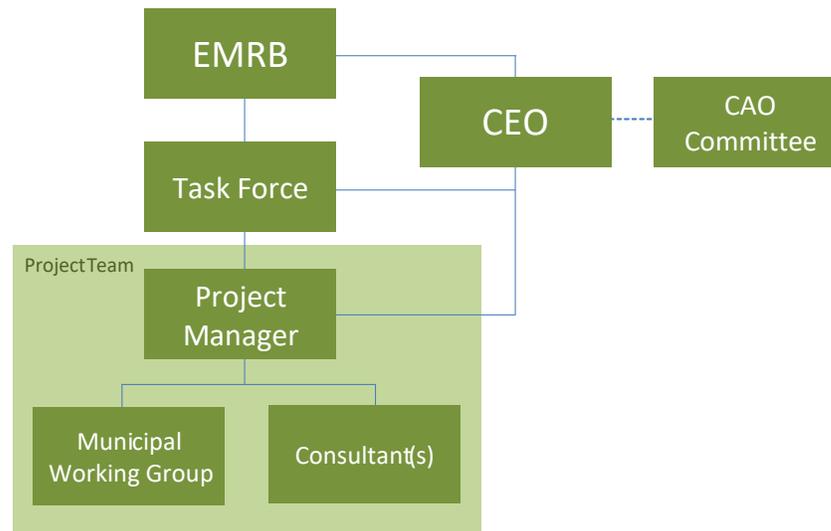
The Edmonton Metropolitan Region Board is the sponsor for the SISB Project and provides the authority and support for the project. As per the Board's August 2018 decision, oversight for this project will come from a Task Force of elected officials appointed by the Board. The Task Force will provide strategic direction and oversight on all aspects of the project on behalf of the Board.

The Task Force will be supported by a Project Team consisting of a Project Manager, Municipal Working Group(s), and project consultant(s). A Project Manager from EMRB administration will be assigned to oversee the planning, execution and completion of the project. The Project Manager is responsible for project administration, including project resource management, schedule, budget management, and issues management.

The Municipal Working Group(s) of senior staff from the region will provide professional policy and technical advice and other related support. Sub-groups may be initiated based on functional areas such as economics, finance, taxation, strategic planning, regulatory and infrastructure, etc.

Participation by member municipalities is essential to support the project. Therefore, Regional CAOs will be consulted throughout the project.

Consultant(s) will be contracted to assist in all phases of project and prepare the final deliverables.



## Deliverables

The outcome of the Project is a model that provides a funding formula and a set of rules to apply to regional projects that are selected for a SISB approach.

The model will be predictable; it will identify investment requirements and direct and indirect benefit outcomes for regional projects.

The model will be scalable; it will be applicable to a wide range of projects with wide a range of budgets.

The model will be based upon a set of mutually agreed-upon principles and parameters, which will be developed by the member municipalities.

The following is a list of key project deliverables:

- Environmental Scan Report that summarizes cost sharing models from other jurisdictions; the report will highlight key initiatives or projects, provide evaluative comparisons of other models, and make recommendations as to the applicability of other models to the Region. The report will explore potential opportunities for SISB in the Region.
- SISB Framework that documents the shared set of parameters, principles, and operational rules that guide the development of the final model. The framework will also document the criteria and methodology to determine the eligibility of projects.

- SISB Financial Model that provides a clear, predictable, and scalable model for SISB in the Edmonton Metropolitan Region. The final model will be built upon the framework and tested under a range of scenarios. Recommendations on implementation and governance will be included in the final report.

## Project Schedule

| SISB Project |                      | 2018 | 2019 |   |   |   |   |   |   |   |   |   |   |   | 2020 |   |   |   |   |   |   |   |   |   |   |   |  |
|--------------|----------------------|------|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|--|
| Phase        | Description          | D    | J    | F | M | A | M | J | J | A | S | O | N | D | J    | F | M | A | M | J | J | A | S | O | N | D |  |
| 1            | Project Initiation   |      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |  |
| 2            | Environmental Scan   |      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |  |
| 3            | Conceptual Framework |      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |  |
| 4            | Scenario Modelling   |      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |  |
| 5            | Final Model Report   |      |      |   |   |   |   |   |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |  |

## Stakeholders

As per the EMRB Public Engagement Policy, upon commencement of the project, the appropriate level of stakeholder engagement will be assessed and determined for each stakeholder group. Additional stakeholders may be identified.

| Stakeholder                              | Role                                                                                                                                                                                                               | Requirements                                                                   |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Board                                    | Project Sponsor, approval authority. Provide feedback/advice on scope, timing, budget, process. Approval of deliverables                                                                                           | Receive updates at Board meetings; attend occasional meetings/working sessions |
| Task Force                               | Board representative, decision-making authority, technical and strategic oversight<br><br>Senior level GOA representative (non-voting); ensure alignment with GOA priorities, relevant programs, legislation, etc. | Attend meetings/working sessions throughout the project                        |
| Municipal Working Group(s)               | Municipal representative, technical and policy advice                                                                                                                                                              | Attend meetings/working sessions throughout the project                        |
| Chief Administrative Officers            | Municipal representative, technical and strategic advice; provide feedback/advice on process                                                                                                                       | Receive updates at CAO meetings; attend occasional meetings/working sessions   |
| Edmonton Global                          | Provide input re regional economic development perspective to ensure strategic alignment and shared priorities                                                                                                     | Attend occasional meetings/working sessions                                    |
| Edmonton International Airport Accord    | Provide information on EIA Accord SISB program to ensure coordination/alignment                                                                                                                                    | Attend occasional meetings/working sessions                                    |
| Alberta Industrial Heartland Association | Provide information on AIHA cost sharing program to ensure coordination/alignment                                                                                                                                  | Attend occasional meetings/working sessions                                    |
| Government of Alberta                    | GOA representative; ensure alignment with GOA priorities, relevant programs, legislation, etc.                                                                                                                     | Attend occasional meetings/working sessions                                    |

