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APPENDIX A – EXAMPLES OF INTER-MUNICIPAL COOPERATION

Following, are examples successful collaboration among Alberta municipalities. Each example is the result of coordinated planning while adhering to the principles of municipal autonomy and accountable to taxpayers. In each instance, municipalities are allowed to effectively manage their relationship with the other.

Inter-Municipal Agreements

RED DEER AND RED DEER COUNTY INTER-MUNICIPAL AGREEMENT (2007)

In 1999 the two parties entered into a joint IDP. Rapid growth and intense development in the County and City quickly outdated the IDP, leading to planning disputes between the parties and thus delaying growth and development in both jurisdictions. In March 2007 the parties agreed to withdraw all outstanding actions; support specific proposals involving critical land planning and approvals; and, participate in planning “fringe areas”. This would be accomplished by adhering to the principles of the Agreement to develop a new IDP to be reviewed annually.

Note: All of the following examples up to Other CMP Member Partnerships have all been reproduced “as is” from Acton et al. (2007).

STRATHCONA COUNTY AND THE CITY OF FORT SASKATCHEWAN BOUNDARY ACCORD (2001)

Strathcona County and the City of Fort Saskatchewan entered into an innovative, cooperative agreement in 2001 to ensure the long-term stability of their respective boundaries. This provides better long range planning, fiscal management and delivery of services. The Boundary Accord dealt with a number of issues including: annexation; updates to older, restricting agreements; amendments to individual Municipal Development Plans; creation of an Inter-municipal Relations Committee for resolution; and, other requirements as specified by both parties. Strathcona County and Fort Saskatchewan recognized the need of each municipality to maintain its local autonomy and its future by ensuring boundary stability for 30 years. Working together, these communities planned for critical infrastructure. This will enable future growth of both municipalities in a logical, efficient and balanced manner.

AREA STRUCTURE PLAN - ALBERTA'S INDUSTRIAL HEARTLAND ASSOCIATION

STRATHCONA COUNTY / CITY OF FORT SASKATCHEWAN / LAMONT COUNTY / STUREGON COUNTY

These four municipalities work together to promote and facilitate the industrial development of the Heartland area. They have adopted area structure plans covering a total area of approximately 80 square miles. The goal is to partner for the benefit of each individual municipality and the region as a whole. This partnership guides development in a manner that protects the environment and the public, while providing an opportunity for processing, manufacturing and eco-industrial development.

The area structure plans contain similar approaches to definitions, setbacks and requirements for locating industrial development. The municipalities endeavor to collaboratively plan for the area's use and infrastructure, and to promote a co-ordinated approach to emergency preparedness, public safety and health.

Intra-Municipal Planning

STRATHCONA COUNTY

Strathcona County is a leader in planning community growth for the future. Through an innovative Municipal Development Plan (MDP) Review process, the County is planning for the next 20 years and beyond. The current MDP, created in 1998, has been under review since 2004 to update the plan to better reflect the ever-changing vision of this fast growing community. The review process involves in-depth research, identification of key planning policies, extensive public review, open houses, written questionnaires and re-drafts of the MDP which are subjected to intense public debate and scrutiny. The process will take up to three years to complete, but the resulting plan for the future will contain a wealth of development-related information on growth management, residential and commercial development, industry and energy sector planning, environmental issues, parks and recreation, safety services, social development, transportation, and agriculture. Also at this time, Strathcona County is updating its award winning Alberta Industrial Heartland partnership with Sturgeon County, Lamont County and the City of Fort Saskatchewan. This innovative joint industrial planning and economic development partnership has put this area on the world stage for attracting international and domestic industrial development. As well, Strathcona County is proceeding with its award-winning Centre in the Park development. This will create a community centre, sustainable housing and a state-of-the-art district energy system. Strathcona County is continuing to look for new, innovative planning techniques to manage sustainable growth while minimizing the impact on the natural environment (i.e. exchanging open space for density credits).

JOINT INDUSTRIAL PARK - COUNTY OF BEAVER/TOWN OF VIKING

Expansions to an existing industrial park in the County and the Town boundaries created friction between the two communities. The Town originally contemplated annexing the Industrial Park from the County. However, the County opposed annexation because it had invested a considerable amount of time and money planning, developing, servicing and marketing the Industrial Park. Just when it was about to begin to return some revenue to the County, they were faced with a potential annexation of the land and loss of the revenue.

The County needed servicing for the Industrial Park to accommodate the new growth and the Town had capacity in their utility systems to provide that servicing. The landowners in the Industrial Park as well as new developers in the park wanted to stay in the County to enjoy the lower tax rates as well as the distance separation from the urban development in the Town.

The Town and the County decided to take the boundary out of the picture, shelf the annexation idea, and work together on jointly developing, planning, servicing, and sharing in the net revenues from the growth in the Industrial Park. The Town also extended some municipal services to the Industrial Park to generate more utility revenues. The County continues to provide roads and other services, handle all the planning approvals, tax the lands at their current tax rates, market and sell the lands as they had been doing but now in partnership with the Town. The Town and the County had a servicing study done on the lands and developed a business plan to build the Industrial Park. This study identified investment costs and divided them on a 50/50 basis and then divided the net revenue on a 50/50 basis as well.

The result is a successful cost and revenue sharing agreement that promotes both communities in times of rapid growth and results in enhanced opportunities for both communities. The two partners were able to achieve this without annexations, amalgamations, or inter-municipal dispute hearings before the Municipal Government Board.

COUNTY OF LETHBRIDGE / CITY OF LETHBRIDGE / TOWN OF COALHURST

Relations in the Lethbridge region have not always been amicable. There are six urban municipalities within the area. In the past, these municipalities have had disputes over economic development, expansions and annexations. However, with the introduction of an inter-municipal development agreement, the County of Lethbridge, the City of Lethbridge and the Town of Coalhurst hope to establish a new framework for cooperation.

While development in the region is not as explosive as other areas of the province, they are experiencing notable growth. The most recent concerns began when a new industrial plant was relocated to a high volume intersection within the County and in

close proximity to other municipal boundaries. Recognizing the benefit of a co-facilitated development, the three municipalities agreed to enter into discussions regarding a new inter-municipal development plan.

In initial meetings, a Joint Inter-municipal Development Plan Committee reviewed a draft version of this discussion paper and used it to help build a foundation for an agreement on cooperative planning. Utilizing the principles of the paper, the committee agreed to set rules related to growth management, cost-sharing and dispute resolution.

COUNTY OF WETASKIWIN NO. 10 | SUMMER VILLAGES OF GRANDEVIEW, POPLAR BAY, CRYSTAL SPRINGS AND NORRIS BEACH

The County of Wetaskiwin and four summer villages have entered into an inter-municipal development plan (IDP) regarding lands on the southwest shores of Pigeon Lake. The IDP addresses coordination of development proposals and outlines requirements that would trigger preparation of area structure plans. The IDP also includes requirements for road maintenance and construction standards. An agreement whereby the summer villages contribute towards the maintenance of the County controlled road that services them has been reached as well. Further, the IDP contains an annexation agreement component whereby the County agrees not to oppose annexation of County land to a summer village if the lands consist of small residential lots that are accessed through a road controlled by a summer village.

TOWN OF WAINWRIGHT / MD OF WAINWRIGHT NO. 61

In 1998-99, the Town of Wainwright and the MD of Wainwright engaged in a joint negotiation to develop an IDP. The plan contains provisions for a number of best practices including an IDP committee consisting of two councilors, an administrator, and development officers from each municipality along with a rate payer representing the fringe zone. This committee conducted negotiations and public meetings to develop the IDP. The committee is involved in good faith negotiation relating to annexations and development within an established fringe zone. As a result of this positive working relationship there has never been a contested annexation between the municipalities. The municipalities are in the process of updating the IDP to better integrate a long-term development plan for the fringe zone taking into account each municipality's need to grow.

Regional Water Services

EDMONTON REGIONAL WATER CUSTOMERS GROUP

The Edmonton Regional Water Customers Group includes Strathcona County, the City of St. Albert, the Town of Morinville, the Capital Region Southwest Water Services Commission and the Parkland Regional Water Services Commission. This

group obtains water from the City of Edmonton through water supply agreements with EPCOR Water Services Inc. For more than 30 years, their cooperative alliance has enabled over 50 municipalities to jointly manage their water supply needs such that the most efficient use of water is achieved at the lowest possible cost. In addition, conservation measures, water demand issues, infrastructure requirements, water education and other critical measures for water use are jointly planned, managed and implemented to ensure the most cost efficient investment of resources into critical water infrastructure for the mutual benefit of both EPCOR and its regional customers.

Water rates and supply terms are collectively reviewed, negotiated and tested before the Alberta Energy and Utilities Board to ensure the fairest rates and terms of supply are maintained. All of these benefits are jointly achieved by the members of the Edmonton Regional Water Customers Group without surrendering their local autonomy to set their own water rates for their own customers, plan their own budgets and infrastructure needs, and encourage and support future growth in their respective jurisdictions by providing a secure, cost-effective and reliable source of water. Bigger is not also better but working together cooperatively, innovatively and with autonomy and accountability is always better.

LETHBRIDGE REGIONAL WATER SERVICES COMMISSION

The Lethbridge Regional Water Services Commission was established in 2003 by the County of Lethbridge and the Town of Coaldale and they maintain equal representation on the Commission Board. Purchasing all of its water supply from the City of Lethbridge, the Commission facilitates water supply to County customers closest to the City, to the Town of Coaldale and beyond the Town of Coaldale to residential and industrial customers of the County. Since its establishment, the Commission has also helped facilitate a reliable water supply to the Town of Coalhurst, bringing the number of urban and rural parties affected to a total of four.

STARLAND REGIONAL WATER AUTHORITY

Recognizing a need to establish a secure and safe supply of potable water, Starland County, Village of Morrin and the Village of Munson established the Starland Regional Water Authority in 2004. The Authority purchases all of its potable water supply from the Town of Drumheller and has completed installation of facilities that provide for a supply to all of its member municipalities. The Authority has recently acquired the assets of a water co-op in the area and has increased its customer base. Additionally, it will have an ongoing service relationship with a third party co-op that is a customer of the Authority.

OTHER CMP MEMBER PARTNERSHIPS

STRATHCONA COUNTY

✓ The Alberta Capital Region Wastewater Commission with the municipalities of Morinville, Bon Accord, Gibbons, Stony Plain, Parkland County, Leduc County, City of Leduc, Beaumont, Sturgeon County, St. Albert, Spruce Grove, Fort Saskatchewan and Strathcona County. For the past 22 years, this organization has provided safe, reliable, cost-efficient and environmentally responsible wastewater transmission and treatment service. All municipalities pay their full share covering both actual wastewater treatment and capital and operating costs.

✓ The completion of Anthony Henday Drive came about as a result of municipalities in the Capital Region agreeing to contribute their portion of provincial funding to complete this major roadway in view of its benefit to the entire region.

✓ Use of the Edmonton Co-composter: For six months of the year, Strathcona County sends its waste to this facility. In addition to the environmental benefits, the fees we pay help to ensure the economic viability of this facility.

✓ Strathcona County maintains 18 mutual aid agreements with its neighbours for emergency services. The County provides 911 call answering service for 41 municipalities and emergency dispatch to 17 municipalities. Also in the Heartland area, Northeast Region Community Awareness and Emergency Response is a partnership of more than 40 industries, municipalities, transportation companies and government agencies dedicated to emergency response and education.

✓ Partners in Road Construction Safety (PIRCS) is a voluntary partnership to promote construction zone safety. Partners include the Alberta Roadbuilders and Heavy Construction Association, Alberta Construction Safety Association, Alberta Infrastructure and Transportation, City of Edmonton, City of Red Deer, City of St Albert, Strathcona County, ENMAX and EPCOR.

✓ Strathcona County works closely with industrial organizations to promote a safe and healthy environment for people who live and work in the area. These include the Strathcona Industrial Association in east Edmonton and Strathcona County and in the Heartland area, the Northeast Capital Industrial Association.

✓ Other initiatives in which Strathcona County participates are the River Valley Alliance, the Inter-City Forum on Social Policy, and the Greater Edmonton Competitiveness Strategy.

All of these successful agreements are characterized by a common feature: Strathcona County and its partners voluntarily entered into each of them. Going into the future, we believe municipalities must continue to be able to choose service

levels that represent the wishes of their residents, and select cooperative service delivery agreements accordingly.

In addition to the examples provided above, Strathcona County also participates in numerous inter-municipal service arrangements ranging from Information Technology Infrastructure and Applications and FOIP services sharing (Bruderheim and Leduc), to Recreation Parks & Culture, Park Maintenance (City of Edmonton and Fort Saskatchewan), to Economic Development and Tourism (e.g. Sturgeon County) to name a few.

LEDUC COUNTY

- ✓ Leduc & District Waste Management Authority (Leduc County, City of Leduc, Calmar, Beaumont and Devon)
- ✓ Leduc County Regional Ambulance (Leduc County, Calmar, Warburg, New Sarepta, Thorsby, Summer Villages of Itaska, Sundance Beach & Golden Days, Edmonton International Airport and Parkland Ambulance Authority)
- ✓ Provision of cost shared Fire Services with City of Leduc, Warburg, Thorsby, Calmar and New Sarepta
- ✓ Provision of cost shared recreation and library services with City of Leduc, Warburg, Thorsby, Calmar, Devon, Beaumont and New Sarepta
- ✓ Intermunicipal Development Plans with City of Leduc, Beaumont and Devon
- ✓ Joint provision of FCSS with Warburg, Thorsby, Calmar, Devon and New Sarepta, and coordinated programs with City of Leduc and Beaumont

PARKLAND COUNTY

- ✓ Parkland County operates an Emergency Communication Centre (EOC) that provides 9-1-1 incoming call service to 60 municipalities representing a population of 180,000 residents. The EOC also dispatches emergency responders to calls coming from 23 municipalities.
- ✓ Parkland County, City of Spruce Grove and Town of Stony Plain, through a Part 9 company, own and operate the TransAlta Tri Leisure Centre. This is major recreation facility with indoor soccer pitches, indoor hockey and leisure ice surfaces, aquatic centre, ball & racquet courts and other fitness facilities that serves not only residents of the region, but also attracts provincial, national and international recreation events.

STURGEON COUNTY

Cooperatives Initiatives involving Sturgeon County

- ✓ Alberta's Industrial Heartland Association (3 counties, 1 city)
- ✓ North Central Regional Partnership Society (4 counties, 3 towns, and 2 villages)
- ✓ North Saskatchewan River Valley Alliance (4 counties, 1 town and 2 cities)
- ✓ Regional Tourism Initiative (1 county and 5 towns)
- ✓ Sturgeon Regional Economic Development Authority (1 county, 5 towns)
- ✓ Roseridge Solid Waste Services Commission (1 county, 5 towns)
- ✓ Capital Region Northeast Water Services Commission (2 counties, 3 towns, and 1 city)
- ✓ Alberta Capital Region Wastewater Services Commission (4 counties, 5 towns and 3 cities)
- ✓ Big Lake Basin Study Task Force (3 counties, 1 town and 3 cities)
- ✓ Big Lake Natural Area Management Plan (2 counties and 2 cities)
- ✓ Sturgeon/St. Albert IDP (1 county and 1 city)
- ✓ Northern Lights Library System (53 counties/towns and villages)
- ✓ North West Regional Utilities Study (2 counties, 3 towns and 2 cities)

New Growth Initiatives involving Sturgeon County

- ✓ 5 master plans for Alberta's Industrial Heartland Association
 - Transportation
 - Utilities
 - Financial
 - Emergency Services
 - Quality of Life
- ✓ Updating Complementary Area Structure Plans for AIHA
- ✓ Updating LUB and MDP to accommodate for three new upgraders and future major developments

TOWN OF REDWATER

- ✓ North Central Regional Partnership Society
- ✓ Northern Lights Library System
- ✓ Fire suppression agreement with Village of Thorhild
- ✓ Recreation grants program with Sturgeon County and with other municipalities with Sturgeon County's boundaries

APPENDIX B – GOA CAPITAL REGION INTEGRATED GROWTH MANAGEMENT PLAN



News release

Managing growth pressures

June 12, 2007

Capital Region municipalities' cooperation strategy unveiled

Edmonton, neighbouring municipalities to manage growth together

Edmonton... Premier Ed Stelmach has announced the terms of reference for a Capital Region Integrated Growth Management Plan, to be completed by January 2008.

The terms of reference will allow the 24 municipalities in the Capital Region and the Industrial Heartland to develop a long term, integrated management plan to support economic growth, with particular attention to the economic, social and environmental impacts on all residents of the region.

All partners recognize the need for, and desire more formal co-ordination of their efforts. Provincial leadership is essential to ensuring the highest quality of life for all residents of the Capital Region - and all Albertans - through the capture of value added activity.

"It's a fundamental part of my vision that we co-operate in building Alberta's future. To manage growth, I believe leadership by the Province and joint action by our municipalities is key to the efficient, cost-effective delivery of services," said Stelmach. "So today I'm releasing a road map towards that goal, and I'm confident it will lead to a long-term plan to support anticipated development in the Capital Region over the next 20 to 50 years."

There is approximately \$46 billion in construction projects planned, recently completed or underway in the Capital Region. Demands for public sector infrastructure will be in the billions. Meeting those requirements will require concerted and co-ordinated effort from municipal, provincial and federal governments as well as industry to minimize the impact on taxpayers.

Municipal Affairs Minister Ray Danyluk will meet with affected municipalities shortly, and a Deputy Minister steering committee, and project manager will work with municipalities to complete the plan by January 2008. Implementation of the plan will commence in Spring 2008.

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Terms of Reference

Title	Capital Region Integrated Growth Management Plan																								
Purpose	Development of a long term integrated growth management plan is needed to support anticipated economic growth over the next 20-50 years in the Capital Region, with particular attention to the economic, social and environmental impacts on all residents of the region.																								
Rationale	<ul style="list-style-type: none"> • The Inventory of Major Alberta Projects database for March 2007 indicates that there is approximately \$46 billion in construction projects planned, recently completed or underway in the Capital Region. • Demands for public sector infrastructure projects will be in the billions. • Meeting the infrastructure requirements associated with this growth will require a concerted and coordinated effort from municipal, provincial and federal governments as well as industry to minimize the impacts on taxpayers. All partners recognize the need for, and desire more formal coordination. • Provincial leadership is essential to ensuring the highest quality of life for all residents of the 24 municipalities and all Albertans through the capture of value added activity. 																								
Scope	<p>This initiative will develop i) a regional growth management plan and ii) create a management structure to implement it.</p> <ul style="list-style-type: none"> • The planning for core infrastructure and services will focus on economic development, utilities (water/wastewater, waste management, electricity, pipelines, environmental management) and transport (railways, highway/roads, airports, public transit). • The social infrastructure and services to be reviewed include elements in the areas of workforce, housing, education, health care, emergency services, policing and social services. • The plan will integrate both the core and social infrastructure and services planning needs. <p>The ultimate goal is strong communities and efficiency for the tax payer, resulting from optimal economic and community growth and sustainable environmental management. This plan will not result in amalgamation, but rather the efficient delivery of public services.</p> <p>The plan will be developed based on the principles of:</p> <ul style="list-style-type: none"> • Ensuring community identities are supported • All residents in the Capital Region benefit from the anticipated economic growth. <p>The plan will apply to the following 24 municipalities:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Beaumont</td> <td>Ft. Saskatchewan</td> <td>Morinville</td> <td>Stony Plain</td> </tr> <tr> <td>Bon Accord</td> <td>Gibbons</td> <td>New Sarepta</td> <td>Strathcona County</td> </tr> <tr> <td>Bruderheim</td> <td>Lamont County</td> <td>Parkland County</td> <td>Sturgeon County</td> </tr> <tr> <td>Calmar</td> <td>Leduc</td> <td>Redwater</td> <td>Thorsby</td> </tr> <tr> <td>Devon</td> <td>Leduc County</td> <td>Spruce Grove</td> <td>Wabamun</td> </tr> <tr> <td>Edmonton</td> <td>Legal</td> <td>St. Albert</td> <td>Warburg</td> </tr> </table>	Beaumont	Ft. Saskatchewan	Morinville	Stony Plain	Bon Accord	Gibbons	New Sarepta	Strathcona County	Bruderheim	Lamont County	Parkland County	Sturgeon County	Calmar	Leduc	Redwater	Thorsby	Devon	Leduc County	Spruce Grove	Wabamun	Edmonton	Legal	St. Albert	Warburg
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Calmar	Leduc	Redwater	Thorsby																						
Devon	Leduc County	Spruce Grove	Wabamun																						
Edmonton	Legal	St. Albert	Warburg																						

<p>Execution Plan</p>	<ul style="list-style-type: none"> • Commence in June 2007 and will be completed by January 2008. • Implementation of the plan will commence in Spring 2008. • Announce the initiative based on an approved communication plan. • Engage municipal leaders at a meeting to discuss the planned approach. • The province will appoint an implementation committee consisting of provincial deputy ministers and municipal representatives. • Engage industry and the federal government partners. <p>The project will result in 2 deliverables which will be developed concurrently:</p> <p><u>1. Regional Growth Management Plan</u></p> <p>The plan will integrate the following elements:</p> <p>a. Growth Scenario and Plans Inventory</p> <ul style="list-style-type: none"> • Develop a realistic and comprehensive scenario(s) of significant industrial projects and economic growth most likely to be pursued over the next 20-50 years. • Complete an inventory of existing industry, provincial, federal, and municipal government initiatives/plans/assessments for infrastructure and service expansion. <p>b. Core and Social Infrastructure Planning</p> <ul style="list-style-type: none"> • Assess current core and social infrastructure and service plans against likely growth scenario and identify gaps. • Create a plan to address gaps (who, what, where and when). • Develop preliminary cost estimates. • Develop an implementation plan. <p>c. Land Use Planning</p> <ul style="list-style-type: none"> • Assess current land use plans against likely growth scenarios, core and social infrastructure and service needs and environmental impacts. • Develop an integrated land use plan. • Develop an implementation plan. <p><u>2. Regional Growth Management Structure Development</u></p> <ul style="list-style-type: none"> • Create a governance model for implementation of the regional growth management plan. • A new order of government will not be created. A board will be established to implement the plan consisting of municipally-elected representatives of the existing 24 municipalities in the Capital region. • The board must be empowered to make timely decisions. The voting model will balance the principle of representation by population, blended with the principle of one council one vote, as recommended by the Minister’s Council on Sustainability. • Identify timelines, roles, responsibilities and funding for the plan. • Draft legislation if required.
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APPENDIX C – THE COSTS AND BENEFITS OF REGIONAL GOVERNMENT

THE CANADIAN EXPERIENCE

Razin and Smith (2006) contributed to and edited an cumulative work of experts in municipal governance models which examined the success of the Canadian municipal governance models (and international models), namely the municipal amalgamations of metro Toronto, Ottawa-Gatineau, Montreal, Winnipeg and the regional government model of the Greater Vancouver Regional District (GVRD).

One of the major objectives of the book was:

“1. To present an account of recent local government reforms in major Canadian metropolitan areas and to evaluate metropolitan governance and reforms in these metropolitan areas. Proposed criteria for evaluation include (a) access: representation, accountability and equity; (b) service: efficiency and effectiveness; and (c) metropolitan sustainability.”

The findings regarding this objective follow. They consist of excerpts from the report and are all quotes.

Evaluation of Outcomes

Toronto

The most negative assessment is that the 1998 Toronto reform led to negative effects in terms of service delivery, funding, capacity to plan and invest in infrastructure, accessibility, coordination of economic development and marketing. Major problems concerned the downloading of responsibility for social housing and social services, difficulties in the harmonization of services, problems in investment in infrastructure and public transportation, and lack of consideration of means to control sprawl. Their overall assessment – though limited to the Harris Megacity Toronto changes – is thus negative according to efficiency and sustainability criteria, mixed according to accountability criteria, and positive only with respect to fairness. [...] Stewart provides a more positive view of the Toronto reform, but this concerns elite and public attitudes toward the reform rather than evaluation of its outcomes. Benefits associated with greater economic and political power of the amalgamated city of Toronto are plausible, but need to be validated empirically (p. 14)

Ottawa-Gatineau

Both the chapters on Ottawa-Gatineau and Montreal find it difficult to provide a definite verdict on outcomes, due to the lack of sufficient time perspective. In the case of Ottawa, policy statements on smart growth, compact urban form, denser development and social sustainability were expressed, but impact is still unclear. Equity should have been enhanced by the amalgamation through equalizing resources across the region. However, when central city and weak cities lose power to dominant electoral power of affluent suburbs this effect could be eroded. Andrew deals also with aspects of minority representation, gender and rural representation, noting that in the amalgamated city of Ottawa suburbs are underrepresented versus central city and rural areas. As to cost savings, in the short term there is a prominent impact of amalgamated costs that are usually underestimated, including equalization of salaries and service levels. It is too early to assess long term savings due to economies of scale (relevant only to amalgamating very small municipalities) or reducing

duplication. The bottom line for Ottawa seems to be that a major reorganization did take place, but its impact seems to be fairly limited (p. 15).

Montreal

In Montreal it is virtually impossible to assess a reform that was never fully implemented and is still being restructured. The result, while seemingly chaotic, may end with a complex four-tier municipal structure for the metropolitan area. These include the weak top-tier metropolitan structure (CMM) that encompasses the whole metropolitan region, the new second-tier agglomeration of Montreal that encompasses the whole island of Montreal, including the municipalities that chose to de-merge, the city of Montreal and the 15 de-merged municipalities that form a third-tier, and the relatively powerful boroughs within the city of Montreal at the bottom-tier. It is difficult to envision the end result of such a complex and major restructuring that aims to balance considerations of equity, representation and efficiency. So far it seems that the provincial government has gained power, intervening more and ruling by decrees at the urban level since 2002. Moreover, despite the apparent inconsistency of the metropolitan reform agenda, there has been a clear continuity in aiming at greater fiscal equity within the metropolitan area, and even the de-merger option does not free the de-merged municipalities of sharing the fiscal burden of servicing the whole island of Montreal. A possible return of the PQ rule in Quebec by 2007/8 could either re-complicate or simplify Montreal area governing (p. 15)

Winnipeg

The overall outcome of the 1972 Unicity Winnipeg reform is assessed to be positive. Its main achievement was the equalization of general municipal revenues. It also enhanced the control of the council over a variety of municipal functions, through abolishing special-purpose bodies that led to fragmentation and blurred accountability. A problem observed in Winnipeg concerned the excessive focus on structure, neglecting function (who does what?), particularly legalistic rigidity of provincial legislation. The new City of Winnipeg Charter promises more autonomy for metropolitan Winnipeg, but, like British Columbia's similar Community Charter, its impact remains uncertain (pp. 16-17)

Greater Vancouver Regional District

Perhaps the most positive assessment of metropolitan governance comes from British Columbia – a province that did not follow the approach of most of Canada's other provinces, which throughout recent decades went through substantial amalgamation and annexation reforms that kept metropolitan fragmentation low. The Greater Vancouver Regional District performs a long list of voluntary functions and a few mandatory ones, being comprehensive in territory but flexible in function. The metropolitan political culture of the Vancouver region is characterized by locally inspired development of regional institutions, employing methods of gentle imposition by the province, and avoiding the bureaucratic build-up and duplication often associated with full-blown two-tier regional governments. In recent years, the emphasis on cutting costs and red tape has taken hold also in Vancouver. If accountability and efficiency are zero sum (not necessarily true), then the pressure also in Vancouver is toward efficiency. The challenges of the 21st century in Canada's third city region are very much on the accountability side; further reform seems necessary but unlikely in the short or even medium term (p. 17).

In Conclusion

A few general messages from all these Canadian case studies seem particularly worth noting:

1. The Canadian version of metropolitan reforms tends to emphasize equality considerations – sharing fiscal burdens throughout the metropolitan regions. This emphasis is in line with the marked tendency in Canada to impose reforms that concern structures, amalgamations, annexations and the establishment of metropolitan structures. (p. 16).
2. Weak metropolitan upper-tier bodies ... experience[d] in Toronto with the Greater Toronto Services Board (GTSB) and in Montreal with the CMM ... tend to suffer from lack of accountability and popular support ... [are] weak politically and suffer from duplication of tasks performed also at the lower municipal level, and occasionally even at the upper provincial level. The problem of accountability at the regional level is evident

even in the successful [Greater Vancouver Regional District] model. ... Thus, their continued existence and political power depends on either provincial backing or structural reform. (p. 16).

3. Sub-municipal neighborhood level governments – termed resident advisory committees, community boards, neighborhood councils and the like – frequently established to alleviate accountability problems associated with large scale amalgamation reforms also seem to usually become rather weak hardly fulfilling expectations. In fact, in some cases they can even be argued to serve as a mere fig leaf to principles of local democracy and the preservation of local identities and prove to be unstable. In the case of Montreal, substantial powers have been awarded to the sub-municipal boroughs within the city of Montreal, and it is yet to be seen which of the tiers of local government in Montreal will emerge more powerful once implementation takes place in 2006. In Winnipeg, the Resident Advisory Groups (RAGs) floundered due to lack of funding and lack of any meaningful decision-making capacity (p. 17)

4. Amalgamation reforms pose the risk of making access of the public to their elected councillors more difficult, increasing the ratio of population per councillor. Thus, one can expect less direct citizen participation in municipal decision making, and perhaps greater influence of developers and lobbyists (p 18).

The bottom line

The Canadian experiences indicate that both weak metropolitan mechanisms and neighborhood-level governments tend to be unstable, often not fulfilling expectations. Moreover, it seems that only old regionalism deals effectively with sharing fiscal burdens, whereas new regionalism approaches can be effective in development. The much praised Vancouver metropolitan governance system ... reflects much more Canadian political culture, characterized by greater acceptance of senior levels of government as fair brokers, trust in a culture of negotiation, compromise and consensus building that supports notions such as “gentle imposition” (Tennant & Zirnhelt, 1973). ... One could argue that the latest round of Canadian reform overemphasizes the impact of political-administrative territorial configurations on metropolitan development, whereas most metropolitan problems require reform in processes rather than in structures (p. 22)

THE VIRTUES OF DECENTRALIZED LOCAL GOVERNMENT

Staley (1992) prepared a Policy Analysis paper for the Cato Institute (Washington, D.C.) on the virtues of decentralized local government. He concluded the solution for regions to compete successfully in a growing global economy lay in a “competitive, decentralized government system” and that the “goal can be reached only by avoiding a consolidated, monopoly regional government system that depends on one organization to provide all public goods. A decentralized, fragmented political system that is competitive and responsive can achieve that goal.”

The following passages are all excerpts form Staley (1992)¹², with minor modifications.

The “regionalization” trend [of the early 1990’s in the US] is likely to exacerbate the problems it is intended to solve. Although there are legitimate concerns about cooperation among local governments, particularly on large public projects such as road and sewer systems, a more consolidated local government structure would probably decrease the ability of local governments to provide public goods efficiently and cost-effectively. Attempts to consolidate governmental authority imply that public goods and services are best handled by a single comprehensive organization. Experiences with regional attempts to solve local problems have confirmed the worst fears of opponents of regional government about the excesses of monopoly government.

The solution is more likely to be found in a competitive, decentralized governmental system. Instead of undermining the diverse interests that make up metropolitan America, urban policy should free political markets to ensure that the desires of local residents are fully expressed in the policymaking process and the

¹² This research report was available in HTML on the Cato Institute website and did not include page numbers.

private sector is given the fullest possible latitude to provide needed goods and services. Public services are often provided more effectively and efficiently through privatization, which allows private markets to develop innovative new services and products that reflect the changing needs and wants of local consumers. That goal can be reached only by avoiding a consolidated, monopoly regional government system that depends on one organization to provide all public goods. A decentralized, fragmented political system that is competitive and responsive can achieve that goal.

Several policy recommendations followed from his analysis.

- Cooperative agreements should be pursued by local governments when the situation requires a joint solution.
- Local governments should be strengthened through higher levels ... [and] allowed to enter into contracts and avoid unwanted consolidations or annexations.
- Local government consolidations should be discouraged because they are likely to destroy the competitive political foundation on which democratic societies depend. Representation cannot be secured by reducing citizens' and voters' opportunities to participate. Local government policymakers should concentrate on strengthening the competitive political process to ensure that local institutions protect community and neighborhood interests.

Conclusion: Bigger Is Not Better

The conventional wisdom in policy circles still embraces the belief that monopoly governments are able to solve the problems of the modern city. That belief exists despite substantial evidence that local governments, like all governments, act as Leviathan, exploiting constituents to further enhance their own power and authority.

The tendency toward monopolization of local government power is now challenged by the growth of diverse suburban communities that have differing goals. The result is a truly competitive local government structure that allows the diverse interests and preferences of the metropolitan community to be expressed through the political system. Political competition, in this respect, is an essential and beneficial outcome of metropolitan growth.

In this context, an important step toward improving local public service delivery is to acknowledge that there may not be a single, most efficient way of producing public goods and services. Consolidating functions within regional bodies presumes that a unitary government is most capable of providing an entire range of services and products. The reality of modern metropolitan America is that the diverse communities that ring central cities harbor residents who have varying interests and preferences in public services. The provision of public services is best left to private markets that are free to provide services over market areas determined by consumer preferences rather than within politically determined geographic boundaries. The urban and community development problems of modern cities will not be solved by extending the authority of monopoly governments. On the contrary, the interests of the community are likely to be better served by enhancing the authority and responsibilities of a decentralized, fragmented governmental system.

METROPOLITAN CONSOLIDATION VS. METROPOLITAN GOVERNANCE

Savitch and Vogel (2000) examined two main routes to regional governance: metropolitan consolidation (a government structure and strategy) and metropolitan governance (a governance approach) in terms of their ability to reduce disparities between the cities and their suburbs and enhance the ability of the city-region to compete in the global economy. According to this paper, “leaders in Louisville, KY and Jefferson County, IN have pursued a strategy of metropolitan consolidation over the last half-century without success.” (p. 198)

The following passages have been reproduced from the report:

The Louisville metropolis has a population of about one million spread over eight counties in Kentucky and southern Indiana. The city's share of the county population declined from 76 percent in 1950 to 38 percent in 1999, whereas the population of the remainder of the county increased every decade. There are 116 local governments in Jefferson County. Aside from the City of Louisville and Jefferson County government, there are 85 small cities and 29 special districts (p. 199). About 22 percent of the county residents reside in the 85 small cities, most of which are located in the growing eastern suburbs of the county. Ten of these cities are general purpose municipalities offering a comprehensive mix of services, including police. However, the remaining 75 are akin to neighbourhood governments, matching subdivision boundaries. Few offer services beyond garbage collection and, in some cases, supplemental police road patrol through small police departments or by contract with county government (pp. 199 - 200).

The evidence to date suggests that consolidation would neither narrow the city-suburban gap nor deal with the problems at hand. Leaders frequently suggest that a merger will be a boon to population growth and economic development, but this is not likely. On paper, Louisville would record a higher population count and appear more affluent. However, its metropolitan population would remain unaffected: those living in poverty in the inner city would be just as poor after consolidation as before. People may feel good about having a "larger city," but urban realities would remain the same (pp. 210 and 211).

Regionalism that builds on the basis of trust and respects the integrity of existing municipalities may yield greater benefits than ill-conceived and unlikely merger proposals that increase distrust and divisions in the county (p. 211)

THE SUCCESS OF LOCAL GOVERNMENT NETWORKS

LeRoux (2006) examined "community conferences"¹³, a type of voluntary association of local governments that resemble smaller-scale versions of "councils of governments"¹⁴ in the Metro Detroit region to determine the effectiveness of these organizations in brokering several types of regional cooperation including service-sharing arrangements. The Metro Detroit area represents forty-one urban communities.

Findings suggest that community conferences are effective vehicles at the community level in that they create regional social capital and contribute to a sense of collective identity by providing regional political representation and mobilizing voters around issues that affect the region. They are also highly effective at the participant level, as they enhance the legitimacy and increase the resource acquisition capabilities of member local governments. Moreover, participating local governments indicate that community conferences are more valuable affiliations for their jurisdiction than their membership in the local council of governments. However, community conferences are less effective at the network level, as local political

¹³ Community conferences are a type of local government association, generally a small consortium of five to twenty general-purpose local governments linked together in a series of coordinated action through an administrative organization. [They are] similar to COGs in that they are voluntary associations, comprised of dues-paying member local governments. Their representation structure is also similar to COGs, as they are governed by a board of directors consisting of the chief elected officials (or an appointee) from each participating jurisdiction. The feature that makes community conferences dramatically different from COGs is that their membership is much smaller and limited to a specific geographic region within a metropolitan area. Thus, their interests and policy objectives are much more localized than those of metropolitan-wide councils of governments (LaRoux, 2006, p. 4).

¹⁴ COGs are voluntary associations of local units of government that exist for the purpose of coordinating action among member governments on regional issues. Many urban scholars contend that these organizations are ineffective for achieving regional cooperation on any meaningful scope or scale (LaRoux, 2006, p. 3)

barriers limit their abilities to reduce service duplication and to coordinate municipal services (p. 1).

ECONOMIC ASSESSMENT OF GREATER EDMONTON AMALGAMATION

In 2006 Leduc County commissioned a study on the Economic Costs of Municipal Amalgamation (Applications Management Consulting Ltd., 2006). The report provided an “analysis of the economic costs and benefits of municipal amalgamation, in general, and more specifically, within the context of the City of Edmonton and the surrounding municipalities in the region.” It was based on a literature review focused on basic arguments advanced in support of amalgamation, the findings of which are summarized below (all of the following is reproduced from pp. 3 and 4 of the Executive Summary).

1. The elimination of costs from duplicate positions and functions across municipalities.

Findings: Cost savings are often offset or reversed by one-time harmonization and integration costs (transformation costs) associated with amalgamation. And, integration of services often results in raising the salaries and benefits of remaining employees to the level of the higher costs provider.

2. Economies of scale from amalgamation

Findings: Economies of scale exist for capital intensive services (e.g. roads), but not for labour intensive services (e.g. policing). The latter requires greater coordination and planning leading to an increase in staffing leading to diseconomies of scale (i.e. municipal costs per capita increase with the size of the municipality). Also, inter-municipal competition for some services and cooperation in others can be the best formula to reduce municipal costs.

3. Elimination of spillover effects (i.e. when one municipality uses the services paid by another)

Findings: Measuring spillover costs is challenging and the allocation of these costs to users through a redesigned tax service structure among the amalgamated municipalities can be difficult to sell if taxes increase without perceived improvement in services. In the Edmonton context, the use of infrastructure and services by non-residents is often the result of work to home trips for which Edmonton gets the benefit of the associated non-residential (e.g. business) assessment.

4. That amalgamation has a harmonizing effect on the types and levels of services and their associated costs

Findings: Amalgamation tends to lead to higher costs since services tend to equalize to the municipality that provides the highest level of service. In addition, harmonization causes a loss of local identity and reduces political responsiveness and the ability of ratepayers to influence political decisions.

APPENDIX D – ACRA REGIONAL GROWTH STRATEGY

Faced with the challenge of collectively planning for a projected \$30 – 40 Billion investment in 4-6 bitumen upgraders over the next ten years in the Capital region, there is need to develop a “game plan” to manage growth and share the costs of the infrastructure demands. In January 2005, the Alberta Capital Region Alliance (ACRA) initiated a region-wide stakeholder process to develop a new five year Strategic Business Plan. Edmonton did not support the 2006-2011 Strategic Business Plan Business Plan because it believes the long term approach would be too late to carry out the collective actions needed immediately to address pressing development issues in the region.

At the January 4, 2007 Board meeting ACRA adopted a new non-consensus based decision-making framework that employs a double majority approach based on two thirds of the municipalities and fifty percent of each of the three municipal categories (city, county, or town/village). With this in place, ACRA’s challenge is to develop a Regional Growth Strategy to ensure planning for land use, transportation, environmental protection, sustainable economic development, and social equity is integrated at a regional level. Regional growth management goals and objectives must also be embraced at the local level.

In January 2007, ACRA released an RFP for a Regional Growth Strategy. This action was supported by 22 of the 23 municipalities (Edmonton did not support the approach). There are two major components of a Regional Growth Strategy; the creation of a desired future in the form of a vision and goals, and the development of land use, economic, and social policies to support and implement the vision/goals.

The new Vision will form the basis of the Policies in the new Regional Growth Strategy, (see Step 6). The Policies would be initiated in April 2007 in five steps:

- Step 1: inventory & review key policies of existing planning documents (2 months)
- Step 2: inventory existing land use & infrastructure on regional GIS (3months)
- Step 3: prepare population, social, economic, (and other pertinent factors) forecasts & modeling (3 months)
- Step 4: assess critical short & long term regional challenges & needs (3 months)
- Step 5: incorporate Vision statements & goals, into regional growth policies (2 months)
- Step 6: develop Regional Growth Strategy plan based on the Vision & Polices (3 months)

To date, ACRA has received a proposal from Envision to do the work and applied for funding from Alberta Municipal Affairs and Housing.