AUMA Position Paper

Multi-jurisdictional Planning

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Alberta Urban Municipalities Association

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PREFACE TO THE FEBRUARY 2007 POSITION PAPER

The *February 2007 AUMA Position Paper* on *Multi-jurisdictional Planning* is intended for consideration through the Government of Alberta Provincial Land Use Framework process. This paper is based upon an earlier draft policy discussion paper that was presented at the AUMA Conference in October 2006 and has been subsequently revised in consultation with AUMA members throughout the fall and winter of 2006 - 2007. The insights gleaned from that consultation, which included the full spectrum of views held by AUMA members, have enriched this position paper.

This paper represents an important step in the process toward establishing AUMA positions on the Provincial Land Use Framework. A cornerstone of this position paper is that multi-jurisdictional planning must be addressed before more specific land use issues can be resolved. Over the course of 2007, AUMA will continue to develop positions on the Provincial Land Use Framework in consultation with AUMA members and other stakeholders such as AAMDC and Alberta Municipal Affairs. Key components of the AUMA consultation process through 2007 are proposed to include:

March 2007	Discussions with AAMDC on the position papers of both organizations, with the goal of submitting a joint AUMA/AAMDC letter to the Government of Alberta expressing areas of common ground and mutual interest.
May 2007	Presentation of the AUMA position paper, joint AUMA/AAMDC letter, consultation process, and a proposed tool kit on regional strategies to AUMA members through regional workshops.
Summer 2007	AUMA President's Summit on multi-jurisdictional planning and the Provincial Land Use Framework.
November 2007	**AUMA Conference Resolution and Policy Paper based upon presentations and education sessions addressing multi-jurisdictional planning and an update on the proposed tool kit on regional strategies.**

The main objective of this paper is to establish a position for AUMA to take as it engages in discussions on the Provincial Land Use Framework. With reference to that objective, two aspects of this position paper require clarification. First, the primary intent of this paper is to address multi-jurisdictional planning, which is only one dimension of the proposed Provincial Land Use Framework. AUMA has been developing a number of policy positions with respect to land use in Alberta and is keenly interested in participating in the formulation of the Provincial Land Use Framework. Nonetheless, AUMA has received a clear message from its members that the broader framework of multi-jurisdictional planning must be addressed before more specific land use issues can be resolved. **Second, further consultation will be required to advance the AUMA positions. AUMA continues to welcome commentary on this document from all its municipal, Provincial, community, and industry partners.**

EXECUTIVE SUMMARY

The purpose of this position paper is to raise multi-jurisdictional planning as a fundamental topic for discussion in the formulation of a Provincial Land Use Framework. Although AUMA has been developing a number of policy positions with respect to land use in Alberta, this paper takes the position that the broader framework of multi-jurisdictional planning must be addressed before more specific land use issues can be resolved.

The main topics covered in this position paper include:

- components of an AUMA vision for Alberta
- major themes identified through consultation with AUMA members
- proposed definitions for some key terms to be discussed through the Provincial Land Use Framework process
- the current intermunicipal and regional situation in Alberta
- key intermunicipal and multi-jurisdictional planning issues identified by AUMA
- effectiveness of the current Provincial Land Use Policies with respect to intermunicipal and multi-jurisdictional planning issues in Alberta
- options for multi-jurisdictional planning
- recommendations for multi-jurisdictional planning in Alberta.

AUMA acknowledges and continues to support the empowerment that the 1994 *Municipal Government Act* bestowed upon municipalities in this Province. Such empowerment needs to be enhanced, however, within a framework of stronger Provincial guidance guaranteeing effective multi-jurisdictional planning.

RECOMMENDATIONS

This position paper recommends that multi-jurisdictional planning in Alberta be based upon the following policy directions, which are supported by the discussion, analysis, and evaluation presented in the Paper:

- maintenance of the local autonomy and empowerment provided to municipal governments in the 1994 Municipal Government Act
- stronger Provincial Land Use Policies with respect to multi-jurisdictional planning
- Provincial requirement by Regulation of multi-jurisdictional planning processes for all municipalities
- Regulations requiring that multi-jurisdictional planning processes address matters including:
    - growth management
    - land use and density
    - sustainability planning
    - transportation planning
    - intermunicipal dispute resolution processes
    - tax-sharing, cost-sharing, and revenue-sharing
- specific Provincial direction, by Regulation, for land use planning in transition areas between municipalities
- greater coordination and integration of Provincial land management activities with multi-jurisdictional planning, including sale of Crown land to municipalities.
- Provincial legislation guaranteeing that if/when electors vote to dissolve their municipalities and incorporate them into larger municipalities, the decision by vote of the citizens will be immediately implemented.
- Assurance of a long-term framework through the entrenchment of the recommended Regulations in legislation.

Other matters addressed in this paper warrant further consideration through consultation among AUMA, AAMDC, the Minister's Council on Municipal Sustainability and the Government of Alberta. Such matters include:

- incentives and sanctions relating to multi-jurisdictional planning
- specific Provincial direction for sustainability planning that integrates environmental, social, and economic sustainability by taking into account matters such as:
    - growth management
    - land use planning
    - transportation planning
    - interjurisdictional coordination
    - ecological regions, watershed management, and air quality
    - protection of agricultural land

- commercial and industrial development
- housing choice and affordability
- schools, parks, natural areas, trails, recreational facilities, and community services
- coordination across municipal boundaries and within transition areas between municipalities
- appropriate policies for addressing changes to municipal boundaries
- citizen engagement in regional matters.

1.0 INTRODUCTION

1.1 VISION

AUMA has been developing a vision and a number of policy positions with respect to land use in Alberta, which will be elaborated and presented through further consultation on the Provincial Land Use Framework. Notwithstanding the need for refinement and consultation, the AUMA land use vision for all Albertans can be expressed according to the following key components:

- environmental, social, and economic sustainability (triple bottom line)
- clean environment and healthy communities
- protection and proper management of natural resources and agricultural land
- community and economic development
- efficient land use, density, and service provision
- responsible fiscal management and governance by autonomous local governments
- effective multi-jurisdictional planning and growth management.

AUMA considers that the last component on this list, effective multi-jurisdictional planning and growth management, is a necessary pre-condition to achieving all other components of a meaningful land use vision.

The fundamental standpoint of this paper is that Alberta needs a common vision for sustaining health, environmental integrity, education, equal opportunity, choice, prosperity, and community vitality for all Albertans. AUMA is committed to assisting the Province in developing such a vision in collaboration with governmental, community, and industry partners, including AAMDC and the Government of Alberta.

1.2 THEMES

The central assertion of this paper is that the Government of Alberta and its municipalities should work as partners in supporting multi-jurisdictional planning. In many quarters of Alberta the view is emerging that reliance on voluntary cooperation is not working where land use perspectives among affected municipalities diverge. Although voluntary intermunicipal cooperation is a laudatory goal at the Provincial level and has served as the basis for most Intermunicipal Development Plans, that cooperation is threatened when current planning approvals at the municipal level create concerns in neighbouring municipalities.

This position paper is based upon eight overarching themes:

1. The most appropriate level of government for building sustainable neighbourhoods, communities, and regions is the municipality.

2. Local government is enhanced by multi-jurisdictional planning based upon mutual interest in addressing common issues that transcend municipal boundaries.

3. It is desirable to reduce inter-jurisdictional conflict. This will require negotiation with respect to joint planning and agreed-upon service provision and cost/revenue-sharing.

4. It is helpful to consider different models of multi-jurisdictional planning, but it is not appropriate to consider additional tiers or layers of local or regional government in Alberta.

5. Although certain distinctions between urban and rural persist, other distinctions have become blurred.

6. Alberta is becoming more diverse, both within regions and across the Province.

7. It is appropriate to discuss regional settlement patterns, land use planning, efficient service delivery, and economic development while providing for local autonomy.

8. It is important to acknowledge fiscal inequities among municipalities, although this paper does not examine all options for addressing such inequities.

Community development in Alberta must transcend municipal boundaries by embracing multi-jurisdictional planning based upon both Provincial guidance and agreement among municipalities. It is the responsibility of the Government of Alberta and the municipalities in this Province to provide leadership, direction, and resources in support of multi-jurisdictional planning, with the object of improving the quality of life for all Albertans.

2.0 DISCUSSION

2.1 DEFINITIONS

As AUMA formulates a position with respect to multi-jurisdictional planning, it is important to establish and communicate clear definitions of key terms such as region, multi-jurisdictional planning, urban, and rural. It is noted later in this discussion that many of the traditional distinctions between urban and rural are becoming blurred. It is necessary for all municipal, Provincial, and non-governmental partners in this discussion to agree on definitions of key terms. Some commonly used definitions are offered here to initiate the process toward common understanding.

Government — *a system or organization used for exercising the political and administrative authority of the state.*

Governance — *the act or manner of governing.*

Confusion often exists between government and governance. It is important to have a common understanding of the distinction between these two terms.

Multi-jurisdictional Planning — *joint planning of land use, development, resource management, and service provision by multiple jurisdictions with common issues.*

True multi-jurisdictional planning includes all affected local authorities and all levels of government. In addition to municipalities, the Province needs to act as a full participant in the multi-jurisdictional coordination of planning processes where Provincial resource and land management agencies, policies, and leasing mechanisms affect municipal planning and growth management.

Region — *a geographic area comprising multiple jurisdictions for the purposes of joint planning, resource management, and service provision, with flexible boundaries determined by common interests and issues.*

It is not the purpose of this discussion to define particular geographic regions in Alberta. When and where appropriate, such regions may be determined based upon economic trade areas, watersheds, commuter sheds, ecological regions, or logical service provision areas. Furthermore, regions should be organized around common issues and services that transcend municipal boundaries.

Rural — *a type of settlement, land use, and development with population, population density, built form, and both ranges and levels of municipal services that are relatively lower or less intensive than neighbouring or comparable areas of urban development. Economic activities typically found in rural areas include land-extensive agriculture, resource extraction and development, and industries that benefit from large, relatively less populated areas of land.*

Sustainability Planning — *planning that integrates environmental, social, and economic sustainability by taking into account matters such as:*

- *growth management*
- *land use planning*
- *transportation planning*
- *interjurisdictional coordination*
- *regional business planning, tax-sharing, cost-sharing, and revenue-sharing*
- *ecological regions, watershed management, and air quality*
- *commercial and industrial development*
- *housing choice and affordability*
- *schools, parks, natural areas, trails, recreational facilities, and community services*
- *coordination across municipal boundaries and within transition areas between municipalities*
- *appropriate policies for addressing changes to municipal boundaries*
- *citizen engagement in regional matters.*

Transition Areas — *Areas outside current contiguous boundaries of urban municipalities, where change from one state to another occurs.*

Many definitions or distinctions between urban and rural do not address areas of overlap in the types of settlement, land use, and development that may be found in the transition areas between municipalities. The land uses in those transition areas are affected by and in turn influence services, access, and proximity to other activities within the neighbouring municipalities.

Urban — *a type of settlement, land use, and development with population, population density, built form, and both range and level of municipal services that are relatively higher or more intensive than neighbouring or comparable areas of rural development. Economic activities typically found in urban areas include land-intensive commercial and industrial uses that benefit from access and proximity to other similar or varied land-intensive activities and high residential populations.*

The relative definitions used for the purposes of this paper recognize observed conditions in Alberta and the variety in the types of municipalities set forth in the 1994 Municipal Government Act (MGA). For example, Sections 78 through 83 of the MGA differentiate among municipalities according to criteria such as subdivision characteristics and population.

It is acknowledged that the definitions of urban and rural presented here are relative rather than absolute. Nonetheless, consensus may emerge among AUMA and its municipal and Provincial partners that absolute definitions, which draw clear distinctions between urban and rural, may be appropriate.

LEGISLATIVE CONTEXT

78 A municipal district may be formed for an area in which

(a) a majority of the buildings used as dwellings are on parcels of land with an area of at least 1850 square metres, and

(b) there is a population of 1000 or more.

80 A village may be formed for an area in which

(a) a majority of the buildings are on parcels of land smaller than 1850 square metres, and

(b) there is a population of 300 or more.

81 A town may be formed for an area in which

(a) a majority of the buildings are on parcels of land smaller than 1850 square metres, and

(b) there is a population of 1000 or more.

82 A city may be formed for an area in which

(a) a majority of the buildings are on parcels of land smaller than 1850 square metres, and

(b) there is a population of 10,000 or more.

83 A specialized municipality may be formed for an area

(a) in which the Minister is satisfied that a type of municipality referred to in section 77(a), (b), (c), (d) or (e) does not meet the needs of the residents of the proposed municipality,

(b) to provide for a form of local government that, in the opinion of the Minister, will provide for the orderly development of the municipality to a type of municipality referred to in section 77(a), (b), (c), (d) or (e), or to another form of specialized municipality, or

(c) in which the Minister is satisfied for any other reason that it is appropriate in the circumstances to form a specialized municipality."

2.2 REGIONAL SYSTEM IN ALBERTA

The present Alberta system features:

- primary reliance on voluntary cooperation among municipalities for addressing regional issues
- Provincial influence through integrated land management planning in parts of Alberta with significant resource industries, sparse populations, and large areas of Crown land
- limitations in potential future land inventories for outward expansion of urban centres

- inequalities among municipalities in certain regions with respect to revenues from industrial assessment and costs of service provision
- cost-sharing and revenue-sharing mechanisms are not provincially mandated and therefore are not systematically applied across Alberta.
- intermunicipal Development Plans that may address bilateral issues but not necessarily regional growth management and planning
- continued economic growth and diversification, net in-migration, a mobile workforce (including temporary workers), changing locational criteria for new industries, and demands for population-sensitive capital formation that create further growth and development pressures (which are all characteristics of metropolitan areas)
- an acknowledged need for regional approaches to growth and development to deal with unprecedented growth demands.

Although the 1994 Municipal Government Act (MGA) has eliminated certain distinctions between urban and rural, it still enables a range of municipal government types and sizes. It empowers municipal governments to a greater degree than previous legislation and relies heavily on voluntary cooperation among municipalities to address multi-jurisdictional issues.

It has been observed that voluntary intermunicipal cooperation in some (but not all) parts of Alberta has created "negotiation fatigue" and has resulted, in some cases, in more conflict than existed prior to 1994. In certain areas of the Province, this has placed increased demands on the Municipal Government Board (MGB) and the Minister of Municipal Affairs to resolve disputes among neighbouring municipalities.

In addition to Intermunicipal Development Plans, the 1994 MGA does enable intermunicipal and regional cooperation in joint provision of services, tax-sharing, cost-sharing, and revenue-sharing. Under the MGA, Regional Services Commissions can be established by Regulation to undertake any number of municipal functions on a regional basis including, by implication, planning. The MGA does not allow municipalities to bring intermunicipal tax-sharing disputes before the Municipal Government Board.

Although this discussion is not intended to focus on government reorganization, governance issues, or particular geographic regions in Alberta, it is helpful to acknowledge that many types of regions can be found in the Province. Metropolitan regions have been identified in and around both Calgary and Edmonton (e.g., where defined by Statistics Canada as Census Metropolitan Areas). Some regions can be distinguished by unifying natural features, such as the Oldman River region, or by major infrastructure elements, such as the Mackenzie Highway region. One of the more important regions to emerge in recent years has been the Calgary-Edmonton corridor, which may be considered a "region of regions". The Canada West Foundation finds that:

> "The Calgary-Edmonton corridor has benefited from sustained population growth and increased economic activity over the past decade. While this is extremely positive, it nonetheless places a significant burden on the available land and water resources. The urban expansion that has taken

> place in the corridor, for example, has come at the expense of valuable and irreplaceable agricultural land. The agriculture land in the corridor is some of the most productive in the province and is a potential source of wealth for generations to come. When this land is transformed into residential and commercial areas, this value is permanently lost. This begs a key question: how do we take advantage of growth in the Calgary-Edmonton corridor without unduly compromising the region's natural capital and the economic and quality of life benefits it generates?"[1]

Alberta is experiencing increasing degrees of diversity among regions. In any discussion of regional systems, it is important not to attempt "one size fits all" solutions—rather, regional approaches will need to be tailored to the needs of Alberta's distinct regions and the municipalities within them.

There can also be great diversity among municipalities within regions. It will be important to balance power relationships in future regional arrangements so that smaller municipalities, be they small in terms of population, area, or economic development, will not be overwhelmed or overlooked in relation to their larger neighbours. Fair and equitable representation will be an important concern in future discussions of regional relations in Alberta.

In consideration that "planning," "multi-jurisdictional planning," and "regional growth management" are local services that can be delivered cooperatively by multiple municipal jurisdictions, the MGA provides for Regulations that could either enable or require groups of municipalities to engage in joint planning, multi-jurisdictional planning, or regional growth management. Given that many local services are enhanced by sound planning and growth management, the engagement of multiple municipalities in collaborative planning and regional growth management could provide important benefits in the provision of regional services.

2.3 Policy Implications

The MGA is not the only legislation in Alberta that addresses regionalization of services across municipal boundaries. Other examples where Provincial legislation addresses regionalization include Health Regions, Educational Authorities, Family and Social Services Regional Authorities, and watersheds such as the South Saskatchewan River Basin.

When discussing regional services, planning, and growth management, it is important to distinguish among key municipal functions such as:

- protection of people and property
- assessment and taxation
- fiscal responsibilities to taxpayers and to senior government
- regulatory functions

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[1] Worbets, Barry, Senior Fellow, and Laura Ryan, Intern, "Alberta's 2nd Century, part of the Natural Capital Project: Running up against limits, Developing an integrated land-use policy", Canada West Foundation, (January 2006)

- service provision
- planning
    - long-range land use policy
    - growth management
    - capital budgeting
    - regulatory or “implementation” (day-to-day approvals or “current”) planning.

On a broad scale, there can be a chronic disconnection between visionary land use policy and the implementation of such policy on a day-to-day basis. For example, although voluntary intermunicipal cooperation is a laudatory goal at the Provincial level and has served as the basis for most Intermunicipal Development Plans, that cooperation is threatened when current planning approvals at the municipal level create concerns in neighbouring municipalities.

In certain cases, linkage of some municipal functions can exacerbate poor intermunicipal relations. Competition for revenue sources based upon property assessment and taxation can lead to municipal planning approvals (regulatory or “implementation” planning) motivated by short-term fiscal or economic development considerations rather than long-term strategic growth management. Competition for revenues from property assessment and taxation can be a characteristic of any system of municipal organization, including voluntary intermunicipal cooperation. Increasing potential for conflict arising from such competition, which can include urban versus rural, urban versus urban, or rural versus rural disputes, have led some municipalities in Alberta to call upon the Province to require multi-jurisdictional planning and to provide adequate funds to sustain regional cooperation.

As multi-tiered government structures have not recently been considered appropriate in Alberta, municipal planning approvals are made and must continue to be made at the local municipal level and not by some sort of second-tier government or regional authority. Nevertheless, the Province does have the authority to mandate and provide incentives for cooperative planning as well as the responsibility to adjudicate intermunicipal disputes.

For regional cooperation in service provision, regional economic development, regional land use planning, and regional growth management to work in Alberta, neither long-term strategic policy planning nor current municipal planning approvals should be based upon short-term fiscal considerations. Although local autonomy must be respected, fiscal shortfalls and intermunicipal inequities with respect to property assessment and taxation should be mitigated through either greater financial resources from the Province or cost-sharing and revenue-sharing arrangements. In either case, municipalities must be allowed:

- to provide services that meet the needs of their respective communities

- to make decisions based upon public aspirations confirmed through valid citizen engagement
- to maintain "fiscal equivalence" or the ability to allocate the costs of providing services to those who benefit from the services, and
- to achieve lower government and service provision costs,

but not to the extent where municipalities benefit at the expense of neighbouring local governments or where long-term strategic regional and Provincial goals are compromised. Recent consultation among AUMA members has given rise to the recognition that sustainability cannot be achieved by municipalities in isolation—that a municipality's sustainability cannot be gained by ignoring or compromising the sustainability of neighbouring municipalities. This observation applies to all aspects of sustainability, not just economic or fiscal sustainability.

In order to provide for fiscal equivalence and to achieve lower government and service provision costs, regulations that groups of municipalities engage in time-sensitive multi-jurisdictional planning processes should be established as described in the proposed AUMA amendments to the MGA (2005). These processes could be strengthened by also requiring regional business planning, tax-sharing, revenue-sharing, and cost-sharing policies. Cooperative fiscal policies would need to be linked to multi-jurisdictional policies on growth management, environmental sustainability, and community services.

By requiring such policies through multi-jurisdictional planning, the Minister could establish stronger incentives, direction, and enforcement of intermunicipal coordination.

As noted above, the lack of strong incentives, direction, and enforcement of intermunicipal coordination in some parts of Alberta has placed increased demands on the MGB and the Minister of Municipal Affairs to resolve disputes among neighbouring municipalities. By requiring coordination in the establishment of multi-jurisdictional planning organizations, the Minister could forestall rising demand for intermunicipal dispute resolution. By providing administrative assistance and guidance to municipalities that participate in multi-jurisdictional planning, the Province could enhance municipal capacity to achieve mutual goals, longer lasting regional partnerships, and more sustainable intermunicipal relationships.

In order to satisfy the need for adaptability across Alberta, Provincial incentives and requirements for regional growth management and planning should be based upon the strategic purposes of those activities. **It is essential that "regional growth management" and "multi-jurisdictional planning" not be confused with "regional government."** Although many municipalities in Alberta are calling for strong Provincial leadership in strategic multi-jurisdictional planning, growth management, sustainability, and, in transition areas between municipalities, planning implementation, such leadership should not result in an additional tier of government.

A clear goal toward which an alliance of municipalities could collaborate would be gaining access to significant financial incentives. The Province could require joint planning and growth management in Regulations that

establish multi-jurisdictional planning. Further policy direction for multi-jurisdictional planning and growth management could also be set forth in the Provincial Land Use Policies.

An important part of this approach is the linkage of regional service provision and multi-jurisdictional planning, growth management, and sustainability planning. The adage that sanitary sewer and water servicing facilitates development is being borne out in certain parts of the Province. Such infrastructure and concomitant development can in turn stimulate commercial and industrial assessment, which can increase intermunicipal rivalry. The situation is further complicated when municipalities receive subsidies from senior levels of government for infrastructure to provide sewer and water servicing. This cycle could be broken by basing regional servicing on multi-jurisdictional planning. Moreover, multi-jurisdictional planning and growth management in advance of regional servicing would result in efficiencies, less duplication, and long-term sustainability of servicing systems.

Competition among municipalities for land development, assessment base, residents, and service customers should not be considered detrimental to well functioning regions. In many instances, municipalities find opportunities to collaborate and form alliances in competitive environments. Regional economic development is a prime example.

Regional coordination must focus on achievement of long-term public benefits according to clearly enunciated Provincial policy goals. In this sense, the Government of Alberta's emphasis in regional growth management and multi-jurisdictional planning should be strategic. Multi-jurisdictional structures can be established according to the mutual interests and common issues of participating municipalities. Provincial legislation needs to stipulate the purpose and substance of what regional growth management and planning should address.

Finally, multi-jurisdictional planning, growth management, and service provision must be undertaken in the context of meaningful citizen engagement in regional matters. Many recent public involvement processes, particularly those related to sustainability, have proven that members of the public are not only able but also keenly interested in participating in planning exercises with broader geographical and substantive scope. Public interest in environmental, social, cultural, and economic issues transcends municipal as well as provincial and international boundaries. Appropriate citizen engagement will both add value and increase public support for multi-jurisdictional planning in Alberta. Care must be taken to ensure that there is a balance in the outcome of citizen engagement.

3.0 KEY REGIONAL AND INTERMUNICIPAL PLANNING ISSUES

Throughout 2006 and 2007, AUMA conducted a number of regional workshops for its member municipalities in order to address the Government of Alberta Provincial Land Use Framework process. Participants at those workshops identified the following intermunicipal and multi-jurisdictional planning issues.

3.1 NEED FOR COMMON VISION

Recent events have given rise to the recognition that Alberta needs a common vision for sustaining health, environmental integrity, education, equal opportunity, choice, prosperity, and community vitality for all Albertans. AUMA is committed to pursuing such a vision in collaboration with its municipal, Provincial, community, and industry partners, including AAMDC and the Government of Alberta. A cornerstone of the AUMA position is that community development in Alberta must transcend municipal boundaries by embracing multi-jurisdictional planning.

3.2 ACCOMMODATING GROWTH

Rapid growth has compelled most municipalities to re-evaluate their land use planning and growth management strategies. Demands have been placed upon municipalities to upgrade infrastructure for roads, water, sanitary sewerage, and stormwater management. The ability of local authorities to provide community services such as public safety, emergency services, recreation, education, health, and social services has also been strained by recent growth.

3.3 FINANCING GROWTH

The strong Alberta economy and stricter environmental standards are resulting in higher construction costs. Efficiencies can be achieved through multi-jurisdictional cooperation in the regional delivery of services. Municipalities are recommending a shift in Provincial priorities away from conditional grants toward more regular and stable forms of funding growth. New more sustainable and flexible means of paying for physical infrastructure and community services, including developer contributions levied by municipal governments, must be found.

3.4 EXPANSION AND ANNEXATION

Population growth has caused municipalities to look beyond existing municipal boundaries for land to accommodate residential, industrial, and commercial development. Conflict between adjacent municipalities can result in expensive, contentious, and prolonged annexation processes. Intermunicipal conflict is not limited to disputes between urban and rural municipalities over annexation. Dispute resolution processes will need to be responsive and time-sensitive to reflect trends in development, municipal organization, and Provincial policy. Intermunicipal Development Plans should be mandatory. Provincial resources should be provided to municipalities for preparation of such plans.

3.5 Multi-Jurisdictional Planning

Intermunicipal Development Plans and Joint Area Structure Plans have relied on voluntary intermunicipal cooperation and have tended to focus on planning around transition areas between municipalities. Should provincial long-term plans be brought into place, long-term municipal planning would be strengthened. Issues such as transportation, water resources, and agriculture can be neglected. Attempts to resolve such issues would benefit from a broader regional approach to planning and growth management. Multi-jurisdictional plans should also include appropriate intermunicipal dispute resolution processes.

3.6 Sustainability Planning

Municipalities in Alberta are preparing non-statutory plans such as municipal sustainability plans, integrated community sustainability plans, and growth management plans to deal with a broader range of matters beyond those normally addressed in statutory Municipal Development Plans. Multi-jurisdictional planning and growth management would be able to address these broader issues, which often transcend municipal boundaries. Regional sustainability planning processes would be particularly effective in facilitating citizen engagement in regional matters.

Recent interest in sustainability planning presents an opportunity to integrate sustainability approaches with regional growth management and regional servicing within all dimensions of sustainability (e.g.: including storm water management, surface water drainage basin management). Given that they tend to involve multiple jurisdictions, sustainability initiatives can both coordinate multi-jurisdictional planning and complement existing statutory plans adopted by participating municipalities. Alignment of municipal plans with regional sustainability plans can enhance efficiency in planning processes and reduce redundancy.

3.7 Environmental and Watershed Planning

One important part of sustainability planning is environmental and watershed planning on a regional basis. Stewardship of water resources has become an issue of prime importance for Albertans. Municipalities across the Province are engaging in environmental and watershed planning to address issues such as natural areas, wildlife habitat, ecological planning, water management, air quality, transportation, regional utility servicing, and land use policy planning in the context of regional growth. Multi-jurisdictional planning and growth management would assist in the intermunicipal coordination of such planning, which could also take ecological regions into consideration.

3.8 Protection of Agricultural Land

Protection of agricultural land is a priority for all Albertans. There are many causes for the loss of agricultural land: highways, oil and gas development, energy transmission, urban development, and country residential development. Consideration of this issue must also take into account chronic threats to the economic viability of

farming. Clear Provincial leadership in the protection of agricultural land will continue to be necessary as Alberta's population grows and demand for food increases.

3.9 Commercial and Industrial Land Development

Commercial and industrial land uses can have specific locational needs, such as visibility along major highways, and can be subject to particular mitigation requirements, such as setbacks from residential development. Intermunicipal competition for such uses can be vigorous because of the municipal assessment and property tax benefits they provide. Local decisions on suitable locations for commercial and industrial development should be made in the context of regional growth management and multi-jurisdictional planning.

3.10 Inequalities in Municipal Assessment Bases

Fiscal inequality can occur among municipalities in regions where revenues raised from assessment and property taxes may not match costs of providing services. Municipalities with disproportionately high residential assessment and low commercial or industrial assessment may need to raise residential property taxes to provide adequate levels of service. Conversely, municipalities with relatively high commercial and industrial assessment bases and low service demands from fewer residents may find themselves in surplus fiscal situations with comparatively low residential tax rates. Local planning approvals in such situations can exacerbate poor intermunicipal relations. Consideration should be given to the costs, revenues, impacts, and benefits of development on a regional basis.

3.11 Schools, Parks, Open Spaces, Trails, and Community Services

Inter-jurisdictional coordination is becoming more important in meeting local needs for schools, parks, natural open spaces, trails, recreation, and other community services such as social services and health care, particularly in relation to the assessment, taxation, fiscal management, and user-pay issues that the provision of such local services raise. As with other local functions, multi-jurisdictional planning and growth management would assist in the intermunicipal coordination of providing these services.

3.12 Density

Lower densities are less sustainable no matter where they are developed. The blurring of distinctions between urban and rural is a theme that continues to influence discussions of multi-jurisdictional planning in Alberta. Such loss of clarity has been abetted by the approval of a wide variety of densities across the Province, irrespective of location or municipal jurisdiction. Provincial guidance with respect to appropriate development densities would help create more coherent and sustainable settlement patterns across Alberta.

3.13 Housing Choice and Affordability

Providing the full range of both choice and affordability in housing and community types is an acknowledged goal of sound land use planning. Shortages in available serviced residential land can drive up housing prices, particularly in periods of rapid economic growth. Economic development can be compromised when new workers moving into

a community cannot find adequate or affordable housing. Community size can also affect the range of choices in the housing market, particularly where a wide range of builders may not be available. Municipalities in the same region can enhance economic development opportunities and the efficiency of service delivery by collaborating on housing strategies.

3.14 Right to Dissolve[2]

Consultation with members of AUMA has brought the issue of dissolution to light. Some municipalities take the view that Albertans in certain parts of the Province would be better served if their local governments were dissolved into larger municipalities. When a municipal council requests a Dissolution Study, the Study should be granted by the Minister without delay. If after appropriate public education and consultation have occurred and the electors agree to the dissolution through a vote, the dissolution should be fully honoured, and should occur.

[2] For Background on the "Right to Dissolve", please see the following AUMA documents:
AUMA. 2004. *Discussion Paper on Formation, Fundamental Changes and Dissolution*. Edmonton: AUMA
AUMA. 2005. *AUMA Municipal Government Act Review*. Edmonton: AUMA.

4.0 EXISTING PROVINCIAL LAND USE POLICIES

The existing Provincial Land Use Policies promulgated under Section 622 of the 1994 Municipal Government Act (MGA) address community planning issues such as the planning process, general land use patterns, the natural environment, transportation, residential development, and resource conservation (agriculture, non-renewable resources, water resources, and historical resources). In general, regional and intermunicipal planning issues are addressed under a heading of "planning cooperation."

Intermunicipal planning and regional growth management can assume strategic and economic importance in Alberta. Nonetheless, the existing Provincial Land Use Policies on Planning Coordination are general, promotional, supportive, and advisory in how they deal with regional and intermunicipal land use planning, service provision, planning processes, and cooperation.

The Goal of the current Provincial Land Use Policies on Planning Coordination is:

> "To foster cooperation and coordination between neighbouring municipalities and between municipalities and provincial departments and other jurisdictions in addressing planning issues and in implementing plans and strategies."

The Provincial Land Use Policies on Planning Coordination have been criticized for being too advisory and not strong enough with respect to intermunicipal and regional coordination. The use of operative phrases such as "municipalities are encouraged to cooperate" and "municipalities are encouraged to coordinate" throughout the Planning Coordination Policies substantiate such criticisms. Furthermore, the Planning Coordination Policies are silent on:

- multi-jurisdictional growth management
- multi-jurisdictional land use
- multi-jurisdictional transportation
- multi-jurisdictional tax-sharing, cost-sharing, and revenue-sharing
- long-term environmental planning
- sustainability planning
- ecological regions
- definitions of or distinctions between urban and rural (although the two terms are noted in Appendix 1 to the Provincial Land Use Policies: Excerpt from Alberta's Vision of Sustainable Development)
- intermunicipal dispute resolution
- emergency preparedness response.

Provincial Land Use Policies that are stronger, more direct, and more inclusive of a broader range of regional matters could achieve greater intermunicipal and regional cooperation and more substantive multi-jurisdictional planning and growth management. The Land Use Policies would also be more effective if they addressed timelines for meeting policy goals and incentives for supporting multi-jurisdictional planning activities.

5.0 MULTI-JURISDICTIONAL PLANNING OPTIONS

Given that reliance on voluntarism to achieve regional outcomes can be problematic, the options for multi-jurisdictional planning presented here reach beyond voluntary intermunicipal cooperation. These options include:

- stronger Provincial Land Use Policies with respect to multi-jurisdictional planning
- Provincial requirement by Regulation of multi-jurisdictional planning processes for all municipalities
- Regulations requiring that multi-jurisdictional planning processes address matters including:
    - growth management
    - land use and density
    - sustainability planning
    - transportation planning
    - intermunicipal dispute resolution processes
- specific Provincial direction, by Regulation, for land use planning in transition areas between municipalities
- Provincial incentives for multi-jurisdictional planning
- Provincial sanctions for failure to engage in multi-jurisdictional planning
- greater coordination and integration of Provincial land management activities with multi-jurisdictional planning
- specific Provincial direction for sustainability planning that integrates environmental, social, and economic sustainability by taking into account matters such as:
    - growth management
    - land use planning
    - transportation planning
    - interjurisdictional coordination
    - regional business planning, tax-sharing, cost-sharing, and revenue-sharing
    - ecological regions, watershed management, and air quality
    - protection of agricultural land
    - commercial and industrial development
    - housing choice and affordability
    - schools, parks, natural areas, trails, recreational facilities, and community services
    - coordination across municipal boundaries and within transition areas between municipalities
    - appropriate policies for addressing changes to municipal boundaries
    - citizen engagement in regional matters

- Provincial legislation guaranteeing that if/when electors vote to dissolve their municipalities, and incorporate them into larger municipalities, the decision by vote of the citizens will be immediately implemented.

5.1 Stronger Provincial Land Use Policies

Albertans would benefit from stronger Provincial Land Use Policies with respect to multi-jurisdictional planning. Enhanced Provincial Land Use Policies should provide guidance for regional coordination. Clearly enunciated Provincial Land Use Policies on multi-jurisdictional planning would support the achievement of long-term public benefits at the local, regional, and provincial levels. The Provincial Land Use Policies should stipulate the purpose and substance of what regional growth management and planning are to address. The Land Use Policies should also provide guidance for proper implementation of multi-jurisdictional planning policies.

5.2 Requiring Multi-Jurisdictional Planning

The Minister could establish Regulations requiring multi-jurisdictional planning. Such Regulations could define geographic regions and the municipalities participating in each planning region. Regulations establishing multi-jurisdictional planning could stipulate the contents of multi-jurisdictional plans, timelines for their adoption, administrative and representative structures for multi-jurisdictional planning authorities, and the relationships between multi-jurisdictional plans and the measures required to implement them (e.g., land use approvals, service provision, capital budgeting). Regulations for multi-jurisdictional planning should include, amongst other things, planning, tax-sharing, revenue-sharing, and cost-sharing. Multi-jurisdictional planning authorities could be supported by funds from participating municipalities, the Province, or both. Where the Province mandates the changes, the Province should fully fund those changes.

Ministerial establishment of multi-jurisdictional planning by regions may be viewed in certain parts of Alberta as a reversal of the trend toward devolution of powers to local authorities, which has been a hallmark of Alberta's evolving municipal legislation ever since the Province was founded. Although more Provincial guidance has been called for with respect to multi-jurisdictional planning, less directive measures may be more acceptable and effective. In certain instances it would be advisable for the Province to set land use policies and require municipalities to implement those policies through the exercise of their legislative authority with respect to planning matters.

5.3 Multi-Jurisdictional Plan Preparation

The Province should require that multi-jurisdictional planning processes deal with matters that cannot be adequately addressed by individual municipalities. Issues that transcend municipal boundaries include growth management, land use planning, sustainability planning, and transportation planning. Certain multi-jurisdictional planning activities may result in policies on regional business planning, tax-sharing, cost-sharing, and revenue-sharing. Other matters that should be addressed through multi-jurisdictional planning include ecological regions,

commercial and industrial development, housing choice and affordability, and provision of community services. Multi-jurisdictional planning can deal with matters traditionally addressed through Intermunicipal Development Plans as well as new areas of interest such as citizen engagement in regional issues.

The Government of Alberta would not have to require or approve of the specific substance of all multi-jurisdictional plans. Rather, it would be sufficient for the Province to require that multi-jurisdictional planning processes address regional matters as deemed appropriate by the participating municipalities.

Further consideration of appropriate decision-making arrangements would be necessary in this type of system. In certain instances, participating municipalities may all agree that certain matters need not entail extensive or detailed planning or policy formulation. For example, agreements on tax-sharing, cost-sharing, or revenue-sharing may not be necessary or appropriate in some regions. Such details would have to be tailored to the needs of each region of the Province, with the Government of Alberta playing a guiding or mediating role in the establishment of proper multi-jurisdictional arrangements.

5.4 Transition Areas

Certain transition areas between municipalities in different parts of Alberta have become particularly problematic. The Province could directly establish policies or Regulations for specific areas in order to alleviate intermunicipal tensions. In the event that adjacent municipalities fail to voluntarily agree upon transition areas, policies or Regulations shall stipulate that the Province will intervene to establish intermunicipal transition areas. Alberta Municipal Affairs, in consultation with Alberta municipalities, shall also establish general guidelines, timelines, resources, and administrative support for adjacent municipalities that fail to voluntarily agree in the planning of intermunicipal transition areas.

5.5 Incentives

The Government of Alberta uses financial and other incentives to exert influence over local authorities and policy in a variety of ways. Most notable are funding formulae applied to grants for items such as infrastructure, education, health, policing, community development, sports, and the arts. More recently, the Province has provided financial support to initiatives such as joint provision of intermunicipal utility services, regional partnerships, and sustainability planning. Municipalities are recommending a shift in Provincial priorities away from conditional grants toward more regular and stable forms of funding growth.

Multi-jurisdictional planning and growth management as they relate to regional servicing require significant sharing of information, experience, expertise, and resources among participating municipalities. Provincial assistance in the form of capacity-building for municipal officials, increasing capacity/labour force in municipal corporations, administrative guidance, professional advice, and staff training can also be considered an incentive. Such support would benefit multi-jurisdictional regions in the long term and could pay future dividends in fewer

intermunicipal disputes, which the Province would have to mediate or arbitrate. Above all, Provincial incentives for multi-jurisdictional planning must reflect broader Provincial goals and must not create unintended disincentives that might hamper multi-jurisdictional cooperation. However, those municipalities wishing to co-operate on initiatives cannot be penalized by being denied grants because the neighbouring municipality does not wish to, or does not need to, co-operate.

5.6 Sanctions

Incentives can be complemented by sanctions. In some circumstances, incentives work more effectively if the failure to take advantage of the incentives results in the application of sanctions. Depending on the generosity of incentives or the severity of sanctions, the Province may be able to direct municipalities to engage in multi-jurisdictional planning and growth management. Incentives could be very effective if combined with sanctions such as withholding of provincial funding for failure to satisfy requirements related to multi-jurisdictional planning.

Given that an important issue identified by AUMA members has been the high cost of infrastructure, municipalities are motivated to have sustained access to Provincial infrastructure funds. There have also been calls new financial partnerships with the Province that would enshrine adequate, sufficient, sustainable, and predictable revenues for municipalities. This presents an opportunity if either provision or withholding of Provincial funds for infrastructure improvements is attached to the requirement that municipalities engage in multi-jurisdictional planning, growth management, and sustainability planning.

5.7 Dispute Resolution

Ideally, Provincial support for multi-jurisdictional planning would decrease the number of intermunicipal disputes. Nonetheless, it is important to re-evaluate existing dispute resolution processes in the light of the recommendations of this paper. For example, the role of the Municipal Government Board should be examined in the context of any new policies or Regulations that address multi-jurisdictional planning.

Consultation with AUMA members in the preparation of this paper indicates that any arbitration of intermunicipal disputes should be undertaken by an appointed rather than political appeal body, with technical expertise and a quasi-judicial focus. Requirements should also be established with respect to timely decisions and penalties for frivolous appeals. Decisions of such an appeal body should be final and binding.

As with the decision-making arrangements or processes noted under section 5.3 above with respect to multi-jurisdictional plan preparation, appropriate dispute resolution processes may be determined in the particular context of the participating municipalities. The relative roles of negotiation, mediation, and arbitration would require further examination and consultation through the Provincial Land Use Framework process. AUMA looks forward to discussing more detailed options with respect to intermunicipal dispute resolution with the Government of Alberta and other stakeholders.

5.8 Provincial Land Management

Through integrated land management planning in areas with significant resource industries, sparse populations, and large tracts of Crown land, the Province's activities can have significant impacts on the planning efforts of affected municipalities. The Province needs to act as a full participant in the multi-jurisdictional coordination of planning processes where Provincial resource and land management agencies, policies, and leasing mechanisms affect municipal planning and growth management. Multi-jurisdictional planning must include Provincial departments, First Nations, Métis Settlements, Irrigation Districts, and other appropriate federal departments and agencies.

5.9 Right to Dissolve

The view is emerging that Albertans in certain parts of the Province would be better served if their local governments were dissolved and incorporated into larger municipalities. In such instances it has been argued that electors should be given the right to vote on the dissolution of their municipal governments. As part of the Provincial Land Use Framework and other legislative review processes, the Government of Alberta should consider legislation which guarantees that if/when electors vote to dissolve their municipalities and incorporate them into larger municipalities, the decision by vote of the citizens will be immediately implemented.

6.0 RECOMMENDATIONS

This position paper recommends that multi-jurisdictional planning in Alberta be based upon the following policy directions, which are supported by the discussion, analysis, and evaluation presented above:

- maintenance of the local autonomy and empowerment provided to municipal governments in the 1994 Municipal Government Act
- stronger Provincial Land Use Policies with respect to multi-jurisdictional planning
- Provincial requirement by Regulation of multi-jurisdictional planning processes for all municipalities
- Regulations requiring that multi-jurisdictional planning processes address matters including:
    - growth management
    - land use and density
    - sustainability planning
    - transportation planning
    - intermunicipal dispute resolution processes
    - tax-sharing, cost-sharing, and revenue-sharing
- specific Provincial direction, by Regulation, for land use planning in transition areas between municipalities
- greater coordination and integration of Provincial land management activities with multi-jurisdictional planning, including sale of Crown land to municipalities.
- Provincial legislation guaranteeing that if/when electors vote to dissolve their municipalities and incorporate them into larger municipalities, the decision by vote of the citizens will be immediately implemented.
- Assurance of a long-term framework through the entrenchment of the recommended Regulations in legislation.

Other matters addressed in this paper warrant further consideration through consultation among AUMA, AAMDC, the Minister's Council on Municipal Sustainability and the Government of Alberta. Such matters include:

- incentives and sanctions relating to multi-jurisdictional planning
- specific Provincial direction for sustainability planning that integrates environmental, social, and economic sustainability by taking into account matters such as:
    - growth management
    - land use planning
    - transportation planning
    - interjurisdictional coordination
    - ecological regions, watershed management, and air quality

- protection of agricultural land
- commercial and industrial development
- housing choice and affordability
- schools, parks, natural areas, trails, recreational facilities, and community services
- coordination across municipal boundaries and within transition areas between municipalities
- appropriate policies for addressing changes to municipal boundaries
- citizen engagement in regional matters.