



November 22, 2024

Executive Committee
City of Edmonton
1 Sir Winston Churchill Square
Edmonton, AB T5J 4R7

RE: Executive Committee Report 7.2 Cost Benefit Analysis and Cost Drivers on Comparative Capital Projects

Dear Mayor Sohi and Members of Edmonton's Executive Committee,

BILD Edmonton Metro is a non-profit organization representing over 500 companies in the building and development industry. Our members are committed to shaping our region to ensure more people and businesses choose to live, invest, and thrive here.

Through the off-site levy bylaw, our members are significant contributors to the capital funding of fire halls, which are featured in the report. Our anticipation of the outcomes and cost benefit analysis expected through the Council motion was met with disappointment. Indeed, it is difficult to ascertain the results of the cost benefit analysis, with the consultant rightly noting that there is not enough information available. There is little evidence in this work to create conclusions that will help Council make decisions, unfortunately.

What we can ascertain from this work is that there are significant unnecessary cost drivers that are creating cost escalations for fire halls and other city facilities. These are articulated in the report. Of key concern to industry, however, is the policy pile-up that is illustrated on page 11 of the Summary Report. While each additional policy approved by City Council in isolation may add incremental costs, the cumulative impact of layering on more and more requirements is inflating facility costs, and these are not clearly articulated or understood when policies are approved.

Other issues, such as the lengthy amount of time between identifying a need for a facility and its commissioning for use, remain problematic. Municipal financing rules are certainly a barrier in this regard, necessitating aspects of the project management process that drags projects over long periods of time, but referring designs to business partners without clearly defined specifications that can be followed is an obvious gap that must be corrected.

It is clear from the rapid cost increases brought on by inflationary pressures that a streamlined and realistic approach to capital expenditures on city facilities is

needed. The expectation that all city buildings are built to the highest standard possible cannot continue, and the fiscal responsibilities of the city to steward its finite resources cannot be outweighed by a desire for a signature design and top of the line innovations for every facility.

On the topic of fire halls, specifically, and as contributors to the off-site levy funding of those facilities, we are frustrated by cost escalations that far exceed what the business community is experiencing. There are many ways to reduce those costs. The report provided by administration does not contain recommendations, but it is clear that the factors outlined are all piling up to contribute to an unreasonable and unsustainable model for facility construction. We urge City Council to ask for changes to the current processes and requirements that will ease the costs of fire halls while maintaining the ability to build and operate these critical facilities for the benefit of Edmontonians.

BILD-EM welcomes the opportunity to discuss these items at length and remains dedicated to working alongside the City of Edmonton to achieve the shared vision of vibrant, sustainable neighbourhoods supported by effective and thoughtful analysis of capital projects to better understand their cost benefit and drivers. We welcome further opportunities to partner, discuss potential tools, and realize efficiencies to reduce costs through our members' expertise.

Thank you for considering our feedback, and we welcome future opportunities to engage in shaping livable, thriving urban spaces across Edmonton.

Sincerely,



Lindsey Butterfield, RPP
Vice- President, Government Relations & Policy
BILD Edmonton Metro

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