September 3, 2026

RE: **Planning and Development Business Model strategy**

Dear Mayor Knack and members of City Council:

Together, our associations represent over a thousand businesses of all sizes that professionally build, actively invest in, manage real estate for, and develop the built environment in Edmonton. **BILD Edmonton Metro and BOMA Edmonton + North are jointly writing on behalf of industry to provide support of Administration's proposal provided within Item 7.1 Operating Financial Update, attachments 4, 5 and 6 – Planning and Development Business Model (PDBM) Financial Strategy.** This proposal seeks to grant an exception to policy C610A and transfer reserve funds that are in excess of the 75% threshold limits in the following one-time manner:

- Pause Inflationary Fee Increases (~$1.5M): A pause on inflationary increases for Land Development, Development Permits, Building Permits, and Inspection fees for 2027.
- Resourcing (+$4.0M): Targeted capacity increases to address application backlogs and maintain service levels.
- Tech & Innovation ($1.7M Annually): Intentional investment into digital systems and process automation.
- Surplus Transfer (+$12.0M): A strategic one-time transfer to the Infill Infrastructure Fund (IIF) to unlock growth downtown and in Priority Growth Areas.
- Future Growth Planning (+$5.0M): Fund administration-led non-residential and residential planning studies (Area and Neighbourhood Structure Plans) for future growth upon authorization.

As background, the PDBM is entirely funded by private applicants through applications fees, permits and licencing - the large majority of whom are members of our industry associations and leaders of residential and non-residential development, city-wide. The PDBM is not tax-supported. Council Policy requires that it not be used or diverted for any items that are not explicitly outlined in that policy, including both operational (administrative) and capital (infrastructure) expenses.

As noted in Administration's report, our industry associations provided feedback on how best to manage the situation with an eye to equity, fairness and pragmatism. While far from ideal from a reserve management approach, we understand Administration's need to address the current issue at the present time and systemically correct for the future. This proposal represents a compromise position that we are prepared to support as a practical step towards responding to the existing PDBM surplus in the short term. It also strives to allocate the surplus in a way that continues to support the services and outcomes for which they are intended.

The impact of over-collecting fees over several years has been diffuse, affecting applicants across infill, greenfield, commercial, industrial, subdivision, permitting and related development services.

The majority of this surplus was created by greenfield, commercial, industrial, subdivision and related development activity. To provide some level of fairness, the proposal allocates some benefit to the planning and development of new communities, particularly where those investments can help unlock housing supply, employment lands, infrastructure coordination and long-term economic output. In particular, the designation of a portion of the proposed funding for Admin-led Area Structure Plans is an important recognition that growth planning needs to include both residential and non-residential components, as they are both needed and inherently connected to one another. This commitment is critical and we encourage Council to move forward with planning for these areas at this time.

We look forward to participating in a rigorous governance review in 2027 of the PDBM. That review will be critical to ensuring the model does not become similarly misaligned in the future, particularly where fee collection exceeds the cost of service for multiple years and pushes the reserve outside approved policy. A transparent governance framework with strong triggers, clear reporting, and mitigation tools will be essential to maintaining trust in the PDBM. It will ensure the model becomes fair, predictable, and aligned with service delivery expectations.

On behalf of BOMA Edmonton + North and BILD Edmonton Metro, we would like to extend our appreciation for Administration considering the input provided by the development community regarding the PDBM strategy presented in June. Thank you again for considering our input and for moving this issue forward in a constructive and collaborative manner. We believe this approach will help instill greater confidence and predictability across Edmonton's development system, supporting infrastructure delivery and residential, commercial, and industrial growth.

Sincerely,

Kalen Anderson, RPP, MCIP
Chief Executive Officer
BILD Edmonton Metro

Stacey Claffey
Chief Executive Officer
BOMA Edmonton + North

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