

EDMONTON PUBLIC SCHOOLS

January 16, 2001

TO: Board of Trustees

FROM: E. Dossdall, Superintendent of Schools

SUBJECT: Responses to Trustee Requests for Information

ORIGINATOR: A. McBeath, Department Head

RESOURCE

STAFF: Michael Ediger

INFORMATION

REQUEST #281, NOVEMBER 28, 2000 (TRUSTEE NICHOLSON) 1. CAN THE SCHOOL DISTRICT GENERATE FUNDS IN ORDER TO BUILD SCHOOLS BY WORKING WITH THE CITY OF EDMONTON TO DISPOSE OF SURPLUS RESERVED SCHOOL SITES AND OBTAIN THE REVENUE FROM THE PROCEEDS OF THE DISPOSITION? Presently under provincial legislation and the Joint Use Agreement, surplus reserved school sites are transferred to the City, and either retained or disposed of at the City's discretion. Proceeds are used in accordance with City policy, the priorities being to retire any servicing debts owing on the land or to provide additional development on park sites in the general vicinity. The district has begun discussions with the City regarding the potential for sharing in the proceeds of disposition of surplus reserved school sites, as is permitted under sections 671 and 675 of the Municipal Government Act.

2. CAN THE REVENUE REALIZED THROUGH THE SALE OF THESE LANDS BE USED TO CONSTRUCT SCHOOLS IN THE DISTRICT? Any capital proceeds realized by the district from the sale of land and buildings, including possible future proceeds from sale of surplus reserved school sites, must go into a capital reserve account. The Disposition of Property Regulation under the School Act (AR 69/89) states that the funds "may be applied only to a future capital expenditure." All expenditures from the capital reserve fund require ministerial approval. In addition, the minister may, on his own initiative, direct the board to expend reserve dollars on specific projects, which may differ from district priorities and may or may not involve new construction.

3. HAS THE SCHOOL DISTRICT REVISED ITS EXPECTATIONS AND STANDARDS WITH RESPECT TO THE NUMBER AND TYPES OF SCHOOLS NEEDED IN THE SUBDIVISIONS THAT ARE IN EARLY STAGES OF DEVELOPMENT? In planning for new development areas, the district has significantly revised its expectations regarding the number and types of schools needed in those areas. In most of the newer suburban Edmonton communities, the number of planned school sites has been reduced over the past ten years. In addition, sites have been planned on the basis of a two-tier (kindergarten to grade 8 and grade 9 to 12) grade organization. The two-tier system requires sites for two facilities rather than the

three that are required for elementary, junior high, and senior high schools. In many new areas, one K-8 site will now serve two future neighbourhoods.

The district is working on a continuous basis with the city to gain a better understanding of the rate of development that can be anticipated in new areas. Where extended development timelines are probable, fewer school sites have been reserved. And as more new neighbourhoods are approved for development, further reductions in the number of sites are considered. The site reductions or changes are incorporated through amendments to neighbourhood and area plans.

The district is examining starter schools as an alternative for providing classroom space in new areas. Starter schools consist of a cluster of portable classrooms that can be relocated and configured to meet specific enrolment needs in a new neighbourhood. For example, a Division I starter school could meet the needs of K to 3 students in a neighbourhood as an interim measure before permanent construction can be provided.

4. IS IT POSSIBLE FOR THE DISTRICT TO OBTAIN DOLLARS IN LIEU OF DEDICATED LAND IN NEW SUBDIVISIONS? The Municipal Government Act enables both municipalities and school authorities to obtain dollars in lieu of dedicated land, which is referred to as “money in place of reserve land.” Section 670(2) states:

When money is required to be provided in place of municipal reserve, school reserve, or municipal and school reserve, the subdivision authority must allocate the money between the municipality and each school authority concerned either jointly or separately

- (a) in accordance with an agreement made between the municipality and the school authorities, or
- (b) in the absence of an agreement, in accordance with the needs of each of them as determined by the subdivision authority.

The Joint Use Agreement between the district, Edmonton Catholic Schools and the City of Edmonton is such an agreement as referenced in sub-section (a) above. The agreement does not specifically address the handling of money in place of reserve land, but it affirms a long-standing arrangement where the City collects and administers all monies in place of reserve land on behalf of the boards, and assembles land for schools and parks. School land is transferred to the boards at the time when approval is granted to build the intended school. Part 8.1 states that:

all monies paid to the City in Lieu of Residential Reserve land shall be used solely for the purposes of the acquisition and construction of Parks and Recreation Sites and the acquisition of the land required for school sites and the construction of School Playing Fields.

5. DO THERE NEED TO BE CHANGES IN PROVINCIAL LEGISLATION TO ACCOMMODATE THE FOREGOING? No changes are required to provincial legislation to accommodate the district obtaining money in place of reserve land. However, fundamental changes would be required to the current Joint Use Agreement in order to change the way reserve

lands, and money in place of reserve lands, are administered and allocated. Any changes would require approval of all parties to the agreement.

6. WHAT IS THE CURRENT STATE OF THE CARMA PROPOSAL TO BUILD A SCHOOL IN TERWILLIGAR? 7. DOES CURRENT LEGISLATION ALLOW DEVELOPERS TO PROVIDE SCHOOLS IN NEW AREAS THROUGH LEASING OR BY ANY OTHER MANNER? Last year, the district requested the province to approve a developer-built school in Terwilligar Towne as a year 2000 capital project. Carma Developers was prepared to build the project and finance it over 20 years, during which time they would lease the facility back to the school board. The developer was also prepared to donate \$500,000 toward the project over the first five years of the term. The province turned down the request on the basis that the district's overall utilization rate was below 85 per cent, the threshold used to justify new school construction.

Given that a school has been provided by a developer in at least one other school jurisdiction in the province, it appears that current legislation does not preclude developers from providing schools in new areas. However, Ministerial approval is still required for such a project even if it is being funded by a developer. The district is interested in continuing to work with the development industry to examine ways to provide schools in new areas and to work through potential issues with current legislation.

8. WHAT ALTERNATIVES ARE THERE TO THE CURRENT PROVINCIAL MODEL OF FINANCING SCHOOL CONSTRUCTION? In addition to the developer-built option, other models being examined include Third Party Partnerships and Lot Levies.

The district's joint proposal with Edmonton Catholic Schools and at least one other partner for a multi-use facility in the Twin Brooks neighbourhood is an example of a partnership involving a third party investment. Lower overall school construction and operational costs could be realized on a project like this, compared to the cost of building and operating stand-alone facilities for each of the multi-use partners.

Some municipalities in Ontario impose a surcharge on residential lot purchases in order to raise capital for the purchase of school land. In the regional district of Peel, Ontario, developers are required to pay a surcharge up front and the money is invested. Interest generated is used to help finance school construction. Amendments to the Municipal Government Act are likely to be required in order to implement this alternative in Alberta. (M. Ediger 429-8430)

ME:mjl