

Standing Committee on Private Bills

8:32 a.m.

[Chairman: Mr. Renner]

THE CHAIRMAN: Good morning, everyone. I'd like to call this meeting to order. This is the meeting of the Standing Committee on Private Bills.

The first item of business is the approval of the agenda. Everyone should have a copy of the agenda. If I could have a motion to the same.

MRS. FRITZ: I'll move.

THE CHAIRMAN: All in favour? Opposed? Carried.

We also have distributed a copy of the committee meeting minutes from the last meeting on Tuesday, March 7. Are there any errors or omissions to those minutes? Seeing none, I would entertain a motion, then, to adopt the minutes. Mr. Amery. All in favour? Opposed? Carried.

We have one item of business this morning. That will be to hear from the petitioner for the City of Edmonton Authorities Repeal Act. I will ask the petitioner to join us.

While Mr. Reynolds is out in the anteroom, I want to just double check that everyone received a copy of the Parliamentary Counsel report.

HON. MEMBERS: Yes.

THE CHAIRMAN: This is background material from Parliamentary Counsel on each of the Bills, and obviously today we will be dealing with Bill Pr. 2.

[Mr. Roth was sworn in]

THE CHAIRMAN: Good morning.

MR. ROTH: Good morning.

THE CHAIRMAN: Welcome to the committee. We had a chance to meet just before the meeting, and I explained the procedure to you. Basically, I think the best way to proceed would be for you to give the committee some background information, explain the reason for requesting this Bill, and then we'll open the floor to questions from any of the committee members. Welcome to the committee.

MR. ROTH: Thank you. By way of an introduction as to why I'm appearing on this matter, I can advise the committee that I'm a lawyer with the law firm Milner Fenerty and that we've been retained by the city of Edmonton and, in particular, by the city solicitor to act on the city's behalf in connection with this matter. I can also advise the committee that Milner Fenerty has acted as counsel to the city of Edmonton and to Economic Development Edmonton in connection with all the matters relating to the establishment of Economic Development Edmonton, which I'll be referring to by way of background information.

Bill Pr. 2, the City of Edmonton Authorities Repeal Act, is being petitioned for by the city of Edmonton to repeal the four private Acts which established the Edmonton Convention Centre Authority, the Edmonton Research and Development Park Authority, the Edmonton Convention and Tourism Authority, and the Edmonton

Economic Development Authority. Each of the Acts contains a provision permitting the city council to direct the authority under the Act to transfer all its assets and undertakings to the city or a nominee of the city and requiring the liabilities of the authority to be assumed. There is, however, no procedure contained in the Act which formally allows the Acts establishing the authorities to be concluded, whether the authority is to be formally wound up or dissolved. Bill Pr. 2 is therefore for the most part a legal formality. All the assets have been transferred to Economic Development Edmonton, and the liabilities of the predecessor authorities have been assumed by Economic Development Edmonton. The only remaining matter in connection with the authorities is their formal winding up. So the effect of Bill Pr. 2 is in essence dissolution similar to the dissolution of a corporation under the Alberta Business Corporations Act.

As a brief background, the process leading up to Bill Pr. 2 began on November 27, 1990, when Edmonton city council approved the terms of reference for a project to prepare an economic development strategy for Edmonton. Price Waterhouse was selected to prepare the strategy under the general direction of a 27-member steering committee, and the committee was made up of a cross section of Edmontonians. The strategy took approximately one year to develop and involved the input of over 100 individuals and agencies, and it was released in November 1991. A key element of this economic development strategy was the amalgamation of the many city-funded agencies relating to economic development which existed at the time into one organization, that being Economic Development Edmonton. The amalgamation of these agencies was intended to focus resources on co-ordinating and assisting in the implementation of the economic development strategy, and a key aspect of this was to reduce the fragmentation which had been found to be a problem in implementing such a strategy in the past.

Economic Development Edmonton was therefore formed to put together the key city-funded groups responsible for economic development activities in Edmonton. City council approved the establishment of Economic Development Edmonton at its February 25, 1992, meeting, with the mandate to co-ordinate and provide support to the implementation of the economic development strategy. At the regular meeting of Edmonton city council held on May 12, 1992, council passed a number of motions including a motion that Economic Development Edmonton be incorporated as a not-for-profit corporation under part 9 of the Companies Act and that the board of directors of Economic Development Edmonton, once appointed, be directed to proceed with steps to amalgamate a number of specified agencies into Economic Development Edmonton by January 1, 1993. These agencies included the four authorities which are the subject of Bill Pr. 2 as well as a number of other agencies which were not established by way of private Acts but rather under city bylaws or under other legislation such as the Companies Act or the Business Corporations Act.

Economic Development Edmonton was incorporated under part 9 of the Companies Act on June 19, 1992, and a copy of the certificate of incorporation was made available to the Parliamentary Counsel. The sole beneficial shareholder of Economic Development Edmonton is the city of Edmonton. All the assets, liabilities, and undertakings of each of the authorities to which Bill Pr. 2 pertains were transferred to Economic Development Edmonton pursuant to transfer agreements and ancillary general conveyances and specific assignments effective as of either December 30 or 31, 1992. Each of the predecessor authorities retained independent counsel to advise them in connection with this process. Although some of the documentation in respect of the transfer was not finalized until into 1993, Economic Development Edmonton assumed administrative responsibility for all the predecessor authorities' activities as of January 1, 1993.

I can advise the committee that the documentation in respect of the transfers was all completed by the mid to end of 1993 and that the board of directors of each authority has disbanded and all operations of each of the authorities have ceased. In essence, the authorities have in all cases been mere shells for in excess of one year.

The petition by the city of Edmonton to repeal the private Acts establishing these authorities is the last stage in the implementation of the city's resolution to establish Economic Development Edmonton. Now that Economic Development Edmonton has been operating for in excess of two years and has had ample time to assume all the various functions of the authorities, we have received instructions to proceed with this particular petition which will conclude the existence of the authorities.

Subject to any questions the committee might have, those would be all the background submissions I would make.

THE CHAIRMAN: Thank you very much.

Do I have any questions? Mr. Yankowsky.

MR. YANKOWSKY: Thank you, Mr. Chairman. I have one very simple question, and that is: when you speak of the assets, what are these assets?

8:42

MR. ROTH: There were a variety of assets. They would differ for each of the four authorities. For example, the Edmonton Research and Development Park Authority owned certain land in the southeast part of Edmonton where the research and development park is. There would have been various contracts entered into by the authorities, such as lease agreements in the case of the research and development park. There may have been fixtures, various business assets, and any wide variety of assets of that type. I think it would cover the full scope of business assets.

MR. YANKOWSKY: Thank you.

MR. WICKMAN: Mr. Roth, just one question. I was part of city council when the decision was made to merge us into what we called one supergroup at the time. The four previous corporations or authorities that we're referring to: in all cases there was a selection process for board members that would allow one, two, and in one case, I think, no council members. I see in the draft repeal Act that you don't have in there the makeup of the superboard in terms of the membership from outside the authority itself, in terms of the community.

MR. ROTH: That's correct. Economic Development Edmonton was not created pursuant to a private Act but rather is a company under part 9 of the Companies Act, and the procedure for membership and board appointments is contained in the memorandum and articles of association.

MR. WICKMAN: Are you familiar with it by chance?

MR. ROTH: Yes. I have copies of them here as well, and there is a procedure in them for appointments from the city council and so forth.

MR. WICKMAN: My only question really is: the appointments are still made by city council?

MR. ROTH: To the best of my knowledge they are, but I would have to refer to them specifically to see whether any other groups have the right to name any appointees.

MR. WICKMAN: Good. Thanks.

THE CHAIRMAN: Mrs. Abdurahman.

MRS. ABDURAHMAN: Yes. With regards to the membership and the mandate of this authority, are you going to go outside the city of Edmonton boundaries for membership? I would have a question after that depending on your answer.

MR. ROTH: I believe that currently all membership would be made up of citizens of the city of Edmonton, and that would be the intent. I don't know whether there is a restriction in the bylaws or the memorandum to that effect.

MRS. ABDURAHMAN: Further to that question and the answer: looking at the global marketplace and what economic development is all about, and you look at the difference between the city of Edmonton and the city of Calgary, has there been discussion in looking in a metro perspective on bringing in the talents that are outside the city's boundaries?

MR. ROTH: I'm afraid I've never attended any meeting of city council where they have discussed membership of Economic Development Edmonton's board, so I'm unable to answer your question.

MRS. ABDURAHMAN: Thank you, Mr. Chairman.

THE CHAIRMAN: I have a question -- it's along the lines of Mr. Wickman's -- just for clarification purposes. This Act is repealing these entities that were created by private Bill and replaced with an entity that is created through the corporations Act. Other than the fact that it didn't require another private Bill, is there a legal reason or a philosophical reason why that new entity wouldn't have been created by this Act at the same time as the other Acts were repealed?

MR. ROTH: The difference between an entity created under a private Act and a part 9 company in terms of any legal abilities and so forth I believe is negligible. The main reason for it was that each Act of the authorities had been amended a number of times. Each of those amendments required bringing the Act back before the Legislature with a petition for an amending Act, and it was viewed as a rather cumbersome process when having the company under part 9 of the companies Act -- again, it's a not-for-profit company. All the basic elements are identical, and it just simplifies the process greatly and allows the city to keep it basically under its control.

THE CHAIRMAN: Thank you.

Mr. Reynolds, do you have any points of clarification?

MR. REYNOLDS: Thank you, Mr. Chairman. I was just wondering with respect to any contracts or holdings of the four entities that are the subject of the repeal: have all the contracts been assigned to the new entity, Economic Development Edmonton?

MR. ROTH: Yes.

MR. REYNOLDS: This has been in operation for a while, so there's no prejudice to creditors.

MR. ROTH: No.

MR. REYNOLDS: I was also wondering, Mr. Chairman, if perhaps you could ask, if the committee may be considering this later, if we could get from Mr. Roth a copy of the articles of incorporation.

MR. ROTH: The memorandum and articles of association?

MR. REYNOLDS: Yes.

MR. ROTH: Yes. I can provide those to Mr. Reynolds if it would be appropriate.

MR. REYNOLDS: Thank you.

THE CHAIRMAN: That would be the appropriate place.

Any other questions from committee members? Seeing none, then, I thank you for coming. As I advised you earlier, we won't be making our decision today, and we will advise you by mail as soon as the decision has been made.

MR. ROTH: On behalf of myself and the city of Edmonton, I thank the committee for its time.

THE CHAIRMAN: Thank you.

Well, committee members, that concludes the hearings we have scheduled for today. As I indicated last week, we had hoped to have two petitioners at each meeting, but this being the first meeting and with the short notice involved, we were unable to arrange to have some of the out-of-town petitioners here. That's the reason for just having the one petition presented today.

I'll move on to Other Business on the agenda if there is any.

MR. BRACKO: Just a question . . .

THE CHAIRMAN: Yes, Mr. Bracko.

MR. BRACKO: . . . on Bill Pr. 2, the March 3 and March 10 editions. Are there any changes between the two?

MS MARSTON: There would be some, probably grammatical, which is why the memo requested that you discard the March 3 one and replace it with the March 10 one, which will be the one that will be circulated in its usual form as soon as it's printed.

THE CHAIRMAN: Anything else under new business? If not, then I would entertain a motion for adjournment.

MR. JACQUES: I'll move.

THE CHAIRMAN: Mr. Jacques moved.

[The committee adjourned at 8:50 a.m.]

