



## Urban Planning Committee - Agenda

Date: Tuesday, June 14, 2022  
Time: 9:30 a.m. - 5:00 p.m.  
Location: River Valley Room, 1st floor, City Hall

Call to Order: 9:30 a.m.  
Lunch: Noon - 1:30 p.m.  
Recess: 3:30 p.m. - 3:45 p.m.  
Adjournment: 5 p.m.

Chair: S. Hamilton Vice Chair: A. Paquette  
Members: K. Principe, A. Salvador

**Please note:** Members of the public may choose to participate at Council and Committee meetings in person or remotely. You can request to speak up until your item has been dealt with. The public is invited to view in-progress meetings online via the Agenda, Council on the Web or City Council's YouTube Channel.

For additional information, contact the Office of the City Clerk at (780) 496-8178.

---

### Pages

#### 1. Call to Order and Related Business

- 1.1. Call to Order and Land Acknowledgement
- 1.2. Roll Call
- 1.3. Adoption of Agenda
- 1.4. Approval of Minutes  
Addendum

3

- May 31, 2022, Urban Planning Committee

- 1.5. Protocol Items

#### 2. Items for Discussion and Related Business

- 2.1. Select Items for Debate
- 2.2. Vote on Reports not Selected for Debate
- 2.3. Requests to Speak  
Refer to Summary of Agenda Changes

2.4.	Requests for Specific Time on Agenda Refer to Summary of Agenda Changes	
3.	<b>Councillor Inquiries</b>	
4.	<b>Reports to be Dealt with at a Different Meeting</b> None	
5.	<b>Requests to Reschedule Reports</b> Replacement report	11
5.1.	Investment in New Development Revised Due Date: August 23, 2022	
5.2.	Affordable Housing Contributions Approach Revised Due Date: November 29, 2022	
6.	<b>Public Reports</b>	
6.1.	Growth Management Framework Update	15
6.2.	Tree Preservation on Private Property	47
6.3.	Sunset Clauses in DC2 Zones - Best Practices and Policy Opportunity Information	63
6.4.	Bylaw 20091 - Tax Exemption Bylaw For Non-Residential Heritage Properties Council approval required	67
7.	<b>Responses to Councillor Inquiries</b> None	
8.	<b>Motions Pending</b> None	
9.	<b>Private Reports</b> None	
10.	<b>Notices of Motion and Motions without Customary Notice</b>	
11.	<b>Adjournment</b>	



## Urban Planning Committee Minutes

May 31, 2022

9:30 a.m.

River Valley Room, 1st floor, City Hall

Present: S. Hamilton, A. Paquette, K. Principe, A. Salvador, A. Sohi

---

### 1. Call to Order and Related Business

#### 1.1 Call to Order and Land Acknowledgement

Councillor S. Hamilton called the meeting to order at 9:35 a.m., Tuesday, May 31, 2022, and acknowledged that Urban Planning Committee meets on the traditional land of Treaty 6 Territory. The Chair also acknowledged the diverse Indigenous peoples whose ancestors' footsteps have marked this territory for centuries such as: Cree, Dene, Saulteaux, Blackfoot, Nakota Sioux, as well as Metis and Inuit, and now settlers from around the world.

#### 1.2 Roll Call

Councillor S. Hamilton conducted roll call and confirmed the attendance of Members of Urban Planning Committee.

*\*Mayor A. Sohi is a Committee Member pursuant to section 15(3), Council Committees Bylaw 18156*

Councillor A. Paquette was absent for a portion of the meeting due to technical issues.

Councillors T. Cartmell, M. Janz, A. Knack, E. Rutherford, A. Stevenson, K. Tang and J. Wright; and A. Giesbrecht, City Clerk, C. Schlamp, B. Tyson, and T. Orbell, Office of the City Clerk, were also in attendance.

#### 1.3 Adoption of Agenda

**Moved by:** A. Salvador

That the May 31, 2022, Urban Planning Committee meeting agenda be adopted.

In Favour (3): S. Hamilton, K. Principe, and A. Salvador

**Carried (3 to 0)**

#### **1.4 Approval of Minutes**

**Moved by:** K. Principe

That the April 26, 2022, Urban Planning Committee meeting minutes be approved.

In Favour (4): S. Hamilton, A. Paquette, K. Principe, and A. Salvador

**Carried (4 to 0)**

#### **1.5 Protocol Items**

There were no Protocol Items.

### **2. Items for Discussion and Related Business**

#### **2.1 Select Items for Debate**

The following items were selected for debate: 6.1 and 6.3

#### **2.2 Vote on Reports not Selected for Debate**

**Moved by:** A. Salvador

That the recommendation in the following report be approved:

- 6.2 Bylaw 20092 - Access Closures to Support 2022 Roadway Construction

In Favour (5): S. Hamilton, A. Paquette, K. Principe, A. Salvador, and A. Sohi

## 2.3 Requests to Speak

**Moved by:** A. Salvador

That Urban Planning Committee hear from the following speakers, in panels when appropriate:

- 6.1 102 Avenue LRT Pedestrian Crosswalk Recommendation
  1. K. Bittorf, YMCA of Northern Alberta
  2. K. Muggeridge, YMCA of Northern Alberta
  3. A. Dinu, Edmonton Downtown Business Association (to answer questions only)
- 6.3 River Valley Planning Modernization Phase 2 Update
  1. S. Koenig, Edmonton Mountain Bike Alliance/Alberta Bicycle Association
  2. K. Zucchet, Edmonton Mountain Bike Alliance
  3. J. Yurkovich, Edmonton Mountain Bike Alliance
  4. C. Reckhard, Edmonton Mountain Bike Alliance
  5. P. Cotterill
  6. D. Thomas, North Saskatchewan River Valley Conservation Society
  7. G. Brin, CAC (to answer questions only)
  8. T. Rasmussen
  9. K. Kowalchuk, Edmonton River Valley Conservation Coalition
  10. S. Savard, Edmonton Trail Community
  11. R. Rasmussen (to answer questions only)

In Favour (5): S. Hamilton, A. Paquette, K. Principe, A. Salvador, and A. Sohi

**Carried (5 to 0)**

**Moved by:** A. Salvador

That Urban Planning Committee hear from the following additional speaker:

- 6.3 River Valley Planning Modernization Phase 2 Update
  1. P. Andrews

In Favour (4): S. Hamilton, A. Paquette, K. Principe, and A. Salvador

**Carried (4 to 0)**

#### **2.4 Requests for Specific Time on Agenda**

There were no requests for items to be dealt with at a specific time on the agenda.

#### **3. Councillor Inquiries**

There were no Councillor Inquiries.

#### **4. Reports to be Dealt with at a Different Meeting**

There were no Reports to be Dealt with at a Different Meeting.

#### **5. Requests to Reschedule Reports**

There were no Requests to Reschedule Reports.

#### **6. Public Reports**

##### **6.1 102 Avenue LRT Pedestrian Crosswalk Recommendation**

The following members of Administration's delegation made a presentation:

- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- B. Ferguson, Integrated Infrastructure Services

The following public speakers made presentations and answered questions:

- K. Bittorf, YMCA of Northern Alberta
- K. Muggeridge, YMCA of Northern Alberta

The following public speaker answered questions:

- A. Dinu, Edmonton Downtown Business Association

The following members of Administration's delegation answered questions:

- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- B. Ferguson, Integrated Infrastructure Services
- J. Lamarre, City Operations
- S. McCabe, Deputy City Manager, Urban Planning and Economy
- M. Bohn, Office of the City Manager (Legal Services)

**Moved by:** A. Salvador

That Urban Planning Committee recommend to City Council:

That Administration implement a pilot, as soon as possible, of the full closure of the traffic lane on 102 Avenue between 99 Street to 103 Street for the purpose of establishing a pedestrian-friendly corridor and that Administration prepare a road closure bylaw for the full closure of the traffic lane on 102 Avenue between 99 Street to 103 Street for a one year pilot, and work with the Downtown Business Association and stakeholders to utilize Downtown Vibrancy funding for activation.

In Favour (3): A. Paquette, A. Salvador, and A. Sohi

Opposed (2): S. Hamilton, and K. Principe

**Carried (3 to 2)**

## **6.2 Bylaw 20092 - Access Closures to Support 2022 Roadway Construction**

This item was not selected for debate and was dealt with as part of item 2.2. The following motion carried:

That Urban Planning Committee recommend to City Council:  
That Bylaw 20092 be given the appropriate readings.

### **6.3 River Valley Planning Modernization Phase 2 Update**

The following members of Administration's delegation made a presentation:

- S. McCabe, Deputy City Manager, Urban Planning and Economy
- K. Snyder, Urban Planning and Economy
- L. Butterfield, Urban Planning and Economy

The following public speakers made presentations:

- D. Thomas, North Saskatchewan River Valley Conservation Society
- G. Brin
- T. Rasmussen
- S. Savard, Edmonton Trail Community
- R. Rasmussen

The following public speakers made presentations and answered questions:

- C. Reckhard, Edmonton Mountain Bike Alliance
- K. Zucchet, Edmonton Mountain Bike Alliance
- S. Koenig, Edmonton Mountain Bike Alliance
- J. Yurkovich, Edmonton Mountain Bike Alliance
- P. Cotterill
- K. Kowalchuk, Edmonton River Valley Conservatrion Coalition

A handout provided by J. Yurkovich was distributed to Members of the Committee and a copy was filed with the Office of the City Clerk.

The following members of Administration's delegation answered questions:

- S. McCabe, Deputy City Manager, Urban Planning and Economy



- K. Snyder, Urban Planning and Economy
- L. Butterfield, Urban Planning and Economy
- A. Kotowska, Urban Planning and Economy
- D. Jones, Community Services
- R. Norman, Community Services
- J. Wilson, Employee Services
- J. Spence, Community Services

**Moved by:** A. Salvador

That Urban Planning Committee recommend to City Council:

1. That Administration amend the agreement with the Edmonton Mountain Bike Alliance to allow authorized maintenance of the City's existing natural surface trails, within preservation areas, until the River Valley Trail strategy is approved and funded, and until on the ground assessments are completed by way of the River Valley Parks Master Plan.
2. That Administration prepare an unfunded service package for consideration as a part of the 2023-2026 budget deliberations for development of a recreational trail strategy plan that identifies a sustainable network of improved and natural tread trails and specifies the ongoing operations and maintenance requirements for the comprehensive trail system, in order to meet the needs of recreational users in balance with the ecological sensitivity of the River Valley. Development of the trail strategy will include engagement with stakeholders and the public.

In Favour (4): S. Hamilton, A. Paquette, K. Principe, and A. Salvador

**Carried (4 to 0)**

## **7. Responses to Councillor Inquiries**

There were no Responses to Councillor Inquiries on the agenda.

## **8. Motions Pending**

There were no Motions Pending on the agenda

**9. Private Reports**

There were no Private Reports on the agenda

**10. Notices of Motion and Motions without Customary Notice**

Councillor S. Hamilton asked whether there were any Notices of Motion. There were none.

**11. Adjournment**

The meeting adjourned at 4:16 p.m., Tuesday, May 31, 2022.

---

Chair

---

City Clerk

# Requests to Reschedule Reports

## Urban Planning Committee

### June 14, 2022

---

#### 5.1 Investment in New Development

Urban Planning and Economy - UPE00894

**Original Due Date: June 14, 2022 Urban Planning Committee**

**Revised Due Date: August 23, 2022 Urban Planning Committee**

- Administration is requesting additional time to gather information and insights that will inform the recommendation.

#### **Recommendation:**

That the revised due date of August 23, 2022, Urban Planning Committee, for the Urban Planning and Economy report UPE00894, Investment in New Development, be approved.

#### 5.2 Affordable Housing Contributions Approach

Community Services - CS00738

**Original Due Date: June 28, 2022, Urban Planning Committee**

**Revised Due Date: November 29, 2022, Urban Planning Committee**

- Administration requests that this report be rescheduled to support Committee scheduling.

#### **Recommendation:**

That the revised due date of November 29, 2022, Urban Planning Committee, for the Community Services report CS00738, Affordable Housing Contributions Approach, be approved.



# Requests to Reschedule Reports

## Urban Planning Committee

### June 14, 2022

---

#### 5.1 Investment in New Development

Urban Planning and Economy - UPE00894

**Original Due Date: June 14, 2022 Urban Planning Committee**

**Revised Due Date: August 23, 2022 Urban Planning Committee**

- Administration is requesting additional time to gather information and insights that will inform the recommendation.

#### **Recommendation:**

That the revised due date of August 23, 2022, Urban Planning Committee, for the Urban Planning and Economy report UPE00894, Investment in New Development, be approved.

#### 5.2 Affordable Housing Contributions Approach

Community Services - CS00738

**Original Due Date: June 28, 2022, Urban Planning Committee**

**Revised Due Date: June 27, 2022, Community and Public Services Committee**

- Administration requests that this report be rescheduled to support Committee scheduling.

#### **Recommendation:**

That Urban Planning Committee recommend to City Council:

That the revised due date of June 27, 2022, Community and Public Services Committee, for the Community Services report CS00738, Affordable Housing Contributions Approach, be approved.

## GROWTH MANAGEMENT FRAMEWORK UPDATE

### RECOMMENDATION

That the June 14, 2022, Urban Planning and Economy report UPE01029, be received for information.

#### Report Purpose

##### Information only.

Committee is being informed of progress on the growth management program components and the opportunity to provide input to Administration for next steps and further development of program components prior to implementation.

### Executive Summary

- Growth Management is a critical component of The City Plan that represents a market transformation, based on two million Edmontonians living within the current city boundary.
- Implementing and achieving The City Plan will transform Edmonton through increased growth in established areas, greater housing choice, and 15 minute districts that support the City's financial viability and climate resilience.
- Components of the growth management body of work include Priority Based Budgeting criteria, potential capital profiles for priority growth areas, redevelopment incentives and the substantial completion standard.
- Through collaboration with stakeholders, Administration is developing its approach and metrics to reflect the insights shared by industry stakeholders. As an example of one of those insights, Administration is exploring solutions to address utility infrastructure barriers to redevelopment with EPCOR.

### REPORT

The City Plan is a critical part of Edmonton's investment strategy that includes development priorities around physical, environmental and social infrastructure investments and

## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

understanding their fiscal implications. The City Plan guides the phasing of growth to ensure the best return on investment for Edmonton.

Growing within the current urban boundary requires increased and more diverse medium and high density development to accommodate Edmontonians. This change in urban form will mean more efficient use of land and welcoming more people into areas with existing amenities, infrastructure and services. It may mean the City and its city-building partners will need to increase and enhance those elements as districts see growth (see Attachment 1 for sources of funding). Growth management will enhance opportunities to meet climate and energy goals, diversify the supply of housing, create the conditions for achieving Edmonton's transportation mode share targets and align budgets with policy. The City is already taking a growth management approach through surplus land processes, whereby the geography of priority nodes and corridors are a component of land evaluation.

The focus for the growth management program is on the 1.25 million population horizon. This phase does not anticipate significant shifts to the growth pattern. Instead, the work will focus on setting a foundation of policy and practice for Administration, so that the shift is activated and accelerated between the 1.25 million and 1.5 million population horizons. The City Plan and growth management anticipate both developing area and redevelopment growth; however, the redevelopment focus may seem more prominent because the established processes that support greenfield development do not yet exist at the same scale for redevelopment. Attachment 2 indicates the development pattern areas that are the focus of each component of growth management and existing City programs.

Growth management is divided into three phases: program scope, program component development and implementation. The scoping phase was completed in Q2 2021. More information on The City Plan Growth Management Scoping Project Final Report is included in Attachment 3.

### **Developing Program Components (current phase)**

The program component development phase of Growth Management began in Q3 2021 and will be complete at the end of 2022. Through this phase, Administration is advancing The City Plan's growth management principles and concepts into tools and tactics that achieve the goals throughout the development pattern areas. The creation of these tools reflects learnings from city-building partners including various City business areas, the development industry and EPCOR engagement. The five key components are discussed below.

#### **1. Priority Based Budgeting Strategic Criteria**

Based on The City Plan's phasing and activation of growth, criteria were developed for scoring capital growth projects to determine the priorities for the 2023-26 capital budget cycle as part of Priority Based Budgeting. Projects receive higher points if they support dwelling unit growth in priority nodes and corridors, provide amenities, facilities and services that complete the redeveloping area, include active transportation and public realm improvements, and contribute to employment growth and investment in non-residential areas. A map of the Priority Growth Areas is provided in Attachment 4. Priority growth areas are a subset of The City Plan Nodes and



## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

Corridors network (see Attachment 5) that are expected to see the largest housing growth in the redeveloping area by the 1.25 million population horizon.

### **2. Capital Investment for Priority Growth Areas**

Through The City Plan's infrastructure investment lever, planning, design and delivery of select active transportation, public realm and open space projects that support priority growth locations where significant private investment has or is expected to occur, such as Mill Woods and Oliver are being considered as a part of the 2023-2026 budget development process. These targeted investments will help to attract and support population growth in existing areas of the city which would make efficient use of existing infrastructure, reduce urbanization of agricultural lands, and increase density, creating the conditions for increased use of public transit, walking and cycling. These outcomes contribute to achieving Edmonton's climate goals by reducing greenhouse gas emissions.

The investments could contribute to the scope and impact and/or enable work to occur sooner than planned, including potential developing area investments that contribute to substantial completion, such as district, urban village, school and community parks.

### **3. Redevelopment Incentives**

Through The City Plan's incentives and pricing lever, a set of incentives geared toward The City Plan objectives will be prepared and advanced for consideration as part of the 2023-26 operating budget if directed by Council. By providing funding, the incentives will reduce barriers and signal to industry that redevelopment aligned with The City Plan is supported in Edmonton. Desired growth makes use of existing infrastructure and land at higher densities and contributes to creating vibrant mixed-use nodes and corridors served by transit. Incentives will increase housing supply and choice in the infill market and create momentum toward achieving The City Plan targets. See Attachment 6 for more detail on potential incentives.

Industry stakeholders were engaged regarding existing and potential incentives. Feedback included the need for reliable incentives that address barriers facing a variety of development project types, particularly infrastructure related costs. Tax based incentives are preferred by industry, though are not recommended by Administration due to their tendency to erode real property tax growth. As an alternative, tax revenue could be dedicated to supporting and encouraging intensification and infill in key locations. Measurement and tracking of incentives was viewed by internal and industry stakeholders as important to determining incentive benefit and value.

Alongside direct incentives and capital investments in infrastructure, the City should also support redevelopment through non-financial approaches such as streamlining development approvals, site assembly, working with EPCOR to identify priority infrastructure barriers and solutions, and rezoning. Specifically, a draft work plan is being prepared that will outline an approach to rezoning priority areas and is scheduled to return to Urban Planning Committee in Q1 2023.

## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

### **4. Substantial Completion Standard**

Substantial Completion of the developing area is based on policy direction 2.3.2.3 of The City Plan which states: require substantial completion of the developing area including service provision, amenities, and infrastructure prior to authorizing the preparation of statutory plans for the contiguous development of the future growth area.

Throughout The City Plan engagement, Edmontonians indicated interest in having complete communities — complete communities are when it is possible and enjoyable to complete most daily tasks, often without the need for a vehicle. This work is directly informed by the complete communities concept in the Edmonton Metropolitan Region Growth Plan. Substantial Completion will positively impact the City's financial viability by balancing planned infrastructure commitments with market demand and affordability.

To track substantial completion, a set of metrics are being developed with input from industry partners. Examples of metrics include percentage of planned low, medium and high density residential units completed, school site/park status, non-residential zoning and facilities. Metrics will be tracked by Administration based on The City Plan policy direction. It is recommended that the metrics are formalized in an administrative standard (per the Corporate Policy Framework). Annual monitoring of the metrics will provide the opportunity for stakeholders and the public to understand progress toward completion of the developing area.

Alternatively, should Council wish to provide further strategic direction beyond the substantial completion policy direction in The City Plan, Administration could explore existing statutory and policy tools available to Council. Depending on the approach, this could require public input. Views may range from suggesting stricter regulations on future growth area development than currently in The City Plan to avoiding restriction of development in the future growth area. The technical detail of substantial completion metrics may also be challenging to establish and refine at the Council level.

Workshops with industry regarding substantial completion were held in December 2021 and April 2022. Initial input included the request that objective measures be consistently applied across all projects, and consideration for how different areas face different development challenges. This input informed the approach of looking at the developing area districts and the establishment of thresholds based on anticipated growth in those areas. Later input reinforced the impact of non-participating landowners on completing neighbourhoods, the need for sufficient lead time to plan future growth areas, and concern about delaying development in the future growth area.

During the next six months, the substantial completion metrics and associated standard will be finalized as an administrative standard, and the resulting work will be shared with Council. Initial substantial completion reporting will follow. Should there be desire for this work to be written as a Council policy, additional time and work planning is required, in particular to incorporate the public engagement components of the work.

### **5. Exploring Solutions to Utility Infrastructure Barriers to Redevelopment**

## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

Administration is working closely with EPCOR to explore various ways to address infrastructure challenges related to the water, drainage and electricity upgrades required to support redevelopment projects. This work builds on findings from the Infrastructure Capacity Review completed to fulfill Action 2 of the Infill Roadmap initiative (UPE00854 Infill Roadmap Initiative -2022 Update, April 26, 2022). It also assesses opportunities to develop targeted utility funded capital programs, including the option to potentially leverage the Stormwater Integrated Resource Plan to support stormwater infrastructure requirements.

Phase 1 Industry Engagement input identified unanticipated infrastructure upgrade costs as a significant barrier to infill. Discussions with EPCOR's One Water and Power leadership identified areas of mutual interest, including priority growth areas with near to end-of-life pipe replacement needs, changing and increasing needs for power, alternative storm and sanitary management including low impact development and wet weather storage. Additional analysis and engagement with industry is needed to develop the most impactful solutions, given constrained City funding and regulatory approval requirements for EPCOR's water and electricity businesses. Changes to the water or drainage funding approaches require review by Utility Committee and changes to power would require review with the Alberta Utilities Commission. In general, more clarity on near term growth requirements in the priority areas is expected to lead to improved infrastructure solutions.

Initial conversations have taken place with ATCO to understand natural gas utility infrastructure impacts on redevelopment; no issues related to the growth management program have been identified to date. Administration will support utility processes should energy transition and new infrastructure needs emerge, such as those related to hydrogen and district energy.

### **Use of Off-site Levies in the Redeveloping Area**

Industry representatives raised the use of off-site levies as a potential tool to fund new or expanded infrastructure to support redevelopment. As of January 1, 2022, the City began collecting off-site levies in the developing area for the construction of fire halls under Facilities Off-Site Levies Bylaw 19340. The Municipal Government Act (MGA) stipulates the types of infrastructure that an off-site levy can be collected for, including water, sanitary, storm sewer, roads, recreation facilities, police stations, fire halls and libraries. Regulations allow collection of an off-site levy in the redeveloping area, however there are challenges related to setting the rate and collecting the levy.

Off-site levies work well in the developing area due to sequenced and relatively predictable development with a defined benefiting area and predictable fund collection to help pay for new or expanded infrastructure. In the redeveloping area context, development is less predictable in both volume and timing and therefore forecasting the available levy amount to pay for the infrastructure becomes equally unpredictable, and in some areas the slow rate of redevelopment does not enable timely construction of facilities from off-site levy charges.

An off-site levy can only be collected at the time of development permit or subdivision. There could be a significant number of parcels in redevelopment areas that benefit from the new or expanded infrastructure but not be required to contribute. To mitigate this, the City may choose

## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

to front-end the cost of the infrastructure — this approach reduces the risk of it not being constructed in a timely manner. Similarly, for fire halls, Administration calculated that the City will need to pay over 50 per cent of the total cost of the remaining developing area fire halls not collected through off-site levies.

An upcoming Urban Planning Committee report (UPE00894 Investment in New Development, tentatively scheduled for August 2022) will explore how the Community Amenity Contributions could be adapted to fund new and expanded infrastructure in the redeveloping area of the city.

### **Implementing Growth Management (starting 2023)**

In alignment with the start of the 2023-26 budget cycle, the implementation phase of growth management will contribute to Edmonton's transformation, including increasing housing choice and gradually shifting more growth to the redeveloping area. Initial actions include offering dedicated incentives, making targeted infrastructure investments in priority areas, and measuring progress toward substantial completion of the developing area.

The City Plan encourages alignment of public and private investment as a way of strategically phasing growth. Consistent, systematic and timely information about the locations and amount of current and near term private investment in land and buildings enables the City to invest nearby where it is consistent with municipal priorities and capacity. Administration is developing a Redevelopment Market Index that will use leading indicators to demonstrate where and when significant redevelopment is likely to occur in the near future as measured by dwelling unit growth. The index may also be used to validate The City Plan's anticipated growth goals.

The concept of 15 minute districts and preparation of district plans create the opportunity to plan City infrastructure in an integrated way based on district geography. An emerging growth management-led initiative will focus on planning and prioritizing new City-owned infrastructure at the district level. The approach will consider the roles of infrastructure in supporting priority growth areas and surrounding neighborhoods and take a city-wide view of how the districts interface with one another.

Growth management links strategy and budget by investing where growth is anticipated and can be activated as per The City Plan. The focus on growth management will increase as subsequent population horizons are approached and surpassed. Eventually, growth management will become standard corporate practice.

### **Budget/Financial Implications**

The growth management framework forms part of the prioritization of capital profiles considering all capital requests that will inform the 2023-2026 proposed budget. Administration will also evaluate operating funding for incentives described in Attachment 6 and staff resources to implement the growth management framework described in this report. However, capital funding for growth and renewal is limited, so the extent of investment and how fast this work can advance may be limited.

# GROWTH MANAGEMENT FRAMEWORK UPDATE

## COMMUNITY INSIGHT

To date, input from five industry representative organizations (Urban Development Institute - Edmonton Metro, Canadian Home Builders Association - Edmonton Region, Infill Development in Edmonton Association, National Association for Industrial and Office Parks (NAIOP) Edmonton and Building Owners and Managers Association (BOMA) Edmonton) was collected through two phases of engagement.

Insights from the industry engagement included:

- Innovative solutions - Barriers to redevelopment, like utility infrastructure upgrade costs and a lack of funding for upgrades, require innovative solutions.
- Internal/external alignment and collaboration - This will continue to improve and evolve as all parties work together to implement The City Plan. The growth management team has been working closely with EPCOR One Water and Power representatives, who participated in Phase 2 workshops.
- Focused investment - The City should focus investment in key areas to encourage redevelopment. Growth management recognizes the value of identifying locations of greatest need and potential within the list of nodes and corridors and Priority Growth Areas. See Attachment 4 for a map.
- Measurement development - On the substantial completion standard, industry representatives advised that the measures should be simple and to consider forecasting the remaining lot supply relative to planning and design, and engineering approval time required for the future growth area. There were diverging opinions on the metrics that should be used including a lack of support for including medium and high density residential completion and City amenities and services, such as transit, in the standard.
- Non-residential development - Industry representatives indicated that incentives for industrial development and office to residential conversions should be considered. Further work will be done to explore how to address this in the growth management framework.

## GBA+

The implementation of growth management through incentives, infrastructure investment and the substantial completion standard may create barriers or new challenges. This could include displacement and increased housing costs for groups such as renters and other current residents of nodes and corridors, low income residents, seniors, and those with disabilities or who face physical, cognitive or language barriers. Unsheltered Edmontonians may also be impacted. Growth management activities may also displace organizations that provide key services to vulnerable populations.

A research plan will be prepared as part of the growth management program in collaboration with District Planning, the River Valley Planning Modernization and Breathe to better understand these impacts in the Edmonton context. The purpose of the research plan is to:

- Understand who may be excluded as initiatives are implemented

## **GROWTH MANAGEMENT FRAMEWORK UPDATE**

- Understand what aspects of the work may impact those excluded
- Understand what other community groups are doing to address inequities resulting from similar initiatives
- Develop finding statements and equity measures based on research
- Identify GBA+ related linkages and opportunities to collaborate between projects

An initial research finding is the Social Vulnerability Index, partially funded by the City, which overlays indicators that impact health, living conditions and quality of life to identify neighbourhoods of high, medium and low vulnerability. Further work will determine the value of understanding the baseline vulnerability within Priority Growth Areas and monitoring significant changes as growth occurs.

## **ATTACHMENTS**

1. City-Building Partner Funding by Infrastructure and Amenity Type
2. Components of Work, Programs and Activities by Development Pattern Area
3. Additional Growth Management Scoping Context
4. Priority Growth Areas Map
5. City Plan Nodes and Corridors Network Map
6. Potential Growth Management Incentives

## City-Building Partner\* Funding by Infrastructure and Amenity Type

Developer	City of Edmonton <sup>2</sup>	Province of Alberta
Natural areas	Libraries	Schools***
Local, collector and arterial roads (up to 4 lanes)	Expressways and arterial roads (over 4 lanes)	Provincial highways <sup>1</sup>
Sanitary service	Fire stations and assets	Assisted living facilities
Water service	Mass transit facilities <sup>1</sup>	Mass transit facilities <sup>1</sup>
Stormwater drainage	Affordable housing <sup>1</sup>	Affordable housing <sup>1</sup>
Park space & basic landscaping <sup>3</sup>	Recreation Facilities	Hospitals
Bus stop amenity pads	Police stations and Police Assets	
Street lighting	Eco Stations <sup>4</sup>	
Shallow utilities	Maintenance Facilities	
	Park amenities and trails	
	Transit assets	

\* Utility funds provided by EPCOR are not reflected; water, drainage, storm water, and electrical services are all funded in part by EPCOR

1. The funds for these items have historically been shared between municipal and provincial governments through provincial cost sharing grant programs.
2. The City of Edmonton funds these facilities through a combination of tax levy and senior government grants. In some cases, developers may also make a contribution.
3. The City of Edmonton prepares sports fields and provides site servicing for schools.
4. Funded by waste utility rates.





**Components of Work, Programs and Activities by Development Pattern Area**

Growth Management Programs and Activities Under Development

Component	Development Pattern Area Focus	The City Plan Reference
Priority Based Budgeting Strategic Criteria	Redeveloping Area and Developing Area	2.3.2.1 Align the capital and operating budget with growth priorities and city-wide budget planning.
Capital Profiles for Priority Growth Areas	Redeveloping Area and Developing Area	2.3.2.1 Align the capital and operating budget with growth priorities and city-wide budget planning.
Redevelopment Incentives	Redeveloping Area	Phasing and Activation (pgs. 142-156) Different types of activation will be initiated by the City to support intentional growth in all areas of the city. Both the public and private sectors have roles in initiating and advancing growth opportunities (pg. 143).
Substantial Completion Standard	Developing Area and Future Growth Area	2.3.2.3 Require substantial completion of the developing area including service provision, amenities and infrastructure prior to authorizing the preparation of statutory plans for contiguous development of the future growth area.
Solutions to utility infrastructure barriers to redevelopment	Redeveloping Area	2.3.1.4 Strategically expand infrastructure capacity to enable future redevelopment and intensification in alignment with priority growth areas.

Existing Programs and Activities to Enable Growth

Program/Activity	Development Pattern Area Focus	Description
Arterial Road Assessment	Developing Area	Developer cost-share program for arterial roadway infrastructure
Permanent Area Contributions	Developing Area	Inter-developer financing and cost share program for sewer systems installed in private development areas
Sanitary Servicing Strategy Fund	Developing Area	Cost share program funded by developers, builders and EPCOR to construct sanitary sewer trunks
Off-site Levy for Fire Halls	Developing Area	Levy charged to developers to pay for the capital costs of new fire hall construction, including the design and equipment
Boundary Recoveries	Developing Area	Cost recovery program for developers constructing a road and/or utilities in a public right-of-way that benefits the properties on both sides of the right-of-way equally
Infill Fire Protection Program and Infill Fire Protection Assessment	Redeveloping Area	Risk assessment and cost share program between developers/builders, EPCOR utility ratepayers, and the City's Fire Rescue Services department in support of water infrastructure upgrades
Community Amenity Contribution	Redeveloping Area	Amenities provided by private developers when rezoning land to a direct control zone to construct a building larger than permitted under the existing zoning
Industrial Infrastructure Cost Sharing Program	Industrial areas in the Redeveloping and Developing Area	Front-end developers are entitled to recover their overexpenditures from 50 per cent of tax uplift in the area

## Attachment 2

Brownfield Remediation and Redevelopment Support	Redeveloping Area	Grant funding is provided to offset costs associated with site remediation activities
Storefront Improvement Program	Business Improvement Areas (all located in the Redeveloping Area)	Matching reimbursement grants to help support exterior renovations.
Development Incentive Program	Redeveloping Area (primarily)	Matching reimbursement grants for interior renovations to ground-floor commercial units that have been vacant for 6+ months
Corner Store Program	Redeveloping Area (primarily)	Matching reimbursement grant for existing commercial buildings and local businesses facade renovations, interior renovations, and business support

Potential (Medium Term) Growth Management Programs and Activities

<b>Activities</b>	<b>Development Pattern Area Focus</b>	<b>Dependencies with other initiatives</b>
Growth monitoring and assessment	All	Redevelopment Incentives Substantial Completion Standard
Infrastructure assessment	Redeveloping and Developing Area	District Plans Level of service analyses
Fiscal impact assessment	Redeveloping and Developing Area	District Plans Level of service analyses
Rezoning priority areas	Redeveloping Area	Zoning Bylaw Renewal District Plans
Growth capital program for priority areas	Redeveloping and Developing Area	Infrastructure and fiscal impact assessments

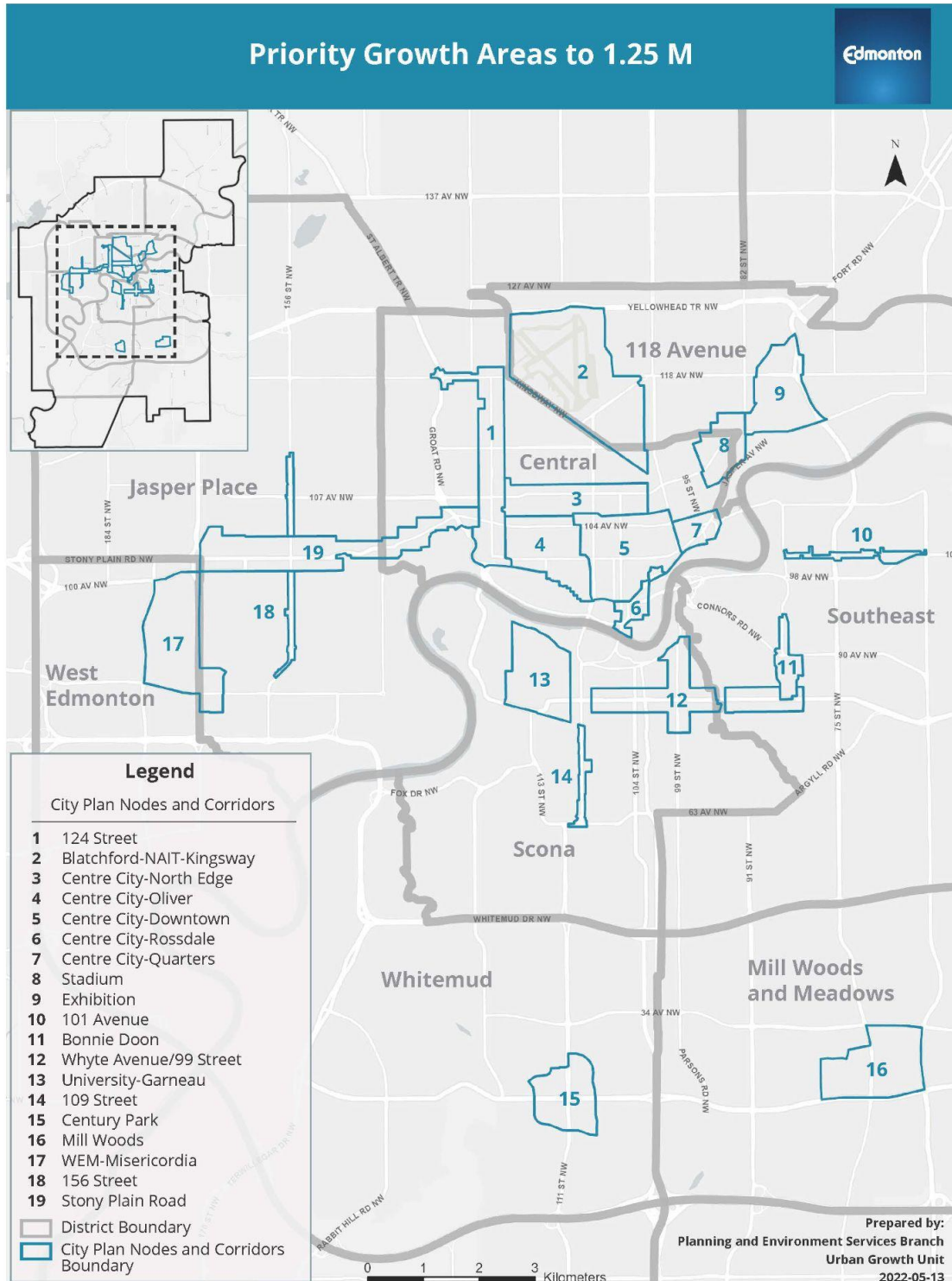
### Additional Growth Management Scoping Context

Growth Management scoping began in Q4 2020 and was completed in Q2 2021. This phase explored key considerations in using policy, incentives and infrastructure investment to shift the development pattern and implement The City Plan through growth management. The final report prepared by Hemson Consulting described risks and opportunities, measuring and monitoring, and planning for industry engagement planning. The key takeaways were summarized in 25 recommendations that directly inform the development of the growth management program components. In particular:

- **Redevelopment Incentives** Recommendation 2.1 Develop a City Plan Focused Package of Financial and Non-Financial Incentives
- **Capital Profiles for Priority Growth Areas:** Recommendation 3.2 Allocate Capital Funding to Growth Management Objectives



Priority Growth Areas Map

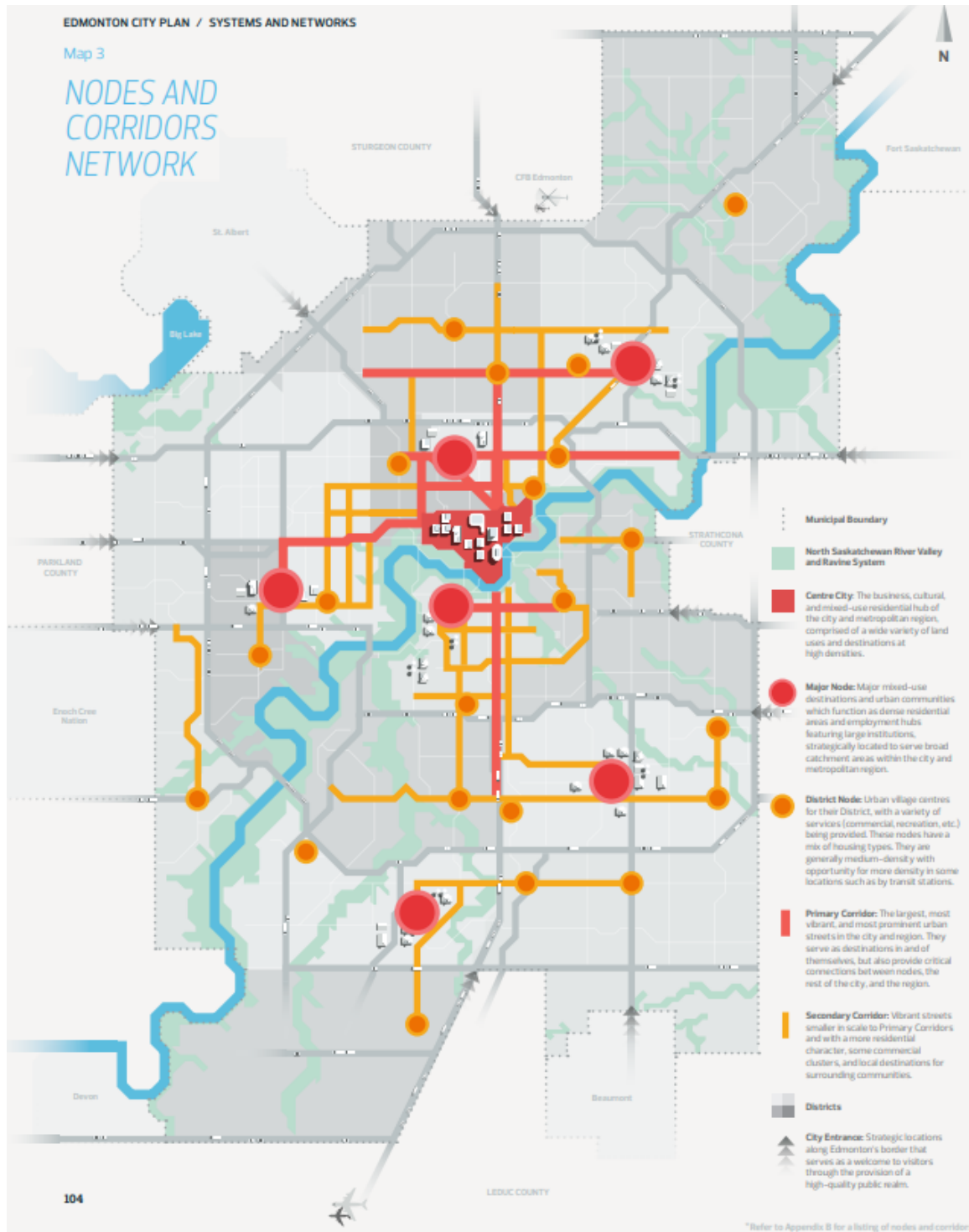


Note: The priority growth areas are a subset of The City Plan Nodes and Corridors Network (City Plan Map 3). The geographic boundaries of some nodes and corridors may be refined during the development of district plans.





City Plan Nodes and Corridors Network Map



Note: The priority growth areas are a subset of The City Plan Nodes and Corridors Network (City Plan Map 3). The geographic boundaries of some nodes and corridors may be refined during the development of district plans.



### Potential Growth Management Incentives

Based on internal and external engagement and greatest anticipated need and benefit, the following incentives are being considered for advancement:

- The combination of a tax-based grant, similar to the 2021 Economic Incentive Grant accessed earlier in the development process, and tax deferral, for both residential and non-residential development.
- One or more capital grants to support the construction of residential infill in priority locations that otherwise would not occur or would not occur as quickly.
- Funding for incentives to assist with the cost of electricity pole and anchor relocations needed to accommodate a development project's site design and location. The costs of relocations can impact the viability of the small and medium scale infill.

Work to date has included an informal review of the City's current growth-related incentives to assess alignment with City Plan objectives and geography. This revealed the opportunity for more consistent tracking and the opportunity to integrate social and environmental objectives into new incentive programs. The Infill Fire Protection Program (and associated Infill Fire Protection Assessment), in partnership with EPCOR, focuses on water related infrastructure upgrades. The program targets 'missing middle' density development and considers proximity of developments to transit and active transportation as part of the criteria.





Urban Planning and Economy



Edmonton

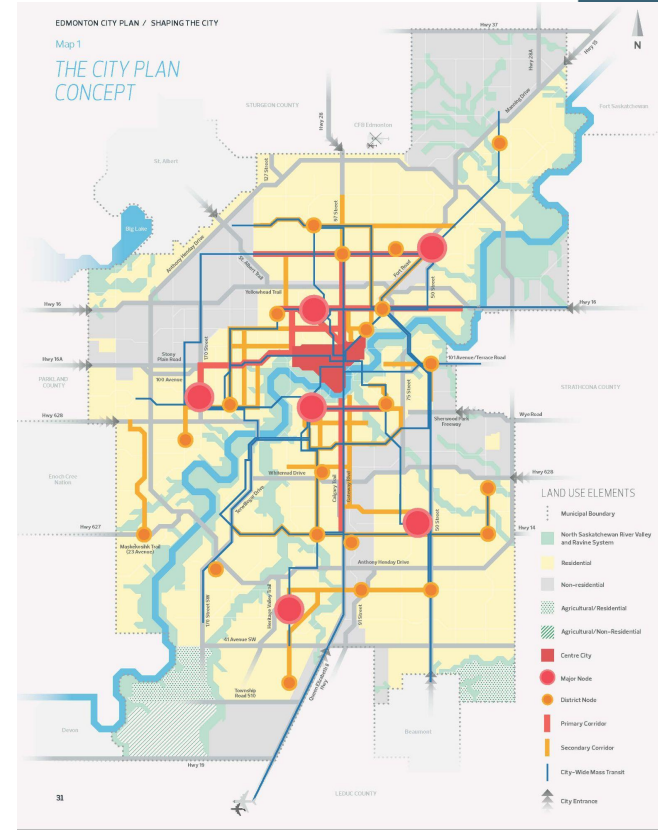
# Growth Management Framework Update

June 14, 2022

Lindsey Butterfield  
lindsey.butterfield@edmonton.ca

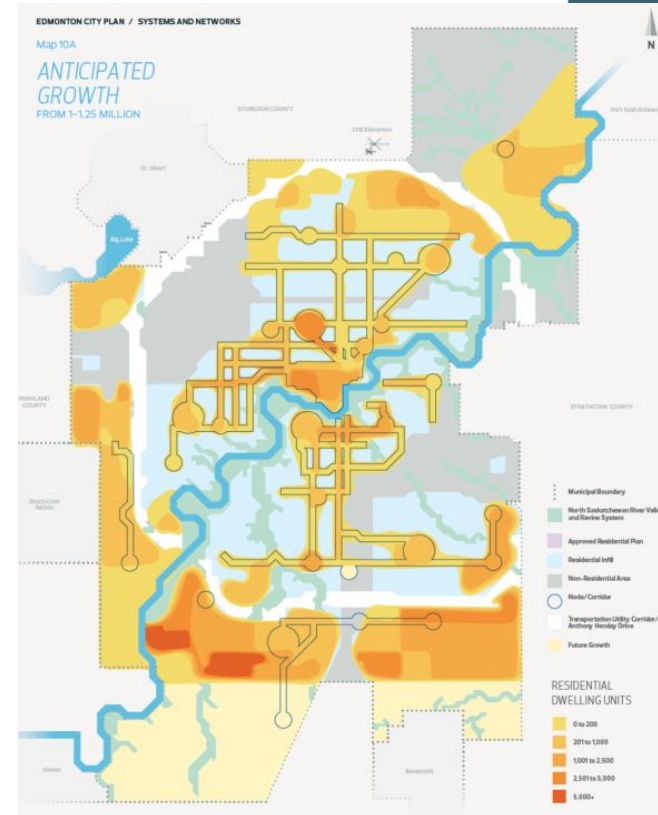
# Growth Management

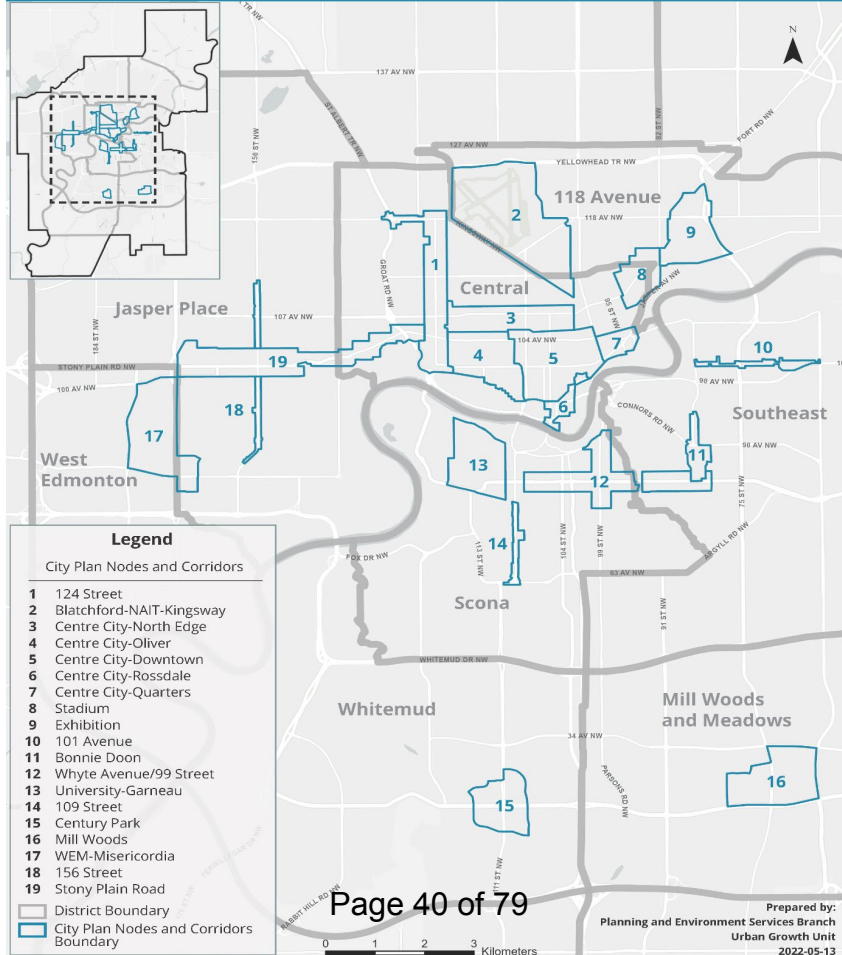
- Implementation through levers of change
- Support and activate growth
  - Use land and infrastructure more efficiently
  - Activate the network of nodes and corridors
  - Successful mass transit network
  - 15 minute districts
  - Reduce GHG emissions



# Anticipated Growth

- Establish foundation for City Plan horizons
- Phase growth opportunities
  - Developing Areas → Redeveloping Areas
  - Nodes & Corridors → Priority Growth Areas
- Focus on 1.25 M with considerations for next horizon
- Strategic goals ⇒ Investment decisions







# Implement Growth Management

- PBB Criteria for Capital Growth projects
- Redevelopment Incentives
- EPCOR Collaboration
- Capital Profiles for Priority Growth Areas

# Substantial Completion Standard

- Metrics that determine recommending planning of future growth area
- Tracking related metrics, e.g. facilities and infrastructure
- Consideration for land/lot supply



# Engagement

- Development Industry
  - Six sessions over two phases (Dec 2021-Apr 2022)
  - Address infrastructure upgrade costs
  - Incentives
  - Lead time to plan future growth area
- EPCOR One Water
  - Links infrastructure capacity review + growth management

# Next Steps

- Program Components for 2023 Launch
- 2023-26 Budget
  - Capital Profiles
  - Redevelopment Incentives
- Urban Planning and Utility Committees
- District Plans



# Questions?

Lindsey Butterfield, Director  
Urban Growth and Open Space

Edmonton

# Upcoming Budget Requests

- Infrastructure Investment - Capital
  - Aligned MNA + Open Space projects
  - Leverage renewal, e.g. Oliver
  - Developing area parks
  - Outcome: Align strategy + budget
- Redevelopment Incentives - Operating
  - Tax based amounts
  - Pole and anchor relocates
  - Capital per door grants
  - Outcome: small + medium infill support



## TREE PRESERVATION ON PRIVATE PROPERTY

### RECOMMENDATION

That the June 14, 2022, Urban Planning and Economy report UPE00664, be received for information.

#### Report Purpose

##### Information only.

Council is being informed of benefits and drawbacks associated with tools to protect and/or encourage tree preservation on private property.

### Previous Council/Committee Action

At the May 25, 2021, Urban Planning Committee meeting, the following motion was passed:

Administration provide reports on the following:

1. Previous work completed on landscaping requirements for low density development and the effectiveness of those tools, including tree protection and preservation for sites undergoing redevelopment.
2. Other possible tools to protect and/or encourage tree preservation on private property.

The first part of the motion was addressed through UPE00667 Landscaping Requirements for Low Density Residential Development (August 24, 2021), which provided Urban Planning Committee with a high-level summary and analysis of bylaws, practices and resources implemented. This report addresses the second part of the motion.

### Executive Summary

- Two of The City Plan's Big City Moves, Greener As We Grow and A Rebuildable City, emphasize the need to preserve and protect the environment through good design and purposeful development decisions.
- Developments that support increased housing options for a growing population will need to be balanced with the preservation and enhancement of our environmental assets, like the City's tree canopy, to align with policy directions.

## TREE PRESERVATION ON PRIVATE PROPERTY

- There are benefits and drawbacks associated with tools to protect and/or preserve trees on private properties. Administration recommends stronger communication with applicants to reinforce existing landscaping regulations, including incentives for tree preservation.
- A jurisdictional scan of private tree bylaws in Canada helped conceptualize scenarios.

### REPORT

The City of Edmonton's Urban Forest, a significant municipal asset consisting of approximately 380,000 boulevard and open space trees and over 3,000 hectares of natural stands, provides many environmental, ecological, economic and social benefits to Edmontonians. The City Plan sets an ambitious target to increase the urban tree count in Edmonton by two million net new trees, which will require adding greenery throughout our city's nodes and corridors, parks, public realm and private property.

Edmonton's older, redeveloping neighbourhoods are typically characterized by their mature trees. In some cases of redevelopment, property owners remove trees prior to development because the existing tree's location limits the buildable area of the site or presents access issues during construction. In other scenarios, newly planted trees in developing areas may not thrive or existing trees may be unhealthy (i.e. diseased/dying) and need to be removed.

Over the past decade, Administration has discussed and considered approaches to address tree protection on private properties, while also promoting tree plantings for new developments. While the City of Edmonton now has expanded authority under the City Charter to develop a private tree bylaw, this report outlines the benefits and drawbacks associated with such regulation.

#### Prior Policy, Programs and Processes

Discussion around tree preservation and protection on private property, initiated as early as 2005, resulted in a variety of approaches and recommendations for policy, programs and processes, and in some cases, Zoning Bylaw text amendments. A chronology of past reports, provided in UPE00667 Landscaping Requirements for Low Density Residential Development (August 24, 2021), identified the difficulties in the effective implementation and enforcement of a permit process for the removal of trees on private property. City Council enacted measures such as enhancements to the City's current landscaping regulations, in addition to programs and processes.

#### Possible Tools to Protect Private Trees and/or Encourage Preservation

While the City has taken steps to protect and encourage retention of trees on City property, such as boulevards and parkland (Corporate Tree Management Policy, C456C, and Public Tree Bylaw 18825), trees on private property are not subject to the same regulations. Prior to the introduction of the City Charter in 2018, the City did not have the authority through the Municipal Government Act to regulate private trees outside of the Zoning Bylaw. However, section 4(2) of the City Charter introduced the ability for the City of Edmonton to pass bylaws for municipal



## TREE PRESERVATION ON PRIVATE PROPERTY

purposes respecting the well-being of the environment. If Council chooses to regulate trees on private property, such regulation could be through a Private Tree Bylaw or the Zoning Bylaw.

*Private Tree Bylaw* - If the City were to pass a Private Tree Bylaw, the City would need to develop a new permitting system separate from the development permit system set out in the City's Zoning Bylaw. A Private Tree Bylaw would require a permit for the removal of trees and or a tree protection or preservation plan for any trees on private property when redevelopment is occurring on a site. The creation of a new Private Tree Bylaw, including engagement and the development of a new permitting system for tree removal and associated resources, would require funding. The ongoing operation of this new service would also require funding. Depending on the fee associated with the tree removal permit, the City may be able to recover all or part of the funding required for the operation of the tree removal permit system.

*Zoning Bylaw* - The City could regulate the removal of trees on private property through the Zoning Bylaw. This approach has been considered and rejected previously by Council. Regulating trees on private property through the Zoning Bylaw would allow the City to tie tree removal directly into development permits. However, this approach could be seen as a barrier to development (i.e. limit developability, access, etc.) and would result in an increased demand for the development permit system use, which could lead to an increase in wait times for all development permit applicants.

*Communications* - Council may choose to continue to focus on an incentive approach to tree planting and preservation rather than proceed with a new Private Tree Bylaw or use the Zoning Bylaw to regulate the removal of trees on private property. Additional communication of the current landscaping obligations in the Zoning Bylaw, which includes incentives for preserving existing trees, would represent a low-cost alternative to the above approaches and will result in the reinforcement of existing landscaping requirements.

The benefits and drawbacks of each of these approaches are further detailed in Attachment 1.

### Jurisdictional Scan

Several municipalities in Canada have implemented their own private tree bylaws with mixed results. Benefits and drawbacks of private tree bylaws in Ottawa, Vancouver, Toronto, Surrey, and Oakville are outlined in Attachment 2. All municipalities cited difficulties with the volume of enforcement associated with regulating private trees by way of permit.

Below is a brief summary of other notable benefits and drawbacks:

<i>Potential Benefits</i>	<i>Potential Drawbacks</i>
<ul style="list-style-type: none"> <li>● Increased information around private tree preservation requirements and expectations</li> <li>● Large fines serve as a deterrent to private tree removal</li> <li>● Increased clarity when public and private tree bylaws are harmonized into</li> </ul>	<ul style="list-style-type: none"> <li>● Increased fees for development through a new tree permit; and replacement/compensation costs for private trees removed</li> <li>● Increased staff resources required to review tree permit applications and conduct inspections</li> </ul>

## TREE PRESERVATION ON PRIVATE PROPERTY

<ul style="list-style-type: none"><li>one bylaw</li><li>Increased opportunity for replanting of trees on private property</li><li>Increased opportunity to reach urban canopy targets set out by Urban Forest Management Strategies</li></ul>	<ul style="list-style-type: none"><li>Increased development permit review timelines as tree permit applications are an additional process</li><li>Decreased ability to enforce tree permit violations and compliance</li><li>Increased appeals to the Subdivision and Development Appeal Board (SDAB)</li><li>Increased volume of neighbour-to-neighbour complaints</li></ul>
---	---

Lessons from these cities and the implementation of their private tree bylaws helped to inform potential scenarios and implications for Edmonton. A new Private Tree Bylaw or use of the Zoning Bylaw to regulate the removal of trees on private property would impact staff resources, development permit processing times and development fees. Administration recommends better communication of existing processes and informing applicants of incentives for tree preservation to meet landscaping requirements.

The City Plan sets out the intention to be Greener as We Grow, recognizing that the urban canopy makes a quantifiable contribution to the long-term livability of our city. While this report focuses on the protection and preservation of existing trees, a more proactive approach of enabling or supporting tree plantings will be necessary to meet the target for new trees set out in The City Plan. In light of a changing climate and intensification of development, the key to achieving these outcomes will be to plant and care for new trees, in addition to protecting and preserving the existing tree canopy.

### Budget/Financial Implications

A budget will be needed to support robust community and industry engagement efforts, policy and regulatory analysis, implementation, service delivery options and compliance/enforcement for any of the scenarios advanced. At Council's direction, Administration will bring forward an unfunded service package as part of the 2023-2026 budget to proceed with the preferred scenario, if required.

### COMMUNITY INSIGHTS

Engagement with internal and external stakeholders will be critical to implement any of the scenarios presented. Throughout The City Plan engagement process, Edmontonians expressed support regarding the preservation of trees within the municipality. Edmontonians highlight the importance of both maintaining the existing urban tree canopies, as well as planting more trees for a greener Edmonton.

### GBA+

Tree preservation on private property is an issue that concerns a wide range of people and perspectives, from residents to builders, from Councillors to community organizations. The benefit of an abundant urban tree canopy and the recent Public Tree Bylaw support social equity

## **TREE PRESERVATION ON PRIVATE PROPERTY**

and reduce heat island impacts. However, tree preservation on private property challenges redevelopment goals. Densification is one of the important ways in which climate change impacts can be mitigated. For example, medium-density housing can be built more efficiently and less carbon-intensively, and a shift towards densely-populated neighbourhoods with nearby amenities and services can reduce car commutes, thus, decreasing greenhouse gas emissions. Increased regulation to preserve trees on private property may be cost-prohibitive for redevelopment and impact the opportunities for a diverse array of housing typologies.

### **ATTACHMENTS**

1. Scenarios for Tree Preservation on Private Properties
2. Jurisdictional Scan: Private Tree Bylaws in Canadian Cities



**Scenarios for Tree Preservation on Private Properties**

Information provided by Canadian municipalities that have implemented their own Private Tree Bylaws helped to inform potential scenarios and implications for Edmonton.

**Scenario 1:** Private Tree Bylaw that would regulate trees on private property.

<i>Potential Benefits</i>	<i>Potential Drawbacks</i>
<ul style="list-style-type: none"> <li>Increases tree preservation expectations and biodiversity on private property</li> </ul>	<ul style="list-style-type: none"> <li>Increases fees/permits for development and development timelines</li> <li>Increases regulatory complexity</li> <li>Requires staff resources for planning, implementation, enforcement and engagement</li> <li>New permitting system would require funding for development, testing, training and delivery</li> <li>Creates an increased burden on infill developers and reduces densification, contrary to The City Plan’s vision</li> <li>An appeal process would need to be established and the City would need to either create a new board or add tree permit appeals to an existing board</li> </ul>

**Scenario 2:** Zoning Bylaw regulations that would regulate tree removal on private property. Note: This is out of scope for the Zoning Bylaw Renewal Initiative and could be a post-renewal project.

<i>Potential Benefits</i>	<i>Potential Drawbacks</i>
<ul style="list-style-type: none"> <li>Increases tree preservation expectations and biodiversity on private property</li> <li>Ties into the existing development permit system, which decreases costs relative to</li> </ul>	<ul style="list-style-type: none"> <li>Increases fees for development</li> <li>Increases development permit timelines</li> <li>Increases regulatory complexity</li> <li>Requires resources to draft amendment and new</li> </ul>

## Attachment 1

<p>a standalone Private Tree Bylaw</p>	<p>process/permit, in addition to associated engagement, communications and marketing</p> <ul style="list-style-type: none"> <li>● Requires resources to implement the service (cost recovery or to be funded by the tax levy)</li> <li>● Creates an increased burden on infill developers and has the potential to disincentivize densification, which falls out of alignment with The City Plan</li> <li>● Subdivision and Development Appeal Board may need training and additional funding to address appeals</li> </ul>
--	--

**Scenario 3:** Administration focuses its efforts on communicating current landscaping requirements of the Zoning Bylaw.

<i>Potential Benefits</i>	<i>Potential Drawbacks</i>
<ul style="list-style-type: none"> <li>● Increases awareness and effectiveness of current landscaping regulations</li> <li>● Utilizes existing administrative processes</li> <li>● Promotes infill development and increased densification in line with The City Plan</li> </ul>	<ul style="list-style-type: none"> <li>● May require funding for marketing/communications</li> </ul>

### Jurisdictional Scan: Private Tree Bylaws in Canadian Cities

Using publicly-available data and information collected through key informant interviews, cities across Canada were explored with regard to their implementation of private tree bylaws. Details of the cities studied — Ottawa, Vancouver, Toronto and Surrey — can be found in the sections below. To date, cities in Alberta, Saskatchewan and Manitoba have not enacted bylaws to protect or preserve trees on private property.

Edmonton has taken steps to protect trees on City property through the Public Tree Bylaw 18825, which comes into effect on May 1, 2022. Public Tree Bylaw 18825 requires a permit and a tree protection or preservation plan for any work done within five meters of a boulevard and open space tree or within 10 meters of a natural stand. These selected cities have previously implemented a similar public tree bylaw which set the foundation for a private tree protection bylaw. Reviewing these municipalities provides insight on how private tree protection is implemented — and its effectiveness.

A general approach found among these cities was that specific tree protections only applied to certain areas of the city. This speaks to the diversity of property types and the outcomes of the tree protection bylaws, which seek to limit tree loss within the urban forest canopy. For example, in Ottawa, the requirements for tree permits on private property applied to certain areas identified as urban/rural in their respective bylaws. Additionally, different types of development were subject to more burdensome permitting requirements. For example, in Surrey, developers seeking to build multi-family developments or subdivisions faced higher permit fees and securities than property owners looking to remove individual trees. In Ottawa, costs for removal of trees associated with infill were higher than other removal costs, demonstrating a desire to limit the amount of infill-related tree loss.

While the overall costs for permits, securities and replanting ratios varied across cities, they seemed to serve as incentives to retain trees where possible, and ensured that trees will be replaced and cared for once a permit is issued.

The following section explores each city and its approach to tree protection bylaws.

#### **Ottawa**

The City of Ottawa (pop. 1,408,000) implemented its Tree Protection Bylaw (No. 2020-340) in January 2021, which consolidated the Urban Tree Conservation Bylaw and Municipal Trees and Natural Area Protection Bylaw into one. The Tree Protection Bylaw protects all municipal trees, as well as certain private trees, and requires a tree permit to be issued in order to remove or injure any protected trees.

In 2017, Ottawa City Council approved a 20-year strategic Urban Forest Management Plan (UFMP). It provided insight into the city's urban forest canopy

## Attachment 2

cover and municipal tree inventory and helped inform the outcomes of the Tree Protection Bylaw (2020-340). The bylaw was developed in response to community feedback and a recommendation made in the plan which highlighted the extensive loss of the city's urban forest canopy.

Overall, the requirements and costs associated with obtaining a tree permit varied but were generally more costly and prohibitive if the removal was associated with infill. For example, the replanting ratio associated with infill was 2:1, whereas a similarly sized tree not associated with infill only required a 1:1 replanting.

Significant funding and resources were required to process these newly-added tree permits and to enforce compliance. Since the issuance of tree permits now occurs at the time of a building permit application review, development timelines have inevitably increased.

<b>Date Implemented</b>	Tree Protection Bylaw (By-law No. 2020-340) in effect on January 1, 2021
<b>Overview of Bylaw</b>	<ul style="list-style-type: none"> <li>• A tree permit is required to remove or injure any trees (10 cm or more in diameter) on public property, any trees that are on private properties &gt;1ha within the urban area, any trees identified as distinctive on private properties &lt;1ha within the urban area, or any trees subject to the requirements of a site plan or subdivision plan.</li> <li>• A permit to remove trees is not required in the designated rural area.</li> <li>• Permit fees range from \$500-\$2,500 for infill and \$150-\$750 for non-development removal.</li> </ul>
<b>Enforcement and Compliance</b>	<ul style="list-style-type: none"> <li>• A forester does not have the ability to issue fines but may engage with municipal law enforcement officers to deal with offences</li> <li>• Non-compliance occurrences are often difficult to convict and prove in court.</li> <li>• If convicted of offence: \$500 (min) to \$100,000 (max).</li> <li>• Failure to adhere to a stop work order: \$500 (min) to \$100,000 (max) for each day or part of a day that the offence continues; not limited to \$100,000.</li> </ul>
<b>Compensation and Replanting Ratios</b>	<ul style="list-style-type: none"> <li>• In non-development scenarios: replacement of a tree is a 1:1 ratio.</li> <li>• For municipal trees: minimum compensation value is \$400/tree.</li> </ul>



## Attachment 2

	<ul style="list-style-type: none"> <li>• For infill development: 2:1 ratio for distinctive trees 30 to 49 cm in diameter and 3:1 ratio for distinctive trees 50 cm or greater in diameter.</li> <li>• Financial compensation is accepted by the City in some cases where required replacement trees cannot be accommodated.</li> </ul>
<b>Incentives to Retain, Protect and Replant</b>	<ul style="list-style-type: none"> <li>• The costly application fee and high replacement tree ratios may act as a deterrent to remove trees.</li> <li>• When a replacement tree is required, a security deposit may be collected to guarantee the cost of maintaining or replacing the tree. This acts as an incentive to replant and maintain required trees to recover this cost.</li> </ul>
<b>Resources and Funding</b>	<ul style="list-style-type: none"> <li>• One full-time forester in the planning department reviews applications and contacts applicants for direct questions or feedback.</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• For infill development: A full Tree Information Report must be submitted to Building Code Services, along with any building permit application. Tree-related variances are considered at the Committee of Adjustment Tribunal.</li> <li>• For non-infill development: To apply for a tree permit, a Tree Information Report still must be submitted.</li> <li>• Development Officers are able to check sites for adequate tree protection fencing before development begins but enforcement capacity is limited beyond that.</li> <li>• Generally, the City encourages services under driveways rather than under lawns to preserve trees and eliminate future complications with trees.</li> <li>• Strong focus on culture change around trees. Programs are in place to educate, train and increase public understanding of the importance of trees.</li> </ul>

### Vancouver

The City of Vancouver (pop. 2,606,000) implemented its Protection of Trees Bylaw (No. 9958) in January 2020. This bylaw protects all City-owned trees and requires a permit to remove private trees with a diameter of 30 cm or more. Over 95 per cent of the urban canopy is on private property, and overall, the bylaw helped reduce the significant loss of trees that was occurring across urban areas of the city.

## Attachment 2

Generally, the cost of applying to remove one tree is low, but begins to cascade in cost for any additional trees. This permit cost, along with the cost of replanting and potential fines for non-compliance, act as an incentive to retain trees when possible. Additionally, the bylaw allows for on-site ticketing from development officers and bylaw enforcement, which provides greater enforcement powers and may act as an incentive for people to follow the tree permitting process.

However, funding and resources was cited as an issue that has led to longer permitting times and less convictions for offences. The 17-person department oversees more permits every year, and since the tree permitting process is now tied to development applications, more resources are required to review these applications. Currently, the department faces staffing limitations to follow up on inspections to ensure that trees were not injured or replaced properly as part of their application.

<b>Date Implemented</b>	Protection of Trees By-law 9958 in effect on January 1, 2020.
<b>Overview of Bylaw</b>	<ul style="list-style-type: none"> <li>• A tree removal permit is required to remove private trees 30 cm or larger. No permit is needed to remove smaller trees, unless identified as a replacement tree or part of a landscape design for a new development.</li> <li>• Permit fees are \$87.00 for a tree permit to remove the first tree in a 12-month period and \$250.00 to remove each subsequent tree during that same time period.</li> </ul>
<b>Enforcement and Compliance</b>	<ul style="list-style-type: none"> <li>• Fines are set at a minimum of \$500 but not more than \$10,000 for each offence.</li> <li>• For a continuing offence, fines are no less than \$250 but no more than \$10,000 for each day such offence continues.</li> </ul>
<b>Compensation and Replanting Ratios</b>	<ul style="list-style-type: none"> <li>• For each tree a person removes from a site, the owner of the site must plant up to 2 replacement trees or any number of trees acceptable to the director of planning.</li> </ul>
<b>Incentives to Retain, Protect, and Replant</b>	<ul style="list-style-type: none"> <li>• Replacement tree requirements are an incentive to retain or replant trees, since the issuance of a development permit is tied to the tree permit requirements.</li> </ul>
<b>Resources and Funding</b>	<ul style="list-style-type: none"> <li>• Seventeen staff are required to administer the bylaw and perform the following:             <ul style="list-style-type: none"> <li>○ review all landscape and tree permit applications alongside development</li> </ul> </li> </ul>

## Attachment 2

	<p>applications and provide recommendations on building and servicing placement</p> <ul style="list-style-type: none"> <li>○ inspect all landscapes and tree sites</li> <li>○ process approximately 5,400 tree permit applications per year</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>● Current actions are focused on creating efficiencies in the permitting process.</li> </ul>

### Toronto

The City of Toronto (pop. 6,255,000) implemented its Tree Protection By-law (Chapter 813) in 2015. This bylaw was collectively formed by Chapters 608, 658, and 815 and protects both City street trees as well as private trees. A tree permit is required for all city owned trees and to remove, work around or injure private trees 30 cm or greater on private property. Trees identified for protection in the Tree Preservation and Protection Plan, municipal trees, ravine and natural area trees and trees listed as endangered, threatened or at-risk are also protected by this bylaw.

Overall, the permit fee to remove either private or public trees is quite high and may be enough to act as a deterrent against removing trees. This fee is higher if the tree permit is tied to development. Tree removal associated with development also requires a higher tree replanting ratio of 3:1. Additionally, the fine for injuring, destroying or removing a private or public tree protected by the bylaw is significant and may incentivize retaining trees when possible.

Due to the size of the city and sheer number of applications per year, four Urban Forestry and Tree Protection and Plan Review District offices are responsible for reviewing tree permit applications across the city.

<b>Date Implemented</b>	<ul style="list-style-type: none"> <li>● Chapter <a href="#">813</a> (Article II and III) of the Toronto Municipal Code collectively form the City's Tree Protection By-law</li> <li>● Private Tree By-law (Article III of <a href="#">Chapter 813</a>)</li> <li>● City Street Tree By-law (Article II of <a href="#">Chapter 813</a>)</li> </ul>
<b>Overview of Bylaw</b>	<ul style="list-style-type: none"> <li>● A permit is required to injure, destroy or remove any of the following: <ul style="list-style-type: none"> <li>○ A City-owned street tree of any size</li> <li>○ A private tree with a diameter of 30 cm or greater on private property</li> <li>○ Any tree located in an area regulated under the <a href="#">Ravine and Natural Feature Protection Bylaw</a>.</li> </ul> </li> <li>● Applications not associated with construction or related activities (i.e. building, demolition, excavation)</li> </ul>

## Attachment 2

	<p>etc.) are generally subject to a smaller permit application fee.</p> <ul style="list-style-type: none"> <li>• Development application approvals happen concurrently with planning level applications such as Site Plan applications and zoning.</li> <li>• Private trees: \$369.61 (construction related), \$123.55 (non-construction)</li> <li>• To remove public trees: \$369.61 (both construction and non-construction related)</li> <li>• To remove a boundary or neighboring tree: \$773.77 (construction related) /\$257.91 (non-construction). This applies when the base of a tree straddles the property line and either property owner may apply for a permit to injure or remove that tree</li> </ul>
<b>Enforcement and Compliance</b>	<ul style="list-style-type: none"> <li>• Fines for a person convicted of an offence start at a minimum of \$500 to a maximum of \$100,000, per tree, involved in offense</li> </ul>
<b>Compensation and Replanting Ratios</b>	<ul style="list-style-type: none"> <li>• For City trees, a 1:1 replanting ratio is required. For City projects, the ratio increased to 3:1</li> <li>• For private trees that are non-development related, a 1:1 replanting ratio is required</li> <li>• For private trees related to development, a 3:1 replanting ratio is required</li> </ul>
<b>Incentives to Retain, Protect and Replant</b>	<ul style="list-style-type: none"> <li>• A security deposit equal to the cost of planting and maintenance for two years is required</li> <li>• Where replacement trees are not possible on site, the general manager may require planting at another location, or cash-in-lieu payment equal to 120 per cent of the cost of planting and maintaining a tree for two years.</li> <li>• The replanting ratio and security deposit may act as a disincentive to remove trees</li> </ul>
<b>Resources and Funding</b>	<ul style="list-style-type: none"> <li>• Data not available</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• There are four Urban Forestry Tree Protection and Plan Review (TPPR) district offices to handle applications across the city (North York, Toronto/East York, Scarborough and Etobicoke/York)</li> <li>• As of 2015, Urban Forestry was issuing approximately 5,600 permits annually, and the estimated revenue</li> </ul>

## Attachment 2

	<p>related to these permits was approximately \$1.13 million</p> <ul style="list-style-type: none"> <li>• They receive roughly 2,500 infraction related calls/year. Roughly 25 per cent are truly infractions (under MC 658 or 813)</li> <li>• During the initial implementation of the bylaw, there were sites that began removing trees quickly. Illegal tree removals are still reviewed and prosecuted regularly.</li> </ul>
--	--

### Surrey

The City of Surrey (pop. 880,360) adopted its Tree Protection Bylaw (no.16100) in September 2006. This bylaw requires a permit to remove or re-top (removing the top) trees 30 cm or greater, trees identified as part of a condition of development or trees of a specific species. There are extra requirements that developers must meet if seeking to develop property in Surrey. These requirements include higher tree cutting permit fees, as well as tree protection, landscape, replacement and sensitive ecosystem securities. Overall, the fee for a permit is lower than other municipalities. However, permit fees for proposed subdivision or multi-family lots are higher, emphasizing that there are additional barriers in place for developers in the form of costs and securities.

<p><b>Date Implemented</b></p>	<ul style="list-style-type: none"> <li>• Surrey Tree Protection Bylaw (no.16100) in effect in September 2006</li> </ul>
<p><b>Overview of Bylaw</b></p>	<ul style="list-style-type: none"> <li>• Permit required to remove or re-top all trees 30 cm in diameter or more. This includes all trees that are planted as required replacement trees or as conditions of a development permit.</li> <li>• Protects the following tree species of all sizes: Arbutus, Garry Oak, Coast Redwood, Dawn Redwood, Giant Redwood and Maidenhair Tree</li> <li>• Tree protection requirements must be complete before being issued a development permit</li> <li>• For existing lots where no subdivision is proposed:base fee is \$93 plus \$36 for every protected tree removed</li> <li>• For proposed subdivisions for single family residential lots: \$130-\$591 per proposed lot depending on zone and lot size.</li> <li>• For proposed multi-family residential lots, commercial, industrial and institutional lots the fee is \$591.00 per acre</li> </ul>

## Attachment 2

	<ul style="list-style-type: none"> <li>• Agricultural lots: \$484.00 per acre</li> </ul>
<b>Enforcement and Compliance</b>	<ul style="list-style-type: none"> <li>• Any Bylaw Enforcement Officer, the General Manager of Planning and Development or an authorized representative or similarly-qualified expert retained by the General Manager may assess or inspect any properties with trees subject to the bylaw. Any violations are assessed by the General Manager.</li> <li>• Fines for cutting, removing or damaging a tree protected by the bylaw ranges from \$50-\$20,000.</li> </ul>
<b>Compensation and Replanting Ratios</b>	<ul style="list-style-type: none"> <li>• For every tree removed, an owner may be required to plant two replacement trees.</li> <li>• As a condition of a tree cutting permit, owners must plant an approved replacement tree on the same parcel of land and are responsible for booking a replacement tree inspection.</li> </ul>
<b>Incentives to Retain, Protect and Replant</b>	<ul style="list-style-type: none"> <li>• For replacement trees, a security is to be collected for the planting and maintenance of the tree. For replacements requiring a 5 cm caliper deciduous tree or a 3 m tall conifer, the cost of the security is \$550.00. For an 8 cm caliper deciduous tree or 4 m tall conifer, the cost is \$1,100.</li> <li>• For trees that are proposed to be retained as a requirement of a subdivision, development permit or building or demolition permit, the cost of security ranges from \$10,000 per significant tree to \$3,000 per protected tree, up to a maximum of \$15,000 for a single family dwelling or \$150,000 per each subdivision, development permit, variance permit or rezoning application.</li> <li>• Deposits are returned in a two-stage inspection process to ensure replacement trees are up to standard.</li> </ul>
<b>Resources and Funding</b>	<ul style="list-style-type: none"> <li>• 14 staff responsible for implementing the Tree protection Bylaw on private land.</li> <li>• An additional 10 staff are responsible for overseeing the protection of trees on public land that is associated with development.</li> </ul>

## SUNSET CLAUSES IN DC2 ZONES

### Best Practices and Policy Opportunity Information

#### RECOMMENDATION

That the June 14, 2022, Urban Planning and Economy report UPE00904, be received for information.

#### Report Purpose

##### Information only.

To outline information on the use and best practices for sunset clauses in DC2 (Direct Control) zones.

#### Previous Council/Committee Action

At the December 7, 2021 City Council Public Hearing, the following motion was passed:

That Administration provide a report to Committee, outlining information on best practices and opportunities for policies related to sunset clauses in DC2 zones.

#### Executive Summary

- Direct Control zones (i.e. (DC1) Direct Development Control Provision or (DC2) Site Specific Development Control Provision) are used to provide for direct control over a specific proposed development where any other Zone would be inappropriate or inadequate or where detailed, specific siting and design of the building is necessary.
- The intent of a sunset clause regulation is to reduce development rights after a period of time (e.g. 10 years).
- The implementation of a sunset clause regulation within a Charter Bylaw for Direct Control zones became an Administrative practice. The Council Report was approved by City Council on February 23, 2016, responding to a motion as a measure to reduce speculation and incentivize timely construction after granting additional development rights through a rezoning.
- The majority of sunset clauses have a ten year duration period which has yet to lapse making it difficult to evaluate their effectiveness.

## Sunset Clauses in DC2 Zones

- Other municipalities analyzed through a jurisdictional scan do not incorporate sunset clauses into non-standardized zones within their respective bylaws.
- Affected developers indicate there are more important triggers than the sunset clause, such as market factors, that will determine when to commence construction.
- The impacts of sunset clauses on development processes will be better understood in 2026, when the majority of current sunset clauses begin to lapse.

## REPORT

### Sunset Clauses in Edmonton

Sunset clauses were introduced as a tool to limit real estate speculation and to incentivize timely development by granting additional development rights through rezoning which expire if development is not commenced within a given period of time. On February 23, 2016, Administration presented Council with CR\_3100 (Downtown Plan Development Rights Policy) which outlined the process of including sunset clauses in Direct Control zones.

Between February 2016 and December 2021, the scope of this report, a total of 43 Direct Control zones contained a sunset clause regulation that would limit development typically through the reduction of height or Floor Area Ratio (FAR) once the duration period has lapsed. The duration period of sunset clauses span between three to ten years and to-date, none of these sunset clauses have lapsed.

### Jurisdictional Scan

After completing a jurisdictional scan of six other municipalities across Canada (Calgary, Toronto, Ottawa, Vancouver, Saskatoon, and Hamilton), it is evident that while other jurisdictions use non standard zones similar to Edmonton's Direct Control zones to grant additional development rights over and above standard zones, sunset clauses or other tools were not used to regulate and reduce those additional rights over time.

In general, other planning authorities have not found the need to implement sunset clauses or other mechanisms to regulate development rights. Similar, although less explicit, sentiments were seen throughout the jurisdictional scan as granting development rights is considered something done in perpetuity. Based on the jurisdictional review, the concept of granting interim development rights is not consistent with how development rights are regulated in other jurisdictions across Canada.

### Developer Responses

Administration conducted informal discussions with affected developers to better understand the impacts of sunset clauses on the development process.

Feedback indicated that sunset clauses have no impact on development decisions and do not influence decisions to advance a project. When asked to identify any challenges associated with adopting sunset clauses, developers explained that in comparison to other factors, sunset clauses did little to influence a decision to begin construction. Even with a sunset clause in place, construction would not begin until there was sufficient market demand for the proposed



## Sunset Clauses in DC2 Zones

development. Responses indicate that the primary motivator to advance development are market forces, as opposed to the time constraints placed on additional development rights.

### Limiting Speculation and Incenting Timely Construction

The need and effectiveness of a sunset clause is uncertain. Direct Control zones are designed to encourage developers to begin construction in a timely manner. The zones are highly prescriptive, representing the proponents vision for the site, and the specific market conditions at that time. Those who do not develop in a timely manner, risk their development rights becoming less competitive as market conditions change. Due to the nature of Direct Control zoning, in general, if a project is not developed within 10 years, a major redesign and rezoning is typically required.

In regards to speculation, Direct Control zoning once again acts as a natural barrier to upzoning and selling the site due to its specificity and tailored design to the proponents vision (i.e. site plan, detailed regulations and building elevations, etc.). Since 2016, Administration has modified and increased its application fees which presents an additional financial barrier and deterrent to using the Direct Control rezoning process as a tool for speculation.

### Next Steps

The effectiveness of sunset clauses on limiting speculation and the progression of development remains unclear, as the majority of sites that are zoned Direct Control with a sunset clause have yet to expire. However, the interim evidence suggests that as a tool, it does little to address speculation or create conditions for more timely redevelopment of sites. Administration will continue to monitor the effectiveness of using sunset clauses in Direct Control zones.

Planning policies must create and maintain clear regulations for communities, developers, and other stakeholders. Development rights should continue to be determined by what is appropriate for the site and should therefore remain consistent over time. The practice of granting additional development rights, beyond what is appropriate for the site, should be avoided, if possible. If the aim is to reduce additional granted development rights over time, the current tool is best suited for that purpose.

### GBA+

As this report is primarily concerned with providing information, the opportunity to mitigate and/or remove pre-existing barriers and ensure an equitable outcome are extremely limited. It is recognized that the implementation of sunset clauses will most likely not be equally advantageous for all Edmontonians. At this stage, the data remains inconclusive and the impacts of removing or continuing the implementation of sunset clauses remains unclear. Potential actions and strategies to promote an equitable outcome would therefore be based on speculation.



## BYLAW 20091 - TAX EXEMPTION BYLAW FOR NON-RESIDENTIAL HERITAGE PROPERTIES

### RECOMMENDATION

That Urban Planning Committee recommend to City Council:

That Bylaw 20091 be given the appropriate readings.

### Purpose

To provide incentive to designate non-residential heritage properties as Municipal Historic Resources pursuant to the provisions of the *Historical Resources Act*, RSA 2000, cH-9, and encourage investment in these properties, by exempting them from any increase in municipal property tax for a period of ten years to a maximum of \$50,000 annually.

### Readings

Bylaw 20091 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 20091 be considered for third reading.”

### Position of Administration

Administration supports this Bylaw.

### Report Summary

This bylaw implements tax exemptions to provide incentive for the designation of non-residential heritage properties as Municipal Historic Resources and encourage investment in them.

## REPORT

Heritage properties contribute to attractive, meaningful urban places that enhance quality of life and contribute to vibrant local economies. The City Plan provides direction to encourage the preservation of heritage properties even as the city grows and evolves in response to new demands and opportunities. City Policy C450B, Policy to Encourage the Designation and Rehabilitation of Historic Resources in Edmonton, implements this objective by encouraging the

## **BYLAW 20091: Tax Exemption Bylaw for Non-Residential Heritage Properties**

retention, rehabilitation and legal protection of heritage properties through the provision of a variety of incentives.

In 2019, the provincial government amended the *Municipal Government Act* to enable municipalities to offer tax incentives for non-residential properties. Section 364.2 of the Act now allows Council to grant full or partial tax deferrals or exemptions to non-residential properties for up to 15 years to encourage the development and revitalization of properties. While these new powers were not necessarily intended to support the preservation of heritage properties, they may be utilized for that purpose.

Options to explore the use of these new powers were outlined in the May 10, 2021 Financial and Corporate Services report FCS00133 Non-Residential Heritage Properties - Tax Exemptions/Deferral Options and the January 18, 2022 Financial and Corporate Services report FCS00645 Financial Incentive Options for Non-Residential Heritage Properties, including a draft Heritage Designation Tax Exemption Bylaw.

Upon passage of this bylaw, non-residential heritage properties that are designated as Municipal Historic Resources will be eligible for an exemption from increases in non-residential municipal property tax for a ten year period following the designation.

In order to qualify for the exemption, the property owner will be required to commit to investing a minimum of \$100,000 in the rehabilitation of the Municipal Historic Resource. The exemption will only apply to those portions of the property that are deemed to be non-residential and will be limited in value to \$50,000 per year. The exemption will be in addition to any municipal or provincial grants provided to the property owner to support the rehabilitation of the Municipal Historic Resource.

Currently non-residential properties are eligible for a one-time, municipally funded rehabilitation grant of up to 50 per cent of eligible rehabilitation and restoration costs to a maximum of \$500,000 as incentive for consenting to the designation of their property as a Municipal Historic Resource. In addition, the Province provides grants that are available on an annual basis of up to 50 per cent of eligible rehabilitation and restoration costs to a maximum of \$50,000 for Municipal Historic Resources and \$100,000 for Municipal Historic Resources that are also designated as Provincial Historic Resources. The Province's program receives many applicants and due to this, successful applicants are often granted much less than they are eligible for.

Once the exemption is granted, it cannot be removed before the expiry date as long as the property continues to meet the criteria within the bylaw, even if the bylaw is repealed.

### **COMMUNITY INSIGHTS**

FCS00133 Non-Residential Heritage Properties Tax Exemption/Deferral Options and CR\_7701 Financial Mechanisms for Heritage Buildings, which preceded this report, were informed by informal engagement with heritage developers. Heritage developers primarily indicated that the City's direct grant program is fundamental to encouraging their participation in the designation

## **BYLAW 20091: Tax Exemption Bylaw for Non-Residential Heritage Properties**

program and contributing to the economic viability of heritage rehabilitation projects. Tax incentives that supplemented the grant program were viewed favorably and reiterated the City's heritage preservation priorities to industry.

### **Budget/Financial Implications**

This program would not require dedicated funding since tax exemptions are not expenditures. Property tax exemptions place upward pressure on tax rates since all other taxable properties must contribute more toward the annual City budget.

The financial impact of this bylaw will depend on the number and scope of eligible applications. Administration estimates that three to five properties may successfully apply each year. Property tax information on commercial heritage properties over the past ten years has been reviewed in an effort to estimate the financial impact. Since 2011, the average annual uplift on six designated properties ranged from \$1,000 to \$3,300,000 in municipal property taxes. Since the value of the exemption is capped at \$50,000 per year per property, granting exemptions to five properties would have a maximum financial impact of \$250,000, though it is unlikely that all properties will reach the cap.

These types of discretionary exemptions require manual calculations and system overrides to be administered each year. The small number of properties expected to participate in this program means the costs can be absorbed in current budgets. However, these costs will accumulate and may require additional administrative resources if there are more eligible properties than anticipated.

### **Legal Implications**

Section 364.2 allows Council, by bylaw, to exempt non-residential properties for the purpose of encouraging development or revitalization for a period of up to 15 years. This provision also requires an appeal to City Council when a decision is made to deny a new exemption or repeal an existing exemption.

## **ATTACHMENT**

1. Bylaw 20091: Heritage Designation Tax Exemption Bylaw

## **OTHERS REVIEWING THIS REPORT**

- M. Plouffe, City Solicitor



**THE CITY OF EDMONTON  
BYLAW 20091  
HERITAGE DESIGNATION TAX EXEMPTION BYLAW**

**WHEREAS:**

City Council, pursuant to Section 364.2 of the Act, wishes to pass a Heritage Designation Tax Exemption Bylaw to provide tax incentives to encourage the designation, revitalization and development of non-residential heritage properties within the City of Edmonton;

City Council recognizes that encouraging the designation of non-residential heritage properties will lead to the proper restoration and preservation of those properties in a way that revitalizes the property and therefore the surrounding area;

City Council recognizes that the money spent to rehabilitate a property at the time of designation may increase the market value of property leading to increased taxes;

City Council wishes to limit or freeze any tax increase associated with rehabilitation of a heritage property;

City Council recognizes that grants are already in place to rehabilitate and maintain heritage properties in the City of Edmonton and these exemptions will apply in addition to any available grants; and

Any exemptions shall only apply to the non-residential portion of municipal property tax.

THEREFORE, Edmonton City Council enacts:

**PART I - PURPOSE, DEFINITIONS, AND INTERPRETATION**

<b>PURPOSE</b>	1	The purpose of this bylaw is to establish tax exemptions in accordance with section 364.2 of the Act for taxpayers when there are capital expenditures spent on a property that is receiving a new Heritage Designation on a non-residential heritage property in the City of Edmonton.
<b>DEFINITIONS</b>	2	In this bylaw:

(a) “**Act**” means the *Municipal Government Act*, RSA 2000, c M-26;

(b) “**Eligible Capital Expenditure**” means the costs that a taxpayer intends to spend to rehabilitate a heritage property in conjunction with a Heritage Designation, including but not limited to the cost of:

- a) labour,
- b) materials,
- c) engineering, and
- d) architecture;

but which does not include any expenditures that are not related to preserving the heritage nature of a property including:

- a) improvements and maintenance work done on areas of the property or building that do not have heritage significance,
- b) tenant improvements,
- c) legal expenses,
- d) regular maintenance work and cleaning, and
- e) energy retrofits;

(c) “**City**” means The City of Edmonton;

(d) “**City Council**” means the municipal council of the City of Edmonton;

(e) “**City Manager**” means the City’s chief administrative officer and includes any authorized delegate;

(f) “**Community Revitalization Municipal Equivalent**” is that portion of the community revitalization levy which is the equivalent to the taxes charged under Division 2, Part 10 of the Act;

(g) “**Decision**” means the decision to exempt, to refuse an exemption, or to remove an exemption under Section 364.2;



- (h) “**Heritage Tax Baseline**” means the total Municipal Property Tax that the Property paid in the year that the Property received a Heritage Designation on any portion of the Property that was classified as non-residential under Section 297 of the Act;
- (i) “**Heritage Designation**” means the passing of a bylaw by the City of Edmonton designating a property as a municipal historic resource under the *Historical Resources Act*, RSA 2000 Chap C H-9;
- (j) “**Heritage Exemption**” is an exemption from Municipal Property Tax in accordance with this Bylaw;
- (k) “**Municipal Property Tax**” means the municipal portion of property taxes as calculated under Division 2 of Part 10 of the Act and the Community Revitalization Zone Municipal Equivalent, and does not include provincial education levies or requisitions, local improvement taxes, or any other form of taxation;
- (l) “**Property**” means the property or properties on which a Taxpayer is applying to qualify for a Heritage Exemption;
- (m) “**Taxpayer**” means the individual or entity that is liable to pay a tax on a Property pursuant to section 331 of the Act.

**RULES FOR INTERPRETATION**

3

The marginal notes and headings in this bylaw are for ease of reference only.

**PART II - AUTHORITY AND CRITERIA FOR EXEMPTION**

**AUTHORITY TO GRANT EXEMPTION**

4

The City Manager shall have the authority to determine whether a Heritage Exemption shall be granted on annual assessments or supplemental assessments in accordance with the terms and conditions of this bylaw.

**CRITERIA FOR  
HERITAGE  
EXEMPTION**

- 5 (1) In order to qualify for a Heritage Exemption property classified as non-residential property must:
- (a) be located within the City of Edmonton;
  - (b) receive a Heritage Designation; and
  - (c) demonstrate that Eligible Capital Expenditures of at least \$100,000 will be spent in the revitalization of the property as part of the Heritage Designation process.
- (2) A Property shall not qualify for a Heritage Exemption when a Heritage Designation was placed on the property prior to this Bylaw coming into force.
- (3) A Property shall not qualify for a Heritage Exemption when the Heritage Designation was received more than 1 year prior to the application for the Heritage Exemption.
- (4) A Property shall not qualify for a Heritage Exemption unless the application is made prior to the expenditure of significant Capital Expenditures on the Property.

**INELIGIBLE  
TAXPAYERS**

- 6 (1) A Property shall not qualify for any Heritage Exemption when:
- (a) the Taxpayer who owns the Property is in tax arrears on the Property;
  - (b) the Taxpayer who owns the Property is in bankruptcy or receivership;
  - (c) the Property is going through foreclosure;
  - (d) there are development compliance issues or safety code issues associated with the Property;
  - (e) there is a dispute about whether the Taxpayer is abiding by the terms of a grant or other form of financial assistance that has been received from the City; or
  - (f) the Taxpayer of the Property does not otherwise meet a requirement under this Bylaw, or the Act.

- (2) The City Manager may exercise discretion to refuse to have the City grant a Heritage Exemption when:
- (a) an entity related to the Taxpayer who owns the Property is in bankruptcy, or receivership;
  - (b) the Taxpayer owns any interest in another property that is going through foreclosure;
  - (c) an entity related to the Taxpayer who owns the Property owns any interest in another property going through foreclosure;
  - (d) the Property is the subject of some form of litigation;
  - (e) the Taxpayer who owns the Property is involved in litigation with the City; or
  - (f) in the sole discretion of the City Manager, there is any other reason to believe that the Heritage Exemption is not in the public interest.

<b>10 year Term</b>	7	A Property may qualify for a Heritage Exemption for up to 10 years, but in no case shall qualify for more than 10 years.
<b>Change of Ownership</b>	8	A change in ownership of the Property shall not affect a Heritage Exemption unless the new owner is an ineligible taxpayer under Section 6.

### **PART III - APPLICATION AND DECISION PROCESS**

<b>APPLICATION FOR HERITAGE EXEMPTION</b>	9	(1) A Taxpayer that meets the requirements of this Bylaw can apply for a Heritage Exemption by submitting any forms required by the City Manager.
---	---	---

- (2) Before processing the application the City may require the Taxpayer to provide any additional information required to make a determination under this Bylaw.
- (3) A Taxpayer that fails to apply for the Heritage Exemption by February 28, shall not qualify for the Heritage Exemption for that taxation year.

**DECISION ON  
HERITAGE  
EXEMPTION**

- 10 (1) After considering whether an application meets the terms of this Bylaw, the City Manager will issue a Decision to the Taxpayer outlining the following information:
  - (a) whether a Property qualifies for the Heritage Exemption and for how many years that this Decision will apply;
  - (b) any reason why the Property fails to qualify for the Heritage Exemption;
  - (c) the extent of any exemptions granted on the Property pursuant to the terms of this Bylaw; and
  - (d) any conditions, the breach of which will result in the loss of the exemption.
- (2) In issuing a Decision under subsection (1) the City Manager may set any condition required to ensure that the City is able to monitor whether the Property continues to meet the terms of this Bylaw throughout the taxation year, or to ensure that the calculation of the Heritage Exemption is accurate.
- (3) It shall be a deemed condition of all Decisions that Section 6(1) and 6(2) of this Bylaw be complied with on an ongoing basis.
- (4) It shall be a further deemed condition of all Decisions that a minimum of \$90,000.00 of the Eligible Capital Expenditures be spent on the Property within 3 years of receiving the Heritage Designation and a failure to meet this condition will end any exemption under this Bylaw.
- (5) When a condition is breached, a property no longer qualifies for an exemption under this Bylaw, or information becomes available that shows that the Property should not qualify for a Heritage Exemption under this Bylaw, the City Manager shall issue a Decision removing the exemption and provide an explanation why the exemption has been removed.

**PART IV - CALCULATION AND APPLICATION OF THE EXEMPTION**

**CALCULATION OF THE HERITAGE EXEMPTION**

- 11 (1) The amount of taxes that shall be exempted each year throughout the term of the Heritage Exemption shall be the annual difference between the Heritage Tax Baseline and the total Municipal Taxes on any portion of the Property that is classified as non-residential under Section 297 of the Act, for each current taxation year, to a maximum of \$50,000 per year.
- (2) In no taxation year will more than \$50,000 in Municipal Taxes be exempted under this bylaw on a Property.
- 12 (1) Any Heritage Exemption calculated in accordance with section 11 shall only be applied to offset any Municipal Taxes on the Property.
- (2) No exemption shall be applied to exempt any education requisition, or any other requisition including the designated industrial property requisition.
- (3) For greater clarity, the Heritage Exemption shall only apply to a non-residential portion of the property and shall not impact any taxes on any residential portion of the Property.

**APPLICATION OF THE HERITAGE EXEMPTION**

- 13 (1) The exemption shall be applied to wholly or partially offset any Municipal Taxes on the Property in a taxation year.
- (2) An exemption shall no longer be applied once 10 years has expired from the date the exemption is approved.
- (3) An exemption may offset either an annual tax levy or a supplementary tax levy.

**PART V - APPEAL TO CITY COUNCIL**

**REQUEST TO RECONSIDER**

- 14 (1) If a Taxpayer disagrees with any part of a Decision made by the City Manager, the Taxpayer may request that City Council reconsider that decision.

- (2) A request for reconsideration shall be made by submitting to the City Manager the following information:
  - (a) A copy of the Decision; and
  - (b) An explanation as to why the Taxpayer feels the Decision is in error.
  
- (3) A request by a Taxpayer under this Section must be made within 30 days of the date that a Decision is sent to the Taxpayer, and any request that is made late shall not be heard by City Council.
  
- 15 (1) In deciding whether a Property qualifies for a Heritage Exemption, City Council may consider any information provided to the City Manager, as well as any new information that has become available since the Decision of the City Manager.
  
- 16 (1) In accordance with Section 460(7) of the Act, complaints about a Decision may not be made to the assessment review board.

**PART VI - COMING INTO FORCE**

**COMING INTO  
FORCE**

17

This Bylaw shall come into force on the day it is passed and signed.

Read a first time

Read a second time

Read a third time

SIGNED AND PASSED

THE CITY OF EDMONTON

---

MAYOR

---

CITY CLERK