

CAPITAL PROFILE REPORT

PROFILE NAME: **IRON WORKS BUILDING REHABILITATION**
PROFILE NUMBER: **21-10-9103**
DEPARTMENT: **Integrated Infrastructure Services**
LEAD BRANCH: **Infrastructure Delivery**
PROGRAM NAME:
PARTNER: **Economic Investment Services**
BUDGET CYCLE: **2019-2022**

FUNDED

PROFILE STAGE: **Approved**
PROFILE TYPE: **Standalone**
LEAD MANAGER: **Jason Meliefste**
PARTNER MANAGER: **Jeff Chase**
ESTIMATED START: **June, 2021**
ESTIMATED COMPLETION: **December, 2023**

Service Category: **Building Renewal** Major Initiative: **Quarters**

GROWTH	RENEWAL	PREVIOUSLY APPROVED:	14,000
50	50	BUDGET REQUEST:	-
		TOTAL PROFILE BUDGET:	14,000

PROFILE DESCRIPTION

The Iron Works Building Rehabilitation is an adaptive re-use project that renovates the 1909 Iron Works Foundry and the north and south annexes into a facility that can be leased to tenants. As a cornerstone of the overall Boyle Renaissance revitalization effort, the building architecture will be maintained and infrastructure and services reestablished to suit a number of potential uses and includes the historical designation of the original Foundry building. Phase 1 of the project includes design and construction of repairs to the building envelope. Phase 2 includes design for full building rehabilitation and other work as necessary to facilitate future Phases.

PROFILE BACKGROUND

The redevelopment of the Quarters Downtown is guided by the Quarters Downtown Area Redevelopment Plan and a Community Revitalization Levy (CRL) Area Plan that outlines the public infrastructure program necessary to encourage private sector investment. The Quarters CRL area is located in the Boyle Street community, which is immediately east of the downtown, and is one of the oldest neighbourhoods in Edmonton. The Quarters Downtown CRL Area Plan identifies Boyle Renaissance as a special planning area where redevelopment will meet the housing, social, recreation and service needs of current and future residents. Implementation of the Boyle Renaissance plan is substantially guided by recommendations from the community-led Boyle Renaissance Advisory Committee summary report of 2010. This profile focuses on the rehabilitation and redevelopment of the Iron Works Building, which was acquired by the City in 2016.

PROFILE JUSTIFICATION

The Iron Works Building Rehabilitation is a continuation of the redevelopment of the area; the objective is to transform an underutilized part of the downtown area into a vibrant, healthy, walkable community. By leading this rehabilitation as an adaptive reuse project, the City's investment in infrastructure will increase vibrancy in the downtown area, retain and designate a significant heritage building and embed an active cultural asset in the Boyle Renaissance community.

STRATEGIC ALIGNMENT

This profile aligns with the strategic objective of making transformational impacts in our community by making a discrete and measurable impact on Council's four strategic goals: healthy city, urban places, regional prosperity, and climate resilience; by creating a community to connect people to what matters to them.

ALTERNATIVES CONSIDERED

Not funding this profile would allow the buildings to further degrade and create risks of not being able to salvage the building for a future use and the loss of an historical asset. This work will ensure the facility is viable for future use.

COST BENEFITS

Tangible Benefits:

- Increased tax revenue and density within the City.
- Stimulate private sector investment, increase in development.

Intangible Benefits:

- More people living and accessing amenities in the area and improved perceived safety of the community.
- Quality urban design.
- Improved community attractiveness and quality of life.

KEY RISKS & MITIGATING STRATEGY

Completing envelope construction as a first phase of the project stops ongoing degradation created by lack of occupancy. It also creates a risk of rework due to unknown services entrances and location of interior infrastructure (mechanical and electrical rooms). This risk is mitigated through acceleration of design for future phases to inform envelope design and construction.

RESOURCES

The project will be delivered by Integrated Infrastructure Services utilizing a combination of internal and external resources.

CONCLUSIONS AND RECOMMENDATIONS

The funding requested through this profile supports the CRL program and creates a facility that anchors Boyle Renaissance Phase III by providing lease and not-for-profit space for future tenants.

Growth projects funded through composite profiles and over \$2 million become a standalone profile at Checkpoint 3. The recommendation of the attached business case is that Checkpoint 3 Authorization for capital expenditure be approved by City Council to complete the scope of work as outlined.

CHANGES TO APPROVED PROFILE

2021 Fall SCBA (#21-30, 3.2-9): This scope change is required to add phase 2 construction and phase 3 design to standalone capital profile "21-10-9103 - Iron Works Building Rehabilitation Phase 1". The current approved budget for this profile only covered Phase 1 of the project (Building shell & Envelope Systems (curtain wall, windows, structural steel, roofing - basically building shell)). This funding request is for the Phase 2 construction (Base Building & interior works (mechanical, Electrical, life saving systems, party walls and common areas) and Phase 3 design (Tenant fit-out). The total funding request for this scope change is \$7,952,070, with all requested funds being a transfer from existing composite profile "15-74-4031 - The Quarters Downtown - Phase II".

* The estimated completion date of the Iron Works Building Rehabilitation capital profile will be changed from "December, 2022" to "December, 2023" upon approval of this scope change.

CAPITAL PROFILE REPORT

PROFILE NAME: **Iron Works Building Rehabilitation**
 PROFILE NUMBER: **21-10-9103**
 BRANCH: **Infrastructure Delivery**

FUNDED
 PROFILE TYPE: **Standalone**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

APPROVED BUDGET		Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
	Approved Budget												
	Original Budget Approved	-	-	-	-	-	-	-	-	-	-	-	-
	2021 Cap Council	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000
	Current Approved Budget	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000
Approved Funding Sources													
	Debt CRL Quarters	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000
	Current Approved Funding Sources	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000

BUDGET REQUEST		Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
Budget Request		-	-	-	-	-	-	-	-	-	-	-	-

REVISED BUDGET (IF APPROVED)		Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
Revised Budget (if Approved)		-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000
Requested Funding Source													
	Debt CRL Quarters	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000
	Requested Funding Source	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
	Construction	-	3,680	7,159	1,952	-	-	-	-	-	-	-	12,790
	Design	-	920	290	-	-	-	-	-	-	-	-	1,210
	Total	-	4,599	7,449	1,952	-	-	-	-	-	-	-	14,000

OPERATING IMPACT OF CAPITAL

Type of Impact:

Branch:																
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CAPITAL PROFILE REPORT

PROFILE NAME: **THE QUARTERS DOWNTOWN - PHASE II**
PROFILE NUMBER: **15-74-4031**
DEPARTMENT: **Community Revitalization Levies**
LEAD BRANCH: **The Quarters Downtown CRL**
PROGRAM NAME:
PARTNER:
BUDGET CYCLE: **2015-2018**

FUNDED

PROFILE STAGE: **Approved**
PROFILE TYPE: **Standalone**
LEAD MANAGER: **Mary Ann Debrinski**
PARTNER MANAGER:
ESTIMATED START: **January, 2015**
ESTIMATED COMPLETION: **December, 2018**

Service Category: Economic Development		Major Initiative: Quarters	
GROWTH	RENEWAL	PREVIOUSLY APPROVED:	21,267
100		BUDGET REQUEST:	-
		TOTAL PROFILE BUDGET:	21,267

PROFILE DESCRIPTION

The Quarters Downtown is a City-led initiative intended to provide the catalyst for private sector investment and redevelopment of the east side of Edmonton's downtown.

The revitalization efforts propose to transform The Quarters into a vibrant, healthy community comprised of five distinct areas, each with its own character, activities and feel, structured around a unique linear pedestrian oriented street running through the neighbourhood that provides a defining element for the community.

The Quarters Downtown Phase II is a continuation of redevelopment of the area which will continue implementation of The Quarters Downtown Urban Design Plan, including park land acquisition, development of New City Park Phase I, drainage and streetscape improvements on the avenues. Funds are required for infrastructure work, detailed engineering, landscape and streetscape design and land acquisition.

PROFILE BACKGROUND

The Quarters Downtown is a City-led initiative intended to provide the catalyst for private sector investment and redevelopment of the east side of Edmonton's downtown. The Quarters Downtown Community Revitalization Levy (CRL) Area Plan 2011, Bylaw 15800, was approved by the Province in 2011 and came into force and effect on January 1, 2012. The CRL outlines the urban design approved by City Council for The Quarters Downtown and the proposed phasing for implementation. The phasing was based on CRL revenue forecasts with the first phase providing \$56 million for infrastructure investments based on original CRL revenue projections. Updated CRL revenue projections are higher than originally forecasted and will cover the cost of Phase II. Phase II was identified in the CRL Area Plan as a Future Phase which included completing the armature streetscaping, drainage/streetscaping on all other streets/avenues, land, water and drainage improvements, Environmental Remediation and Contingency.

PROFILE JUSTIFICATION

Since the 1960's the east downtown area has been in decline and has not benefited from investment and redevelopment that has occurred in other areas of Edmonton. With its proximity to downtown, The Quarters redevelopment will help the City achieve its vision of being more sustainable. Phased implementation of City Council approved urban design and statutory plans for redevelopment of The Quarters Downtown will continue the momentum of revitalizing the area through strategic infrastructure investments. The Quarters Downtown Phase II is a continuation of redevelopment of the area; the objective is to transform this underutilized part of the downtown area of the City of Edmonton into a vibrant, healthy, walkable community.

STRATEGIC ALIGNMENT

Strategic Alignment with:

- The Way We Grow: aids in the evolution to a sustainable, healthy and compact city.
- The Way We Live: Assist in "giving Edmonton a greater range of housing, living and work place choice".

ALTERNATIVES CONSIDERED

Alternative approaches to revitalizing portions of the The Quarters started in 1964. At this point, the only alternative is not do anything which would not contribute to the City of Edmonton's effort of a sustainable, urban/compact City.

COST BENEFITS

Tangible Benefits:

- Increased tax revenue and density within the City
- Stimulate private sector investment Increase in development.

Intangible Benefits:

- More people living in the area and improved perceived safety of the community
- Quality urban design
- Improved community attractiveness and quality of life

KEY RISKS & MITIGATING STRATEGY

- Contaminated soil; contingency on site-by-site basis
- Unable to acquire land; City's legal avenues (MGA)
- Rise in construction costs; contingency on site-by-site basis
- CRL revenues does not match forecast; adjust timing/implementation

RESOURCES

This project will be led by The Quarters Team (Urban Renewal) who is the client and Roads Design and Construction, who are the project manager, with support from Parks Planning. External consultants will be engaged as required through the process.

CONCLUSIONS AND RECOMMENDATIONS

The Quarters Downtown Phase II will achieve corporate/departamental goals by contributing to the creation of a sustainable/compact City and the revitalization of Edmonton's Downtown.

CHANGES TO APPROVED PROFILE

2017 Spring (#17-20) 2.1-10: Transfer to 17-74-4103 Jasper Ave New Vision Phase 2.

2017 Fall (#17-40) 2.1-05: Transfer \$6M to 17-28-1009 Kinistinaw Park

2017 Fall (#17-40) 2.2-13: Rehabilitation of vacant city-owned buildings replaces park land acquisition that is no longer required due to proposed Alldritt development, as well as drainage and streetscape improvements that are on hold until redevelopments on adjacent properties occurs (scope only).

2017 Fall (#17-40) 2.3-15: Debt is not an eligible funding source for Art. A request of \$150K (\$55K in 2017 and \$95K in 2018) of Pay-as-you-Go funding source is required to fund Art expenditure for Quarters Phase II 15-74-4031.

2017 Fall (#17-40) 2.7-16 This adjustment is required to transfer the budget related to % of Art from Capital to Operating. Transfer \$150K from Quarters Phase II 15-74-4031 to operating over the span of 2017 and 2018 (\$55K in 2017 and \$95K in 2018).

Spring SCBA 2018: (2.2-03) Move \$50K CRL funding from 15-74-4031 to fund an environmental assessmetn in 17-28-1009 Kinistinaw Park.

Spring SCBA 2018: (2.4-26) To reduce the profile's Debt CRL Quarters funding by \$55K in 2017 and \$95K in 2018. The adjustment is to reflect the increase in PayGo funding in the 2017 Fall SCBA to cover the % for Art expenditures. Without this budget adjustment, the amount of Debt CRL Quarters funding would be overstated.

#19-04: Transfer the amount of \$440,000 from profile 15-74-4031 to profile 17-28-1009. Consequences of not doing the transfer are that the Kinistinaw Project will not have enough project funding to award the construction contract.

Spring 2019 Administrative Budget Adjustment (#19-11): To reflect changes in the sources of funding. The \$1.5M adjustments result in no increased budget expenditures and no overall impact on budget within a specific program, a result of successful approval of Canada Cultural Spaces Fund (CCSF) federal grant contributions, to replace current CRL funding.

2019 Fall SCBA (3.3.19B): A transfer of \$500.6k CRL from UFCSD profile 15-74-4031 - The Quarters Downtown - Phase 2 is required to address both concept design and preliminary design for Phase 2 of Kinistinaw Park. This will not result in an overall change to the scope of the project.

2020 Fall SCBA (#20-30, CA 3.5-2): This Funding Source Adjustment is to swap \$743,084 of Quarters CRL Debt funding, with \$743,084 of Quarters CRL Reserve funding. This adjustment is required in order to fund a grant payment related to the Brighton Block which is operating in nature, and therefore debt is not an eligible funding source.

The Brighton Block is a designated Municipal Historic Resource that has undergone extensive rehabilitation. The property owner is seeking a grant for eligible costs under the Heritage Fund's Maintenance Incentive Program. The eligible costs exceed the program's \$50,000 limit and this transfer makes it possible for the grant to be funded by the Quarters CRL as a development incentive while being administered by the Heritage Fund program.

The related adjustment to transfer this \$743,084 from the capital to the operating budget can be found in the "Transfers from Capital to Operating" section of this report under Ref# 3.7-1 (change request number "SCBA-C-2020-00129").

2020 Fall SCBA (#20-30, CA 3.5-3): This Funding Source Adjustment is to swap \$412,000 of Quarters CRL Debt funding, with \$412,000 of Quarters CRL Reserve funding. This adjustment is required in order to fund a grant towards the GWG building leasehold improvements for the Edmonton Downtown Farmers Associations. This grant payment is operating in nature, and therefore debt is not an eligible funding source.

As the sub-tenant, the Association is seeking a grant to cover renovation costs that enable the tenant to operate. The Quarters CRL can fund the request as a development incentive as the farmer's market achieves major goals of the CRL Area Plan including activation of a vacant space, attraction of thousands of Edmontonians to the area and revival of a historic building.

The related adjustment transfer this \$412,000 from the capital to the operating budget can be found in the "Transfers from Capital to Operating" section of this report under Ref# 3.7-2 (change request number "SCBA-C-2020-00134").

2020 Fall SCBA (#20-30, CA 3.7-1): This Transfer from Capital to Operating is required due to the accounting treatment of grant expenditures related to the Brighton Block - Heritage Fund being operating in nature.

Additional details regarding this request are included in Ref#3.5-3 (change request "SCBA-C-2020-00130") listed under the "Funding Source Adjustment" category of this report.

2020 Fall SCBA (#20-30, CA 3.7-2): This Transfer from Capital to Operating is required due to the accounting treatment of grant expenditures related to the leasehold improvements for the GWG Building being operating in nature. Additional details regarding this request are included in Ref# 3.5-4 (change request "SCBA-C-2020-00133") listed under the "Funding Source Adjustment" category of this report.

2021 Spring SCBA (#21-20, 3.1-29): The Iron Works Building Rehabilitation Phase 1 project has reached Checkpoint 3 of the PDDM and requires approval for delivery within a new stand-alone profile as the project is over the \$5 million threshold for renewal. The total funding request for this profile is \$6,047,930, with all requested funds being a transfer from existing approved budgets (\$2.5M).

2021 Spring SCBA (#21-20, 3.1-32): The Kinistinaw Park Phase 2 project has reached Checkpoint 3 of the PDDM and requires approval for delivery within a new stand-alone profile as the project is over the \$2 million threshold for growth. The total funding request for this profile is \$2,499,400, with all requested funds being a transfer from existing approved budgets.

2021 Fall SCBA (#21-30, 3.2-9): This scope change is required to add phase 2 construction and phase 3 design to standalone capital profile "21-10-9103 - Iron Works Building Rehabilitation Phase 1". The current approved budget for this profile only covered Phase 1 of the project (Building shell & Envelope Systems (curtain wall, windows, structural steel, roofing - basically building shell)). This funding request is for the Phase 2 construction (Base Building & interior works (mechanical, Electrical, life saving systems, party walls and common areas) and Phase 3 design (Tenant fit-out). The total funding request for this scope change is \$7,952,070, with all requested funds being a transfer from existing composite profile "15-74-4031 - The Quarters Downtown - Phase II".

* The estimated completion date of the Iron Works Building Rehabilitation capital profile will be changed from "December, 2022" to "December, 2023" upon approval of this scope change.

CAPITAL PROFILE REPORT

PROFILE NAME: **The Quarters Downtown - Phase II**

FUNDED

PROFILE NUMBER: **15-74-4031**

PROFILE TYPE: **Standalone**

BRANCH: **The Quarters Downtown CRL**

CAPITAL BUDGET AND FUNDING SOURCES (000's)

	Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
APPROVED BUDGET	Approved Budget											
	Original Budget Approved	43,200	-	-	-	-	-	-	-	-	-	43,200
	2015 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-
	2016 Cap Capital Budget Adj (one-off)	-	-	-	-	-	-	-	-	-	-	-
	2016 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-
	2017 Cap Council	-6,725	-	-	-	-	-	-	-	-	-	-6,725
	2017 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-
	2018 Cap Council	-200	-	-	-	-	-	-	-	-	-	-200
	2018 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-
	2019 Cap Administrative	-	-	-	-	-	-	-	-	-	-	-
	2019 Cap Council	-501	-	-	-	-	-	-	-	-	-	-501
	2019 Cap Capital Budget Adj (one-off)	-440	-	-	-	-	-	-	-	-	-	-440
	2019 Cap Carry Forward	-	-	-	-	-	-	-	-	-	-	-
	2020 Cap Council	-1,155	-	-	-	-	-	-	-	-	-	-1,155
	2020 Cap Carry Forward	-16,796	16,796	-	-	-	-	-	-	-	-	-
	2021 Cap Council	-	-12,913	-	-	-	-	-	-	-	-	-12,913
	Current Approved Budget	17,384	3,883	-	-	-	-	-	-	-	-	-
Approved Funding Sources												
Debt CRL Quarters	15,884	3,883	-	-	-	-	-	-	-	-	-	19,767
Other Grants - Federal	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Current Approved - Funding Sources	17,384	3,883	-	-	-	-	-	-	-	-	-	21,267

BUDGET REQUEST												
Budget Request	-	-	-	-	-	-	-	-	-	-	-	-

REVISED BUDGET (IF APPROVED)												
Revised Budget (if Approved)	17,384	3,883	-	-	-	-	-	-	-	-	-	21,267
Requested Funding Source												
Debt CRL Quarters	15,884	3,883	-	-	-	-	-	-	-	-	-	19,767
Other Grants - Federal	1,500	-	-	-	-	-	-	-	-	-	-	1,500
Requested Funding Source	17,384	3,883	-	-	-	-	-	-	-	-	-	21,267

CAPITAL BUDGET BY ACTIVITY TYPE (000's)

REVISED BUDGET (IF APPROVED)	Activity Type	Prior Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	Beyond 2029	Total
	Construction	21,454	-	-	-	-	-	-	-	-	-	-	21,454
	Design	-50	-	-	-	-	-	-	-	-	-	-	-50
	Land	-4,021	3,883	-	-	-	-	-	-	-	-	-	-138
	Total	17,384	3,883	-	-	-	-	-	-	-	-	-	21,267

OPERATING IMPACT OF CAPITAL

Type of Impact:

Branch:																
	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-