

Prairie Sky Gondola Land Agreements

Executive Committee
August 10, 2022

Real Estate
Financial and Corporate Services

Presentation Overview

- Overview
- Prairie Sky Gondola: Project and Process Update
- Land Agreements
- Next steps

Prairie Sky Gondola Proposal - Project Overview

- Private sector proposal by Prairie Sky Gondola to build, operate and maintain an urban gondola. The company believes that it would serve as an attraction and an accessible mobility option for Edmontonians travelling between downtown and Whyte Avenue, with connections in the central river valley in River Crossing
- Proposed alignment would include five stations: one downtown, two in River Crossing and two in Old Strathcona, and 19 towers
- Gondola would be constructed on and over City-owned titled land, road right-of-way and park
- The City's roles is as a landowner and regulator
- No capital or operating investment is being requested from the City

Prairie Sky Gondola - Process Update

Phase 1

PETA & Governing Principles

- **Motion to explore feasibility**, June 2018
- Launched Phase 1 Q2 2019 with **Council Approval for Preliminary Economic & Technical Assessment (PETA)**
- Council response to the PETA: **governing principles** & next steps

Phase 2

Business Case & Agreement Framework

- Business case & technical feasibility of proposal reviewed by the City
- Response to Council's February 3, 2020 motion
- **Approval of Agreement Framework & next steps by Council**

Phase 3

Land Agreements, Detailed Design & Regulatory Approvals

- Launched Q1 2021
- Negotiation of Land Agreements
- Open Books Review
- **Approval of Land Agreements**
- Prairie Sky Engagement & detailed design
- Regulatory Approvals (e.g. **Rezoning**)
- Fulfill governing principles & conditions

Phase 4

Construction

- To commence by the first half of 2028
- PSG to construct in accordance with plans provided to the City through the development permit process
- Required business licencing to be completed

Phase 5

Operations

- Operations to launch by Prairie Sky
- Execution of any operating agreements finalized between City & PSG

The Agreements

- Station Lease & Infrastructure Agreement
- Interconnected agreements that are reliant on each other
- Prairie Sky Gondola will pay market rent for the land and fees for the alignment
- Prairie Sky Gondola will have access to the land to build, operate and maintain a gondola & gondola stations; they will also have the ability to have other businesses within the stations as permitted by zoning
- Agreements transfer risk from the City to Prairie Sky Gondola where possible during the term while maintaining ownership of the land with the City

Agreement Risk Mitigations

- Require Prairie Sky to have sufficient security and insurance during construction and operations, including decommissioning security to remove the gondola at the end of term or earlier termination
- Require Prairie Sky to maintain the gondola in accordance with their asset assessment and infrastructure inspections, and maintain a capital reserve fund sufficient to perform the required work
- Agreements are conditional upon implementation of Prairie Sky's Public & Indigenous Engagement Plan, completion of all regulatory approvals & demonstration of committed funding

Next Steps

- A **motion approving the agreements is required** for the gondola proposal to advance

If Approved:

- The City would enter into agreements with Prairie Sky
- Ongoing work to fulfil Council's governing principles and achieve alignment between the gondola and the public realm
- Prairie Sky Gondola would continue implementation of their Public and Indigenous Engagement Plan, provide the City with a What We Heard Report & Advance Detailed Design
- Regulatory Processes
 - ◆ Rezoning
 - ◆ River Valley Area Redevelopment Plan
 - ◆ Federal and Provincial Processes

Thank you. Questions?