

Consideration of Stakeholder Initiatives

The four primary initiatives brought forward through stakeholder engagement are as follows:

- Building Owners and Managers Association (BOMA) Led Task Force
 - a. Terms of Reference to be written by Administration regarding four office conversion case studies:
 - i. Social housing,
 - ii. Student housing,
 - iii. K-12 education,
 - iv. Assisted living;
 - b. Investment by the City of Edmonton in a Building Owners and Managers Association Task Force chosen project for office conversion;
- Matchmaking Website;
- Tax Deferral;
- Reduced parking requirement for Mixed Use and Live Work Space.

These initiatives have been considered for their alignment with current strategies, policies, and Corporate Outcomes.

Option 1: Tax Deferral

Strategy, Policy, or Corporate Outcome	Alignment Consideration
<i>The Way We Finance</i>	Tax Deferrals are not included within The Way We Finance, and as such, are not considered to be in alignment with this strategy at this time.
<i>The Way We Grow, Supporting Prosperity</i>	Tax deferral supports one market segment at the expense of other taxpayers. As the benefit of these tax deferrals is not anticipated to be attributable to all citizens, and may lead to higher real property costs for businesses operating downtown, this initiative is not seen to support prosperity for all, and is not in-line with this strategy.
The Way We Prosper	This strategy suggests moving away from previous models of tax subsidies, and towards an economic growth model focused on:

	<ul style="list-style-type: none"> ● Enhance innovation and productivity within their business community ● Invest in and improve the skills of their workforce ● Leverage cultural diversity to maximize innovation in the workplace and linkages to emerging markets ● Create urban environments that provide a high quality-of-place experience and quality of life for residents in order to attract the best and the brightest to their city <p>Overall, tax deferral is not in alignment with this strategy.</p>
<p>City Policy C212D: Investment Policy</p>	<p>Investment Policy C212D establishes a set of investment principles and guidelines for investments, and requires the City to give consideration to the type of fund (investment), its characteristics, investment return objectives, financial obligations, the objective of preservation of capital, liquidity, and a prudent level of risk given the investment time horizon, while at the same time ensuring that the City of Edmonton’s investments comply with statutory requirements. At this time, none of these considerations are defined, and as such, approval of an investment in converting downtown office buildings for alternative uses is not recommended.</p>
<p>Corporate Outcome: Edmonton is attractive and compact</p>	<p>Tax Deferral for office conversions to Residential uses would incentivise long-term trends to be less dense as office uses typically allow for a density in use between 150 and 400 sq.ft. / person, while residential uses are typically between 500 and 1,000 sq.ft. / person. Incentivised conversion - through tax deferral - of office space to residential uses, may result in a less dense use of the downtown core over the next twenty years than market forces may have otherwise dictated.</p>
<p>Corporate Outcome: The City of Edmonton has a resilient financial position</p>	<p>Investing in the conversion of office buildings to residential or other non-commercial uses will reduce the property taxes collected from these sites into perpetuity as their Assessment Class is changed from residential to</p>

	non-residential. This would reduce the City’s revenues, running counter to the defined Corporate Outcome.
Corporate Outcome: Edmonton has a globally competitive and entrepreneurial business climate	With the current trajectory of increasing vacancy rates for office space, rental rates are on the decline. This will lead to benefits for tenants within the downtown core who will pay lower costs for their occupancy. The benefit to tenants allows for lower barriers to entry for entrepreneurs, and increased cost competitiveness for tenant businesses. Tax deferral would spend city funds on an initiative that would raise rental rates on tenant businesses faster than the market would otherwise dictate.

Option 2: Building Owners and Managers Association Led Task Force

- a. Terms of Reference to be written by Administration regarding four office conversion case studies:

Strategy, Policy, or Corporate Outcome	Alignment Consideration
<i>The Way We Grow, Supporting Prosperity</i>	This initiative integrates Administration into the activities of a stakeholder group to allow for increased communication, and clarity around the potential for development in-line with City objectives, supporting the prosperity that may result from this task force.
<i>The Way We Prosper</i>	This initiative supports the development of additional information that will be accessible to all industry stakeholders, supporting a competitive business climate.

Option 2: Building Owners and Managers Association Led Task Force

- b. Investment by the City of Edmonton in a BOMA Task Force chosen project for office conversion:

Strategy, Policy, or Corporate Outcome	Alignment Consideration
<i>The Way We</i>	Participation in an undefined investment for the benefit of

<p>Grow, Supporting Prosperity</p>	<p>a single market segment at the expense of other taxpayers is not in alignment with this strategy. As the benefit of this investment would not be realized by the majority of Edmontonians, this initiative is not seen to support prosperity for all.</p>
<p>The Way We Prosper</p>	<p>Although one market segment (office landlords) are feeling significant pressure at this time due to high vacancy rates, reduced rental rates and larger incentives will benefit other segments of the market, allowing businesses to have additional funds available to:</p> <ul style="list-style-type: none"> ● Enhance innovation and productivity within their business community, ● Invest in and improve the skills of their workforce, ● Leverage cultural diversity to maximize innovation in the workplace and linkages to emerging markets, and ● Create urban environments that provide a high quality-of-place experience and quality of life for residents in order to attract the best and the brightest to their city. <p>Overall, a commitment to invest in a BOMA task force project at this time is not in alignment with this strategy.</p>
<p>City Policy C212D: Investment Policy</p>	<p>Investment Policy C212D establishes a set of investment principles and guidelines for investments, and requires the City to give consideration to the type of fund (investment), its characteristics, investment return objectives, financial obligations, the objective of preservation of capital, liquidity, and a prudent level of risk given the investment time horizon, while at the same time ensuring that the City of Edmonton’s investments comply with statutory requirements. At this time, none of these considerations are defined, and as such, approval of an investment in converting downtown office buildings for alternative uses is not recommended.</p>
<p>Corporate Outcome: Edmonton is attractive and</p>	<p>Investment in office conversions to Residential uses would incentivise long-term trends to be less dense as office uses typically allow for a density in use between 150 and</p>

compact	400 sq.ft. / person, while residential uses are typically between 500 and 1,000 sq.ft. / person. Incentivised conversion of office space to residential uses, may result a less dense use of the downtown core over the next twenty years, than market forces may have otherwise dictated.
Corporate Outcome: The City of Edmonton has a resilient financial position	Investing in the conversion of office buildings to residential or other non-commercial uses will reduce the property taxes collected from these sites into perpetuity as their Assessment Class is changed from residential to non-residential. This would reduce the City's revenues, running counter to the defined Corporate Outcome.
Corporate Outcome: Edmonton has a globally competitive and entrepreneurial business climate	With the current trajectory of increasing vacancy rates for office space, rental rates are on the decline. This will lead to benefits for tenants within the downtown core who will pay lower costs for their occupancy. The benefit to tenants allows for lower barriers to entry for entrepreneurs, and increased cost competitiveness for tenant businesses. Tax deferral would spend city funds on an initiative that would raise rental rates on tenant businesses faster than the market would otherwise dictate.

Option 3: Matchmaking Website

Strategy, Policy, or Corporate Outcome	Alignment Consideration
<i>The Way We Grow, Supporting Prosperity</i>	This initiative assists in providing people seeking short term occupancies within commercial space, with those landlords willing to lease out their space for brief periods of time, supporting the prosperity of both occupants and Landlords..
<i>The Way We Prosper</i>	This initiative supports the development of additional information that will be accessible to all industry stakeholders, supporting a competitive business climate.

Option 4: Reduced parking requirement for Mixed Use and Live Work Space

Strategy, Policy, or Corporate Outcome	Alignment Consideration
<i>The Way We Move</i>	Shifting Edmonton’s transportation modes is one of the City’s highest priorities. Reductions in parking requirements forces a change in behaviour patterns for occupants of those properties. This initiative is in alignment with the corporate strategy.