

SALE OF DEVELOPMENT LAND

Rampart Industrial

RECOMMENDATION

1. That the sale of land in Rampart Industrial, at market value, as outlined in Attachment 2 of the January 18, 2023, Financial and Corporate Services report FC01573, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That Attachment 2 of the January 18, 2023, Financial and Corporate Services report FCS01573 remain private pursuant to sections 16 (disclosure harmful to business interests of a third party), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

Requested Council Action	Decision		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work as we achieve our strategic goals.	Regional Prosperity The development of Rampart Industrial, with strategic connections to Anthony Henday Drive and surrounding municipalities, contributes to the region's prosperity and competitiveness.		
City Plan Values	CREATE		
City Plan Big City Move(s)	Catalyze and Converge	Relationship to Council's Strategic Priorities	Economic Growth
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> ● C512 - Environmental Policy ● C511 - Land Development Policy ● C516B - Land Enterprise Dividend Policy 		

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Executive Summary

- Administration has negotiated an agreement to dispose of three parcels of land in the City developed Rampart Industrial subdivision to a buyer.
- Administration is seeking Executive Committee approval for the sale, as the negotiated market value transaction is above Administration's delegated authority, under Bylaw 16620 - City Administration Bylaw.

REPORT

Background

The City of Edmonton is a major landowner in the Rampart Industrial neighbourhood, holding approximately 250 acres of land. In August 2022, the proposed buyer submitted an offer to purchase three fully serviced lots, totalling approximately 11 acres, to develop a proposed warehouse facility of close to 120,000 square feet.

The subject properties have been publicly listed since January 2020 and have received exposure to the market through the City's public facing Property Sales website. The City's real estate broker, Avison Young, also provided more recent marketing and broader exposure. The negotiated sale price is considered market value and requires Executive Committee approval as the value is beyond Administration's delegated authority of \$5 million.

The buyer executed the sale agreement, which is conditional on soil and environmental testing and on the buyer obtaining financing with a proposed closing date of June 30, 2023. Executive Committee approval of the sale of land is required for Administration to proceed to execute the sale agreement.

The City's role in developing shovel ready industrial land helps to supplement the work that industry is undertaking and contributes to growth of the non-residential tax base. Through the sale agreement, the buyer is required to develop the land in accordance with Leadership in Energy and Environmental Design (LEED) Certification. While building codes apply only to the building, LEED requirements expand that scope to several other categories to achieve reduction of carbon emissions, energy use, and water consumption. LEED addresses energy, location and transportation, water efficiency, building materials and resources, and indoor environmental quality. The higher efficiency standards placed on the development through the land sale agreement will assist in transitioning Edmonton to a more climate-resilient city.

The Rampart Industrial Area is an Industrial Park developed by the City of Edmonton. The construction of a warehouse in the Rampart Industrial Area will create employment opportunities and help to spur development in this area of the City. It may potentially allow residents of adjacent residential neighbourhoods to utilize active modes of transportation to travel to and from work. The sale of these properties will minimally impact existing property owners in Rampart Industrial as the site is undeveloped land, and development was anticipated. The

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parcels of land are directly across 142 Street from the Carlton neighbourhood; however, noise and traffic is not anticipated to be invasive to the neighbourhood.

The buyer is a Canadian-owned and operated business serving customers for the past 40 years. They provide service across Canada and the Northeastern United States.

Budget/Financial Implications

Sale of the land will result in a net gain in Land Enterprise operations in the title transfer year. The gain on sale is recorded at the time of the transfer. Under the current City Policy C516B - Land Enterprise Dividend Policy, Land Enterprise pays an annual dividend to the City of Edmonton equal to 25 per cent of the net income of the land development activity of Land Enterprise in the second quarter of the following year. Administration is advancing a separate report, FCS01094, Land Development Policy C511- Recommended Updates, which is expected to be completed prior to the end of Q2 2023. The report will outline potential amendments to the Land Development Policy.

Anticipated tax revenue upon transfer is over \$150,000 per year and future tax revenues may be upwards of \$575,000 per year should construction proceed as proposed. Future property tax revenue from new construction cannot be directly tied to land sales, but is included for information purposes.

Revenue from the sale of these lands will be reinvested into other land development projects, in alignment with City Policy C511 - Land Development Policy, to generate future revenue or to partially fund the upcoming major transformational redevelopment projects in Edmonton Exhibition Lands and River Crossing.

Legal Implications

Section 35 of Bylaw 16620 - City Administration Bylaw, enables the City Manager to approve agreements for disposition of a fee simple interest in land for fair market value or more, up to \$5 million. Approval is being sought as the proposed sale relates to the disposition of a fee simple interest in land exceeding \$5 million.

COMMUNITY INSIGHT

The Sale Land was listed through a public offering process. Given the sensitive and private nature of negotiations, Administration does not conduct engagement with the general public for individual sales.

GBA+

Accessibility to the site was taken into consideration by Administration. This industrial area is not well-served by public transportation and the journey also requires a considerable distance to be traveled by foot, highlighting the potential need to improve access to the area. However, in the future the Metro Line LRT is planned to be extended to the Rampart Industrial neighbourhood and will greatly improve alternative modes of transportation to the area.

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The site was publicly listed for sale on the City's website and, subsequently, the City's broker, Avison Young's website allowing any individual or group to provide a submission. In consideration of applicants with diverse backgrounds and communication abilities, Administration will accept offers in different forms by email, paper copies, fax, or in person. The evaluations of submissions are based on content and not on language used or communication style. Applicant identity factors were not considered in the evaluation process.

ATTACHMENTS

1. Rampart Industrial Site Plan
2. Sales Agreement Terms and Conditions - Private