

Summary of Research Approach

A research program has been identified to support the Industry Working Group's efforts to develop viable alternatives. Led by City staff and supported by third-party expertise, research will examine two main focus areas: (1) recent practices in Edmonton, and (2) learnings from other Cities. These inputs will be used by the Industry Working Group to create alternatives and evaluate their viability in Edmonton.

Part I: Recent Direct Control Zones in Edmonton

Research will examine a number of recent major Direct Control zones approved by Council to better understand the effectiveness of Edmonton's current process and areas of success the City and Industry may choose to improve on.

Case summaries will be developed related to significant Direct Control zones approved since 2010. Each case study will include:

- the name of the project and applicant
- the name and age of the relevant area and neighbourhood plan
- the original zone
- the change in development rights through rezoning
- the described "contributions" (what perceived amenities or benefits were derived and would not have occurred under the previous zoning)

The draft of each case study will be prepared and reviewed by City staff but also seek input directly from those developers involved in order to include all perspectives. These case summaries will be presented and discussed with the Industry Working Group to review the successes of recent approvals and look for areas of improvement.

Part II: Learnings from other cities

Many Canadian and U.S. cities use incentive systems that increase the development rights on a given site in exchange for the contribution of public amenities that improve the liveability of the affected community. The research inputs to the Industry Working Group will look at the common practices used extensively in Ontario and British Columbia, as well as the more recent practices developed in Cities such as Halifax and Calgary. The research will focus on how different approaches have worked in other cities and what successes could be replicated in Edmonton.

Canadian cities employ a variety of methods for deriving amenity contributions through rezoning. While nearly every approach is unique to the City using it, these methods fall into four broad categories:

1. Flat rate fees - Development rights can be granted up to certain maximums in exchange for a fee set in a pre-determined schedule that is indexed or updated periodically.
2. Negotiated proforma analysis - The increase in land value is estimated using a development proforma as a basis for determining the value of the amenities that must be provided.
3. Priority amenity approach - A city pre-identifies desired capital improvements and amenities needed to support new population growth within a specific geographic area. These priority projects can be contributed to (in cash or direct construction) as part of a density bonus system.
4. Precedent approach - Developers are encouraged to provide amenities through rezoning, but amenity types and values are not prescribed. Rather, they are guided by precedent and community input on a case-by-case basis. Edmonton currently uses this approach.

Evaluating the costs, benefits, and risks of each of these categories through case studies will help the Industry Working Group develop sound alternatives for Council's consideration.