



Financial and Corporate Services

Edmonton

**FCS01094 - Land Development Policy
C511 - Recommended Updates**

**FCS01629 - Municipal Development
Corporation**

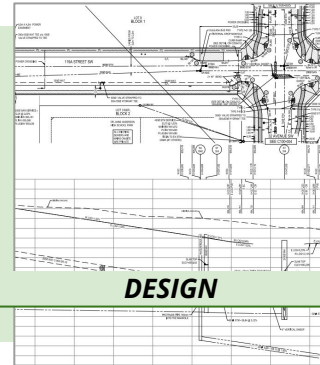
Executive Committee - April 14, 2023

Bartosz Jarocki, Branch Manager, Real Estate
Neal Osaduik, Director, Land Development

Land Development - Background

Line of Business	Enterprise Lands	Surplus Lands	Transformational Redevelopment Projects		
Projects	Greenfield Res. Greenfield Ind.	Surplus Lands	Exhibition Lands	River Crossing	Blatchford
Lead	Real Estate / Land Enterprise				Blatchford Office
Funding Source	Land Enterprise Retained Earnings				Blatchford Retained Earnings
2023-2026 Funding Approved	✓	✓	✓	✗	✓
Financially Self Sustaining	✓	~	✗	✗	✓
Land Enterprise					Blatchford

Land Development - Activities



OBJECTIVES

- Profit & dividend payment
- Diverse market rate housing
- Sustainability
- Supporting affordable housing
- Business growth & attraction
- Innovation

Land Enterprise - Policy C511A

Objectives

- Increased emphasis on:
 - sustainability
 - supporting affordable housing
 - diverse forms of market rate housing
 - supporting small business and innovation
- Increased focus on infill and major redevelopment projects
- Opportunities to work more with private sector

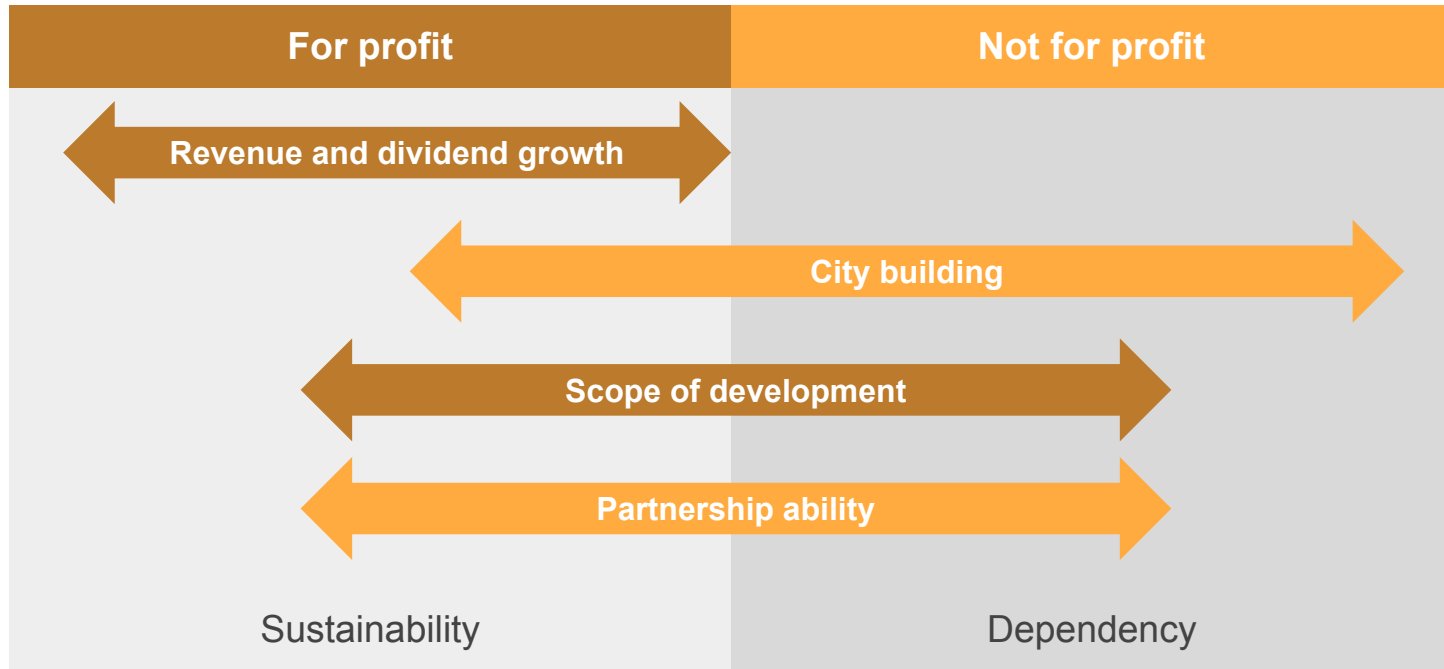
Finances

- Ensuring financial sustainability
- Clarity on work funded by Land Enterprise Retained Earnings

Applicability

- Enterprise Lands (greenfield)
 - Residential & Industrial
- Surplus Lands
- Major Redevelopment Projects
 - Exhibition Lands
 - River Crossing

Municipal Development Corporation Variations



Municipal Development Corporation

Findings & Conclusions

Advantages: reduced risk to the City, higher risk tolerance, nimbleness, private sector

Disadvantages: difficult to change mandate, loss of coordination and control, requires additional financial investment

- Council can create an MDC, but it takes time and money.
- There is potential to impact City debt limits.
- An MDC needs to be set up with a clear purpose & mandate.
- The City cannot absolve itself of risk while maintaining control.
- A Community Revitalization Levy is not available.
- Current land development activities achieve many of the outcomes an MDC would.

Municipal Development Corporation

Land Enterprise & Blatchford

	BLATCHFORD	ENTERPRISE LANDS	EXHIBITION LANDS	RIVER CROSSING
ADVANTAGE	<ul style="list-style-type: none"> • Attract private sector investment • Better suited for onsite & vertical development 			
DISADVANTAGE	<ul style="list-style-type: none"> • High density • Sustainability • District Energy • Slower sales • No CRL 	<ul style="list-style-type: none"> • Profitable • Reduced access to revenue • Funding Exhibition Lands & River Crossing 	<ul style="list-style-type: none"> • Cost > Revenue • Project coordination • No CRL 	<ul style="list-style-type: none"> • Costs >> Revenue • Project coordination • Cultural significance • No CRL
MDC	Not Recommended*	Not Recommended	Not Recommended*	Not Recommended*

* Based on current vision for the development and the assumption that the MDC would be profit focused

Existing Arms Length Corporations

HomeEd

Mission

Provide Edmontonians with quality, affordable housing

- Created in 1977
- Affordable Housing
- City is sole shareholder
- Focused on mixed market
- Acquire land and buildings for affordable housing developments
- Expanding operations

ECDC

Purpose

Promote the renewal of distressed neighbourhoods through a Community Economic Development approach.

- Created in 2017
- Redevelopment of problem properties
- City is partial shareholder
- Social and economic development of distressed communities
- Primarily focused on real estate development to revitalize neighbourhoods

Edmonton MDC Possibilities

- Vertical and onsite development
 - Surplus lands
 - Serviced lots
- Lands the City is unable to prioritize
- Working with private industry
- Taking on existing real estate assets

How to create a Municipal Development Corporation

- Council is able to create an arm's length corporation
- MGA requires a business plan that consists of specific information
- Must notify Minister within 60 days

An MDC is guided by its mandate. Once created, it must be allowed to operate free from external influence.

Required Direction to Inform an MDC

- **Purpose** - What benefits can an MDC provide?
- **Mandate** - What is the MDC supposed to achieve? Revenue vs. city-building objectives
- **Lands and activities**
 - What type of lands & projects should the MDC undertake?
 - What level of development should it undertake?
- **Financing Mechanisms** - How will the MDC be funded?
- **Structure** - Shareholders, composition of board of directors



Thank you

Edmonton