



# Council Policy (recommended amended version)

## Land Development Policy

|                              |                                                                                                                                                                                                                                                                                                    |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Program Impacted</b>      | <p>Land Development<br/><i>Edmonton is developed to support growth and social, cultural, economic and environmental well-being.</i></p> <p>Financial Management<br/><i>The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.</i></p> |
| <b>Number</b>                | C511A                                                                                                                                                                                                                                                                                              |
| <b>Date of Approval</b>      | TBD                                                                                                                                                                                                                                                                                                |
| <b>Approval History</b>      | <p>July 13, 2005</p> <p>November 19, 2008 (C516B Land Enterprise Dividend)</p>                                                                                                                                                                                                                     |
| <b>Next Scheduled Review</b> | 5 years from date of approval                                                                                                                                                                                                                                                                      |

### Statement

The City of Edmonton, through its involvement in land development activities, is able to develop residential, mixed-use, commercial and industrial lands to align with The City Plan, ConnectEdmonton and the Community Energy Transition Strategy.

The City's land development activities are financially self-sustaining and provide an alternate revenue stream to the City through annual dividend payments.

The purpose of this policy is to provide clear guidelines for achieving the City's land development objectives:

- generating revenue and paying a dividend to the corporation;
- creating environmentally sustainable, diverse and inclusive residential communities;
- balancing fiscal sustainability with city-building objectives;
- providing a diversity of housing choices for all Edmonontians; and
- attracting and supporting business and investment.

### Program Objectives

1. Residential and mixed-use land development activities will:

## Attachment 1

- a. Create a diverse mix of market rate housing types that encourages inclusive communities; and
  - b. Support achieving the City's affordable housing targets in alignment with Policy C601 Affordable Housing Investment Guidelines and Policy C437A City Land Assets for Non-Profit Affordable Housing
2. Industrial land development activities will strive to ensure a continual supply of serviced industrial land that moves forward the priorities of the City Plan.
3. Land development activities will strategically align with, and balance, the following City objectives:
  - a. Environmental sustainability and climate resilience;
  - b. Financial sustainability;
  - c. Innovative land development practices; and
  - d. Supporting other City projects that may be adjacent to land development projects where practically and financially possible.
4. Land Enterprise will not acquire land in developing areas or future growth areas. The following acquisitions are exceptions:
  - a. Land that may not be financially viable for the private sector to develop;
  - b. Opportunity purchases with other City departments where a portion of the site is required for municipal use and the remainder of the site can provide land development opportunities.
  - c. Land adjacent to existing City holdings.
5. A minimum of 50% of greenfield, low density, residential lots will be sold directly to small builders and members of the public. This objective only applies to the types of development described in 12.a and does not apply to the types of development described in 12.b, 12.c, and 12.d.
6. Residential lot sales will not exceed 10% of Edmonton's total single-family residential lot development within a given year.
7. Explore partnerships with the private sector to creatively approach land development on City-owned lands, redeveloping areas and priority growth areas, provided it generates a financial return for the City.

### **Financial Objectives**

8. Land development activities will be funded solely by Land Enterprise Retained Earnings, including all capital and operating expenses. Tax levy will not be used to fund land development activities.
9. Land Enterprise will operate as a self-sustaining enterprise with net income from operations directed to Land Enterprise Retained Earnings.
10. Land Enterprise Retained Earnings shall only fund:

## Attachment 1

- a. Land Development Activities (as defined below);
- b. All expenses incurred in the delivery of the program;
- c. Land exchanges where sale revenue equals or exceeds the acquisition costs;
- d. Acquisition of existing titled roadways that are erroneously privately-owned; and
- e. Provided the financial sustainability of Land Enterprise is not jeopardized,
  - i. Land development opportunities that achieve City Plan objectives and, in particular, may remove barriers and advance development of nodes and corridors or other redeveloping areas; and
  - ii. Servicing of lands for municipal use where they may be adjacent to, or in proximity of, ongoing land development work.

11. Land Enterprise will pay an annual dividend to the City of Edmonton in the second quarter of each year based on 2.5% of the year-end balance of Land Enterprise Retained Earnings for the previous year.

- a. A dividend will not be paid if there is less than \$30 million of Unappropriated Surplus Capital available in Land Enterprise Retained Earnings.

### Applicability

12. This policy will apply to the following types of land development activities carried out by Land Enterprise to generate revenue:

- a. Greenfield residential, mixed-use, commercial, and industrial land development projects;
- b. Surplus residential, mixed-use, commercial, infill, and industrial land development projects;
- c. City-owned Surplus School Sites that are not guided by another City Policy; and
- d. Transformative redevelopment projects.

13. This policy does not apply to the following land development projects:

- a. Blatchford;
- b. Non-revenue generating land development projects; and
- c. Affordable housing development projects.

### Definitions

- **Affordable Housing** Housing that requires subsidization to be affordable for its residents, often with rents or payments below average market cost, and is targeted for long-term occupancy by households who earn less than the median income for their household size.
- **Greenfield** Land that has not been previously developed for residential or non-residential land uses, other than for agricultural purposes. The City Plan identifies these areas as the developing area and future growth area. Greenfield developments can be developed as residential, mixed-use, commercial or industrial uses.

- **Land Development Activities** The acquisition, planning, engineering, public engagement, servicing, marketing and disposal of city-owned land to generate revenue and achieve the Land Enterprise objectives, as outlined above.
- **Land Enterprise** Land Enterprise is recognized as a self-funded enterprise. Land Enterprises activities are entirely funded by Land Enterprise Retained Earnings and do not receive tax levy funding.
- **Land Enterprise Retained Earnings** A constrained funding source used and reported on by Land Enterprise. It provides all the funding for land development work, as outlined in this policy. It is the accumulation of relevant annual surpluses and deficits from operations.
- **Unappropriated Surplus Capital** The portion of Land Enterprise Retained Earnings that is not designated for specific purposes and is therefore available to fund future Land Development Activities.