

## CITY-OWNED RF5 SITE - TIMELINES AND DEVELOPMENT INTENTIONS

### RECOMMENDATION

1. That the Financial and Corporate Services report FCS01568, be received for information.
2. That Attachment 2 of the June 1, 2023, Financial and Corporate Service report FCS01568 remain private pursuant to sections 24 (advice from officials) and 25 (disclosure harmful to economic interests) of the *Freedom of Information and Protection of Privacy Act*.

<b>Requested Council Action</b>	Information only		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	LIVE		
<b>City Plan Big City Move(s)</b>	A rebuildable city	<b>Relationship to Council's Strategic Priorities</b>	Mobility Network 15-minute districts
<b>Corporate Business Plan</b>	Managing the corporation		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• Bylaw 14581 - to amend the Zoning Bylaw from (AG) Agricultural Zone to (RF5) Row Housing Zone, (AP) Public Parks Zone and (PU) Public Utility Zone</li> <li>• Policy C511A - Land Development Policy</li> <li>• Valley Line West LRT</li> <li>• Corporate Tree Policy</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• Bylaw 20252 - To amend the Potter Greens Neighbourhood Structure Plan, City Council Public Hearing, November 1, 2022</li> <li>• Charter Bylaw 20253 - To allow for a school / park site and multi-unit housing, Potter Greens, City Council Public Hearing, November 1, 2022</li> </ul>		

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### Previous Council Action

At the City Council Public Hearing, November 1, 2022, the following motion passed:

That Administration provide a report with timelines and development intentions of the City-owned RF5 site adjacent to and directly south of the Lewis Estates Transit Centre.

### Executive Summary

- The City acquired the subject site, 1035 Webber Greens Drive NW (the site) south of the Lewis Estates Transit Centre in 2004. A portion was declared surplus in 2006, with the majority designated for natural area and transit uses.
- The site has been a low priority for development due to several site conditions that negatively affect the financial return to the City, the uncertain timing and impact of adjacent City capital and private development projects.
- In 2022, Administration began re-evaluating three development scenarios for the site due to the abutting capital and private development proposals moving forward.
- Administration will proceed with selling the site as-is based on the evaluation of the development scenarios and the assumption that land uses and road alignments in the approved Potter Greens Neighbourhood Structure Plan are a priority.
- In the event the site does not sell, Administration would retain the site as open space and propose a shared-use path replace Potter Greens Drive roadway.

### Background

In 2004, the City acquired 1035 Webber Greens Drive NW (the site) in the Potter Greens neighbourhood, primarily for future natural area retention and transit. In 2006, portions of the site were declared surplus to municipal needs and rezoned. In 2009, the site was considered for use as an LRT station and City development work in the area was put on hold. In 2018, Council approved the northern portion of the site as an LRT station and park and ride, which reduced the developable area to the single RF5<sup>1</sup> property in the southwest corner of the acquired lands, as shown in Attachment 1. As much of the originally acquired property will now be used for transit, the development site can no longer generate sufficient revenue to cover development costs. The site is heavily treed, but due to the expected high cost of developing the adjacent portion of Potter Greens Drive, there is no need to retain the site for municipal use.

Since 2005, Administration has had ongoing conversations with the neighbouring developer regarding scenarios for Potter Greens Drive. The outcome of Potter Greens Drive potentially had effects on the development costs, marketability and access to the site, as well as on the timelines for the adjacent private development.

In November 2022, Council approved an application to amend Potter Greens Drive from a collector roadway to a narrower road with a shared use path, which impacts access to the site. During Administration's review of this application, it was confirmed that the existing road network

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<sup>1</sup> The RF5 Zone allows for low to medium density multi-unit housing such as townhouses, as well as secondary suites.

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in Potter Greens is adequate to manage traffic requirements. However, some level of connectivity along the unbuilt portion of Potter Greens Drive, adjacent to the site, would still be required to improve emergency access for the neighbourhood and provide an active mode connection to the transit centre. During the application process, residents provided feedback that Potter Greens drive was an important missing link in the neighbourhood for vehicle connectivity, resulting in the proposal for a narrower road with a shared-use path.

### **Subject RF5 Site**

In prior evaluations of the site, Administration considered it to be a low priority for development based on the following factors:

- Development constraints and site conditions, particularly the substandard soils, high water table, peat moss and concentration of trees.
- The effect of the timing and expansion of the LRT station and transit centre on marketability and potential revenue.
- Financial viability.
- Ongoing proposed amendments from adjacent developers.
- The delivery of other City land and capital projects deemed to be a higher priority.

In 2022, Administration re-evaluated the development scenarios and timing of the site spurred by several changes:

- The greenfield land development profiles funded by Land Enterprise Retained Earnings were taken out of abeyance, resulting in greater certainty around future revenues that could be used to cover development costs for unprofitable projects.
- The adjacent development moved forward, including the Potter Greens Drive amendment.
- Preparation for construction of the Valley Line West LRT .

Due to the factors above, Administration conducted technical feasibility studies for the site and evaluated three development scenarios to determine next steps.

### **Development Scenarios**

Administration considered the three development scenarios below, with different ranges in City investment, revenue generation and site readiness. Private Attachment 2 provides a financial analysis and additional discussion of the scenarios. Attachment 3 notes the potential advantages and disadvantages of each scenario.

#### **Scenario 1: Sell As-is**

Administration would attempt to sell the site as-is for one year, with the intention it is developed in alignment with the Potter Greens Neighbourhood Structure Plan (NSP). The development of the site, including the construction of Potter Greens Drive, would be deferred to the future owner, subject to further review through the subdivision approval process. If sold, the City has limited control over the timelines of the Potter Greens Drive construction.

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### **Scenario 2: Retain as Open Space**

The site would be retained as a passive natural area to preserve the tree canopy. The site would no longer be considered surplus land and would be retained for municipal use. In this scenario, Administration would return to a City Council Public Hearing to seek approval for a rezoning to the Natural Areas Protection Zone and an amendment to the Potter Greens Neighbourhood Structure Plan to reflect the rezoning and remove the roadway (Potter Greens Drive).

Administration would seek to replace the roadway with a shared-use path based on the roadway not being required to support the neighbourhood's traffic movements, the significant reduction in construction costs and being able to provide emergency access and active connectivity in the neighbourhood. Additionally, in this scenario, the site would not be a land development project as defined by City Policy C511 - Land Development Policy, so would not be eligible to use Land Enterprise Retained Earnings as a funding source. Funding for site improvements would need to be identified.

### **Scenario 3: Develop then Sell**

The site would be developed to a vacant, shovel-ready state by the City, in alignment with City Policy C511. This would include:

- constructing the portion of Potter Greens Drive adjacent to the site
- clearing the on-site tree stand
- removing and replacing unsuitable soils
- paying all development fees and assessments

In this scenario, development timing is unknown. Refer to Private Attachment 2 for additional information.

### **Next Steps**

Administration will proceed with advancing Scenario 1: Sell As-is based on the assumption that the residential development of this site and the roadway are priorities in this area. This scenario would allow for the development of the roadway without the need for City funding but would result in tree loss.

If, after one year, there is no serious interest expressed in the land, Administration would proceed with Scenario 2: Retain as Open Space. This scenario allows for the retention of the trees, reduces the development costs to the City and replaces the Potter Greens Drive roadway with a shared use path for an active mode connection. This scenario requires Council to approve land use changes at a City Council Public Hearing.

If Council does not approve the proposed amendments noted in Scenario 2, Administration would proceed with Scenario 3: Develop then Sell. The site would continue to be surplus land and, once funding was available through Land Enterprise Retained Earnings, the City would develop it in alignment with the approved Neighbourhood Structure Plan.

### **Budget/Financial Implications**

An estimated breakdown of costs for each scenario is provided in Private Attachment 2.

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- Scenario 1 results in the lowest overall loss to the City. No additional significant costs are anticipated to be incurred.
- Scenario 2 would result in costs to the City for the land development applications, the construction of the shared-use path and any improvements and ongoing maintenance of the park site. A funding source for improvements to the park space and the construction of the shared-use path would need to be identified.
- Scenario 3 results in the overall highest cost to the City and a net loss to Land Enterprise Retained Earnings. The site would be developed using Land Enterprise Retained Earnings as a funding source when sufficient funds become available.

## **COMMUNITY INSIGHT**

The community provided input regarding this site at the City Council Public Hearing, November 1, 2022, concerning Bylaw 20252, for a proposed amendment to the Potter Greens Neighbourhood Structure Plan. Public speakers expressed a desire to retain natural areas, had concerns with connection issues if Potter Greens Drive was not completed and generally did not want to see an increase in density related to the rezoning of the private lands.

## **GBA+**

In evaluating the three development scenarios, Administration is considering increased mobility and access with the construction of Potter Greens Drive and providing a diversity of housing choices within an established neighbourhood close to public transit and natural areas. While both Scenario 1 and 3 would increase density, housing diversity and improve neighbourhood connection to natural areas and transit, Scenario 1 has the lowest overall cost of all three scenarios, diverting otherwise required funds in Scenario 3 to advance other city-building projects.

## **ENVIRONMENT AND CLIMATE REVIEW**

This report was selected as part of the phased implementation of a process change to provide environmental reviews of City of Edmonton plans and projects. The environmental risks and opportunities identified in this report section were identified using City-developed environment and climate screening criteria. For the subject RF5 site:

- Adherence to environmental City Policies and other environmental regulations that would apply to future construction activities will be achieved through existing City processes, procedures and standards.
- Development of the site would alter or remove existing landforms and result in a loss of an existing tree stand and peat bog. Natural areas like these can serve as habitats for wildlife, mitigate heat-island effects and support improved air quality by trapping air pollutants.
- The potential loss of natural habitat would remove a natural carbon sink that supports the capture and storage of greenhouse gases. Quantification of the carbon sequestration has not been completed.
- The viability of this site to remain productive as a carbon sink, including long-term tree health, as the adjacent land is developed, has not been assessed.

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- Residential development adjacent to an existing transit facility could support Edmontonians' transition to a low-carbon future.
- Encouraging the inclusion of low-impact development can support on-site stormwater management.

## **ATTACHMENTS**

1. Site Plan
2. Private - Summarized Net Revenue Analysis
3. Development Scenario Advantages and Disadvantages