

# What We Heard Report

Growth Management  
Integrated Infrastructure Workshop

Industry Engagement  
December 8, 2022 (Afternoon Session)

Contact information

Howaida Hassan, Director, Urban Growth &  
Open Space

7th Floor, 10111-104 Ave NW, Edmonton, AB  
[edmonton.ca/growthmanagement](https://edmonton.ca/growthmanagement)

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## Industry Engagement Summary and Results

### Project Overview

*Growth Management will support The City Plan's long-term targets of:*

- *Adding 50% of new units through infill city-wide*
- *Welcoming 600,000 additional residents into the redeveloping area*

The Growth Management Program is a key component of implementing The City Plan. The program will create a framework that provides transparency regarding where, when, why and how the City prioritizes and supports growth and development, in order to achieve a key City Plan goal of accommodating 2 million people within Edmonton's existing boundary. To do this, the framework will use Anticipated Growth, Growth Activation, and the Development Pattern Areas as outlined in The City Plan to provide an organizing structure for growth.

Growth management is about both developing and redeveloping area growth; however, there are some larger challenges with redevelopment (infill) growth that need attention as Edmonton's population increases to 1.25 million residents. To address this imbalance, the City's Urban Growth team is taking a closer look at how to reduce those barriers while ensuring that resources are in place to support greenfield development in line with approved plans.

The growth management approach also creates the conditions for successful mass transit and 15-minute districts, as well as for improving equity and helping the City achieve its climate goals. This approach allows the City to provide amenities in the developing areas that contribute to the complete communities that Edmontonians have said they want and value.

An assessment completed during The City Plan's development demonstrates that a more compact urban form could result in substantial fiscal benefits to the City when compared to a business-as-usual development pattern. The analysis found that The City Plan concept could result in \$3 billion in growth-related capital cost savings over the life of the plan. The savings are a result of fewer dollars spent on constructing new roads and interchanges, fewer facilities and services—but greater investments in transit and public realm improvements. Ultimately, the analysis found that there is a potential to save 8 per cent on the net tax levy requirement compared to the business-as-usual growth pattern.

Administration recognizes the need to engage with industry. The engagement group for this project was industry representatives from developer and builder organizations that will be directly impacted by growth management policies.

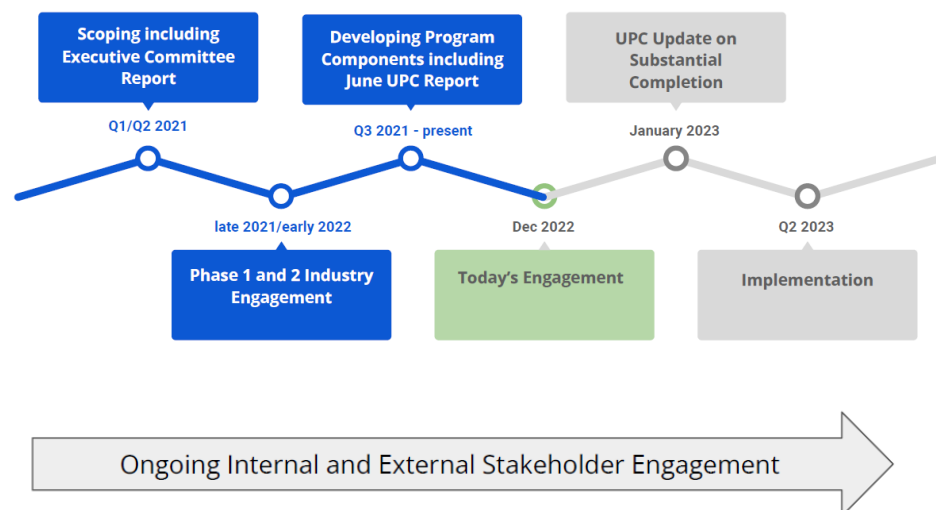
*The City Plan carefully considers how to phase Edmonton's growth to ensure the best social, environmental and economic return on investment.*

Work on the Growth Management Program started in early 2021, as illustrated in Figure 1. It has focused on scoping and developing the program components. To date, key Council and industry milestones have included:

- Executive Committee Report (February 2021)
- Phase 1 and 2 industry engagement with What We Heard Report available on request (December 2021 to April 2022)
- Urban Planning Committee Report (June 2022)

This What We Heard Report has been prepared to summarize the input gathered at a workshop held on December 8, 2022. The next milestone is an update to Urban Planning Committee in early 2023, focused on Substantial Completion. Implementation of the Growth Management Program will continue in 2023, with specifics of the implementation being further refined with input from stakeholders.

**Figure 1: Growth Management Timeline**



## What We Did

The Growth Management Program, Zoning Bylaw Renewal and EPCOR held an Integrated Infrastructure Workshop on December 8, 2022 at the Kinsmen Sports Centre. The workshop built on the previous six sessions held with industry in Phase 1 and 2. The workshop was co-hosted with EPCOR in response to requests from industry for fewer, longer engagement sessions that covered a range of topics. In total, 14 industry stakeholders attended, representing the Canadian Home Builders Association - Edmonton Region (CHBA), the Infill Development in Edmonton Association (IDEA), the Urban Development Institute - Edmonton Metro (UDI), the Building Industry and Land Development Association Alberta (BILD Alberta) and Commercial Real Estate Development Association Edmonton Chapter (NAIOP).

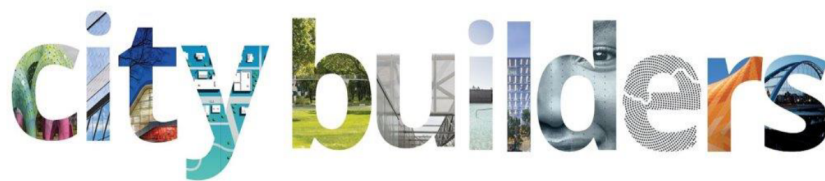
The morning discussion focused on the modernization of water cycle design standards (for which a separate What We Heard report has been prepared and provided by EPCOR), and the afternoon session focussed on the Growth Management Program components of work including the Substantial Completion Standard, Redevelopment Incentives, and Redevelopment Market Index.

The format for the Growth Management Program involved a presentation on each component of work, followed by questions and discussion. This report summarizes the feedback received during the Growth Management portion of the workshop. For ease of reading, the report is aligned with the structure of the workshop. A summary of key findings is provided for each of the three topics, and a detailed summary of the discussion provided in Appendix 1.

The engagement session was designed to:

- Build on Phase 1 and 2 of the Growth Management industry engagement and other related discussions to date
- Provide an update on Substantial Completion, reflect how previous industry engagement was incorporated, and obtain industry input in advance of the related report to the Urban Planning Committee
- Provide an update on the budget request for Redevelopment Incentives, and refine the program details based on industry input
- Share the Redevelopment Market Index, and understand how it could be applied and adapted for City and industry use

we are all



*Substantial completion is based on The City Plan's policy direction 2.3.2.3: Require substantial completion of the developing area including service provision, amenities and infrastructure prior to authorizing the preparation of statutory plans for contiguous development of the future growth area.*

## City Context

The following section provides a summary of the information presented by Administration at the workshop. Prior to the workshop, the Growth Management team emailed a copy of the presentation to industry representatives.

### *Substantial Completion*

The Substantial Completion Standard context, metrics and thresholds were presented. The standard is intended to serve two purposes: defining the conditions under which Administration will recommend to Council the opening up the Future Growth Area, and supporting the

establishment of complete communities in the Developing Area. The three proposed measures include:

- **Residential** - Low density residential lot registration and medium and high density residential building permits will be included, building on Administration's established [growth monitoring](#) work. All densities are included given their significance to *The City Plan* and the regional Growth Plan, and the importance of housing mix for affordability.
- **Services** (as represented by non-residential zoning) - Land is typically rezoned to non-residential in line with the amount of residential development. Fire halls and transit have been shifted to tracked metrics and should not impact the opening of the Future Growth Area.
- **Amenities** - Parks completion will be determined by measuring assembled, designed and built open spaces that are available for Edmontonians' use. Natural areas are no longer considered and school sites have been shifted to tracked metrics.



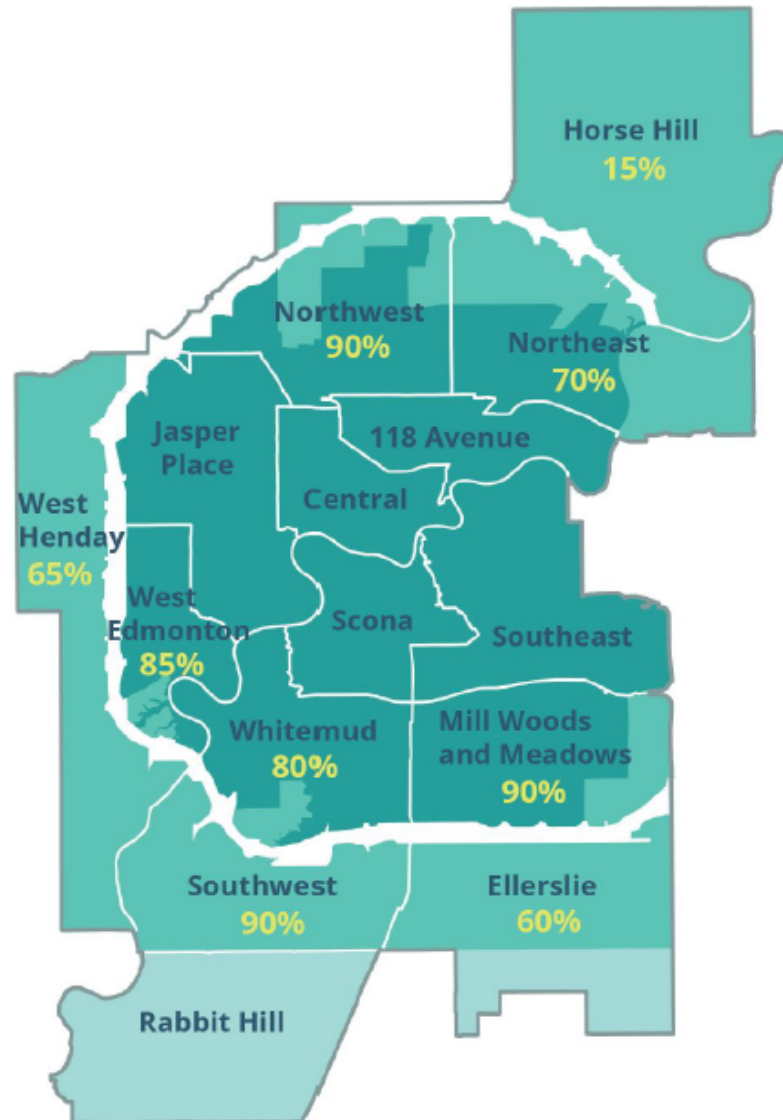
To determine when the three required metrics have been met, thresholds are proposed at the district level. In developing the approach to thresholds, Administration considered input from industry partners that development areas experience varying paces of development and unique challenges. As a result, Administration developed an approach that acknowledges these variations where each district has a different threshold to be met across the three metrics. The variation by district recognizes that demand (and current development progress) for some districts is higher than for others. For example, the threshold for Horse Hill is significantly lower than the other districts because there is currently little development in the area and *The City Plan* anticipates a slower pace of development in the upcoming population horizons than other Developing Areas.

The thresholds align with the projected absorption of dwelling units at the 1.5 million population horizon as per the City's Geodemographic Projection Program aligned with *The City Plan*. The *City Plan* analysis found that 500,000 people could be accommodated in the Developing Area based on a 'business as usual' scenario. Low density residential supply will become increasingly limited as Edmonton approaches the 1.5 million population threshold. The *City Plan* identifies this horizon as a turning point for anticipated residential growth, as the amount of development occurring in the Redeveloping Area and Developing Area start to become equal.

The entire Developing Area will be considered substantially complete when the above measures meet the thresholds for every district that includes at least one Developing Area neighbourhood. A table showing progress towards the thresholds for the nine districts containing Developing Area neighbourhoods was shared, and is presented below. The goal for each district is the unique threshold shown in Map 1: District Thresholds for Substantial Completion. In Table 1, the cells

highlighted in green indicate districts that have already achieved the threshold for a given measure. As can be seen, West Edmonton District is complete across all measures. The Northeast and Horse Hill districts are complete in terms of non-residential zoning, but progress is still required on residential and parks to meet the thresholds. The other five districts, including the Southwest, require progress on all three measures.

**Map 1: District Thresholds for Substantial Completion**



**Table 1: Substantial Completion Baseline - Progress Towards Thresholds (November 2022)**

District	Residential	Non-Res	Parks
Northwest	74%	56%	68%
Northeast	64%	90%	55%
Horse Hill	nil	39%	10%
West Henday	37%	51%	45%
West Edm	90%	100%	96%
Whitemud	58%	51%	100%
MW + Mead	67%	53%	36%
Southwest	53%	57%	55%
Ellerslie	30%	24%	43%



Administration recognizes that significant lead time is required for planning and development approvals for new neighbourhoods, including residential and other land uses. As such, Administration will forecast when the thresholds will be reached, so that planning for the Future Growth Area is done as Substantial Completion occurs.

A chart illustrating this concept and the lead time for statutory planning for the Future Growth Area was shown (see Table 2: Substantial Completion Lead Time below). Administration analyzed plan reviews, approvals and zoning data over the last ten years and found that the land development application activities were on average completed in the 1 to 2 year periods shown. Added up, the total of 4 to 6 years is the basis for the five year lead time and will be a key consideration by Administration when recommending to Council that planning activities begin in the Future Growth Area. Previously discussed geodemographic projections will be used to forecast when the Developing Area is five years out from completion. Currently, the lead time is not expected to start for 15 years.



**Table 2: Land Development Application Activities considered in Substantial Completion Lead Time**

Plan Preparation	1 year	Engagement, technical studies and pre-application discussions
Plan Review/Approval	1-2 years	Area Structure Plan and 1st Neighbourhood plan
Zoning and Subdivision	1-2 years	Residential Zoning, Subdivision approval, Servicing Agreements
Lot Registration/ Permits	1 year	Lot registration to housing permit
<b>TOTAL</b>	<b>4 to 6 yrs</b>	

Finally, tracked metrics were presented. Tracked metrics that are part of Substantial Completion include fire halls, school sites and transit. Tracking of other civic infrastructure and facilities may also be added in the future. These metrics demonstrate progress on developing area commitments and may inform investment decisions. Administration recognizes that industry is not able to influence them and therefore will be reported on but are not expected to impact statutory planning timing in the Future Growth Area.

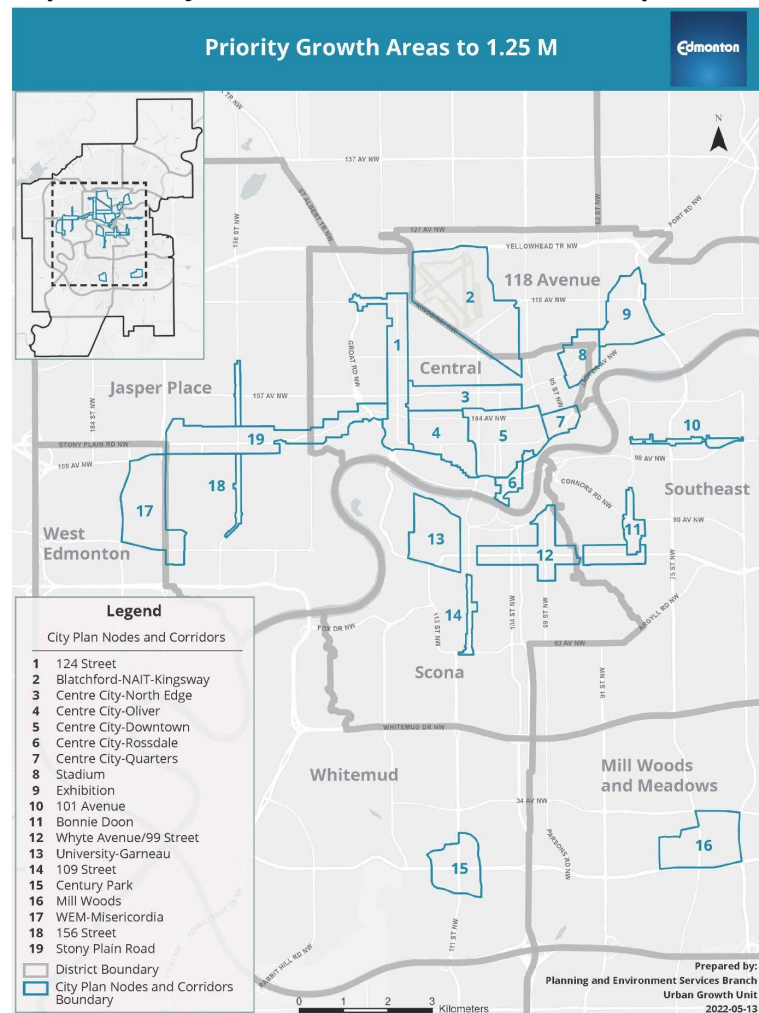
### *Redevelopment Incentives*

The context, principles and proposed Redevelopment Incentives were presented. Input from previous industry engagement sessions was reviewed including barriers to redevelopment, and the principles used to develop the incentives. The purpose of the Redevelopment Incentives is to support developers and builders undertaking small and medium density residential infill in a Priority Growth Area (Map 2: Priority Growth Areas to 1.25 million People), with the following proposed incentives<sup>1</sup> dependent on funding by Council:

- 1) Per Door Grant - Up to \$5,000/dwelling unit after development permit approval for projects consisting of 6 to 60 units.
- 2) Tax Deferral - Up to 3 years after development permit approval for the municipal portion of taxes on projects with 6 to 60 units. Deferred amounts owing at end of deferral period.
- 3) Power Pole and Anchor Relocation - Cover costs for projects with 2+ net new units where design could not accommodate existing pole and/or anchor location.

<sup>1</sup> At the time of the workshop, budget deliberations were underway and the funding status of the incentives was unknown. As of the time of this report, funding of the incentives was not approved by Council.

Map 2: Priority Growth Areas to 1.25 million People



### Redevelopment Market Index



The purpose, context and initial results for the Redevelopment Market Index (RMI) was presented. The index, developed with Intelligence House (real estate consultant), is intended to help the City identify the relative share of growth expected across the 19 Priority Growth Areas in the next few years, and inform how public and private investment is aligned in these locations.



The RMI takes a two phase approach. In the first phase, a base forecast is developed to quantify levels of anticipated growth city-wide. The second phase involves calculating a score that distributes overall growth amongst each Priority Growth Area. The score incorporates multiple data measures that may influence redevelopment. These measures span classes such as Development Activity, Housing Stock, Amenities, Demographics, and Resale Housing Sales, as identified in Table #3 (Redevelopment Market Index Data Classes and Scores) below.

**Table 3: Redevelopment Market Index Data Classes and Scores**

Data Class	Measures
Development Activity	Rezoning, development permits, building permits including construction value; Dwelling unit change (1 and 5 year) Starts, completions, under construction
Housing Stock	Dwelling units 55 years+, share needing major repairs Assessed area residential, multifamily share Rental universe, vacancy rate, average rent
Amenities	Schools (student enrollment)
Demographics	Households counts
Resale Housing	5 Year Average Housing Sales Volume and Price Change

The forecasted growth results from the RMI for 2022-25 showed:

- More than 75% of Priority Growth Area units are expected in Oliver, Downtown, 124 Street, North Edge, & Stony Plain Road.
- More than 20% of Priority Growth Area units are expected in Whyte Ave/99 St, Rossdale, Stadium, WEM, and Quarters.
- Approximately 3% of Priority Growth Area units are expected in 109 Street, 156 Street, 101 Ave, Mill Woods, and Exhibition.

## Summary of What We Heard

The following summary provides an overview of what we heard organized into key themes for each of the components of work presented. More detailed notes from the discussion are provided in Appendix 1. The discussion was guided by a set of questions on each of the three components discussed. Questions related to Substantial Completion were discussed by all workshop attendees in one group, and the questions related to the Redevelopment Incentives and Redevelopment Market Index were discussed in two smaller groups. Notes from both smaller groups have been consolidated here and in Appendix 1.



### *Industry Feedback Key Themes*

#### **Substantial Completion**

##### *Metrics and Thresholds*

- Thresholds are generally too high and need to reflect the different pace of development in different geographies. There are different markets in the city, and if growth is not allowed to happen in the Future Growth Area, it will go to surrounding communities such as Beaumont or Leduc rather than to districts that have not yet met their thresholds.



- Preference is to use zoning for all of the metrics including residential. Using different data sources that are collected at different stages of the development process is a concern.
- Prefer that Substantial Completion track low density residential completion only.
- Concerns that the non-residential thresholds seem high because commercial follows residential.
- One industry representative recommended discounting (reducing the required thresholds) for non-participating landowners, or lots that are not selling.



#### *Timing of Development*

- Concerns around the timing of commercial and higher density residential development. Commercial can take decades to be built out after rezoning.
- Low density residential is generally developed first to get the 'rooftops' needed to support commercial development. High density residential and purpose-built rentals follow commercial and amenities.
- Substantial Completion lead time of 5 years from Area Structure Plan preparation to lot registrations and permits is too short. Industry experience is that a timeframe of 7 to 8 years from Area Structure Plan preparation to Building Permits is more common.



#### *Infrastructure:*

- The need to recognize the connection between [sanitary, storm, water] servicing and growth was discussed by EPCOR and industry representatives.
- EPCOR requested confirmation that offsite servicing would be allowed in areas before Substantial Completion (Decoteau area).
- Proximity to servicing infrastructure could drive and or accelerate development according to EPCOR, and geographical choice needs to be influenced by infrastructure.



#### *Mapping*

- Discussed the need to revise the Substantial Completion Map, including identifying non-residential areas on the map, and removing industrial areas not subject to Substantial Completion and non-participating landowners.
- Concern that *The City Plan* Development Patterns Areas Map shows developing neighbourhoods in the redeveloping area (which is different from what is shown in The City Plan).



- The Substantial Completion Map should be revised to include a clarification that the map is not conceptual like *The City Plan*.

## Redevelopment Incentives

### *Value of Incentives*

- Mixed responses were received. Some indicated that the incentives would be helpful, but would not make or break a pro forma as the missing middle has a lot of barriers. One industry representative indicated that the incentives may lead to development happening sooner but would not lead developers to buy land, because zoning, transit, and amenities are bigger drivers of development.
- Incentives could be better spent on infrastructure, paying for separate commercial and residential garbage rooms, and covering the costs associated with presenting at Edmonton Design Committee. One attendee recommended providing incentives to convert commercial to residential.
- Beyond the incentives, several members of industry agreed that making the nodes and corridors ready for development through infrastructure upgrades and upzoning was crucial.

### *Incentive Parameters*

- Industry provided some suggestions for the incentives parameters. One recommended concentrating the incentives in one geography. Another recommended making tax deferrals more like the Downtown Incentive Grant where you do not pay taxes.
- There was general agreement from several industry representatives that the timing of the incentives are generally appropriate, before major expenses.

## Redevelopment Market Index

### *Value of the Index*

- Generally, there is a need to clarify what the index is for, how it works, and how it will be applied. Is it intended to focus effort on areas with or without growth?
- Industry commented that the index could be helpful to direct infrastructure investment, and then compare actual growth to predicted.
- Caution that further market study work should be done to ground truth whether there is truly market demand.
- Several industry representatives indicated they saw more value for the City and utilities than industry, however it would be



helpful for industry to understand where the City is focussing its efforts.

- For reporting, industry commented that framing it as a market development forecast and report on the past three years would be helpful, recognizing that a lot of information already comes from Development Services at the neighbourhood level.

#### *Data Classes and Measures*

- Industry representatives provided some suggestions for additional data classes and measures including home renovation permits, business licensing and market assessment data. As well, financial measures that look at the cost of servicing the area versus tax revenue (commercial versus residential) should be incorporated.
- Caution that once the Zoning Bylaw Renewal is complete, there will be fewer rezonings needed. Recommended using different sources of data such as business licensing (NAICS codes).

## **What Happens Next?**

The City's Growth Management team will review and discuss the input provided by industry and will reach out for clarification if required. Over the next few months, the team will complete the following:

- Substantial Completion - Growth Management will report to Urban Planning Committee in early 2023, and finalize components for implementation. The Substantial Completion Standard is expected to be implemented in 2023.
- Redevelopment Incentives - Following the Integrated Infrastructure Workshop, Council did not approve the 2023-2026 operating budget request for the proposed Redevelopment Incentives. Initiatives to incentivize redevelopment in the priority growth areas will continue to be explored.
- The Redevelopment Market Index is currently being tested and refined. Industry feedback may be incorporated where feasible.

## Appendix 1: Detailed Summary of What We Heard

The following summary provides the detailed discussion for each of the three components of work, including questions and answers. Responses are from industry unless otherwise noted.

### Substantial Completion

After the Growth Management Team's presentation, industry asked clarifying questions of Administration. These questions and the answers provided are noted below.

*Question - What is the impact of off-site levies on the Substantial Completion Standard?*

*Administration Response*

- The [Off-site Levy Bylaw](#), which came into effect January 1 2022, is for fire halls only. It will take time to collect funding for fire halls. Fire halls take time to build, and the levies collected from the development industry are not expected to cover the full cost of the fire halls. Funding will still need to be prioritized for them as part of future City budget processes.
- The annual report will include the Offsite Levy for fire halls, and will state that in the next budget cycle what is expected to be funded. Completion of fire halls will not directly influence substantial completion.

*Question - What is the trigger for administration to take a new Area Structure Plan to Council? There are only two areas left?*

*Administration Response*

- All developing areas have to reach completion thresholds. The threshold is lower for Horse Hill.

*Question - Neighbourhood Structure Plans in developing areas can still go forward in an area that already has an Area Structure Plan?*

*Administration Response*

- Yes

*Question - Do the annexed lands just sit there? Inherited a subdivision from Leduc with annexation. What about the existing subdivision that has some residential?*

*Administration Response*

- City to follow up on this.

*Question - Would offsite servicing (to service developing area) be allowed in future growth area?*

*Administration Response*

- Yes

*Other City Question - How do we account for non-participating landowners?*

*Administration Response*

- Identified at the plan preparation stage. We could define non-participating landowners, who may start development soon after a plan is in place. If a landowner sits on land and doesn't develop, there can be higher costs for them if they don't develop when surrounding lands do develop. Analysis would determine how much of a problem this is, and if we need a solution.
- Substantial completion relies on available data sources, and it is not within our scope to track information we do not normally track. We do not normally track non-participating landowners beyond plan preparation. This could be a tracked metric in the future.

*Question - What are we trying to achieve?*

*Administration Response*

- This is about supporting the City's financial sustainability and enabling complete communities. Need to phase the infrastructure, operations and service commitments that come with new neighbourhoods so that residents have the services they need in a timely manner.

*Question - Could there be a dollar threshold? We know it'll cost X dollars to service this area, can we say once that threshold is reached, other development can happen?*

*Administration Response*

- This could be even more controversial, because redeveloping areas also have costs for renewal. Substantial completion is also about complete communities, not just costs. We looked at past work with Integrated Infrastructure Management Plans that calculated the costs and revenues associated with Area Structure Plans and Neighbourhood Structure Plans. These showed that revenue and costs are about equal initially, and then as the neighbourhood ages, costs increase with operating costs, particularly associated with renewal.

**Structured Questions from Administration**

The following notes are from the questions that were posed to the participants.

*Question #1 - How will the proposed Substantial Completion metrics impact you or your members? Are there opportunities to mitigate or reduce impacts?*

*Response*

- There are different markets in the city. If growth doesn't happen in the south of Edmonton, it will go to Beaumont or Leduc, not the north of the City. So hanging up future growth in the south (i.e. Future Growth Area) on growth in other parts of the city is crazy.
- Regional sectors of the city should be considered instead of districts.
- The City Plan did not do an infrastructure analysis to establish the development pattern areas.
- Need to distinguish residential and non residential.



*Administration Response*

- Non-residential development will not be deterred by Substantial Completion. It applies to residential development in the future growth area.

*EPCOR Response*

- Proximity to trunk services could drive development. Parallel to QE II Highway and Stony Plain Road, and Manning Freeway, there is strong infrastructure. Could build off infrastructure instead of geographic area.
- Geographical choice needs to be influenced by infrastructure. Non-residential can develop there without needing to wait for Substantial Completion.
- Development in Horse Hill could go faster because of work Fort Saskatchewan is doing on water supply including river crossing. Servicing through northeast Edmonton from Bremner could accelerate development in Horse Hill.

*Question #2: Do the proposed thresholds reflect the relative pace of development between districts that you have seen?*

*Response*

- Surprised that the current level of completion of Whitemud is so low, with only 58% residential.
- Thresholds are too high. Whitemud will never reach 80%, if it's only at 58% right now.

*Administration Response*

- Whitemud includes medium and high density residential. If we looked only at low density residential, completion would be much higher. There are two remaining medium and high density residential sites in Magrath, plus South Terwillegar (some mixed use near Henday) that are not yet permitted - those sites have a big impact on the completion levels.

*Response*

- Issue with lead time and thresholds. Different pace of development in different geographies.

*Question #3: Does the lead time we discussed generally reflect your experience?*

*Response*

- Not really.
- Lead time seems optimistic - 7-8 years more usual from Area Structure Plan to Building Permit rather than 5 years.

*Question #4: What kind of reporting would be of most value and interest to your members? What reporting components would provide the most benefit?*

*Response*

- Not specifically answered

*Question #5: What do you like or dislike about the specific metrics?*

*Response*

- Just track residential, keep it simple. Take out industrial areas on the map.

*Last Updated January 2023*

- The non-residential seems high because commercial follows residential. Can the commercial be decoupled?
- Commercial developers want residents in the area first.
- For high density residential and rentals, developers are looking for commercial and amenities to be established to support it. Low density residential usually comes in first to get the 'rooftops' needed for commercial development. Then, once commercial development is in place, it serves as an amenity attracting higher density development.
- It can take decades for commercial to be built out after zoning. For a large amount of time, people can sit on rezoned lands for commercial and institutional uses.
- Commercially zoned lands can also take a long time to be built out, because a whole area could be zoned at once to minimize effort.

#### *Administration Response*

- Commercial zoning usually goes to permitting within a year or two. Administration analyzed data on timelines to get from zoning to building permits and it showed that commercial zoning usually occurs about 2 years before commercial building permits are issued. Residential zoning can take place earlier in the development process and is in place much longer before lot registration and permits. One reason for the difference could be that residential tax rates are lower than commercial tax rates.

#### *Response*

- Institutional zoning can take 10 years or more to be built, e.g. schools.

#### *Administration Response*

- Zoning for schools is not included as their construction is dependent on provincial funding, it only applies to residential areas. Amount of institutional land is minimal.

#### *Response*

- Different data sources used for low, medium and high density residential and non-residential development. Concern that the data points occur at different stages in the development process. One type of data should be used for all residential and commercial development.
- Why not look at zoning for all of these including residential, and not just non-residential?
- One type of data should be used for all residential and commercial development.

#### *Administration Response*

- Non-residential is based on zoning, not construction and permitting. Non-residential includes commercial, institutional and industrial uses.
- Permits for medium and high density residential, and lot registration for low density residential were chosen. Separate metrics were chosen for residential, because residential lands are often zoned far in advance, and lot registration and permits are often completed closer to occupancy. Low density residential lot registration data is established monitoring, but it does not apply in the same way to higher density residential, so building permit data is used to track the higher density dwellings.
- Residential dwelling data is compared to the residential development statistics in the Plans In Effect. However, non-residential development statistics (primarily commercial uses) only include the areas designated in plans in hectares. Non residential permit data cannot be compared to the Plans in Effect stats in the same

way as residential data by dwellings. Zoning was chosen as the appropriate development stage.

#### *Industry Response*

- New suburban developments have more density and are more efficient than mature neighbourhoods. Be cautious with narrative about the cost of growth - you'll find out that mature neighbourhoods are costly. New areas are more efficient. Glenora is at 19 units per hectare and Quesnell Heights 8 units per hectare, versus Ambleside at 35 units per hectare. Newer areas are at 40 units per hectare or more. Show us what happens if you use the same metric for all of them.
- Need to discount for non-participating landowners, or lots that just won't sell. There are vacant lots in the older areas of the city.

#### **General Comments from Industry**

Industry also provided general feedback, as follows:

- Everything in the Henday is redeveloping. Do not like that there are developing lands in the redeveloping area. Frankenstein map. Horse Hill and Rabbit Hill, only under half are residential. Pick a lane with the map. Non statutory map. Update map to make it clear that it is not conceptual like The City Plan.

#### *Administration Response*

- Conceptually, the redeveloping area is within the Henday, but based on The City Plan analysis, the designation is at the neighborhood level, and there are some neighbourhoods inside the Henday that are still developing.

#### *Industry Comment*

- The district map with development pattern areas is different from what is in the City Plan. We may need to clarify that The City Plan map was conceptual and further work had been done to classify neighbourhoods by the development pattern.
- Clear communication is needed that Substantial Completion applies to residential developing neighbourhoods not Industrial areas.
- Identify non-residential areas on the map. Be more precise about what needs to be zoned from a non residential area. Non participating lands should be removed.

#### *EPCOR Comment*

- The Substantial Completion map should not include industrial areas as they are not subject to Substantial Completion. Shade out industrial lands to help with perception of what is supposed to be developed. Be more precise about what is included in non-residential.

#### *Industry Comment*

- Operations and maintenance is based on population, with increased costs due to population growth.

#### *Administration Response*

- Service levels considered with population but not necessarily new fire stations needed with population growth.
- Roads represent a lot of the costs. Costs come with increased population but also less linear infrastructure to build.

## Redevelopment Incentives

### Structured Questions from the Presentation

For this portion of the workshop, the group divided into two smaller groups to discuss the following questions from Administration.

*Question #1: What do you like about these incentives or how could they be improved?*

*Response:*

- Seems to be the right suite of incentives.
- Include secondary suites as dwelling units.
- Other barriers are not addressed, like the Edmonton Design Committee and overhead lines in alleys.
- \$5,000/unit worked on 104 Street because it is a small area. Need to concentrate incentives in one geography instead of sprinkling it around.
- Incentives could be better spent on infrastructure, garbage service and to fund presentations to Edmonton Design Committee.
- Tax deferral should be more like Downtown Incentive Grant where you pay no taxes. [Kelowna's tax incentive program](#) works well for industry, and has an up to 10 year tax exemption.
- Make nodes and corridors ready for development through infrastructure upgrades and upzoning. EPCOR should coordinate with the City. Doing it incrementally is more expensive than all at once (60% less).
- This should be budget proof. Do not rely on the goodwill of Council.
- What about incentives to convert commercial to residential? There is a glut of class B commercial.

*Question #2: Are the timing and parameters of the incentives appropriate?*

*Response:*

- Yes, because they are aligned to be awarded before any major expenses.

*Question #3: Would you apply for the redevelopment incentives, why or why not?*

*Response:*

- Yes, anything helps.

*Question #4: Would the incentives encourage you to develop in a priority growth area that you would not normally?*

*Response:*

- Not really, just sooner. Would not lead someone to buy land. Developers are already looking at Priority Growth Areas. Transit and amenities are bigger drivers.
- Not necessarily, dictated by zoning.
- Might actually see higher density projects in Priority Growth Areas. Sellers will increase prices in anticipation of development.
- I don't know if it will actually help. What if the project is outside of a node and corridor?

5) *Would the incentives change the number of units you would build (+/-)?*

*Response:*

- No, this is not a constraint. Zoning is the constraint.

### **General Comments**

- Won't make or break a pro forma but the missing middle is hard. Missing middle has a lot of barriers. Mixed use needs commercial waste as well as residential waste, which is a barrier. Presentations to the Edmonton Design Committee cost a lot of money. It adds up with not many units to support so much land required by the City's engineering requirements (i.e. waste) and time for rezoning. Do a blanket upzone.
- North of MacEwan has great development potential. Easier to do multiple 6 to 10 storey buildings, instead of a single 60 storey tower.
- Tower builders are concerned with taxation structure with "other residential" class. Disincentive for Edmonton as a whole, not just different areas of Edmonton.
- One to two years to build a multi family development and another one to two years to fill with occupants.
- 80% of multi family development is purpose built rental.
- Is there opportunity to stack/double up on City incentives? Criteria to allow this eg. energy grants and BIA grants together?
- Try to develop initiatives that are grant ready, for example the federal Housing Accelerator Fund.

*EPCOR Response*

- EPCOR is analyzing infrastructure improvements targeted to particular Priority Growth Areas.
- Need examples of projects that couldn't proceed because of off site infrastructure costs. If EPCOR knows where these are can help to focus potential investment.

## **Redevelopment Market Index**

### ***Structured Questions from the Presentation***

As with the discussion on incentives, the group divided into two smaller groups to discuss the following questions from Administration.

*Question #1: Do you see value in the index?*

*Response:*

- What is it for? How will we apply it? Do we focus on areas lagging or taking off?
- Could use it to direct infrastructure investment, and then compare actual to predicted.
- Need to define middle ground - don't fund things going ahead or in a poor market/geography.

*Question #2: Do the initial results reflect the current level of market demand or redevelopment potential in the priority growth areas? Why or why not?*

*Response:*

- Not specifically answered

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*Question #3: Do you think that a data class or measure is missing from the index that might help it better reflect development potential?*

*Response:*

- Home renovation data may point to redevelopment happening.
- Financial indicator: cost of servicing the area versus tax revenue (commercial versus residential).
- After Zoning Bylaw Renewal is complete, the model will change because fewer rezonings will be needed. Explore using different sources of information for example business licensing (NAICS codes).
- Having business data in the model would be beneficial. Is the business census happening? Business data gets stale quickly as businesses turn over.
- There should be further market study work done to ground truth whether there is truly market demand.
- Include market assessment data.

*Question #4: What indicators are helpful or not helpful with this tool?*

*Response:*

- Would the missing middle be enough to achieve financial viability.

*Question #5: Could the index be of benefit to industry?*

*Response:*

- The index could drive up the cost of property. Helps EPCOR on where they will invest in infrastructure.
- More applicable for multi family than commercial.
- More applicable for the City and utilities than industry, but useful for industry to understand where City is focussing.
- RMI is more valuable to the municipality and EPCOR than to industry. i.e. EPCOR inflow and infiltration monitoring program.
- This mainly seems like a tool for the City. Useful for budget. Helps to direct amenities as well as infrastructure.
- Industry needs the whole story, not just an index value.
- Need to coordinate with planned investments in infrastructure.

*Question #6: If the index results were summarized in a report, what elements would be of most interest and why?*

*Response:*

- Remove Blatchford and Exhibition because the City decides how fast it will go. Do not see achieving 300 to 400 dwelling units in Blatchford.
- Frame it as a market development forecast and report on the past three years. Already comes out from Development Services at the neighbourhood level.

### **General Comments**

- Can RMI be normalized by area? Would weights in the model change over time?
- Is the RMI kind of a short term forecast? Market demand analysis?
- At some point the cheap lots get bought and redeveloped, then there's a spillover of purchases into adjacent neighbourhoods.

## Appendix 2: Additional Industry Comments

The following comments were received from industry stakeholders unable to attend the growth management portion of the workshop, but who had participated in phases 1 and 2. The comments received through email have been summarized.

The lands within the Future Growth Area vary considerably in terms of land use, servicing, and development potential. These differences should be recognized, instead of classifying the lands all as the Future Growth Area. There has been little discussion regarding identification of lands within the Future Growth Area that would be integral to The City Plan including using existing infrastructure and services.

The Substantial Completion timelines are optimistic with 7 to 8 years more realistic for completing the planning process for new neighbourhoods. There are concerns that with the SW representing over 30% market share of new houses, and with Heritage Valley and Windermere nearing completion in 5 years, there will not be enough time to start planning new areas. Housing affordability will be eroded if future statutory plans cannot be advanced. The market dictates how and where growth happens.

Recommendations include:

1. Undertake a Servicing Design Concept Brief similar to Heritage Valley to identify lands immediately serviceable through existing infrastructure and provide a definitive servicing plan for all lands. The servicing concepts provided to date are too high level and need much more review and detail.
2. For lands immediately serviceable through existing infrastructure, allow them to consolidate into adjacent Neighbourhood Structure Plans through plan amendments like Charlesworth. Identify how to stage Area Structure Plans for other lands.
3. Advance these Area Structure Plans/Neighbourhood Structure Plans and Neighbourhood Design Reports.

This undertaking is vital to retaining Edmonton's competitive advantage, and it would not usurp The City Plan. Council would still have to approve Neighbourhood Structure Plans and rezonings.