

OPTIONS TO ADDRESS SURFACE PARKING LOTS IN CENTRE CITY AND THE QUARTERS

Recommendation

That the September 19, 2023, Urban Planning and Economy report UPE01557, be received for information.

Requested Action	For Information		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Urban Places		
City Plan Values	ACCESS		
City Plan Big City Move(s)	A Rebuildable City	Relationship to Council's Strategic Priorities	Economic Growth
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> N/A 		
Related Council Discussions	<ul style="list-style-type: none"> CR_6707 Comprehensive Review of Parking Regulations in Zoning, Urban Planning Committee, May 7, 2019 CR_7229 Open Option Parking Implementation, Urban Planning Committee, January 28, 2020 UPE00228 Curbside Management Strategy, Urban Planning Committee, August 23, 2022 UPE01836 Downtown Community Revitalization Levy (CRL) Financial Incentives Funding Program, Executive Committee, October 13, 2023 		

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Previous Council/Committee Action

At the September 27, 2022, Urban Planning Committee meeting, the following motion was passed:

That Administration provide a report that outlines options and analysis for accelerating the redevelopment of surface parking lots in Centre City, including the option of phasing out surface parking lots that do not contain a development permit and return to Committee in Second Quarter 2023.

Executive Summary

- The current plans and policies for Edmonton's downtown do not encourage the creation of new surface parking lots. This has translated into Zoning Bylaw regulations that make it difficult for development permits to be granted for downtown surface parking lots.
- There are a large number of surface parking lots that are without a permit in the Centre City.
- Options for stricter development permit enforcement are limited, time consuming and costly. Forcing the closure of parking lots is unlikely to compel a landowner to develop a lot. If surface parking lots are closed it creates vacant land, which could then be subjected to social disorder.
- Construction or development incentives may encourage developers to build.
- The October 13, 2023, Urban Planning and Economy report UPE1836, Downtown Community Revitalization Levy (CRL) Financial Incentives Funding Program will provide additional information and options for incentives.
- The City could acquire land for green or amenity space, and accelerate the Downtown Public Places Plan.
- Administration will continue the work being advanced to incentivize development and enforcement will remain complaint-based.

REPORT

The City Plan promotes compact land use. This includes the efficient use of land, walkable neighbourhoods, mixed land uses (residential, retail, workplace and institutional), multi-modal transportation and the efficient use of infrastructure, including parking and curbside space. A number of actions have been taken to address the historic proliferation of parking lots, including the development of area plans such as The Capital City Downtown Plan, the Quarters Downtown Area Redevelopment Plan, Oliver Area Redevelopment Plan and the Central McDougall/Queen Mary Park Area Redevelopment Plan (which collectively are known as Centre City).

These plans, combined with area specific zoning regulations support The City Plan vision by restricting or prohibiting surface parking lots. Since these policies have been enacted there has been minimal growth in the number of surface parking lots (permitted or unpermitted) in

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the Centre City, suggesting that the policy is impacting surface parking lots downtown. See Attachment 1 for a summary of City policies that relate to parking.

In 2020, Edmonton adopted an Open Option approach to parking, removing parking minimums and allowing businesses to make choices about how much parking to supply. The changes were informed by data that demonstrated that Edmonton has an oversupply of parking across the City - and recent data demonstrates that parking in Edmonton is not constrained¹, with many surface parking lots underused². Additionally, most surface parking lots in Edmonton do not hold current development permits and/or business licenses.

Current State

Administration completed a review and documented a total of 275 surface parking lots throughout Centre City, of which, only 30 (just under 11 per cent) have a current development permit. About a quarter of the remaining parking lots held a temporary permit in the past but most of these have expired. See Attachment 2 for more information.

Although the overarching policy direction and zoning regulation to restrict or prohibit surface parking lots has been largely successful in stopping the increase of new surface parking lots, at the same time it has created a disincentive to improving and beautifying the lots as they wait for redevelopment. Where a development permit has been issued, there are regulations for improving the aesthetics and safety of the site through landscaping, lighting, drainage and hard surfacing. Enforcement can be used, if required, to ensure permitted lots meet these regulations.

Where a parking lot landowner does not have a permit, these standards do not get applied. Edmonton does have bylaws for unsightly properties, however, there are few standards that a vacant lot has to meet as far as visual appeal.

Incentivising surface parking lots to better uses/development is a complex issue that is very challenging to manage through permit and enforcement alone. In order for a landowner or developer to make the decision to redevelop a lot, a number of conditions need to be met.

- The developer must assess the market demand for the product that they are building to ensure that the project is financially feasible (that is, the land costs, construction costs, permitting, design, engineering and other costs will be outweighed by the potential return on the investment).
- Regulatory approvals, such as permits, zoning and safety standards must be met and financing for projects must be available at rates that meet the objectives of the developer. The decision to develop is made with these considerations in mind.

Given that there are a high number of surface parking lots that are both underused and do not meet regulatory requirements, there may be limited demand for their redevelopment without corresponding incentive-based options and opportunities that may bring about change in a more

¹ Based on previous parking studies and feedback from parking operators that have indicated parking lots are not full except during major events.

² Engagement with parking operators indicates that although little hard data is available, the estimate is that surface parking is used at approximately 65 per cent.

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holistic and quicker manner than the current economic climate offers on its own. Below, options are provided to incent redevelopment and alter current regulatory and enforcement practice.

Options to Incent Development

There are a number of development incentives that could be applied to a surface parking lot in the downtown area. Any of the existing options listed below might be accelerated or enhanced for such a purpose, potential future development incentives will be discussed in more detail in the upcoming Urban Planning and Economy report - UPE01836 - Downtown Community Revitalization Levy (CRL) Financial Incentives Funding Program.

Existing Development Incentives

- The City has a Brownfield Redevelopment Grant that can be used for certain types of contaminated sites.
- The Development Incentive Grant can be used for new commercial development in the Business Improvement Area.
- The Downtown Vibrancy Fund can be used for landowners who choose temporary activations of their land (events, festivals, etc.) instead of using it for parking.
- The Affordable Housing Investment Program provides up to 25 per cent of total capital costs for developers interested in building affordable housing.

Potential Future Development Incentives

Development incentives may encourage a developer, by providing either up-front capital, tax relief, or stabilization money. The October 13, 2023, Urban Planning and Economy report UPE01836 Downtown Community Revitalization Levy (CRL) Financial Incentives Funding Program will discuss incentives in more detail.

Accelerate Downtown Public Places Plan

The Downtown Public Places Plan was approved in June 2020 and provides a 20 year vision and direction for the Downtown public places network. In alignment with this Plan, Administration is currently moving forward with plans to develop Warehouse Park, a project which involved the expropriation and purchase of several parcels of land that were formerly used for parking in the Central Warehouse Area of the downtown. The acquisition and development of the Warehouse Park aligns with the Capital City Downtown Plan, which seeks to provide a neighbourhood oriented, welcoming, sunlit, open space no more than a three minute walk away.

Additional Council direction and budget could be allocated towards the review, and purchase, of empty lots to be redeveloped as parks or amenity spaces within Centre City in alignment with open space priorities identified in the Downtown Public Places Plan. This will accelerate the greening of Downtown and can be used to strategically support the climate portfolio, providing enduring public benefit and attracting further growth and investment.

Temporary Incentives for Alternative Uses

Bylaw 12800 - Zoning Bylaw allows for temporary 'Special Events' to occur on land, which could be promoted to serve as an alternate use of sites; funding for such activities may be available through programs such as Neighbourhood Revitalization of Downtown Vibrancy Funds. The

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application of this land use category is vast but could be used to support temporary event spaces, such as farmer and artisan markets, festivals, sports facilities, food truck events or other opportunities. A successful example of this is The Backyard, at the base of the CN Tower, which offers a flexible space for events and food trucks using sea cans and minimum infrastructure.

The City could play a role in providing education on these uses and how they could be applied. This may spur further temporary development considerations and applications, possibly even more permanent developments in other use classes. Permissions via the development permit process may then allow some conditions to be applied to the land, which may result in improvements to the public realm.

Regulatory Options to Bring About Change

Compliance/Enforcement Options for Phasing Out Unpermitted Lots

Enforcement of non-permitted surface parking lots can be applied through both Bylaw 12800 and Bylaw 13138 - Business Licence Bylaw (see Attachment 3 for more details). The current approach to enforcement of the Zoning Bylaw is to act on complaints unless it is determined to provide a comprehensive look at an emerging area of interest. Further, complaints are prioritized based on health and life safety, land use impacts and climate resilience impacts.

Enforcement Option One: Current Enforcement Approach

Enforcement will be undertaken for developments that have received a complaint. This approach is unlikely to lead to significant changes regarding existing surface parking lots and would not systematically address all the unpermitted surface lots, as enforcement would only be undertaken where a complaint was received. This approach will not lead to any wholesale change in the downtown and will be undertaken based on resource capacity and priority.

Regulatory Option: Targeted Compliance And Enforcement Of Unpermitted Lots

As many of these surface lots will not be able to obtain a permit to operate, a targeted enforcement approach could lead to the closure of the unpermitted parking lots. Such an approach may provide landowners with an opportunity to bring their surface lot into compliance (if possible) or to exit the non-compliant operation voluntarily. Following the education phase, if non-compliance continues, the standard practice of moving through the successive enforcement tactics of zoning bylaw ticketing, business license reviews and suspensions, mandatory court appearances, remediation and/or the court injunction process (if necessary), would occur.

It is anticipated that this enforcement approach would span between six and 24 months and requires additional resources. This approach would attempt to address all non-compliant parking lots in a phased but comprehensive manner, such that all non-compliant parking lots would be addressed during that time period. Administration does not have a framework for the equitable enforcement of some of the non-compliant parking lots over others; and so it is proposed that this approach would enforce on all non-compliant lots.

However, this approach is unlikely to lead to development and could increase the number of vacant lots in the downtown. There are currently no bylaws that require these lots be held to any standard beyond those set out in the Bylaw 14600 - Community Standards Bylaw. This approach

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may also result in frustrations being voiced by the public as their preferred lots are closed down and by the landowners of those unpermitted lots, but may be viewed positively by those operators who have a legal parking lot.

Budget/Financial Implications

Depending on which options Council chooses to advance, there will be increased costs to the impacted work area as none of this work was contemplated in the 2023 -2026 operating budget. The nature of the option would determine whether an unfunded capital profile or unfunded service package would be required as part of the Supplementary Budget Adjustment process.

Community Insight

Community insights were gathered by Administration through the following:

- Interviews with the four most prominent Centre City parking operators - Impark, Diamond, Precise Parklink and Vibe Parking.
- Interviews with a small number of landowners.
- Interviews with the Edmonton Downtown Business Association and NAIOP - Commercial Real Estate Association. Other organizations were invited to participate by providing written comments (none did).
- Interviews with eight industry organizations and 16 individual companies involved in downtown development, office conversions and real estate were held to understand incentives for development as part of UPE01836, Downtown Community Revitalization Levy (CRL) Financial Incentives Funding Program

Conversations with the Edmonton Downtown Business Association (EDBA) and several landowners or developers indicates that there is a strong desire for a clear and consistent application of parking regulations and an acknowledgement that although parking is not the highest and best use of a site, it is a better use than vacant land, which may attract encampments. The EDBA and the Downtown Edmonton Community League (DECL) recognize the negative impact of vacant lots and have supported efforts to prevent further parking lots, with the objective to get the sites developed or otherwise utilized.

Interviews with parking lot operators, landowners and developers raised the issue that surface parking is often used as a holding activity while the landowner/developer waits for an economic climate that would support a higher and better use of the land. Being forced to close parking lots does not change the economic situation of the landlord/developer significantly enough to compel development.

Most stakeholders indicated that parking is a better use than barricaded vacant lots, as there was concern about social disorder. Generally, it was thought that creating incentives that assist landowners and developers might encourage development but that it was more likely that developers will wait until market forces become more favourable before they start development. For more details about stakeholder engagement, see Attachment 4.

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GBA+

Parking and its availability can affect marginalized individuals. For example, people with accessibility issues, or people with lower incomes, might be negatively affected if lower cost and barrier-free surface parking were removed from the downtown core. However, this report is primarily concerned with City policies that would have to be evaluated for their own equity measures. Undertaking that work was outside of the scope of this report.

Environment and Climate Review

This report was selected as part of the phased implementation of a process change to provide environmental reviews of the City of Edmonton's plans and projects.

- If buildings are to be constructed in the future, the Quarters Overlay, which is applicable to the DC1 zones in the Quarters Downtown Area Redevelopment Plan, has the Sustainable Development Checklist to encourage sustainable practices including energy efficiency in the design and construction of buildings.
- Reducing parking spaces can encourage alternative low-carbon modes of transportation.
- Replacing hard surfaces like parking lots with green infrastructure such as landscaping helps mitigate the urban heat island effect and supports the infiltration of stormwater. The Urban Heat Island effect, which refers to warmer temperatures in urban areas compared to surrounding rural areas, and flooding, may become more significant in Edmonton with a changing climate.
- Redevelopment of parking lots may be complicated and time intensive, depending on what is found in environmental reports. Provincial regulations requiring remediation action may apply, and would lead to additional work before redevelopment or change of use is possible. Additionally, existing City processes and standards must be adhered to, as these support development in an orderly and safe manner to protect public health and the environment.

Attachments

1. Summary Of Edmonton Centre City Plans With Parking or Vacant Land Policies
2. Current State of Vehicle Parking Use
3. Enforcement Approach
4. Jurisdictional Scan and Stakeholder Engagement