

OPEN SPACE AMENITIES IN DEVELOPING NEIGHBOURHOODS

Recommendation

That the August 29, 2023, Urban Planning and Economy report UPE01728, be received for information.

Requested Action	Information Only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Healthy City		
City Plan Values	LIVE		
City Plan Big City Move(s)	A Community of Communities	Relationship to Council's Strategic Priorities	15-Minute Districts
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Community Parks Framework <i>Breathe</i>: Edmonton's Green Network Strategy Edmonton's Urban Parks Management Plan Bylaw 19340 - Facilities Off-Site Levies Bylaw 		
Related Council Discussions	<ul style="list-style-type: none"> UFCSD00096, City of Edmonton Unfunded Parks - Status Update, Urban Planning Committee, March 2, 2021 UPE00463, Park Development Options, Urban Planning Committee, August 10, 2021 UPE01518, Joint Use Agreement: Land Review, Community and Public Services Committee, March 20, 2023 UPE01630, Community Park Amenities Program, Community and Public Services Committee, July 11, 2023 		

Previous Council/Committee Action

At the January 31, 2023, City Council meeting the following motion was passed:

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That Administration provide a report with options and analysis, including conducting stakeholder engagement, that explores opportunities for developer contributions to establish open space amenities including playgrounds in developing neighbourhoods.

Executive Summary

- Provision of open space amenities in the developing area is not a requirement and is either at the discretion of the developer to provide, with City approval, or completed by the City through the prioritized budget process.
- The *Municipal Government Act* does not provide the City with the legal authority to compel developers through subdivision to provide amenities such as playgrounds, however, it does allow the City to require items such as turf, trees and trails.
- Compared to other jurisdictions, Edmonton has fewer base level requirements for open space highlighting a need to review park development standards and funding strategies.
- Administration has explored a number of options to consider developer contributions in support of open space amenities. Options were evaluated by Administration in consultation with the land development industry (Industry).
- Over the next two years, Administration will continue to engage with Industry on revised minimum park development requirements through the implementation of Breathe.
- Limited growth funding for park development has been prioritized in the current and previous budget cycles.

REPORT

The City Plan identifies three development pattern areas: the redeveloping area, the developing area and the future growth area. The developing area is located primarily outside of Anthony Henday Drive (not including the future growth area) and has seen the most amount of residential growth in the city over the past two decades. In these areas, under section 655 of the *Municipal Government Act*, developers are required to provide infrastructure such as roads, sidewalks and utilities, while the full development of parks, including amenities, is provided at the discretion of the developer.

This developer contributed infrastructure is designed and constructed according to the City of Edmonton's Design and Construction Standards, and is ultimately transferred to the City to own and maintain. Park development is the responsibility of the City, which is generally funded through the capital budget. Where municipal reserve is dedicated through subdivision, the minimum requirements are either an undisturbed site or grading, leveling and establishing grass seed (grade-level-seed) for a disturbed site. Any development above this minimum (e.g. trees, playgrounds, benches, paths, lighting) is solely provided at the discretion of the developer. While many developers provide above the minimum requirement, not all communities receive developed park spaces. Neighbourhoods where developers do not build park amenities often wait years to receive park amenities (such as playgrounds) funded and delivered through a

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City-led process and in alignment with the four-year capital budget. This results in an inequity of park amenity distribution and quality across developing areas.

Currently, parks in the developing area are developed in the following ways:

- Developers can build a park site at their own cost. This is optional and at the developer's discretion.
- The City undertakes development of pre-defined basic park amenities based on approved capital funding. These amenities may include features such as playgrounds, gathering spaces and supporting amenities.
- Amenities can be added to Community League licensed lands through the community-led construction process¹, funded by external sources and the Community League Infrastructure Grant (CLIP). This process focuses on a variety of projects where the resulting asset is owned and maintained by the community league under the Tripartite License agreement. This process does not extend to playgrounds, which are City assets.

From 2012 to 2022, the City operated the Shared Park Development Program (the Program), where the City provided funding to cost-share the development of park sites with Industry, resulting in quality park spaces being delivered earlier in the lifecycle of a neighbourhood and at a cost savings to the City. During the 10 years the Program was active, Industry worked with the City on a total of 21 shared park sites, contributing amenities such as playgrounds, spray parks, community gardens, sledding hills and off leash dog parks. This partnership approach to park development was successful; however, since the Program was voluntary and up to the developer, it did not address the inequitable distribution of park amenities.

The Program underwent a review in 2022, including engagement with Industry where 12 recommendations were identified to improve Program operations with opportunities to increase equitable distribution of amenities. Through this engagement, Industry expressed a desire to see the Program continue. The new growth projects recommended in the proposed 2023-2026 Capital Budget were those mandated by legislation, with high safety impacts, and high priority projects eligible to receive funding from partners and other orders of government. The Program did not meet these criteria and therefore was not included in the growth projects for consideration in the proposed 2023-2026 Capital Budget.

The City of Edmonton currently has over 300 park sites that are undeveloped and unfunded, the majority of which are in the developing area. These undeveloped park spaces exist in a variety of conditions due to a lack of specific requirements to define and inform expectations for site grading and seeding. These 300 plus sites will all require a total capital investment of approximately \$380 million (in 2021 dollars) from the City to develop minimum park requirements (grading, turf, tree planting and site furniture) and amenities (playgrounds, sports fields and shade structures). Further details about these park sites were provided in the March 2, 2021, Urban Form and Corporate Strategic Development report UFCSD00096, City of Edmonton Unfunded Parks - Status Update.

¹ "Community Group Led Construction Projects Manual." [Online]. April 1, 2021 [Cited July 13, 2023].

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Jurisdictional Scan

Administration undertook a review of how other municipalities in Canada conduct park development. Edmonton's current minimum requirement for park development is significantly lower than all other municipalities included in the review. The jurisdictional scan included a review of applicable park standards and interviews with representatives from four municipalities including the cities of Calgary, Red Deer, Mississauga and Winnipeg. A detailed breakdown of the findings is available in Attachment 1.

Options and Analysis

Through a combination of the jurisdictional scan and engagement with Industry and stakeholders, five options are identified that outline opportunities to increase amenities in developing areas. Further work will be required to define any increases to minimum park development requirements or other details to fully implement any of the options.

A summary of each option is included below and detailed descriptions of each option can be found in Attachment 2.

Option 1: Revised Minimum Park Development Requirements

- Revise the minimum requirement for new parks in developing areas and developers would be responsible for funding and developing parks to this revised minimum.

The revised minimum could include grading, leveling and establishing seed (grade-level-seed) plus trees and shrubs, trails and lighting, and site furniture. Features above the minimum requirement such as playgrounds, sportsfields, shade structures or other amenities could continue to be proposed at the discretion of the developer and would be subject to City approval.

Under this scenario, the developer would be responsible for completion of all minimum requirements including maintenance until the site is accepted into City inventory. The City would be responsible for developing any amenities above the minimum requirement not contributed by developers, as community needs dictate. This option would align with the City of Calgary's minimum requirements.

This option would provide a higher level of park development earlier in a community's development. The City would then have to fund and develop amenities above the minimum requirement, such as playgrounds, on park sites where developers do not opt to contribute them.

Option 2: Cost Sharing and Revised Minimum Park Development Requirements

- Use a partnership program, such as the Shared Park Development Program, to incentivize development of amenities, including playgrounds.

This option assumes the minimum requirement for new parks would be revised, and developers would be responsible for funding and developing parks to this revised minimum that could include grade-level-seed, trees and shrubs, trails and lighting, and site furniture. To incentivize park amenities to be developed above the minimum requirement, the Shared Park Development Program could be re-established.

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The developer would have the option to propose amenities above the minimum requirement at their discretion and the ability to apply for cost sharing with the City. The City would provide funding and manage the Shared Park Development Program. The City would also be responsible for developing any amenities not contributed by developers as future community needs dictate. The Shared Park Development Program previously existed in the City of Edmonton, but no similar programs were found through the jurisdictional scan.

This option would balance incentives for enhanced development with a revised minimum requirement and the City's involvement through cost sharing would allow for more control in what amenities are installed. Since the Shared Park Development Program has proven successful in the past, this option could be implemented almost immediately upon receiving funding. This option would require upfront capital investment to fund the cost sharing components. For parks where developers opted not to participate in the program or were unable to due to oversubscription, the City would have to fund and develop amenities above the minimum requirement.

Option 3: Off-Site Levy and Revised Minimum Park Development Requirements

- Implement an off-site levy to support park development, including amenities such as playgrounds, sportsfields, etc.

The City would use off-site levy funds for improvement of park sites within a defined catchment area. Off-site levies can only be allocated to capital costs, so maintenance would not be included. Levies would be applied in addition to a revised minimum requirement. The developer would still have the option to propose additional amenities above the minimum requirement at their discretion pending City approval and receive credit for any off-site levy infrastructure installed.

Under this scenario, the developer would be responsible for paying the levy and developing parks to the revised minimum requirements, including maintenance, until the site is transferred into City inventory. The City would have to develop and manage the fund, ensuring transparency for all spending, as is currently being done through Bylaw 19340 - Facilities Off-Site Levies Bylaw for fire halls. The *Municipal Government Act* provides listed purposes for off-site levies (including fire halls); however, levies for purposes not specifically listed, such as playgrounds, would need to be collected under the City's off-site levy powers under the *City Charter*. For sites where the developer does not opt to construct additional amenities, the City would be responsible for managing design and construction of open space amenities funded through the levy. This option would operate similar to the City of Mississauga's Development Charges, using processes the City of Edmonton already has in place for fire hall levies.

This option would allow the City to provide greater direction regarding the distribution of amenity types within the developing area based on standardized provision requirements. There may be challenges applying this approach to existing planned areas and likely funds collected would not be sufficient to cover the costs of development. This approach would provide an opportunity for equitable funding for parks in larger catchment areas (such as district parks) which serve the broader community.

Option 4: Cash-in-Lieu and Revised Minimum Park Development Requirements

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- Implement a requirement for developers to pay cash-in-lieu as a fixed portion of their required municipal reserve (e.g. X per cent in land and Y per cent cash-in-lieu totalling 10 per cent).

Cash-in-lieu would fund the improvement of park sites within the defined catchment area; however, cash-in-lieu cannot be used for things such as park maintenance as it contravenes provisions in the *Municipal Government Act*. This option would be in addition to a revised minimum requirement that could include grade-level-seed, trees and shrubs, trails and lighting and site furniture. Features above the minimum requirement such as playgrounds, sports fields, shade structures, or other amenities can continue to be proposed at the discretion of the developer and would be subject to City approval.

Under this scenario, the developer would be responsible for developing parks to the minimum requirements, including maintenance, until the site is transferred into City inventory. The developer would also be required to pay cash-in-lieu for a portion of their required municipal reserve in place of providing land. The City would have to develop and manage a process to ensure the proportion allocated towards amenities, such as playgrounds, is utilized correctly within the communities. This option would operate similar to the City of Winnipeg's Land Dedication Reserve Fund.

This option would allow the City greater control over the distribution of amenities throughout the developing area, however, it would result in less available open space and likely funds collected would not be sufficient to cover the costs of development. In addition, less available open space through municipal reserve dedication would be more challenging to balance the competing needs for recreation centers, schools, local parks and natural area protection.

Option 5: Status Quo

- The current requirement for municipal reserve land to be accepted into the City inventory would remain the same; i.e. that sites are undisturbed or grade-level-seed is completed for disturbed sites.

Features such as playgrounds, sportsfields, shade structures or other amenities can continue to be proposed at the discretion of the developer and would be subject to City approval.

Under this scenario, the developer would be responsible for either leaving municipal reserve sites undisturbed or to complete grade-level-seed for disturbed sites as a minimum requirement. The City would be responsible for fully funding and constructing any park sites that developers do not complete. This requirement is well below the minimum required standards for all municipalities reviewed in the jurisdictional scan.

This option would require no additional input from developers. However, it would not solve the current issues with timely and equitable distribution of open space amenities in developing areas.

Cumulative Impacts

Changing the City's requirements so that parks are completed would benefit communities. However, potential changes may create additional impacts to the costs of development. Costs

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paid by developers and builders should be considered cumulatively and in consideration of other charges and levies in place (e.g. fire hall off-site levy) or under consideration (e.g. affordable housing, transit, shoring for excavation, etc.).

Next Steps

- Administration will develop revised minimum design and construction standards for park development. This would be completed in consultation with Industry over the next two years as part of the implementation of *Breathe*. Planned implementation work includes updates to the City's open space standards and guidelines (retiring the Urban Parks Management Plan), application of the Community Parks Framework and associated green network analysis to map out and assess the open space network in alignment with The City Plan.
- Administration will continue to support developer initiated park amenities in developing areas.
- As per the July 11, 2023, Community and Public Services Committee motion, Administration will bring forward an unfunded capital profile for consideration during the Fall 2023 Supplemental Capital Budget Adjustment that provides one-time funding to the Community Parks Amenities: Growth program.
- As part of a broader scope of work, Administration will consider the benefits and challenges of the cumulative costs of increased contribution requirements to Industry and the potential impacts to market housing affordability balanced with broader affordability benefits for Edmonton taxpayers.

Budget/Financial Implications

Continued work to advance the implementation of *Breathe*, including engagement with Industry on revised minimum requirements for park development, will be funded by the existing budget. More detailed cost analysis associated with updating minimum requirements and associated park development including cost impacts to the City will be further assessed through ongoing implementation work.

Legal Implications

Minimum park requirements (as outlined in the options), including grade-level-seed, trees and shrubs, trails and lighting, and site furniture could be obtained by the City at the time of subdivision through the *Municipal Government Act*. Outside of the powers listed below, the *Municipal Government Act* does not provide the City with the legal authority to compel developers to provide amenities (such as playgrounds) in addition to these baseline amenities.

An off-site levy could be charged to support park development at the time of development or subdivision through the use of the *City Charter* powers under the *Municipal Government Act*. An off-site levy can only be established if a number of conditions found in the *Municipal Government Act* are met.

Under the *Municipal Government Act*, a combination of land and money as municipal reserve can be required by the City. Money collected as municipal reserve may be used for the capital construction of public parks and public recreation areas.

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Community Insight

Targeted stakeholder engagement with members of Industry was undertaken between April and June 2023 and included developers, consultants and contractors that work in the Edmonton area. An initial survey was active from April 5 to 25, 2023, and was distributed amongst the development community by both the City and the Urban Development Institute - Edmonton Metro (UDI). Stakeholders were also invited to give detailed feedback during online sessions on May 2 and May 4, 2023. Administration presented options, and based on Industry feedback and further internal review the options were refined. After both methods of primary engagement were completed, a single question survey was sent out to all participants asking them to rank the potential options by preference.

Administration was considering a Full Park Development option, that would see developers fund and develop grade-level-seed, trees and shrubs, trails and lighting, site furniture, and amenities such as playgrounds. This option was removed from consideration based on Industry feedback and limitations around what the City can reasonably require through provisions in the *Municipal Government Act*. A Status Quo option was added based on Industry feedback was included within the final survey and respondents were asked to rank the potential options by preference.

Some key terms were adjusted between the engagement and the final report in order to provide clarity. "Base level" changed to "required minimum", "standards" changed to "requirements", and "amenity fee" was reworded to "off-site levy".

The results of the final survey showed Status Quo and Cost Sharing with a Revised Base Level tied as the most supported options, closely followed by the Revised Base Level option. Both the Off-site levy/Amenity Fee and Cash-in-Lieu options received very little support from Industry. Attachment 3 provides detailed information on the results of the stakeholder engagement.

GBA+

Administration engaged specifically with representatives of the land development industry. Previous engagement with community members and stakeholder groups occurred through related open space development projects, such as the Community Parks Framework and *Breathe*. These discussions contributed to a better understanding of how parks are currently funded and developed by the City and supported the need to re-examine how park amenities are planned and developed to ensure equity is considered and incorporated into their delivery and maintenance.

The options in this report could shift the responsibility for park development in the developing area more to the Industry, ensuring higher quality parks are completed earlier in a neighbourhood's lifecycle. While the City cannot mandate the development of amenities such as playgrounds, Administration can work with Industry to find ways to ensure amenities are more evenly distributed.

The options in this report incorporate:

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- Increased City oversight of developer contributed amenities and evaluating proposed amenities against strategies directions including The City Plan, *Breathe* and the Community Parks Framework.
- A revised minimum requirement for parks, that will ensure park sites provide usable spaces on an equitable and consistent basis early in a community's development.

The next steps will include developing revised minimum requirements for park sites through the implementation of *Breathe* which will include community engagement. Research findings from previous GBA+ analysis have shown that open space planning and policies have the potential to lead to inequity and exclusion of marginalized community members, and that there are barriers to participating in conventional engagement activities. Administration will ensure that engagement will be designed to remove barriers to participation for equity deserving groups by considering intersectionality based on GBA+ research.

Attachments

1. Jurisdictional Scan: Park Development Requirements in Canadian Cities
2. Open Space Amenities in Developing Neighbourhoods - Options Analysis
3. What We Heard: Proposed Development Requirements for Parks in Developing Areas