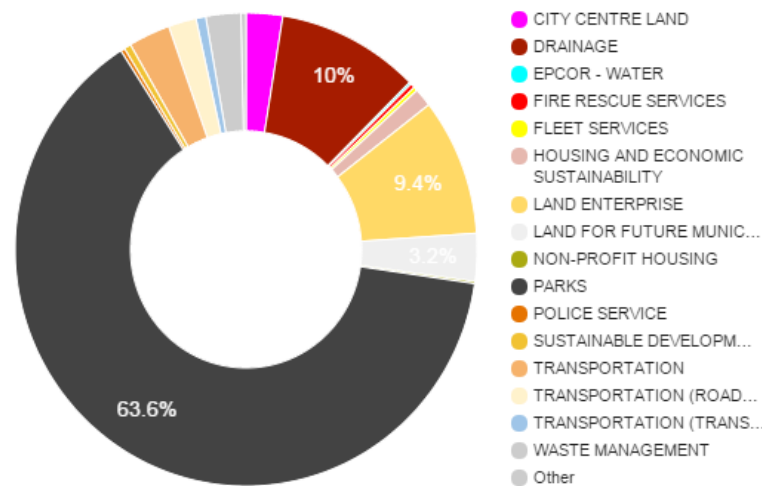


Land inventory evaluation mechanism and allied business advisory capacity

The City owns approximately 9,300 individual properties comprising 20,000 acres that are used for a wide variety of purposes including parks, attractions, recreation centers, civic buildings, transit facilities, libraries, stormwater ponds, *etc.* Sixty-three percent of all holdings are held by Parks; another 10 percent are held by Drainage; 9.4 percent by Land Enterprise, for a total of 83 percent of all City lands.

Figure 2: City of Edmonton land holdings by business unit



CR_3485 suggests that just 464 parcels, or 5.0 percent, of City-owned properties fit the criteria of being vacant, surplus and developable, and of those parcels 91 percent are less than one acre. Only 37 parcels are one acre or larger and 14 of those are residential. Only 23 parcels are commercial/industrial *and* one acre or larger, which makes them most appropriate for development either under the MDC Superlight model or the new DCA program. The inventory may well contain other properties with development or redevelopment potential that were not captured in CR_3485, which only captured vacant lands.

In its initial review of the City's land inventory, Administration and its consultants focused their attention on 44 known high potential properties deemed most suitable to support for-profit development. Properties associated with ongoing City initiatives such as Blatchford, the Edmonton Research Park, West Rosedale, and Northlands were not included in this list. From the 44 sites, the consultants

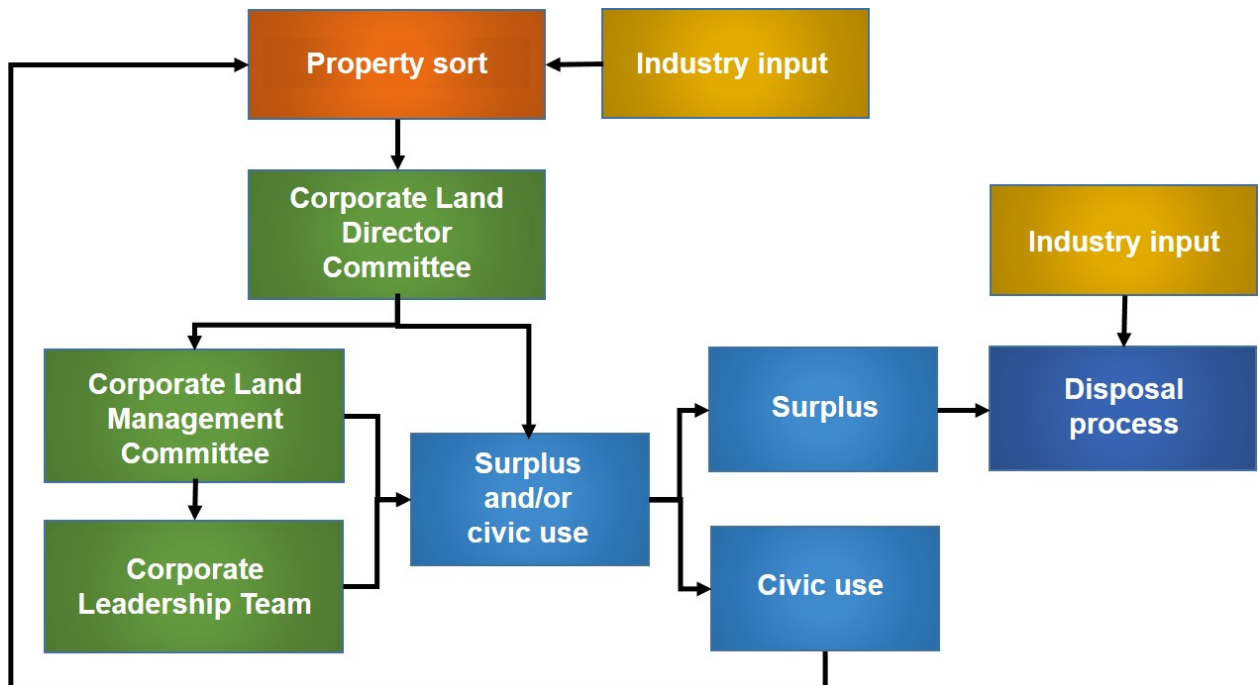
built the MDC Superlight model around five properties most likely to generate the best return to the MDC. Private CR_2816 provided Council with the corresponding analysis of the development potential of those five properties.

The 44 properties do not, of course, represent the entire inventory of potentially surplus lands suitable to varying degrees for sale, new development or redevelopment. The inventory also includes, in addition to high potential developable parcels, much less developable holdings such as pole anchors, corner cuts, remnants, *etc.* In between are small commercial and industrial holdings, as well as residential lots of varying sizes.

Independent of the investigation of the viability of an MDC over the past year, Administration has also actioned a land governance review project with the mandate of improving the City's management of *all* its land assets. The City Leadership Team has directed Administration that, henceforward, all land holdings will be managed as *corporate* assets rather than the current practice of regarding specific land parcels as assets 'belonging' to individual departments.

A focused review of *all* holdings, developed and undeveloped, will be undertaken, with input from industry, to confirm if they are needed for City use. If declared surplus, Administration will ensure the lands achieve their highest and best use and generate the greatest possible return in value to the City, whether in profit potential or to fulfill City-Building Outcomes.

Figure 3: Proposed land review process, including industry input



In response to a clear expression of interest from private industry, Administration

has committed to engage industry in the land evaluation process. This formal engagement will enable Administration to combine in-house expertise with the expert opinion of private land and real estate developers with knowledge of the local market.

Administration's plan to engage the development industry extends beyond Council's interest that industry could help to activate the potential of surplus City-owned holdings. Industry has indicated it is willing to assist the City in the evaluation of *all* its holdings through a formalized business advisory committee that could also identify underdeveloped City-owned lands appropriate for intensification, subdivision and sale, or some other profitable outcome.

Figure 4: Preliminary assessment of surplus land holdings by development and/or sale attributes



Ongoing discussions with stakeholders and the consulting team have resulted in the broad identification of four categories of surplus property within the inventory that would be judged appropriate for disposal at the end of the review process illustrated above in Figure 4.

Category 1, low potential lands, would include but not be limited to remnants, corner cuts, pole anchors, small parcels, *etc.* Category 2, readily sold or developed lands with high potential, would include vacant surplus lands that are serviced and appropriately zoned, and that have no easily discernible development impediments. It is anticipated that a little less than ten percent of the parcels in CR_3485 would fit into this category. Categories 3 and 4, limited and high potential but complex developable lands, would be of lesser interest to the private sector without significant City intervention and/or carefully negotiated business arrangements that could be undertaken by either the new DCA program or MDC Superlight.

Administration is currently exploring with private sector developers how their participation in the review process could help Administration to benefit from their expertise, make better decisions about the dispensation and/or disposal of City-owned lands, improve marketing of surplus lands for sale or joint development, activate the potential of high-value lands, and divest low-value surplus lands. This value-added private industry engagement will proceed with or without an MDC or new DCA program. Administration is hopeful, as noted in CR_3168, Attachment 2, that it can begin this process in as little as 30 to 60 days.

The proposed business advisory committee to be created under authority of the City Manager would include, in addition to private land development industry representatives, representation from community-based or other institutional organizations and Administration to ensure the protection of citizen interests.