

EDMONTON COMMUNITY DEVELOPMENT COMPANY UPDATE

Recommendation

That the November 27, 2024, Financial and Corporate Services report FCS02680, 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.	Urban Places		
City Plan Values	THRIVE.		
City Plan Big City Move(s)	A rebuildable city	Relationship to Council's Strategic Priorities	Arts and culture Economic Growth
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Problem Properties Initiative - Action Plan 2020-2022 • ArtsCommon - Avenue Initiative Revitalization Strategy (March 24, 2014) • ArtsCommon - Further Analysis: Response to Council Directive (March 3, 2014) • ArtsCommon - Avenue Initiative Revitalization Strategy (August 29, 2013) • Neighbourhood Revitalization 		
Related Council Discussions	<ul style="list-style-type: none"> • July 4, 2023, CS01929 Partnership Update (Private) • September 26, 2022, CS01007 Edmonton Community Development Company - Progress Report and Strategic Plan • November 26, 2019, CR_7596- Update on Edmonton Community Development Company • September 12, 2017, CR_4295- Recommendations for Sale Agreement for Parcels Transferred to the Community Development Corporation • November 22, 2016, CR_3802 Community Development Corporation - Business Case, Executive Committee • April 15, 2014 CR_646 - ArtsCommon Joint Venture Options • September 10, 2013, CR_565 - ArtsCommon Business Plan 		

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Executive Summary

- Edmonton Community Development Company was established in 2017 to advance community and economic development.
- The ArtsCommon 118 Project was envisioned to be developed on land transferred to Edmonton Community Development Company.
- After years of working with various groups, Edmonton Community Development Company does not see the original ArtsCommon Project as a viable development option and have requested an amendment to their buy back option agreement which would support them in obtaining financing to explore alternative uses for the 118th Avenue lands.

REPORT

The Edmonton Community Development Company (ECDC) was established in 2017, as an action under Goal 4 of the EndPovertyEdmonton Road Map¹ 2017-2021, approved by City Council at its May 24, 2016 meeting. ECDC's general mission is to strive to build community capacity to further economic and social development by fostering: affordable and relevant housing; attractive local businesses; enhanced employment opportunities; and supportive social programs.

As part of the establishment of ECDC, City Council approved the sale of seven parcels of land at \$1 on September 12, 2017:

- Administration has transferred possession of four parcels to date. One of these, the Alberta Avenue property located at 118 Avenue and 92 Street, was transferred in August 2022, and is the subject of this report
- One parcel is under agreement due to transfer by 2027
- One parcel was not transferred due to contamination; and in 2019, City Council approved providing cash in lieu of transferring the land
- Finally, in late 2023, ECDC formally advised Administration that they no longer wanted to acquire the last parcel of land, located at 119 Avenue and 77 Street

This report is intended to facilitate a request from ECDC to amend the sale and buy back agreement for the Alberta Avenue property, located along 118 Avenue and 92 Street. The City had previously been working with various groups, including ECDC, on the potential development of the ArtsCommon 118 Project. Under the terms of the sale and buy back agreement, ECDC has until July 19, 2028, to commence construction of a development on the Alberta Avenue parcel and if construction did not begin, the City would have the ability to buy back the land at a nominal rate.

The property's sale agreement confirms the City's buy back option interest will be lowered in priority, upon written request, to a mortgage financing interest on the land title ("postponed") once ECDC provides the ArtsCommon 118 Project Feasibility report.

As noted within the letter (Attachment 1), ECDC is specifically requesting the Sale and Buy Back Option Agreement be amended to expand the postponement clause so the mortgage financing for any development that aligns with ECDC's objectives could supersede the City's interest. ECDC

¹ <https://www.edmonton.ca/public-files/assets/document?path=PDF/EPERoadMap.pdf>

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has indicated they have worked for years with various groups to achieve a viable ArtsCommon facility (the concept was formalized in 2013). However, ECDC states the requirement for the specific ArtsCommon project is a barrier to further community development on the site. The amendment of the postponement clause would allow ECDC flexibility to work with local stakeholders on potential projects, including public spaces, small-scale commercial developments or other initiatives that support the overall vision for the area.

Due to Council's previously indicated support for the ArtsCommon project, Administration is presenting ECDC's request for Council's information, as amendment of the postponement language could result in development that differs from the ArtsCommon project as envisioned. The current sale agreement allows ECDC to develop the land for alternative uses; however, the City's postponement obligations are specific to an ArtsCommon project. ECDC has communicated that allowing mortgage financing to supersede the City's buy back option would help ECDC acquire loans to develop this land. Most lending institutions require their mortgage financing to be registered on title in priority over interests of this nature (such as other financial caveats or buy back options).

Should Executive Committee support ECDC's request, the following motion is suggested to provide direction to Administration:

That amendment to the Alberta Avenue Sale Agreement and Buy Back Option between the Edmonton Community Development Company and the City of Edmonton to allow for postponement of the Buy Back Option to the Buyer's mortgage financing and associated registrations for the construction of any development in alignment with ECDC's Objects be approved, and that the agreement be in a form and content acceptable to the City Manager.

If the report is received for information, Administration will not amend the buy back option language. This means if ECDC proceeds with a project that differs from the ArtsCommon vision, Administration will not postpone the buy back option to financing or other interests. Based on what ECDC has indicated to Administration, this is a major barrier to the redevelopment of the site and could result in the land remaining undeveloped.

Community Insight

Administration has been in communication with ECDC's Executive Director, and members of the Board of Directors with regards to this request. Although no specific engagement occurred in the development of this report by Administration, community stakeholders were included in the development of the ArtsCommon project business case in 2013. ECDC took on the lead role of working with stakeholders related to the ArtsCommon project in 2017.

GBA+

As the scope of the report is to facilitate a specific request from ECDC to City Council, a GBA+ has not been conducted.

Environment and Climate Review

This report was reviewed for environment and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

Attachments

1. ECDC Postponement Clause Request