

Urban Planning and Economy

Edmonton

**UPE02251 Development Incentive  
Program**

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## Development Incentive Program (DIP) History

Launched in 2009 with an annual budget of up to \$750,000

Last Development Incentive Program (DIP) policy and procedure updates completed in 2018; Edmonton's City Plan approved in 2020

Two streams:

1. **Interior Building Improvement Program:** 55 interior renovations; \$1 million total in grants generated \$8 million in private investment
2. **Commercial Redevelopment Program:** 15 new commercial or mixed-use construction projects; \$2.3 million total in grants generated \$82 million in private investment

## Current Context

Overall commercial vacancy rate: 4.7%

Overall retail vacancy rate: 2.7%

Overall office vacancy rate: 16.7% (for comparison)

Retail/storefront vacancy rates in BIAs:

- 0.1% in Fort Road to 12.13% Downtown

There are an estimated 85-95 vacant or underutilized lots within the proposed Commercial Redevelopment grant eligible area.

## Proposed Approach

Replace DIP with two new distinct and targeted programs:

### **Commercial Vacancy Reduction Grant**

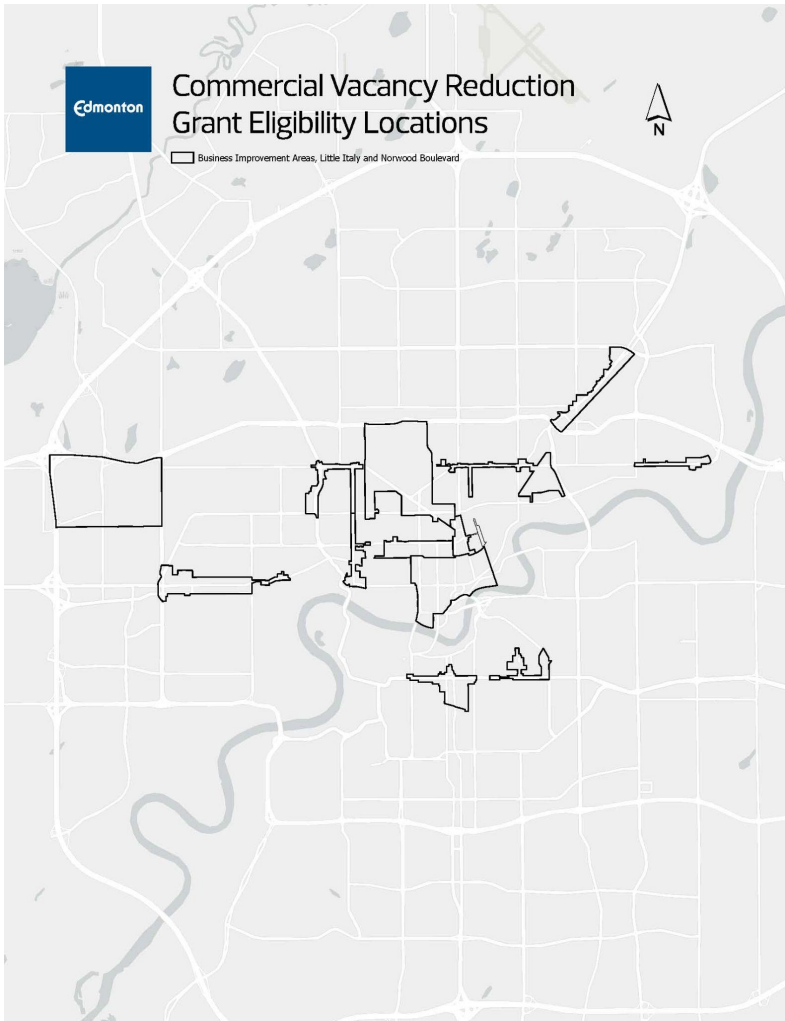
- Increased matching grant amount from \$20,000 to \$30,000
- Expand the list of eligible interior renovations
- Remains exclusive to BIAs

### **Commercial Redevelopment Grant**

- One grant of up to \$400,000, or two smaller grants that together total no more than \$400,000 annually
- Expanded area of eligibility to include BIAs, Priority Growth Areas and areas within 800m of LRT stops (see map)

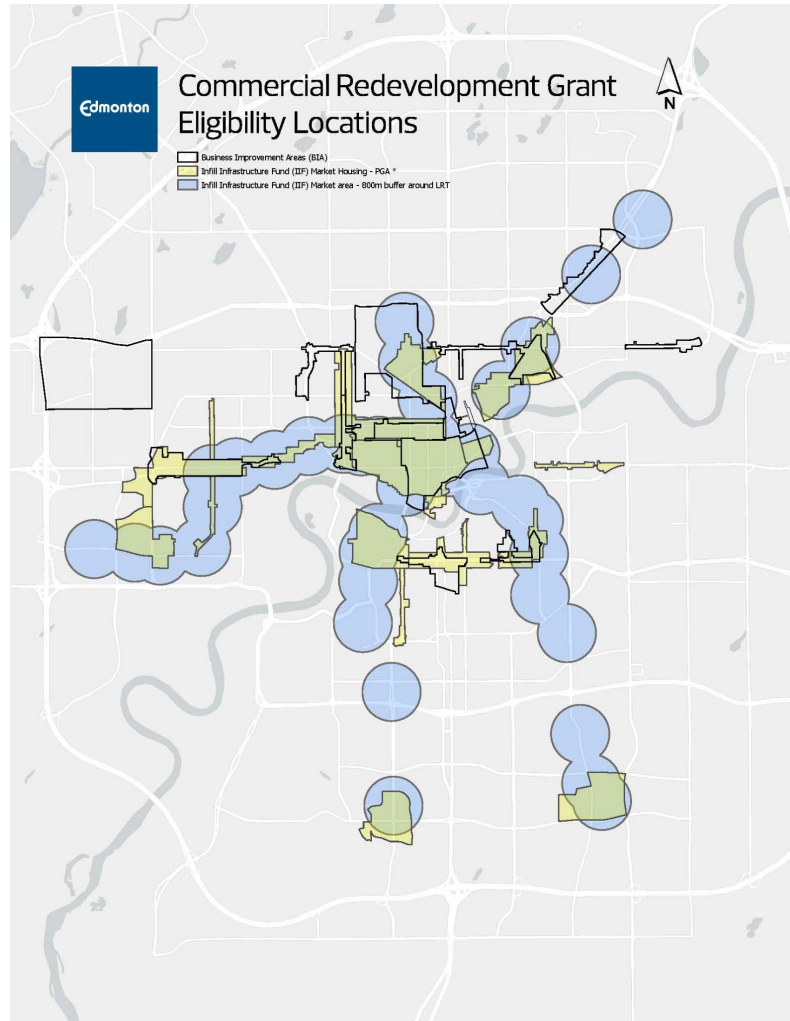
# Commercial Vacancy Reduction Grant Eligibility Locations

Business Improvement Areas, Little Italy and Norwood Boulevard



# Commercial Redevelopment Grant Eligibility Locations

Business Improvement Areas (BIA)  
Infill Infrastructure Fund (IIF) Market Housing - PGA \*  
Infill Infrastructure Fund (IIF) Market area - 800m buffer around LRT



## Expected Benefits

### Economic:

- Private sector investment
- Job creation
- Fewer commercial vacancies
- Increased property valuations

### Community:

- Growth in priority communities
- Liveability and vibrancy
- Adaptability of districts
- Complete local communities



## Commercial Vacancy Reduction Grant



### **Grants of up to \$30,000 for improvements to vacant commercial units**

- Tangible support for business owners that meets their biggest startup challenge: financing
- Busy commercial main streets are more appealing to residents, investors and visitors

## Commercial Redevelopment Grant



### **Grants of up to \$400,000 for new commercial and mixed use buildings**

- De-risk proformas and attract other investors to a project by showing City support
- Complement to the Infill Infrastructure Fund, with a commercial focus
- Completed projects can have increased property values



## Next Steps: Council Motions Required

A motion to direct funding during a future budget process.

- Commercial Vacancy Reduction Program: \$300,000/year
- Commercial Redevelopment Grant: \$400,000/year

A balance between program viability and the City's fiscal situation.

A motion to rescind City Policy C553C - Development Incentive Program, as the program was closed in 2023.

# Questions and Thank You

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