



Urban Planning and Economy

Edmonton

UPE02251 Development Incentive Program

Alisa Laliberte, Branch Manager
Economic Investment Services

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

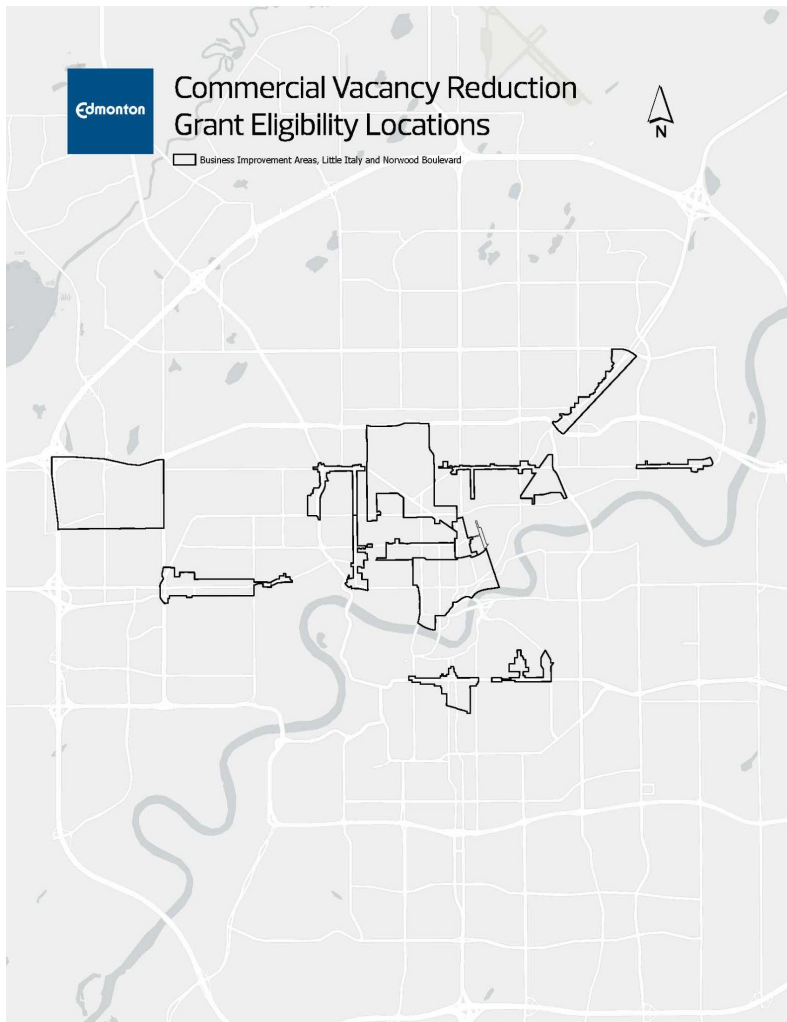
- Increased matching grant amount from \$20,000 to \$30,000
- Expand the list of eligible interior renovations
- Remains exclusive to BIAs

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)

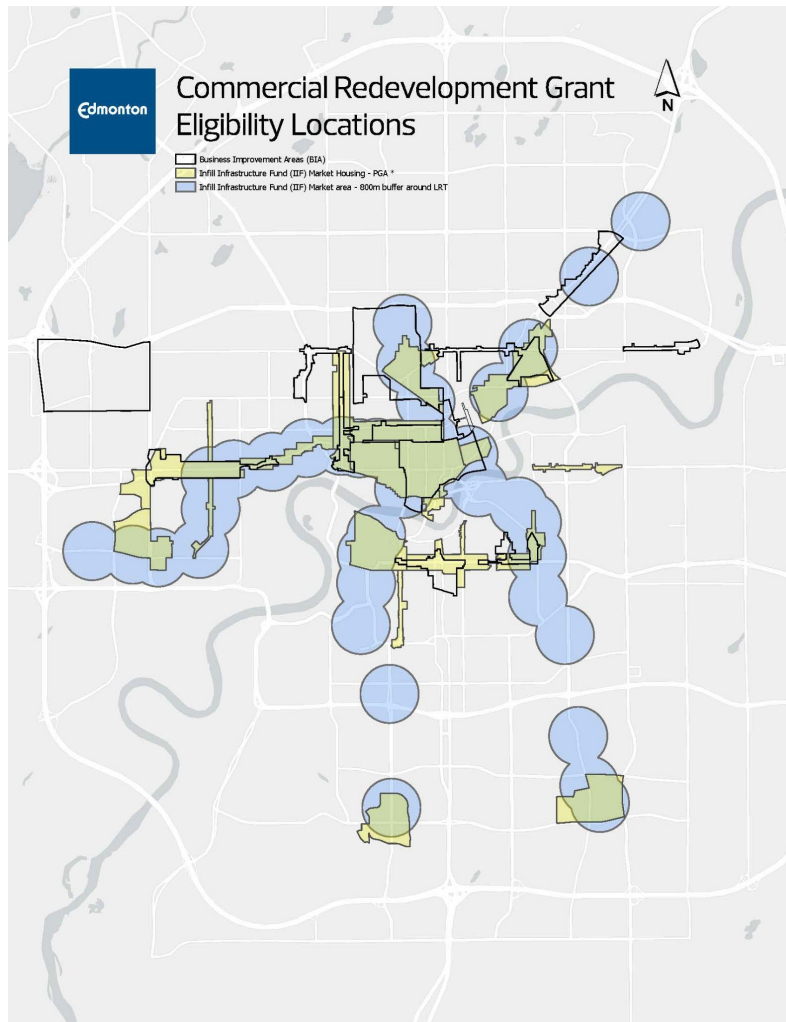
Commercial Vacancy Reduction Grant Eligibility Locations

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 - 600m 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 motion to rescind City Policy C553C - Development Incentive Program, as the program was closed in 2023.

Questions and Thank You

Alisa Laliberte, Branch Manager, Economic
Investment Services

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