

ST. JAMES SCHOOL SITE

Recommendation

That the May 14, 2025, Financial and Corporate Services report FCS02940, 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)	N/A	Relationship to Council's Strategic Priorities	Economic Growth
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none">Valley Line South East LRT ProjectC437A - City Land Assets for Non-Profit Affordable Housing		
Related Council Discussions	N/A		

Previous Council/Committee Action

At the February 4, 2025, City Council meeting, the following motion was passed:

That Administration provide a report on the following:

1. the rationale for the City's decision to not acquire the former St. James school site;
2. the plans (disposal or otherwise) for the City-owned lots located at 7604-7624 83 Street NW in King Edward Park (the "City Land"); and

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3. the process and implications of pursuing a potential land exchange that would facilitate the acquisition of the open space areas at the former St. James school site in exchange for the City Land.

Executive Summary

- Administration initially had an interest in the open space portion to the west of the St. James School building, but determined that there was not a municipal need for acquiring those lands in combination with having to acquire the school building.
- Administration opted to not acquire the St. James school site, which resulted in the Edmonton Catholic School Division (ECSD) selling to the Al-Mustafa Academy and Humanitarian Society (the Academy) in 2020 to continue use of the school building.
- Both the Open Space and Housing and Homelessness sections have expressed interest in the lands at 7604/24 - 83 Street NW (the "City Land") based on location, marketability, development potential and proximity to the Valley Line Southeast LRT.
- At the time of writing this report, Administration has allocated budget from the City's Mature Area Land Acquisition capital profile to explore a potential purchase of a portion of the St. James School site, subject to further discussions with the owner.
- Committee can direct Administration to enter into a direct land exchange negotiation related to the lands in question; however, this has a number of implications, including limiting negotiating leverage, not following Administrative Standards and limiting the potential for the lands to be publicly offered for affordable housing purposes.

REPORT

Background

St. James School, part of the Edmonton Catholic School Division (ECSD), closed in 2016. The Board of Trustees of the ECSD then leased the property to the Al-Mustafa Academy and Humanitarian Society. In 2020, the ECSD declared the St. James School site surplus, offering the City of Edmonton the first opportunity to purchase it, as outlined in the Joint Use Agreement: Land. The City was particularly interested in the western portion of the site, which included the open space behind the building. At the same time, the Academy expressed its desire to purchase the entire site from ECSD to continue operating the school. Through those conversations, the City had understood that their intention was to maintain the open space for school and community programs.

Discussions followed about the City potentially acquiring ownership or an access easement for the field, including who would be responsible for maintenance, but no agreement was reached. Due to the existing lease, the Academy's ongoing use and the lack of City funds for maintenance or demolition of the building, City Administration decided not to purchase the site. This decision meant the City would have less control over future development. Upon acquiring the land from ECSD in 2022, Land Titles shows that the Academy immediately transferred the land to 688341

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ALBERTA LTD. (the developer). The Al-Mustafa Academy continues to operate and serves close to 800 students¹.

In 2024, the developer, through their consultant, proposed a redevelopment plan for the open space. This plan requires rezoning from Parks and Services (PS) to Mixed Use (MU) to allow for new residential construction on the western part of the site, with a maximum height of 23 meters and a floor area ratio (FAR) of three. A review of the site's subdivision plan revealed that Municipal Reserves would be required under the *Municipal Government Act* if the site were subdivided. However, the current plan does not involve subdivision. School use is permitted in the MU zone, allowing the existing school on the eastern half to remain while the western half is developed for residential use. There is no guarantee that the private school and playground will remain in the long term.

In line with The City Plan's objective to improve local open space to support increased density, the City remains interested in acquiring the open space behind the building on the St. James site along with other open space in the neighbourhood. Acquiring a portion of the site would require subdivision, which would trigger the need for Municipal Reserve dedication. This could help address the neighbourhood's open space shortage and reduce the amount of land the City would need to purchase. To this end, Administration has allocated budget to explore a direct acquisition of a portion of the St. James School site from the Mature Area Land Acquisition capital profile (CM-17-1020). Funding for this acquisition is from the Funds-in-Lieu Reserve Account, and, if an agreement can be reached, the City would use the majority of the remaining funds in the aforementioned capital profile.

Disposition Plan for the City Land (7604-7624 83 Street NW)

The City Land at 7604-7624 83 Street NW represents an independently developable site. Offering the site for sale publicly would allow Administration to follow a consistent, fair, equitable, transparent and fiscally responsible process. Listing properties on the open market leads to several direct benefits, including encouraging a variety of design forms, creating development opportunities for market and affordable housing and/or increased revenue. In addition, a primary indirect benefit is the City's reputation for being transparent and fair, as multiple parties have been inquiring about purchasing the City Lands. Moving forward with the Land Exchange would not follow the Administration's Disposal of City Owned Interests in Land Standard².

The City Lands are being reviewed internally and have not formally been declared surplus. The City's Open Space and Housing and Homelessness sections are interested in the City Land. However, due to its location, marketability, development potential and proximity to the Valley Line Southeast LRT, the City Land likely offers the best potential as a future development parcel. In addition, surplussing or selling these lands is dependent upon ongoing conversations with the Government of Alberta, as the land was acquired using grant funding and there may be repayment obligations. If resolved, the intent is to list the City Land on the open market for affordable housing purposes.

¹Annual Education Results Report (AERR) Al Mustafa Academy and Humanitarian Society 2022-2023

² edmonton.ca/sites/default/files/public-files/DisposalofCityOwnedInterestsInLandStandard.pdf

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Land Exchange Process and Implications

The implications of a possible land exchange include the following:

- By transacting directly with one party, the City would not be following the Administrative Standard which ensures an open and competitive process. This may limit market or affordable housing options and the social, economic, environmental and cultural returns to the City on this site.
- Progressing a land exchange, at this time, complicates ongoing discussions with the Government of Alberta related to the repayment provisions on parcels acquired for the Southeast Valley Line LRT using Green Trip Funding.
- There is a significant unit value difference between the proposed exchange sites which may result in a large gap in overall value, depending on how much schoolyard land is considered saleable by the owner.

Next Steps

If the report is received for information, Administration will continue discussions with the Government of Alberta regarding its repayment obligations for the grant funding. If resolved, the intent is to list the City Lands on the open market for affordable housing purposes and dispose of the City Lands in accordance with the Administrative Standard at the appropriate time. By doing this, the current owner of the St. James school site would have the opportunity to submit an offer to acquire the City Land. For all property listings, Administration reviews every offer presented, including land exchange proposals; each offer is evaluated against all others, along with the specific requirements outlined in the listing (e.g. Affordable Housing). Administration will also continue to explore the potential of a direct acquisition of only a portion of the open space (field) land from the St. James School site.

Budget/Financial Implications

Although land exchanges often occur with little or no cash exchanged, they are recorded for financial purposes as separate sale and acquisition transactions. This is the nature of the underlying agreement: a sale and an acquisition where the compensation is land instead of cash. The sale proceeds would be directed following the City's Land Governance Guidelines, which would include repayment of the Green Trip funding as determined from Administration's discussions with the Government of Alberta. The acquisition of the open space to the west of the St. James School would be funded through capital profile CM-17-1020 Mature Area Land Acquisition, as the City explores the possibility of a direct acquisition.

Administration is in ongoing discussions with the Government of Alberta as the City Land was acquired using grant funding. There are repayment obligations should the City directly or indirectly sell, lease, encumber or otherwise dispose of land acquired with the grant funding. The degree of the repayment obligations would depend on the terms and conditions of the contract.

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Legal Implications

The City acquired the City Lands using grant funding from the Government of Alberta. Any sale, lease, encumbering or otherwise disposing of land acquired with this grant funding is subject to the terms of the grant funding agreement.

Community Insight

Administration has not completed community engagement regarding the motion and potential land exchange. However, as there is a rezoning application (currently on hold), residents of King Edward Park and surrounding communities were able to provide comments and ask questions through the Engaged Edmonton Website³ from July 15, 2024, to July 28, 2024, about the proposed rezoning on the St. James Site. There were a total of 264 visitors to the Engaged Edmonton website. The most common concerns about the rezoning were building size, location mid-block, traffic, and parking congestion along streets that already face congestion challenges. In total, there were 29 responses in opposition. Meanwhile, two responses supported the rezoning, which is based on the location in proximity to the new LRT and the amenities offered along Whyte Avenue.

GBA+

A detailed GBA+ process was not undertaken as part of this evaluation. Administration did consider an equity lens as part of the overall assessment of open space. This review contributes to Administration's understanding of wellness and celebration functions in open spaces, provides a broader perspective on how the needs of specific communities are or are not being addressed, and aligns decision-making with the City's diversity and inclusion goals.

GBA+ will be integrated into any subsequent work related to these sites and align decision-making with the City's diversity and inclusion goals to ensure equality of outcomes for all Edmontonians.

Environment and Climate Review

This report was reviewed for environmental 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. Subject Property Map of 7604 to 7624 - 83 Street NW - the City Lands
2. Al-Mustafa Academy and Humanitarian Society Site (Former St. James)

³ Engaged Edmonton King Edward Park