

## **BYLAW 21158 - TO AMEND BYLAW 16521, CAPITAL CITY DOWNTOWN COMMUNITY REVITALIZATION LEVY BYLAW, AMENDMENT NO. 2**

### **Purpose**

To amend the Capital City Downtown Community Revitalization (CRL) Plan to add additional projects and extend the expiry by 10 years to 2044.

### **Readings**

Bylaw 21158 is ready for three readings after the public hearing has been held.

### **Advertising and Signing**

The Bylaw was advertised in the Edmonton Journal on Friday, June 13, 2025 and June 21, 2025.

### **Previous Council/Committee Action**

At the March 18, 2025, City Council meeting, the following motions were passed:

1. That Administration apply to the Province to extend the Capital City Downtown Community Revitalization Levy by 10 years to 2044 to incorporate the projects listed in Attachment 3 of the March 5, 2025, Urban Planning and Economy report UPE02445, with the addition of the Winspear Center Expansion project, and, if approved, prepare an amended Community Revitalization Levy Bylaw and return to a future City Council Public Hearing.
2. That Administration provide an independent (as determined by Administration) analysis of the existing OEG study for the Event Park and Site Servicing as part of the Public Hearing process and that the analysis include what current projects could be enhanced to provide the best overall revitalization of our downtown as well as the high-level modeling of the timing of the Community Revitalization Levy funding for the projects listed in Attachment 3 of the March 5, 2025, Urban Planning and Economy report UPE02445.

## **REPORT**

Downtown Edmonton is the heart of the City serving as its economic and cultural engine, where history, culture and innovation converge, anchoring Edmonton's identity and civic life. It is the city's largest employment node and serves as a dynamic cultural hub. Each year, downtown welcomes millions of visitors to experience sports and entertainment events. While the downtown plays a leading role in Edmonton's civic and cultural life, it is also a growing residential neighbourhood.

Downtown is integral to achieving the vision outlined in The City Plan - a healthy, urban, climate resilient city for two million people. Identified as a Priority Growth Area, downtown supports concentrating population and employment in areas that maximize infrastructure and leverages existing transportation options. Although downtown comprises less than one per cent of Edmonton's land base, it contributed approximately 5.2 per cent of the City's total tax levy in 2024 (historically this figure has reached as high as 10.1 percent), demonstrating the importance of investing in a thriving downtown core. An active and thriving downtown is key to supporting economic development, attracting new talent and capital, and positioning Edmonton as a global city.

Community Revitalization Levies (CRLs) are a financing tool created by the *Municipal Government Act* (MGA) to invest in infrastructure that addresses barriers to redevelopment and attracts private investment. They are intended to be used in areas that require unique approaches to catalyze development where all other redevelopment efforts have failed. They also provide long-term investment certainty, which the industry favours.

The Capital City Downtown CRL plan was created in 2013 and amended in 2021 to add one project, the 103A Avenue Pedway. It guides downtown redevelopment through strategic capital infrastructure investments in catalyst projects. Redevelopment of this area is also guided by the Capital City Downtown Area Redevelopment Plan (ARP).

Since its inception in 2015, the CRL has successfully attracted new investment and spurred development in Downtown Edmonton<sup>1</sup> of over \$4.7 billion. This has included three new office towers (representing the largest expansion in office space since the 1980s) and more than 3,500 new residential units completed or under construction.

Despite this progress, large areas within the CRL remain undeveloped. The COVID-19 pandemic has significantly shifted how downtown is perceived and functions, particularly in the office sector. On top of this, construction and financing costs have increased, which has resulted in significantly slower development activity since 2022.

Without an extension, the existing CRL will expire in 2034. An extension will provide an opportunity to fund additional catalyst projects and to complete existing projects. These investments will also advance the Downtown Action Plan, which was accepted by Council on May 28, 2025.

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<sup>1</sup> Calculated using the Downtown neighbourhood boundary.

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Since the March 19, 2025 City Council meeting, the province has taken steps to advance the CRL amendment process:

- The Lieutenant Governor in Council approved an amendment to the CRL Regulation on May 14, 2025, extending the regulation's expiry to December 31, 2044. However, an additional amendment will be required before an amended CRL Bylaw can come into force. The Government of Alberta has indicated that it remains committed to enabling the CRL to be extended.
- If the CRL bylaw is passed, the Government of Alberta is expected to authorize the extension of the CRL itself through 2044.
- The Minister for Municipal Affairs revised the CRL guidelines on May 20, 2025, enabling a path for Council to include the Winspear Expansion Project, Attainable Housing Program and Brownfield Remediation.

### **Reason for Amendment**

Despite the pace of development, continued investment in catalyst projects is required. An amendment to the CRL Plan (Bylaw 16521) is necessary to proceed with an extension that includes the new catalyst projects.

Bylaw 21158, which amends the existing City of Edmonton Capital City Downtown CRL Plan (Bylaw 16521), is included as Attachment 1.

The changes to the CRL Plan include:

- Minor updates to background information, including demographics, land use and other statistics;
- Inclusion of new catalyst projects;
- Status updates to existing catalyst projects;
- Extension of the CRL expiry by 10 years; and,
- Updated financial sections to reflect actual and projected revenues and expenses as of 2025.

Bylaw 21158 will come into force once the Government of Alberta has extended the life of the CRL until 2044 and approved the plan.

The Capital City Downtown CRL Plan is also an implementation tool for the Capital City Downtown Area Redevelopment Plan (ARP). No changes to the ARP are proposed.

### **Independent Assessment (Event Park and Village at Ice District Infrastructure)**

Attachment 2 of this report includes the motion-directed independent assessment of the Event Park and site servicing study submitted by Oilers Entertainment Group Sports and Entertainment (OEGSE). Attachment 3 of this report is the OEGSE study that the independent assessment is based on, titled Economic Impact and Public Benefit Study for Edmonton ICE District and Proposed Event Park Expansion.

When comparing the study to independent models as calculated by Administration, the findings were comparable in their estimates and were in the same order of magnitude. The assumptions

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made about the number of events and the number of visitors could not be tested by Administration within the timeframes given, so the stress-tested models were provided. The extrapolation of that data through two independent tools reinforces that the assumptions made around economic impact are both reasonable and fair. Within the constraints and limitations listed in Attachment 2, Administration is satisfied that the analyses represent both OEGSE's and Administration's best estimate of the economic impact of Event Park.

Administration also compared the proposed investment in Village at Ice District Infrastructure to several recent similar infrastructure or incentive programs in the Centre City area. While direct comparisons between programs with different intentions should be treated with caution, the proposed Village at Ice District Infrastructure project compares favourably to other programs in terms of the cost per number of potential units, per square foot of development and public realm enhancements.

### **Catalyst Project Funding, Timing and Implementation**

A CRL plan must include estimated catalyst project costs and financial scenarios. These financials determine the length of time required to pay back the CRL debt, and therefore the overall timeline of the CRL itself.

The CRL plan includes estimated project costs as well as a schedule that allows the CRL to end in 2044. However, Council is not held to the schedule, and estimated project costs may change.

While the CRL enables Council the ability to fund the work identified in the CRL plan, each catalyst project will need to be initiated and an associated funding request brought to Council. Attachment 4 - Catalyst Project Funding and Enhancement provides more detail about how the plan can be prioritized and the next steps involved in implementing individual catalyst projects.

### **Community Insight**

Administration consulted with interested parties in the development industry and community representatives to discuss barriers to development and downtown revitalization. This work informed the list of new catalyst projects and was received by Council on March 19, 2025. See the March 5, 2025, Urban Planning and Economy report UPE02445 for engagement details.

### **Budget/Financial Implications**

The financial implications of an amendment are included in the CRL Plan itself and will form part of the Bylaw. Approval of the CRL Plan does not provide a budget for any new catalyst projects. Approval of the Plan enables Council to use the CRL as a funding source. Any budget requests must be brought to Council separately for approval. Refer to Attachment 4 - Catalyst Project Timing and Enhancement.

### **Legal Implications**

The City may amend a CRL levy bylaw and plan but the amendments will have no effect until approved by the Minister of Municipal Affairs. The Province has not updated any of the legislation

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to allow long-term borrowing on non-capital projects, and it is therefore not possible to fund any catalyst project that is not capital property through borrowing. The Province has updated the non-legislative guidelines to allow funding for grant programs within a CRL but has not embedded this into the legislation. This bylaw will only come into force once the Government of Alberta passes a regulation to allow the extension of the CRL until 2044 and the Minister of Municipal Affairs has approved the amended plan.

### **Attachments**

1. Bylaw 21158 - A Bylaw to amend Bylaw 16521, as amended, being the Capital City Downtown Community Revitalization Levy Plan
  - a. Schedule A - Capital City Downtown Community Revitalization Plan
2. Independent Analysis of Economic Impact and Public Benefit Study for Edmonton ICE District and Proposed Event Park Expansion
3. Economic Impact and Public Benefit Study for Edmonton ICE District and Proposed Event Park Expansion
4. Catalyst Project Timing and Enhancement

### **Others Reviewing the Report**

- M. Gunther, Acting City Solicitor