

Lewis Farms Recreation Centre Land Acquisition

Recommendation:

That Community Services Committee recommend to City Council:

That the March 23, 2015, Sustainable Development report CR_1958, be received for information.

Report Summary

This report provides options for funding and timing of the District Park Land Acquisition and Base Level Development for the Lewis Farms Community Recreation Centre.

Previous Council/Committee Action

At the November 26, 2014, City Council Budget meeting, the following motion was passed:

That Administration provide a report through Community Services Committee to Council, with options for funding and timing of the District Park Land Acquisition (New ASPs) Profile CM-17-1007 and District Park Base Level Development Profile CM-17-1011 to acquire land and undertake site development for the Lewis Farms Recreation Centre.

Report

The Lewis Farms District Park is planned to be located within the Rosenthal neighbourhood being one of eight neighbourhoods within the Lewis Farms Area Structure Plan (see Attachments 1 and 2). The district park is to be approximately 19 hectares in area and located at the north end of the neighbourhood abutting the future 92 Avenue (shown as 87 Avenue in the Rosenthal Neighbourhood Structure Plan) and Rosenthal Way (220 Street).

The district park is to accommodate district level programming and facilities for the eight neighbourhoods in the Lewis Farms area and includes the future development of a community recreation centre, library, and Catholic high school. In 2014, a site concept plan for the district park was completed including the facility and school building footprints, sports fields, play spaces, passive outdoor spaces, pathways and other park amenities. The Recreation Facility Master Plan (2005-2015) recommends the Lewis Farms Recreation Centre as a medium term (2010-2015) development based on identified needs. Development is currently occurring in the Lewis Farms area; however, to date, no land has been dedicated to or purchased by the City for the district park.

Four capital profiles related to the Lewis Farms Recreation Centre were submitted for consideration in the 2015-2018 capital budget (see Attachment 3):

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- CM-17-1007 - District Park Land Acquisition - New Area Structure Plans (Unfunded)
- CM-17-1011 - District Park Base Level Development (Unfunded)
- 15-21-5785 - Lewis Farms Community Recreation Centre (Funded*)
- 16-20-0056 - Lewis Estates Library (Unfunded*)

* Profile 16-20-0056 was combined with 15-21-5785 and renamed Lewis Farms Community Recreation Centre and Library and received \$3.5 million for schematic design only.

All profiles submitted were subject to a prioritization process with City Council determining optimum utilization of available capital resources through the capital budget deliberations:

The total cost for land acquisition and base level development of the Lewis Farms District Park is estimated at \$13.2 million.

Land acquisition (12 hectares)	\$7.4 million
Land dedication (7 hectares*)	\$ 0
Base level development	\$5.8 million
Total Cost	\$13.2 million

*Value of land dedicated through subdivision is estimated at \$4.3 million. No funding required.

Considerations for Land Acquisition

While the 2015-2018 Capital Budget contains \$16 million in approved funding for suburban neighbourhood level park land acquisition there is no approved funding for the purchase or development of district park sites.

The forecast prepared for the 2015-2018 Capital Budget estimated \$29.5 million is required to fund purchase needs for five district parks. This includes the \$7.4 million noted above for the Lewis Farms site. The forecast is based on population and subdivision projections within the affected Area Structure Plans.

Administration prioritizes park land assembly based on commitments identified in approved structure plans, area park land needs, facility plans, and the needs of the School Boards. Parks are assembled, through either land dedication or purchase, when the servicing and appropriate site accesses have been provided through the subdivision process. Given the current status of land development in the Secord and Rosenthal neighbourhoods, Administration anticipates assembly of a portion of the Lewis Farms District Park through dedication will begin in 2016 (see Attachment 2)

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Ownership of the district park is currently held by two developers; the eastern portion is approximately 12.1 hectares and the western portion is approximately 6.9 hectares (see Attachment 2). Approximately 7 hectares of the district park will be acquired as municipal reserve land dedication through the subdivision process.

The City will assemble the remaining 12 hectares of the district park through purchase estimated at \$7.4 million (based on nearby land values of \$617,500 per hectare).

The City's Funds-In-Lieu of Reserves account is used to finance park land acquisition in areas outside of the North Saskatchewan River Valley and Ravine System (see Attachment 4). On a City-wide basis, the Funds-in-Lieu of Reserves account is projected to be in a deficit position and unable to fund the Lewis Farms District Park land acquisition during the 2015-2018 capital budget cycle:

Funds-in-Lieu Reserve Balance at December 31, 2014	\$17.3 million
2015-2018 Funds-in-Lieu Revenue Forecast	\$10.2 million
2012-2014 Outstanding Capital Commitments	(\$7.2 million)
2015-2018 Approved Capital Commitments	(\$16.0 million)
Project Funds-in-Lieu Reserve Balance at December 31, 2018	\$4.3 million

Although the Funds-in-lieu of Reserves account is projected to have a positive balance by the end of 2018, \$32.6 million is owing to the City's Land Enterprise for prior park land purchases in the Windermere and Heritage Valley plan areas. These prior purchases were made as part of the Future Municipal Purposes Strategy to secure district park land in advance of the subdivision process and with anticipated significant cost avoidance.

Other funding sources, such as Pay-As-You-Go, have been used in the past to finance land purchase; however, all potential funding sources have already been fully committed to other priorities in the 2015-2018 capital budget.

Administration will continue to work on strategies to assemble the Lewis Farms district park through the subdivision process, while balancing other city wide park land acquisition priorities. Subject to funding availability, should an opportunity to purchase a portion of the Lewis Farms district park arise during the 2015-2018 capital budget cycle, Administration would bring forward a report with a request to Council for capital funding in an effort to fast track the land acquisition and subsequent development of the district park and associated recreation facility. Administration would ensure that certain factors are in place prior to bringing forward a report to Council, such as: the timing for the construction of 92 Avenue and Rosenthal Way, the status of land acquisition discussions with property owners, and any existing land appraisals.

Considerations for Base Level Development

The 2015-2018 Capital Budget includes \$8.3 million in approved funding for parks base level development. City wide, Administration has forecast that an additional

\$81.9 million (including \$5.8 million for Lewis Farms district park) is required to fund base level park land development needs for over 100 parks comprising nearly 300 hectares. In part this shortfall is due to rapid city-wide growth.

Base level development costs for district parks include:

- detailed design and project management
- grading, leveling, and seeding
- tree planting, landscaping, and signage
- utilities and sports fixtures
- walkways and parking (for sports-fields).

Base level development can be staged to coincide with staged assembly of park land; however, staged development can potentially increase design and development costs.

Similar to park land purchase, Administration prioritizes park development based on land assembly status, area park land needs, facility plans, and the needs of the School Boards. Recently, the Province announced funding for 11 schools on nine school park sites with anticipated opening in 2016. Four of the schools were announced after the 2015-2018 Capital profiles for park development were finalized. Preparation of these school park sites is now a high priority for Administration; however, base level development is currently unfunded.

Base level development of the Lewis Farms District Park can occur once the land is assembled and the park concept plan is complete. The current concept plan will be reviewed and may be adapted during the community recreation centre and library schematic design process. Completion of the schematic design is anticipated to be in late 2016.

Historically, base level development has been funded by the Municipal Sustainability Initiative or Pay-As-You-Go. However, in the 2015-2018 capital budget cycle, there is no flexibility of Municipal Sustainability Initiative or Pay-As-You-Go as these funding sources have been fully allocated to other priorities.

Funding Options for Land Acquisition and Base Level Development

Given the current status of land development in the Lewis Farms Area Structure Plan area, the first opportunity to purchase portions of the district park will potentially occur in late 2015 or early 2016. The following presents options for district park land acquisition:

Option 1: Funds-In-Lieu of Reserve:

- If city wide Funds-In-lieu revenues exceed the current forecast in such a way that the Funds-In-Lieu Reserve will have sufficient funds to cover the past and future commitments already made and allow for additional funding for other projects, Lewis Farms District Park could be considered, either as an amendment to an

- existing approved profile or through the introduction of a new profile specific to Lewis Farms District Park.
- Council could direct Administration to amend Capital Profile CM-17-1004 Suburban School and Park Acquisition to include the acquisition of district parks or specifically the acquisition of the Lewis Farms District Park. As there currently have not been enough revenues generated from the Lewis Farms area to accommodate this acquisition, the Funds-in-Lieu revenues generated from other neighbourhoods could potentially be used. This would potentially limit Administration's ability for opportunity purchases of other park sites as the Capital Profile was initially intended. This could also reduce the City's ability to respond to unanticipated funding requests to acquire park land in other areas should development patterns and school board requirements identify a high need for land acquisition funding.

Option 2: Administration could negotiate with the developer(s) on the pre-dedication of all or a portion of the District Park.

- An agreement between Administration and the developer(s) would dedicate the full District Park site to facilitate development of the community recreation centre and outdoor recreation amenities, while the land acquisition costs would be deferred and repaid over time.

Option 3: Parkland surplus to the City's needs elsewhere in the city could be sold to generate additional Reserves funds, or traded to the affected land owners. Administration is currently inventorying the City's land holdings with the aim of reconciling their long term need and establishing a potential land development portfolio for a Municipal Development Corporation.

Once the district park land is assembled, Administration could pursue any, or a combination of the following options for the district park base level development:

Option 1: Administration could negotiate with the developer(s) a park development partnership through the approved Shared Park Development Program for all or a portion of the district park base level development:

- The cost avoidance through a partnership would vary depending on sports field development and/or full base level development and the structure of the cost sharing agreement.
- Initial development of the district park could be reduced to required amenities such as utilities, parking, and sports fields with the remaining development being funded at a later date.

Option 2: Administration could prepare a Capital Budget Profile for the base level development of the district park for consideration in the 2019-2023 budget cycle.

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- Could provide an opportunity to align base level development of the site with the construction of the community recreation centre.
- Potentially delays development for recreation amenities for a substantially established community.

Policy

The Way We Grow: Edmonton's Municipal Development:

- Section 7.4.2 - Expand and enhance Edmonton's inventory of parks and open spaces for the ecological, health, recreation and educational benefits they provide.
- Policy 7.4.2.3 - Actively explore and seek out new ways of acquiring, funding and managing parks and open spaces.

Edmonton's Urban Parks Management Plan – 2006-2016:

- Principal 1: Active Living – City and partner actions demonstrate a strong commitment to active living through the acquisition of a network of connected parks and open spaces
- Principal 9: Effective and Efficient – City actions demonstrate a strong commitment to managing land, financial resources and human resources to support the recreational, social and environmental needs of the community.

Budget/Financial Implications

The recently approved 2015-2018 capital budget contains approximately \$39 million in funded profiles for city wide park land acquisition and development of which \$24 million is related to suburban park land acquisition and development. These profiles include:

- 14-17-1069 - Mactaggart School/Park Site - 0.6 million
- 14-17-1070 - Windermere School/Park Site - \$2.5 million
- 14-17-1071 - Ambleside School/Park Site - \$2.0 million
- CM-17-1004 - Suburban School and Park Land - \$16.0 million
- CM-17-1010 - Shared Park Development - \$3.2 million
- CM-17-1001 - River Valley Land Acquisition (City-wide) - \$5.5 million
- CM-17-3001 - Natural Areas Acquisition (City-wide) - \$6.0 million
- Total - \$39.7 million

The total cost for land acquisition and base level development of the Lewis Farms District Park is estimated at \$13.2 million based on the following:

Land acquisition (12 hectares)	\$7.4 million
Base level development	\$5.8 million
Total Cost	\$13.2 million

Currently, all available funding sources are fully committed in the 2015-2018 Capital Budget.

Capital budget adjustments are typically done twice a year during the Supplemental Capital Budget Adjustment. These adjustments are done for approved capital profiles affected by cost escalations/reductions, budget transfers, scope changes or other required adjustments, and include the introduction of new profiles into the 2015-2018 Capital Plan.

If Council requested, Administration could include Land Acquisition and Base Level Development for the Lewis Farms Recreation Centre as an emerging priority in future Supplemental Capital Budget Adjustments. It would then be considered against other priorities for funding.

Attachments

1. Map of Lewis Farms Area Structure Plan
2. Map of the District Park Site in the Rosenthal Neighbourhood
3. Profiles Submitted for Consideration in the 2015-2018 Capital Budget
4. Funds-In-Lieu of Reserves Account

Others Reviewing this Report

- L. Cochrane, General Manager, Community Services
- D. Wandzura, General Manager, Transportation Services
- T. Burge, Acting Chief Financial Officer and Treasurer