

Old Strathcona Public Realm Strategy Reserve Schedule

At the October 8, 2024, Urban Planning Committee meeting, the following motion was passed:

That Administration provide a report regarding options and analysis:

- a. for the potential creation of a reserve fund for net parking income attributable to the City-owned parking lot currently utilized by the Old Strathcona Farmers' Market to support design and/or construction of amenities identified in the Old Strathcona Public Realm Strategy; and
- b. to dedicate the net revenues of land sales associated with the Public Realm Strategy to support the strategy's implementation.

The April 1, 2025, Urban Planning and Economy report UPE02727 Old Strathcona Public Realm Strategy: Reserve Fund provides a response to this motion. Administration recommended that a reserve not be established for this purpose as it did not align with the City's financial processes related to budgeting and reserve management. Establishing a dedicated reserve fund for net parking revenues and land sales for the Old Strathcona Public Realm Strategy projects conflicts with City Policy C217F Reserve and Equity Accounts. Furthermore, this approach would bypass the budget process, set a precedent for earmarking revenue and strain the tax levy. Standard practice directs new parking revenue to general revenue and land sale proceeds to Land Enterprise Retained Earnings. Administration suggested that the Old Strathcona public realm projects should seek funding through the regular 2027-2030 budget prioritization, competing with other city-wide growth projects.

On April 8, 2025, the following motion was passed by City Council:

That Administration establish a reserve fund to dedicate net parking revenues from the ePark lot situated in Plan I, Block K (11 Tommy Banks Way NW) to support design and/or construction of amenities identified in the Old Strathcona Public Realm Strategy, as outlined in the April 1, 2025, Urban Planning and Economy report UPE02727.

At that meeting, Administration noted that in order for the reserve to be established a report would have to be brought forward to Council explaining the purpose of the reserve, the nature of funds to be transferred to the reserve, the permitted uses of the funds from the reserve and a long term financial forecast of the reserve to ensure its financial sustainability. This is common practice when establishing a new reserve which requires Council approval.

This attachment explains the purpose of the reserve as indicated by Council, clarifies the nature of funds transferred to the reserve, specifies the utilization of funds from the reserve and presents a long-term forecast for its financial position.

Purpose

The reserve is established to fund the implementation of key actions, recommendations and intentions set out in the Old Strathcona Public Realm Strategy, including studies, designs, construction and activations that support the strategy.

Nature of Transfers to the Reserve

The reserve receives net parking revenues, after considering annual parking lot operating costs and operating program cost, from the EPark lot located at 11 Tommy Banks Way NW.

Uses of Funds from the Reserve

The reserve will be used to fund actions identified within the Old Strathcona Public Realm Strategy. The primary focus will be the design and construction of open spaces envisioned in the strategy. As the reserve balance allows, the reserve may fund pilot activation programming identified in the strategy. The initial priority will be the redesign of End of Steel Park in conjunction with a mixed market development opportunity. After the design is completed, the reserve could be one partial source of funding for construction of the new design, though additional sources of funding are expected to be required. After End of Steel Park, the primary use of the reserve will be additional open space design and construction work identified in the Old Strathcona Public Realm Strategy.

The reserve will earn interest on the balance by virtue of City Policy C217F, as the reserve is intended to maintain future capital purchasing power.

Funding from the reserve in any given year is limited to the extent of available funds within the reserve.

Long-Term Reserve Forecast

A forecast of the net parking revenues, the Old Strathcona Public Realm Strategy operating expenditures, and the estimated transfer to and from the proposed reserve is provided below:

Attachment 5

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Net Parking Revenues	339	489	499	509	519	530	540	551	562	573
Annual Parking Lot Operating cost	(17)	(25)	(26)	(26)	(27)	(27)	(28)	(29)	(29)	(30)
Operating Program costs	(25)	(26)	(26)							
Net Amount	297	438	447	483	492	503	512	522	533	543
RESERVE										
Opening Reserve Balance	0	297	735	1,182	1,665	2,157	2,660	3,172	3,694	4,227
Transfer to/(from) Reserve	297	438	447	483	492	503	512	522	533	543
ENDING RESERVE BALANCE	297	735	1,182	1,665	2,157	2,660	3,172	3,694	4,227	4,770
CAPITAL FORECAST										
End of Steel Design		1,600								
End of Steel Park Construction		8,000								
Total Capital Forecast		9,600								

The net parking revenues, parking lot operating costs, operating program costs and net transfer to the reserve for 2026 in the above table are being proposed as budget adjustments in the Fall 2025 Supplemental Operating Budget Adjustment (November 24, 2025, Financial and Corporate Services report FCS03158).

Design costs for End of Steel Park may be brought forward in the 2027-2030 Capital Budget for Council's consideration, with funding from the proposed Old Strathcona Public Realm Strategy Reserve. The forecasted funding available in the reserve will not be sufficient to fund the estimated construction costs of End of Steel Park and other Old Strathcona Public Realm Strategy capital expenditures. Consequently, unfunded capital costs will be considered alongside other priority growth capital projects citywide as part of the regular budget prioritization process. This may create a situation where design costs for End of Steel Park are funded through the proposed reserve, while funding for construction may be unattainable through the capital budgeting process due to other priorities and limited capital funding.

Potential future activation program opportunities may be considered in alignment with the Old Strathcona Public Realm Strategy.

If Council approves the Old Strathcona Public Realm Strategy Reserve, the net revenue generated in 2025, will be transferred to the reserve account.