

**CAPITAL PROFILE REPORT**

PROFILE NAME: **Blatchford Redevelopment**  
 PROFILE NUMBER: **14-02-2106**  
 DEPARTMENT: **Sustainable Development**  
 BRANCH: **Blatchford Redevelopment**  
 PROGRAM NAME:  
 BUDGET CYCLE: **2015-2018**

PROFILE STAGE:	Approved
PROFILE TYPE:	Standalone
PROFILE MANAGER:	Mark Hall
ESTIMATED START DATE:	January, 2012
ESTIMATED COMPLETION DATE:	December, 2038

<b>GROWTH</b>	<b>RENEWAL</b>	<b>PREVIOUSLY APPROVED:</b>	94,119
100		<b>BUDGET REQUEST:</b>	537,806
		<b>TOTAL PROFILE BUDGET:</b>	631,925

**PROFILE DESCRIPTION**

Development of former City Centre Airport into a sustainable mixed use community: planning, preliminary and detailed engineering, construction of infrastructure, and sale of serviced properties.

**PROFILE BACKGROUND**

Blatchford will be a world-leading mixed-use community for up to 30,000 people. As set out in Council's vision, this walkable, transit-oriented, family-friendly and sustainable community will be built over 20–25 years, with the first stage starting in 2014.

July 2009 City Council voted to redevelop and close (in phases) the City Centre Airport. May 16, 2012, Council approved the City Centre Area Redevelopment Plan (Bylaw 16033), establishing the framework for future implementation of the redevelopment concept. In November 2013, the City Centre Airport closed.

**PROFILE JUSTIFICATION**

On June 10, 2014 City Council approved the Blatchford Concept Plan Implementation report and Business Case report which described the proposed approach to achieve the Council defined vision for the project and the objectives of the Area Redevelopment Plan. The detailed financial analysis for the recommended scenario (5A) was also approved, along with Council's first motion to have administration provide a Capital Profile and funding strategy for Council's consideration.

**STRATEGIC ALIGNMENT**

Blatchford redevelopment contributes to The Way Ahead objectives to Transform Edmonton's Urban Form by increasing density, and The Way We Grow strategic objectives for Complete, Healthy and Livable Communities. It also contributes to The Way We Move by enhancing use of public transit and active modes of transportation as Blatchford's hierarchy is based on: people, bikes, transit, delivery vehicles and then private vehicles; and Preserving and Sustaining Edmonton's Environment through being sustainable and resilient by reducing the ecological footprint of the community and its residents.

**ALTERNATIVES CONSIDERED**

The Business Case report provided to Council on June 10, 2014 included the recommended and approved development scenario along with 4 other scenarios for Council's consideration. The proforma evaluates each stage of the project including an analysis of requirements (capital, servicing & resources) vs. financial return.

**COST BENEFITS**

Project cost estimates include traditional on-site charges (e.g. sewer, road, earthwork, curb/gutter) and non-traditional outcomes such as a district energy system, low impact drainage design features, urban agriculture opportunities and significantly enhanced park space. Blatchford Redevelopment will generate profit, from which investments will be made in strategic municipal initiatives and environmentally sustainable infrastructure, and will provide a world-leading example of a sustainable neighbourhood.

**KEY RISKS & MITIGATING STRATEGY**

Key risks for the Blatchford Redevelopment project include regional economic slowdown, residential market competition, cost escalation and interest rate risk. The proforma will be reevaluated on an annual basis to ensure that individual project activities and staging are adapted to respond to market conditions and forecasts.

**RESOURCES**

The Blatchford project team will lead project activities with the support of internal staff and external consultants, expert advisors and contractors.

**CONCLUSIONS AND RECOMMENDATIONS**

Given The Way Ahead vision, it is recommended funding be established for the Blatchford Redevelopment project land development activities to contribute to housing supply, housing affordability, community building and livability.

**CAPITAL BUDGET AND FUNDING SOURCES (000's)**

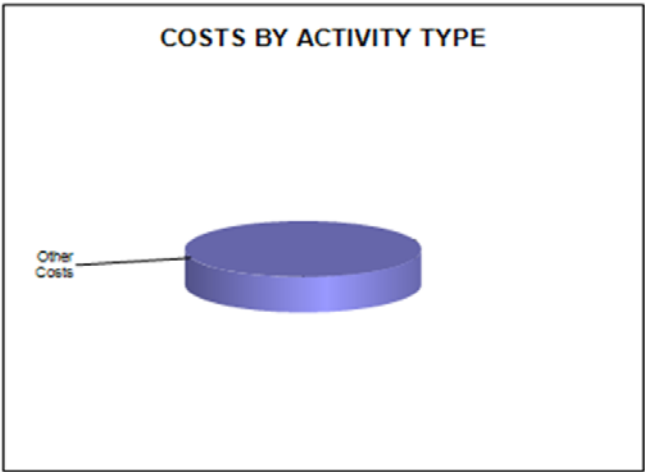
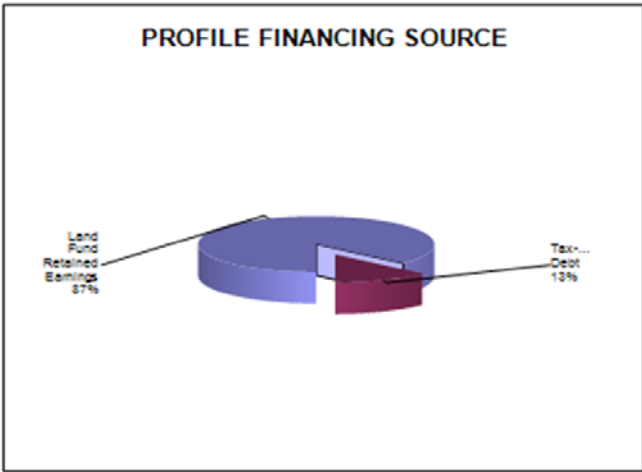
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PROFILE TYPE: **Standalone**

APPROVED BUDGET		PRIOR YEARS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 & beyond	Total
		Current Approved Budget	56,212	31,606	4,301	2,000	-	-	-	-	-	-	-	-
Approved Funding Sources														
	Land Fund Retained Earnings	56,212	31,606	4,301	2,000	-	-	-	-	-	-	-	-	94,119
	Current Approved Funding Sources	56,212	31,606	4,301	2,000	-	-	-	-	-	-	-	-	94,119

BUDGET REQUEST	Budget Request		-17,342	72,759	36,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	537,806
	Revised Funding Sources (if approved)													
	Land Fund Retained Earnings		-30,008	4,883	36,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	457,264
	Debt		-12,666	67,876	-	-	-	-	-	-	-	-	-	80,542
	Requested Funding Source		-17,342	72,759	36,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	537,806

REVISED BUDGET (IF APPROVED)	Revised Budget (if Approved)	56,212	14,264	77,060	38,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	631,925
	Requested Funding Source													
	Land Fund Retained Earnings	56,212	1,598	9,184	38,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	551,383
	Debt	-	12,666	67,876	-	-	-	-	-	-	-	-	-	80,542
	Requested Funding Source	56,212	14,264	77,060	38,693	9,587	16,973	40,139	41,796	19,012	14,246	14,674	289,269	631,925



**OPERATING IMPACT OF CAPITAL**

Type of Impact:

Branch:	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net	FTE	Rev	Exp	Net
Total Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Blatchford Redevelopment - Preliminary Cash Flow Projection (Excludes District Energy)**  
(In \$Millions)

Blatchford Redevelopment Project Costs (Excludes District Energy)	Prior Years	Projected									Total
		2014	2015	2016	2017	2018	2019 to 2023	2024 to 2028	2029 to 2033	2034 to 2038	
Scenario 5a Development (excluding District Energy)	56	14	77	39	10	17	130	148	103	38	632
<b>Total Costs</b>	<b>56</b>	<b>14</b>	<b>77</b>	<b>39</b>	<b>10</b>	<b>17</b>	<b>130</b>	<b>148</b>	<b>103</b>	<b>38</b>	<b>632</b>
<b>Funding</b>											
Debt		13	68								81
Land Enterprise Retained Earnings	56	1	9	39	10	17	130	148	103	38	551
<b>Total Funding</b>	<b>56</b>	<b>14</b>	<b>77</b>	<b>39</b>	<b>10</b>	<b>17</b>	<b>130</b>	<b>148</b>	<b>103</b>	<b>38</b>	<b>632</b>

Preliminary Blatchford Cash Flows	Prior Years	Projected									Total
		2014	2015	2016	2017	2018	2019 to 2023	2024 to 2028	2029 to 2033	2034 to 2038	
<b>Revenues</b>											
Land Sales	-	-	-	129	22	28	174	170	135	138	796
Lease Revenue	2	1	1	1	1	1	4	4	5	153	173
<b>Total Revenues</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>130</b>	<b>23</b>	<b>29</b>	<b>178</b>	<b>174</b>	<b>140</b>	<b>291</b>	<b>969</b>
<b>Expenditures</b>											
Capital Expenditures - Scenario 5a Development (excluding District Energy)	56	1	9	39	10	17	130	148	103	38	551
Debt Servicing <sup>1</sup>	-	-	3	6	6	6	29	29	29	7	115
Non-Capital Items	7	2	3	2	2	2	14	12	14	16	74
<b>Total Expenditures</b>	<b>63</b>	<b>3</b>	<b>15</b>	<b>47</b>	<b>18</b>	<b>25</b>	<b>173</b>	<b>189</b>	<b>146</b>	<b>61</b>	<b>740</b>
<b>Net Cash Surplus (Deficit)</b>	<b>\$ (61)</b>	<b>\$ (2)</b>	<b>\$ (14)</b>	<b>\$ 83</b>	<b>\$ 5</b>	<b>\$ 4</b>	<b>\$ 5</b>	<b>\$ (15)</b>	<b>\$ (6)</b>	<b>\$ 230</b>	<b>\$ 229</b>
<b>Non-Capital Items - Affordable Housing/ Education Program Allowance <sup>2</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.5)</b>	<b>\$ (0.5)</b>	<b>\$ (0.5)</b>	<b>\$ (2.5)</b>	<b>\$ (2.5)</b>	<b>\$ (3.0)</b>	<b>\$ (3.0)</b>	<b>\$ (12.5)</b>

**Explanatory Notes**

- Estimated debt servicing costs include both interest and principle repayments and are amortized over 20 years. The costs are based on projected costs and ACFA rates and subject to change.
- Total amount consist of \$10M for Affordable Housing and \$2.5M for Education Program Allowance.
- Net Profit disclosed in June 10th Council Report CR\_1123rev for Scenario 5a was in Net Present Value terms. The Net Cash Surplus disclosed above has not been converted to present value dollars.