

Land Enterprise Options

Recommendation:

That the June 10, 2014, Sustainable Development report CR_1085, be received for information.

Report Summary

This report responds to a motion passed at the February 25, 2014, City Council meeting, which asks questions regarding City land development, land development models, and applicability of these models to various land development projects.

Previous Council/Committee Action

At the February 25, 2014, City Council meeting, the following motion was passed:
That Administration provide a report for the May 20, 2014, Executive Committee meeting, on the following:

1. How the current City Council Policies direct the City's land development and sale activities.
2. What activities related to land development do municipal, provincial and federal statutes prohibit the City from engaging in.
3. Provide examples of development models in other Canadian cities, such as Build Toronto, Build Surrey and the Calgary Municipal Land Corporation.
4. What current options does the City have for shifting its approach to land enterprise.
5. What are potential new business model options for the City's involvement in land development, development partnerships and the sales and investment process, for industrial, commercial and residential land, and how could the Edmonton Economic Development Corporation be leveraged in these business models.
6. Describe how new models could apply in cases such as the Blatchford and West Rosedale developments.

At the April 14, 2014, Agenda Review Committee meeting, the June 10, 2014, Sustainable Development report CR_1085, was rerouted to the June 10, 2014, City Council meeting.

Report

Municipalities own and manage land portfolios in a variety of ways. While municipalities need to acquire and develop land to deliver municipal services and infrastructure, some are also involved in acquiring, developing, and selling raw land to provide or encourage the development of residential, mixed-use, industrial, and business park (employment)

lands. A number of municipalities are also directly involved in the redevelopment of under utilized lands.

The City of Edmonton is directly involved in four types of land development:

- Land for municipal purposes on an ongoing basis
- Residential/mixed-use on an ongoing basis
- Industrial-business on an ongoing basis
- Redevelopment on a project basis.

Land Enterprise operates on a continuous cycle with respect to its land development activities. Land for development is acquired, it is serviced, and it is sold in a manner consistent with private sector land development processes and the objectives outlined in *The Way Ahead*, Edmonton's Strategic Plan, 2009 - 2018. Retained profits fund ongoing servicing and acquisition of land for further development. When a new development project is considered, a business plan is developed which addresses, among other things, a staging plan and schedule, sustainability, servicing, financing requirements, and marketability. This land development activity provides an annual dividend to the City of 25 percent of the net income generated the previous year. It is important to note that land enterprise does contribute land at cost to municipal projects.

Attachment 1 focuses on the latter three types of land development and reflects on the various options the City has for governing each. It begins with a brief overview of the current approach the City takes to land development and reflects on both the City's policy framework and the legal context for municipal land development in Alberta. (See Attachment 3 - City Policy and Attachment 4 - Legal Considerations).

The attachments provide information regarding a number of municipal land development models in other Canadian cities and presents a continuum of land development governance options. Build Toronto, Surrey City Development Corporation and Calgary Municipal Land Corporation are examples of municipal land corporations. The attachments will also show that a variety of land development governance options could be adopted or are already in place in the City of Edmonton.

The attachments provide commentary on the applicability of different models to govern the Blatchford and West Rosedale redevelopment projects. The governance continuum presented in Attachment 1 is intended to provide a framework to support decision-making around the governance of a number of projects, including Blatchford and West Rosedale. Attachment 5 provides an overview of governance models relative to land redevelopment efforts and projects currently managed by Administration; it identifies where they are currently delivered and where City Council might want to position the projects.

This report also provides overarching context for the Blatchford and West Rosedale reports, Sustainable Development report CR_1222, Blatchford Development – Governance Model, and Sustainable Development report CR_683, West Rosedale

Redevelopment, respectively, scheduled to be dealt with at the same City Council meeting as this report.

Policy

City Policy 511 - Land Development Policy (2005)

City Policy 516B - Land Enterprise Dividend Policy (2008)

Industrial Land Strategy (2002)

Corporate Outcomes

The Way Ahead, Edmonton's Strategic Plan, 2009-2018:

- Improve Edmonton's Livability
- Transform Edmonton's Urban Form
- Ensure Edmonton's Financial Sustainability
- Diversify Edmonton's Economy

Attachments

1. Governance of Municipal Land Development
2. Best Practices – James McKellar, 12 August, 2008
3. City Policy
4. Legal Considerations
5. City of Edmonton Land Development Governance - A Continuum

Others Reviewing this Report

- L. Rosen, Chief Financial Officer and Treasurer, Financial Services and Utilities
- K. Rozmahel, General Manager, Corporate Services
- D. Wandzura, General Manager, Transportation Services
- L. Cochrane, General Manager, Community Services