

Blatchford Development

Governance Model

Recommendation:

That the June 10, 2014, Sustainable Development report CR_1222, be received for information.

Report Summary

This report outlines associated work undertaken to identify governance options and Administration's next steps for immediate changes to the project advisory group and advancing a governance review.

Previous Council/Committee Action

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

That Administration present to Council a governance model for the Blatchford Development project that includes, but is not limited to, a group of advisors and a dedicated management team that both include unbiased experts in the field of development, environmental innovation and city building in order to ensure that Administration can be in a better position to deliver on Council's declared vision for the project.

Report

Associated Governance Model Background Information

The June 10, 2014, Sustainable Development report CR_1085 (Land Enterprise Options), provides a comprehensive review of the various governance models available to City Council for land development projects. That review describes three basic types of governance models: in-house, arm's-length, and out-of-house. There are options within each basic model type and all have distinctly different characteristics with respect to structure, composition, mandate, reporting, and City Council oversight.

A key observation in the report was advice given to the City of Ottawa by James McKellar regarding the disposition of public lands: "There is no right way, only a best way. The best way is a crafted arrangement in response to particular circumstances, the mandate, and the level of autonomy that a government is willing to convey, the risks it is willing to take, availability of in-house skills and resources, market timing, and the political climate of the day."

Current Blatchford Governance and Operational Model

The phased closure and redevelopment of the City Centre Airport was approved by City Council in a multi-faceted motion in July 2009, after extensive discussion, public consultation, and expert analysis. Pursuant to this decision and under City Council direction, the Blatchford development office was established. The model for operations included a separate office from the City's ongoing land enterprise group to focus only on the airport lands as a transformational project. The office was staffed with persons having private and public land development experience and supplemented with external advisory and consulting services.

In terms of corporate support, human resources, law, finance, and internal land development expertise are services leveraged to support the development office's outcomes. With respect to external advisory and consulting, services have included: civil engineering (Stantec), transportation planning (Stantec), water and waste water systems (EPCOR), land use planning (Stantec), district energy (ENMAX, FVB Energy, rEvolve Engineering, Stantec), housing market analysis/focus group testing (Intelligence House, Banister Research), environmental remediation (Golder, AECOM, Worley Parsons), abatement and demolition (EBA Engineering, Tervita), accounting (Kingston, Ross, Pasnak), real estate analysis (Colliers), low impact design (Stantec), and high performance buildings (EcoAmmo Consulting).

The development office advances City Council's redevelopment vision and objectives for Blatchford. The office manages relationships with the airport authority, leads community consultation and design processes, advances engineering processes, oversees market analysis work, and provides oversight of land development and buildings. The office also supports a community stakeholder committee chaired by the City Councillor for Ward 2.

In terms of governance, City Council provides all decision making regarding the advancement of the development concept. The Blatchford project office has been providing quarterly update reports to City Council since September 2009. The reporting provides information on legal, community stakeholders, planning, engineering, and financial matters.

Next steps in the Governance and Operating Model Review

With the closure of the airport, confirmation of the more detailed development concept, and acquisition of leasehold interests, it is the appropriate time to give consideration to some immediate changes in the business model, as well as further governance review. Administration proposes to advance the following:

- A new advisory group will be established to provide advice and guidance to Administration with respect to the advancement of the Blatchford redevelopment and business model. The background of the persons in this group could include:
 - direct experience in municipally owned land development corporations

- an understanding of the development of sustainable communities
- an understanding of the land development industry in Edmonton
- experience in sustainable building practice
- an appreciation for sustainable business practices and economic development.

Attachment 1 to this report includes an outline of the various facets that make up the declared vision for Blatchford. Administration would also seek other experts from other disciplines and perspectives to participate in the new advisory group, with all individuals committed to achieving City Council's vision for Blatchford.

- The Blatchford Redevelopment project office would, through extensive engagement with the advisory group and work completed with consultants, prepare a report on governance and the business model for City Council's consideration.
- The current governance model with City Council's direct participation in providing direction and receiving information reports will continue at this time. The Blatchford development office has been in place since 2009, and has an established operational framework with leveraged services in land enterprise, human resource services, legal services, and financial services. As well, professional consulting services are engaged as referenced earlier in the report.

Corporate Outcomes

- *The Way Ahead*, City of Edmonton Strategic Plan, 2009 – 2018:
- Improve Edmonton's Livability
- Transform Edmonton's Urban Form
- Ensure Edmonton's Financial Sustainability
- Supports Edmonton's Environmental Objectives

Attachments

1. Potential Advisors to the Blatchford Redevelopment Project

Others Reviewing this Report

L. Rosen, Chief Financial Officer and Treasurer
K. Rozmahel, General Manager, Corporate Services