

Commencement of Expropriation

Blatchford/City Centre Redevelopment

Recommendation:

That Executive Committee recommend to City Council:

That City Council, in its capacity as the Expropriating Authority under the *Expropriation Act*:

1. Approve the commencement of the expropriation process to acquire the interests described in Attachment 2 of the Corporate Services report 2013COL004.
2. Authorize Administration to enter into agreements pursuant to Section 30 of the *Expropriation Act* ("Section 30 Agreement") with the owner or owners of any interests described in Attachment 2 of the Corporate Services report 2013COL004, where the owner is willing to consent to the expropriation of its interest by the City.

Report Summary

City Council approval is required to commence the expropriation process or to enter into Section 30 Agreements with willing parties to acquire the interests described in Attachment 2 of this report.

Report

On October 3, 2012, City Council passed the following motion in its capacity as the Expropriating Authority under the *Expropriation Act*:

- Approve the commencement of the expropriation process to acquire the interests in land shown on Attachment 1 and legally described in Attachment 2 of the September 19, 2012, Corporate Services report 2012COL006.
- Authorize Administration to enter into agreements pursuant to section 30 of the *Expropriation Act* (Section 30 Agreement) with the owner or owners of any interests outlined in Attachment 2 of the September 19, 2012, Corporate Services report 2012COL006, where the owner is willing to consent to the expropriation of its interest by the City.
- At the May 16, 2012, City Council meeting, Council passed Bylaw 16033 - A Bylaw to adopt the City Centre Area Redevelopment Plan.

City Council previously approved commencement of expropriation of the interests in lands located within the Edmonton City Centre Airport ("Subject Lands") and described in Corporate Services report 2012COL006.

Due to circumstances outside of the City's control that expropriation will not be able to proceed. City Council approval is required in order to commence a new expropriation.

The City of Edmonton is the fee simple owner of lands the Subject Lands shown on Attachment 1. The Subject Lands contain about 535 acres (216.54 hectares) and are currently used as both an airport with various airport or aviation related uses and as a site for various institutional, commercial, and

manufacturing uses unrelated to aviation.

The right to use, occupy, possess and/or legally encumber the Subject Lands has been given to a number of persons and/or corporations through leases, sub-leases, licenses, security interests, utility rights of way, etc. Individually and collectively these interest holders and/or persons with potential rights of use, occupation, or possession will be referred to as a “Property Interest(s) or Property Interest Holder(s)”. The terms and length of each Property Interest Holder’s right to use part or all of the Subject Land varies with each interest, with the shortest ending in 30 days to the longest Property Interest ending in 2052.

Bylaw 16033 - A Bylaw to adopt the City Centre Area Redevelopment Plan provides a planning policy to guide the future redevelopment of the Subject Lands. This Area Redevelopment Plan is based on a vision that the Subject Lands will be redeveloped and will be used to build a world-class, sustainable and family-oriented community for up to 30,000 residents.

The Way We Grow, Municipal Development Plan Bylaw 15100, provides direction for land use, growth and redevelopment in Edmonton. Development of the Edmonton City Centre Airport Lands is specifically included as a policy objective in 3.2.1.5 of *The Way We Grow*.

The Area Redevelopment Plan also supports *The Way We Grow* in a number of ways including: supporting growth in mature neighborhoods, integrating transit and land use, utilizing

compact built forms and providing affordable housing. The Area Redevelopment Plan has a target that 20% of housing will be affordable. The Subject Lands are planned to be walkable, transit orientated and supportive of a shift to public transit use and active transportation modes. It will contain an agrihood and is planned to be an environmentally sustainable community with a reduced environmental footprint.

The redevelopment and the urban renewal that results will revitalize the area and create economic growth. The town centre area has been established to accommodate retail and commercial development on approximately 60 acres and the site could accommodate upwards of 10,000 jobs in addition to those created during servicing of and construction on the Subject Lands.

In order to carry out the Area Redevelopment Plan, the City must acquire the exclusive use and possession of those portions of the Subject Lands that are presently incompatible with the Area Redevelopment Plan. The Subject Lands will subsequently be subdivided and rezoned. The first stages of the physical redevelopment are anticipated to begin in 2014.

The City will redevelop the Subject Lands, in part or in whole, alone or in conjunction with another person or persons which may include private sector partners.

Redevelopment will be completed in a number of stages and include development of infrastructure and lands for public and private use. The proposed

staging for the Area Redevelopment Plan (Attachment 3) has been developed by the Blatchford Redevelopment Project Team through consultation with Perkins + Will, and with input from a group of builders and land development engineers, having regard for planning, servicing, and market factors.

The stage sequencing identifies those areas within the Subject Property that can be serviced relatively easily, without the need for any major utilities to be relocated or installed, to provide parcels that are readily marketable. Detailed design of Stage 1 has begun with construction commencing in 2014. The Stage 1 area includes:

- a significant component of the central park, including the southern storm water management pond
- the first stage of residential development in the west district
- a portion of mixed use development in the town center area.

While there is no detailed design or funding currently in place for LRT, the timing for residential development on the east side of the Area Redevelopment Plan would benefit from the construction of the two LRT Stations, as the LRT creates the opportunity for Transit Oriented Development. The residential densities in proximity to an LRT station influence the parking requirements and circulation around the future buildings.

The Area Redevelopment Plan does not contemplate the use of the Subject Lands as an airport. Carrying out the

Area Redevelopment Plan directly impacts airport operations and therefore precludes the use of the Subject Lands for aviation purposes. Carrying out the Area Redevelopment Plan also precludes the use of the Subject Lands for manufacturing and other non-compatible uses. In order to proceed and begin to carry out the Area Redevelopment Plan, the City needs to acquire the Property Interests that are not compatible with the Area Redevelopment Plan and the stage sequencing for redevelopment.

211 Property Interest Holders are described specifically in Attachment 2 but are generally described as follows:

- 24 Leases
- 13 Subleases
- 13 Utility Rights of Way
- 60 Caveats
- 5 aircraft parking licences
- 2 vehicle parking licences
- 3 licences
- 4 security interests
- 1 amending agreement
- 1 Indemnitor
- 1 parking lease
- 83 additional potential users

On February 5, 2013, courtesy notification letters were mailed to Property Interest Holders and potential Property Interest Holders informing them that Administration is seeking approval to abandon the Notice of Intention to Expropriate filed at Land Titles on October 5, 2012, to commence another expropriation of certain Property Interests in the Subject Lands and further advising them of their ability to request to speak to Executive Committee.

Some limited discussions/negotiations with the Property Interest Holders of the head leases have occurred.

Administration will attempt to reach negotiated agreements with all affected Property Interest Holders. If a negotiated agreement cannot be reached, the matter will proceed to the Land Compensation Board for a determination of compensation.

Policy

The policy for this report falls under the *Expropriation Act* of Alberta.

Corporate Outcomes

The Way We Grow

The Way We Move

The Way We Green

Budget/Financial Implications

Funding will be through Land Enterprise Retained Earnings.

Legal Implications

If the Notice of Intention to Expropriate filed October 5, 2012, is abandoned, City Council in its capacity as an Expropriating Authority will need to approve commencement of another expropriation in order to acquire these Property Interests through expropriation.

Expropriation is a legal right conferred upon expropriating authorities, such as municipalities, to acquire land or an interest in land from a party who might otherwise be unwilling to sell it, in order to fulfill various specified purposes. Section 14(2)(b) of the *Municipal Government Act* gives Council the right to acquire interests in land by expropriation in order to carry out an area redevelopment plan, whether undertaken alone or in conjunction with

another person. The *Municipal Government Act* also gives Council the right to acquire interests in land for the purpose of improving land owned by the municipality: 14(2)(c), for the purpose of selling land as building sites: 14(2)(d) and for any other municipal purpose: 14(2)(f).

Expropriation of the interests described in Attachment 2 must be carried out in compliance with the requirements set out in the *Expropriation Act* (“Act”). The Act gives affected Property Interest Holders certain legal rights including entitlement to receive certain types of compensation.

The Act gives affected Property Interest Holders the right to object to the intended expropriation and to have an Inquiry Officer appointed by the Province to conduct an inquiry into whether the intended expropriation is fair, sound and reasonably necessary in order to achieve the City’s objectives.

Should an inquiry hearing occur, the Inquiry Officer will produce a report. This report shall be considered by Council who may approve or disapprove the proposed expropriation with any modifications it considers appropriate.

Section 30 of the Act allows an owner or Property Interest Holder, through a written agreement with the City, to consent to the expropriation (thereby avoiding an inquiry hearing) subject to the condition that compensation shall be determined by the Land Compensation Board if the parties cannot reach an agreement. A Section 30 Agreement enables the City to acquire possession of the interest in land at a date agreeable to both parties and may

contain other terms as the parties may agree.

The City is obliged to follow all of the steps prescribed in the *Act*, unless there has been an agreement to the contrary, and typically obtains title to the property within 120 days of the commencement of the taking (i.e. filing of expropriation notice at Land Titles). It takes a further 90 days, at minimum, for the City to obtain vacant possession.

The *Act* also governs the City's proposed payment of compensation to a Property Interest Holder and empowers the Land Compensation Board to determine the amount of compensation payable if the Property Interest Holder and City cannot reach an agreement.

Approval to commence this expropriation is not approval for final closure of the airport, which step, if it is to be taken, would require a separate resolution from Council in the future with input from the Edmonton Regional Airport Authority.

Justification of Recommendation

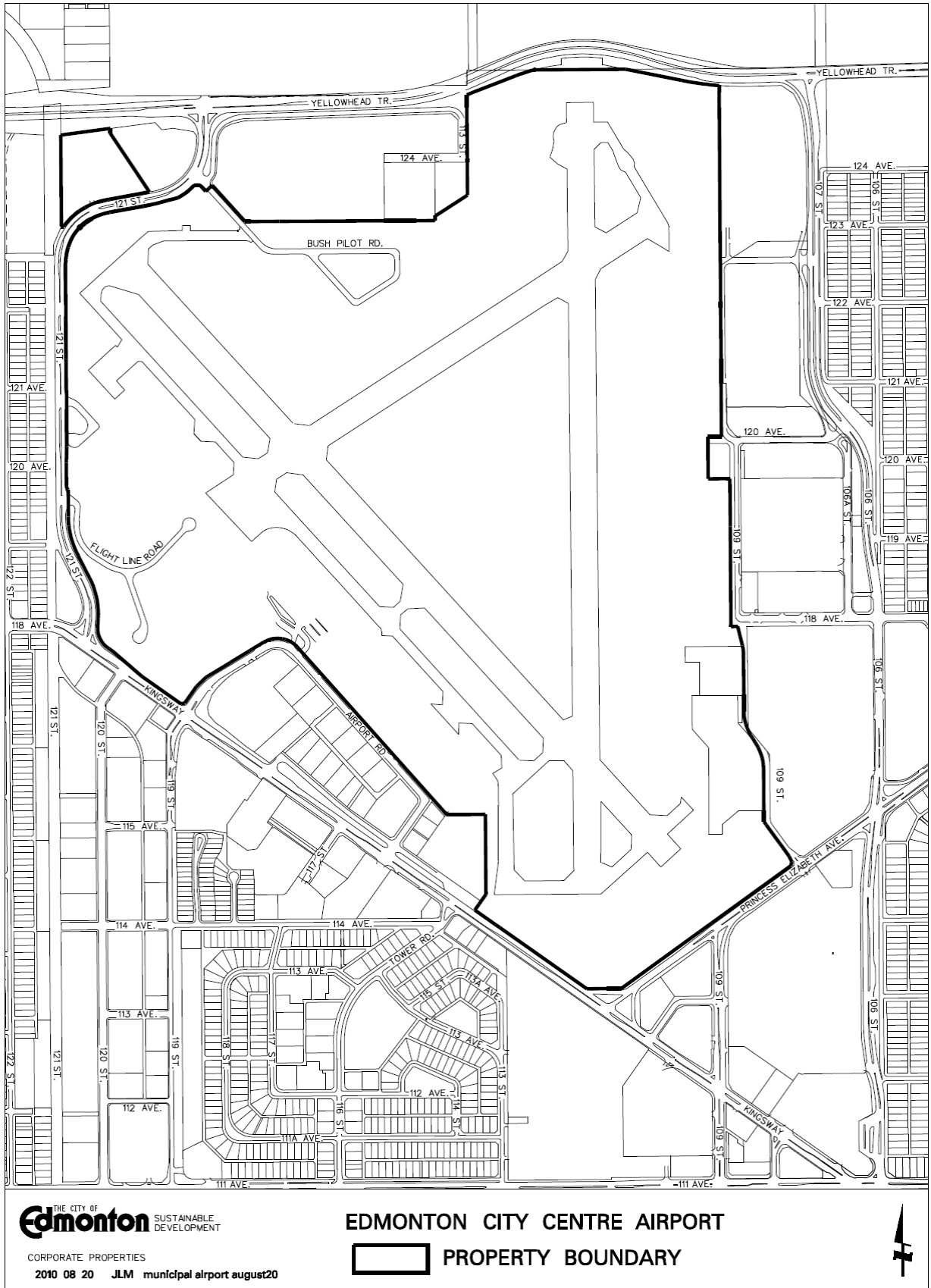
1. Commencement of expropriation proceedings is required in order to ensure vacant possession of the Subject Lands in a timely manner, to facilitate the implementation of the Area Redevelopment Plan and to facilitate the actual commencement of construction.
2. Utilizing Section 30 Agreements, where the Property Interest Holders are willing, will enable the City to acquire possession within acceptable time limits while leaving the Property Interest Holders their rights to compensation under the *Expropriation Act*.

Attachments

1. Map of Edmonton City Centre Airport
2. Description of Registered & Unregistered Interests Required
3. City Centre Redevelopment Proposed Staging Plan

Others Reviewing this Report

- R. G. Klassen, General Manager, Sustainable Development
- L. Rosen, Chief Financial Officer and Treasurer
- R. Boutilier, General Manager, Transportation Services



Description of Registered & Unregistered Interests Required

The **CITY OF EDMONTON** is the registered owner of an estate in fee simple in the North Alberta Land Registration District, Land Titles Office, under Certificate of Title Number 992 303 040+1 and legally described as

DESCRIPTIVE PLAN 9220135
 BLOCK 6A
 LOT 2
 CONTAINING 216.54 HECTARES (535.08 ACRES) MORE OR LESS
 EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS
 A) PLAN 9925701 ROAD 0.003 0.01
 EXCEPTING THEREOUT ALL MINES AND MINERALS

ATS REFERENCE: 4; 24; 53; 17; W
 ATS REFERENCE: 4; 24; 53; 18
 ATS REFERENCE: 4; 24; 53; HB
 ESTATE: FEE SIMPLE

And municipally known as the City Center Airport Lands (the "Subject Lands")

Authorization is being sought to commence expropriation of the following known registered and unregistered, rights, titles and interests in part or all of the Subject Lands, including without limitation any other rights, titles, and interest or interests, either expressed or implied to part or all of the Subject Lands, as may become known to the City of Edmonton as the expropriating authority:

REGISTERED INTERESTS in the North Alberta Land Registration District, Land Titles Office, under the following registration numbers and names including but not limited to:

Registration Number	Nature of Registered Interest	Name
3164PU	Lease	Edmonton Flying Club
556RD	Lease	Edmonton Flying Club
892 019 880	Lease	North West Geomatics Ltd. (formerly Mantilla Industries Limited)
952 192 825	Amending Agreement (Affects Instrument: 892 019 880)	North West Geomatics Ltd. (formerly Mantilla Industries Limited)
872 232 141	Caveat	Hamilton Aviation Ltd.
872 240 134	Caveat	The Board of Governors of the Northern Alberta Institute of

		Technology
892 036 167	Caveat	745284 Alberta Ltd.
892 135 176	Caveat	The Board of Governors of the Northern Alberta Institute of Technology
892 160 332	Caveat	689799 Alberta Ltd.
892 331 627	Caveat	Canadian Helicopters Limited
902 107 143	Caveat	Hamilton Aviation Ltd.
902 151 440	Caveat	Shock Trauma Air Rescue Society (formerly Alberta Shock Trauma Air Rescue Society)
902 282 081	Caveat	Shell Canada Limited o/a Shell Canada Products
912 020 200	Caveat	Imperial Oil Limited
912 089 650	Caveat	Enbridge Pipelines Inc. (formerly Interhome Energy Inc.)
912 218 367	Caveat	The Board of Governors of the Northern Alberta Institute of Technology
912 289 224	Caveat	A.M.E Aeroworks Services Ltd.
952 316 748	Caveat	Shell Canada Limited o/a Shell Canada Products
952 316 749	Caveat	Shell Canada Limited o/a Shell Canada Products
952 316 750	Caveat	Shell Canada Limited o/a Shell Canada Products
962 081 513	Caveat	Edmonton Regional Airports Authority
982 014 897	Caveat	Airco Aircraft Charters Ltd. (formerly Airco Aircraft Salvage Ltd.)
982 026 588	Caveat	Celtic Land Development Corp.
982 146 178	Caveat	Hangar 11 Corp.
982 257 019	Caveat	Mifaco Inc.
982 257 020	Caveat	Mifaco Inc.
002 083 934	Caveat	Gibralt Capital Corporation
002 083 935	Caveat	Gibralt Capital Corporation
002 086 315	Caveat	Edmax Real Estate Inc.

002 107 134	Caveat	The Canada Life Assurance Company
002 107 135	Caveat	The Canada Life Assurance Company
002 112 270	Caveat	Gibralt Capital Corporation
002 126 373	Caveat	The Canada Life Assurance Company
012 057 847	Caveat	The Board of Trustees of the Edmonton School District No. 7
012 106 120	Caveat	Canadian Western Bank
012 106 121	Caveat	Canadian Western Bank
012 124 362	Caveat	Canadian Western Bank
012 194 310	Caveat	Imperial Oil Limited & McColl-Frontenac Petroleum Inc.
012 353 085	Caveat	Edmonton Flying Club
022 227 777	Caveat	Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)
022 227 778	Caveat	Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)
022 227 779	Caveat	Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)
022 227 780	Caveat	Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)
022 227 781	Caveat	Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)
032 147 296	Caveat	Geographic Air Survey Ltd.
042 256 267	Caveat	Centennial Flight Center Inc.
042 327 781	Caveat	Nova Hotel Properties Ltd.
052 334 655	Caveat	UMC Financial Management Inc.
072 020 970	Caveat	Venture Financial Corp.
072 020 971	Caveat	Venture Financial Corp.
082 184 272	Caveat	Robert A. Speidel
082 184 273	Caveat	1380192 Alberta Ltd.
082 184 274	Caveat	1380192 Alberta Ltd.
082 204 218	Caveat	Servus Credit Union Ltd.
082 204 219	Caveat	Servus Credit Union Ltd.

082 290 870	Caveat	Morningstar Air Express Inc.
092 284 282	Caveat	Business Development Bank of Canada
092 458 624	Caveat	Business Development Bank of Canada
102 098 672	Caveat	Royal Bank of Canada
112 103 764	Caveat	Ducey Avionics Ltd.
112 329 048	Caveat	Consolidated Civil Enforcement Inc.
112 392 023	Caveat	Hamilton Aviation Ltd.
122 116 362	Caveat	689799 Alberta Ltd.
122 376 679	Caveat	McEwen's Aviation Services, Inc.
5580FI	Utility Right of Way	Canadian National Railway Company (formerly Grand Trunk Pacific Railway)
7250NW	Utility Right of Way	ATCO Gas and Pipelines Ltd.
2818PF	Utility Right of Way	ATCO Gas and Pipelines Ltd.
2819PF	Utility Right of Way	ATCO Gas and Pipelines Ltd.
5554PD	Utility Right of Way	ATCO Gas and Pipelines Ltd.
5555PD	Utility Right of Way	ATCO Gas and Pipelines Ltd.
7817PS	Utility Right of Way	ATCO Gas and Pipelines Ltd.
892 233 313	Utility Right of Way	TELUS Communications Inc. [formerly Telus Communications (Edmonton) Inc.]
002 025 187	Utility Right of Way	EPCOR Water Services Inc.
002 025 188	Utility Right of Way	EPCOR Water Services Inc.
112 250 745	Utility Right of Way	EPCOR Water Services Inc.
122 265 543	Utility Right of Way	TELUS Communications Inc. [formerly Telus Communications (Edmonton) Inc.]
122 280 590	Utility Right of Way	TELUS Communications Inc. [formerly Telus Communications (Edmonton) Inc.]

AND

UNREGISTERED INTERESTS known at this time and as follows including but not limited to:

NAME	NATURE OF KNOWN INTEREST
Gordon Hunter Family Trust	Aircraft Parking License
Thomas Aircraft Maintenance Ltd.	Office Lease
Thomas Aircraft Maintenance Ltd.	Aircraft Parking License
Thomas Aircraft Maintenance Ltd.	Aircraft Parking License
997252 Alberta Ltd	Aircraft Parking License
997252 Alberta Ltd	Parking License
RS Line Contr. Co. Ltd.	License
Shell Canada Limited o/a Shell Canada Products	Office Lease
Shell Canada Limited o/a Shell Canada Products	License
Clean Harbors Energy and Industrial Services Corp.	Sublease
E-Z Air Inc	Sublease
E-Z Air Helicopter Training Inc.	Potential User
Advanced Paramedic Ltd.	Sublease
Canadian Helicopters Limited	Lease
The Bank of Tokyo Canada	Mortgage
Airco Aircraft Charters Ltd.	Land Lease
Celtic Land Development Corp	Land Lease
Hangar 11 Corp.	Land Lease
Hangar 11 Corp.	Parking License
Canada Air R.V.	Approved subtenant
Centennial Flight Centre Inc.	Building Lease
Canadian Utilities Limited	Office Lease
Canadian Utilities Limited	Hangar License
NAV Canada	Lease
1222663 Alberta Ltd. (Edmonton Flying Club)	Land lease
Mifaco Inc	Land Lease
Shaw Television G.P. o/a Global Edmonton	Sublease
Hamilton Aviation Ltd.	Lease
McEwen's Aviation Services Inc	Sublease

Alberta Central Air Ambulance Ltd.	Sublease
Western Canadian Oilsands Inc.	Sublease
Western Air Rescue Ltd.	Sublease
Geographic Air Survey Ltd.	Sublease
Imperial Oil c/o Imperial Oil Limited	Land Lease
Gibralt Capital Corporation	Lease
Gibralt Capital Corporation	Parking Lease
Sun Life Assurance Company of Canada (formerly Clarica Life Insurance Company)	Mortgage
The Board of Trustees of the Edmonton School District No. 7	Sublease
Shell Canada Limited o/a Shell Canada Products	Lease
Imperial Oil Limited & McColl-Frontenac Petroleum Inc. o/a Imperial Oil	Land Lease
Daniel Klemke Foundation	Land Lease
745284 Alberta Ltd	Lease
Confederation Life Insurance Company	Mortgage
Zeebest Plastics of Canada Inc.	Indemnitor
Denille Industries Ltd.	Sublease
Imperial Parking Canada Corporation	Parking Lease
Edmonton Regional Airports Authority	Lease
1380192 Alberta Ltd.	Sublease
Venture Financial Corp.	Mortgage
Edmax Real Estate Inc.	Lease
The Canada Life Assurance Company	Mortgage
Edmonton Regional Airports Authority	Potential User
Infinity Flight Services Ltd. o/a InfnitAir	Potential User
The Workers' Compensation Board	Potential User

Epic Photography Inc.	Potential User
Celtic Homes Inc	Potential User
Aircore Industries Ltd	Potential User
Alpha Aviation Fuel Ltd.	Potential User
Instant Storage Inc.	Potential User
Pro-Land Asset Management Corp.	Potential User
Pro-Land Developments Corp.	Potential User
Business Care Corp.	Potential User
KutWerks Corp.	Potential User
Venture Financial Corp.	Potential User
Instant Storage (Edmonton) Inc.	Potential User
ARV Leasing Corp.	Potential User
Auto Buy Corp.	Potential User
892085 Alberta Ltd. [formerly E-Tray (Edm) Corp.]	Potential User
Airstart (YXD) Corp.	Potential User
Airstart Corp.	Potential User
ARV Manufacturing Corp.	Potential User
ARV Leasing Corp.	Potential User
Kitplane Corp.	Potential User
Dynamic Composites Inc.	Potential User
E-Boxen Inc.	Potential User
MGN Constructors Inc. (formerly Randall Industries Ltd.)	Potential User
Life Synergy Inc.	Potential User
Media Mainline	Potential User
Autobuy Leasing Corp.	Potential User
Integra Air Inc.	Potential User
Novex Helitrades Inc.	Potential User
Can-West Corporate Air Charters Ltd.	Potential User
Shanghai 456	Potential User
1454991 Alberta Ltd. o/a Wok's Up Express	Potential User
Cessna Pilot Centers	Potential User
Global Remote Sensing Inc.	Potential User
Air Spray (1967) Ltd.	Potential User
Airco Aircraft Charters Ltd.	Potential User
Air Mikisew Ltd.	Potential User
McEwen's Fuels &	Potential User

Fertilizers Inc.	
Foster Aircraft Maintenance Ltd	Potential User
541588 Alberta Ltd. o/a Mocan Oilfields Construction and Environmental	Potential User
Foster Aircraft Maintenance Ltd.	Potential User
Geographic Air Survey Ltd.	Potential User
BP Canada Energy Company	Potential User
Kenn Borek Air Ltd.	Potential User
Millar Western Forest Products Ltd.	Potential User
Millar Western Industries Ltd.	Potential User
Enbridge Pipelines Inc.	Potential User
ATCO Gas and Pipelines Ltd.	Potential User
Jazz Air Inc. (formerly Gateway Aviation)	Potential User
KMC Mining Corporation	Potential User
Klemke Mining Corporation	Potential User
Thomas Aircraft Maintenance Ltd.	Potential User
Morningstar Air Express Inc.	Potential User
Morningstar Air Partners Ltd.	Potential User
Morningstar Air Corporation	Potential User
Shell Canada OP Inc.	Potential User
Jo-Di Construction Ltd.	Potential User
Venture Leasing Corp.	Potential User
Self-Storage 2012 Ltd.	Potential User
Capital Region X-Ray Ltd.	Potential User
Capital Region MRI Ltd.	Potential User
Capilano Office Services Ltd.	Potential User
1524416 Alberta Ltd.	Potential User
M & M Glass Ltd.	Potential User
5 th Avenue Investments Inc.	Potential User
Aeromedical Emergency Services (1988) Ltd.	Potential User
Airsprint Inc.	Potential User
Alberta Health Services	Potential User

Inter-Pro Property Corporation	Potential User
Newton Aviation Services Ltd.	Potential User
NC Services Group Ltd. and/or Northern Crane Services Inc.	Potential User
Pentastar Transportation Ltd.	Potential User
843420 Alberta Ltd. o/a Pilatus No. 238 Limited Partnership	Potential User
Special Air Services – Canada – Inc.	Potential User
Westcorp Properties Inc.	Potential User
Western Air Rescue	Potential User
Alberta Aero Engine Ltd.	Potential User

Henry Wyatt	Aircraft Parking License
Robert A. Speidel o/a Rob's Car Sales	Potential User
Laurie I. Wood	Potential User
Ron Wunder Financial Consultant	Potential User
Gerald White, CGA	Potential User

