

Quarterly Update of the Redevelopment of the City Centre Airport

Recommendation:

That the July 17, 2012 Sustainable Development report 2012SC0778, be received for information.

Report Summary

This report provides the quarterly update for the City Centre Airport Redevelopment.

Previous Council/Committee Action

At the July 8, 2009, City Council meeting, the following motion was passed:

That Council receive quarterly updates on actions and any arising liabilities from actions on the phased closure of the City Centre Airport.

Please see Attachment 1 for previous Council/Committee Action.

Report

This report provides updates in a number of key areas.

Phased Closure Status

- A date for full and final closure of the airport will be determined by City Council with input from Edmonton Regional Airport Authority at a point which the lands are required to support the Area Redevelopment Plan and the needs of the City.
- In 2010, Edmonton Regional Airport Authority surrendered to the City all of the leased premises comprising the Edmonton City Centre Airport,

aside from runway 12/30, and the associated infrastructure to permit the operation of a one runway airport on an ongoing basis.

- Runway 16/34 was decommissioned in 2010.
- The last scheduled flight was June 29, 2012.

Area Redevelopment Plan Process

- On May 16, 2012, City Council approved the Area Redevelopment Plan for this project. It embeds in a statutory plan, City Council's vision for the City Centre Redevelopment as contained in the master plan principles approved by Council on March 10, 2010.
- Perkins+Will is completing the detailed design concept and urban design guidelines for the redevelopment area. This will articulate the long-term development plan of the City Centre site, including land uses, roadway network, public open spaces and sustainability.
- As well, the zoning proposal and urban design guidelines for the first phase of development are to be available for approval in late fall 2012.

Proposed Plan

- The Perkins+Will plan (see attachment 7) specifically addresses and delivers on each of the March 10, 2010, City Council approved key planning principles for this redevelopment:

The Edmonton City Centre Airport Redevelopment will be:

- a working and learning sustainable community that significantly reduces

its ecological footprint, and empowers residents to pursue a range of sustainable lifestyle choices.

- an inclusive community which offers a wide range of housing choices mixed with offices, restaurants, boutiques and services. A focus on the history and retention of the land's proud aviation legacy will be seen in the preservation of historic buildings and hangars, in a manner complementary to the development of a vibrant, transit-oriented, mixed-use community.
- a lifestyle community where the health of its citizens is improved by the quality of life afforded in this walkable centre, which has been designed with input from Alberta Health Services.
- home to a new city level park with excellent LRT/transit access that will be a major attraction in our City.
- a way to provide short, medium and long term opportunities to learn more about sustainable community building, which can be applied to other Edmonton developments, providing an asset to our businesses, post-secondary education institutions and future employment opportunities.
- a means to strengthen surrounding neighborhoods, the downtown area and businesses in the immediate area.
- a way to achieve a major reduction in Edmonton's environmental footprint from energy, heat and waste materials. A way to promote water conservation and recycled water use, stormwater reuse, urban agriculture.
- a means to increase LRT ridership.

- an opportunity to take advantage of existing arterial roads and underground infrastructure.
- an opportunity to attract the interest of people from around the world to Edmonton as a place to live, play or conduct business.

Plan Implementation

- This is not a business as usual plan; it goes significantly beyond what typical developments would have in many components, such as the development of a new city level park, urban agriculture opportunities, and sustainability targets.
- With advancement of the desired detailed design considerations, the cost and revenue projections for the proposed plan will be developed for Council consideration.

Sustainability / Key Infrastructure

- For key sustainable infrastructure elements, please refer to attachment 3.

Social Sustainability

- For Social sustainability elements, please refer to attachment 4.

Economic Sustainability

- For Economic sustainability elements, please refer to attachment 5.

Timelines and Targets

- May 16, 2012: City Council Approval of Area Redevelopment Plan received.
- Fall/Winter 2012: Finalization and approval by City Council of the detailed planning design work to fulfill the Plan and zoning that is to be applied to the first phase of the development.

- Summer 2013 is anticipated Detailed Construction design for Phase I of the development, with 2014 anticipated for first shovel in the ground.

Medevac

- On May 5, 2011, the Health Quality Council of Alberta released a report providing recommendations that should be considered when moving Medevac to a dedicated facility at Edmonton International Airport. The recommendations in this Health Quality Council of Alberta report are being addressed.
- Government of Alberta, including Health and Finance and Edmonton Regional Airports Authority have been engaged in discussions towards establishing a new dedicated air ambulance facility at Edmonton International Airport, which would provide patient care response efficiencies through on-site collaboration of ground, fixed, and rotary winged transport.
- STARS have secured its own new facility at Edmonton International Airport with collaboration between rotary and fixed wing working together.
- Air ambulance services wish to continue to operate from Edmonton City Centre Airport until these services are consolidated at Edmonton International Airport.
- The City was previously advised that the Province would be able to facilitate the relocation of Medevac and their own operations within one year of receiving notice. The City has not provided notice to date.
- Edmonton Regional Airports Authority advises that land is available at Edmonton International

Airport and at Villeneuve where a tenant/Medevac could design and construct a new hangar sufficient to replace their existing space at Edmonton City Centre Airport, within one year.

- The Province has requested that the City provide them with a targeted date for full closure of the Edmonton City Centre Airport in order to effectively manage the transition of Medevac operations from Edmonton City Centre Airport to the Edmonton International Airport.
- Protocols exist for air ambulance diversions from Edmonton City Centre Airport to the Edmonton International Airport, where a ground ambulance is kept ready for Medevac flight needs, as required.

Purchases

- There has been no change in the number of purchases since the last quarterly status report. Please see attachment 6 for background information.

Environmental

- The environmental report is currently advancing through the appropriate review process.

Legal

- Envision Edmonton's appeal of the decision to dismiss their application for judicial review with respect to the timeline for filing the petition was heard by the Alberta Court of Appeal in January.
- On June 20, 2012, the Alberta Court of Appeal dismissed the appeal and agreed with the Court of Queen's Bench that the City Clerk's decision to reject the petition because it was too late was reasonable.

- The City has been served with lawsuits brought by the Edmonton Flying Club, Airco Aircraft Charters Ltd. and the Morningstar group of companies. Statements of Defence have been filed in all of the lawsuits.

Policy

- Land Development Policy C511

Corporate Outcomes

- The City Centre Redevelopment project reflects the goals identified in Council's Vision.

Attachments

1. Previous Council/Committee Action
2. Public Consultation and Communication
3. Sustainability/Key Infrastructure
4. Social Sustainability
5. Economic Sustainability
6. Purchases
7. CCR Proposed Plan

Others Reviewing this Report

- L. Cochrane, General Manager, Community Services
- D. H. Edey, General Manager, Corporate Services
- L. Rosen, Chief Financial Officer and Treasurer
- R. Boutilier, General Manager, Transportation Services

Previous Council/Committee Action

At the July 8, 2009, City Council meeting, the following motions were passed:

- That a phased closure of the Edmonton City Centre Airport be approved, and the City Manager negotiate with the Edmonton Regional Airport Authority to immediately amend the lease agreement to entrench the following activities as part of Phase 1 of closure:
 - Immediately undertake to close runway 16-34 and adjust general aviation business activities to accommodate a one-runway airport, with Medevac service to be maintained at this time.
 - Determine the parcel of lands adjacent to runway 16-34 which can, once air services on this runway cease, be surrendered to the City.
 - Conduct a Phase 2 environmental analysis on these lands as well as a remediation plan.
 - Work with ongoing users to mitigate impacts, ease immediate transitions and work with users to develop a suitable business plan to operate Edmonton City Centre Airport as a going concern until final closure date is determined, and ensure that upon the expiry of the current licenses in regards to scheduled air service that no renewals are negotiated.
- That prior to a final closure date being determined and as part of a Phase II, Edmonton Regional Airport Authority to have completed work with Alberta Health Services on long-term system design to facilitate Medevac operations at Edmonton International Airport (or other regional airports).
- That a date for full and final closure of the airport will be determined by City Council during Phase II, with input from Edmonton Regional Airport Authority, at a point at which the lands are required to support the long-term land development plan and the needs of the City.
- That once the final closure date is set in Phase II, final environmental remediation of the remaining airport lands will occur followed by the final surrender of lands to the City following complete decommissioning of the airport.

At the March 10, 2010 City Council meeting the following motion was passed:

- That the Planning Principles for the City Centre Airport land, as outlined in Attachment 1 of the March 3, 2010, Asset Management and Public Works Department report 2010PW8753 be approved.

At the July 7, 2010, City Council meeting, the following motions were passed:

- That \$24 million be added to Airport Redevelopment (Capital Profile 10-16-2102) fund through Land Enterprise Retained Earnings in the interim, to facilitate the purchase of leasehold interests at the City Centre Airport.
- That the interim funding be recovered from related rental income and from the eventual development and sale of the lands in this project.

Public Consultation and Communication

- In building this plan significant consultation has occurred through/with: Councillor Krushell's primary Stakeholder committee which is comprised of representatives from surrounding neighbourhoods, business associations and major businesses and institutions from the immediate area. In addition meetings have been held with Builders, Developers, Affordable Housing people, Alberta Health Services, School Boards, Community Leagues, Business Associations, Mayor's Committee for the Arts and Taskforce on Sustainable Communities, Multicultural groups, and many others.
- Three rounds of public workshops, held October 11-13, 2011; February 13–16, 2012; and May 1-3, 2012 respectively, provided citizens the opportunity to offer input, advice and opinions on the project.
- Since September, 2011, Perkins+Will advises that meetings have been held with over 90 individual stakeholder groups, and during this time over 1,000 individuals have been consulted.
- The revised plan and associated presentations have been posted on the project website so the public can provide input electronically.
- Targeted communication to stakeholders will continue through quarterly status reports, media relations, stakeholder meetings, a newsletter and the City's website.
- These consultations have helped to shape this plan.
- Public endorsement for Council's vision of a sustainable, walkable, transit oriented community of approximately 30,000 people as embodied in the plans developed by the Perkins+Will team is very strong. The public has reiterated that the City must "stay the course" for this project.

Sustainability/Key Infrastructure

- An array of sustainability components are being pursued to ensure this project is world leading.
- Working groups at a variety of levels have been established to ensure that the critical infrastructure components are achieved at the highest level of sustainability and efficiency.
- We are pursuing creative opportunities to significantly improve Edmonton's environmental footprint and be economically viable.

Water

- EPCOR, through the franchise agreements, has the rights relative to water, waste water, and power distribution. A very positive working relationship has been established with EPCOR to ensure the best delivery of each of these. Reduction of water consumption and the reuse of waste water and stormwater are key focal points.
- The plan delivers a strong stormwater management plan with all stormwater captured in the large storm water ponds in the central park.

Waste Material

- The City is already a global leader in waste management.
- The Perkins+Will plan proposes an underground vacuum driven waste management system for City Centre Redevelopment, which would reduce the number and size of collection vehicles on site, contribute to overall site neatness by eliminating most trash/recyclable set-out (bags, carts, bins). It also aligns with the narrower, limited use concepts for the secondary roadways within the development.
- This type of a vacuum system is integrated elsewhere in the world and will be subject to a more detailed financial and operational review.

Green Building Design

- The Green Building design standards are the front end piece of the District Energy system as quality and achievable Green Building Design standards reduces our environmental footprint and reduces the size of the District Energy heat and power plants for the overall development, resulting in a smaller capital investment.
- Green Building Design targets will be required on all buildings, which will significantly reduce their demands/costs for heat, power, water and waste. The creation of these design and construction standards will be regularly updated so that at the time of each new phase of development over the redevelopment lifetime new phases will continue to have leading edge building standards.
- Recent meetings with builders provide confidence that high level sustainable buildings are achievable and marketable.

District Energy – Power / Heat

- Power and Heat are proposed to be achieved through a District Energy system. This opportunity is at the heart of the community's ability to achieve a world leading position relative to our environmental footprint.
- Through consultations with Perkins+Will and various utility providers it has been clearly stated that the City should be able to arrange a contract that has a utility company responsible for all capital, operating and maintenance costs and provide heat and power to the entire community at competitive rates.
- Through the District Energy system there may be an opportunity for royalties back to the City, especially through off site sales of heat / power.
- Perkins+Will have proposed a biomass system and possibly a deep geothermal system to achieve the use of 100 percent renewable resources and effectively a world leading position on carbon dioxide emissions.
- To achieve the above on day 1 of the project, it will have an impact on a utility company's proposed system and possibly its costs to the City. Please see a few bullets down for further information associated with an Expression of Interest that is to be submitted to potential District Energy Utility providers.
- A biomass plant burns renewable waste materials to produce power and through this process it produces significant waste heat. This waste heat is used to heat the buildings and perhaps other spaces on site.
- A guaranteed consistent supply of waste material is at the heart of any biomass system.
- Gold Bar's dry biosolids and Cloverbar's wood waste are each viable as supply materials, however, if City Centre Redevelopment was fully built out today there is insufficient supply from these two sources to fully supply the biomass needs of City Centre Redevelopment.
- Gold Bar's biosolids may be best suited for biomass plantations as fertilizer and harvest that material for use here.
- Deep geothermal uses heat from deep inside the earth to turn turbines to create power. Both the heat and power could be used on site and possibly offsite.
- In addition to providing heat and power to the consumers on site is the opportunity for possible off site sales of heat to other large consumers, the Royal Alexandra hospital, NAIT, Kingsway Mall, etc. and the sale of power produced on site back to the grid.
- There have been no agreements with any of these possible users at this time. Discussions / negotiations would occur as the project moves forward.
- An Expression of Interest will be submitted to the utilities market in July 2012. Ultimately the best system will be chosen from the submissions made through the Expression of Interest and the subsequent Request for Proposals. The choice will be performed with full consideration of economic viability and environmental benefits.
- A utility company will base its submission on the best system to achieve Council's sustainability goals, including financial viability, and the anticipated building loads they will service and when these building loads are likely to come on stream.

- Initially there will be very few buildings on the City Centre Redevelopment site and they will be constructed to a higher sustainability level to reduce their heat and power requirements.
- As future phases come on stream or if NAIT, Kingsway Mall, the Royal Alexandra Hospital or other major offsite users were to agree to tie into the system this would increase the power and heat demands.
- Discussions are underway with NAIT to potentially partner on low density demonstration units built to the highest levels of sustainability and on developing the best District Energy systems for NAIT and for the City Centre Redevelopment.
- The City has an opportunity for funding via P3 Canada associated with the District Energy System.
- Each of the above components will impact the type of system proposed and the potential terms of an agreement with the City.
- To fulfill the Perkins+Will plan with a District Energy System, a Water reuse system and the underground vacuum waste collection system, an issue that needs to be addressed is the number of additional pipes that are proposed to be put into the road right of way.
- With narrower road right of ways to achieve a more walkable community, the number of utility lines that need to be fit into these right of ways requires consideration / resolution.

LRT

- The LRT is to be operational to the NAIT temporary station in 2014.
- An approximately 300 metre LRT track extension north of the temporary station has been approved for planning and design, with construction only able to occur after the airport ceases to operate.
- Discussions between the City Centre Redevelopment Project Office, Perkins + Will and the Northwest LRT planning team and their consultant have been ongoing with respect to LRT alignment, cross sections of road and LRT, and the number of stations and their locations within the City Centre Redevelopment lands.
- The CCR project office will continue working with Transportation and City Council regarding the best timing and budgeting for the construction of subsequent LRT track and stations.
- The plan identifies a strong Transit Oriented Development form of housing and mixed uses (retail / residential and institutional) to work with the proposed two LRT stations on the east side of the park. The approximate alignment of the future LRT line and its southern (NAIT) station are shown on the Plan in Attachment 2.
 - This plan shows three stations, the decision to go with 2 stations was made just prior to the submission of this report. The second station will be located between the shown middle and northern stations. This two station option was approved by the City Centre Redevelopment Steering Committee.
- The ultimate decision as to when to build the LRT to the second station would take into consideration:
 - absorption rates for the type of units to be built around the station and parking requirements within these buildings if the LRT was not in place at the time of the

- buildings completion (including recognizing the anticipated competing supply of similar type products available over the next 5 to 6 years);
- the benefits of having the LRT in place to the second station to the different phases of the overall redevelopment plan.
- the costs of the LRT construction, and its alignment with the overall staged implementation of the City-wide LRT Network Plan and the NW LRT in particular,
- Availability of funding through Council approved Capital budget.

Transportation / Parking

- The road system through the plan is defined by Perkins+Will as a fine grain system which disperses traffic through multiple smaller streets rather than fewer larger streets resulting in shorter block lengths. Combined with parking along the streets this will slow traffic speeds and provide a more walkable community.
- Perkins+Will advise that the alignment of the streets has been designed to mitigate the cold northwest winter winds and the smaller block sizes make the community more comfortable to walk or bike in all seasons. Its goal is to minimize the use of the car and maximize walking, biking, and public transit opportunities.
- A parking strategy is being developed to reduce the total number of parking stalls required for the development and still provide adequate parking for all users. This strategy would allow purchasers of units to choose if they want to buy a parking stall or not. With the cost to construct underground stalls in excess of \$40,000 per stall, this can be a significant saving to a purchaser.

Social Sustainability

- Social sustainability is being addressed in a variety of ways. An arts and culture strategy is being developed, Alberta Health Services is being consulted and a generous parks system, including a series of lakes, walkways, bikeways, multi-use trails, and an effective transit system are proposed, all of which will provide a healthy environment for residents and visitors to enjoy.
- Affordable Housing opportunities will comprise 20 percent of the housing mix.
- Family oriented housing has been a focal point of the plan.

Parks and Open Space

- The Perkins+Will plan provides a new City Level park with excellent LRT / transit access. With the amenities proposed for this park and its open spaces it could be a major attraction in our City.
- The proposed park and open space component comprises approximately 74 hectares. Of this area approximately 59.6 hectares (which includes about 11.5 ha of stormwater lakes) is the proposed City Level park, 8.25 hectares are local parks and 6.1 hectares are identified for urban agriculture in the west residential district of the plan, known as the Agrihood.
 - The urban agriculture lands should be treated consistently with the City's developing Food and Agriculture strategy.
 - Still to be addressed is whether the urban agriculture lands will ultimately be privately held or community held and will the value of these lands be contributed by the City towards achieving the Food and Agricultural strategy, as these lands are not saleable development land as presently identified.
- This Park will be a major draw for the absorption of units in this area and adds significantly to the quality of health and enjoyment of the people who live in the area and who visit the park from other areas of the City.
- The plan identifies an array of public space amenities ranging from a skater's pond (the northern most lake), a major hill (north of the skater's pond), a storm water pond system with natural landscaping along its west side and a more urban edged boardwalk along its east side.
- A park of this magnitude and amenities would be a green jewel in this part of our city with excellent access from nearby neighborhoods and via the LRT, the City's transit and road system to people from around the City.

Economic Sustainability

- City Centre Redevelopment expects to generate 10,000 to 12,000 jobs on site, contributing to the economic sustainability of the project. Commercial, retail and institutional uses will complement the residential component to create a true mixed-use community.
- From individuals to major corporations, interest has been expressed to purchase or be a part of the City Centre Redevelopment development.
- NAIT is in discussions to potentially acquire and develop with student residences, recreation facilities and education facilities approximately 11.5 net hectares from the City Centre Redevelopment site.
- A major Alberta corporation has identified a strong desire to construct a new state of the art sustainable 400,000 square foot office building for approximately 1,100 employees on the City Centre Redevelopment site.
- Interest has been shown from a major developer to acquire a significant position in the retail High Street area of the Town Centre.
- Interest has been expressed by builders of high quality sustainable residential product to be involved with this project.
- A strategic alliance with key builders will be pursued, with builders having the opportunity to submit through a transparent process their product to achieve key city goals of:
 - Family oriented units
 - Affordable units
 - Sustainable buildings
 - Architectural design
 - Creative living space design
- For those successful builders it would provide them with a longer term position in this development and therefore a vested interest in the development's success along with the city and with the unit owners. Leading edge sustainable living and building construction will lead to:
 - new jobs in this expanding field.
 - education opportunities in sustainable living and construction enhancing the knowledge base.
 - provide Edmontonians with an opportunity to continue to develop skills at a world leading level which can be applied in Edmonton or elsewhere.
 - focus world attention on Edmonton and the expertise that is developed here, this focus was initiated by the City's international RFP competition.
- The purpose of this development is to achieve Council's vision, as expressed in the Key Planning Principles of a 30,000 person world leading sustainable development. Our goal is to continuously have the development be world leading throughout the full duration of its build out.

Purchases

- There has been no change in the number of purchases since the last quarterly status report.
- The City has acquired five leasehold aviation interests at the City Centre Airport totaling \$14.5 million (STARS, SPAR Aerospace Ltd., Canadian Helicopters Ltd., Edmonton Regional Airport Authority, and Celtic Land Development Corp.).
- Negotiations continue with four aviation tenants who are directly tenants of the City.
- Three additional aviation tenants remain non-responsive to the City's negotiation attempts.
- The City has acquired the Yellowhead Trail lands from Canadian National Railways for \$9.95 million, funded through Transportation Services.