

Cost Shared Industry Park Development Request

Recommendation:

That Executive Committee recommend to City Council:

That Capital Profile 12-17-1066, Advanced Park Development Partnerships, be added to the 2012-2014 Capital Budget, in the amount of \$10 million, with funding from:

- \$8 million in developer financing
- \$2 million in funds in lieu of reserves.

Report Summary

This report recommends funds be approved to support cost shared park development projects in the 2012-2014 period.

Report

Background

Most municipal reserve parks in the City have been built to a base level standard by the City. The City then often partners with community organizations and grant funding agencies on shared level amenities (e.g. playgrounds). Approvals for both levels of park development occur through the City Capital Budget.

While the *Municipal Government Act* does not permit municipalities to charge off site levies to fund municipal reserve park development, developers can enter into legal agreements with the City on a voluntary basis to build park sites. In the past, developers have on occasion fully funded public park development (through servicing agreements) and

have also built amenities on private lands maintained by Homeowners Associations.

The recently concluded City/Urban Development Institute Efficiencies Initiative has evolved into a number of on-going working groups, including a Parks Working Group. In the past six months, industry and Administration have worked to facilitate more developer-contributed assets on municipal reserve lands on a partnership basis that benefits the City, community and individual developers. A draft framework is nearing completion and will be brought forward to Council later this year following its review by the Urban Development Institute and the Edmonton Federation of Community Leagues.

The key principles include:

- Cost sharing park development with the industry on park sites negotiated on a site-by-site basis depending on the needs of the site and developer.
- Expediting Administrative review processes to accommodate developer construction timing.
- Changing construction approval processes to address both Administration and industry construction and operational issues.
- Modify standards (e.g. servicing, increased soil retention where appropriate, etc) to incentivize developers to participate.
- Administration and industry will collaborate to create unique landscapes that are cost effective to maintain.

Parks will be built sooner in the lifecycle of a neighbourhood, and the City will pay less for the initial park development costs. Based on our experiences thus far in 2012, there should not be a significant increase in operating costs beyond what we would normally incur for a new park site.

In accordance with the above, there could be agreements for five park sites in four neighbourhoods (Allard, Rosenthal, Chappelle (two) and Windermere) starting in 2012/13 and finishing in 2013/14. Others may be added as developers come forward, subject to budget availability and development timing. Agreements in preparation include mostly base and shared level park amenities.

Budget Request

Currently, there is no specific budget profile identified to fund the City's share of the costs (soil augmentation, post Construction Completion Certificate stage). The Urban Parks Management Plan considers parks to be basic infrastructure for the development of complete, livable communities.

Approval of this budget adjustment will allow Administration, industry and the community to clarify framework processes and benefits. If significant costs savings are realized to City budgets, a further reallocation of funds may be requested in the future, subject to funding availability.

This budget adjustment does not bind the City to any specific agreement until internal and external stakeholders agree there are mutual benefits for each site. Nor does the budget adjustment bind the City to the draft framework. The budget adjustment allows Administration to take advantage of opportunities for

new park construction largely funded by developers beginning in 2012. All applicable City policies will be followed with respect to delegation of authority. Financial Services and Utilities and Law Branch will review and approve agreements as they come forward. Community Services, as the operating department, will be consulted on plan development and the development of agreements.

Making the request for funding support now before the framework is finalized with Council will allow Administration to capitalize on available funding from developers in 2012. The intent is not that this funding approval predetermines Council position when the full framework is brought forward for discussion.

Stakeholder Positions

Representatives from the Urban Development Institute and the Edmonton Federation of Community Leagues support the concept of the framework and this particular budget adjustment. Administration and representatives of both organizations look forward to completing the framework and its advancement to Council later this year.

Next steps

Should Council approve this budget adjustment:

- Administration will continue to develop other voluntary agreements with industry representatives to facilitate construction of these sites in 2012 to 2014.
- Administration will seek support of the broader framework by both the Urban Development Institute and the Edmonton Federation of Community Leagues, and approval by City Council later this year. As requested

by Council, the framework will be accompanied by observations and experiences gained through the negotiations and park construction completed at the time of writing.

Policy

The Way We Grow, Edmonton's Municipal Plan:

- Policy 4.2, Parks and Public Facilities

Corporate Outcomes

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

- Improve Edmonton's Livability

Budget/Financial Implications

The \$10 million in project funding will be allocated from the following sources in 2012-2014:

- \$8 million of developer financing that will be secured by legal agreements.
- \$2 million of funds in lieu of reserves.

If developer funds are not secured, City funds will not be expended.

Expenditure of funds will be based on City and developer funding availability and must fulfill needs identified in the Urban Parks Management Plan.

Expenditure of reserve funds for this purpose would be a priority given the significant contributions of the developers. Funds are available in the accounts for this purpose.

Reserve funds are spent as per the mandates of the *Municipal Government Act*. They can be spent for parkland land acquisition and development. The use of the funds was last articulated in Policy C468, Policy to Govern the Use of Funds from the sale of Surplus School Sites. Use of reserve funds for land acquisition and development was

passed by City Council resolution on April 16, 1984.

Operating budget impact will approximate \$0.3 million beginning in 2013 if all parks are built. New parks will be identified by Sustainable Development for Community Services to include in the 2013 operating budget request.

Justification of Recommendation

These funds will facilitate parks being developed earlier in the lifecycle of a neighbourhood, which benefits all stakeholders.

Attachments

1. Advanced Park Development Partnership Profile

Others Reviewing this Report

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