

Quarterly Update on the Redevelopment of the Edmonton City Centre Airport

Recommendation:

That the April 27, 2011, Asset Management and Public Works Department report 2011PW6105-3, be received for information.

Report Summary

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

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.

Report

This quarterly update provides information regarding the status of the Request for Proposal design competition, public consultation and communication, timelines and targets, phased closure of the airport, Medevac, environmental analysis, purchases, legal and financial matters.

Request for Proposal Design Competition for City Centre Redevelopment

- The purpose of this competition is to select a team to produce a Master Plan for the Edmonton City Centre Redevelopment.

- Submissions from the five short-listed teams were received on January 21, 2011. The Selection Committee (Attachment 1) conducted interviews with each of the five teams on February 16 and 17, 2011.
- After receiving and considering comments from the public, reviewing the transcripts of the interviews, and reviewing clarification material from the five teams, the Selection Committee reconvened on March 29, 2011, and reached consensus.
- On May 18, 2011, City Council will receive for deliberation the Selection Committee's recommendation, including the fee proposal to complete the Master Plan process.

Public Consultation and Communication

- At the February 15, 2011, media launch, the display placards and videos for the five teams were unveiled. This event kicked off the opportunity for the public to see and comment on this information. Local media coverage on February 15 and 16, 2011, was extensive and extremely positive in tone. The City received national coverage (Globe and Mail and other city daily newspapers), as well as international coverage (online and trade publications).
- The displays were available at City Hall for 11 days plus at five separate outside venues. It is estimated that 1,000 people came to see the displays, with 261 sheets filled out at the information sessions. The City's website had approximately 15,000 visitors and 270 online forms filled out for a total of 531 comment sheets. City Hall staff commented that this display had more visitors

than any other previous display at City Hall.

- The comments received from the public:
 - were provided to the Selection Committee to assist in its deliberations
 - will be provided to the successful team to consider during the 15-month Master Plan process
- Significant additional public consultation will occur once the Master Plan process is under way. This process will begin after Council has selected, and a contract is established with, the successful team.
- Targeted communication to stakeholders will continue through quarterly status reports, media relations, key stakeholder meetings, a newsletter and the City's website.
- The display materials remain on the City's website for viewing.
- Administration is working on creating a Transforming Edmonton Exhibition Space at City Hall that is intended to display information about transformative projects within Edmonton, such as the LRT expansion, City Centre Redevelopment and others.
- Master Plan for the entire property
- Area/Neighbourhood Structure Plan
- documentation for Zoning applications, including any proposed legislative or code amendments
- a Design Manual which articulates the entire process
- Summer 2013: Construction tenders to be let for Phase I of the development.
- Summer 2014: anticipated first shovel in the ground for infrastructure.

Phased Closure

- Runway 16:34 has been decommissioned. Some of the concrete material from this runway and Delta taxi-way is to be recycled beginning in May 2011 (see Attachment 2). This recycled material is required to facilitate the cost effective construction work associated with Indy.
- The Indy Car race will be moved to run on runway 16:34, along Bush Pilot Road and along Delta taxi-way.
- For the new track, some electrical lines and drainage flows are being realigned.

Timelines and Targets

- May 18, 2011: Council to approve the successful team and the value for the contract.
- Summer 2011: Contract to be secured with the successful applicant and work to commence on Master Plan.
- Fall/winter 2012: Completion of 15-month Master Plan process. Deliverables from this process include:

Medevac

- Air ambulance services will continue to operate from Edmonton City Centre Airport and the Edmonton International Airport until the Province of Alberta approves a permanent consolidation of these services to Edmonton International Airport.
- Alberta Health Services, Alberta Health and Wellness and STARS are moving toward a seamless transition

of air ambulance service to the Edmonton International Airport, which would allow for building and patient care response efficiencies through on-site collaboration of ground, fixed, and rotary winged transport. Protocols exist for air ambulance diversions to Edmonton International Airport, and Edmonton International Airport has a ground ambulance ready for Medevac flight needs, when necessary.

Environmental Analysis

- The Phase II Environmental Site Assessment on the east portion of Edmonton City Centre Airport site identified three locations where there are contaminants above acceptable criteria.
- A risk management approach is being applied to these sites, which means no remediation is necessary until such time as the site is redeveloped.
- Additional Environmental testing, including the west half, will be completed later and in coordination with the Master Plan process.

Purchases

- The City has acquired the:
 - SPAR leasehold interest (\$4.8 million)
 - STARS leasehold interest (\$4.5 million)
 - Edmonton Regional Airports Authority (ERAA) building #15 (\$1.35 million)
- The City reached agreement with Celtic Holdings to change its lease from aviation to non-aviation use, with the exception of one small area for a single pilot.
- Negotiations continue with a number of other tenants at Edmonton City Centre Airport.

- Negotiations continue with Canadian National Railways pertaining to an agreement for lands that were provided by CN for the construction of Yellowhead Trail.

Legal

- On January 19, 2011, The Honourable Madam Justice A. B. Moen ruled that the action for judicial review brought by Envision Edmonton against the City of Edmonton shall be severed into two parts. The First Question to be addressed by the court was whether Envision Edmonton filed the petition out of time pursuant to section 233(2) of the *Municipal Government Act R.S.A. 2000* (60 day rule). The City of Edmonton argued that it would save time and money for all involved in the judicial review if this was dealt with first.
- The hearing on the First Question occurred on February 10, 2011, and Chief Justice Wittmann issued his decision on March 4, 2011. He upheld the decision of the City Clerk that the petition was filed outside the 60-day time limit. The application for judicial review was dismissed.
- As of the writing of this report we have not been notified of any appeal of this decision.

Financial

- An agreement was reached and payment was made to Edmonton Regional Airport Authority to finalize the net revenues and expenses associated with continuing to run the airport.
- Separate from the cost of purchasing building #15 (noted under Purchases) the City paid Edmonton Regional Airport Authority approximately \$414,000. This included:

- retirement of Capital Loans to Edmonton City Centre Airport to finance capital improvements and equipment
- City receiving revenues from tenancies and prepaid rent
- calculating the net income from aviation revenues vs. expenses. Historically the aviation operation has been net neutral to Edmonton Regional Airport Authority
- The revenues and expenses associated with the City Centre Redevelopment project will be defined based on the concepts, land uses, densities, infrastructure requirements, etc. that will be clarified through the 15-month Master Plan process, which will follow Council's approval of the successful team.

Policy

Land Development Policy C511

Corporate Outcomes

The City Centre Redevelopment project reflects all of the goals identified in Council's Vision

Attachments

1. City Centre Redevelopment Selection Committee – Brief Bios
2. Site Plan

Others Reviewing this Report

- D. H. Edey, General Manager, Corporate Services Department
- R. G. Klassen, General Manager, Planning and Development Department
- L. Rosen, Chief Financial Officer and Treasurer

City Centre Redevelopment Selection Committee – Brief Bios

- **Todd Latham**, President of Actual Media Inc. a specialized business publishing, research and creative design company that produces ReNew Canada – the infrastructure renewal magazine and Water Canada - the complete water magazine. Mr Latham is a business communicator with broad industry knowledge and an extensive network in the environment, infrastructure and government sectors.
- **Christopher Henderson**, Chairman Emeritus, The Delphi Group & President, Lumos Energy, two of Canada's most forward-thinking companies in the domains of clean energy, climate change, environment and sustainability.
- **Mike Percy**, Dean of Alberta School of Business, U of A. Dr. Percy is the author / co-author of four books and numerous articles on public policy, serves on numerous boards, has been an active commentator on current public policy issues and brings a wealth of business and government knowledge to the table.
- **Trevor Gloyn**, past General Manager, Canada Mortgage and Housing Corp.'s Prairie and Territories region, where he was responsible for all CMHC activities in the region, including mortgage loan insurance, affordable housing and new home development, market analysis and research, information transfer and international export.
- **Lars Franne**, past Project Manager for Hammarby Sjöstad, Stockholm, Sweden, a development of over 10,000 homes in Stockholm that is regarded as one of the best examples of a built green city extension in the world. Mr. Franne was the Head of Planning for Stockholm City.
- **Andrew McCready**, President of McCready Consultants Ltd., has for 40 years specialized in facility issues: planning, strategy and management. He is a member of the Alberta Professional Planning Institute and is a Registered Professional Planner. He is also a Certified Facility Manager and in 2003 was elected a Fellow of the International Facility Management Association. He is a committed volunteer, both in his community and for his associations, presently as a member of the Edmonton Design Committee.
- **Simon Farbrother**, City Manager
- **Gary Klassen**, GM, Planning and Development
- **Rick Daviss**, Manager, Corporate Properties

Fairness Advisor

James McKellar, Professor and Academic Director of the Program in Real Estate and Infrastructure, Schulich School of Business, York University. Professor McKellar has consulted to businesses and governments in many parts of the world on Requests for Proposals of the nature of Edmonton's as well as real estate matters covering housing, development, finance and investment, asset management, and market performance.