

City Council March 2, 2011

Downtown Revitalization



Capital City Downtown Plan

A strong Downtown is key to a great city

Vision - to be sustainable, vibrant, well designed and accessible by managing opportunity and investment commensurate with its role as the heart of the City and the region.



Benefits of Downtown Revitalization

- Increase Urban Densities
- Increased Economic Activity
- Increased Tax Base
- Higher Land Values
- Improved Livability
- Improved Sustainability
- Clearer Expectations
- Showcase for Edmonton

How can revitalization occur?

- Initial investment in public infrastructure
- Catalyst projects
- Private Sector investment

A Community Revitalization Levy (CRL) is an option to fund public infrastructure

Catalysts – City Led

- Housing Incentive – Campus Warehouse
- Central Park - Campus Warehouse
- Main Street Revitalization - Jasper Avenue Vision
- River Valley Promenades
- Downtown LRT
- Integrated Bikeway
- Central Gathering Place - McKay Avenue
- Green Building Strategy
- Enhanced Public Realm

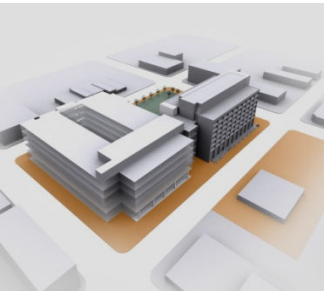
Catalysts - Concurrent



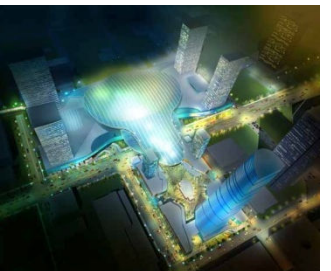
Capital Boulevard Upgrade



Legislature Grounds Redevelopment



Downtown Universities & Colleges



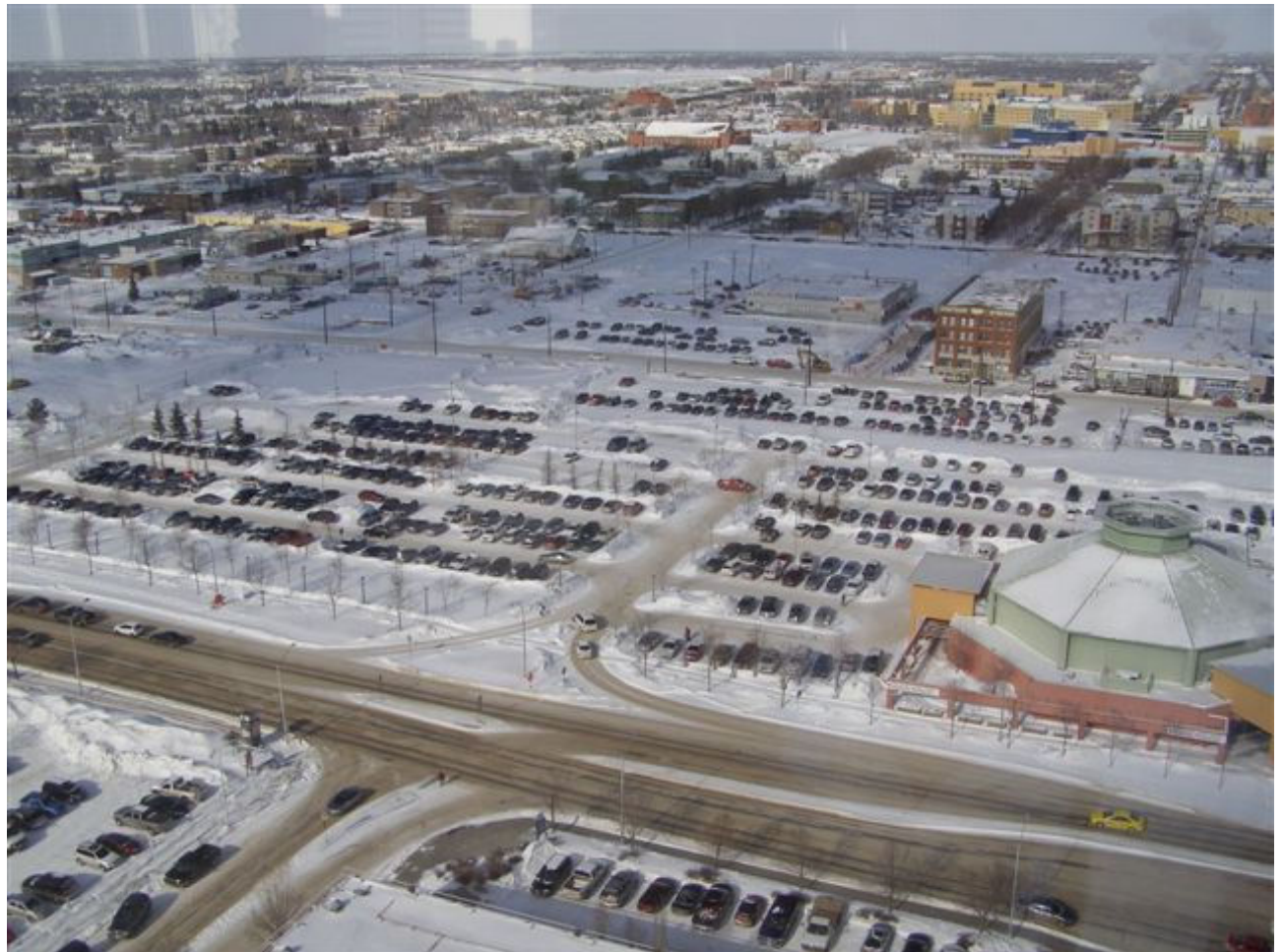
Sports and Entertainment District

Current Site

In the last 10 years has generated less than \$2 million in municipal tax

OR

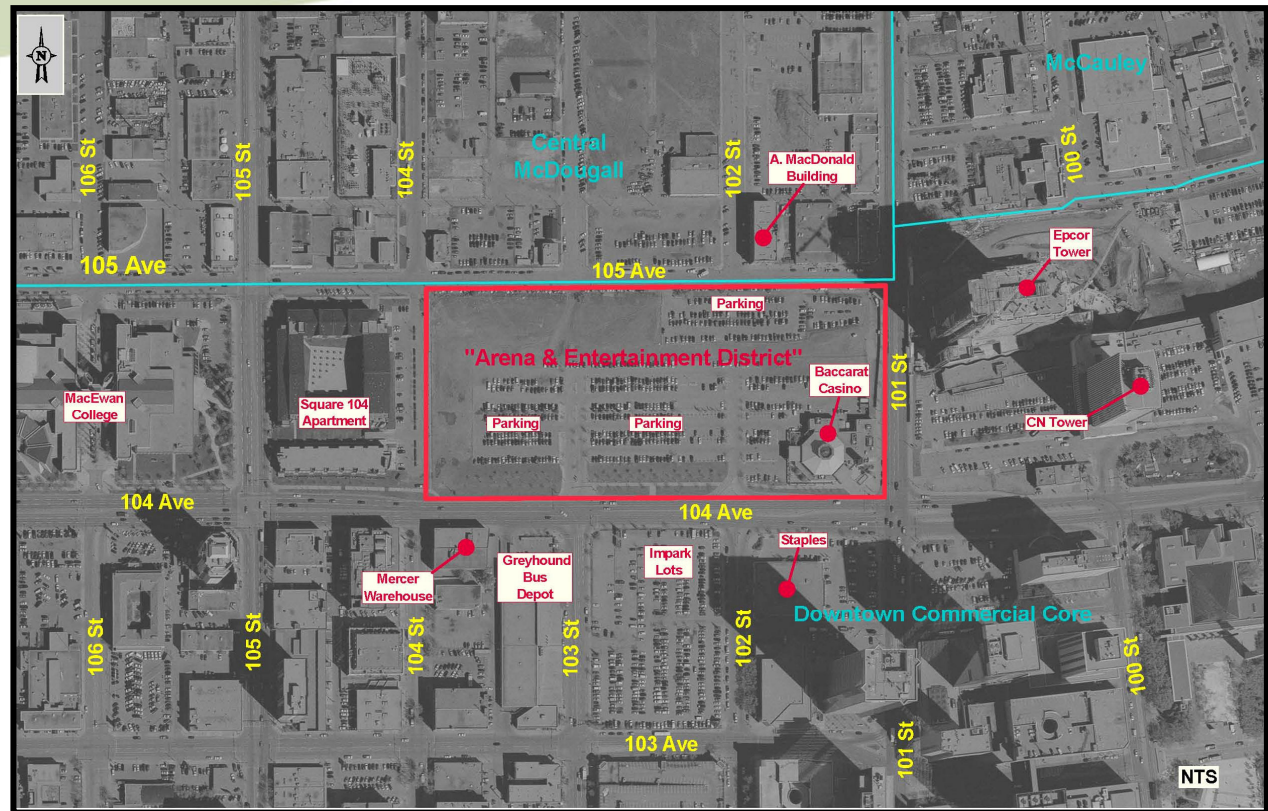
Average \$180,000 / year



Current Site

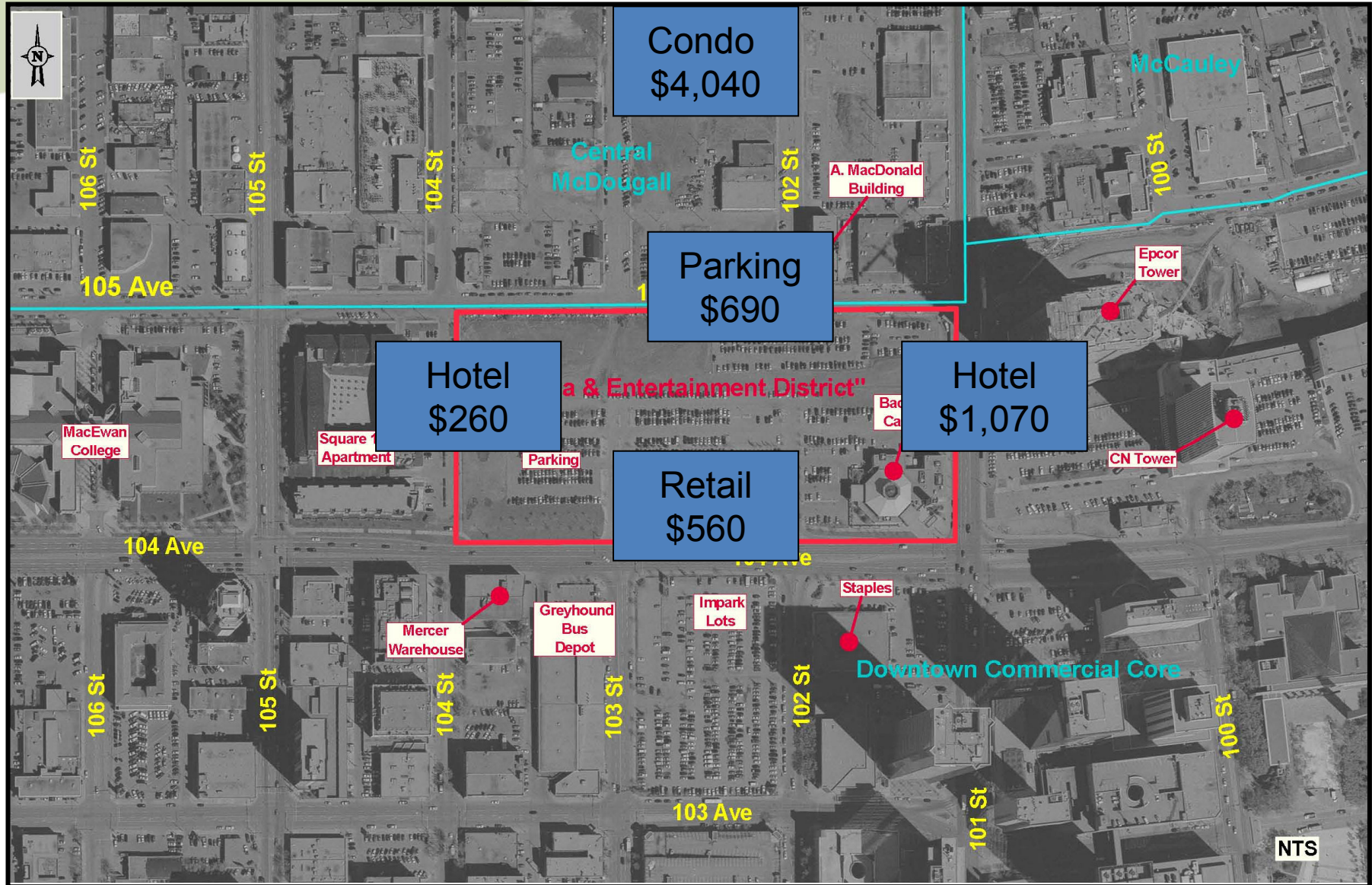


Arena Entertainment District



A revitalization of this area could contribute enough additional tax revenue over twenty years to pay for borrowing for \$160 million in initial infrastructure investment.

Sample of Potential Annual Tax Lift



Sample Annual “lift”

\$000's

	Muni Tax	Education	Total
Hotel (300 rooms)	\$870	\$200	\$1,070
Hotel (180)	\$210	\$50	\$260
Parking	\$560	\$130	\$690
Retail	\$460	\$100	\$560
Condo	<u>\$2,600</u>	<u>\$1,440</u>	<u>\$4,040</u>
	\$4,700	\$1,920	\$6,620

Currently these lands generate ~\$ 200,000 per year

Arena/Entertainment District CRL

- City invests \$125 million in arena – which is less than 30% of the projected \$450 million cost of the facility
- Private sector will invest in the arena and in other development as a result of the revitalization effort
- This development that would not likely have occurred without the catalyst project will increase the tax revenue for the area
- City repays initial investment
 - \$9.6 million per year at 4.5% interest

Borrow \$125 million repay \$192 million over twenty years

More on the CRL

- Initial investment of 30% of cost of public infrastructure in this case the arena
- Increased tax revenue pays for the initial investment (including cost of borrowing)
- After initial investment is repaid, the increased tax revenue goes to support other City programs and services.

What is the CRL Process?

- Council initiates the process
- Provincial approval is required Takes approximately one year
- Result – Municipality can use both the municipal and education portions for the property tax collect