

Strathearn Heights Redevelopment

Recommendation

That the December 11, 2019, Urban Form and Corporate Strategic Development report CR_7591, be received for information.

Previous Council/Committee Action

At the September 5, 2019, Executive Committee meeting, the following motion was passed:

1. That Administration prepare an unfunded capital profile, for consideration by Council during the 2019 Fall Supplemental Budget Adjustment deliberations, for the financial support of the Strathearn Heights Redevelopment.
2. That Administration provide an accompanying report outlining the engagement with the community and landowners, and potential revisions to the DC, benefits and risks to the City, and opportunities for de-risking the infrastructure component.

Executive Summary

The landowners of Strathearn Heights have withdrawn their request for financial support. Instead, they are examining the overall redevelopment approach of the site to improve its financial feasibility. Any change in the redevelopment concept will require site rezoning. With capital funding no longer being required, the project was shown as being removed from this list as part of the 2019 Fall Supplemental Capital Budget Adjustment.

Report

The owners of Strathearn Heights intend to redevelop the apartment complex between 87 and 90 Streets from 95 to 97 Avenues and are seeking the City's assistance to do so. To this end, the owners asked Executive Committee on September 5, 2019 for support in the amount of \$11,100,000 to offset costs associated with the design and construction of public infrastructure.

Following this request, Administration and the owners discussed possible approaches for changes to the current zoning applied to the site. On October 11, 2019 Administration received a letter stating the owners are withdrawing the request for

investment from current budget deliberations and intend to improve the site's redevelopment prospects by pursuing key changes to the land use zoning in place for the site.

Landowner Update to Community League

On November 12, 2019, the owners sent a letter to the Strathearn Community League providing an update on their recent conversations with Executive Committee and Administration seeking the City's support to advance redevelopment of the site. In the letter the owners noted that, instead of seeking monetary assistance from the City, they would focus on potential changes to the Direct Control Provision to make the redevelopment financially feasible. The letter described the project concept and outlined a commitment by the owners to pursue transit supported development, create a sense of community and a permeable development with access into and through the site. While the owners noted that more work on their part is necessary to engage in pre-application consultation, they offered to meet with the Community League at to discuss potential changes to the zoning for the site.

As of the time of writing this report, the owner has not submitted a land development application and formal community engagement led by Administration has not yet begun.

Potential Revisions to the Direct Control Zone

To date, Administration's discussions with representatives of the landowner have identified some potential revisions to the current zoning that could change prior to and during a future rezoning process. The changes would:

- reduce the size of the direct control area to lands adjacent to the LRT station,
- reduce the public realm and contributions required to support the development, including replacement of 88 Street with a pedestrian only plaza, and
- revert most of the site to standard zonings focused towards low and mid rise development as contemplated under the current RA5, RA6, RA7 and RA8 zones.

Understanding Benefits and Risks

The revised approach to site redevelopment currently contemplated by the owners has the following benefits and risks:

- Costs are reduced and the project's prospects for implementation are improved without direct funding by the City,
- Converting the main gateway to the project area from a street to a pedestrian plaza would align with Council's goals of Urban Places, Healthy City, and Climate Resilience,
- Reducing the site area of Direct Control zoning and applying standard zoning would reduce the level of certainty in implementing the vision for the site, and

- The position of the surrounding community is not yet known.

These concerns would be addressed with the applicant and community through the Land Development Application process if an application to rezone is submitted.

Budget/Financial

The Strathearn Heights Transit Oriented Development project was included on the Unfunded Projects list within the 2019 to 2022 Capital Budget. With capital funding no longer being required, the project has been removed from this list as part of the 2019 Fall Supplemental Capital Budget Adjustment.

Next Steps

The initiative to advance an alternative approach to site redevelopment currently lies with the site owners. To that end, the owners intend to involve the community to share and obtain perspectives on an alternate approach, consider that input, and continue to confer with Administration on the direction and progress of further pursuing an alternate approach to site redevelopment. Should the owners submit a land development application, Administration and the surrounding community would review and the application may advance to a future Public Hearing meeting of Council.

Corporate Outcomes and Performance Management

Corporate Outcome: Edmonton is attractive and compact			
Outcome	Measure	Result	Target
Rezoning aligns with the City's Vision.	Number of rezoning applications received	183 (2017) 227 (2018) 142 (2019 Q1-Q3)	N/A

Others Reviewing this Report

- A. Laughlin, Acting Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- B. Andriachuk, City Solicitor