

Prioritizing Street and Alley Renewal within and Adjacent to Business Improvement Areas - Options and Implications

Recommendation

That the September 30, 2019, Integrated Infrastructure Services report CR_7433, be received for information.

Previous Council/Committee Action

At the July 12, 2019, Executive Committee meeting the following motion was passed:

That Administration provide a report to Committee on options and implications for prioritizing street and alley renewal within and adjacent to Business Improvement Areas.

Executive Summary

The City's transportation infrastructure, including within Business Improvement Areas (BIAs), is currently maintained and renewed from an overall lifecycle perspective. This approach is data-driven and is part of the overall asset management strategy. Renewal investments are planned to maximize and extend the value of City assets and coordinated with other initiatives to take advantage of opportunities for cost savings and mitigate service impacts.

Council has approved renewal funding programs in alignment with this approach for all City transportation infrastructure to responsibly steward capital investments that ensure long term financial sustainability. This ensures that the City receives the maximum use of assets and achieves the most value upon renewal.

This report provides a summary of current practice and options to lay the groundwork for accelerated renewal of street and alley lanes within BIAs, affecting approximately 4500 businesses. Through BIAs, members of Edmonton's business community re-invest in economic vibrancy, placemaking and the activation of many of the city's most prominent commercial areas and main streets. The condition of alleys and streets in these areas is a factor in the attraction and retention of businesses, investment and visitors.

The options provided are based on the current physical condition of subject infrastructure within each BIA as well as recent and currently planned renewal activities. The options pertain to how streets and alleys within BIAs are treated relative to other city street and alley lane assets, and the time frame of that treatment. In each option, BIAs are considered separately in their own distinct category and are prioritized such that all assets in C (Fair), D (Poor), or F (Very Poor) condition are rehabilitated by a specific timeline.

The options presented in this report include:

1. 2026 Accelerated - BIAs are rehabilitated by the end of the 2023-2026 Capital Budget.
2. 2030 Accelerated - BIAs are rehabilitated by the end of the 2027-2030 Capital Budget.

For either option, the selected implementation plan would seek to optimize the opportunity cost of existing programs and commitments within the Laneway (Alley), Neighbourhood Renewal, and Goods Movement (Arterial) Renewal Programs in order to deliver the renewal of BIAs in a more holistic, integrated, cost-effective and transformative way. This approach aligns with the City's supporting objective of ensuring City assets are well managed and maintained for accountable service delivery.

The options presented in this report are first steps, based on existing programs and available funding, and are meant to gauge Committee's interest in prioritizing BIAs for renewal ahead of other areas within the city. Extensive consultation with BIA representatives and other stakeholders would be required before proceeding with either approach. This would help to determine what happens within a BIA renewal (extent of upgrades like additional street furnishings, aesthetics, accommodations for enhanced alley access), how investments can better leverage economic opportunities and meet the needs of the local business community, and how the enhancements could be funded.

Report

Background

A Business Improvement Area (BIA) is a specific geographic area of the city in which businesses pool resources and work together, through a formal association, to enhance the economic development of their area. The BIAs play a crucial role in supporting the vibrancy, economic health, and appeal of many of the city's key commercial areas. There are 13 BIAs throughout the city with each cutting across

neighbourhoods, alleyways and arterial roads. A map of the 13 BIAs is provided in Attachment 1.

Over the past several years, Administration has heard from BIAs, individually and collectively through the BIA Council, that one of their top priorities is the implementation of a targeted infrastructure renewal program. The physical quality and state of the public realm in terms of maintenance and cleanliness is a significant factor influencing investment attraction and retention outcomes. BIAs have also highlighted that an emerging trend in the development of commercial spaces which front on to alleyways is an opportunity to leverage investment, prioritization, and enhancement of the public realm in alleys to support economic development outcomes.

Current Approach

Current funding levels within the 2019-2022 Capital Budget for the three city-wide transportation infrastructure renewal programs are as follows:

- Laneway (Alley) Renewal Program: \$55.7 million
- Neighbourhood Renewal Program: \$685.4 million
- Goods Movement (Arterial) Renewal Program: \$148.0 million

The current programming approach for roadway renewal does not make any distinct consideration for BIAs with respect to lifecycle-based renewal prioritization. When an area is prioritized for renewal, the project development phase is initiated. This includes robust public engagement intended to capture stakeholder and business revitalization considerations in order to scope out the project requirements and potential revitalization requirements of the area. For BIAs this frequently can include enhancements that can be constrained within the renewal funding program.

BIAs make up 5.7 percent of the total roadway assets within the city and overall, the average condition of roadway assets within the BIAs is similar to the condition of roadway assets in the rest of the city. The only exception is alleys, which have a slightly better overall condition within the BIAs. A guide to how infrastructure is rated in terms of its condition is provided in Attachment 2. A summary of asset condition data for the roadway assets within BIAs can be found in Attachment 3.

The current approved 2019-2022 Capital Budget includes BIA renewal funding of approximately \$58 million (6.5 percent of the approved transportation infrastructure renewal total). This work involves an assortment of renewal within portions of 12 of the 13 BIAs touching 101 of the 607 kilometers of BIA streets and alleys including alley, neighbourhood, and arterial renewal; paving; and rehabilitation of transportation

infrastructure (sidewalks, curbs, streetlights, as well as roadways). Attachment 5 outlines the specific renewal projects for each BIA.

Most BIA boundaries do not align with the neighbourhood or community boundaries used for existing renewal programs. As such, BIAs may be renewed over multiple years or budget cycles. It is expected that the majority of non-alley work within BIAs will be completed by 2030 and that roadways and alleys will be completely renewed by 2038.

Options for Prioritizing BIA Infrastructure Renewal

Administration has developed two options on how roadway renewal within BIAs could be accelerated, and what the implications would be to the overall renewal program. In each case, Administration assumed that: (1) overall renewal funding levels would not change; (2) additional funding could be obtained for growth enhancements and upgrades; and (3) current renewal programming committed within the 2019-2022 Capital Budget would not be affected, meaning projects scheduled to occur within that period will proceed as planned, regardless of the option selected.

The two options summarized below include undertaking the renewal of all the roadways rated “F” (Very Poor) and “D” (Poor), and any roadways rated “C” (Fair) that will decay into “D” (Poor) within and adjacent to the BIAs during the accelerated program. This work would be completed under the Laneway (Alley), Goods Movement (Arterial), and Neighbourhood (Local/Collector) Renewal Programs.

The options allow for accelerated programming of the renewal of the BIAs from the current schedule. These options would effectively place BIAs into a distinct asset category, prioritized amongst themselves and set to complete renewal by a fixed date. This was considered to be the most transparent approach to differentiating renewal priorities for this asset class.

Option 1 - 2026 Accelerated Option

This option would create a separate renewal program for the BIAs, scheduled in such a way as to complete their renewal by the end of 2026. Overall program funding would be reprioritized to accomplish this, with remaining funding allocated to the rest of the city and prioritized per the normal process. This approach would have the practical effect of shifting renewal work planned for other areas of the city to the BIAs, most notably in the Alley Renewal Program.

For example, in the 2023-2026 Capital Budget, \$27.2 million (30 percent of the overall planned spend for that time period) would be shifted to alleys within BIAs. The goods movement and neighbourhood renewal programs would not be as affected. The neighbourhood program would see \$6 million (one percent of the overall

program) redirected relative to the base and \$14.1 million (10 percent of the overall program) redirected for the goods movement program.

Option 2 - 2030 Accelerated Option

This option is a compromise between current practice and Option 1, and would see the completion of renewal work in the BIAs by 2030. The conditions outlined in Option 1 would still be applicable; however, the renewal in BIAs would be more gradual in this option, occurring over two additional capital cycles. For example, in the 2023-2026 and 2027-2030 combined Capital Budget, \$15.8 million, or 18 percent of the overall planned spend for that time period, would be shifted to alleys within BIAs. The neighbourhood and goods movement programs would not be affected under this option as these are already planned to be renewed by 2030.

Options Review

Current infrastructure renewal prioritization does not consider BIAs separately and is driven primarily by the overall asset condition and, with the exception of the Goods Movement program, neighbourhood focused. BIAs are key partners in economic development and place-making, and the condition and quality of infrastructure and amenities can support both of these aims. Special consideration would be required in the planning and design of street and alley renewal within and around these areas, many of which represent Edmonton's prominent commercial districts and main streets.

Administration is not able to quantify the relative cost impact between the two options and status quo. More specifically, it is expected that with Options 1 and 2, inefficiencies within the renewal program could be created by renewing assets in advance of their ideal renewal schedule. A simplified analysis was performed to determine implications to the current renewal program; however, more analysis would be required to understand the additional renewal lifecycle costs, if any, introduced by deviating from an optimized prioritization. Attachment 4 contains a budget overview of the options compared with the current program.

Extensive consultation with the BIAs would be required to better understand the investment opportunities and resultant benefits, and to develop level of service expectations for revitalization. This work would help to determine what happens within a BIA renewal (extent of upgrades like additional street furnishings, aesthetics, accommodations for enhanced alley access), how investments can better leverage economic opportunities and meet the needs of the local business community, and how the enhancements could be funded.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton is attractive and compact.			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton is attractive and compact	Edmontonians' assessment: well-designed attractive city. Percentage that agree or strongly agree	53% (2017)	55% (2018)
Edmonton is a safe city	Edmontonians' Assessment: Safe City. Percentage that agree or strongly agree	66% (2017)	68% (2018)
The City of Edmonton has a resilient financial position	City Asset Sustainability	0.94 (2017)	1.0 (2018)

Attachments

1. Map of Business Improvement Areas
2. Roadway Condition Rating System
3. Roadway Asset Condition Summary for BIAs
4. Budget Estimates
5. 2019-2022 Capital Budget Renewal Projects within Business Improvement Areas

Others Reviewing this Report

- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Acting Deputy City Manager, Financial and Corporate Services
- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- C. Owen, Deputy City Manager, Communications and Engagement
- B. Andriachuk, City Solicitor