

Development Opportunities

Central McDougall/Queen Mary Park Area Redevelopment Plan

Recommendation

That the December 1, 2020, Urban Form and Corporate Strategic Development report CR_7325, be received for information.

Previous Council/Committee Action

At the May 13, 2019, City Council Public Hearing, the following motion was passed:

That Administration provide a report to Urban Planning Committee looking at options to expand development opportunities within the DC1 area of the Central McDougall/Queen Mary Park Area Redevelopment Plan as it pertains to clause 4v.

Executive Summary

At the May 13, 2019, City Council Public Hearing, a property owner in the Central McDougall area outlined concerns about how the restrictive nature of Clause 4(v) in the Central McDougall Area 1 (Precinct C) DC1 zoning limits opportunities for existing commercial and industrial buildings. The subject clause regulates new commercial development so that it can only be located in conjunction with a residential apartment as part of a mixed use development. As a result, existing buildings are not able to apply for new commercial permits or attract new tenants without redevelopment, which can lead to vacancies and challenges for owners in maintaining existing buildings.

To expand development opportunities, Administration explored four options. Option 1 is a status-quo option that waits for individual privately initiated lot rezonings. Options 2 and 3 propose the City facilitate the rezoning process but limit changes to existing commercial/industrial properties. Option 2 proposes changes to the single regulation that limits commercial opportunities, while Option 3 also updates the regulations to allow for smaller-scale redevelopment and the opportunity to update the parking regulations to current standards. Option 4 provides for a full review of the zones and area vision.

Based on the review of subject sites, and the feedback received, Administration will proceed with Option 3. This option continues to support the Area Redevelopment Plan's vision for the neighbourhood while advancing the goal of Urban Places as outlined in ConnectEdmonton by increasing opportunities to support neighbourhood vibrancy and allowing existing businesses to thrive.

Report

The zoning regulations and policy that guide the area were proposed as part of the “Downtown North Edge” area study and were introduced into the Central McDougall/Queen Mary Park Area Redevelopment Plan in 2006. The study was initiated to provide a planning framework to address the changes occurring because of increased residential growth downtown and the expansion of MacEwan University. A primary goal was to shift the neighbourhoods from industrial/commercial to a high density, mixed use transition area. To facilitate this change, a series of “precincts” were created, and distinct (DC1) Direct Development Control zoning regulations were drafted for each precinct.

The precincts that include the clause that restrict new commercial opportunities, and limit new development to residential or mixed-use apartment projects are found in both Central McDougall and Queen Mary Park. When the zoning regulations were approved, the redevelopment of the area was seen as an important part of changing its character and supporting the future vision. This is why the regulations focused on redevelopment and new buildings.

Scope of Issue

Clauses limiting commercial development in existing buildings are located in Precinct C sub-area 1 and sub-area 5, and a similar clause is also located in Precinct E sub-area 3 in the Queen Mary Park neighbourhood, these areas are shown in Attachment 2.

Since the Area Redevelopment Plan was approved in 2006, some redevelopment has occurred; however, complete redevelopment has not been immediate. An area survey found 48 titled lots within the applicable precincts. No uptake of mixed-use development was observed for the surveyed titled lots, although residential-only towers have developed in Queen Mary Park. Of the 48 lots, 22 are developed with commercial/industrial uses. The existing zoning limits the redevelopment potential on these lots because it would require a building to be redeveloped into a large residential/commercial mixed building before an owner could apply for new commercial permits. As many of these lots are small, redevelopment to this scale is challenging on a site-by-site basis. A summary of the existing development types, and a full list of all affected lots, is provided in Attachment 3.

Options

Administration explored the following options that could expand development opportunities within the DC1:

Option 1: Individual rezonings (status quo)

Through the standard rezoning process applicants can apply to remove individual lots from the DC1 and draft regulations to meet their own business needs. Administration reviews these applications and makes recommendations to Council based on the individual application. Council has the ability to approve applications on a case-by-case basis, with respect to specific site characteristics.

Advantages of this option include the individualized approach to considering properties. Disadvantages are the high financial cost and time for individual applicants.

Option 2: Administrative-led amendment (commercial opportunities for existing buildings)

Administration could initiate a city-led rezoning to add a regulation to Precinct C (sub-area 1) and Precinct E (sub-area 3) that would expand opportunities for existing buildings. Sub-area 5 is not included, as it has no existing commercial/industrial properties.

As redevelopment was deemed an important part of implementing the Area Redevelopment Plan's vision, Option 2 entails keeping the existing regulations as they apply to new buildings. However, an additional regulation could be included so that commercial uses could be added to existing buildings until redevelopment occurs.

The advantage of this approach is that all properties within the sub-area could be included and no individual owner would be required to rezone. A disadvantage is that this is a blanket approach that is less contextual and deviates from the original vision.

Option 3: Administrative-led amendment (increased opportunities for existing buildings and smaller scaled redevelopment)

For this option, Administration would initiate a city-led rezoning to modify the regulations in Precinct C (sub-areas 1 and 5) and Precinct E (sub-area 3) to expand commercial opportunities, but also update the regulations that require a mixed-use high-rise tower redevelopment.

Similar to Option 2, a regulation that would allow commercial uses to be added to existing buildings would be included. Administration would also modify the regulations requiring a minimum of 50 dwellings units (Precinct C) and high-rise development (Precinct E), to allow for smaller-scale mixed use redevelopment to increase flexibility for smaller lots. Administration would also review and update parking regulations to ensure they reflect current Zoning Bylaw standards. The approved DC1 regulations are currently tied to the Zoning Bylaw standards that existed when the DC1 was approved; the proposed changes would allow the DC1 to adapt to changes as the Zoning Bylaw evolves. Details of the Bylaw changes required for Option 3 are found in Attachment 1.

Advantages and disadvantages are similar to Option 2, but this Option provides for some additional flexibility within a similar scope of proposed changes. Administration will proceed with Option 3 as it applies to all properties within the sub areas, and it retains the redevelopment emphasis in the Area Redevelopment Plan's vision while providing for increased flexibility for existing business owners and opportunities for smaller properties to redevelop.

Option 4: Administrative-led full zone review

Administration could initiate a city-led rezoning to modify the regulations in Precincts C and E, as well as conduct a full review of all the zone regulations. This option would include the scope above, but provide the additional opportunity to comprehensively modify and update all the regulations in the zones to better reflect how the area has changed since the initial planning work.

Advantages and disadvantages are similar to Option 2 and 3, but the time and financial implications for Administration and public engagement would be significantly higher because of the expanded scope of the review.

Next Steps

Administration will prepare amendments, as generally outlined in Attachment 1, and return to a future City Council Public Hearing. Council direction to bring this forward is not required as it is within Administration's delegated authority.

Public Engagement

Administration engaged the North Edge Business Association, the Central McDougall Community League, and the Queen Mary Park Community League in September of 2019. No comments were received from the Community Leagues. The North Edge Business Association indicated a preference for Option 3 as it provides flexibility for owners to take advantage of different opportunities within the current economy, and also because it encourages adapting, reusing and retrofitting properties without complete removal. The North Edge area contains many original warehouse properties and retaining buildings will help to keep the history and character of the area intact. As well, the Business Association asked that any review include parking regulations to ensure they reflect current commercial standards. As a result of this input, a parking update has been specifically noted as part of Option 3.

Administration will conduct additional public engagement as part of the rezoning and Public Hearing process to advance Option 3.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton has a globally competitive and entrepreneurial business climate			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton Small to Medium-sized Business (% of growth)	Increase over previous year (positive growth rate)	5.7 percent Growth (2019)	Upward trend

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Customers/ Citizens	Other areas with restrictive Direct Control zoning may request changes.	3 - possible	1 - minor	3 - low	The scope of changes are limited and the changes come through direction of Council.	Council can continue to ask for reports prior to directing this type of work.
Public Perception	Citizens involved with the creation of the original regulations may be disappointed with the changes.	3 - possible	1 - minor	3 - low	Additional consultation will be conducted with the rezoning process and explain the rationale.	Council could direct additional engagement with this process.
Customers/ Citizens	If no changes are pursued, existing business opportunities are reduced.	3 - possible	1 - minor	3 - low	Individual, site-specific, rezonings are still possible.	Council could provide additional direction to support these opportunities.

Attachments

1. Mark-up of Zoning Regulations and Option 3 Changes
2. Map of DC1 Sub-areas (Central McDougall and Queen Mary Park)
3. Summary of Affected Titled Lots

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- B. Andriachuk, City Solicitor