

Green and Walkable Cost Share Agreement

Ice District

Recommendation

That a single source cost share agreement, between the City of Edmonton and EAD Property Holdings (102) Corp., for an amount not to exceed a total of \$2,895,310.88, as outlined in Attachments 2 and 3 of the January 18, 2021, Urban Form and Corporate Strategic Development report UFCSD00121, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

In 2014, City Council approved Capital Profile 15-74-4101 (Initial Phase Green and Walkable Downtown) to fund streetscape improvements in the vicinity of 104 Avenue between 97 Street and 105 Street. The developers of Ice District in the Downtown neighbourhood are constructing improvements to City-owned sidewalks that are significant upgrades over the minimum standards typically required. These enhanced improvements contribute to the walkability of Downtown, consistent with the intention of the “Green and Walkable Downtown” Catalyst Project of the Capital City Downtown Plan and City of Edmonton Capital City Downtown Community Revitalization Levy Plan.

The purpose of this report is for Administration to seek approval to enter into an agreement to reimburse the developers for a portion of their expenses related to the “Green and Walkable” upgrades they are installing. Approval is needed to authorize the City Manager to sign an agreement, as the dollar value exceeds the City Manager’s delegated authority.

Report

The Capital City Downtown Plan (Bylaw 15200) emphasizes the importance of creating safe, accessible, attractive, and vibrant streets and sidewalks in Downtown Edmonton. It identifies “Green and Walkable Downtown” as one of the Catalyst Projects key to accelerating the transformation of Downtown Edmonton.

The City of Edmonton Capital City Downtown Community Revitalization Levy Plan (Bylaw 16521) included Green and Walkable Downtown as a project eligible for funding through the Community Revitalization Levy. The Plan notes that Green and Walkable projects may be City-led capital projects, or may be pursued through partnerships with private developers.

In 2014, Council approved Capital Profile 15-74-4101 (Initial Phase Green and Walkable Downtown) to fund streetscape improvements in the vicinity of 104 Avenue between 97 Street and 105 Street. The objective of the Green and Walkable Downtown catalyst project is to enhance the attractiveness, connectivity, and appropriate transportation function of each street in the downtown by adding wider sidewalks, trees, wayfinding, high quality lighting, landscaping, decorative paving, and street furnishings.

Ice District development

One Properties and Katz Group Real Estate are developing a large mixed-use development south of Rogers Place known as “Ice District.” It includes:

- Edmonton Tower
- JW Marriott and Legends Residences
- Stantec Tower and Sky Residences
- Scotiabank Plaza
- Retail podium and future tower on the site of the former Greyhound terminal

To date, the Ice District developments are the largest contributor to revenue for the City of Edmonton Capital City Downtown Community Revitalization Levy.

The Ice District lands are being developed under a standard zone (AED - Arena and Entertainment District Zone). Projects in standards zones are not required by the City to make improvements to City sidewalks beyond certain minimum standards. This is distinct from Direct Control Zones, where developers are often required to make public realm improvements as a Community Amenity Contribution, in exchange for greater development rights.

The developer of Ice District is constructing improvements to City sidewalks on 104 Avenue, 102 Street, and 103 Avenue (a map is included in Attachment 1), with the understanding that funding support may be available from the Downtown Community Revitalization Levy, subject to approval. Some of these sidewalk areas are largely complete, while other areas will be constructed in the coming years.

The developer shared the estimated costs of their improvements with Administration. The total cost of the sidewalk infrastructure and amenities being constructed on City land is estimated at more than \$6 million. Administration completed a detailed review and determined that \$2.895 million of these costs were for enhancements that are considered “Green and Walkable” improvements which go beyond minimum standards, and which offer amenity value to the public. Funding these improvements through a cost sharing agreement would be consistent with the Capital City Downtown Plan and City of Edmonton Capital City Downtown Community Revitalization Levy Plan.

The improvements proposed for cost sharing are listed in Attachment 2. The basic terms of the Agreement are listed in Attachment 3.

Sufficient funds are available in the approved Capital Profile 15-74-4101 (Initial Phase Green and Walkable Downtown), but approval is needed to authorize the City Manager to sign an agreement, as the dollar value exceeds delegated authorities.

Budget/Financial

Approved Capital Profile 15-74-4101 includes sufficient funds for this agreement. There is no impact on Community Revitalization Levy projections as the budgeted funds are already accounted for.

Legal

The City can only use the City of Edmonton Capital City Downtown Community Revitalization Levy funds to do projects in the Community Revitalization Plan. Green and Walkable is an approved project in the City of Edmonton Capital City Downtown Community Revitalization Levy Plan (Bylaw 16521).

Public Engagement

The City has not undertaken any public engagement specific to this report. The report was informed by existing plans and procedures. Administration has engaged with the developer of the Ice District properties in order to facilitate this proposal.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton is attractive and compact			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Catalyze Development and Community Transformation	Number of net new residential units in Community Revitalization Levy Areas	2018 Result: 724 2019 Result: 21	Increase over previous year
Catalyze Development and Community Transformation	Value of building permits issued in Community Revitalization Levy Areas	2018 Result: \$500 million 2019 Result: \$161 million	Increase over previous year

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If Approved	City funds used for costs that are not related to streetscape improvements.	1 - rare	2 - moderate	2 - low	Funds are distributed following City review of paid invoices. Funds are not disbursed until streetscape work is complete and inspected.	
If Not Approved						
Project Management	Private developers may be less willing to pursue partnerships with the City to achieve "Green and Walkable" outcomes.	3 - possible	2 - moderate	6 - low		
Legal/Regulatory	There is no applicable exemption. As a result, approval of this single source procurement may not comply with trade agreements.	2- Unlikely	1- Minor	3- Low	n/a	Ensure there is a strong business rationale to support direct contract award without open competition.

Attachments

1. Map of Subject Area
2. Summary of Eligible Costs
3. Agreement Term Sheet

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
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services

- B. Andriachuk, City Solicitor