

Growth Management Framework Update

Recommendation

That the February 1, 2021, Urban Form and Corporate Strategic Development report UFCSD00098, be received for information.

Previous Council/Committee Action

At the September 14, 2020, City Council Public Hearing, the following motion was passed:

That Administration provide a high level update describing the contents of the Growth Management Framework, the level of engagement planned with relevant stakeholders, and an update on the progress of infrastructure cost sharing strategies.

Executive Summary

This report provides an update on the Growth Management Framework being advanced to implement The City Plan. Growth management outlines the need to activate priority growth areas through the levers of change identified in The City Plan - partnership, policy, pricing and investment. A growth management approach recognizes the relationship between the way Edmonton grows and the City's long-term financial sustainability. At the highest level, the framework is informed by regional planning and integrates policy, infrastructure planning, growth prioritization, high-level financing plans, and the deployment of targeted fiscal tools.

The Growth Management Framework will advance through a series of phases. A scoping exercise is underway in alignment with other related City initiatives. The scoping consists of six components of work, the outcomes of which will directly inform the development of the Growth Management Framework through 2021. Industry members are valued partners and ongoing conversation will take place as the Growth Management Framework is developed through a formal engagement process following the scoping phase.

Existing strategies, such as the Infill Cost Share Program and Development Incentive Program, will be explored as part of the scoping and development of the growth management program including the ability to scale up successful programs. Off-site levies, which are being developed in consultation with industry, are another tool the City can apply in a phased manner to help build municipal infrastructure that

contributes to vibrant neighbourhoods. Strategic application of these tools may finance portions of the infrastructure needed to support anticipated growth in the redeveloping area, as identified in The City Plan. The Growth Investment Strategy, outlined in Urban Form and Corporate Strategic Development report CR_8034 at the February 1, 2021, Executive Committee agenda, is a component of the Growth Management Framework. That report focuses on provision of infrastructure and amenities in new communities and the City Plan and Growth Management Framework direction on those matters.

Report

The City Plan acknowledges ongoing change and provides opportunities for development across Edmonton. Readiness for growth is essential to attracting and retaining residents and private investment. The City Plan sets out high-level development priorities around physical, environmental and social infrastructure investments and the need for a fiscal strategy to implement each. In addition, City Plan provides the direction needed to prepare detailed district and local level plans and carefully consider how to phase growth over time.

Managing growth, planning and design, and mobility are the City Plan's three integral systems that shape and form the city that is envisioned in the City Plan. These systems are interrelated, demonstrated by initiatives including the Growth Management Framework, district planning, and mobility network assessment.

The Growth Management Framework is fundamentally important to achieving the goals of The City Plan because it ensures the City directs investments of time, effort and resources in areas of greatest priority and impact. Implementing the framework ensures Edmonton can welcome the next million residents within its existing borders, advances activation of the nodes and corridors, which creates the conditions for success of the mass transit network. The collective effort to implement the system of managing growth in The City Plan advances a thriving, prosperous city that attracts and retains talent. At the highest level, Edmonton's Growth Management Framework is informed by regional planning and advanced through an integrated approach to policy development, infrastructure planning, growth priorities, and the deployment of targeted fiscal tools.

The City Plan identifies three elements to enable efficient and effective growth management:

- *Development Pattern Areas* - the organizing structure for managing growth that includes the redeveloping, developing and future growth areas.
- *Anticipated Growth* - phased development to support population growth through ongoing private sector and City efforts in reaching each population horizon, in increments of 250,000. As the city grows to 1.25 million people, development

will be strongly influenced by market demand and already identified priorities. Priority growth areas are those locations that are expected to have the most intense population growth in the current horizon.

- *Activation Approach* - treatments initiated by the City to support intentional growth in priority growth areas. This includes strategizing, investing or nurturing nodes, corridors and other development pattern area locations. The City will identify activities to support established priorities and create conditions for success in the next population horizon (1.5 million people).

Investment in priority growth areas will advance the City Plan's three systems through development and enhancement of its essential networks, including mass transit, the green and blue network, and 15-minute districts. The investments will enhance the ability of specific areas to fulfill their potential, including attracting and aligning public and private investment. The Growth Management Framework will inform those investments by further enabling Administration to advise Council about risks, economic analyses, and impact of investment decisions on the realization of the vision outlined in The City Plan.

The first population horizon of 1.25 million will be a critical one for beginning to shift the City's growth pattern especially in the redeveloping area, with the application of levers gradually leading to measurable results. This will require internal coordination and integration with the planning and budgeting process to align priorities with The City Plan, as well as strong partnership and communication with industry partners. Noticeable change to the development pattern will begin as the city approaches and surpasses the 1.25 million population horizon. Aligning investments, policy, and practice to a growth management approach is critical to shifting the development pattern over time to more compact, infrastructure-efficient forms with the support of industry partners.

Approach to Developing the Framework

The Growth Management Framework will advance through the following phases: scoping, development, implementation and evaluation. Scoping is underway and will conclude in Q2 2021. The results of the scoping phase will lead to the development of the framework through 2021 and, once implemented, will impact existing policy, guide decision making, including budget and land development application recommendations, and be supported by monitoring, evaluation, and modelling impacts on priority growth areas.

Administration is in the midst of completing the following Growth Management Framework scoping components:

- Identifying a way to inform the City's Priority Based Budgeting approach, allowing Administration to prioritize infrastructure investments in the 2023-2026 budget cycle that advance City Plan's city building outcomes.
- Assembling a refined list of financial and policy tools that effectively incentivize growth in priority growth areas based on evidence and research. Some of these tools have or will appear in Council reports in the short term, such as the Infill Cost Share Program and Private Construction Program reports. Administration will bring others forward following formal industry engagement. These policy tools will be regularly reviewed and refined to apply learnings.
- Assessing the Transit Oriented Development Guidelines and Residential Infill Guidelines in relation to City Plan growth management policy and make recommendations that incorporate relevant components into District Plans. The results may influence land development application reviews in support of city building outcomes.
- Structuring an industry engagement plan relative to the above growth management program components and ongoing conversations, including Off Site Levies.
- Identifying detailed growth management framework metrics that track progress toward City Plan targets and measures. This includes a proposed definition for substantial completion of the developing area.
- Identifying and beginning to test risks and opportunities associated with managing growth using the in-house Metropolitan Region Economic Spatial Economic and Transportation Model.

A scoping report with findings on the above noted items will be delivered to Administration in Q2 2021. The full scope of what could be incorporated into a Growth Management Program will consider those elements that are most impactful and enable the City Plan's vision. Council will determine how Growth Management is implemented, and how quickly, informed by research, consultation, and analysis. The Growth Management Framework requires integration across City Departments, links to other initiatives, such as budget planning, fiscal policy, and revenue tools, as well as ongoing conversations with EPCOR to focus on coordination of infrastructure investment to maximize value for dollar.

Industry Consultation

Industry are valued growth partners and market experts that are needed to fully develop and implement the growth management framework. Formal engagement with industry, particularly regarding fiscal tools, will follow the scoping phase. This will ensure potential program components are well understood relative to existing City and other processes before seeking input.

Infrastructure Cost Sharing Tools

The Growth Management Framework will be implemented through a combination of

partnerships, policy, fiscal tools and incentives and infrastructure investments to align the development pattern with the City Plan concept as the city grows to two million people. Infrastructure cost sharing strategies are a key fiscal tool based on the City’s *Fiscal Policy for Revenue Generation C624*. Further work will inform the types of tools the City should use, including the phased implementation of off-site levies. Current approaches, such as the Infill Cost Share Program and Development Incentive Program, could be scaled up by allocating additional resources.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure; Edmonton is attractive and compact; The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmontonians have the ability to live locally, with access to diverse and affordable housing options in communities that support their daily needs. Edmonton’s growth and development mutually benefit the city and region.	See Rebuildable City in the City Plan	To be determined	50% of new units added through infill city wide 600,000 additional residents will be welcomed into the redeveloping area
Edmonton neighbourhoods are more vibrant as density increases, where people and businesses thrive and where housing and mobility options are plentiful.	Housing diversity index represents the variety of housing types in Edmonton neighbourhoods to meet the needs and desires of Edmontonians	2019 - 0.64 (Value of 1 represents complete uniqueness and a value of 0 indicates all units are the same).	2019 will be a baseline
	Density represents the number of Edmontonians living within the boundaries of the city	2019 - 1240 (population per square km)	2019 will be a baseline
	Jobs and housing represents the relationship between the economy and our communities as measured by the ratio of the number of jobs to the number of housing units in Edmonton	2019 Ratio - 1.32 (565,000 jobs and 424,378 housing)	2019 will be a baseline

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
- G. Cebryk, Deputy City Manager, City Operations
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- B. Andriachuk, City Solicitor