

Growth Investment Strategy

Recommendation

That the February 1, 2021, Urban Form and Corporate Strategic Development report CR_8034, be received for information.

Previous Council/Committee Action

At the February 3, 2020, City Council meeting, the following motion was passed:

That Administration provide options for potential policies or strategies that would shorten the timelines between initiating development of a new neighborhood and the provision of basic community amenities and infrastructure serving that neighbourhood, and an analysis around the pros and cons of tying plan approvals to infrastructure funding strategies.

Executive Summary

This report outlines how infrastructure and amenities are currently provided in new communities and the direction that the City Plan and the Growth Management Framework provide.

The City Plan's adoption means embarking on a new systems-based approach to managing growth that supports development and servicing in many locations throughout the city. To meet these needs, The City Plan identifies priority growth that will influence investments in renewal and growth in existing and new areas. Constrained financial resources means that trade-offs will need to be made and growth and investment are not expected to occur in all areas concurrently.

This new approach to growth calls for the use of all of the levers of change identified in The City Plan - partnership, policy, pricing and investment. Historically, the City has not always used these tools in an integrated manner, but The City Plan directs their use in a coordinated and strategic way to manage growth city-wide.

The Growth Management Framework identified in The City Plan will inform the budget planning process with which infrastructure, amenities and services are delivered, as the City holistically evaluates and prioritizes growth opportunities. This approach will provide greater predictability and assurance for timing investments in new and redeveloping neighborhoods; the approach is outlined in Urban Form and Corporate

Strategic Development report UFCSD00098, also on the February 1, 2021, Executive Committee agenda.

Report

Land Use Planning and Infrastructure Partnerships

When new area structure plans or neighbourhood structure plans are proposed, they must include information on the provision and staging of basic community amenities and infrastructure serving the area or neighbourhood. Infrastructure and amenities include:

- Transportation networks (transit, roads, paths, sidewalks, etc.)
- Water distribution networks
- Sanitary and stormwater drainage networks
- Parks, open spaces and natural areas
- School sites
- Community services such as health care facilities, libraries, recreation facilities, and emergency services

The location and extent of required infrastructure and amenities depends on the land use pattern and the intensity of development. Land use planning identifies what type of development will occur and ensures that all of the necessities for development and community life are considered prior to the subdivision of new lots.

Some of the infrastructure and amenities are provided by the developer, which may include land contributions and/or maintenance agreements. Others are funded by the City or the Province of Alberta. A high level summary of the types of infrastructure and the responsibility for funding is provided in Attachment 1.

Developer-provided infrastructure and amenities are closely tied to development timelines and are typically provided as a condition of subdivision. Investments provided by the City and Province may lag behind development because they are funded through capital budget cycles and must compete with other budget priorities for funding.

Activating The City Plan Policy

As part of achieving The City Plan, Administration will evaluate new development opportunities in alignment with The City Plan's priority growth areas and policies. Intentional support to advance priority growth areas allows the City to strategically manage change over the long term while staying relevant through emerging industry trends and market shifts.

The City Plan sets out three elements to form the foundation for efficient and effective growth management:

- *Development Pattern Areas* - the organizing structure for understanding growth that includes the redeveloping, developing and future growth areas, each of which has different investment requirements.
- *Anticipated Growth* - identifies where development and growth will occur in reaching the next population horizon. As the city grows to 1.25 million people, this development will be strongly influenced by market demand and previously identified priorities. Priority growth areas are those locations expected to have the greatest population growth in a given population horizon.
- *Activation Approach* - treatments that include strategizing, investing or nurturing nodes, corridors, and other development pattern area locations. Each approach initiated by the City supports intentional growth in priority growth areas.

Implementing the City Plan's key growth management policy directions (see Attachment 2) requires ongoing decision-making about where and how resources are allocated to align with the activation strategy outlined in The City Plan. Implementation includes continued investment in areas currently under development to ensure substantial completion of development areas prior to opening new development areas. Requests to prepare new area plans could result in Administration advancing recommendations of support for initiatives that align with the growth management framework and, in the same vein, advancing recommendations of non-support to Council for plans that are not in accordance with The City Plan policy directions and targets. Timelines for delivery of municipal infrastructure will be faster when growth areas align with the City's investment strategy; timelines for neighborhoods that do not align could be slower.

Implications of Growth Management Approach

The application of a coordinated growth management approach, including the use of fiscal tools, may have some of the following advantages:

- Offers the development community a consistent and predictable outlook on growth priorities, planning approvals, and infrastructure funding.
- Growth management governance decisions will be based on policies and evidence-based analysis that will be accessible and transparent to Edmontonians.
- Strengthen the City's capital planning process by identifying growth areas that are a priority for capital investment.
- A more fair allocation of costs by reducing tax levy impacts of new development through the introduction of new tools for cost sharing, such as off-site levies.

Some challenges to this approach will also arise because the City, industry, and community will need to adapt to changes which will take time and education on new processes. Potential challenges may include:

- Policies aimed at sequencing growth in priority growth areas will mean the City must make choices about where to invest resources which may not coincide with the areas of interest of all land owners and potentially market demands.
- Potential price effects as a result of re-allocating some infrastructure costs from the tax levy to off-site levies or other instruments, which may influence locational choice of new housing supply in the Edmonton region. Depending on the extent that such tools are applied, this may decrease Edmonton's share of development growth in the region if only applied in Edmonton.
- Levies or other financial programs that are intended to recover the cost of facilities may have a significant lag between payments and the provision of the facility. This is especially true in redeveloping areas and in times of slow economic growth, and will require municipal investment.

Administration is committed to exploring all opportunities to ensure growth continues in Edmonton in a coordinated and strategic manner. This includes furthering the application of our policies to achieve Council's Goals and The City Plan's objectives. Ultimately, a Growth Management Framework will support outcomes that make Edmonton a vibrant, thriving place, while maintaining the City's long term financial viability.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has sustainable and accessible infrastructure			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton neighbourhoods are more vibrant as density increases, where people and businesses thrive and where housing and mobility options are plentiful.	Access to amenities - Percentage of Edmontonians with access to infrastructure and amenities that improve their quality of life.	2019 - 75 percent	2019 Results will be a baseline
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 percent of new units added through infill city wide 600,000 additional residents will be welcomed into the redeveloping area

Attachments

1. Source of Funds for Infrastructure and Amenities in New Neighbourhoods
2. City Plan's Key Growth Management Policy Directions

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
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services
- B. Andriachuk, City Solicitor