

Financial and Corporate Services

Edmonton

**CR_8197 Enterprise Land
Development Program Update
Additional Information**

City Council
May 3, 2021

Summary of Information Presented to Committee

<i>(\$millions)</i>	Sell As-Is	Partial Development
Net Cash from Sales	\$68-\$86	\$141-\$190
Land Enterprise Retained Earnings (Ending Balance - 2051)	\$ 19	\$ 92
Investment Income from Retained Earnings	\$ 40	\$ 67
Dividend Payment to Corporation	\$ 16	\$ 36
Total Available Funds	\$ 75	\$ 195
Fastest Fund Generation	✓	-
Most Opportunities to Support The City Plan	-	✓
Support Small Business	-	✓
Positive GBA+ Impact	-	✓

Recommendation from Executive Committee

1. That Administration, following the completion of any currently underway plan amendments, prepare the City-owned greenfield residential/mixed-use land holdings in Aster, Schonsee and Goodridge Corners neighbourhoods for sale, as is, with target public offering timelines of:

- a. Q2 2021 for Aster;*
- b. Q4 2021 for Schonsee; and*
- c. Q1 2022 for Goodridge Corners.*

2. That the proceeds of sale be directed to Land Enterprise Retained Earnings.

* Goodridge would be listed as a single parcel to maximize return, as per industry recommendation, without the bulk discount that would typically be seen on a listing of this size.

Impacts of Recommendation

Benefits

- No longer competing with private industry
- Quick generation of proceeds
- Support for Exhibition Lands, River Crossing and Heritage Valley requires full use of the proceeds for sale

Potential Risks

- Lower overall revenue generation
- Limited ability to support other infill or City building opportunities
- Reduced dividend and interest revenue
- Potential funding gap for real estate estate services external to the program

Use of Proceeds

Proceeds Directed to Retained Earnings

- Retained Earnings to be used as funding source for:
 - Heritage Valley Town Center - Approved by Council in 2020
 - Exhibition Lands - EC just accepted on April 26, 2021
 - River Crossing - following Council approval
- Administration will bring forward capital profiles for these city building projects for future Council approval
- Future Council's may prioritize other city building projects

Corporate Investment Practices

Retained Earnings

- Retained Earnings acts as a reserve fund.
- Funds identified for use in Retained Earnings are invested in short, medium and long term investments, along with all other funds held in Treasury, based on the timing of cash needs.

Challenges with Dedicated Investment Fund

- Recently approved Exhibition Lands Implementation Strategy identifies Land Enterprise Retained Earnings as the funding source.
- Preliminary Exhibition Lands and River Crossing cash flows would make it difficult to accurately determine short and long term cash needs

Thank you.

CR_8197 Enterprise Land Development Program Update
Financial and Corporate Services
City Council, May 3, 2021



Edmonton