



## Legislation Details (With Text)

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Presented by: Adryan Slaght, Director, Planning & Development Department

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Date	Ver.	Action By	Action	Result
1/20/2020	1	City Council	approved	Pass

TAMRMS#: B06

### Community Amenities

Presented by: Adryan Slaght, Director, Planning & Development Department

### RECOMMENDATION(S)

1. That the Chief Administrative Officer be directed to proceed with a conditional offer to acquire the lands necessary for a community amenities site of at least 25 contiguous acres within the Range Road 260 Area Structure Plan, subject to Council approval.
2. That Administration present to Council, by the end of 2020, a proposal for the future disposition or use of the City-owned Badger lands (43 City Annex), together with a list of resolutions previously passed by Council concerning planning for or use of the Badger lands, for consideration of rescinding those resolutions.

### PURPOSE OF REPORT

The purpose of the report is to identify attributes of the three finalist sites for Council's consideration in pursuing acquisition of a site for community amenities.

### ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

- STRATEGIC PRIORITY #1:

- Growth Policy Framework: Develop a robust policy framework to guide growth.
  - Develop a value proposition (inclusive of all the City offerings) to attract businesses, residents and other institutions to St. Albert.
- STRATEGIC PRIORITY #4:
  - Infrastructure Investment: Identify and build needed capital assets.
    - Identify feasible strategies for near term development horizons for community facilities inclusive of land, financing and partnership opportunities.
    - Identify an inventory of existing facilities including an assessment of condition and usability and identify gaps in land and facility supply and demand.

## ALIGNMENT TO LEVELS OF SERVICE DELIVERY

N/A

## ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On February 25, 2019, Council approved the following motion:

### INC-19-020

*That the Chief Administrative Officer (CAO) be directed to provide to Council by June 24, 2019 a recommendation as to whether the City should purchase up to 35 acres of land or utilize a similar area within lands already owned by the City for construction of one or more campus style community amenities.*

*That the CAO be further be directed to ensure that the said recommendation is supported by a local development plan including: a concept plan, estimates of both initial servicing costs and total (life cycle) cost of ownership, details of required updates to Area Structure Plans and other planning documents, and overall development timelines.*

*That the CAO is authorized to include without prejudice conversations with landowners as part of the research and due diligence activities leading to the said recommendation.*

Council received updates on the status of this project in-camera on April 19, 2019, June 24, 2019, and July 8, 2019.

On September 23, 2019, this matter was presented before Council publicly, at which time Administration was asked to return to Council with an “apples to apples” comparison of each of the three preferred sites, with full cost of off-site servicing and grading included.

On November 21, 2019, (Council Budget meeting), Council approved a motion to postpone Community Amenities Site Planning (Capital Charter RECR-065) by one year. The implication of this motion is that there is no funding in 2020 to conduct further site planning for the community amenities site.

On December 16, 2020, the budget, with postponement of RECR-065, was approved by Council.

## BACKGROUND AND DISCUSSION

Based upon review by Administration of a number of factors related to site suitability for the provision of future community amenities (e.g. new recreation facility, pool lanes, outdoor fields, high school site, etc.), three sites have emerged for final consideration:

- The City-owned Badger Lands (43 City Annex)
- Erin Ridge North Lands
- Range Road 260 Lands

The detailed discussion regarding facilities is to come in future phases, as the present discussion is limited to land & servicing only. Each of the finalist sites has various positive and negative attributes, which Administration has attempted to weigh in considering which lands make the most sense to locate the future community amenities on (e.g. ability to stimulate development of the Lakeview Business District, proximity to existing recreation facilities, potential impact on arterial roadways, proximity to future growth potential, etc.).

A combination of locational and cost factors has led to Administration recommending that the Range Road 260 lands be considered the most suitable of the three sites, followed by the City-owned Badger Lands, and the Erin Ridge North Lands. Proceeding with the RR260 lands would assume that the land is given to the City at not cost, and that the City front-end servicing to the site. Front-ending allows the City to receive recoverables from offsite levies. Pursuing an alternative of purchasing the land and relying on the developer for servicing would remove the opportunity for cost recoveries, and would likely require stipulations as to timing of the servicing as part of the purchase agreement.

### Locational Considerations

As an example of locational considerations, Council in 2013 designated the lands west of Ray Gibbon Drive, east of Carrot Creek, north of Meadowview Drive, and south of Old Mckenney Ave as the Cities employment lands (now Lakeview Business District). It has been a continued Council goal to see those lands developed in an effort to strive towards the goals of a 70/30 residential/non-residential tax split. The Lakeview Business District is currently unserviced, which negatively impacts Council's ability to strive towards achieving that goal. Selection of either the 43 City Annex lands or the Range Road 260 lands would likely speed the development of the Lakeview Business District, as it will bring servicing across Ray Gibbon Drive earlier than would otherwise occur, while selection of the Erin Ridge site would not have anticipated improvements to the speed of development of the Lakeview Business District.

An example of another locational consideration would be the consideration of future growth. In October 2019, Council announced the approved political line for annexation negotiations with Sturgeon County. Within the new line are ~2.5-3 quarter sections of land for new growth in north St. Albert, east of St. Albert Trail. By contrast, there are approximately 18.5-19 quarter sections of undeveloped land included in north St. Albert, west of St. Albert Trail. This would seem to indicate a greater potential to serve more new residents by locating the community amenities site in northwest St. Albert than northeast St. Albert.

A third locational consideration was the distance to existing community amenities (e.g. Servus Place, Fountain Park). Servus Place is approximately 4.9km from the Erin Ridge North site, 6.7km from 43

City Annex, and 7.2km from the Range Road 260 site. Fountain Park Pool is approximately 4.7km from the ERN site, 4.8km from the 43 City Annex site, and 5.3km from the RR260 site. Bellerose High School is ~3.6km from the ERN site, 1.7km from the 43 City Annex site, and 1.8km from the RR260 site. Totalling these distances would indicate that there is a greater population receiving amenity services in the eastern portion of the City, and a greater potential to serve new residents by locating new community amenity facilities in the northwest portion of the City.

#### Full Cost of Servicing & Grading

Following the September 23, 2019, public meeting, Administration reached out to the landowners/developers of the other two sites under consideration to obtain final costing numbers for their sites. The owners' responses have been provided (*Attachment 1 & 2, Developer Costing*). In each scenario, the developers have committed to provide a graded site to the City (value ~\$2m), whereas on the City-owned Badger Lands, the City would be responsible for this cost.

Full land & off-site servicing costs (traditional) for each of the sites are provided below:

- The City-owned Badger Lands: \$0 land, \$25.2m servicing
- Erin Ridge North Lands: \$0 land, \$33.7m servicing (*note #1*)
- Erin Ridge North Lands - Serviced Option: \$13.5m land, \$27.3m servicing (*note #2*)
- Range Road 260 Lands: \$0 land, \$21.8m servicing
- Range Road 260 Lands - Serviced Option: \$22.5m land, \$0m servicing

Figure 1 (below) provides a high-level summary of the final three preferred options:

Figure 1

Parcels	Badger Lands (43 City Annex)	Range Road 260 (Elysian Fields)	Erin Ridge North
Timeline	TBD	TBD	TBD
Servicing Type	Traditional	Traditional	Traditional
Total Capital Costs for Servicing	\$25.2M (excluding recoverable portion (\$15.5M))	\$21.8M (excluding recoverable portion (\$14.0M))	\$33.7M (excluding recoverable portion (\$21.1M))
Net Cost (25 yr time horizon)	\$9.68m	\$7.79m	\$12.60m

## DETAIL AND ASSUMPTIONS

### Financial Assumptions

- All capital and operating costs are in 2019 dollars.
- Interest Rate on borrowing modelled at 2.6825% (Dec 15 ACFA rate for 20 year debenture)
  - debt will be subject to actual interest rates at time of borrowing
- All debt modelled as a single draw
  - Actual timing and value of draws will be more accurately determined after detailed design and

project plan for each project.

- All debt based on 20 year term.
  - Continued analysis will be required to determine the appropriate debt term for each projects as development of the site progresses
- All Servicing assumed to be debt financed and funded through Municipal taxes.
  - There may be opportunity to fund some of these projects through the off-site levy recovery fund.
- Financial model does not incorporate recovered costs given the uncertainty and timing. These recoveries may allow for future front-ending of servicing costs which would reduce the debt levels and impact on municipal taxes.

Cost Estimate Assumptions - See below, and *Attachment 3 - Traditional Servicing Cost Estimates*

#### City Owned Badger Lands (43 City Annex)

Development of 43 City Annex for community amenities is assumed to cost ~\$25.20m, of which ~\$15.52m would be recoverable. Major Offsite Levy (OSL) capital costs include Sanitary Offsite Levy (OSL) Project #8, and two new sanitary OSL projects to provide a trunk to Project #8. Two water connections are also assumed to facilitate looping.

#### Range Road 260

For comparison purposes, the supplemental information package received for the Range Road 260 lands provided a cost estimate for ultimate servicing of \$17,268,800, with an estimated recoverable cost of \$9,763,264, for a net cost of \$7,505,536. The developer's estimate for Sanitary Offsite Levy (OSL) Project #8 is \$1.3 M less than what the City currently has in the OSL model. The City's estimate for storm water servicing is lower than the information received from the developer, as the City estimate is based on the stormwater management facility as part of on-site servicing. The City estimate for water servicing is higher than the developer's. Additionally, the developer expected additional cost-sharing (recoverable) for water service connections, stormwater solution, and transportation upgrades. The methodology and cost assumptions provided by the developer seem reasonable, given the level of cost estimation. Overall, there was no reason to adjust the City's cost estimates, given they are slightly more conservative.

#### Erin Ridge North

The developer of the Erin Ridge North lands provided additional information after September 23, 2019, leading to the City re-costing the projects based on the new information provided (which was verified with the City of Leduc), and information from the Utility Master Plan. In the spirit of keeping the comparisons 'apples to apples', Administration has adjusted the costs associated with Neil Ross Road, to effectively make it a leviable access road only constructed to the quarter section line. The City has used the developer's estimate of \$3.2M for this section. Costs for Off-Site Levy Sanitary Projects #2 (\$10.2M) & #3 (\$8.2M) have been re-estimated using the Utility Master Plan - effectively contemplating only lands within the boundary (though accommodating provisions for future lands outside the boundary). These costs do not fully align with the costs provided by the developer, but are significantly closer (*note #3*). Further, the City has reviewed land development trends over the past five years - which show that the Erin Ridge North and Jensen Lakes neighbourhoods have, on average, added approximately 11 ha per year of development in North St. Albert. This means that current sanitary levies in the basin will go up substantially, but it does make the "current" (i.e., the

areas developed within 25 years) recoverable portion higher.

*Notes:*

- *Note #1: City's estimate to provide 'apples to apples' comparison.*
- *Note #2: Developer's Final Offer has been characterized in this report as \$13.5 million for fully serviced land, with additional servicing costs for Off-Site Levy projects of \$27.3 million (City's estimate). Developer's offer includes an additional offer to prepay ~\$8.7 million in levies, reducing the additional cash required for off-site projects to \$18.6 million. Whether the City would agree to prepayment of these levies is undetermined. Fully serviced land under this scenario would not need on-site stormwater management.*
- *Note #3: The City's previous estimates, (currently estimates in the Off-Site Levy Model), were \$19.5M and \$13.15M, respectively, for the two projects. In these previous estimates, large areas outside of the City's current boundaries had been contemplated; these areas have been effectively eliminated in the revised estimates, though costs for provisions for expansion to accommodate areas outside of current boundaries have been included.*

It should be noted that the developer's Final Offer, submitted October 22, 2019, would require that in addition to upfronting large portions of the required off-site infrastructure for stormwater and sanitary utility service, the City would also be required to upfront \$13.5M for on-site servicing for a fully graded and serviced site, which would include off-site stormwater management infrastructure. Using the City's estimates for Off-Site Projects required for the ERN site, the developer's Final Offer scenario represents a total estimated capital requirement of \$40.8M. The developer did offer to pre-pay approximately \$8.7M of offsite levies, to reduce the up-front capital requirements for the City. Construction of stormwater management facilities was expected to be a future cost during construction of amenities for all other scenarios. Given that future development at this site would not require any land be dedicated for stormwater management, and that there would not be additional costs associated with construction of a stormwater management facility, the City's non-serviced ERN cost estimate (\$33.7M), as presented above, is still considered reasonable for the level of estimation at this time for the purposes of the desired 'apples to apples' comparison, though they may well be understated since the site is currently a wetland.

### Next Steps

Based on final direction from Council, a concept plan, Area Structure Plan (or amendment), and detailed site planning will need to take place prior to development. A project charter for this work was submitted, but unfunded for 2020 (REC-065). Substantial time and investment will be required to develop the community amenities site, and will require decisions on funding models, possible partnership models, servicing methods, and facilities to build. Estimated time frames for future work on the community amenities site are listed below:

- Site Concept Plan Development & Public Engagement: 2021 pending Council approval of funding through the 2021 budget process.
- Area Structure Plan Development: 2021 pending Council approval of funding through the 2021 budget process
- Detailed Design: TBD (*multiple year project*)
- Begin Construction: TBD (*multiple year project*)

## STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

On September 4, 2019, Administration provided an overview of the final three potential community facility sites to the members of the School Site Allocation Committee.

On September 23, 2019, Administration presented the matter to Council. Representatives from Landrex, Rohit, the St. Albert Public School Board, and MLA Dale Nally spoke to Council regarding the proposed sites.

In October 2019, the City of St. Albert contracted Yardstick Research to organize a facilitated discussion for residents to provide input on the proposed sites for future community amenities. A total of 63 residents attended the two sessions on November 5 and 6, 2019, and represented a cross-section of St. Albert Neighbourhoods, ages, and genders. Participants were randomly assigned to one of three groups. Three moderators facilitated the discussions, each representing one of the three sites. Participants at each table were presented an aerial photo of the site. They further had the opportunity to ask a specialist from the City additional questions, if needed. With guidance of the facilitator, participants were asked to write down their 'pros', 'cons', and any further questions regarding each site, which were placed on a large poster board. After a predetermined amount of time, the facilitator moved on to the next table and repeated this exercise, until all three groups had the opportunity to voice their opinions. This was done twice. The purpose of the first round was to gather top-of-mind opinions of each site. The second round was completed after participants were provided with capital cost estimates for each site to gain a deeper insight on their opinions for each site and to determine whether their perceptions of each site changed with this additional information.

The Mayor of St. Albert, City Administration staff, and City Councillors attended the session. City Council and Administration circulated around the tables to listen to the discussion as well as answer any questions as necessary. Following the discussions, residents were provided the opportunity to interact with Council on a one-on-one basis.

The process resulted in many pros and cons being suggested on all three options provided. While no specific voting took place on the preference for the site, after hearing the additional info provided between the two rounds, participants clearly stated that they thought the Range Road site was the most cost efficient of the three. Access to both convenient roadways and nearby foot/bike trails were also brought up as a positive, as well as the location of the site in general. Future development was mentioned by participants as well, pointing out that the nearby residential area will benefit from it. The fact that it was being provided by a developer free of charge was a huge plus. A complete copy of the final engagement report is attached to this AR (*Attachment 4, St. Albert Land Use Summary Report*).

In addition to the above sessions, public preferences for the site were solicited at three public events: Council in the Park (September 28, 2019) and two days at the St. Albert Farmers' Market (October 5 & 12, 2019). The results of the public voting engagement were:

- City-owned Badger Lands - 52
  - 15 from Council in the Park
  - 37 from Farmers' Market
- Range Road 260 - 37

- 1 from Council in the Park
  - 36 from Farmers' Market
- Erin Ridge - 35
  - 7 from Council in the Park
  - 28 from Farmers' Market

A series of letters and an accompanying questionnaire were provided to municipalities within the Edmonton Metropolitan Region, soliciting their feedback on a preferred location, as well as feedback regarding future collaborative opportunities. The same request was made of CFB Edmonton. Meetings were offered to all potential partners; Edmonton and St. Albert administrations met on December 20, 2019. Administration has received inquiries and comments regarding the merits of the locations from Edmonton and Sturgeon County. While there are ongoing discussions, as of the date of this report, none of the municipalities have committed to partnering, or have provided firm direction regarding the final three locations. A letter received from Sturgeon County on January 16, 2020 has been attached, for reference (*Attachment 5, Sturgeon County Ltr*). The City of Edmonton's letter should be available on Monday January 20, 2020

Future Public Engagement will be in subsequent stages.

## IMPLICATIONS OF RECOMMENDATION(S)

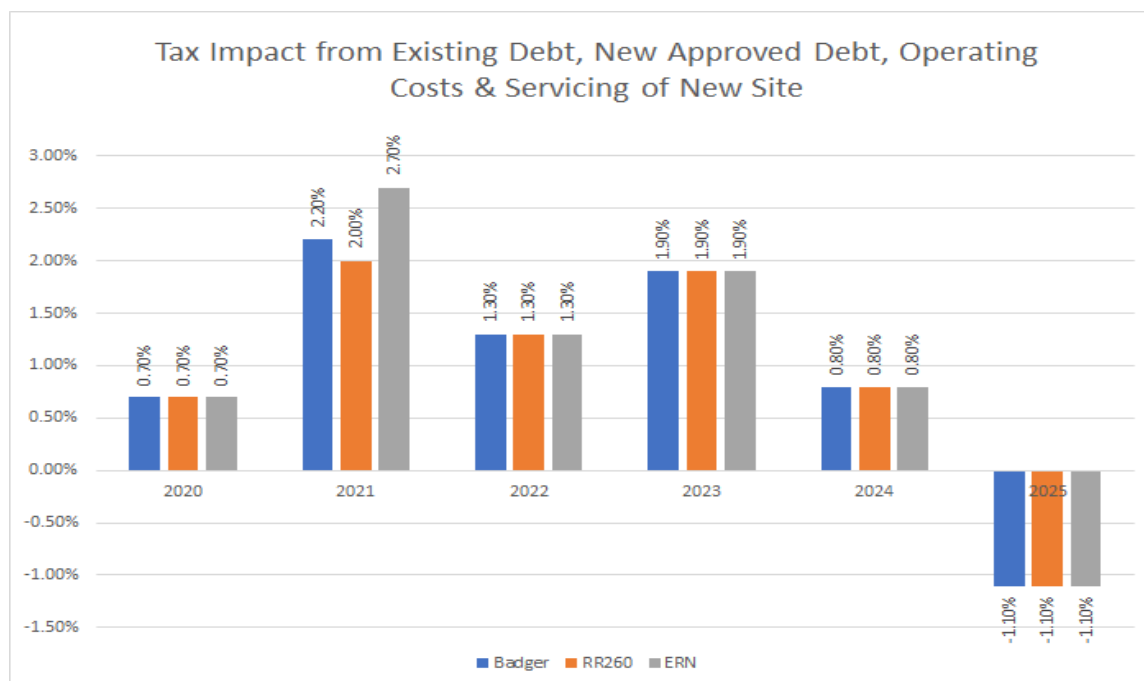
### Financial:

Any proposed development of a community amenities site could have implications for the City debt limits. More specific costing will occur through development of project briefs & charters, based on Council's eventual direction.

Assuming that the City will undertake the front-end debt financing to provide servicing to the selected site, Administration will analyze and make recommendations as to whether the City should fund the debt financing through taxes or through the Off-Site Levy Recovery Fund reserve. There are several factors to consider when making this decision. As the City is in a very good position in terms of its debt levels (including recently approved new debts), assuming this debt will continue to keep the City well below the provincial limits and the limits set within Council Policy.

Assuming that the debt financing will be funded through an increase to the municipal tax requisition, the estimated impact of this new debt alongside our existing/approved projects is illustrated in the chart below:





A more detailed breakdown of the estimated tax impacts for each site are provided in *Attachments 6-8 (Detailed Graphs-Badger, Detailed Graphs- RR260, Detailed Graphs- ERN)*.

#### Legal / Risk:

None at this time. Any legal implications of an agreement to acquire the subject lands would be outlined for Council in a confidential communication subject to solicitor and client privilege, when the agreement is presented to Council for ratification or approval.

#### Program or Service:

Development of any or all of the proposed community amenity facilities could impact service levels, and would be further defined through capital project budget charters.

#### Organizational:

Development of any or all of the proposed community amenity facilities could impact organizational resource levels, and would be further defined through capital project budget charters.

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

If Council does not wish to support the recommendation, the following alternatives could be considered:

**Alternative 1.** That Council direct the Chief Administrative Officer to purchase, subject to Council approval, a minimum of 25 acres of land within the Range Road 260 ASP for a community amenities site, with the developer to provide servicing to the site, based upon a conditional timeline. An implication of this option is that the City may have less control over timing of the servicing, and will

not receive recoverables through the offsite levy program.

Alternative 2. That no further action be taken at this time.

Report Date: January 20, 2020

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Chief Administrative Officer: Kevin Scoble