

Priorities Committee Meeting_Nov21_2017

STRATEGIC INITIATIVE AND UPDATE**North of Yellowhead Servicing, Development and Financial Update****Report Purpose**

To provide an update on the provision of site servicing within the North of Yellowhead development area, required to facilitate future Urban Services Area development, including the financial status and future cost implications.

Council History

September 5, 2017 – Council adopted a new Municipal Development Plan Bylaw 20-2017

December 9, 2014 – Council approved the 2015 Consolidated Capital Budget for Municipal, Utility and Library Operations which included:

- \$2,675,000 – Range Road 231 and Highway 16 Construction

March 25, 2014 – Council adopted Bylaw 45-2013, a bylaw that amended the Municipal Development Plan to facilitate a change in land use policy areas for the NE 24-53-23-W4 and the area west of Old Man Creek within sections 24-53-23-W4 and 13-53-23-W4.

March 25, 2014 – Council adopted the:

- Revised North of Yellowhead Area Concept Plan Bylaw 46-2013 (and repealed previous Bylaw 36-2010);
- Revised Cambrian Crossing Area Structure Plan Bylaw 47-2013 (and repealed previous Bylaw 37-2010).

December 10, 2013 – Council approved the 2014 Consolidated Capital Budget for Municipal, Utility and Library Operations which included:

- \$1,740,662 - Highway 16 Ramp and Clover Bar Road Intersection design and construction (WIP 500358) Transportation Planning and Engineering (TPE); and
- \$393,750 – Township Road 534 and Highway 21 Intersection design (WIP 500360) (TPE)

December 10, 2013 – Council approved:

- \$5,898,375 – Range Road 231, CNR Overpass Land and Construction (WIP 500355) (TPE); and
- \$12,402,266 – Range Road 231, Highway 16 to Township Road 534 Stage 1A - Third Party Utilities Construction (WIP 500356) (TPE); and
- \$14,300,000 – North of Yellowhead Water Line Construction (WIP 600088) Utilities (UT); and
- \$14,700,000 – North of Yellowhead Waste Water Line Construction (WIP 600089) (UT)

August 13, 2013 – Council gave second and third readings to Bylaw 49-2013.

July 2, 2013 – Council approved capital budget amendments to reallocate the North of Yellowhead Land component in the amount of \$4,000,000 from the 2012 North of Yellowhead Design and Land Project (WIP 500224) to the new 2013 Strategic Land Project

(WIP 500350) that included additional municipal tax supported debenture financing of \$12,925,000.

July 2, 2013 – Council amended the 2012 Capital Budget to decrease the cost of the North of Yellowhead Design and Land – Utilities project by \$500,000 for cost savings and release the funding commitment from the North of Yellowhead Trunk Line Levy (1.4777).

July 2, 2013 – Council gave first reading to Bylaw 49-2013, a bylaw to approve the incurrence of indebtedness on behalf of Strathcona County by the issuance of debentures or loans for the purpose of a Strategic Land Purchase.

December 11, 2012 – Council approved the 2013 Consolidated Capital Budget for Municipal, Utility and Library Operations which included:

- \$2,470,474 – North of Yellowhead Range Road 232 Aurum Access to Township 534 (WIP 500294) (TPE)

December 13, 2011 – Council approved the 2012 Capital Budget for Municipal, Utility and Library Operations which included:

- \$9,997,750 for the North of Yellowhead Design and Land for Roads (WIP 500224) (TPE); and
- \$3,517,500 for the North of Yellowhead Design and Land for Utilities (WIP 600067) (UT)

January 25, 2011 – Council adopted Bylaw 35-2010, a bylaw that amended the Municipal Development Plan Bylaw 1-2007 to support the Cambrian Crossing Area Structure Plan.

January 25, 2011 – Council adopted the:

- North of Yellowhead Area Concept Plan Bylaw 36-2010 (and repealed previous Bylaw 51-2003); and
- Cambrian Crossing Area Structure Plan Bylaw 37-2010.

November 10, 2009 - Council authorized administration to proceed with a review and update of the North of Yellowhead Area Concept Plan.

July 2, 2008 – Council approved the Yellowhead North Recommended Arterial Road Network.

March 25, 2008 – Council approved the completion of the North of Yellowhead Arterial Road Study.

July 2, 2003 – Council adopted the North of Yellowhead Area Concept Plan Bylaw 51-2003.

Strategic Plan Priority Areas

Economy: The acquisition of land is necessary for servicing, which will contribute to effective and efficient municipal infrastructure to meet the needs of our growing community. This enables the County to strategically manage, invest and plan for sustainable municipal infrastructure within the Urban Services Area.

Governance: n/a

Social: Investing in necessary municipal infrastructure contributes to building strong neighborhoods/ communities to support the diverse needs of our residents and the business community.

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-027 Accounting for Tangible Capital Assets; SER-012-001 Land Acquisition

Legislative/Legal: n/a

Interdepartmental: Transportation Planning and Engineering, Planning and Development Services, Corporate Finance

Summary

Land Use Planning:

The North of Yellowhead Area Concept Plan (ACP) was initially adopted in 2003 for an area consisting of approximately 1,014 hectares (2,505 acres) bound by Highway 16 on the south, Township Road 534 on the north, Range Road 232 on the west and Highway 21 on the east as shown within Enclosure 1. The ACP was originally adopted to provide a land use policy framework to guide the future development of the subject lands as predominantly light and medium industrial use.

In 2008, the Cambrian Development Corporation initiated the required planning to revise the land use for their landholdings east of Range Road 231 within the ACP boundary to include residential and commercial development as well as a mix of light and medium industrial uses. To manage a shift in the land use direction, Strathcona County and Cambrian Development Corporation entered into a Joint Planning Initiative to develop a coordinated planning vision for future development and land uses for this area. As a result of this partnership, amendments to the Municipal Development Plan and ACP as well as the initial Cambrian Crossing Area Structure Plan (ASP) were adopted in 2011.

Subsequent to the 2011 amendments, a large portion of the lands within the ASP boundary transferred to new owners. The new landowners submitted applications to amend both the ACP and ASP to include additional residential development and other associated land uses. The applications were adopted in 2014 and are currently in effect today.

Infrastructure Planning:

Overall infrastructure upgrades are necessary to support development in accordance with adopted planning documents for the Urban Service Area. Specifically, the infrastructure upgrades are essential for the planned development of the North of Yellowhead ACP area, as well as future development within both the West of 21 and Bremner areas.

In 2009, Administration completed the Arterial Road Functional Planning Study for the North of Yellowhead development area. The report indicated that both Range Road 231 and Township Road 534 require some level of upgrading to address current development in the area and that major upgrades will be required to accommodate growth within the North of Yellowhead development area and future growth nodes north (West of 21) and east (Bremner). The upgrades include the construction of all deep utilities (wastewater, water

and stormwater); major arterial roads (Range Road 232, Range Road 231, and Township Road 534); intersection improvements at Highway 16 and at Highway 21; four grade-separated railway overpasses; and a bridge over Oldman Creek.

From 2011 to 2015 eleven (11) design, land utility and transportation infrastructure projects have been approved. Five (5) utility and transportation construction projects are currently on hold. Relative to the six (6) remaining projects, the detailed engineering design is approximately 80% complete and the land acquisitions associated with the design are approximately 20% complete. In addition to the County's transportation planning and design, Alberta Transportation is currently working on functional planning studies for both Highway 16 and Highway 21 interchanges. Recommendations from the Alberta Transportation studies, once complete, will be incorporated into the North of Yellowhead design projects.

It is important to note that the level of design and land currently completed was based on a 2015 expected start date for Cambrian Crossing Stage 1. Due to the economic conditions and the ongoing Highway 16 and Highway 21 Functional Planning Studies by Alberta Transportation, the originally anticipated 2015 start of Cambrian Crossing Stage 1 has been delayed.

Financial Status:

The North of Yellowhead Phase 1 Servicing has an Approved Unspent Budget of \$70.4 million; however, the estimated costs outstanding for Phase 1 are \$86 million. This difference (\$15.6 million) will need to be addressed, which is in addition to a financing shortfall of \$47 million within the Approved Unspent Budget that requires a funding and financing strategy prior to proceeding. It should also be noted that the overall North of Yellowhead development area requires additional infrastructure costs of \$293 million (estimated) to build-out. Proportionate shares of these costs are allocated to future Bremner and West of Highway 21 development areas.

Next Steps:

Strathcona County Administration will continue to work with the development community, Alberta Transportation and other key stakeholders to further understand and resolve North of Yellowhead infrastructure requirements, development and project timing, and financial requirements. We will be back to seek administrative approvals to address ongoing activities within the existing approved budgets.

Enclosure

- 1 North of Yellowhead Servicing, Development and Financial Update presentation