

Background

On June 6, 2023, Council moved:

THAT administration prepare a report and a new bylaw to create new residential zoning districts primarily for use in the Bremner area (based on Bylaw 10-2023 dealt with on April 25 and May 2, 2023) to address concerns raised by Council at the April 25, 2023 public hearing and at the May 2, 2023 Council meeting, including those related to timing and cost to taxpayers, for Council's consideration concurrently with Bylaw 14-2023, and any corresponding amendments to Bylaw 14-2023, at a public hearing to be held on July 18, 2023.

Concerns raised by Council:

Future costs associated with Bremner

Sherwood Park has been building out over the past 70+ years and has evolved from a single neighbourhood in the 1950's to what it is today. Decisions were not made on day one but over time based on the needs of the community as it grew. These decisions were based on circumstances, current priorities, and growing needs.

Strathcona County is not developing a "new town" that would be competing with Sherwood Park. Future development in Bremner is within the existing Urban Service Area and this urban area would continue to evolve over time, developing new neighbourhoods in the same manner as we have seen over the last 70+ years.

At both the April 25 and May 2 Council meetings, concern was raised by some members of Council on the unknown future costs related to the Bremner development. Some Councillors questioned what additional financial asks would be coming forward in the future related to the Bremner development.

It is important to note that these questions were asked and addressed by the previous Council back in 2019. Prior to consideration of an Area Concept Plan for Bremner, the Council of the day required that a Financial Viability Analysis be undertaken for the Bremner development area. The purpose of this analysis was to identify, in detail, potential future costs and revenues over time, and the corresponding financial impact on Strathcona County.

The financial analysis considered capital, operating and rehabilitation costs of the infrastructure. Through the completion of the Bremner Financial Viability Analysis, Council was able to ascertain that development in Bremner would be financially viable and met the following criteria:

1. There would not be more than nominal increases to the County's tax rates, user fees, and utility rates as a result of its development.
2. Where debt is incurred as a result of infrastructure, debt limits should remain in accordance with the financial policies regarding debt management and the *Municipal Government Act* requirements.
3. The County should be in a position to address priorities other than just Bremner.

Through the financial analysis, each future asset was identified along with the estimated year it would likely be needed, as well as the funding source for the asset. These assets included both hard and soft capital assets such as land for school sites and parks, major recreation centres, community centres, transit transfer facilities, roads, utility infrastructure, libraries, firehalls, police service sites, snowmelt facility, and so on.

On February 12, 2019 SMA Consulting Ltd. provided the County's Priorities Committee with an overview of how the financial model functions for the Financial Viability Analysis. SMA outlined the various development scenarios used to evaluate financial variables. On April 16, 2019 SMA Consulting returned and presented the final draft of the Financial Viability Analysis to the County's Priorities Committee for final feedback and discussion.

On May 21, 2019 after the Public Hearing, Council approved first reading of the Bremner Area Concept Plan. After review and approval by the Edmonton Metropolitan Region Board on September 10, 2019, the Bremner Area Concept Plan was approved and adopted by Strathcona County Council.

Timing of development

Some individual Councillors provided feedback during the April 25, 2023 and May 2, 2023 Council meetings that, while they understand development in Bremner will eventually occur, they are not prepared to support developing at this time.

To help address this timing concern, administration recommends that Council could consider imposing an "effective date" for Bylaws 30-2023 and 14-2023. Should Council wish to delay Bremner, imposing an "effective date" to sometime in early 2024 could help mitigate concern that the development would progress in 2023.

Multiple development areas and land supply

As noted above, Bremner is not a new "town". The Bremner growth area was approved by Council and incorporated into the County's Municipal Development Plan in 2017 as an expansion to the County's Urban Service Area. Bremner will be a community within Sherwood Park no different than our other various communities located within the Urban Service Area such as Cambrian Crossing, Salisbury Village or Hillshire.

Some members of Council expressed concern with having multiple development areas proceeding at the same time. It is not uncommon for municipalities, including the County, to have multiple development areas under construction at the same time. Multiple development areas located within the County's Urban Service Area progressing at the same time is beneficial as it provides residents with choice. It also facilitates healthy competition in the development sector, increasing affordability of housing.

Multiple development areas provide for a range of housing choices for all stages of life in terms of mix of housing, sizes and types to meet affordability, accessibility and lifestyle needs of different people and family types. Providing housing options that meet all our residents' needs is challenging. The housing market should have a supply that meets all our unique needs and accommodate different income levels and different lifestyles from young families to seniors wanting to age in place. The County needs to ensure we have a variety of housing options, a choice to rent or own, and a variety of housing sizes and types.

The County needs to ensure a sufficient supply of readily available developable lands within a variety of locations to facilitate competitive land and housing markets while also ensuring responsible fiscal management of County resources.

Cambrian and Bremner – utility rate impacts

A question was raised by a Councillor inquiring about utility rate impacts from the Cambrian Crossing development. Given there was no need for new water storage facilities (reservoir and pumphouses) to accommodate the Cambrian Crossing development, there was no utility rate impact to the County as a result of this development.

With respect to Bremner, as there was an opportunity for logical servicing of land in Bremner without the need for costly interim-servicing schemes that would create significant throwaway costs, on April 4, 2023, Council approved the 2023 Capital Budget Amendment for the Bremner Stage 1 water reservoir, pumphouse and supply line in the amount of \$26M.

In accordance with the County's Offsite Development Levies for New Growth Areas Policy SER-009-044, design and construction of water storage facilities and the associated supply lines are to be funded by water utility rates. As such, at the April 4, 2023 meeting, Council approved that the \$26M Capital Budget Amendment for the Bremner Stage 1 water reservoir, pumphouse and supply line be funded \$13M from Utilities Reserves and \$13M from utility rate supported debenture.

To summarize, there are no utility rate impacts as a result of the Cambrian Crossing development as a new water reservoir and pumphouse was not required to service these lands. As the first stage of Bremner will include the design and construction of a new reservoir, pumphouse and supply line, this does result in utility rate impact.

As approved at the April 4, 2023 Council meeting, the overall expected impact of the new water infrastructure on urban ratepayers is expected to be approximately 30 cents per cubic meter of water or approximately \$4.35 per month (\$52.20 per year) for a typical residential service in the Urban Service Area using 14.5 m³ per month. Administration recommended using rate smoothing to incorporate the rate change over a period of five years by adding a dedicated six cent increase each year, starting in 2024, until the full 30 cent increase has been incorporated into the base rate.

Linkages to Council's Strategic Plan and Priorities

The zoning that is recommended in the new Bylaw 30-2023 does align with the current four-year Strategic Plan. As stated in the report, it aligns with Goal 2: Healthy and Safe Communities by providing a diversity of housing options that address affordability, align with community needs and respond to changing demographics. It also advances Goal 3: Responsible Development through providing growth and development that prioritize community well-being and economic benefits. In addition, this new zoning is connected with Goal 1: Economic Prosperity through the provision of housing options to meet the needs of industry and small to medium sized businesses to attract and retain talent in the community.