

Request for Material Alterations to the Evraz Place Site

Date	March 11, 2020
To	Executive Committee
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	EX20-8

RECOMMENDATION

Executive Committee recommends that City Council:

1. Authorize the Regina Exhibition Association Limited to pursue Material Alterations to the Evraz Place site for development of commercial opportunities which are aligned with their 2020-2035 Strategic Plan (PPC20-3) presented to City Council at the February 19, 2020 Priorities & Planning Committee meeting.
2. Delegate authority to the City Manager to sign any required planning permits on behalf of the City of Regina, as the landowner, to initiate the planning process for proposed commercial developments on the Regina Exhibition Association Limited's site.
3. Require any lease terms negotiated with third parties as a result of any developments be brought forward to City Council for approval.
4. Approve these recommendations at the March 25, 2020 City Council meeting.

ISSUE

This report responds to a request from Regina Exhibition Association Limited (REAL) to make material alterations to the Evraz Place site as per REAL's 2020-2035 Strategic Plan.

This report provides a high-level overview of the context in which REAL is making this request for material alteration and the City of Regina's regulatory and statutory obligations related to REAL's request.

IMPACTS

Financial Implications

REAL's 2020-2035 Strategic Plan proposes a number of options specific to the utilization of incremental lease and property tax revenues generated by commercial developments. For REAL to be financially sustainable, additional revenues are required to support investment in capital maintenance and renewal requirements for the property.

If any development opportunities require that REAL takes on debt, such financing will require City Council approval and will require Council to consider the City's overall priorities when it considers approving financing to advance REAL's Strategic Plan.

As individual projects are considered, Council will be presented with full information specific to development plans, financing options and lease considerations, as well as any regulatory requirements.

Environmental Implications

Any environmental impacts regarding the material alterations at REAL will be dealt with through the City's regular planning and development processes. REAL will be required to consider planning and design options that support the City's commitment to becoming sustainable by 2050.

Policy and/or Strategic Implications

Supporting REAL's proposed material alterations for the Evraz Place site aligns with the following Community Priorities identified in *Design Regina: The Official Community Plan Bylaw No. 2013-48*.

1. *Embrace Built Heritage and Invest in Arts, Culture, Sport and Recreation* – Enhance quality of life, community identity and pride by supporting heritage preservation, arts, culture and four-season sport and recreation activities which will foster community vibrancy and cohesiveness.
2. *Achieve Long Term Financial Viability* – Spend money wisely to ensure the City's ability to manage its services and amenities both now and in the future. This includes considering the full costs of operating before committing to projects or services and to search out new ways to generate revenue to ensure the City has the financial resources to meet customers' needs.
3. *Foster Economic Prosperity* – Support a vibrant and diverse economy that provides opportunities for residents to prosper and Regina to flourish.

Accessibility Implications

Any accessibility impacts regarding the material alterations proposed by REAL will be dealt with through the City's regular planning and development processes.

Other Implications

It is important to recognize that in this circumstance the City has rights and responsibilities in its capacity as the property owner that are separate and distinct from its regulatory and statutory obligations as an approving authority pursuant to *The Planning and Development Act 2007*.

The recommendations contained in this report are pursuant to the City's lease agreement with REAL for the Evraz Place property. No approvals provided pursuant to the lease arrangement with REAL, or otherwise given by the City in its capacity as land owner, can be taken to constitute or in any way represent any commitment that approvals or permits required by *The Cities Act* or *The Planning and Development Act, 2007* or any other applicable legislation will be granted.

In considering development applications, City Council (or its delegated officers) are acting in a legislative role and reserve a full measure of discretion, which cannot be fettered, even when the City itself is the applicant.

OTHER OPTIONS

Given the alignment with Design Regina and the potential to contribute to a sustainable business model for REAL, Administration is recommending that REAL's request to pursue material alterations be approved, subject to the conditions as outlined in the report.

An alternative option would be to defer the approval of REAL's request until REAL has undertaken a more detailed feasibility study of the proposed commercial development. Such a study would include:

- all engineering and related studies necessary to determine how the Evraz Place site will be serviced to accommodate these requested material alterations including the cost of that servicing and
- a more detailed analysis of the potential for commercial development to create a financially sustainable business model for REAL.

REAL currently has three letters of intent in place with the organizations who are interested in pursuing commercial developments. Deferring a decision on the request to pursue material alterations could cause one or more of these parties to withdraw their interest resulting in the loss of a business opportunity for REAL. Part of REAL's mandate is to operate with an entrepreneurial spirit and to pursue expanded business ventures that could generate additional revenue. Consequently, the option to defer REAL's request was not pursued by Administration.

COMMUNICATIONS

Stakeholder and public engagement regarding any potential development will follow the standard process for proposed amendments to *The Regina Zoning Bylaw, 2019* and discretionary use applications.

DISCUSSION

Context for the Requested Material Alterations

REAL undertakes the care and management of Evraz Place on the City's behalf. The roles and responsibilities for this arrangement are documented in a lease agreement. The most recent lease agreement expired April 1, 2019. The Administration is working with REAL to negotiate of a new lease. Until the new lease is finalized, REAL continues to manage the property on behalf of the City under the same terms and conditions of the previous lease.

REAL procured the services of Stantec Consulting to review the condition of all assets on the grounds at Evraz Place. The review was comprehensive and included everything from the site/grounds to the condition of the Brandt Centre, the Cooperators Arenas, the Queensbury Convention Centre, etc. The review concluded that significant investment is required in order to maintain these assets in their current condition. Specifically, \$15.3 million is required in the next five years, \$6.2 million is required in the period 2026 to 2030 and \$23.0 million is required from 2031 to 2040.

Funding these capital investments poses a challenge for REAL as it relies on major events to help generate positive cashflow and opportunities in this area are limited. Given the significant investment recommended by Stantec, REAL must look to developing new and significant earnings opportunities to be sustainable.

REAL has researched best practices in other cities and concluded that it is wise to leverage the high volume of visitation to an event-based site like the current Evraz Place by diversifying the asset offerings to include retail and commercial opportunities. REAL proposes to transition the Evraz Place site from an event focused site to an entertainment focused campus within a larger district to promote activity and drive economic opportunity in the centre of our city.

REAL envisions commercial developments on the Evraz place site will contribute to the financial sustainability of the property.

Requested Material Alterations

Under the existing lease terms, commercial developments at REAL constitute a material alteration to the Evraz Place site which requires City Council approval. Administration is supportive of REAL's efforts to diversify the amenities offered at Evraz Place. In addition to helping create a sustainable business model for REAL, development opportunities will begin to transition Evraz Place toward a year-round activated site. However, it is important that

REAL's development initiatives on the Evraz Place property complement the Regina Revitalization Initiative, including both the development of the Yards (formerly known as the CP Lands) and the Taylor Field Neighbourhood as well as the Warehouse and Downtown Business Districts. Council's recent decision to pursue a City Centre Plan will support the need to establish a renewed vision and direction for revitalization of our City Centre.

Regulatory and Statutory Obligations Related to the Proposed Material Alterations

With City Council's consent, as landowner, to the recommendations in this report, the City Manager will have authority to sign off on any planning applications that may be required.

Once submitted, these applications will then go through the standard review and circulation process applicable to all new development proposals that require a development permit and zoning amendment.

Next Steps

Recommendations of Executive Committee related to this report are considered by City Council at the March 25, 2020 Council meeting.

DECISION HISTORY

The recommendations in this report require City Council approval.

Respectfully Submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

Respectfully Submitted,



Chris Holden, City Manager

3/5/2020

Prepared by: Jeff May, Manager, Sport Facilities & Special Events