Investigating the Impact of The City Centre Airport Redevelopment on Downtown Edmonton

Executive Summary

Prepared by: Dennis Bridges
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Introduction

This is a report commissioned by the Downtown Business Association of Edmonton in order to assess the effects of the City Centre Airport Redevelopment on the Downtown core and identify any opportunities or challenges that may arise as a result. The report was commissioned in response to a decision by City Council in July 2009, to implement a phased closure of the City Centre Airport and redevelop the land into a world leading, environmentally sustainable, transit-oriented community for 30,000 residents.

The design team chosen by council to make this vision a reality is the Vancouver based firm Perkins & Will. Their design incorporates innovative energy initiatives, dynamic landscape architecture as well as calculated and creative urban design and architecture.

“A new community will evolve on these lands over the next generation that promises to showcase our history, our resources, our pioneering spirit and our people. When completed, this vision will go beyond carbon neutral, to the leading edge of sustainable development anywhere in the world” (Barry Johns, Executive Director of Design, Group2 Architecture Engineering, 2011).

The photo to the left shows the airport lands from the Quest building on 103rd ave and 105th street. Land development is set to begin at the airport in 2014. Following the instillation of basic utilities and construction, residents could be moving in as early as 2016 or 2017. All projections in this report are limited to the forecast period of the city’s economic impact assessment, as it projects the development will be complete and fully populated by the year 2044. The Edmonton City Centre Airport Redevelopment (ECCAR) will be connected via light rail transit (LRT) to the downtown core; estimated travel time is around eight minutes.

Expansion of the LRT system is an ongoing initiative, as the city plans to one day have every section of the city connected via LRT through the Downtown core. Currently construction is underway on what will be the northwest line of the LRT system. This expansion will leave Churchill Station, stopping at Grant MacEwan University, before exiting downtown and eventually arriving at NAIT. Further plans for this section of the LRT include, stopping at the airport lands and continuing out to the City of St. Alberta. The construction up to and including the NAIT Station is scheduled to be completed by April of 2014. The city predicts
this expansion to NAIT will add approximately 13,200 people to weekday LRT ridership. The most recent prediction from Transportation’s Policy Implementation and Evaluation section suggest that the City Centre Airport redevelopment alone could add somewhere in the range of 4,300 boardings to the aforementioned 13,200. However, this prediction is based on a population at the airport lands of only 24,000 residents. Thus, we assume 17,500 to be a reasonable estimate for the number of people who will ride this section of LRT southbound and could make downtown their final destination.

A city’s downtown core is often referred to as the engine that moves it forward, facilitating growth in all other sectors and industries. If one thinks of the city as an ecosystem, the downtown core could be equated to the tree that provides shelter, nourishment and oxygen in the form of economic stability and stimulus, sustaining life and facilitating growth. Through this analogy it is possible to understand how the success of the core filters into the surrounding communities and vice versa, the bigger and stronger the tree the larger and more vibrant the ecosystem. The Downtown Community can be characterized under five major headings, live, work, shop, play and learn. Evaluating Downtown Edmonton under each of these categories offers insight into current and future property market conditions, market segment attributes and the demographics of both employees and residents. This analysis is critical in making reliable projections about how downtown will be affected by the ECCA community.

Analysis

Research suggests that Downtown Edmonton can expect to see the number of people entering downtown via LRT increase by approximately 11,600. When linked to the average disposable income of Edmontonians this represents an influx of approximately $330 million dollars a year or over $20 million in clothing expenditure alone. LRT service will increase traffic, which generally increases sales, rents and ultimately property values. However, this increase in traffic will not only come from LRT expansion, but also as a result of increasing population density.

The City Centre Airport Redevelopment could revolutionize energy use in the downtown core. The design team plans to connect downtown to a district heating system powered by one hundred percent renewable energy sources. If the majority of the upfront costs associated with constructing such a system are born by the city it will make these resources more viable for developers and could eventually make the downtown community’s energy use far more sustainable.
The closure of the airport will mark the end of a collection of building height restrictions that limit the size of buildings in the downtown core. The removal of height restrictions will allow architects more freedom to styleize building designs as maximizing floor space becomes less crucial. Furthermore, it will eventually encourage higher density development, if accompanied by increasing demand and will contribute to the vibrancy and prosperity of the downtown core. Regardless it will have a positive impact on architecture and design making the city’s skyline more appealing as development continues.

The research done on current and future market conditions and market segment attributes suggests that concerns about the Edmonton housing and commercial real estate markets abilities to accommodate development at the City Centre Airport and in other areas of the city, are unsubstantiated. Development at the airport lands accounts for approximately 8.35 percent of the city’s total growth over the forecast period used in the economic impact assessment. The continuing development of office towers in the downtown core suggests developers are confident that demand will rise to accommodate extra square footage. Moreover, the design team is well aware of the market saturation rate and plans to stagger development accordingly. Market segment attributes suggest that the airport development will not compete directly with downtown; rather the majority of growth at the airport is likely to replace growth at the extremities of the city and possibly other transit oriented developments (TOD). Thus, the ECCA redevelopment signals a shift from suburban sprawl to urban densification, which has major implications for business and municipal development. If the development of the airport lands succeeds in shifting Edmonton’s focus from suburban to urban development the increase in density will make it easier for the majority of businesses to survive and thrive. Furthermore, as a city’s density increases its tax revenue per sq. km increases in proportion to its total cost of infrastructure, meaning the city earns more money at a lower cost. These costs include sewer systems and other utilities, schools and services like the police and fire department. The data suggest that if considered as products the ECCA and Downtown could be seen as compliments rather than substitutes.

The redevelopment’s focus on sustainable technologies and renewable energy presents an opportunity for Edmonton to play a more major role in their development, manufacture and or distribution, as specially as the Northern Alberta Institute of Technology is situated directly adjacent to the redevelopment. An increase in the city’s access to skilled labour is also a function of the opportunities provided by this connection and the experience it will
afford the current labour force. The availability of this skilled labour will make other sustainable initiatives in the downtown core possible and or more viable.

Increasing interest in sustainability brought about by the ECCAR opens the door for downtown to leverage the inherent sustainability of dense urban centers in order to attract and retain business and residents. Recent research identifies a number of ways in which the density of urban centers provides a far more sustainable or ‘environmentally friendly” lifestyle than suburban communities, predominantly on account of a lower frequency and duration of automobile usage.

Implications & Recommendations

Increased traffic via LRT will increase the sales volume of nearby businesses. This effect will be amplified by the city’s increasing density. Businesses surrounding areas such as Churchill Station where passengers will transfer to other trains or buses, particularly businesses that sell food or other convenience items will likely see increasing revenues. As property values increase, particularly along the LRT line, rents will also gradually increase. However, the increase in property values is a function of the increase in potential revenues which will more than compensate for increases in rent.

Growth in TODs will decrease the city’s dependence on automobiles, lowering the cost of parking for employers as fewer employees use their cars to get to work. This could ultimately lower the market value of downtown parking lots, providing more incentive for their development and contributing to the vitalization of the Downtown Community. A drop in the use of automobiles will in turn encourage people to move closer to the core also contributing to densification.

There are a number of changes happening both inside and on the periphery of the downtown core that will almost certainly change the face of Edmonton. This could be an excellent opportunity to expand the appeal of downtown living to a new market of consumers, emphasizing the sustainability and connectivity of downtown living and exploiting the buzz created by perspective developments.

LRT expansion warrants attention being directed toward the retail areas within the city’s pedway system, preparing them for retail business operations. An ideal starting point would be Churchill station as it will likely see some of the highest traffic counts due to transfers and it currently houses some administrative entities that would need to be relocated to make room for retail business operations.

Further research should be conducted on the true sustainability of Downtown Edmonton. Seeking to understand and identify how the core can use its per capita environmental impact as a starting point for attracting perspective residents. Further inquiries should be
made into the impact of proposed LRT expansions, in particular the downtown connector expansion, as it will greatly impact the flow of traffic in the core and any change in traffic patterns can have major implications for business. It would also be advantageous to conduct further inquiry into the proposed arena district, as it could impact people’s perceptions of the Downtown core and motivate residents and businesses to invest. Finally, it would be wise to continue researching ways to encourage densification.

The ECCAR and other transit oriented development is an important step towards a cultural shift away from automobiles that will increase density, making the city and its downtown more efficient and more attractive to investors. In the long-term increasing density will create more opportunities for business and development and ultimately make downtown more vibrant and prosperous.