



AGENDA

SPECIAL MEETING OF THE PRIORITIES AND FINANCE COMMITTEE

RE: Established Area Growth and Change Strategy – Phase one

April 29, 2020, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor G-C. Carra (CPS Chair)
Councillor J. Davison (T&T Chair)
Councillor J. Gondek (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

SPECIAL NOTES:

Public are encouraged to follow Council and Committee meetings using the live stream <http://video.isilive.ca/calgary/live.html>

Public wishing to make a written submission may do so using the public submission form at the following link: [Public Submission Form](#)

Public wishing to speak are invited to contact the City Clerk's Office by email at publicsubmissions@calgary.ca. to register and to receive further information.

Members will be participating remotely.

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 March 10
5. CONSENT AGENDA
 - 5.1 DEFERRALS AND PROCEDURAL REQUESTS
None

5.2 BRIEFINGS
None

6. POSTPONED REPORTS
(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Established Area Growth and Change Strategy 2020: Phase 1 Recommendations,
PFC2020-0381

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS
None

8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

10.2 URGENT BUSINESS

11. ADJOURNMENT



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**March 10, 2020, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT:

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor J. Davison (T&T Chair)
Councillor J. Gondek (PUD Chair)
Councillor E. Woolley (Audit Chair)
Councillor J. Farkas
Councillor D. Farrell

ABSENT:

Councillor G-C. Carra (CPS Chair) (Personal)
Councillor W. Sutherland (UCS Chair)
(Personal)

ALSO PRESENT:

City Manager D. Duckworth
Chief Financial Officer C. Male
Deputy City Clerk K. Martin
Legislative Advisor D. Williams

1. CALL TO ORDER

Mayor Nenshi called the Meeting to order at 9:32 a.m.

2. OPENING REMARKS

Mayor Nenshi provided opening remarks and provided a response on The City's perspective with respect to the coronavirus (COVID-19).

3. CONFIRMATION OF AGENDA

Moved by Councillor Farkas

That the Agenda for today's Meeting be amended by adding an Item of Urgent Business, 9.1 World Financial Situation (Verbal), PFC2020-0367.

MOTION CARRIED

Moved by Councillor Farkas

That the Agenda for the 2020 March 10 Regular Meeting of the Priorities and Finance Committee be confirmed, **as amended**.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 February 11

Moved by Councillor Chu

That the Minutes of the 2020 February 11 Regular Meeting of the Priorities and Finance Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

Moved by Councillor Chu

That the Priorities and Finance Committee receive the following items for the Corporate Record, in an omnibus motion:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

- 5.1.1 Defer Douglasdale-McKenzie Slopes Update from Q1 2020 to 2020 April 21, Priorities and Finance Committee, PFC2020-0333

5.2 BRIEFINGS

- 5.2.1 Status of Outstanding Motions and Directions, PFC2020-0304
5.2.2 Financial Task Force 2020 March Update, PFC2020-0315
5.2.3 Electronic Voting Implementation, PFC2020-0326

MOTION CARRIED

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Solutions for Achieving Value and Excellence (SAVE) Program Q1 2020 Update, PFC2020-0284

A presentation entitled "Solutions for Achieving Value and Excellence (SAVE) Program Q1 2020 Update", dated 2020 March 10, was distributed with respect to Report PFC2020-0284.

Moved by Councillor Woolley

That the recommendation be amended:

- in the preamble, by adding the words "commit to trust the processes and endeavor to provide confidence to citizens and encouragement to staff and" following the words "recommend that Council"; and

- by adding a Recommendation 3, as follows:
"3. Direct all savings-seeking initiatives into SAVE."

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

Moved by Councillor Gondek

That with respect to Report PFC2020-0284, the following be approved, **as amended:**

That the Priorities and Finance Committee recommend that Council **commit to trust the processes and endeavor to provide confidence to citizens and encouragement to staff and** direct Administration to:

1. Pause new Zero-Based Reviews (ZBRs) for the duration of 2020 and 2021;
2. Incorporate reporting on prior ZBRs into SAVE program updates; and
3. **Direct all savings-seeking initiatives into SAVE.**

Against: Councillor Chu and Councillor Farkas

MOTION CARRIED

7.2 Golf Sustainability Framework Q1 2020 Update, PFC2020-0251

A presentation entitled "Golf Sustainability Framework Q1 2020 Update", dated 2020 March 10, was distributed with respect to Report PFC2020-0251.

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(a) was suspended, by general consent, to allow Committee to complete the remainder of this item prior to the scheduled 12:00 noon recess.

Moved by Councillor Farkas

That with respect to Report PFC2020-0251, the following be approved:

That the Priorities and Finance Committee recommend that this report be forwarded to the 2020 March 16 Combined Meeting of Council as an item of Urgent Business; and

That Council refer Report PFC2020-0251 to Administration:

1. to investigate a shorter time frame option and expression of interest from the marketplace;
2. to prepare a financial report on the closure of Richmond Green and options for stage 2 assessment; and
3. discontinue further investigation of Shaganappi Point golf course.

4. That Recommendations 1 and 2 return to the April 21 Priorities and Finance Committee Meeting.

MOTION CARRIED

Committee recessed at 12:15 p.m. and reconvened at 1:33 p.m. with Mayor Nenshi in the Chair.

7.3 Response to AC2019-1329 – City Pensions, PFC2020-0160

A presentation entitled "Response to AC2019-1329 - City Pensions", dated 2020 March 10, was distributed with respect to Report PFC2020-0160.

Moved by Councillor Gondek

That with respect to Report PFC2020-0160, the following be approved:

That the Priorities and Finance Committee recommends that Council receive this Report and Attachment for the Corporate Record and discussion.

MOTION CARRIED

That Item 7.4 Council Innovation Fund Request for The Future of Stephen Avenue - Activate+Experiment, PFC2020-0274 be brought forward and dealt with at this time, by general consent.

7.4 Council Innovation Fund Request for The Future of Stephen Avenue – Activate + Experiment, PFC2020-0274

The following were distributed with respect to Report PFC2020-0274:

- A presentation entitled "Council Innovation Fund Request for The Future of Stephen Avenue - Activate+Experiment", dated 2020 March 10; and
- A letter from Mike Mannix, Triovest Properties, dated 2020 March 3.

Moved by Councillor Farrell

That with respect to Report PFC2020-0274, the following be approved:

That the Priorities and Finance Committee recommends that Council:

1. Approve this application to the Council Innovation Fund for *The Future of Stephen Avenue: Activate & Experiment*, in the amount of \$300,000; and
2. Direct Administration to report back to Priorities and Finance Committee on the outcomes of this project by Q1 2023 as per the fund guidelines.

MOTION CARRIED

7.5 2019 Year-End Accountability Report, PFC2020-0158

A presentation entitled "2019 Year-End Accountability Report", dated 2020 March 10, was distributed with respect to Report PFC2020-0158.

Moved by Councillor Chu

That with respect to Report PFC2020-0158, the following be approved:

The Priorities and Finance Committee recommends that Council receive this Report for the Corporate Record and discussion.

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

8.2 NOTICE(S) OF MOTION

8.2.1 THE BRENDA STRAFFORD FOUNDATION LTD- CLIFTON HOUSE
LAND ACQUISITION, PFC2020-0314

Moved by Councillor Davison

That with respect to Notice of Motion PFC2020-0314, the following be approved:

That Notice of Motion PFC2020-0314 be forwarded to Council for consideration.

Against: Councillor Woolley

MOTION CARRIED

8.2.2 Proactive Security Training for City Staff, PFC2020-0334

A document entitled "Notice of Motion Checklist" was distributed with respect to Notice of Motion, PFC2020-0334.

Moved by Councillor Farkas

That pursuant to Section 24 (Advice from Officials) of the *Freedom of Information and Protection of Privacy Act*, Committee move into Closed Meeting, at 3:03 p.m., the Council Lounge, in order to discuss a confidential matter with respect to Item 8.2.2, Proactive Security Training for City Staff, PFC2020-0334.

MOTION CARRIED

Committee moved into Public Meeting at 3:10 p.m. with Mayor Nenshi in the Chair.

Moved by Councillor Farkas

That Council rise without reporting.

MOTION CARRIED

Administration in attendance during the Closed Meeting discussions with respect to Report PFC2020-0334:

Clerks: L. Kennedy and K. Martin. Advice: T. McCreight. Observer: D. Duckworth

Moved by Councillor Farkas

That with respect to Notice of Motion PFC2020-0334, the following be approved:

That Notice of Motion PFC2020-0334, with attached distribution titled "Notion of Motion Checklist" be forwarded to Council for consideration.

And further, that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of the Information and Protection of the Privacy Act*.

Against: Mayor Nenshi

MOTION CARRIED

9. URGENT BUSINESS

9.1 World Financial Situation (Verbal), PFC2020-0367

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, as amended, Committee, by general consent, suspended Section 78(2)(b) in order to complete today's agenda prior to recessing.

Moved by Councillor Farkas

That with respect to Verbal Report PFC2020-0367:

Administration be thanked for the update and that the issues discussed today be added to the Administration reports at the 2020 April 21 Priorities and Finance Committee and the 2020 April 30 Strategic Meeting of Council.

MOTION CARRIED

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Chu

That this Meeting adjourn at 3:37 p.m.

MOTION CARRIED

THE FOLLOWING ITEM HAS BEEN FORWARDED TO THE 2020 MARCH 16
COMBINED MEETING OF COUNCIL, AS URGENT BUSINESS:

Golf Sustainability Framework Q1 2020 Update, PFC2020-0251

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2020 APRIL 06
COMBINED MEETING OF COUNCIL:

CONSENT

Solutions for Achieving Value and Excellence (SAVE) Program Q1 2020 Update,
PFC2020-0284

Response to AC2019-1329 – City Pensions, PFC2020-0160

Council Innovation Fund Request for The Future of Stephen Avenue – Activate +
Experiment, PFC2020-0274

2019 Year-End Accountability Report, PFC2020-0158

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

The Brenda Strafford Foundation Ltd - Clifton House Land Acquisition, PFC2020-0314

Proactive Security Training for City Staff, PFC2020-0334

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be
held on 2020 April 21 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

Planning & Development Report to
Priorities and Finance Committee
2020 April 29

ISC: UNRESTRICTED
PFC2020-0381

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

EXECUTIVE SUMMARY

The recommendations of this report have been considered in the context of the COVID-19 emergency, however the vast majority of the supporting work was completed during the pre-COVID-19 period. The full financial impact to The City from COVID-19 is not yet fully known. As this report includes recommendations related to the One Calgary service plan and budget, and a review of capital project funding and delivery is underway, the outcomes of this report will be considered within the budgetary and project delivery framework.

The Established Area Growth and Change Strategy (the “Strategy”) was directed by Council in 2018 September (PFC2018-0891). It is the second part of the comprehensive city-wide growth strategy that began with the New Community Growth Strategy and includes the future Industrial Area Growth Strategy.

This work proposes making investments that can help deliver great communities for existing and future residents, and it identifies process improvements and the development of financial tools that will enable growth, boost investor confidence and certainty, and attract private investment to partner with public investments in communities. This work helps implement policy goals through strategic investments in redeveloping communities.

The four factors that support this decision making are: (1) aligning with long term Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) policies, (2) meeting existing market demand, (3) considering financial impacts, and (4) ensuring redevelopment readiness of existing communities.

Phase 1 results include:

1. A recommended \$30M City investment program in the public realm and an identified \$5.4M budget allocation for utilities in the Phase 1 growth areas that supports an estimated 190 construction jobs, \$28M in Gross Domestic Product (Value Added) and \$71M in additional sales for the Calgary Economic Region in this budget cycle (Attachments 1, 2 and 4);
2. A recommendation to develop an off-site levy, in consultation with stakeholders, for local-sized water and sanitary pipes in the established area to provide cost certainty and predictability for developers (Attachment 3);
3. A property tax uplift pilot, for this budget cycle, in the North Hill Communities Local Area Plan (Attachment 3); and
4. Process and policy improvements that enable growth and support growing communities (Attachment 2).

The Strategy is part of a group of interconnected planning initiatives, known as the *Next Generation Planning System*, which will improve the way we plan Calgary’s future and help us implement and realize the MDP and its policies (see Attachment 6). Many of these initiatives are being worked on in parallel, including the pilot multi-community Local Area Plan for North Hill, and this Strategy.

Following this report, the Strategy work shifts into implementation of the recommended Phase 1 actions, as well as leading into a Phase 2 which is an expansion of this work in advance of the next budget cycle (Attachment 7).

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Administration would like to acknowledge and thank the many businesses, community members, partners and development industry representatives that have contributed to the results of this work.

ADMINISTRATION RECOMMENDATION:

Administration recommends* that the Priorities and Finance Committee recommends that Council:

- 1) Review the portfolio of public realm and utility investments, as indicated in Attachment 1, to be funded by the Established Area Investment Fund (public realm) and redirected capital budget (utilities), and:
 Approve a capital budget request for Budget Id 481650 "Public Realm (EAGCS) of \$11.7M in 2021 and \$18.3M in 2022, funded by the Established Area Investment Fund.
- 2) Direct Administration to develop:
 - a) A new Established Area off-site levy for local-sized water and sanitary pipes, through consultation with stakeholders, and for Council's consideration, as part of the current Off-site Levy Bylaw review;
 - b) A two-year pilot Tax Uplift program in the North Hill Communities Local Area Plan to support future growth-related public realm investments; and
 - c) In Phase 2, additional financial tools and strategies for public realm investment and replenishment of the Established Area Investment Fund, as listed in Attachment 3.
- 3) Approve the Request to Create a New Reserve and associated Terms and Conditions for the Established Area Investment Fund (Attachment 4).
- 4) Direct Administration to continue Phase 2 of the Established Area Growth and Change Strategy work as defined in a Phase 2 Work Plan (Attachment 7) and bring back the next round of recommendations, no later than 2022 November, in coordination with the 2023-2026 business plan and budget cycle.

*The full financial impact to The City of the COVID-19 emergency is not yet understood. A comprehensive review of capital project funding and delivery is underway.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 February 3, Council approved Notice of Motion PFC2020-0131 regarding "Identifying a Funding Source for Public Realm Improvements in Established Areas." This Notice of Motion provides \$30 million of funding towards public realm improvements in Phase 1 Established Areas. It also directs Administration to outline an investment decision framework in the 2020 May Phase 1 report, develop a Terms of Reference for the fund, and explore the opportunities to replenish the fund to ensure continued investment in redeveloping areas.

Additional previous direction is included in Attachment 6.

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

BACKGROUND

The Strategy was directed by Council in 2018 September (PFC2018-0891), as a second part of the city-wide growth strategy that began with the New Community Growth Strategy and includes the future Industrial Area Growth Strategy. This work identifies focus areas and proposes investments that can help deliver great communities for existing and future residents consistent with the Municipal Development Plan (MDP) and enable growth through the efficient use of land and existing services. This Strategy supports Calgary's Comeback and is intended to help boost investor confidence and attract private investments to partner with public investments in existing communities.

This work was a collaboration between community and business stakeholders, shallow utility providers, development industry representatives, and City staff in various departments. Together, solutions were developed based on the current development context in Calgary.

This project is being undertaken in two phases. Phase 1 identified short-term actions and piloted a growth-related decision framework for actioning public realm and utility investments (Attachment 2) that align with guiding project factors. Phase 1 is foundational to Phase 2, which provides the opportunity to further develop and implement the more complex actions that have been identified to support growing communities.

As articulated in the PUD2019-0305 Update Report, Phase 1 was anticipated to identify growth areas with a higher likelihood to experience short-term redevelopment, to initiate proposals that include public investment opportunities that complement anticipated growth and change and private sector investment, and to identify funding, financing, and planning tools that could be deployed to support each proposed growth area. Investments were to be recommended through the 2020 November Mid-Cycle budget, and improvements and tools would be implemented as required. The Update Report also outlined the case for why investment in existing communities is important to the overall city.

As a part of the Next Generation Planning program of work (Attachment 6), the Strategy links into the broader effort to deliver policy and implementation tools that better support the redevelopment context in Calgary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Next Generation Planning System (Attachment 6) includes important and complementary foundations of both policy and investment. The Strategy identifies ways to intentionally support strategic growth in the established area, in alignment with and in support of the long-term MDP/CTP and Local Area Plan policy goals. This is through investments in public realm and infrastructure for existing and future residents and businesses of redeveloping communities. While being done in parallel with the initial Local Area Plans, the future phases will work to complement modern growth-enabling policy with public realm investment as local growth is realized.

To accomplish this, the framework for making growth planning recommendations in established areas is based on alignment with the MDP/CTP policies, meeting market demand, redevelopment readiness and consideration of the financial impacts and benefits of growth. Phase 1 proposes investments and process and policy improvements that can enable growth while supporting great communities for existing and future residents and businesses.

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Investments are largely targeted for communities with current growth pressures and anticipated continued market interest, while the actions will be available in these areas and other redeveloping areas in the city.

Public realm and utility investments are outlined in Attachment 1, through a flexible program-level list of identified projects. The decision framework used to arrive at the list is included in Attachment 2 along with a summary of process and policy improvements that support the readiness of areas to receive growth. Attachment 3 outlines the related financial strategy under development. The elements identified in Attachments 1, 2, and 3 were developed through 2019-2020 in collaboration with stakeholders through Advisory and Working Groups and connections with members of Community Associations and Business Improvement Areas.

MDP/CTP Alignment

This Strategy is meant to align with the goals of the MDP by identifying areas and proposing investments that can help deliver great communities for existing and future residents, and enable growth through the efficient use of land and existing services. This supports moving Calgary towards outcomes identified in Sections 2.2, 3.5, and 5.2.4 of the MDP, including a more compact urban form, and supports intensification of the Developed Residential Areas. The CTP encourages transportation investment to support choice and capacity in intensifying areas. These goals in the MDP/CTP are also broadly aligned with other approved Council policies, including the Climate Resilience Strategy (Action 6.2) and the Resilience Strategy.

Market Demand

Strategic, sustainable growth in established areas is best achieved by coordinating The City's investment and policy efforts with areas of demonstrated market potential. Investment in these areas is anticipated to provide benefits to citizens and further encourage private redevelopment interest. As Phase 1 targets short-term investment and effort to prove the concept, four target areas were identified, using a short-term market potential analysis (Attachment 2). The Phase 1 analysis relied upon seven factors and over 20 indicators such as: development activity, housing stock change, policy status, existing amenities, housing prices, demographics, and community lifecycle. The methodology for market-based analysis was further vetted with industry stakeholders to ensure it fairly represented market expectations.

Growth areas identified for Phase 1 follow local area plan boundaries (as of 2019 November) rather than individual communities to align with the emerging multi-community Local Area Plan framework. This recognizes that local markets are not typically constrained by community boundaries and often share key corridors, amenities, and business areas. It also allowed the benefit of investment to be considered over a wider area.

Redevelopment Readiness

Redevelopment in established areas often involves additional complexity relative to other areas of the city. This term reflects the readiness of an area grow and change, and includes current and future land use, occurrence of under-density developments, areas of approved post-MDP local area policy, areas of market attractiveness, community lifecycle, community readiness to receive redevelopment, and the level of knowledge about the local infrastructure context. The focus of Phase 1 has been on areas showing strong redevelopment readiness, where City-led investment can be leveraged with private investments to achieve the goals of this Strategy.

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Growth-enabling local area policy indicates the readiness of communities for redevelopment and subsequent investment in public realm and infrastructure.

Readiness was used to help identify the Phase 1 growth areas and public realm investments were identified in consultation with community representatives. Several process and policy improvements identified for Phase 1 also support the evolution of established areas into a state of readiness. Attachment 5 outlines the learnings related to utility networks in the established area and important considerations in how growth-related investment in infrastructure can support redeveloping communities.

Process and policy improvements that support redevelopment readiness that are being implemented include:

1. Adjusting business practices to increase applicant awareness and access to utility information at an early stage in the redevelopment process (Attachment 2);
2. Incorporating lessons learned from the first stage of Main Streets project delivery, and gathering information and perspective on existing density bonusing programs to inform Phase 2 work;
3. Supporting policy development by creating policy content for local area plans and the Guidebook for Great Communities, and identifying market areas to inform the sequencing of work on new Local Area Plans; and
4. Reviewing pertinent existing utility standards in the established area to improve understanding of their origin and purpose (Attachments 2 and 5).

Financial Impact

The financial impacts of the Strategy should be considered in terms of both the availability of City funds to support this initiative and the impact to The City, stakeholders, and to the broader economy.

The first part of the financial work focused on developing growth area proposals for the Phase 1 areas (Attachment 2) that outlined meaningful and tangible investments in public amenities and infrastructure that could support growth, create jobs and alleviate growth-related pressures. This report identifies a \$30M portfolio of investments in the public realm and a budget allocation of \$5.4M for investment in water and sanitary utilities (aligned with Main Street streetscape improvements) to be delivered over the remaining One Calgary (2019-2022) service plan and budget, the portfolio of investments is outlined in Attachment 1. This level of investment supports an estimated 190 construction jobs, \$28M in GDP and \$71M in additional sales for the Calgary Economic Region in this budget cycle.

In 2020 February, Council directed \$30M to support this initiative that appropriately complements the number of identified public realm projects that can be delivered in 2021-2022. Funding for utility upgrades required considerations for budget redirections within the Water and Wastewater service lines.

The second part of the financial work in Phase 1 was to examine available financial tools in a Calgary context, and to identify and advance the most appropriate tools to support short-term investment in public realm and infrastructure in growth areas. The progress of this work through 2019 is outlined in Attachment 3. This work is foundational to the continued efforts of the Strategy into Phase 2 to identify sustainable longer-term tools for this purpose.

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Established Area Investment Fund: To support the Strategy to be a long-term and sustainable program focused on public improvements, Administration is recommending the approval of a new reserve (Recommendation 4 and Attachment 4) called the Established Area Investment Fund. This reserve will be monitored, evaluated and reported on through the annual growth monitoring report and the annual corporate reporting on the status of reserves and liabilities and also be included in the triennial reserve review. Sources of funds for this reserve are discussed below.

Phase 1 Funding Mechanisms

Public Realm Investment - For funding Phase 1 investment, a Notice of Motion (PFC2020-0131) was approved by Council that identified an initial \$30 million from the Corporate Fiscal Stability Reserve (FSR) for public realm improvements. These funds will be held in the Established Area Investment Fund and will enable the delivery of the recommended portfolio of public realm projects outlined in Attachment 1.

Property Tax Uplift Pilot: Administration is also recommending property tax uplift reinvestment as a funding tool for public realm improvements (Recommendation 2b, and Attachment 3). In the short term, this will be piloted in the North Hill Communities Local Area Plan to gauge the effectiveness of this tool prior to consideration for more broad application for the 2023-2026 budget cycle. Tax uplift refers to the increase in the property taxes of a property due to the redevelopment of that property. The strength of this tool is that it is easy to draw the link of investment in public realm infrastructure to growth. The weakness of this tool is that growth is variable and uncertain, it can allocate revenue away from other City priorities, and there could be long delays between realized growth and tangible local investment. If successful, this tool could be used to help replenish the Established Area Investment Fund and contribute to future public realm investments in established areas. In the North Hill pilot, revenues generated through this pilot will be reinvested in the North Hill communities. The effectiveness of geographic based property tax investment will be evaluated through the pilot.

Utility Investment – Two water and sanitary utility upgrades have been identified within Phase 1 to support priority Main Streets projects, at an estimated value of \$5.4 million with construction timing to be coordinated with Main Streets streetscape construction.

Capital Program Prioritization: In support of the Strategy and Main Streets programs, upgrades to water and sanitary were identified around 17 Avenue SW and 33 Avenue SW. The limited existing program budgets within the Water and Wastewater services lines are being redirected to fund these upgrades. A dedicated capital program with increased funding specific to this initiative may be required in the 2023-2026 budget cycle and beyond as Phase 2 is developed and implemented.

Established Area Off-Site Levy: To provide cost certainty to developers in the established area, it is recommended that further work on the development of a levy for local-sized water and sanitary infrastructure be included in the ongoing review of the Off-Site Levy Bylaw (Recommendation 2a). This approach would be guided by current provincial legislation to help offset the financial risk and uncertainty of upgrades that may be triggered by redevelopment (sometimes referred to as the 'first in' problem). This work would involve extensive stakeholder consultation and be presented to Council for a final decision along with the review of the Off-site

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Levy Bylaw. This concept was advanced through the Utilities Working Group, part of the engagement framework for the Strategy.

Conclusion: Phase 1 Findings and Outcomes

Phase 1 respected the timeframe for this work related to budget decisions, and identified short term actions, as well as developed the foundation of work that will continue into Phase 2. Phase 1 actions include:

1. A \$30 million investment program in public realm and a \$5.4 million planned investment in utilities in the Phase 1 growth areas (Attachments 1 and 2),
2. Process and policy improvements that support ongoing redevelopment, growth and change across all established areas (Attachment 2); and
3. The implementation of funding mechanisms to enable the delivery of identified investments (Attachments 3 and 4).

Recommended investments include a portfolio of growth-related public realm enhancements including transportation, traffic calming, pedestrian elements, and improvements to public spaces. Additional planned investments include utility upgrades to water and sanitary networks. Beyond addressing growth pressures in established areas, and delivering on policy objectives, it is expected that this investment in the 2019-2022 budget cycle will support an estimated 190 construction jobs in Calgary and \$28M in Gross Domestic Product (Value Added) to Calgary Economic Region with additional total sales of \$71M.

Process and policy improvements include changes to the development application process to provide improved information related to utilities, a simplified policy environment that is integrated with implementation, and the consideration of a new off-site levy in established areas to fund local-sized water and sanitary pipe upgrades. Some appropriate financial and planning tools were identified to advance these actions and were either fully or partially developed in the time available in Phase 1.

Phase 2 of the Strategy

Stakeholders were involved in the development of the Phase 2 Work Plan (Attachment 7). All stakeholder groups identified the critical importance of this work in supporting growing communities, and the need to develop more sustainable, permanent solutions through Phase 2. Phase 2 includes the development of annual monitoring and reporting on the impacts of the Phase 1 investments in supporting development projects and the delivery of public realm and infrastructure projects. This will be done with the New Community annual growth monitoring report. Administration will bring the next set of established areas capital investment recommendations in coordination with the 2023-2026 business plans and budget process, and in conjunction with the rest of the city-wide growth strategy, the Transit Oriented Development (TOD) Strategy, and the Main Streets program.

Stakeholder Engagement, Research and Communication

Stakeholders were engaged through a working group framework consisting of an Advisory Group and four working groups. Participation and perspective from stakeholders was key to building a foundation for the Strategy. The working groups each focused on unique elements of

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

the Strategy (Attachment 8). Stakeholders represented communities, the Federation of Calgary Communities, Business Improvement Areas, shallow utility providers, the development industry (including NAIOP and BILD-Calgary Region) and Administration. Over 70 external individuals participated in Phase 1. Letters from stakeholders are included in Attachment 9.

The Advisory Group identified a set of principles as a foundation for how this project would be undertaken, as well as establishing a consensus model for decision-making. The Advisory Group provided critical guidance at key points in Phase 1. The working groups collaborated to identify the basic challenges in growing established areas that were related to public environment, deep and shallow utilities and financial, planning and policy tools.

The project team used web updates, information packages, meetings and emails to share information with Council and stakeholders throughout 2019. Information was also shared through Next Generation Planning projects. The Advisory Group and working groups were asked to share project information with their community and industry contacts.

Strategic Alignment

Attachment 6 outlines the strategic alignment of this work with policies like the MDP, CTP, Next Generation Planning System, the Calgary Climate Resilience Strategy, Resilient Calgary Strategy and Council's Priorities.

Social, Environmental, Economic (External)

Social

Facilitating growth in established communities supports the vibrancy and diversity of communities by sustaining public infrastructure and amenities to support a changing population and a range of housing choices that includes mid-density options. Investment in infrastructure supports development that can increase housing variety and affordability, providing opportunities for populations that are diverse both demographically and economically. Supporting the redevelopment and growth of communities can positively impact social inclusion, enhance accessibility standards and aging in community options for current and future residents.

Environmental

This work supports the goals of Calgary's Municipal Development Plan to foster a compact urban form. This limits the environmental footprint of the city by creating a more efficient use of land and infrastructure services. A more compact population supports infrastructure that provides mobility choices and the policies supporting transportation modes like walking, cycling, and transit within the Calgary Transportation Plan. Investment in amenities such as open space and the urban tree canopy helps sustain healthy spaces for citizens to connect to the environment.

Increased densification and infrastructure upgrades in established areas supports the goals of the Climate Resilience Strategy, specifically Action 6.2 which calls for the integration of GHG reduction considerations into growth management decisions. Efficient use of land and compact population helps to mitigate the emissions of climate change-causing greenhouse gasses by facilitating low- and zero-carbon transportation choices.

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

Economic (External)

Meaningful investment of the identified \$35.4 million in existing areas of the city that have the opportunities for growth through redevelopment will help bolster economic diversification and resilience by supporting tangible market demand while helping to increase the assessment base and support job creation. Growth in existing communities leverages existing infrastructure and services and creates cost efficiencies overall. An updated analysis of the impacts of meeting the Municipal Development Plan/Calgary Transportation Plan long-term goals by 2076 identified an approximate savings of \$17 billion in capital infrastructure over the next 60 years if the compact urban form outlined in the plans is achieved.

Financial Capacity

Current and Future Operating Budget:

There are minimal operating cost impacts related to the Phase 1 portfolio of capital projects recommended in this report. The recommended process and policy improvements represent a minimal operating impact, since the identified changes to business practices can be accommodated within existing operating resources. Recommendations in future phases of this work may have associated operating impacts, which will be identified at the time.

For the duration of the North Hill property tax uplift pilot, property tax income will be directed to the Established Area Investment Fund if there is a positive tax uplift and there are budget savings of the same amount available to use.

Current and Future Capital Budget:

No new capital funding is being requested in this report. The recommended portfolio of public realm and utility investments will be funded through (1) the \$30M identified in the Notice of Motion (PFC2020-0131) and (2) by \$5.4M capital budget redirection within the Water and Wastewater service lines. Future capital funding will require support through decisions in future business cycles and will consider additional funding and financing tools that will be evaluated in Phase 2 of this work. This fund complements the City's investment of \$5 billion through the City's four year capital budget related to capital maintenance, upgrades, growth, and service changes, and approximately \$1.7 billion is spent specifically for rehabilitation of existing infrastructure due to obsolescence, safety concerns, age, or condition of the infrastructures (C2018-1158 Att. 9, p 99).

Risk Assessment

While there are several risks associated with the recommendations outlined in this report, there is far greater risk associated with not intentionally supporting policy and investment to enable growth and change in established areas. The primary risks include:

- **State of Local Emergency:** The recommendations in this report have been considered in the context of the COVID-19 emergency, and with knowledge available at the time of publishing. Changes related to other City initiatives because of the emergency may also pose risks to the Strategy work. The ability to implement and realize actions outlined in this Strategy may be at risk, given the uncertainty of The City's financial capacity, availability of resources due to illness, personal commitments, and potential redeployments. Public hearing limitations pose risks to public and stakeholder perception of transparency, ability to participate, and

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

effectiveness of participation. There may be lower stakeholder acceptance of change as individuals and organizations manage physical, financial, and psychological impacts of Covid-19. Additionally, Phase 2 actions may also be at risk, given the uncertainty related to stakeholder engagement and ability to participate as the emergency situation unfolds. Changes to other related City initiatives as a result of the emergency may also pose risks to the EAGCS work. The situation and impacts continue to be assessed and managed.

- **Strategic and Policy Risk:** Without an intentional approach to supporting growth in the established area, a number of Council-approved priorities are at risk of being achieved, including MDP growth targets for developed areas, Green House Gas emissions reductions targets (Climate Resilience Strategy), and Council Directive (N5) maximizing housing choice and affordability. Based on the current number of annual units being absorbed in the Developed Area as defined by the MDP, Calgary's target of 50 per cent population growth accommodated within this area continues to be at risk (as stated in the 2019 May 01 EAGCS update report, PUD2019-0305). While this Strategy doesn't remove this risk, it provides one mitigation strategy towards longer-term cumulative impact. The City's ability to achieve Green House Gas emissions reduction targets, as outlined in the Climate Resilience Strategy (2018) may be compromised, as planning and policy decisions, and infrastructure investments directly impact emissions and energy use in Calgary. As well, Council Directive (N5) to minimize cost of growth for The City, while maximizing housing choice and affordability, requires capital investment in infrastructure to be prioritized towards supporting intensification of developed areas (as outlined in the MDP).

Recommendations in this report are also complementary to a number of other City initiatives in established areas (e.g. projects as part of the Next Generation Planning System, Liveable Streets, and capital investment priorities of City service lines) that may be impacted should the recommendations not be approved.

- **Market Risk:** Within Calgary's Established Area, 22 per cent of communities are growing. Without intentional focus in these communities to meet market demand, affordability pressures may increase, and the communities will struggle to provide a range of housing types and tenures. While attention to forecasts and trends have underpinned this work, these analyses are based on assumptions that may prove to be inaccurate, as redevelopment is also dynamic and variable. There is also a risk that the market may not respond to recommended actions and investments in this strategy. These risks have been mitigated to the extent possible, through monitoring and developing recommendations in close collaboration with Industry stakeholders. Additional certainty of support for growth and investment in established areas in Calgary may also improve investor confidence and encourage private capital to remain in the local market.
- **Financial Risk:** Builders and developers involved in redevelopment are heavily influenced by economic and population trends, resulting in a high degree of market volatility and uncertainty. City capital budgets are currently constrained by a number of internal and external factors, and return on investment is unpredictable given the influence of economic and population trends. Council's decision to allocate \$30M towards the Strategy mitigates the near-term risk for an identified funding source, but funding sources to support new investments may be limited beyond the current budget cycle. Implementation of financial tools identified through Phase 2 of this work may take time to develop, and additional time to

**Planning & Development Report to
Priorities and Finance Committee
2020 April 29**

**ISC: UNRESTRICTED
PFC2020-0381**

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

accumulate sufficient funds for future investments. This work acknowledges a shared risk approach between citizens, businesses, The City and Industry, has an identified near-term funding source, and a strategy to identify tools in Phase 2 to support ongoing future funds.

- Operating and Capital Delivery Risk: Current operating budgets and recent disruption to standard business practices pose a risk to the speed at which strategic investments, capital project delivery, and policy and financial tools may be realized. Further work on scope, cost and scheduling to finalize capital project delivery details in Phase 1 will help mitigate this risk, as well as incorporating implications of capital and operating expenditures into future growth recommendations.
- Stakeholder Expectations and Reputational Risk: Supporting redevelopment in an effort to achieve the long-term goals of the MDP and CTP requires multi-faceted approaches, which consider the role of a variety of stakeholders in achieving these goals. Recommendations put forward through this Strategy represent significant time and effort by Industry, business and community members, as well as staff from various departments across The City. The Strategy aims to be equitable across stakeholder groups, deliver cumulative impacts, and be clear in communication with stakeholders. If work does not proceed, there is a risk of reputational loss for The City, and may increase friction between stakeholder groups. Expectations related to scope, timing, and benefits will need to be addressed, as full benefits will take time to realize (such as activating investments, capital project completion, and market potential).
- Legislative Risk: The legislative environment in Alberta has been changing in recent years and in light of the current emergency. Future legislative changes may have unforeseen impacts to the policy and delivery environment under which this work is delivered, and the strategy and policy tools that may be recommended or implemented to support growth in established areas.

REASON(S) FOR RECOMMENDATION(S):

This set of growth enabling investments and process/policy improvements demonstrate an intentional approach to supporting growth and change in the established area of Calgary. The recommendations are aligned with the MDP/CTP goals, market factors, redevelopment readiness and financial impacts. The recommendations deliver on the goals of Phase 1, while setting up Phase 2 for continued success, and reflect priorities of stakeholders and Administration that were developed together through 2019. This work is foundational as this program moves into Phase 2 and will advance the Next Generation Planning System in Calgary.

This report aims to prove a concept where The City and stakeholders can realize shared benefit in enabling redevelopment and supporting growing communities. This helps The City be specific in its actions and tie those actions to market trends to leverage private investment and amplify the benefit. This work supports the realization of great communities for existing and future residents, enables growth through the efficient use of land and existing services, boosts investor confidence, supports job creation, and attracts private investment to partner with public investments in communities.

Planning & Development Report to
Priorities and Finance Committee
2020 April 29

ISC: UNRESTRICTED
PFC2020-0381

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations

ATTACHMENT(S)

1. Attachment 1 – EAGCS Phase 1 Portfolio of Public Realm and Utility Investments – PFC2020-0381
2. Attachment 2 – EAGCS Phase 1 Growth Area Investment Proposals and Process and Policy Improvements – PFC2020-0381
3. Attachment 3 – EAGCS Phase 1 Funding Strategies and Tools – PFC2020-0381
4. Attachment 4 – Request to Create a New Reserve – PFC2020-0381
5. Attachment 5 – Utilities and Established Area Growth – PFC2020-0381
6. Attachment 6 – EAGCS Phase 1 Strategic Considerations – PFC2020-0381
7. Attachment 7 – EAGCS Phase 2 Work Plan – PFC2020-0381
8. Attachment 8 – EAGCS Phase 1 Stakeholder Summary: What We Heard/Did – PFC2020-0381
9. Attachment 9 – EAGCS Phase 1 Stakeholder Letters – PFC2020-0381

EACGS Phase 1 Portfolio of Public Realm and Utility Investments

This attachment summarizes a portfolio of investments in the public realm and utility networks in Phase 1 growth areas, anticipated to be delivered over the remaining One Calgary (2019-2022) service plan and budget. These were arrived at through a multi-stakeholder collaborative approach within the Established Area Growth and Change Strategy (the “Strategy”). This summary includes:

- Public realm investments totaling \$30 million;
- \$5.4 million of utility investments in the water and sanitary networks of key Main Street areas; and
- Growth, maintenance and lifecycle replacement previously approved in One Calgary (2019-2022).

1. Strategic Investment in the Public Realm

Growth-related public realm projects were identified through a criteria based decision-making process designed to find well-supported projects that could be delivered in the short term (described in Attachment 2). Approximately \$24 million (80 per cent) of public realm projects were identified in Phase 1 growth areas that were consistent with the Strategy’s goals and aligned with MDP objectives. These projects met specific criteria around schedule (1-3 years), scope (less than \$1 million), and feasibility.

Approximately \$6 million (20 per cent) has also been set aside to support strategic public realm projects that advance the goals of the Main Streets program, the Transit Oriented Development (TOD) Strategy, and other emerging redevelopment opportunities that align with the goals of the Strategy (Table 3). The identification of projects will occur in consultation with these other related initiatives, and they may not meet the specific criteria around timing and scope that were applied to the \$24 million.

Recommended projects are located within the Phase 1 areas and represent an investment in:

- Traffic calming and pedestrian safety improvements;
- Park and recreation upgrades;
- Pathway connectivity, sidewalk & streetscape improvements; and
- Public space programming.

This range of project types was identified collaboratively with stakeholders involved in Phase 1 of the Strategy (including members of community associations and business improvement areas, representatives from the development and building industry, and City staff). The types of investments align closely with the themes encountered in 75 recent engagement sessions completed through other initiatives in established communities.

Projects identified in Figure 1, Table 1 and Table 3 represent many sub-projects that have been clustered together to magnify benefit in the Phase 1 areas. Administration evaluated which group of projects would have the most impact to address growth related pressures and were most likely to be delivered in the remaining One Calgary (2019-2022) service plan and budget.

Administration is recommending that these projects be managed as a program of public realm investment in established areas. This approach provides flexibility as these projects are delivered through the infrastructure stage gate process. A program approach will allow Administration to manage these projects with existing public realm projects and programs and provide flexibility should delivery issues arise.

Figure 1 – Context Map

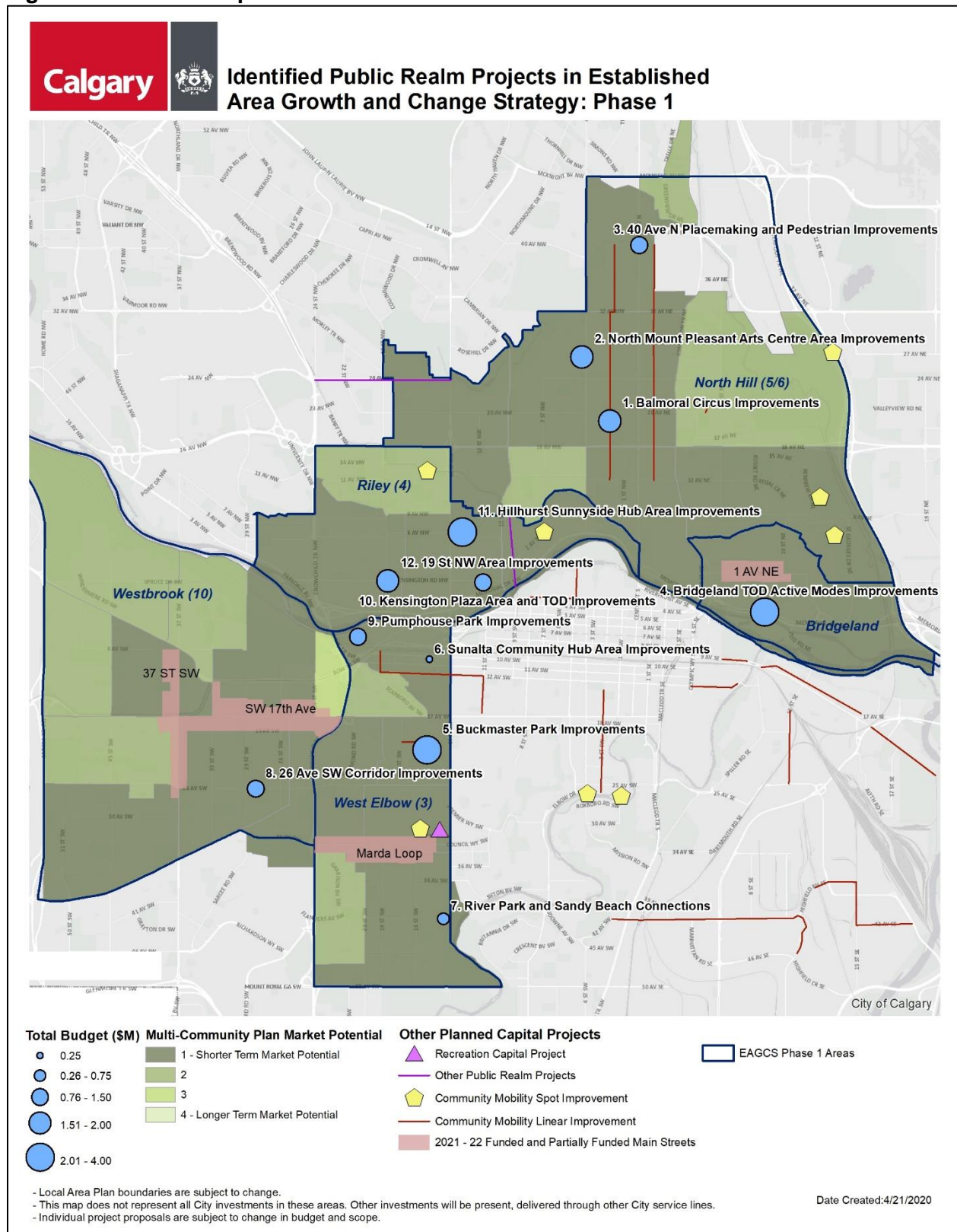


Table 1 – Growth-Related Public Realm Projects in Phase 1 Growth Areas

Public Realm Project Group	Growth Rationale	Related City Work
Local Area Plan: North Hill (Area 5 & 6)		
1. Balmoral Circus Improvements	<p>Renewed park space at 2 Street & 19 Avenue NW identified by the community as a key placemaking anchor in a high-growth area.</p> <p>Leverages existing funded work to improve pedestrian connectivity along 2 Street NW</p>	<p>Align with 2 Street NW Greenway upgrades (funded 2021/2022)</p> <p>North Hill LAP (2020)</p>
2. North Mount Pleasant Arts Centre Area Improvements	<p>Improves connectivity, public realm and amenities around the North Mount Pleasant Arts Centre.</p> <p>Investments in pathway links, pedestrian safety and the public realm align with growth in the area.</p> <p>Opportunity to align with other improvements in pedestrian connectivity.</p>	<p>24 Avenue NW greenway upgrades (funded 2021/2022)</p> <p>4 Street NW Main Street (unfunded)</p> <p>North Hill LAP (2020)</p>
3. 40 Ave N Placemaking and Pedestrian Improvements	<p>Investments in a temporary park on 40 Avenue and Centre Street N as well as missing link, traffic calming and intersection improvements.</p> <p>Opportunity to align this investment with other projects underway in the area.</p>	<p>Align with 2 Street NW Greenway upgrades (funded 2021/2022)</p> <p>Align with 1 Street NE Greenway upgrades (funded 2021/2022)</p> <p>Phase 2 Greenline (unfunded)</p>
Community: Bridgeland (see note following table*)		
4. Bridgeland TOD Active Modes Improvements	<p>Addresses connectivity and safety issues for pedestrians and cyclists around Bridgeland LRT Station.</p> <p>This supports the nearby TOD and Main Street as important growth factors to the area.</p>	<p>TOD Strategy (TBD)</p> <p>1 Avenue NE Main Street (TBD)</p>
Local Area Plan: West Elbow (Area 3)		
5. Buckmaster Park Area Improvements	<p>Investment in Buckmaster Park in Bankview will improve the public realm in a high-growth neighbourhood.</p> <p>The park will be the centrepiece of an upgraded public realm, focused on missing links and traffic calming to improve connectivity with surrounding neighbourhoods.</p>	N/A
6. Sunalta Community Hub Area Improvements	<p>Investment into the hardscape area of the Sunalta Community Association's community hub project, in partnership with the Community Hubs Initiative (City, Rotary Club and United Way partnership).</p> <p>Opportunity to align with other work to improve pedestrian connectivity. Additional opportunities to partner may become available as the Sunalta Community Hub project proceeds.</p>	<p>12 Avenue SW cycle track/safety improvements (funded, 2021/2022)</p> <p>Community Hub project (TBD)</p> <p>10 Avenue SW Main Street (TBD)</p>

7. River Park and Sandy Beach Connections	<p>Connectivity and park upgrades along River Park and Sandy Beach. Area has experienced growth in activity and challenges of pedestrian safety, parking and access.</p> <p>Investment includes traffic calming and pedestrian improvements along 16 Street SW.</p>	<p>50 Ave SW Corridor Improvements (unfunded)</p> <p>Glenmore Athletic Park Upgrades (unfunded)</p>
Local Area Plans: West Elbow (Area 3) & Westbrook (Area10)		
8. 26 Ave SW Corridor Improvements	<p>26 Avenue SW corridor has been identified as a key area for investment due to redevelopment and growth in adjacent communities.</p> <p>Investments in traffic calming, intersection upgrades and public realm will give growing communities a safer and more attractive corridor to access local services.</p>	<p>37 Street SW Main Street (funded 2021/2022)</p>
Local Area Plans: West Elbow (Area 3), Riley Communities (Area 4) & Westbrook (Area10)		
9. Pumphouse Park Improvements	<p>Improving capacity of the South Bow River Pathway and amenity improvements to the adjacent park by separating pedestrians from higher speed bicycle traffic. The area sees recreation and cycling commuter traffic and is an important connection point between several high-growth communities.</p>	<p>Pumphouse Theatre upgrades (status unknown)</p> <p>12 Ave SW cycle track/safety improvements project (funded, 2021/2022)</p>
Local Area Plan: Riley Communities (Area 4)		
10. Kensington Plaza Area and TOD Improvements	<p>Investment in several community gathering spaces that attract local and regional visitors to the Kensington area, which continues to see growth.</p> <p>Upgrades to the Plaza along Kensington Road and Kensington Crescent NW represents an opportunity to partner with the BIA to develop a space that supports growth and is an attractive to visitors.</p> <p>Improvements include connections to the Sunnyside LRT Station.</p>	<p>Bow to Bluff (funded 2021/2022)</p> <p>Main Streets Program (TBD)</p>
11. Hillhurst Sunnyside Hub Area Improvements	<p>Investment in amenities and connectivity around the community core, including additional programming on the site and connections across 5 Ave NW.</p> <p>From the hub, improvements to pedestrian mobility and safety along 14 Street NW have been identified.</p>	<p>Main Street Program (unfunded)</p>
12. 19 Street NW Area Improvements	<p>Improvements focused around 19 Street NW. The area has seen growth, as well proposed developments as it transitions into a more vibrant Main Street. Includes a school-focused connection nearby.</p> <p>19 Street NW is an opportunity to invest in a corridor that is not currently a funded Main Street.</p>	<p>Transportation Planning looking at 19 Street NW corridor (TBD)</p>

Table 2 - Anticipated Budget Allocation

	2021	2022	Total
(\$000s) ¹	\$5,700	\$18,300	\$24,000

*Bridgeland, while not currently part of a Multi-Community Planning exercise, has been working on an Area Redevelopment Plan since 2015 which is now on hold pending the approval of city wide policy tools. Following those policy decisions, Bridgeland will be part of a Multi-Community Plan. It is acknowledged that investment in Bridgeland in this budget cycle supports a community with a strong redevelopment market and also delivers on Transit Oriented Development objectives and pedestrian safety. For those reasons, Administration is recommending public realm investment in the Bridgeland community and look forward to continuing to work with Bridgeland as they enter into the Multi-Community Planning process. We have heard from some stakeholders that this approach may be seen as unfair to those communities that have committed to the multi-community planning process.

Supporting Public Realm Beyond the Criteria Based Projects

Administration is also recommending that \$6 million be set aside to help support complementary public realm initiatives in established communities, notably the Main Streets program and the Transit Oriented Development Strategy, but also potentially other emerging redevelopment opportunities. In doing so, Administration relied on the intent of the PFC2020-0131 Notice of Motion, feedback received from stakeholders advocating for additional investment in established communities to address growth challenges and current Council priorities such as A City of Safe and Inspiring Neighbourhoods, A City that Moves and A Healthy and Green City.

Emerging opportunities will be defined through further coordination with the Main Streets program, TOD Strategy, and others and will be complementary to existing investments in support of established area growth and change.

Table 3 – Additional Public Realm Projects

<i>Public Realm Project Group</i>	<i>Growth Rationale</i>	<i>Related Non-EAGCS Work</i>
Main Streets & TOD Strategy Emerging Opportunities	In addition to the projects outlined in this document, \$6M in investment will be identified that complements the Main Streets program and TOD Strategy while aligning with the goals of the EAGCS strategy. These projects will be further scoped and refined in 2020 to be delivered in 2021 and 2022 in line with other recommended projects in Table 1.	Transit Oriented Development priority market sites Main Streets Program

¹ All costs in 2020 dollars. These costs represent a Class 5 estimate.

Table 4 - Anticipated Budget Allocation

	2021	2022	Total
(\$000s) ²	\$6,000	0	\$6,000

2. Utility Investments

For Phase 1 investments in water and sanitary utilities, Administration identified two areas for strategic proactive upgrades to leverage prioritized Main Streets, support redevelopment, minimize community disruption and realize efficiencies. For 33 Avenue SW (in the Marda Loop area) and 17th Avenue SW (west of Crowchild Trail) water and sanitary upgrades were identified that could be implemented in this budget cycle in conjunction with the planned streetscape improvements with the intent to coordinate upgrades with realized growth. This is in addition to the \$30 million public realm investment discussed above; the Water and Wastewater service lines had redirected capital funding in this budget cycle to support utility investments aligned with corporate growth initiatives such as Main Streets, with construction coordinated with streetscape improvements.

3. Linking to Established Area City Investments

The One Calgary (2019-2022) Service Plans and Budget includes investments in communities that are related to growth, maintenance and asset lifecycle replacements. For the entire Established Area, approximately \$314M of investment budgeted for growth and upgraded infrastructure has been identified from services including Streets, Sidewalks & Pathways, Water Treatment & Supply, Wastewater Collection & Treatment and Stormwater Management. Within the 30 communities outlined in Phase 1 there is approximately \$58M million of investment budgeted for public realm improvements identified as growth or upgrades from services included Sidewalks & Pathways, Streets, Parks & Open Spaces.

² All costs in 2020 dollars. These costs represent a Class 5 estimate.

**EAGCS Phase 1 Growth Area Investment Proposals
and Process and Policy Improvements**

Introduction

Calgary’s established areas are vibrant places to live, work, and play. These communities have been growing and changing for decades, and are expected to continue to evolve. The goal of the Established Area Growth and Change Strategy (the “Strategy”) has been to enable vibrant, livable, resilient communities and businesses in the established area, as envisioned in the Municipal Development Plan and Calgary Transportation Plan. A clear strategy for growth that is aligned to policy, supported by market trends, and is financially sustainable will help guide growth and reinvestment in the short and long term.

To support these goals and objectives, **growth area investment proposals** outlining opportunities for growth and change have been prepared for four areas in the established area. This is complementary to the work of the New Community Growth Strategy, where business cases were prepared to highlight growth opportunities in new community areas. For each proposal, the case is made for growth and reinvestment at the multi community level, based on an assessment of opportunities (e.g., market, demographic, leveraging of infrastructure, aligning to other City initiatives) and identified needs (e.g., feedback from community representatives, City needs assessments).

The proposals are followed by a suite of **process and policy improvements** that are expected to benefit growth and development across the established area.

Introduction 1

Growth Area Investment Proposals 2

 West Elbow Communities Local Area Plan (Area 3 Only) 6

 Riley Communities Local Area Plan 8

 North Hill Communities Local Area Plan 10

 Westbrook Communities Local Area Plan 12

Phase 1 Process and Policy Improvements (Established Area Wide) 14

Growth Area Investment Proposals

What geography are the proposal areas based on?

In order to align with the emerging and well-supported multi community Local Area Plan framework, the proposal areas follow local area plan boundaries (as of Fall 2019) rather than individual communities. This also allows benefit to be considered over a wider area.

How were the four Phase 1 proposal areas determined?

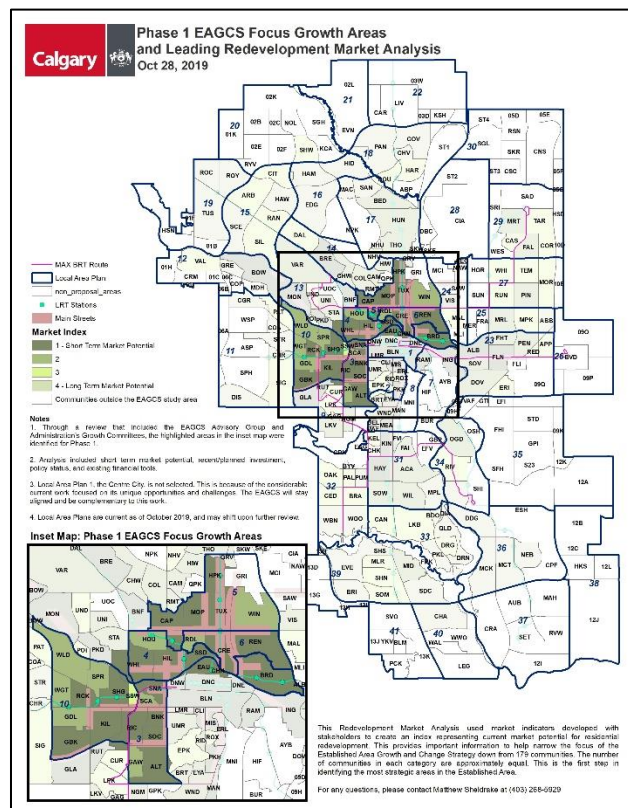
A key goal of the EAGCS is to work within market trends to identify investment opportunities that will lead to increased growth and economic activity. Phase 1 was defined as an opportunity to prove the concept of the benefits of strategic growth and reinvestment in established areas. It was important to manage scope and expectations ahead of the development of more permanent tools and processes in Phase 2. Future phases of this work will provide an opportunity to expand beyond the Phase 1 areas.

The four proposal areas emerged as the top areas in an evaluation that included a short term market potential analysis completed in early 2019. The analysis relied upon seven factors and over 20 variables (e.g., development activity, housing stock change, policy status, amenities, housing prices, demographics, community lifecycle) to help identify areas with the strongest market potential. The methodology for this market-based analysis was reviewed with industry stakeholders to ensure it fairly represented market expectations.

The four Phase 1 growth area investment proposals are for:

1. West Elbow Communities Local Area Plan (Area 3 Only)
2. Riley Communities Local Area Plan (Area 4)
3. North Hill Communities Local Area Plan (Areas 5 & 6)*
4. Westbrook Communities Local Area Plan (Area 10)

**The North Hill Communities plan does not currently include the community of Bridgeland/Riverside. However, the community was within the boundary of Area 6 at the time of consideration and exhibits strong market potential, and is therefore included in this proposal.*



What does each proposal include?

- Contextual information about the communities within each area, including growth and demographic characteristics, and leading indicators of market demand;
- A summary of the existing transportation and utility context;
- Recommended investment opportunities that support growth and change; and
- Status of financial tools specific to the area.

Why invest in these proposal areas?

As growth occurs, communities often experience challenges such as additional pedestrian, cycling and vehicle use, greater usage of public facilities, parks and open spaces. Public realm and utility investments are required to address two challenges:

1. Upgrading and updating the public realm so it better aligns with the needs of existing and future residents and businesses, improving local quality of life in growing established communities, and delivering new amenities to support changing demographics
2. Upgrading utility and public realm infrastructure to improve infrastructure capacity for growth, and to provide amenity as communities accept growth.

How were public realm investments in these areas identified and prioritized?

To identify growth-related public realm projects that would meet the Strategy goals, a comprehensive and multi-stakeholder discussion in the Public Environment Working Group helped identify the types of public realm elements that were important to sustain in communities that are growing and changing. Utilizing that, three parameters were used to help focus on potential capital projects. These parameters recognize existing constraints on available funding, an interest in accelerated project delivery, and on addressing growth-related needs through enhancement of existing amenities and infrastructure. The parameters identified projects:

- With an estimated cost of less than \$1 million (recognizing constraints on The City's available capital funding);
- That could be delivered within 1-3 years (reflecting a short term focus that aligns with the time remaining in the current budget cycle); and
- That address growth-related pressures such as transportation and pedestrian movement, the use of public spaces, or services relied on by a changing demographic.

Administration compiled a list of potential public realm projects through stakeholder input from:

- Members of all 30 Community Associations and Business Improvement Areas within the Phase 1 growth areas;
- Capital planners from Parks, Recreation and Livable Streets;
- Recent engagement summaries, including for Local Area Plans, Green Line, and Main Streets; and
- Councillors and Councillors' Office staff.

Administration then validated the projects using the following questions:

- Is there enough information to create a Class 5 cost estimate?
- Is there an existing program that can deliver the project?
- Does the project conflict with already funded and planned work?
- Does the project directly respond to a growth-induced challenge, and is not solely for the purpose of lifecycle or maintenance?

- Are there any complexities to the project that would hinder a 1-3 year delivery time frame?

Similar or related project suggestions were grouped together by a common location, corridor or type to allow for cost estimates to be developed and to align with how public realm work is typically delivered, called 'clusters'. These clusters of projects were labelled and scaled against the \$30 million of funding for public realm improvements in the established area, approved by Council on 2020 February 3 through Notice of Motion PFC2020-0131, to arrive at an appropriate recommendation for Phase 1. Each project cluster contains smaller projects delivered by different service lines within a coordinated vision. The results are outlined as a recommended portfolio of investments for Phase 1 (Attachment 1).

How will these investments benefit current and future residents and businesses?

By linking growth and investment, communities can address the challenges of growth while becoming more vibrant, sustainable and attractive places. New residents and businesses in established communities help create a more compact urban form, better utilization of existing infrastructure, greater private investment opportunities, and more resilient communities.

Growth and Utility Infrastructure – General Comments Applicable to all Proposals

The Proposals should be read with the following comments on utility infrastructure:

For each community, the existing utility networks (water, sanitary, storm, electricity and gas) generally reflect the age of when each community was developed. These original utility networks were designed with capacity to adequately service the built form of development at the time, with localized improvements occurring as necessary. The existing utility networks meet the needs of existing customers, and in some instances, may accommodate incremental growth.

While there is generally good information on the condition and performance of existing utility networks, it is challenging to forecast how the system will meet growth needs because redevelopment is highly variable and difficult to predict. The accurate identification of upgrades requires detailed development timing, density, and form information as determined through development applications. Utility systems function best, both technically and financially, when tailored to the development they service.

To support planning initiatives, upgrades to the existing utility networks can be pursued based on forecasted growth, however, advancing proactive utility upgrades prematurely comes with risk. Oversized utilities can result in higher operations and maintenance costs and pipe replacements done too soon will not maximize the full lifespan or value of the asset. Decisions towards proactive investments may not always prove correct if growth does not advance as expected. For this reason, prudent timing and coordination with development is important to support redevelopment.

Water and Sanitary

For larger water and sanitary pipes that The City typically upgrades (also known as capital-size pipes) that service multiple communities, Municipal Development Plan growth projections help The City assess their capacity for growth. For smaller pipes that developers typically upgrade (also known as local-size pipes), local growth projections conducted through local area planning are required because they service smaller areas. Local Area Plans do not provide the detailed development data required to identify the precise extents and timing of upgrades. However, local area planning utility analyses can provide a sense of the scale of upgrades required to accommodate the ultimate identified build-out of projected growth.

Utility analyses conducted as part of the local area planning process may help identify opportunities for proactive upgrades to align with other strategic projects, like Main Streets. When identifying proactive upgrades, Water Resources evaluates the urgency to support imminent growth as well as the opportunity to minimize disruption and realize efficiencies when aligning construction timing while minimizing the financial and performance costs associated with a premature upgrade. In conclusion, the level of analysis undertaken as part of local area planning does provide a preliminary understanding of the servicing needs for growth in the area; however, the timing, order, density and final form of development, as determined through the application process, confirms the final extent and timing of most upgrades.

Stormwater

For each community, the stormwater network reflects the stormwater management design principles applied at the time when the community was developed. Stormwater servicing is impacted by the location and size of existing infrastructure, the ability of the land to absorb water (permeability), and the size and nature of the overall servicing catchment and receiving waterbody. Redevelopment often results in decreased permeability that, in turn, increases stormwater flow overland and into the piped system, which places a greater demand on the existing stormwater infrastructure.

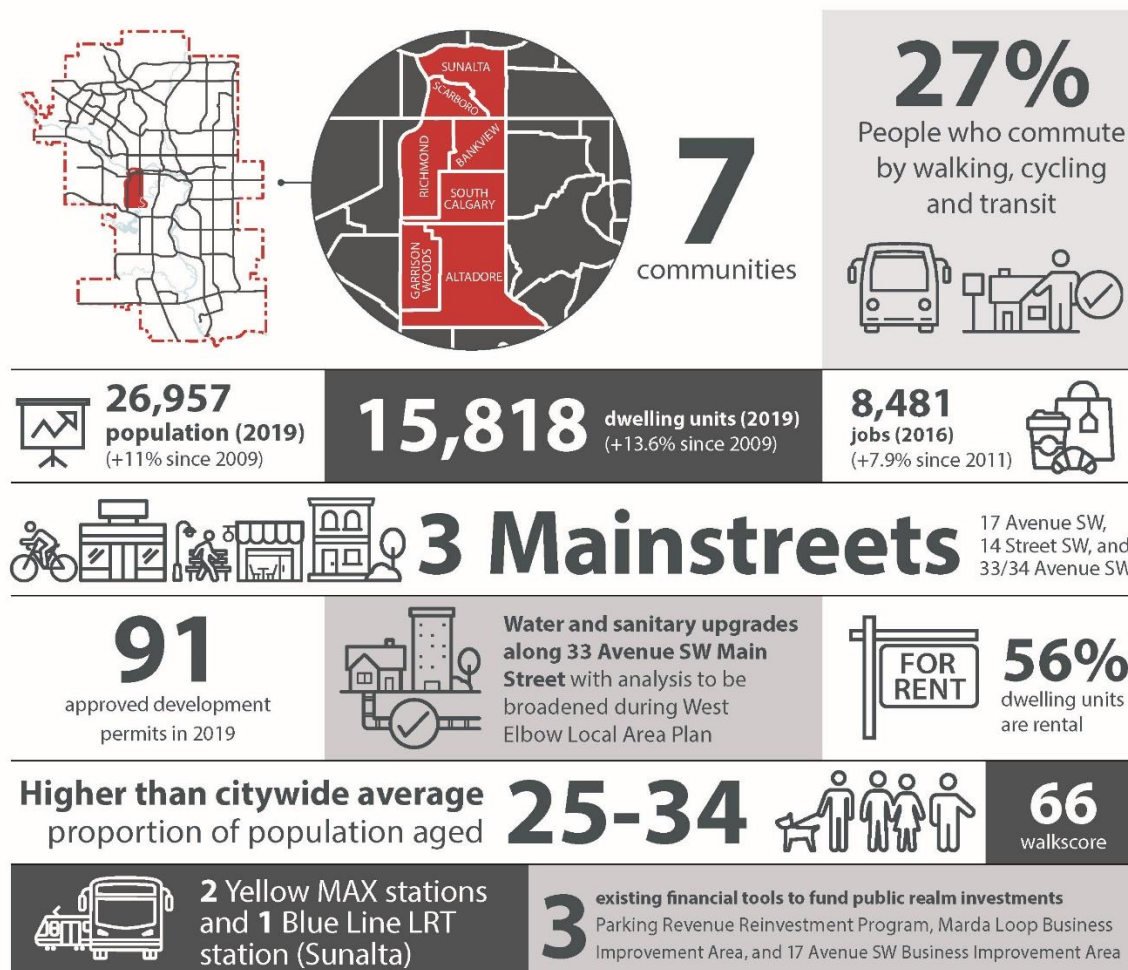
The City studies and improves the stormwater systems in established areas via investment programs like the Community Drainage Improvement (CDI) Program or in support of other City infrastructure projects. Most redevelopment projects (with greater than three units) are also required to incorporate on-site stormwater measures. Together, public and private investment help manage the stormwater impacts associated with growth.

Electrical and Gas

Upgrades to electrical and gas networks to service redevelopment growth may be required, and the timing and extents will be variable since redevelopment is variable. Generally, the servicing evaluation is completed on an individual project basis to meet the needs of the customers. There is an opportunity to evaluate broader servicing area needs in collaboration with local area planning.

West Elbow Communities Local Area Plan (Area 3 Only) at-a-glance

To support growth, change and reinvestment, Phase 1 of the Established Area Growth and Change Strategy recommends an \$8.50M investment in the public realm of the Area 3 West Elbow Communities (\$3.25M shared with Westbrook Communities and Riley Communities).

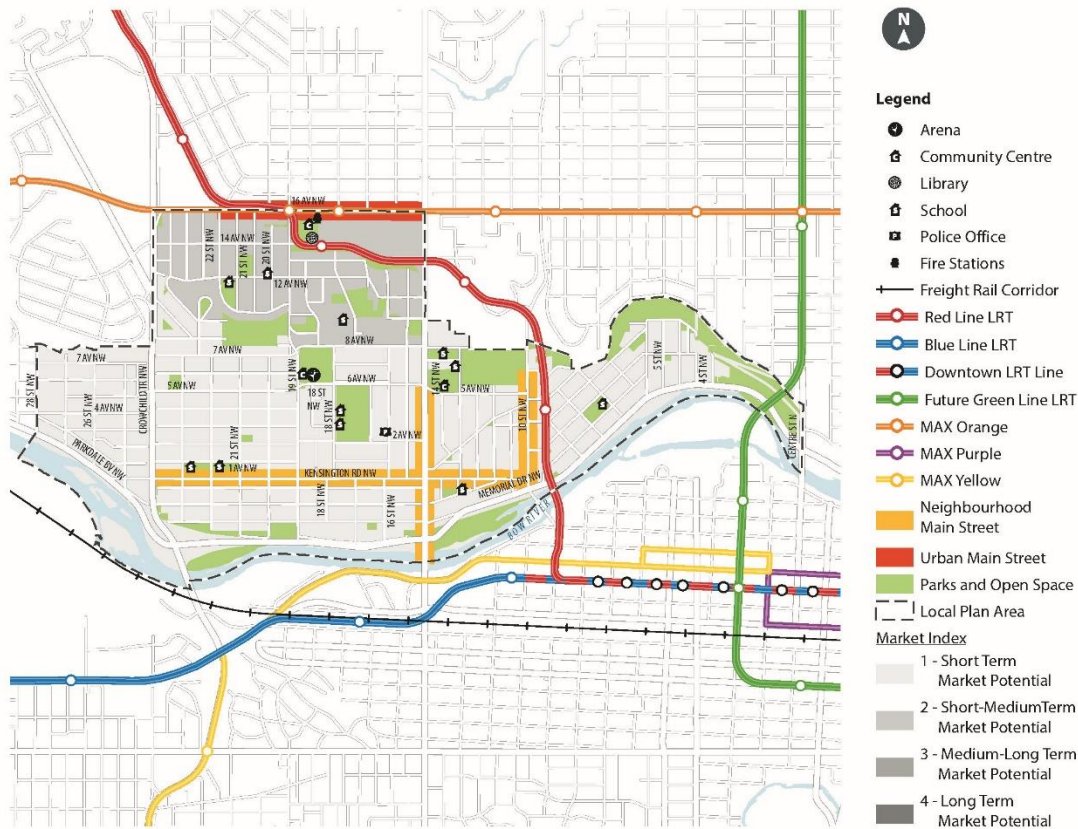


Recommended Investments for Supporting Growth and Change

ID	City Service Line	Investment
5	Sidewalks & Pathways, Parks & Open Spaces, Recreation Opportunities	Buckmaster Park Area Improvements
6	Sidewalks & Pathways, Parks & Open Spaces	Sunalta Community Hub Area Improvements
7	Sidewalks & Pathways, Parks & Open Spaces, Recreation Opportunities	River Park and Sandy Beach Connections
8	Sidewalks & Pathways	26 Avenue SW Corridor Improvements
9	Sidewalks & Pathways, Parks & Open Spaces	Pumphouse Park Improvements

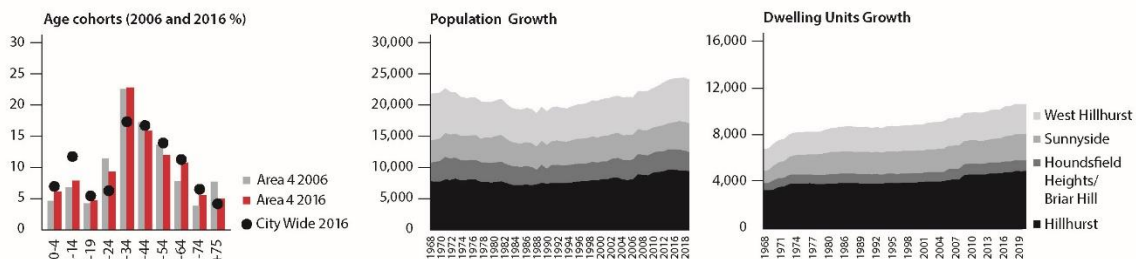
Riley Communities Local Area Plan (Area 4)

Located north of the Bow River and downtown, with many major amenities and destinations adjacent to and within the communities, this area has seen a large increase in population over the past two decades. Building on its vibrant main streets, strategic location and historic character, Riley Communities are poised to leverage investment to enable further growth and benefit existing residents.



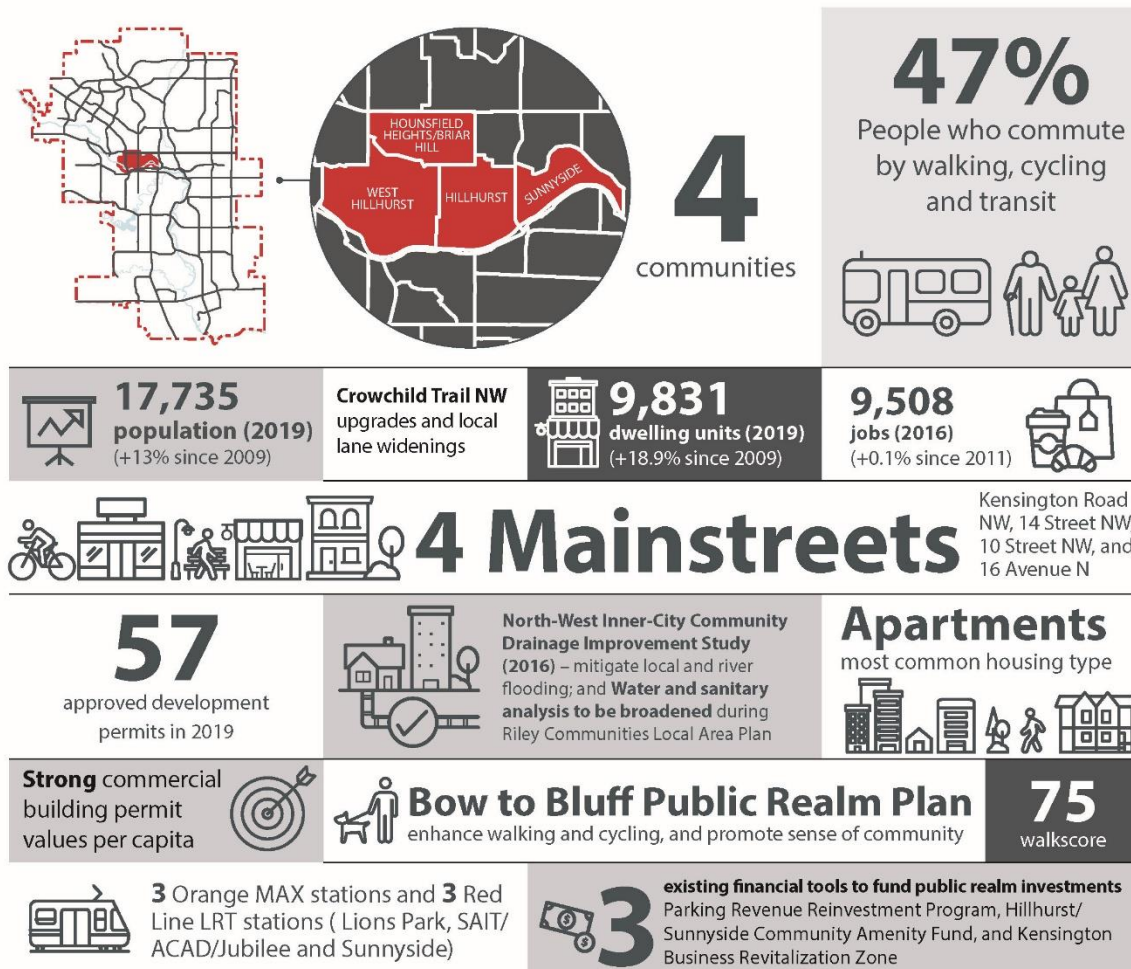
The proposal areas follow local area plan boundaries as of Fall 2019.

Growth and change at-a-glance



Riley Communities Local Area Plan (Area 4) at-a-glance

To support growth, change and reinvestment, Phase 1 of the Established Area Growth and Change Strategy recommends an \$8.50M investment in the public realm of the Riley Communities (\$1.75M shared with the Westbrook Communities and West Elbow Communities).

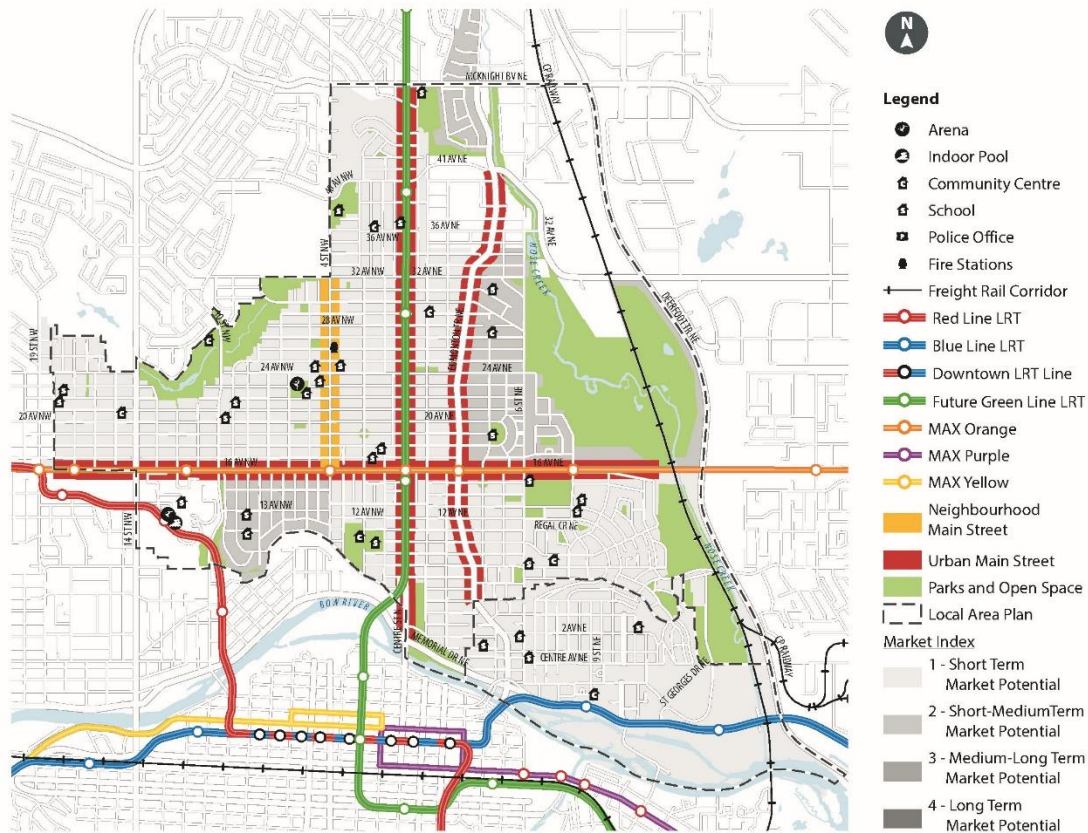


Recommended Investments for Supporting Growth and Change

ID	City Service Line	Investment
9	Sidewalks & Pathways, Parks & Open Spaces	Pumphouse Park Improvements
10	Sidewalks & Pathways, Parks & Open Spaces, Urban Forestry	Kensington Plaza Area and TOD Improvements
11	Sidewalks & Pathways, Parks & Open Spaces, Recreation Opportunities	Hillhurst Sunnyside Hub Area Improvements
12	Sidewalks & Pathways, Urban Forestry	19 Street NW Area Improvements

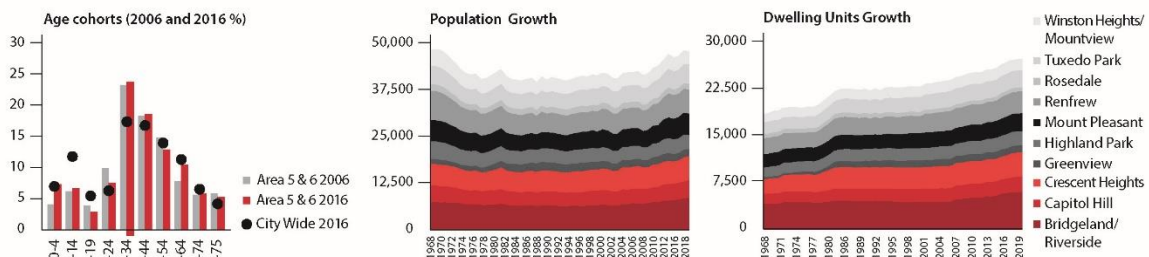
North Hill Local Area Plan (Area 5 & 6) and Bridgeland/Riverside

Located just north of the Bow River and Downtown, communities in the North Hill Communities Local Area Plan are a mix of historical and contemporary design and development. Initially built out over seventy years beginning in the early twentieth century, the area is now bustling with redevelopment opportunities, taking advantage of several iconic streets and avenues.



The proposal areas follow local area plan boundaries as of Fall 2019.

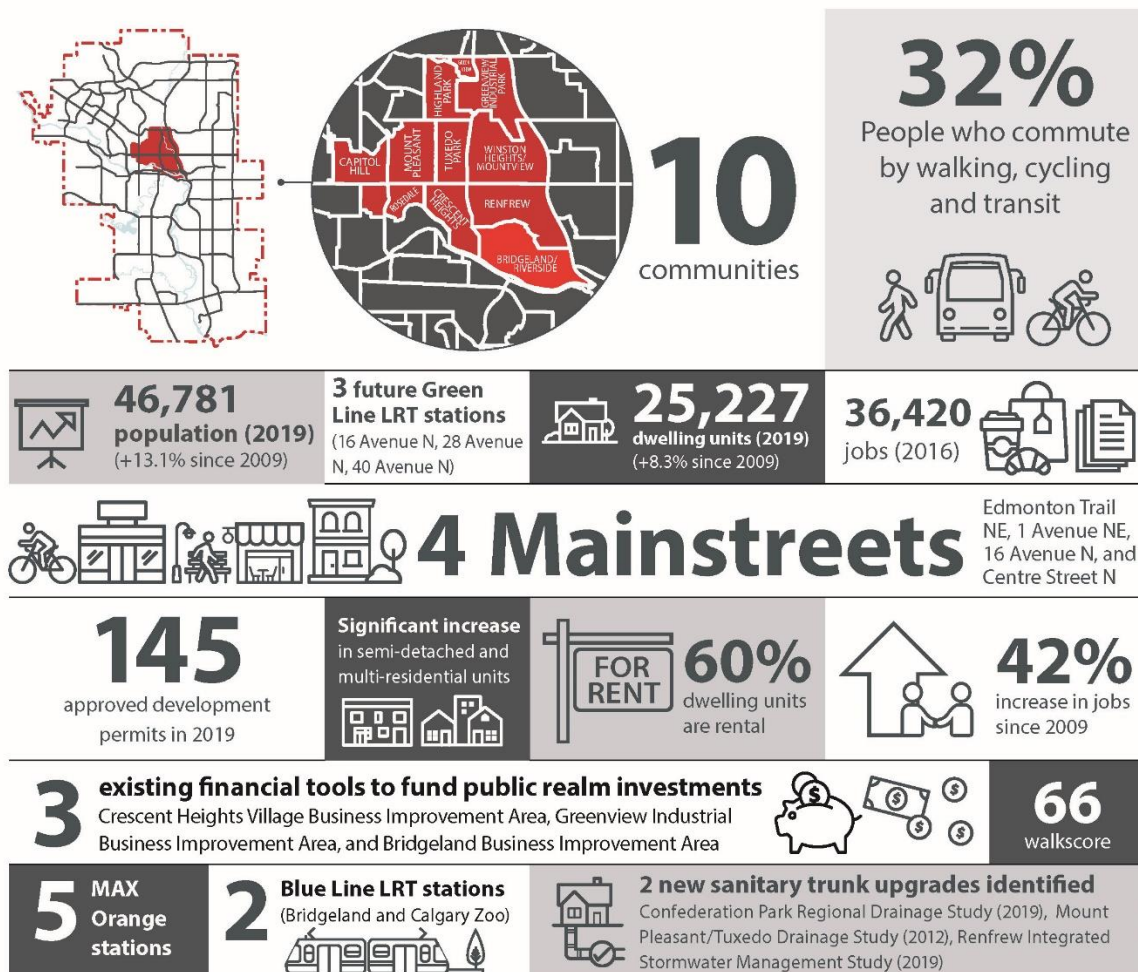
Growth and change at-a-glance



19-0000026

North Hill Local Area Plan (Area 5 & 6) and Bridgeland/Riverside at-a-glance

To support growth, change and reinvestment, Phase 1 of the Established Area Growth and Change Strategy recommends an \$5.75M investment in the public realm of the North Hill Communities, and \$3.0M in the community of Bridgeland/Riverside.

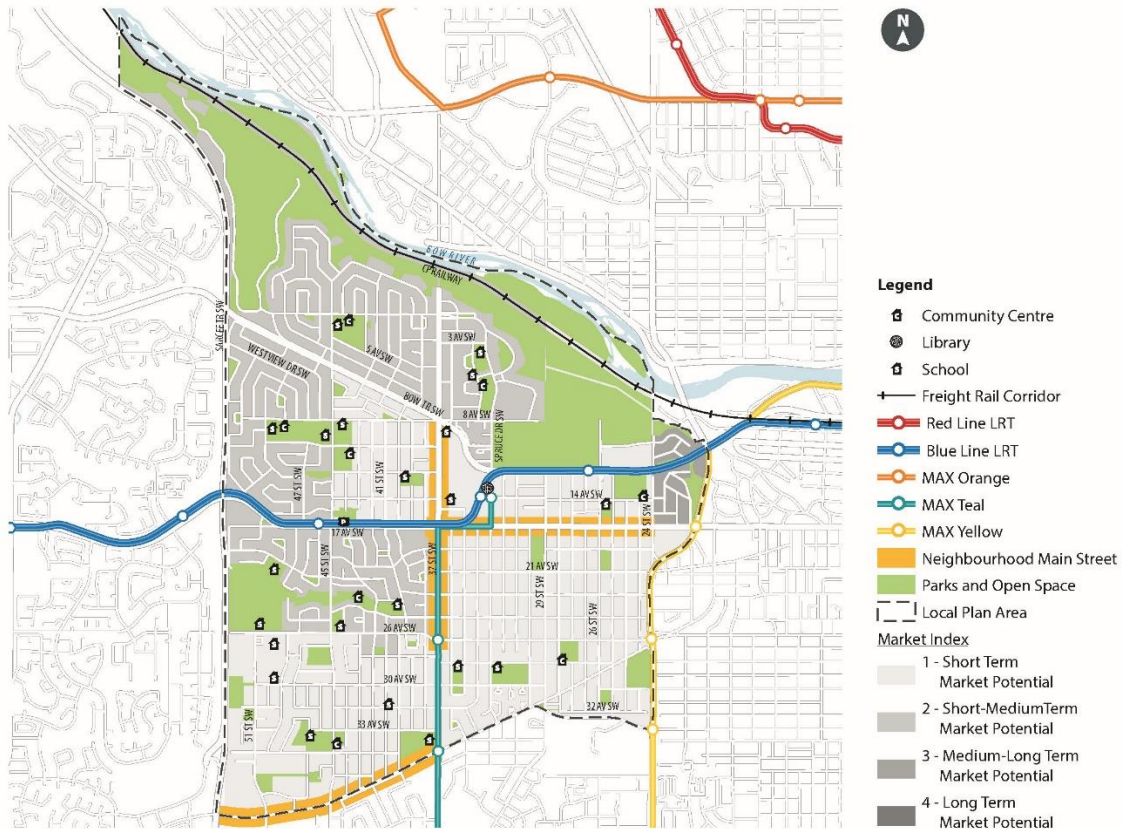


Recommended Investments for Supporting Growth and Change

ID	City Service Line	Investment
1	Sidewalks & Pathways, Parks & Open Spaces, Urban Forestry	Balmoral Circus Improvements
2	Parks & Open Spaces, Sidewalks & Pathways	North Mount Pleasant Arts Centre Area Improvements
3	Sidewalks & Pathways, Parks & Open Spaces, Recreation Opportunities	40 Avenue N Placemaking and Pedestrian Improvements
4	Sidewalks & Pathways, Parks & Open Spaces	Bridgeland Transit Oriented Development Active Modes Improvements

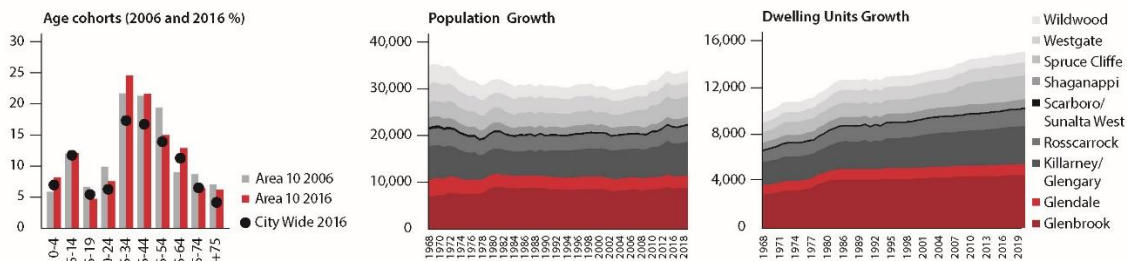
Westbrook Communities Local Area Plan (Area 10)

Located west of downtown between Crowchild and Sarcee Trails and the Bow River valley and Richmond Road SW, the Westbrook Local Area Plan contains a mix of historical and contemporary development as it was developed and redeveloped over the past 75 years. The area continues to see significant redevelopment, taking advantage of several main streets and great access to transit, amenities, and jobs.



The proposal areas follow local area plan boundaries as of Fall 2019.

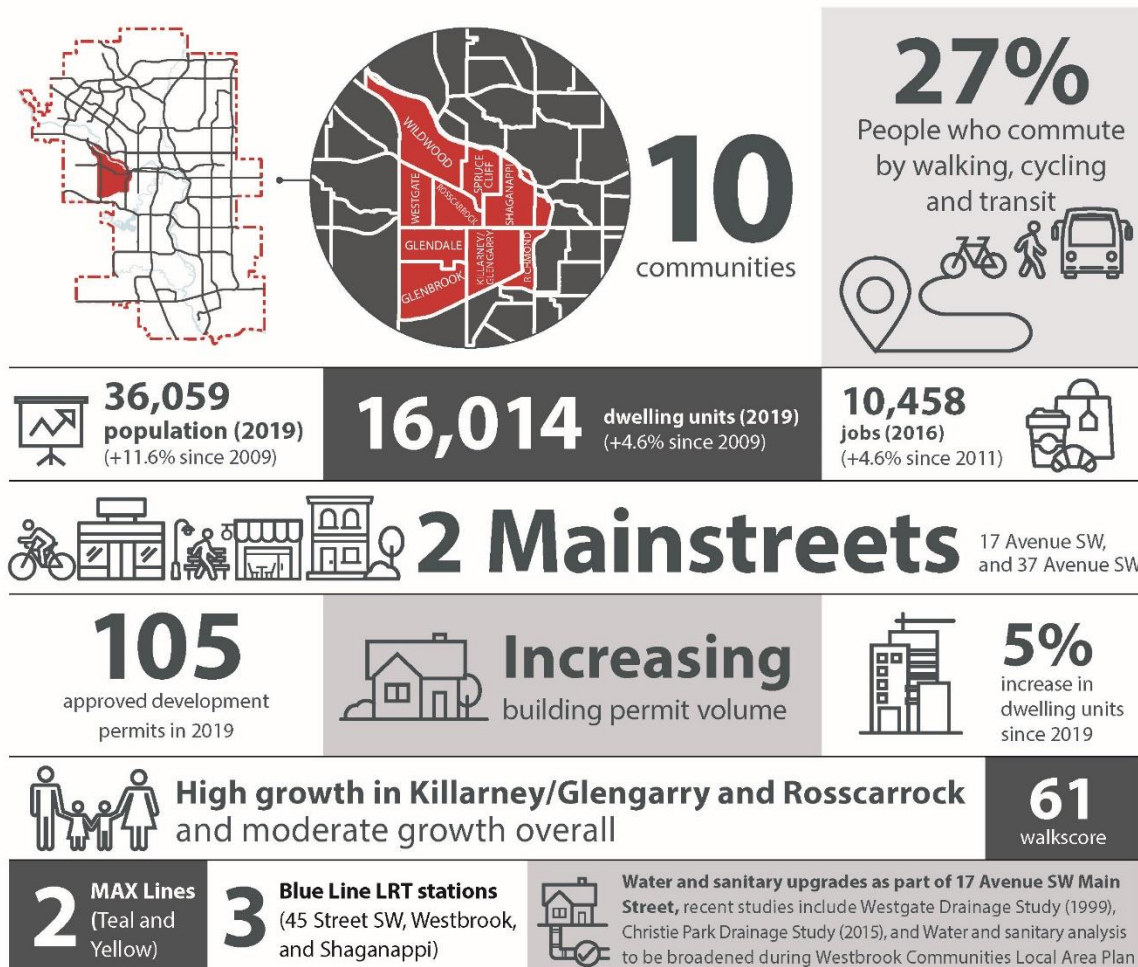
Growth and change at-a-glance



19-0000026

Westbrook Communities Local Area Plan (Area 10) at-a-glance

To support growth, change and reinvestment, Phase 1 of the Established Area Growth and Change Strategy recommends a \$3.25M investment in the public realm of the Westbrook Communities (shared with the West Elbow and Riley Communities).



Recommended Investments for Supporting Growth and Change

ID	City Service Line	Investment
8	Sidewalks & Pathways	26 Avenue SW Corridor Improvements
9	Sidewalks & Pathways, Parks & Open Spaces	Pumphouse Park Improvements

Phase 1 Process and Policy Improvements (Established Area Wide)

The Strategy explored process and policy improvements that can support growing communities and redevelopment. These were identified through the work of the four working groups, seeking to address key issues:

- Public realm investment in growing established communities;
- A simplified policy environment linked to implementation; and
- Addressing redevelopment topics related to utilities.

These actions do not require Council approval to implement, unless they have been identified within the recommendations of this report. Many actions have therefore already been, or are in the process of being, implemented through the Strategy.

Actions Supporting Public Realm Investment in Growing Established Communities

1. Redevelopment Market Analysis

A key factor in the City-wide Growth Strategy work has been to consider market demand, so that City investment and efforts can be directed towards the highest potential growth areas. Development of a data-based approach to evaluating market potential in established communities was required to capture market trends. From 2018 Q3 to 2019 Q1, Administration and members of the Established Areas Working Group worked together to develop an approach. Key indicators and associated data were identified that could represent these trends. As a result, seven factors comprised of 20 indicators were identified that helped rank the short-term growth potential across all 179 established area communities. Indicators included development activity, housing stock change, policy status, amenities, housing prices, demographics, and community lifecycle. This ranking approach helped inform the priority growth areas for Phase 1 of the Strategy.

This data-based approach is a process improvement, as it can be used to match areas with market potential with identified growth-related investments and tools, leading to strategic, sustainable growth in established areas. Each time it is used to inform decisions, the approach should be updated and reviewed with stakeholders to ensure it continues to accurately reflect market trends.

2. Development of a Decision Framework for Prioritizing Growth-Related Capital Investments

The project team gathered input to create a list of capital projects that will help address growth pressures within Phase 1 growth areas. A decision framework was developed that refined the list of projects to those that met the goals of the Strategy, as well as some fundamental criteria for Phase 1. Documenting this decision framework is important to help create a repeatable decision-making framework for public realm investments, and is expected to be used as part of the 2023-2026 business plans and budget cycle. This framework will continue to evolve in Phase 2.

3. Initiating a Review of Existing Bonus Density Programs

A comprehensive review of density bonusing in Calgary has been one of the desired long-term tasks for the Strategy. Density bonusing is a planning and financial tool that has been used since the 1970s in downtown Calgary and since 2006 or later in other established areas of Calgary. Bonusing leverages development beyond a set density threshold in order to provide public realm enhancements and amenities. A summary of its application to heritage

conservation was provided as Attachment 9 in the Heritage Conservation Tools and Incentives Report (PUD2020-0259).

Given the broad spectrum of perspectives and expectations of the role of density bonusing as a public realm investment tool, Phase 1 included a review of existing bonusing programs to evaluate their past performance. The fundamental questions explored were:

- (1) What has been the value of density bonusing programs in Calgary in supporting public realm amenities; and*
- (2) Is density bonusing a tool that should continue to be used in Calgary, and if so, under what circumstances?*

Phase 1 work did not progress as far as was originally anticipated due to team resources; however, it is important to recognize the time and effort contributed by stakeholders into this discussion in Phase 1. Further work and discussions are required on these questions to achieve consensus among all stakeholders, particularly for question 2. The multi-stakeholder approach of the Strategy is an appropriate place for this conversation to continue. Therefore, the Phase 2 work plan identifies further work on the future use of density bonusing programs to support public realm investment in existing communities (Attachment 7). This tool is one of several options that may be considered to facilitate a contribution from industry for public realm enhancements.

4. Reflections on Main Streets Planning and Project Delivery

The Main Streets program is a valuable investment strategy for the central commercial streets within established communities. Work has been ongoing since 2014 to prioritize areas, identify investments in streetscape improvements, and work with communities to design the project details. Council has thus far provided \$60 million of funding for the purpose of realizing the first set of streetscape upgrades in the prioritized areas. These investments are helping advance the goals of the Municipal Development Plan in supporting compact urban form and vibrant communities.

Through the program approach of phasing work into Strategize, Plan, Design, Build and Live for the first set of Main Streets, the program team has identified opportunities to learn from and improve the delivery of the next set of Main Streets.

There is benefit to having a complete program strategy from planning to construction and subsequent community animation. This reduces the risk of setting false expectations on project timing or anticipated improvements with the community and increases the ability to realize physical change within the means of the program. This builds trust in the program with citizens, businesses and industry.

The addition of design, build and live phases in 2018 provided a clear goal to drive outcomes which also shaped the design and construction of the actual Main Streets. Success of the program is when the community is able to sustain and activate the Main Street to support a healthy and vibrant community.

Elements of this program that have been successful to date include:

- a. Examining the 24 MDP main streets in more detailed sections (35 segments) gave more clarity and transparency with the prioritization of the main street areas. Prioritization was key to optimizing city resources for delivering new land use regulation and defining the first segments for streetscape master plans.

- b. Changing the driver of streetscape projects from the skills and interest of the project team to instead be driven by a public realm program vision and goals shaped by the unique elements of a community through a program focused delivery model.
- c. Creating a toolkit/resource for all projects to help internal and external teams deliver the best technical solutions for all the Main Streets communities.
- d. Utilizing the understanding of the subsequent phases of the project to inform the best solution at the current stage of the project. For example, designing a streetscape that supports how the community can and will actually program the space based through hands on engagement and workshopping during the design, build and live phases. Working towards empowering the community to understand what they are resourced to execute and provide options for possible future funding mechanisms.
- e. Creating streamlined contracting mechanisms such as a standing offer of prequalified consultants and contractors to improve timelines of project delivery.

There are reflections on this program that can help identify future improvements, including:

- a. There is some perception that the delivery of Main Streets public realm improvements has been slow, when in fact timelines are typical for a redevelopment project. Some education of the timeline to deliver a project from design to construction would help support the reputation of the program. Streamlined contracting mechanisms have been created and the project teams need to be adequately resourced for successful delivery. The program team has prepared new communication material and engaged with various stakeholders on this process and ongoing work.
- b. The process moving through concept-design-build requires a robust technical review process that requires time and dedicated staff commitment. To be resilient, preparing a shovel ready list of projects can benefit from a reliable base budget to continue the development of projects that are ready to deploy when future budgets become available. A base budget can also support the alignment of Main Streets work with city policy work, capital and maintenance improvements along a Main Street.
- c. Main Streets design requires non-standard finishes and maintenance. Therefore, long-term operation and maintenance requires funding to sustain the improved standard built within the Main Street that will support the increase density in these areas.
- d. Many Main Streets do not have the same level of finish or design as our new communities, which include curbs, street trees or contiguous sidewalks, therefore the Main Streets projects are looking to add these elements during the upgrades.

Actions Supporting a Simplified Policy Environment Linked to Implementation

5. Informing the Next Areas for Multi-Community Local Area Policy Work

The new approach to local area planning initiatives began in 2019 with the North Hill, Westbrook and Heritage groups of communities. The next areas identified for policy updates have been informed by the short term market potential analysis, given the logic to undertake policy work in areas where growth through redevelopment is anticipated, and communities indicate a readiness for change. A modernized policy environment helps mitigate challenges of outdated policy language and goals within these communities.

6. Creating Policy that Links Plans with Implementation

Attachment 6 outlines the Next Generation Planning System, a suite of programs underway to support established communities through growth and change. This suite of programs includes a balance of both policy and investment work. The Strategy integrated with two ongoing policy development initiatives (Guidebook for Great Communities, North Hill Communities Local Area Plan) to inform, and be informed by, the planning vision and investment needs identified through those initiatives. Specifically in the North Hill plan, engagement with stakeholders generated ideas for public realm investments that were considered in the Strategy.

As the Strategy moves into Phase 2, planning policies such as these can be updated to reflect the best practices identified in the Strategy. Local Area Plans subsequent to North Hill are also anticipated to include appropriate policy to link to implementation actions and considerations, and will have clear investments needs that can be evaluated at budget time.

Actions Addressing Redevelopment Topics Related to Utilities

7. Increasing Access to Timely Information for Redevelopment Applications

The Utility Working Group identified a common challenge in accessing information in a timely way during an application to help evaluate project feasibility. Specifically, developers can improve their early pro forma estimates with earlier and more detailed information about utility servicing. Additionally, through the Policy and Planning Working Group, the ability to encroach (above, below and at-grade) into transportation setbacks is important for early-stage design considerations. This information is useful during the due diligence stage of a potential project, even before land is purchased, to refine the anticipated project costs.

To help provide early-stage information for deep utilities and encroachment, applicants can leverage the existing pre-application meeting process for more focused conversations related to the water utility and/or transportation (public realm) setbacks to provide early stage analysis and feedback on a potential project. It is important to note that the detail of analysis and feedback from The City is related to the level of development detail available from the applicant, particularly for water and sanitary. It is also important to note that a review of the potential for at-grade encroachments into setbacks may require more robust analysis with input from several departments.

The City will issue communications to industry to reinforce and clarify access to existing tools, processes and information to support their projects in the early stages. The communication will focus on the option for business unit focused discussions, and to clarify what level of information is available from The City based on the level of detail provided by the applicant. For information on the potential for electrical upgrades, the ENMAX Power Corporation can now receive inquiries from applicants (partnerconnect@enmax.com). Information on these elements at the early stage of a potential project can help reduce the financial risk of redevelopment projects. Phase 2 of the Strategy is anticipated to include the continued exploration of improvements to existing processes and opportunities for improved information sharing with development applicants.

8. Evolving the Utility Analyses (Deep and Shallow) to Support New Local Area Plans

With the evolution of local area planning that now considers multiple communities, an associated evolution of the utility analysis and planning work supporting these plans is required. The utility analyses undertaken to support the pilot North Hill Communities Local Area Plan provided an opportunity to evaluate, test and monitor this process to improve growth and infrastructure forecasting. This new approach will continue to evolve and be applied to ongoing

and future local area plans. Information on these elements at the early stage of a potential project can help reduce the financial risk of redevelopment projects.

9. Exploratory Review of Existing Utility Thresholds in the Established Area

As part of Phase 1, the Utility Working Group undertook a review of capital pipe thresholds in established areas. In the established area, pipe size thresholds are defined to delineate between capital-sized pipes (paid for by utility rates) and local-sized pipes (largely paid for by developers). Administration undertook this exploratory work to understand how existing thresholds are working in the established area, whether they should be adjusted, and what the impacts may be if they change.

This work recognized several programs that exist to support the utility network in the established area, and that city-led investment is tied to broader community benefit that aligns with planning policy and Council objectives. City-led utility investment also focuses on asset management and the maintenance of a strong utility network for pipes of all sizes. Review of existing pipe-size thresholds considered the function of the pipe network in the established area and how this function compares to development in new communities, which has the same pipe-size threshold. This review determined that the function of the pipe network is not significantly different between the established and new community areas and the existing pipe-size threshold approach is likely the most equitable way to define funding responsibility. For this reason, this review complements the consideration and exploration of a potential local-sized water and sanitary pipe levy. After reviewing the findings, the Utility Working Group concluded that this exploratory work is completed and that the current threshold works in the established area for the time being.

EAGCS Phase 1 Funding Strategies and Tools

This attachment provides details on the following topics:

- Analysis of Funding and Financing Tools
- Phase 1 Funding Strategy
- Pilot Program: Implementation of a Property Tax Uplift Allocation in North Hill Communities Local Area Plan
- What's Next: EAGCS Phase 2 and Longer-Term, Funding Plan for Public Realm Infrastructure

In collaboration with communities, Business Improvement Areas, and the development industry, Administration created a Financial Planning & Investment (FP&I) working group. This group was tasked to provide a strategic funding recommendation and develop a sustainable and consistent financial strategy that will create more certainty around funding infrastructure to support redevelopment and change in established communities.

Issues identified by the FP&I working group included:

1. Predictability and certainty - Industry is seeking tools to improve the predictability of the cost of development in the established area.
2. Financial risk - Industry is seeking tools to reduce the financial risks related to utility servicing requirements (pipe upgrades) in the established area.
3. Increased amenities in communities - Community expectation that growth will bring amenities is not being realized as shown in the Local Area Plans (LAP).
4. Service level maintenance - Perception that there may be a gap in maintaining service levels for existing public realm.

Recommendations stemming from this work:

1. Through consultation, and for Council's decision, develop a local-sized water and sanitary pipes levy as part of the Off-Site Levy bylaw review;
2. Pilot a property tax uplift tool in 2021 and 2022 with the North Hill area to test, monitor and gauge the effectiveness of this funding strategy;
3. Establish a new reserve to facilitate monitoring of the fund balance and financing of the investments, and accommodate replenishment with fund replenishment tools to be further developed; and
4. Explore and develop longer-term and more sustainable funding sources that support ongoing Established Area Investment Fund replenishment against its planned spending.

Analysis of Funding and Financing Tools

In 2019 May (PUD2019-0305), Administration outlined the process that the FP&I working group used to arrive at various financing and funding tools. These options considered appropriately scaled, sustainable, long-term funding mechanisms, and alternative funding options. The options also identify the primary driver for the infrastructure capital investment, the various parties that could contribute financially and the specific tools and funding sources that are available in each circumstance. This is outlined in Table 1.


Table 1: Assessment of Funding Sources and Financing Tools by Infrastructure Driver

	Operations, Maintenance, and Lifecycle	Growth Infrastructure	Public Realm Improvements
City (All Existing Residents)	<ul style="list-style-type: none"> Property Tax Utility Rates <i>Other User Fees (e.g. Recreation Fees)</i> Debt* Pay As You Go P3s* 	<ul style="list-style-type: none"> Property Tax Utility Rates <i>Other User Fees (e.g. Recreation Fees)</i> Debt* Pay As You Go P3s* 	<ul style="list-style-type: none"> Property Tax Utility Rates Debt* Pay As You Go P3s*
Community (Specific Areas)			<ul style="list-style-type: none"> Other Taxes Debt* Pay As You Go
Developers (New Residents)		<ul style="list-style-type: none"> <u>Levies</u> <u>Development Conditions</u> <i>Land Use Bonusing</i> First-in/ Endeavours to Assist Construction Financing Agreements* 	<ul style="list-style-type: none"> <u>Levies</u> <u>Development Conditions</u> <i>Land Use Bonusing</i> First-in/ Endeavours to Assist Construction Financing Agreements*
Others	<ul style="list-style-type: none"> <i>Other Gov's</i> <i>Sponsorship</i> Debt* Pay As You Go 	<ul style="list-style-type: none"> <i>Other Gov's</i> <i>Sponsorship</i> Debt* Pay As You Go 	<ul style="list-style-type: none"> <i>Other Gov's</i> <i>Sponsorship</i> Debt* Pay As You Go

* Tool is accounted for as City debt for the purposes of debt limits and servicing.

Italics Tool may not be a reliable funding source, as it is a voluntary choice of third parties to utilize.

U-line Tool may not be a reliable funding source, as it is reliant on the choice of third parties to submit a development application.

 These infrastructure components may benefit these funding sources depending on timing and service level standard applied. Future work is required to determine what scenarios may utilize tools in these categories.

Refining the Options

In the established area, since the growth infrastructure requirements are often less predictable, and there is existing infrastructure, different funding and financing programs are required for established area redevelopment compared to new communities. Currently, in the established area the developers and communities financially contribute to their neighbourhoods, however there is also an opportunity for The City to directly invest in these areas to promote and lead growth and development, aligned to policy objectives. Focusing on growth infrastructure and targeted investment in public realm improvements will help address both industry and communities' concerns.

The Funding Sources and Financing Tools outlined in Table 1 summarize how to effectively and appropriately pay for certain infrastructure and identify eligibility for each party to bear the cost. For the purposes of the Phase 1 investment strategy, the focus is on growth infrastructure for utility pipe upgrades and public realm improvements.

The following sections discuss which tools and strategies were evaluated and the resulting conclusions.

Growth Infrastructure (Utilities)

For water and sanitary linear pipe upgrades related to growth, the FP&I working group agreed that the use of a local-sized pipe levy should be considered and developed for Council decision.

Early in Phase 1, Industry members identified risks associated with the current practice where the development that triggers the local-sized pipe upgrade pays and constructs the entire upgrade without a means to recover costs from other developers that benefit from the upgrade. Local-sized pipe upgrades in the established areas are difficult to anticipate due to the variability in redevelopment. Upgrade costs can range significantly, and the need for them is not normally identified until the development application stage when the project details (density and form) are known. As a result, developers are unable to reliably account for upgrade risk in their early pro formas resulting in increased financial risk. To address these risks, Industry members expressed a desire for a more predictable contribution to utility upgrades that can be accounted for early on in a project.

The City may, through a bylaw, define the infrastructure for which a local-sized will be imposed. This local-sized levy may be used to fund: the capital costs of the infrastructure, including required land, and the associated interest costs. More work is required to determine the methodology for the local-sized levy which also needs to take into consideration how the funds are replenished and how risks associated with delays in fund replenishment related to slower than anticipated development will be managed.

The use of a levy to fund local-sized water and sanitary linear infrastructure would provide greater cost certainty to developers, addressing the issues identified above. However, as observed with the off-site levy, the City could bear higher risk while the rate of growth is slower than anticipated resulting in a potential cash flow shortfall. A linear local-sized water and sanitary pipe levy in established areas is recommended to be developed with stakeholder consultation and for Council's decision as part of the Off-Site Levy bylaw review in 2020. Currently, a similar approach is used in the Centre City Levy for water and sanitary pipes. The Centre City levy was established in 2007 and there are many lessons that can be learned from this approach for further application in the established area. It is suggested that any development of a local-size water and sanitary pipe levy in established area look to the Centre City Levy for input into the development of such a tool.

To support their work in identifying an appropriate cost share tool, the Financial Planning & Investment Working Group made the following requests to the Utility Working Group:

1. Identify what specific infrastructure should be considered for funding within a levy or other tool; and
2. Provide supporting information to assist in quantifying a scale of cost related to this infrastructure.

The Utility Working Group undertook a series of analyses to support the work of the Financial Planning & Investment Working Group. The first analysis explored case studies of neighbourhoods that have historically experienced high growth and examined the relationship between that growth and utility upgrades. Next, the Utility Working Group explored recent water and sanitary analyses conducted through the Main Streets project to examine the projected growth within these neighborhoods and the upgrades anticipated to accommodate that growth. Lastly, the last ten years of Indemnification Agreements were reviewed, and any upgrades implemented by developers to the water and sanitary system were noted. Together, these analyses provided the basis for a "scale of cost" for the Financial Planning & Investment Working Group to identify a financial tool for local-sized water and sanitary pipes.

The FP&I Working Group, in consultation with the Utility Working Group, explored different approaches to development conditions and levies with the goal to recommend a sustainable, ongoing funding tool. The discussions focused on funding tools for local-size water and sanitary pipe upgrades to accommodate new growth. Identifying the best tool focused on the following:

1. **Financial Certainty:** For developers this means that the rate is known in advance and the cost is predictable. However, depending on the methodology used, similar to other off-site levies, this new levy could mean a higher financial risk for the City when the rate of growth is slower than anticipated.
2. **Fairness & Equity.** This follows the principle established by Council that “growth pays for growth” and The City will pay for lifecycle and maintenance.
3. **Geographic area** can be well defined.
4. **Ease of Administration:** To ensure ease of Administration, the tool requires information that is already collected or simple to collect and the tools application is easy to explain.

As a result of these discussions, the FP&I Working Group arrived at the recommendation to consider and explore adding local-sized water and sanitary pipes into the list of infrastructure funded by an Established Areas Levy. It was acknowledged that future discussions would need to further explore the full cost and benefit of a pipe upgrade, including the growth component, lifecycle and maintenance component as well as benefits to existing customers.

Public Realm Improvements

For public realm improvements, multiple tools were considered. Tools such as property tax uplift / tax value capture, favourable variances from investment, capital and operating programs, and dedicated tax support were evaluated.

Property tax uplift or tax value capture is a subset of the property tax tool and is distinct from a “Value-Capture Tax” (which is an additional tax levied against land, in addition to the property tax). Property Tax Uplift refers to the increase in property taxes due to an increase in property values from redevelopment. The strengths of this tool are that the investment program is data driven, and the methodology is intuitive with an understandable rationale. However, risks of this tool include: uncertain revenue forecasts, investment timelines impacted by cost inflation, longer collection time periods, and potentially long delays between population growth in communities and investment. To better understand the efficacy of this tool, it is recommended that this tool be piloted in 2021 and 2022 with the North Hill Communities Local Area Plan to monitor and gauge the effectiveness of this funding strategy for further implementation. The pilot approach is described below in this attachment. This timeframe may need to be extended if the timeframe is not be long enough to quantify and validate the benefit from tax uplift.

Favourable interest variance. In 2020 February, Council approved Notice of Motion (PFC2020-0131) which dedicated \$30M for public realm investments from favourable interest income in 2019. This will be placed in a new reserve and will be used as startup/seed funding to pay for Phase 1 public realm growth investments, with fund replenishment tools to be further developed. The proposed Fund Terms are outlined in Attachment 4 of this report.

Favourable budget savings contributions are a result of savings from other ongoing capital projects or favourable operating variances. This tool would redirect a percentage of unallocated funds from these other sources to pay for public realm improvements. Although this could pay for these improvements, it is an unpredictable and unreliable funding source. It is possible that

other unfunded projects would compete for these funds. For these reasons, this tool would not be considered further.

A **dedicated tax support percentage** is another option to fund public realm and infrastructure improvements. It would provide a steady stream of revenue to ensure public realm and infrastructure improvements are funded. With the 2018 New Community Growth Strategy, a dedicated 0.75 per cent property tax allocation was approved for 2019. Given the current economic situation, Administration felt that there would be little desire at this time to add another tax to existing taxpayers. For this reason, this tool is not being considered at this time.

Operations, Maintenance, and Lifecycle

The City solely funds these investments for the established and greenfield areas in the budget cycle through property taxes and utility rates. The City invests \$5 billion through the City's four year capital budget related to capital maintenance, upgrades, growth, and service changes, and approximately \$1.7 billion is spent specifically for rehabilitation of existing infrastructure due to obsolescence, safety concerns, age, or condition of the infrastructures (C2018-1158 Att 9, p 99). For this Strategy, the public realm and utility projects identified are focused on growth-related investment and funding for projects that are solely for operations, maintenance and lifecycle are out of scope.

Phase 1 Funding Strategy

For Phase 1, as detailed in Attachment 1, the recommended portfolio investment amount is \$35.4M. Investments in Public Realm Infrastructure are centered around core themes such as Traffic Calming & Safety, Pedestrian Connectivity, Parks & Recreation, and Public Space Programming. The utility network investments support water and sanitary upgrades in support of growth in the earliest Main Streets to undergo streetscape improvements.

On 2020 February 3, \$30M in seed funding was approved to fund public realm improvements through the Established Area Investment Fund (Fund). The cashflow projection of the \$30M from the 2019 Corporate Program Savings (investment income) will be managed as below:

- The seed funding will serve to allocate funding to priority areas and projects arising from prioritization decisions made and outlined through the Strategy in Attachment 1.
- For the first two years of implementation the spend is anticipated to be as follows: 2021 - \$11.7M and 2022 - \$18.3M. For the 2023-2026 service plans and budget cycle, the recommendations for investment will be presented to Council through the city-wide growth strategy. The level of investment will be determined through the growth framework that considers Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) alignment, market factors, redevelopment readiness and financial capacity. The level of investment will be dependent on project priorities and available funding.
- Annual interest income earned from unused portions of the \$30M will be recommitted to the Established Area Investment Fund.
- On an annual basis, a minimum 1 per cent of the favorable variance from the investment income generated within Corporate Programs will be allocated to this Reserve until 2026.
- To replenish the Fund and ensure it is an ongoing and sustainable funding source many options are being explored into Phase 2 of the Strategy. Examples include: dedicated tax support, density bonusing, and property tax uplift. The Terms and Conditions for this Fund are shown in Attachment 4 of this report.

Pilot Program: Implementation of a Property Tax Uplift Allocation in North Hill Communities Local Area Plan

To help determine the feasibility of a property tax uplift funding mechanism, three growth areas were identified for detailed analysis. The areas included South Calgary, Hillhurst/Sunnyside, and Montgomery. These areas were selected to represent a range of historical growth scenarios. The purpose of this analysis was to gauge the range of area-based tax uplift revenue at a high level, to help inform how this tool could be applied to areas with continued expectations for growth, such as the North Hill Communities Local Area Plan (LAP).

A tax uplift study was conducted on a 5, 10 and 20 year timeframe. Assessment provided raw data at the community level and data related to the provincial portion of tax rate, inflation, and mill rate changes was removed. The results of this analysis showed that for these three communities, the property tax uplift ranged from \$0.2M to \$8.5M per year in municipal tax revenues.

Throughout the high-level studies, strengths, weaknesses, and risks were identified with this tool.

Strengths:

- Data-driven investment program
- Intuitive and understandable approach for reinvestment in communities that is tied to growth
- Addresses some concerns from communities and Business Improvement Areas
- Designates funds for growth areas (replenish Established Area Investment Fund)
- Does not impose additional cost on development or tax / rate payers

Weaknesses:

- Uncertain revenue forecasts
- Long collection periods due to different rates of growth in communities
- Challenge in isolating growth from market movement
- Investment timeline impacted by cost inflation
- Funds are allocated through current budget cycle
- Increases pressure on the tax rate
- Reduces flexibility for allocating funding on a priority basis

Risks:

- Market risk – dependant on the city's economic condition and changes
- Financial risk – uncertain and unpredictable income source, increases pressure on the annual tax rate decision
- Strategic risk – change of Council priorities and strategy
- Reputational risk – possible perception of inequitable treatment from communities

To explore this option further, Administration is recommending that North Hill Communities LAP be used as a pilot to evaluate tax uplift as a potential longer-term funding source.

The methodology for this pilot study will be defined by 2020 December 31 for application to the changes in assessment from July 2020 to July 2021 (and supplemental assessments through the end of 2021). The approach is to identify uplift resulting from redevelopment as of December 31, 2021 and 2022. Next, Administration will determine if the property tax uplift is positive AND if there are budget savings from 2021 and 2022 up to that amount will be directed into the Established Area Investment Fund for future public realm investment in 2023 and beyond. For the pilot only, the qualifying property tax uplift amount that is generated within the North Hill communities will be reinvested in these same communities. When the pilot is evaluated and considered for expansion, this geographic based approach will be reviewed.

This pilot will be monitored and reported on with the annual Growth Monitoring report. This funding strategy may be considered for expansion and implementation for the 2023-2026 budget cycle based on the results of this pilot and in consideration of other service needs and priorities funded by property tax. Calgary Growth Strategies will work closely with Finance to ensure that the financial risks to The City's budget are appropriately managed.

What's Next: EAGCS Phase 2 and Longer-Term, Funding Plan for Public Realm Infrastructure

In Phase 2 of the EAGCS, Administration will work closely with stakeholders to explore and develop longer-term and more sustainable funding sources that support ongoing Established Area Investment Fund replenishment against its planned spending.

The options that will be considered to provide ongoing replenishment of the Fund or other funding strategies include:

- a. Property tax uplift allocation - North Hill Communities LAP pilot study results: Analysis of property tax uplift in relation to redevelopment (growth) using the North Hill Communities LAP as a pilot in 2021 and 2022.
- b. Density bonusing strategies
- c. Dedicated property tax support in future budget cycles
- d. Corporate budget savings allocation
- e. Parking revenue
- f. Local improvement tax
- g. Grants
- h. Sponsorship / Donation
- i. Community Amenity Contributions
- j. Off-site levies
- k. Others, to be determined

Request to Create a New Reserve

Reserve Name: Established Area Investment Fund

Purpose of New Reserve

Notice of Motion PFC2020-0131 was adopted by Council on 2020 February 3. This Notice of Motion identified the initial \$30M funding from the Corporate Fiscal Stability Reserve (FSR) for public realm improvements in the Established Area Growth and Change Strategy (EAGCS). The purpose of this reserve request is twofold:

- 1) Transfer the \$30M funding from the Corporate FSR to a new Established Area Investment Fund reserve to accommodate capital investment, and
- 2) To set out the terms and conditions to replenish funding levels. This will allow for on-going investments in established areas aligned with the Established Area Growth and Change Strategy in Phase 2 and into future budget cycles (2023+).

Type of Reserve

Capital

Expected Time Period

Ongoing program

Specific project or on-going program

Budget Id- 481650 "Public Realm (EAGCS)"

Anticipated Funding Source

1. Phase 1:
 - \$30M one time from FSR
2. Phase 2:
 - Minimum of 1 per cent of the favourable budget variance from investment income within Corporate Programs annually until 2026 (PFC2020-0131)
 - Pilot program in 2021 and 2022: property tax allocation program in the North Hill Communities Local Area Plan associated with property tax increase related to growth (outlined in Attachment 3 of this report)
 - Others, to be determined
3. Investment income on reserve balance

Calculations Associated with Funding Source(s) (if required)

Contributions to the reserve will be the same as stated in the funding source section above

List Budget Programs Affected

- Budget Id - 481650 Public Realm (EAGCS) will be used to fund the work
- Capital spend starting from 2021 onwards

Anticipated Target Balance for the Reserve

There is no target balance for this reserve. The intent is to use or draw down the reserve to deliver capital public realm improvements and one-time programming in public realm for communities experiencing growth and change. However, in cases where the monies are being assembled for longer-term projects, they may remain in the reserve in the interim.

Other Reporting Requirements

No additional formal reporting requirements. The use of funds and reserve balance will be reported annually by Calgary Growth Strategies as part of the Growth Monitoring Report to Council through the Priorities and Finance Committee.

List and explain any Condition(s) and/or Restrictions

- The reserve will fund approved capital spending for public realm improvements in established areas, and one-time programming in public realm, as outlined in the Established Area Growth and Change Strategy
- Funds are internally restricted, but the reserve may fund other public realm improvements at The City's discretion.

Consequence of not creating the reserve

If a reserve is not created, funds will be held in the FSR and would need to be tracked separately. It would also make visibility, tracking, and monitoring more difficult. The risk of the dedicated funding being directed to other priorities would also be higher. This would leave the Established Area Growth and Change Strategy without dedicated funding to implement the Established Area Growth and Change Strategy and reduce the ability to deliver public realm investments.

Reserve Review Guideline

Three-year review cycle is appropriate.

List key operating and financial contacts responsible (for information purposes only).

Operational Lead: Kathy Davies Murphy, Manager, Growth Funding & Investment (CGS)
Matthew Sheldrake, Manager, Growth & Strategic Services (CGS)

Financial Lead: Lyanne Wong, Finance Lead, Calgary Growth Strategies

Utilities and Established Area Growth

Challenge:

The existing utility networks (water, sanitary, storm, electricity) in the established area were **designed to service the built form of the original communities**. As the built form and land use changes in these communities, the utility networks will need to adapt to support growth.

Objective:

Develop **sustainable utility planning and funding tools** to continue to meet the servicing needs of existing customers, regulatory and safety requirements, and to successfully support growth to achieve Calgary's Municipal Development Plan targets.

Focus areas to improve

To address this challenge and work toward its objective, the Utility Working Group (comprised of community members, industry and The City), focused their efforts on the following to support redevelopment in the established area:

INFORMATION SHARING



COST PREDICTABILITY



ADMINISTRATIVE SUSTAINABILITY



REGULATORY PROCESS



Approach

In pursuing these Focus Areas, the Utility Working Group was guided by the following considerations:

Build upon a foundation

The City of Calgary has been laying a foundation of projects and initiatives that have enabled focused utility discussions as part of the Established Area Growth and Change Strategy. Projects like the Centre City Levy, the Municipal Development Plan, the Industry/City Work Plan, and Main Streets provide information and lessons learned for the work.

Balance proactive and responsive actions

It is important to identify opportunities to be proactive. However, being proactive requires predictability, which is not always possible in the established area. As a result, The City will complement proactive actions with a focus on improving responsiveness.

Focus on efficiency

The Utility Working Group focused on actions that are implementable without requiring extensive staff resources, complicated processes or extensive analysis that can result in diminishing returns.

Test, monitor and continuously improve

Phase 1 of the Established Areas Growth and Change Strategy established an understanding of the challenges faced by development, The City and other utility providers related to utilities. This resulted in early recommendations based on initial assumptions and preliminary analyses. Ongoing monitoring and stakeholder conversations will improve the Strategy's effectiveness over time. The goal is to create a rhythm to growth planning that continuously improves and adapts based on the information available.

Constraints of redevelopment on utilities

1 Dynamic Systems & Dynamic Growth

Capacity within the utility system can be impacted by changing development upstream, downstream and nearby.

3 Timing & Predictability

Developer risk: Property investment may occur before project details are known and the servicing needs understood. Currently, the first development to trigger an upgrade funds it, which may impact project viability. Developers have to account for this risk in their projects and proformas.

City risk: Growth will not always occur as planned and local area planning does not provide detailed timing data. Utilities function best when tailored to the built form and use. For these reasons, a strategic approach to utility funding and timing is required to support development and enable The City to maximize the value of existing assets.

2 Development Driven

Site servicing needs are determined by project specifics.

4 Existing Environment

Redevelopment must work within the existing built environment. Each location has unique constraints, such as overhead powerline setbacks and site grading.

Impacts of redevelopment on utilities

Each utility has unique considerations in how the service evolves to meet the needs of growing communities.



The impacts of growth on the **WATER SYSTEM** are strongly influenced by the size, type and material of buildings.

Upgrades are typically triggered by fire flow requirements, which ensure there is an adequate pressure and flow rate in the system to fight fires. These requirements are dependent on the building's materials, size, internal sprinklers, and many other building features.



The impacts of growth on the **SANITARY SYSTEM** are strongly influenced by the number and type of users contributing to the flow of wastewater.

Water conservation efforts have allowed the system, which was designed for predominantly single family homes, to accommodate more users incrementally. Larger increases in density may result in the need for an upgrade.



The impacts of growth on the **STORMWATER SYSTEM** are strongly influenced by the permeability of the land.

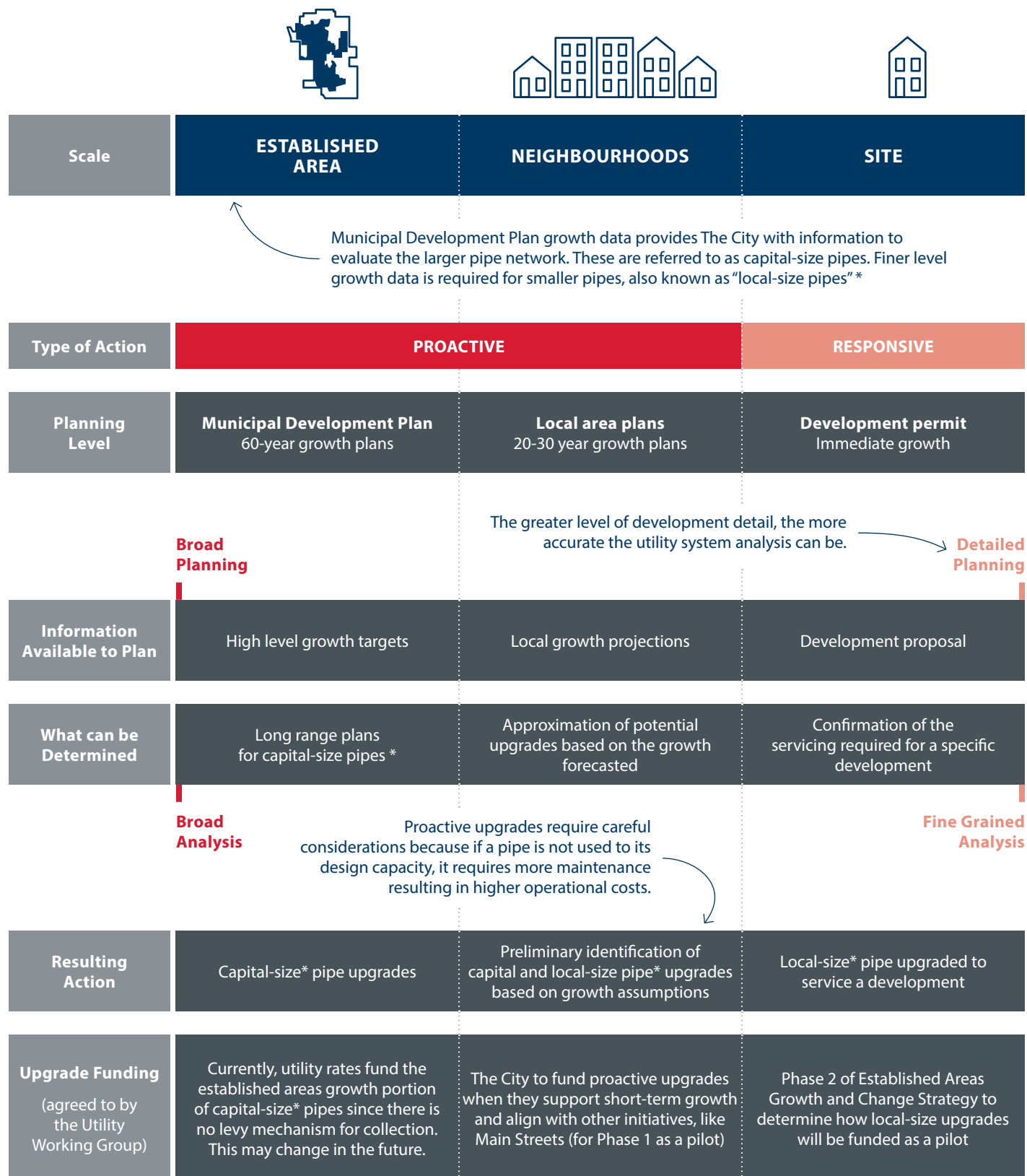
Much of the established area was built to rely solely on piped approaches to manage stormwater. Older communities within the established areas are also redeveloping faster and, as a result, permeable land is decreasing, and land permeability is important in stormwater management (i.e. more hard surfaces reduce the ability of the landscape to absorb water).



The impacts of growth on the **ELECTRICITY SYSTEM** are strongly influenced by the use and behaviour of customers.

The electrical load is based on electricity draw from users. A higher draw can be attributed to more users or more appliances using more electricity. This makes predicting upgrades to the system a challenge.

Aligning the water utility system with planning growth



* Capital-size pipes refer to the larger diameter pipes that service communities as a whole or multiple communities (i.e. feeder mains, trunks). Local size pipes refer to smaller pipes that service specific areas within a community (e.g. streets, blocks).

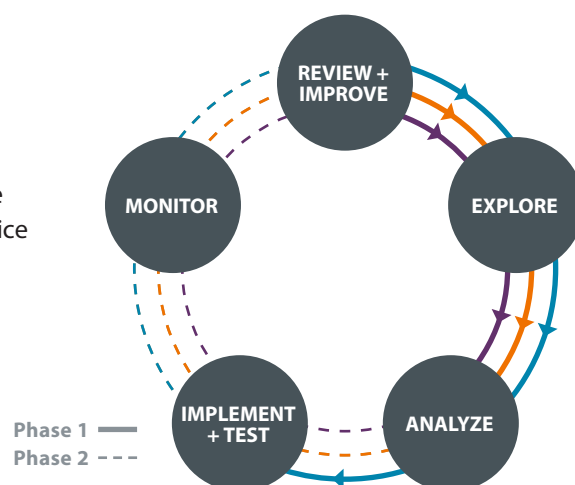
How we got here and where we are going

In Phase 1 of Established Areas Growth and Change Strategy, the Utility Working Group discussed how The City can further support redevelopment in the established area related to utilities across all scales of planning and using multiple mechanisms. The table below brings together actions identified through the Utility Working Group for Phase 1 as well as areas to explore further in Phase 2.

	Utility			Focus areas to improve			
	Water + sanitary	Stormwater	Electricity	Improve information sharing	Improve cost predictability	Improve regulatory process	Improve municipal sustainability
Current practices to continue							
City-wide sanitary and water growth analysis							
Local sanitary and water growth analysis as part of strategic planning projects							
Utility-funded established area growth portion of capital-size pipe upgrades							
Interim stormwater release rates; workplan meetings							
Actions: Phase 1							
Water Utility focused Pre-Application discussions							
Established area capital and local-size pipe threshold review							
ENMAX Power information sharing through <i>partnerconnect@enmax.com</i>							
Proactive Water Utility-funded local-size pipe upgrades coordinated with Main Street streetscape improvements, where identified							
Adapt the utility analysis to the new local area planning approach							
Future actions: Phase 2 and beyond							
Explore and consider integrating local-size pipes, in consultation with industry, into the off-site levy for the established area, concurrent with a proposed public realm funding approach							
Monitor the relationship between growth and upgrades and adjust the analysis and approach as necessary							
Share Utility Working Group findings with the Land Use Bylaw Review team (e.g. setbacks)							
Deliver in-progress stormwater initiatives and as they are completed, discuss lessons learned and apply to the Established Area Growth and Change Strategy:							
+ City-wide Stormwater Model							
+ Renfrew Integrated Stormwater Management Project							
+ The Stormwater Strategy							
+ The Variable Rate Study							
+ The Level of Service Study							
Analyze the impact of overhead power line conversion to development costs and design							
Explore further information-sharing opportunities							
Continue to identify opportunities for proactive upgrades aligned with Main Streets and transit-oriented development							

The Utility Working Group reviewed each utility to different degrees, as described below. The graphic to the right showcases a sequence of steps to create a cycle of continuous improvement and how far the Utility Working Group progressed related to each utility.

- For **WATER AND SANITARY**, the Utility Working Group was able to take the conversation further by building upon a foundation of existing practice and work, including past Main Streets servicing analysis.
- For **STORMWATER**, multiple “in-flight” projects are running concurrent with Phase 1 (e.g. Stormwater Strategy). When complete, these will help inform further discussion starting in Phase 2.
- For **ELECTRICITY**, Phase 1 provided the opportunity to raise challenges and define directions to pursue further in Phase 2.



EAGCS Phase 1 Strategic Considerations

This attachment includes supplementary content to sections of the Established Area Growth and Change Strategy (the “Strategy”) Phase 1 Cover Report, for (1) the Previous Council Direction, (2) Strategic Alignment, and (3) the Next Generation Planning System Overview.

1. EAGCS Phase 1 Previous Council Direction

On 2020 February 3, Council approved Notice of Motion PFC2020-0131 regarding “Identifying a Funding Source for Public Realm Improvements in Established Areas”, as below. This Notice of Motion provides \$30 million of funding towards public realm improvements in Phase 1 Established Areas and directs Administration to outline an investment decision framework in the 2020 May Phase 1 report, develop a Terms of Reference for the fund, and explore the opportunities to replenish the fund in order to ensure continued investment in redeveloping areas.

“That with respect to Notice of Motion PFC2020-0131, the following be approved, **as amended:**

1. That Council direct \$30 million from the anticipated 2019 Corporate Program savings (generated from favourable investment income) to create a dedicated funding stream for the Established Areas Growth Strategy, to be held and committed within the Fiscal Stability Reserve (FSR);
2. That this dedicated funding stream for the Established Areas Growth Strategy will initially be allocated towards the following projects already in progress
 - a. Public realm improvements arising out of the North-Hill Multi Community Planning pilot
 - b. Public realm improvements identified as gaps in Phase 1 established areas (map attached)
3. That this dedicated funding stream for the Established Areas Growth Strategy will further be allocated by Administration for priority areas and projects arising from the upcoming investment decision framework (which may include Main Streets or TOD opportunities) to be outlined through the *Established Area Growth and Change Strategy* report to be brought to the Priorities and Finance Committee in 2020 May;
4. That Council direct annual interest income earned from unused portions of the \$30 million to be recommitted to the Established Areas Growth Strategy within the FSR;
5. **That administration redirect a minimum of 1% of the favourable budget variance from investment income within Corporate Programs annually until 2026 to be used for the Established Areas Growth Strategy.**
6. That as part of the continuing work on a suite of financing options for the Established Areas Growth Strategy, Administration explore the opportunity to replenish the dedicated finding stream outlined above with mechanisms such as property tax uplift in the area and density bonusing in order to ensure continued investment in redeveloping areas;
7. That Administration develop Terms of Reference for the administration of the dedicated funding stream;
8. That Administration report annually to Council through Priorities and Finance Committee on the status/balance, use and benefits of the dedicated funding stream for the Established Areas Growth Strategy through the *Growth Monitoring Report*; and
9. That Administration return with an update to Council after recommendations related to the Solutions for Achieving Value and Excellence (SAVE) program are released, in

the event that there are modifications to the Established Areas Growth Strategy and accompanying work plan.”

On 2020 February 3, Council adjusted the reporting timeline for the Established Area Growth and Change Strategy – Phase 1, through report PUD2020-0016, to report to Council through the Priorities and Finance Committee no later than 2020 May.

On 2019 May 27, Council received an update on the project and directed Administration to report by 2020 March to Council, through the Priorities and Finance Committee, with Phase 1 work elements, as identified in report PUD2019-0305, and refinement of plans and timing for Phase 2 work.

On 2018 November 14, during the One Calgary (2019-2022) service plan and budget discussions in November 2018, with respect to Report C2018-1158 in relation to the Main Streets Investment Program, Council directed Administration to (1) develop a Main Streets Investment Program to implement strategic investments in growth areas within the developed areas, including proposed investment scenarios, and (2) develop appropriately-scaled, sustainable & long-term funding mechanisms and alternative funding options, providing for capital and operating funding as required. A report back was directed by Q2 2019.

On 2018 September 24, Council approved the following recommendation:

That the Priorities and Finance Committee recommend that Council direct Administration to undertake the Established Area Growth and Change work in accordance with the scope identified in Attachment 1 (PFC2018-0891).

Attachment 1 of report PFC2018-0891 indicated an update report be provided to Priorities and Finance Committee by 2019 May.

On 2018 March 19, Council directed Administration to bring a report to Council, through the Priorities and Finance Committee, no later than Q3 2018, with findings and recommendations toward the development of an Established Areas Growth Strategy, including funding and timing considerations, that complements the New Community Growth Strategy.

2. EAGCS Phase 1 Strategic Alignment

The Established Area Growth and Change Strategy (the “Strategy”) supports moving towards outcomes identified in Sections 2.2, 3.5, and 5.2.4 of the Municipal Development Plan, including a more compact urban form; and supporting intensifications of the Developed Residential Areas. The Calgary Transportation Plan encourages transportation investment in response to intensification of areas and the creation of transportation choice. This Strategy also supports the City Planning and Policy, Sidewalks and Pathways, and Streets service lines. By more clearly linking funding and finance tools with local and citywide planning policies, the implementation of goals related to local growth, redevelopment, and quality of life for existing and future residents and businesses can be advanced. This Strategy also supports the outcomes of both the Calgary Climate Resilience Strategy and the Resilient Calgary Strategy.

The Strategy contributes to advancing the Next Generation Planning System in Calgary, and aligns with other initiatives being delivered as part of this program including the Guidebook for Great Communities, the North Hill Communities Local Area Plan, and Heritage Conservation Tools and Incentives. Initiatives within the program are part of a systematic change to The City’s approach to planning, focused on implementing the MDP and advancing the Citizen Priority of A City of Safe & Inspiring Neighbourhoods. The initiatives within this program deliver on five of the six Council Priorities for the City Planning & Policy Service Line for 2020: A. Implementing the

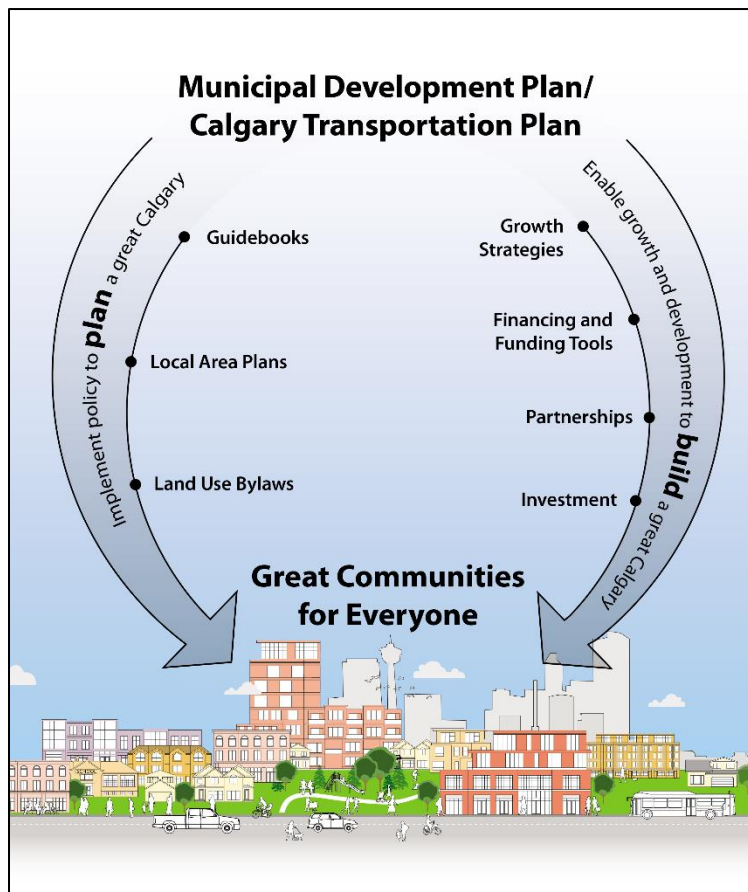
MDP/CTP; B. City-Wide Growth Strategy; C. Modernized Community Planning; D. Connecting Planning and Investment; and E. A Renewed Land Use Bylaw. Council Priority E: Downtown Strategy – Positioning Downtown for the New Economy is not applicable, but is complementary, to this Strategy.

Coordination with related initiatives that similarly support investment in established areas will continue into Phase 2, including investment in priority Main Street areas, Transit-Oriented Development areas, and as City Shaping develops with the future construction of Green Line. In addition, in Phase 1, through the Utility Working Group, the Stormwater Management Strategy has been supported and advanced through facilitated engagement with stakeholders to discuss stormwater management challenges and tools specific to the established area. The results of these initial engagement sessions will be further explored in Phase 2 of the Strategy.

3. Next Generation Planning System Overview

Initiated in 2019, the Next Generation Planning System will improve the way we plan Calgary's future. This systematic approach will help us implement and realize the Municipal Development Plan, which provides the foundation and framework for how we plan our city for citizens who live here now and citizens who will call Calgary home in the future.

Currently made up of nine initiatives, the next generation of planning provides a coordinated and clear planning system for the whole city. It removes outdated and redundant policy, and creates a more robust toolbox to enable development and investment in Calgary.



The system combines policies that will allow us to plan a great Calgary with effective programs, strategies and tools, which enable growth and development to continue building a great city. The nine initiatives leverage and inform each other, from a citywide vision to development and construction.

The Established Area Growth and Change Strategy

The Strategy identifies multiple tools and investments that enable growth and support growing communities. It supports the implementation of the MDP/CTP and local area plans through financial and planning tools and capital investments in the established area to support existing and future residents and businesses, increases certainty in the planning redevelopment process, coordinates policy and investment with market growth, and identifies growth-enabling actions. Phase 2 actions and analysis, and ongoing monitoring across the Growth Strategy portfolio (New Communities and Established Area), may result in considerations for future iterations of the Guidebook and the MDP/CTP.

Next Generation Planning System

Working with, and building on existing policies, the Next Generation Planning System realizes thriving communities that provide housing, amenity, work and travel choices to everyone. It enables development and investment through clear plans, and strategies and tools that guide and support growth. The Next Generation Planning System consists of the following initiatives, addressing both policy and implementation activities to realize these development and community outcomes.

Municipal Development and Calgary Transportation Plans (MDP and CTP): *update policy*

The MDP and CTP are The City's long-range land use and transportation plans that look upwards of 60 years into the future, when Calgary's population is expected to reach over two million people.

Implement policy to PLAN A GREAT CALGARY.

- **Guidebook for Great Communities:** *new policy*
Ensuring communities in Calgary can offer more housing, shops, work and service choices, while simplifying the planning process with consistent city-wide classifications for the urban form. It will be used to guide and shape Local Area Plans in the new Local Area Plan program.
- **Local Area Plans:** *new program*
Using a multi-community approach to local planning, by grouping communities based on shared connections and physical boundaries. This approach makes stronger connections between communities and to key amenities and infrastructure. It helps to identify common issues and opportunities between communities, while removing duplicate and irrelevant policies and plans.
- **Heritage:** *new policy*
Providing new policy tools and financial incentives to increase conservation of heritage resources.
- **Renewed Land Use Bylaw:** *update policy*
Aligning the Land Use Bylaw with the Guidebook for Great Communities and the Local Area Plans so that the final built form accurately reflects the vision for our communities. The renewed Land Use Bylaw will focus on regulating the aspects that impact a person's experience at the street-level.

Enable growth and development to *BUILD A GREAT CALGARY.*

- **Established Areas Growth and Change Strategy:** *new strategy and implementation plan*
Coordinating public investment, while supporting existing communities through their growth. It links to current policy efforts and supports developers to help build our city.
- **Offsite Levies Review:** *update to policy*
Preparing a new off-site levy bylaw under current legislation, to enable growth-related capital infrastructure in established and new communities.
- **Main Streets:** *next phase of program and implementation/construction*
A continuum that goes from changes to land use that will support development opportunities to a streetscape master plan that is designed to support these changes and can be constructed in a coordinated fashion.
- **Transit-Oriented Development Implementation Strategy:** *next phase*
Carrying out the implementation actions. It supports higher-density, mixed-use buildings and public realm design that prioritizes walking and cycling and maximizes the use of transit services.

EAGCS Phase 2 Work Plan

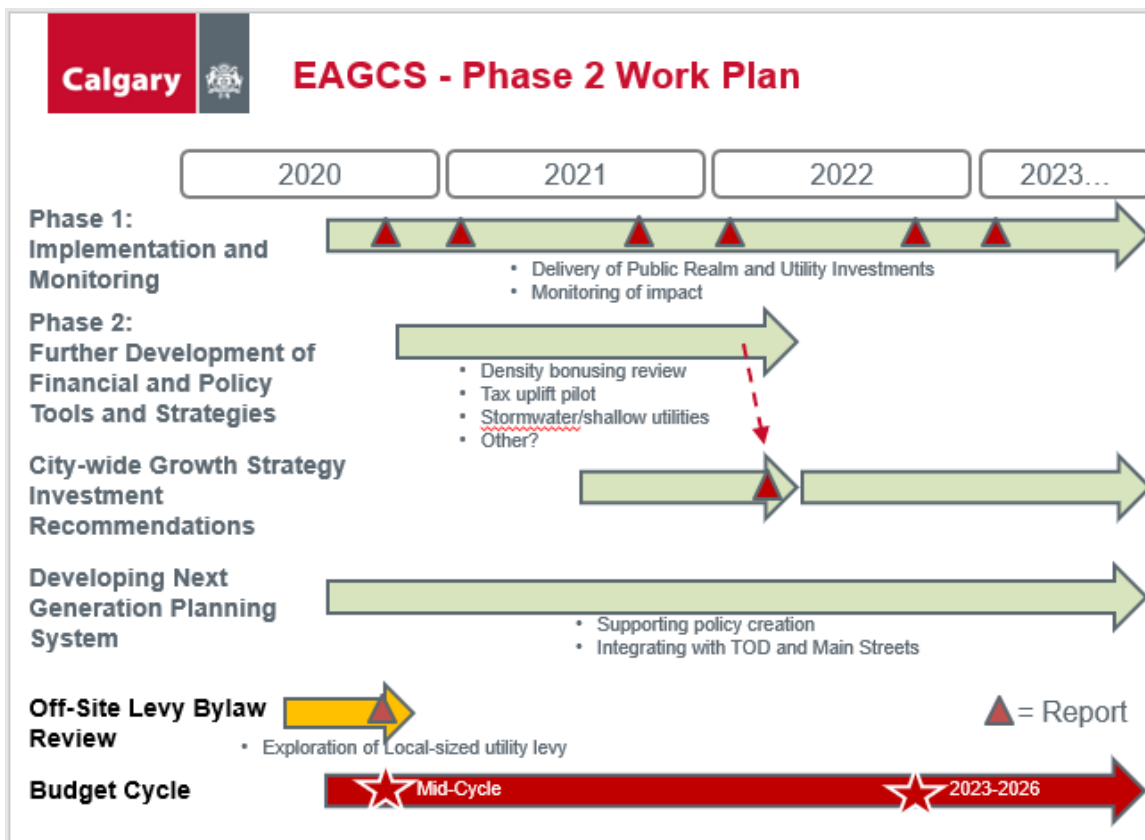
Following this report, the Established Area Growth and Change Strategy (the “Strategy”) will transition into Phase 2, which will identify longer-term, sustainable strategies and tools to support growth, change, and quality of life in existing communities. Implementation and monitoring of Phase 1 recommendations will be done parallel to Phase 2.

The project Advisory Group helped inform the elements of the Phase 2 Work Plan, and identified the critical importance in working collaboratively to develop more sustainable solutions. This work benefits from the collaboration with community, business, shallow utility, and industry representatives, and this multi-stakeholder approach is expected to continue. Phase 2 will include priority work on tools and strategies that require additional time to develop due to their complexity.

Phase 2 will continue to support the creation of the Next Generation Planning System to support implementation of policy (Attachment 6). This includes the closer alignment of the Strategy with the Transit Oriented Development (TOD) Strategy and the Main Streets program, all of which contribute to identifying and delivering growth-related investment in the established area. Alignment on priority area identification, investment recommendations, funding sources and tools, and budget recommendations will be pursued.

It is anticipated that Administration will bring the next set of established areas investment recommendations in coordination with the 2023-2026 service plans and budget in conjunction with the rest of the city-wide growth strategy, the TOD Strategy, and the Main Streets program.

This work plan will be reviewed as part of the Planning & Development annual work plan.



EAGCS Phase 1 Stakeholder Summary: What We Heard/Did

PROJECT OVERVIEW

The Established Area Growth and Change Strategy (the “Strategy”) is broadly focused on enabling growth in the established area of Calgary that is aligned with policy, is supported by the market and is financially sustainable. The Strategy also seeks to support communities and local businesses where growth and change are happening. As the Strategy evolves, planning, financial and investment decisions are anticipated to be linked. This will happen through identifying actions and funding solutions for public realm and infrastructure improvements (short-term), and actions to support communities as they experience redevelopment (long-term).

Phase 1 of the Strategy identified areas with current growth pressures and anticipated continued market interest. The Phase 1 report proposes investments and actions that can enable growth while supporting great communities for existing and future residents and businesses. Alignment with the Municipal Development Plan and Calgary Transportation Plan goals, meeting existing market demand, and consideration of financial impacts supported this work. The consideration of redevelopment readiness within existing communities has also been important to the Strategy, as growth within these communities supports efficient use of land and services.

ENGAGEMENT OVERVIEW

Engagement for the Strategy consisted of a project Advisory Group, four Working Groups and meetings to connect with community representatives. The purpose of the Advisory and Working groups was to collaboratively identify and prioritize what actions can be taken to address specific challenges in redeveloping areas, and to develop solutions and support implementation.

The Advisory Group consisted of representatives from each of the primary stakeholder groups and City of Calgary business unit Directors. This group guided the governance and strategic thinking around the project. It provided high level advice to the project team, helped define the structure and tasks of the working groups, used a consensus model to support project decision making and recommended Working Group members. The Strategy Advisory Group also considered the final Phase 1 program recommendations.

The four Working Groups consisted of community, business and industry members, shallow utility partners and City staff. Each group focused on one of the following areas: Utilities, Public Environment, Financial Planning & Investment, and Planning and Policy Tools. Throughout 2019 each of the working groups met several times. Each group worked on the following:

- Define issues and/or challenges.
- Explore and identify investments or how to activate and support identified investments.
- Prepare and share recommendations with the Strategy Advisory Group.

The project team identified areas within Calgary that are experiencing short-term redevelopment pressures, which included approximately 30 communities and Business Improvement Areas (BIAs). Neighbourhood Partnership Coordinators (NPCs) helped connect the project team with area representatives. Throughout November and December 2019, project team members connected with Community Associations and BIAs to provide them with project information and request feedback. Feedback received from 75 recent engagement projects and existing Area Redevelopment Plans were used to support these discussions. This reduced the potential for duplicate engagement and helped the project team move quickly by leveraging existing information.

SUMMARY OF WHAT WE HEARD AND DID

Financial Planning & Investment Working Group

The Financial Planning & Investment Working Group led the identification of funding and financing tools that can support growth and redevelopment. Discussion focused on narrowing down the list of tools and documenting the strengths and weaknesses of each. The group also led the analysis of how funding and financing tools can be applied to support utility and public environment investments.

Initial discussions for this working group focused on **exploring existing funding challenges**. This included discussing concerns regarding uncertainty related to and paying for redevelopment.

Most of their discussions focused on **exploring a variety of funding and financing tools** that can be used for utility and public environment investments. They considered cost savings availability, dedicated tax support, tax uplift/tax value capture and establishing a financial reserve as a tool to fund public environment investments. For local-sized water and sanitary upgrades, an offsite levy was discussed. Additional tools were discussed but did not move forward for a variety of reasons.

Using this information, the following was done:

- Identified and made recommendations for funding and financing tools to move forward with to support utility and public environment investments.

Utility Working Group

The Utility Working Group focused on water, sanitary, storm and ENMAX utilities. For each of these areas the working group discussed challenges, explored opportunities to better support redevelopment, reviewed data and analyses, identified the types of infrastructure that requires funding, and provided recommendations for improvement.

Specifically, this working group discussed the **cost predictability of local-sized water and sanitary upgrades**. They identified that the unpredictability of water and sanitary upgrades and their varying costs create a significant financial risk for developers. The need for an upgrade is challenging to identify in the early stages of a project as servicing needs depend on the specifics of the development, which can impact project funding and viability. Also, the first development to trigger an upgrade to local-sized water and sanitary pipes pays for the work.

Using this challenge as a starting point, the Utility Working Group:

- Researched how often this happens, the scale of the challenge and what the impacts are.
- Defined a method to initially estimate potential future costs related to developer-sized utility upgrades.
- Worked with the Financial Planning & Investments Working Group to recommend the consideration and exploration of adding local-sized water and sanitary pipe upgrades to the Established Areas Off-Site Levy to improve cost predictability and equity for development.

Information sharing is another challenge that was identified by the Utility Working Group. Industry would like to understand more about the utility servicing needs for their projects earlier in the development process. However, utility systems are dynamic, and tied to development needs, making it difficult to map specific capacity within the utility system. This is also made difficult because redevelopment patterns that impact utility systems are dynamic too.

Growth impacts on each utility system is unique and complex. Specific site development details are required to assess water, sanitary and electrical servicing needs, which are not always available at the time investment decisions are made. Site servicing needs are determined by project details and the utility system functions best when tailored to the built form and use.

Using this challenge as a starting point, the Utility Working Group:

- Incorporated a Water Utility focused pre-application discussion into the existing pre-application process to enable conversations about water, sanitary and stormwater earlier in the development process.
- Shared initial results of the water and sanitary analysis for the North Hill Communities Local Area Plan to reflect on and discuss potential improvements for future local area plans.
- Shared tools available for improved information sharing with ENMAX related to electrical system needs.
- Identified other site development restraints, such as stormwater management and overhead electrical power, and committed to further exploration of these challenges in Phase 2.

Stormwater management in the established area is a significant challenge for developers and The City. Many of the public stormwater management systems in the established area were built to earlier standards and have lower capacity. Combined with changing weather patterns, and increased impermeability as a result of redevelopment, flood risks are increased in these areas.

Land permeability is decreasing due to redevelopment, adding increased stormwater demand on the existing system. Industry has mentioned that, meeting on-site stormwater management requirements is costly and can limit site development. Solutions must balance the needs of protecting existing and future customers, sustaining affordable utility rates, supporting redevelopment and meeting regulatory requirements.

Using this information, the following was done:

- Explored and documented the challenges related to stormwater management.
- Leveraged momentum of the working group discussions through facilitated exploration of these challenges with other City initiatives, like the Stormwater Management Strategy.
- Identified areas to explore further in Strategy Phase 2.

Public Environment Working Group

The Public Environment Working Group focused on identifying what public realm infrastructure is desired to support the quality of life in growing established communities, examples include upgraded parks, upgraded pedestrian realm and traffic calming. They also worked with the Financial Planning & Investment Working Group to develop a decision framework to support investments in public amenities and surface infrastructure.

Discussion regarding **public amenity projects** considered different perspectives when identifying opportunities for growth-related investments in amenities in the identified Phase 1 growth areas. This work included gathering and reviewing public amenity requests from approved Local Area Plans and previous public engagement within the Phase 1 growth areas. Feedback was also gathered from the North Hill Communities Local Area Plan working group.

Using this information, the following was done:

- Created a list of types of public amenity improvements that communities identified as priorities.
- Met with each community association and BIA within Phase 1 growth areas to gather public amenity improvements that met the project criteria.
- Met with area Councillor's to gather public amenity improvements that met the project criteria.

This working group developed a decision framework to **prioritize growth-related public amenities**. This was done through connecting projects to actual growth and identifying criteria that will help prioritize projects in line with Phase 1 project goals. The working group also considered impacts such as operating

costs of amenities, feasibility to construct, alignment with existing City infrastructure programs, and the opportunity to partner with community stakeholders when prioritizing projects.

Using this information, the following was done:

- Created a decision framework to identify a prioritized list of public amenity projects.

The working group discussed how **improving the public environment benefits growth** in the established area. The relationship between growth in a community and the benefits and challenges it offers is important to understand. Projects that respond directly to a growth-related issue connects growth and investment in the established area.

Using this information, the following was done:

- Prioritized and grouped projects that respond directly to growth-related issues.

Planning and Policy Tools Working Group

The Planning and Policy Tools Working Group explored existing and potential planning and policy tools that are available to support redevelopment in the established area.

This working group explored policy and planning tool challenges to support redeveloping communities. The working group used this information to identify low and high value work and projects with low and high value effort. They focused Phase 1 work on projects with a low amount of effort and high value. The working group reinforced that projects like the Guidebook for Great Communities, Heritage Conservation Policy Tools and Financial Incentives Review and the Main Streets program are important and already working on supporting redeveloping communities.

Using this information, the following was done:

- Identified work not being done that fits the low effort/high value criteria and can be done quickly;
- Defined what projects would move forward;
- Received information on several planning and policy tools; and
- Initiated a discussion on bonus density that will be continue into Phase 2.

Input from Community Associations and Business Improvement Areas (BIAs) for Public Realm Projects

Members of Community Associations and BIAs within the project area were asked to provide feedback and input into the public realm projects being identified by the Public Environment Working Group. Initial projects were identified through the analysis of more than 75 recent engagement reports, meeting minutes, feedback documents and letters dating back to 2015. The data gathered provided information on citizen's and stakeholder's opinions on redevelopment within communities, the things they value, the tools we use, the issues that arise and the outcomes they envision. A summary of feedback relevant to the Strategy is provided below.

Recent Engagement Feedback Relevant to the Strategy

A City That Moves

- Established area communities, particularly in priority growth areas, have Calgary's highest reported travel mode share of walking, cycling and transit but often feel they lack public realm that supports this reality.
- Transportation infrastructure should focus on addressing issues with walkable and accessible infrastructure, including connectivity improvements, missing links and sidewalk expansions.
- Communities should have a walking and cycling network that is easy to navigate and safe.
- Vehicle traffic and speed are safety concerns in established areas. Traffic volumes and speeds should be reduced through public realm improvements such as narrowing intersections, decreasing

the width of streets by increasing sidewalk widths, improving lighting and adding additional traffic controls.

- Additional density causes impacts to traffic and should be addressed as needed.

A Healthy and Green City

- Established area communities should preserve open spaces and parks, which includes space for gardens, landscaping, amenities and pathways.
- Where additional open space is not feasible, but growth is occurring, the quality of open space should increase with higher levels of amenities.

A Prosperous City

- Improving attractiveness of the public realm supports community investment.
- Growth is acknowledged as a factor that supports local retail and business sustainability.

A City of Inspiring Neighbourhoods

- Developments and public realm infrastructure projects should enhance the quality of life in communities.
- Communities desire places to gather and interact with their neighbours that are well designed, safe, open, vibrant, accessible, and reflect the identity of the community.
- Communities identified that better sidewalk and pathway connections, improved parks and recreation amenities and programming are all key elements to create inspiring neighbourhoods.

Using this information, the following was done:

- The Public Environment Working Group used this feedback to help:
 - identify what public realm amenities are desired by communities;
 - identify public realm amenity projects within the identified Phase 1 growth areas; and
 - prioritized public realm amenity projects within the identified Phase 1 growth areas.

EAGCS Phase 1 Stakeholder Letters



460 – 5119 Elbow Drive SW P 403.201.5305
Calgary, Alberta T2V 1H2 F 403.201.5344

2020.04.22

City of Calgary
800 Macleod TR SE
Calgary, AB
T2P 2M5

ATTN:

Priorities and Finance Committee (PFC) and City of Calgary Council Members

RE:

29 April 2020 Meeting of PFC
Established Areas Growth & Change Strategy (EAGCS) – Phase 1 Report

Dear Committee and Council Members,

I write to express my support for the EAGCS – Phase 1 Report and recommendations before you for consideration.

I have the privilege of serving as a stakeholder industry member on the EAGCS Advisory Committee, where I have the opportunity to contribute and debate ideas and grow shared understanding of the essential holistic planning and funding framework required to enable strategic growth within our City's Established Areas.

A diverse range of stakeholder voices are found in the work—an effort led by smart, passionate members of Administration who understand both the complexity and city-shaping potential this work.

The report embodies a foundation of understanding, sets a focus, identifies next stages of work, and advises on key actions with both shorter and longer-term objectives in mind. The report and its recommendations understand and are resilient to the realities that perfect can not get in the way of good enough --we can advance this work while other parts of our complex planning and funding system mature and better fit together.

Thank you for your time and consideration.

Sincerely,

CivicWorks Studio

David White | Principal
B.A., M.Sc.Pl., RPP, MCIP

www.civicworks.ca

20 April 2020

Priorities and Finance Committee / Planning and Urban Development Committee

As Renfrew Community Association's Planning Director (Feb 2018 to Nov 2019), I have been fortunate to be the community representative on the Established Areas Growth and Change Strategy's Utilities Working Group. I have been thoroughly impressed by the positive and productive discussions about how utilities keep us from achieving the objectives of our Municipal Development Plan. Participants' willingness to find ways to solve those problems has been more impressive. I would encourage the Priorities and Finance Committee and Planning and Urban Development Committee to continue with the second phase of the EAGCS.

From administration and industry representatives, I have learned that utilities make redevelopment uncertain and expensive. Currently, utilities prevent profitable redevelopment or force higher intensities of redevelopment than existing residents will accept.

For example, we learned about a contemplated four-storey, 16 to 20-unit, apartment building on a 60-foot frontage along a Main Street. However, it could not be built because powerlines need to be 3.5m away from the building. The developer could move the building away from the lane, which would reduce the number of units, or bury the powerline. Neither would have been possible with a large enough profit margin for a bank to be willing to loan the funds. To afford burying the powerline, the developer could have proposed a taller building than the existing M-C1 zoning allowed, which would likely upset neighbours who might fight the land use change. The project was not built, and that lot is still for sale.

This example shows how utilities make it easier to build a single large project, like a twenty-storey building or redevelop a golf course, than build a four-storey building in keeping with city policy. Too often utilities prevent redevelopment at the scale that an existing local area plan or area redevelopment plan allows. Yet, as I learned from members of the North Hill Communities Local Area Plan working group who had been involved in the 16th Ave Area Redevelopment Plan, residents become frustrated when they work to create a local area plan that produces two

buildings in ten years. Building along 16th Ave has difficulties beyond utilities, but the point is clear: the difficulties associated with utilities can undermine the time and money spent creating local area plans.

In uncertain times, we may instinctively want to avoid EAGCS phase 2. Unfortunately, if Calgary is like other North American cities, we do not have enough private investment to maintain our public infrastructure, and thus we cannot afford the city we have built. To endure, Calgary will need to turn a profit by increasing private investment and decreasing public investment. It is difficult to attract private investment, but the least we can do is remove barriers to it. This project's work is essential to allowing private investment in places where our zoning allows it. Phase 1 dealt with items that we could sort out in about a year. The more difficult items, like overhead powerlines and more work on stormwater, are in phase 2. If we do not proceed with phase 2, utilities will continue to prevent the private investment Calgary needs.

Thank you,

Nathan Hawryluk