



AGENDA

PRIORITIES AND FINANCE COMMITTEE

October 2, 2018, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor D. Colley-Urquhart (CPS Chair)
Councillor S. Keating (T&T Chair)
Councillor J. Magliocca (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

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, 2018 September 17
5. POSTPONED REPORTS
(including related/supplemental reports)
None
6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
 - 6.1 Off-site Levy Bylaw Amendment Arising from New Community Growth Strategy 2018, PFC2018-0973
 - 6.2 Chinatown Cultural Plan and Local Area Plan – Update on funding and external partnerships, PFC2018-1107
 - 6.3 Council Innovation Fund Application Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu Internal Sponsor(s): Community Planning & Calgary Recreation Name of Project: Chinatown Cultural Plan and Area Redevelopment Plan, PFC2018-1133
 - 6.4 Assessment and Tax Circumstances Report, PFC2018-1118

6.5 Status of Outstanding Motions and Directions, PFC2018-0931

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS
None

7.2 NOTICE(S) OF MOTION
None

8. URGENT BUSINESS

9. CONFIDENTIAL ITEMS

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

9.1.1 Opportunity Calgary Investment Fund – Program Update (Verbal), PFC2018-1115
Held Confidential pursuant to Sections 16 and 24 of *FOIP*.

9.2 URGENT BUSINESS

10. ADJOURNMENT



MINUTES
PRIORITIES AND FINANCE COMMITTEE

September 17, 2018, 8:30 AM
IN THE COUNCIL CHAMBER

PRESENT: Councillor S. Chu, Vice-Chair
Councillor J. Gondek, Acting Chair
Councillor G. Chahal (Audit Alternate)
Councillor D. Colley-Urquhart (CPS Chair)
Councillor J. Magliocca (PUD Chair)
Councillor W. Sutherland (UCS Chair)
*Councillor G-C. Carra
*Councillor J. Davison
*Councillor P. Demong
*Councillor J. Farkas
*Councillor D. Farrell

ALSO PRESENT: General Manager and One Calgary Executive Sponsor S. Dalgleish
Acting Chief Financial Officer C. Male
Acting City Clerk B. Hilford
Legislative Assistant M. A. Cario
Legislative Assistant J. Palaschuk

1. **CALL TO ORDER**
Councillor Chu called the Meeting to order at 8:33 a.m.
2. **OPENING REMARKS**
Councillor Chu provided opening remarks.
Following nomination procedures, Councillor Gondek was elected as Acting Chair of the Priorities and Finance Committee, by acclamation.
3. **CONFIRMATION OF AGENDA**
Moved by Councillor Sutherland
That the Agenda for today's meeting be amended by bringing forward Item 6.1, Report PFC2018-1038 to be dealt with following Confirmation of Minutes.

MOTION CARRIED

Moved by Councillor Colley-Urquhart

That the Agenda for the 2018 September 17 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, 2018 September 04

Moved by Councillor Sutherland

That the Minutes of the Regular Meeting of the Priorities and Finance Committee held on 2018 September 04, be confirmed.

MOTION CARRIED

5. POSTPONED REPORTS

- 5.1 One Calgary 2019-2022. A Well-Run City – Service Plan Reviews, PFC2018-1023

The following Service Plans were presented by the respective Service Owners:

1. Municipal Elections - Laura Kennedy, City Clerk
2. Property Assessment - Nelson Karpz, City Assessor
3. Records Management, Access & Privacy - Laura Kennedy, City Clerk
4. Taxation - Michael Perkins, Manager of Tax, Receivables & Accounts Payable

Moved by Councillor Colley-Urquhart

That with respect to Report PFC2018-1023, the following be approved:

That the Priorities and Finance Committee receive this report for information.

MOTION CARRIED

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 6.1 One Calgary Civic Partner Business Plans and Budgets, PFC2018-1038

Stuart Dalglish, General Manager and One Calgary Executive Sponsor provided introductory comments.

Lori Kerr, Manager of Partnership Management, Calgary Neighbourhoods provided an overview presentation of the One Calgary - Civic Partners.

Public Speakers:

1. Moraig McCabe
2. Stan Plaha
3. Tamara Keller
4. Sanya Chaudhry
5. Tehreem Chughtai
6. Dwayne Sheehan
7. Jay Emond
8. Tavis Settles
9. Ben Gratton
10. Mary Rozsa de Coquet
11. Brittany Harker Martin
12. Jung-Suk (JS) Ryu

- 13. JP Thibodeau
- 14. Melanee Mung-Hunt

Distributions made with respect to Report PFC2018-1038:

- A PowerPoint presentation entitled "One Calgary - Civic Partners", dated 2018 September 17;
- a document entitled "Priorities and Finance Committee Civic Partner One Calgary Presentations", dated 2018 September 17;
- a PowerPoint presentation entitled "The Hangar Flight Museum One Calgary Civic Partner Presentation", dated 2018 September;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Fort Calgary Economic Development and Tourism", dated 2018 September 05;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation The Calgary Zoological Society (Calgary Zoo)",
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Heritage Park Society Economic Development and Tourism", dated 2018 September 04;
- a PowerPoint presentation entitled "One Calgary Partner Presentation Telus Spark Economic Development and Tourism", dated 2018 September 12;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Calgary Economic Development", dated 2018 September 17;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Tourism Calgary", dated 2018 September 16;
- a collection of postcards from Tourism Calgary;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Calgary Technologies Inc.", dated 2018 September 12;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Arts Common", dated 2018 September 05;
- a collection of pamphlets from Arts Commons;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Calgary Telus Convention Centre", dated 2018 September 17;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Calgary Arts Development Authority", dated 2018 September 14;
- a folder entitled "Calgary Arts Development 2019-2022 Strategic Direction" including pamphlets from Calgary Arts Development;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Parks Foundation Calgary", dated 2018 September 14;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Sport Calgary Recreation Opportunities", dated 2018 September 17;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Lindsay Park Sports Society", dated 2018 September 14;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Vivo for Healthier Generations", dated 2018 September 12;
- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Calgary Heritage Authority City Planning and Policy", dated 2018 September 14; and

- a PowerPoint presentation entitled "One Calgary Civic Partner Presentation Silvera for Seniors", dated 2018 September 13.

The following Civic Partners were presented by the respective Civic Partner leaders:

1. Calgary Public Library Board - Shereen Samuels, Board Vice-Chair and Bill Ptacek, Chief Executive Officer
2. Aero Space Museum Association of Calgary (The Hangar Flight Museum) - Jim Williams, Board Chair and Naomi Gratton, Interim Executive Director
3. The Fort Calgary Preservation Society - Linda McLean, President and Chief Executive Officer and Robin Lee, Board Vice Chair
4. The Calgary Zoological Society - Gord Olsen, Chairman, Board of Trustees and Allan Pedden, Chief Financial Officer
5. Heritage Park Society - Alida Visbach, President and Chief Executive Officer, David Rodych, Board Chair and Julie Frayn, Chief Financial Officer

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(a) was suspended by general consent, in order that the Priorities and Finance Committee recess at 12:00 p.m. and reconvene at 12:45 p.m.

6. Calgary Science Centre Society (TELUS Spark) - Sheila Leggett, Board Chair and Barry Crean, Chief Operating Officer

Committee recessed at 12:00 p.m. and reconvened at 12:47 p.m. with Councillor Chu in the Chair.

7. Calgary Economic Development Ltd. - Steve Allan, Executive Board Chair and Sheila Will, Chief Operating Officer
8. Tourism Calgary - Dan DeSantis, Board Chair, Cindy Ady, Chief Executive Officer, Rob McKay, Calgary Sports and Major Events Committee Chair
9. Calgary Technologies Inc. - Terry Rock, President and Chief Executive Officer and Evan Hu, Board Chair
10. Calgary Centre for Performing Arts (Arts Commons) - Johann Zietsman, President and Chief Executive Officer, Randy Pettipas, Board Member, Colleen Dickson, Chief Financial Officer and Greg Epton, Director, Development & External Relations
11. Calgary Convention Centre Authority (Calgary TELUS Convention Centre) - Tom Bornhorst, Chair and Clark Grue, President and Chief Executive Officer
12. Calgary Arts Development Authority Ltd. - Dean Prodan, Board Chair and Patti Pon, President and Chief Executive Officer

Pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(b) was suspended by general consent, in order that the Priorities and Finance Committee recess at 3:15 p.m. and reconvene at 3:30 p.m.

13. Parks Foundation Calgary - Jim Davidson, Board of Governors, Sheila Taylor, Chief Executive Officer and David Inhaber, Treasurer, Board of Governors

Committee recessed at 3:15 p.m. and reconvened at 3:33 p.m. with Councillor Chu in the Chair.

14. Calgary Sports Council Society (Sport Calgary) - Nazir Walji, Board Member, Murray Sigler, Chief Executive Officer and Catriona Le May Doan, Senior Director Community and Sport Engagement

15. Lindsay Park Sports Society (Repsol Sport Centre) - Scott MacDonald, Chair, Board of Governors, Andrew Wallace, Co-Chair, Board of Governors, and Jeff Booke, Chief Executive Officer

16. Nose Creek Sports and Recreation Association (Vivo) - Ben Banks, President of the Board and Cynthia Watson, Chief Evolution Officer

17. Calgary Heritage Authority - Pam Heard, Board Chair, Josh Traptow, Executive Director, Nikolas Marsall-Moritz, Vice Chair and Reg Young, Treasurer

18. Silvera for Seniors - Arlene Adamson, Chief Executive Officer, Doug Ng, Board Member, Sue Frerich, Board Member, and Judy MacLachlan, Board Member.

Moved by Councillor Magliocca

That with respect to Report PFC2018-1038, the following be approved, **after amendment:**

That the Priorities and Finance **Committee receive** this report for information.

MOTION CARRIED

6.2 Elections Bylaw Proposed Amendments, PFC2018-1066

Moved by Councillor Magliocca

That with respect to Report PFC2018-1066, the following be approved:

That the Priorities and Finance Committee recommend that Council:

1. Defer the four-year election program report to Q1, 2019;
2. Rescind resolution C94-137 (Procedures for incapacitated voting) as provided in Attachment 3;
3. Rescind resolution C89-90 (Physically incapacitated elector voting) as provided in Attachment 4;
4. Rescind resolution NM2008-49 (Special Ballots at City of Calgary Elections) as provided in Attachment 5; and
5. Rescind Bylaw 22M98 (Attachment 2) and give three readings to proposed bylaw to amend Bylaw 35M2018 (Elections Bylaw) as provided in Attachment 1.

MOTION CARRIED

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS

None

7.2 NOTICE(S) OF MOTION

None

8. URGENT BUSINESS

None

9. CONFIDENTIAL ITEMS

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

9.2 URGENT BUSINESS

None

10. ADJOURNMENT

Moved by Councillor Magliocca

That this meeting adjourn at 5:29 p.m.

MOTION CARRIED

The following item has been forwarded to the 2018 September 24 Combined Meeting of Council:

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

Elections Bylaw Proposed Amendments, REC2018-1066

The next Regular Meeting of the Priorities and Finance Committee has been scheduled to be held on 2018 October 02 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

**Planning & Development Report to
Priorities and Finance Committee
2018 October 02**

**ISC: UNRESTRICTED
PFC2018-0973**

**Off-site Levy Bylaw Amendment Arising from New Community Growth Strategy
2018**

EXECUTIVE SUMMARY

Through the New Community Growth Strategy 2018, Council approved 14 new communities and directed that the required capital investments to initiate these communities be brought forward as part of the One Calgary (2019-2022) service plan and budget. A number of these required investments are eligible to be funded through the Off-site Levy Bylaw, but are currently not included in the bylaw.

As directed by Council on 2018 June 18 and 2018 July 30, this report brings forward amendments to the Off-site Levy Bylaw to incorporate the developers' proportionate share of the cost of off-site transportation and utility infrastructure attributable to the 14 new communities approved by Council on 2018 July 30. The new infrastructure includes the 80 Avenue NE/Stoney Trail overpass for the East Stoney Area Structure Plan (ASP) and approximately \$151 million in utility infrastructure. These amendments are necessary to ensure a funding source exists for a substantial part of the infrastructure required to support the new communities approved through the New Community Growth Strategy 2018.

These amendments are not intended to replace the planned review of the off-site levies, which has already commenced within Administration in preparation for a new Off-site Levy Bylaw, expected in 2021. No changes are proposed for the Water Treatment Plant levies or the Community Services Charges; as well, no changes are proposed to the levies paid in the Established Area. The proposed amendments do not change or alter the base methodology used in 2016 to calculate the off-site levy rates.

As the annual escalation rate increases for Transportation and Community Services are linked to the Non Residential Consumer Price Index, the official 2019 rates will not be known until 2018 December. At that time, it will be possible to state definitively what the 2019 rates will be. This report provides estimates for 2019 Transportation Levy rates and for the overall 2019 levy rates. For this reason, the proposed Off-site Levy Bylaw (Attachment 1) is to come into force 2018 December 31 in order to become effective with the 2019 rates on 2019 January 1.

ADMINISTRATION RECOMMENDATION:

That Priorities and Finance Committee recommend:

1. That this report (PFC2018-0973) be directed to the November 12 Combined Meeting of Council to the Public Hearing portion of the Agenda;
2. That Council hold a public hearing on the proposed bylaw amendment set out in Attachment 1; and
3. That Council approve the proposed bylaw amendment to the Off-site Levy Bylaw 2M2016 in Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 July 30, as part of the New Community Growth Strategy 2018 report (C2018-0900), Council adopted the following recommendation:

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3. For the fourteen communities identified in Attachment 4 of C2018-0900, as amended, direct Administration to:
 - (a) approve, as part of One Calgary 2019-2022 four year service plan and budget, a property tax rate increase of up to 0.75% in 2019 to fund the capital and direct incremental operating budgets necessary to support development of these communities;
 - (b) approve, as part of One Calgary 2019-2022 four year service plan and budget, a water utility rate increase of up to 0.5% per year to fund the specific capital budget necessary to support development of these communities;
 - (d) Direct Administration, in consultation with stakeholders, to incorporate the proportionate share of the cost of off-site transportation infrastructure and any additional off-site utilities infrastructure attributable to new growth that provides servicing to new communities into the off-site levy rates, through a proposed amendment to the Off-site Levy Bylaw 2M2016, and report back to the Priorities and Finance Committee by no later than 2018 Q4.

On 2018 June 18, as part of the Utilities Indicative Rates and Funding New Growth report (C2018-0787), Council adopted the following recommendation:

4. Direct Administration, in consultation with stakeholders, to incorporate the proportionate share of the cost of off-site utility infrastructure attributable to new growth that provides servicing to communities approved by Council in the New Community Growth Strategy report (PFC2018-0678) into the off-site levy rates, through a proposed amendment to the water, sanitary sewer and storm sewer levy rates in Bylaw 2M2016, and report back to the Priorities and Finance Committee by no later than 2018 Q4.

On 2018 April 25, as part of the One Calgary: Setting Indicative Rates for 2019-2022 report (C2018-0489), Council referred the indicative rates for Water, Wastewater and Stormwater services including new growth to the 2018 June 18 Strategic Meeting of Council.

On 2016 January 11, Council adopted Bylaw 2M2016 to establish off-site levies pursuant to Section 648 of the Municipal Government Act and adopted by resolution, the Community Services Charges.

BACKGROUND

Section 648 of the Municipal Government Act authorizes municipalities to establish off-site levies that can be imposed at the time of subdivision or development permit approval. According to this legislation, an off-site levy may be used to fund all or part of the capital cost of new or expanded water, sanitary and storm infrastructure, new or expanded roads and transportation infrastructure, and land required for or in connection with these infrastructure projects. In Calgary, developers fund the capital cost of the local infrastructure within new communities and construct all of the on-site infrastructure such as parks, roads and underground utilities. Off-site

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levies are paid by developers to help fund capital costs of infrastructure that is considered off-site from these communities.

The Off-site Levy Bylaw allocates the cost of capital infrastructure in greenfield areas based on the allocation of benefit. The City and developers each contribute a proportionate share of funding to new infrastructure for the greenfield area based on allocation of benefit.

The City's current Off-site Levy Bylaw 2M2016 was approved on 2016 January 11 and came into force 2016 February 1. This Off-site Levy Bylaw, including the methodology and assumptions, were the result of extensive consultation between The City and stakeholders. A full discussion of the principles, process, and methodology used to create the 2016 Off-site Levy Bylaw can be found in Attachment 1-Schedule C of report C2016-0023 (link: [2016 Levy Report](#)). Updates to the Background Report from C2016-0023, necessary to reflect the proposed changes from this update, can be found in Attachment 1-2018 October Background Report Addendum of this report.

In the 2016 Bylaw it was identified that amendments to the bylaw may be required from time to time to keep calculations current or reflect unanticipated events. The impact of the approvals from the New Community Growth Strategy 2018, and the subsequent Council direction, are considered such an event. For potential changes beyond this, Administration and industry representatives have shared an understanding that this review would focus on incorporating the infrastructure required by the New Community Growth Strategy 2018, and not revisit the base methodology.

In 2018, Council, Industry, and Administration were actively involved in the New Community Growth Strategy 2018, which culminated with Council approvals that will result in the initiation of 14 new communities through investments in the One Calgary (2019-2022) service plan and budget. Council approved 14 new communities under the following assumptions:

- a base property tax rate increase of 0.75 per cent in 2019, that was approved on 2018 July 30,
- an annual water utility rate increase of up to 0.5 per cent, to be approved in 2018 November; and
- inclusion of levy-eligible infrastructure for the New Community Growth Strategy 2018 into the Off-site Levy Bylaw.

Through this process, it was identified that most of the required utility infrastructure, and one transportation infrastructure item, were not included in the current Off-site Levy Bylaw. For this infrastructure to be funded through the off-site levies, it must be added into the levy calculations. The estimated total cost of the infrastructure to be added to the levy is listed in Table 1.

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**Table 1: Capital Infrastructure to be added to the Off-site Levy to Support the New
Community Growth Strategy 2018**

Levy Component	Description	Estimated Cost
Transportation	80 AV NE & Stoney Trail Flyover	\$8,500,000
Water Distribution (Water Levy)	New linear infrastructure	\$98,268,000
Wastewater Collection (Sanitary Sewer Levy)	New linear infrastructure	\$29,080,000
Drainage System (Storm Sewer Levy)	New linear infrastructure	\$13,550,000
Drainage System (Storm Sewer Levy)	Change to the cost of 144 AV NE Storm Trunk 4	\$10,400,000
Total		\$159,798,000

INVESTIGATION: ALTERNATIVES AND ANALYSIS

To incorporate the necessary infrastructure into the Off-site Levy Bylaw, while seeking to maintain the base methodology, Administration first reviewed the guiding principles from the 2016 Off-site Levy Bylaw process, including but not limited to Certainty, Financial Sustainability, Fairness and Equity, and Efficiency. Amending only the sections of the bylaw related to the transportation levy, water levy, sanitary sewer levy, and storm sewer levy to include infrastructure required for the approved new communities is aligned to the 2016 principles and approach. This proposed amendment to the Off-site Levy Bylaw adheres to the principles of Benefit Allocation, Accountability, Transparency and Efficiency that were foundational to the off-site levy objectives and recommendations in 2016.

Administration considered a number of scenarios in determining how to best incorporate the required infrastructure in a way that supported the underlying principles in establishing the 2016 Bylaw, and respected the base methodology. Through this review, amendments to the bylaw are isolated to only the elements that need to be changed to provide for the funding of the additional items listed in Table 1 above. Other matters which would typically be reviewed as part of a comprehensive review will be considered as part of the next Off-site Levy Bylaw review that has commenced within Administration.

Updates to the Transportation Levy

As part of the New Community Growth Strategy 2018 evaluation, one identified levy-eligible transportation project was not already included in the Off-site Levy Bylaw. The 80 Avenue NE/Stoney Trail flyover, an \$8.5 million, levy-eligible project required for the East Stoney business case, is necessary to provide emergency access, transit and active transportation mode access to support development. The need for this project was specifically identified through the New Community Growth Strategy 2018 evaluation process, which is why it was not included in the 2016 Off-site Levy Bylaw.

The annual escalation factor for the 2019 Transportation Levy rate is currently unknown and will not be known until mid-December 2018. As a result, Administration has estimated the 2019

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Transportation Levy rate. With the addition of the new infrastructure, the projected 2019 Transportation Levy rate is \$135,720 per hectare, this is an increase of \$185 per hectare compared to the 2019 rates projected in the current Off-site Levy Bylaw. A more detailed description of all the proposed change for Transportation is included in Attachment 2.

Update to the Utilities Levies

The original 2016 Off-Site Levy Bylaw for Water Resources relied on the Water Infrastructure Investment Plan 2015-2024 (the "WIIP"). When the WIIP was originally developed in 2014, most of the 14 new communities approved in 2018 July were not contemplated for development in this 10-year timeframe, meaning much of the water, sanitary and storm linear infrastructure necessary to service these new communities is not included within the existing Off-site Levy Bylaw calculation. To secure a funding source for this infrastructure, a total of \$151,298,000 of infrastructure must be added to the levy bylaw calculation. A more detailed description of all the proposed changes to the off-site levy calculations is included in Attachment 2.

Given that the inclusion of new utilities investments can be expected to lead to changes in the pattern of growth among the watershed catchments, Administration also made a change to the growth assumptions within the catchments. The change in growth distribution only affects the Storm Sewer Levy.

The proposed 2019 rates, including the 3.3 per cent escalation in accordance with the existing Off-site Levy Bylaw, are shown in Table 2 below.

Table 2: 2019 Utilities Levy Update

Levy		Proposed 2019 Levy (per hectare)	Difference from 2M2016 Bylaw (per hectare)
Water levy		\$44,845	+\$9,213
Sanitary sewer levy		\$51,781	+\$2,785
Storm sewer levy	Bow River	\$8,615	+\$917
	Elbow River	\$0	\$0
	Fish Creek	\$22,221	+\$22,221
	Nose Creek	\$17,425	+\$4,941
	Pine Creek	\$19,569	+\$1,037
	Shepard	\$45,565	(\$1,508)

The difference per hectare represents the increase/decrease over the 2019 rates under the current Off-site Levy Bylaw. The Elbow River watershed catchment has no additional infrastructure added nor a change in growth pattern. The Shepard watershed catchment has no additional infrastructure added and has additional growth attributed to this catchment to reflect the impact of the 14 new communities, for this reason the cost per hectare decreases. The Fish Creek watershed catchment has both additional infrastructure and additional growth attributed.

Summary

In summary, the projected 2019 rates represent between a 2.2 per cent to 7.8 per cent increase from the 2016 Off-site Levy Bylaw projected 2019 rates depending on the storm sewer

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catchment. Table 3 below displays the overall levy rates by storm sewer catchment area. A detailed description of off-site levy rate changes is included in Attachment 2.

Table 3 – 2019 Projected Overall Change in Levies by Storm Sewer Catchment

Catchment Area	Projected 2019 Levy (per hectare)	% Change from existing 2019 projected rates
Bow River	\$462,012	2.9%
Elbow River	\$453,397	2.8%
Fish Creek	\$475,619	7.8%
Nose Creek	\$470,822	3.8%
Pine Creek	\$472,966	2.9%
Shepard	\$498,962	2.2%

Next Steps

This proposed amendment to Off-site Levy Bylaw has been brought forward at this time to align with the One Calgary (2019-2022) service plan and budget decisions. As such, this report and bylaw amendment are expected to be heard at the 2018 November 12 Public Hearing of Council, where members of the public will be welcome to speak to Council on this matter. Approval of the amended Off-Site Levy Bylaw prior to budget decisions would provide confirmation that the infrastructure for the 14 new communities has a funding source prior to Council approval of the One Calgary (2019-2022) service plan and budget.

The rates in the proposed bylaw in Attachment 1, reflect 2018 rates. The proposed Off-site Levy Bylaw is to come into force 2018 December 31 to prepare the updated rates for the escalation factor for the 2019 Transportation Levy rate. Until then, in this report, Administration has provided an estimate for the overall 2019 off-site levies.

Administration will communicate off-site levy changes to stakeholders on calgary.ca and will coordinate with BILD Calgary Region and NAIOP to communicate to their members and ensure industry members are aware of the new levy rates well in advance of implementation.

Stakeholder Engagement, Research and Communication

Administration worked with BILD Calgary Region using a small representative working group of stakeholders. Administration met with the working group on four occasions. Early in the consultation, the working group communicated that key objectives would be to minimize the increase in levy amounts overall and to minimize the volatility of the increase among the storm sewer catchments. These objectives, overall, intended to minimize the impact of any increase in levies, both for developers with projects approved through the New Community Growth Strategy 2018, and developers with projects in other areas of the city. A letter of support has been provided by BILD Calgary Region and is included in Attachment 3.

Many industrial land owners and developers are within the Greenfield Area of the Off-site Levy Bylaw. In order to incorporate feedback from these affected stakeholders, a representative from the Calgary branch of NAIOP was added to the aforementioned working group. As well, a presentation was made to, and feedback collected from, the Industrial Strategy working group,

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an industrial development specific working group first initiated through the Industry/City Work Plan.

A presentation was also made to the Developer Advisory Committee of the Industry/City Work Plan, which includes a broad array of industry representation.

Finally, Administration also distributed an information package and held a public open house for interested stakeholders on 2018 September 21. Approximately 35 people attended, with representation from industrial and residential developers, from proponents which advocated for the 14 new communities in the New Community Growth Strategy 2018, and from others who did not specifically advocate for communities in the Strategy.

Strategic Alignment

The recommendations in this report align with Council's recent direction on the New Community Growth Strategy 2018 and Section 5.2.5 of the Municipal Development Plan by considering the municipal capacity to finance growth and infrastructure in consideration of growth and change decisions. The guiding principles of the 2016 Off-site Levy Bylaw were adhered to in the formation of the amendment such as Financial Sustainability and Benefit Allocation. This report aligns with One Calgary Council directive of A City of Safe and Inspiring Neighbourhoods: Growth of the city needs to be managed in a way that achieves the best possible social, environmental and economic outcomes within financial capacities. The cost of growth needs to be manageable for The City, while maximizing housing choice and affordability within these constraints. The report also aligns with the One Calgary Council directive of A Well-Run City by being focused on resilience and continuous improvement.

Social, Environmental, Economic (External)

The off-site levies help deliver important complete community infrastructure and services by contributing to the funding of infrastructure that supports social and environmental wellbeing, and safe and resilient communities. The off-site levies also help support the economic benefits of community growth, such as attracting private investment and creating jobs.

Financial Capacity

Current and Future Operating Budget:

There is no impact to current operating budget as a result of this report. By adding the additional infrastructure into the off-site levy, the approved 0.75 per cent property tax rate and approved indicative utility rate are able to remain as approved in 2018 July, in alignment with Council's approvals through the New Community Growth Strategy 2018.

Current and Future Capital Budget:

There is no impact to the current capital budget as a result of this report. The proposed amendments to the Off-site Levy Bylaw ensures that the new development will contribute its proportionate cost share of the infrastructure on which levies are charged. By adding the additional infrastructure into the off-site levy and securing the funding source, Administration can move forward with efforts to deliver the infrastructure.

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2018**

Risk Assessment

Funding source for required infrastructure

The property tax and utility rate increases fund The City's share of the required infrastructure, while off-site levies fund the developers' share. If the amendments to the Off-site Levy Bylaw are not approved, an alternative funding source will be required for the developers' share of the infrastructure costs. The only anticipated available source of funding would be through a further increase in the property tax rate or a further increase in utility rates. Without another identified funding source, it would be unknown how required infrastructure in some or all of the 14 communities could proceed.

Market risk and financial impacts

Consistent with the risk identified in the 2016 Off-Site Levy Bylaw report (C2016-0023), there is a continued risk that cash flow shortfalls will materialize if the assumptions about growth patterns do not materialize. This means that if growth is lower than forecast, levies paid by developers will also be lower, The City will need to carry these costs for longer until levies paid are sufficient to cover costs. To manage potential shortfalls from a change in growth, greater than expected future utility rate increases may be required for debt servicing.

Another Utilities-specific risk is that growth may not occur in the separate watershed catchments as projected, and therefore levies may not be sufficient to service the principal and interest payments within a particular watershed catchment, even if overall growth is healthy. Any shortfalls would have to be funded from utility rates.

The current calculation methodology for Utilities' levies uses principal and interest payments to calculate the required cost recovery for a period of six years, this is consistent with the current off-site levy bylaw. The phase in of the principal and interest payments matches the timing of delivery of the required infrastructure. Therefore, the full cost is not spread out evenly over 25 years, rather it ramps up in the early years and trails off in the later years as the 25 year amortization period comes to an end. The result is that the off-site levy rate for the same infrastructure will be higher in future years than in this off-site levy period. Industry members have been made aware of this future rate increase and continue to support the current calculation methodology for the proposed off-site levy amendments. Additionally, if more development agreements come in in the next few years and benefit from the existing rate, the off-site infrastructure costs may not be recovered over the fullness of time. Utility rates will have to cover this shortfall.

These risks are partially mitigated by the upcoming full review of the Off-site Levy Bylaw that is to occur for 2021. At that time the opportunity to review the methodology for calculations will be available to determine the best solution, and two years of development will have elapsed, providing information on which to base these decisions.

REASON(S) FOR RECOMMENDATION(S):

The proposed amendments to the Off-site Levy Bylaw will enable Council's direction on the New Community Growth Strategy 2018, will contribute to the financial sustainability of The City as it relates to capital infrastructure in greenfield areas, and ensure that the proportionate share of the cost of growth is borne by developers for this infrastructure.

Planning & Development Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-0973

**Off-site Levy Bylaw Amendment Arising from New Community Growth Strategy
2018**

ATTACHMENT(S)

1. Attachment 1 – Proposed Wording for a Bylaw to Amend Bylaw 2M2016 OFF-SITE LEVY BYLAW (includes 2018 October Background Report Addendum)
2. Attachment 2 – Detail of Proposed Changes to the Off-site Levy Calculations
3. Attachment 3 – Letters Received

**Proposed Wording for a Bylaw to Amend Bylaw 2M2016
OFF-SITE LEVY BYLAW**

1. Bylaw 2M2016, the Calgary Off-site Levies Bylaw, is hereby amended as follows:
 - a. Section 4(2) is amended by inserting the following after the words "Schedule "C"":

“,as amended by the The City of Calgary Off-Site Levy and Community Services Charges Background Report Addendum attached to this Bylaw as Schedule "D””
 - b. Schedule "B" is amended by deleting Table 1, entitled "Levy Rates in the Greenfield Area", in its entirety and replacing it with a new Table 1, entitled "Levy Rates in the Greenfield Area", attached hereto as Schedule "A".
 - c. Add a new Schedule "D", attached hereto as Schedule "B".
2. This bylaw comes into force on December 31, 2018.

SCHEDULE "A"

TABLE 1 - Levy Rates in the Greenfield Area

LEVY		2018 Rate (\$/ha)
<i>Transportation levy</i>		\$133,740.00
<i>storm sewer levy</i> (by watershed)	Bow River	\$8,340.00
	Elbow River	\$0
	Fish Creek	\$21,511.00
	Nose Creek	\$16,868.00
	Pine Creek	\$18,943.00
	Shepard	\$44,110.00
<i>sanitary sewer levy</i>		\$50,127.00
<i>water levy</i>		\$43,413.00
<i>treatment plant levy</i>		\$138,359.00

SCHEDULE "B"



Calgary



SCHEDULE "D"
TO BYLAW 2M2016

The City of Calgary
**Off-Site Levy and Community
Services Charges Background
Report Addendum**

October 2018



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EXECUTIVE SUMMARY

On 30 July 2018, Council approved the New Community Growth Strategy 2018. Certain transportation and water resources infrastructure required to service these new communities was not contemplated at the time of the 2016 Off-site Levy Bylaw. Council directed that this infrastructure be incorporated into the existing Bylaw 2M2016.

This Off-site Levy & Community Services Charges Background Report Addendum (hereafter referred to as the “Background Report Addendum”) in combination with the Off-site Levy & Community Services Charges Background Report (December 2015) (the “2015 Background Report”) forms part of the Off-site Levy Bylaw. The Background Report Addendum details the amended assumptions, infrastructure projects and capital costs underpinning the revisions to the levies based on the inclusion of new growth-related infrastructure to be funded through the Off-site Levy program. Jointly with the 2015 Background Report, the Background Report Addendum details the process used to deliver the update, infrastructure needs, calculation methodology and assumptions utilized to establish the amended Off-Site Levies.

These amendments are limited to only consider the inclusion of new growth-related infrastructure that provides servicing to new communities not previously contemplated under the 2016 Off-site Levy Bylaw. To support development of these new communities, additional infrastructure is required under the following infrastructure types:

- Transportation
- Water Distribution
- Wastewater Collection
- Drainage Systems

This Background Report Addendum outlines amendments made in the determination of the Off-Site Levies to incorporate the new transportation and utility infrastructure. No changes are proposed for the Water Treatment Plant levies or the Community Services Charges, which means the levies applied in the Established Areas are unchanged. The proposed amendments align with the guiding principles established in consultation with stakeholders in 2015 and apply a consistent calculation methodology to the 2016 Off-site Levy Bylaw.

In alignment with the 2016 Off-site Levy Bylaw, the amendments ensure those who will use and benefit from the infrastructure pay their share of the costs in a fair and equitable manner. The amendments create certainty by providing stable charges to the development industry and by allowing the orderly and timely construction of infrastructure as determined by The City.

Table 1 provides a summary of the Levy Rates amended based on the inclusion of new infrastructure as detailed in the Background Report Addendum.

Table 1 – Amended Off-site Levy Rates for Greenfield Area

Infrastructure	2018 Rate (\$/Ha)
Transportation	\$133,740
Water Distribution	\$43,413
Wastewater Collection	\$50,127
Drainage Systems - By Catchment	
Bow River	\$8,340
Elbow River	\$0
Fish Creek	\$21,511
Nose Creek	\$16,868
Pine Creek	\$18,943
Shepard	\$44,110

1.0 INTRODUCTION

Calgary is a great city known worldwide for its quality of life and robust economy. As a result, it has continued to experience rapid growth. Despite the recent economic downturn, Calgary is forecast to grow by 1.3 million people in the next 60 years. Growth provides numerous benefits along with a requirement for investment in services and infrastructure to support the growth.

Developers fund the capital cost of the local infrastructure within new communities such as roads, sidewalks, parks and underground utilities. Growth also creates a need for additional or expanded infrastructure that is off-site from these communities such as water and wastewater systems, and major roads and interchanges. One of the tools used to help fund the capital cost of this infrastructure is to charge developers off-site levies. The Municipal Government Act (MGA) authorizes municipalities to create off-site levies that can be imposed at the time of subdivision or development permit approval.

In 2015, The City initiated a review and major update of off-site levies related to new or expanded transportation, water resources and community services infrastructure. Extensive stakeholder engagement contributed to the review and development of the 2016 Off-site Levy Bylaw, which was approved by Council on 2016 January 11.

On 30 July 2018, Council approved 14 new greenfield communities for development as part of the New Community Growth Strategy 2018. Certain transportation and water resources infrastructure required to service these new communities was not contemplated at the time of the 2016 Off-site Levy Bylaw. Council directed that this infrastructure be incorporated into the existing Bylaw 2M2016.

To reflect the approval of new growth areas, this Background Report Addendum has been developed to outline amendments made to the levy calculations to support the inclusion of new growth-related infrastructure to be funded through the Off-site Levy. The Background Report Addendum in combination with the Off-site Levy 2015 Background Report forms part of the Off-site Levy Bylaw.

1.1 Purpose of the Background Report Addendum

The amendments outlined within the Background Report Addendum are limited to the incorporation of new growth-related infrastructure not previously contemplated under the 2016 Off-site Levy Bylaw that provides servicing to the new communities. It adds to, but does not replace, the 2015 Background Report.

Additional infrastructure has been identified for the following infrastructure types:

- Transportation
- Water Distribution
- Wastewater Collection
- Drainage Systems

No changes are proposed for the Treatment Plant Levy or the Community Services Charges, which means the levies applied in the Established Areas are unchanged. Amendments outlined within the Background Report Addendum remain consistent with the guiding principles established in consultation with stakeholders in 2015. In response to the guiding principles of *Certainty, Clarity and Transparency* and *Efficiency*, the methodology and fundamental, underlying assumptions utilized to calculate the levy rates adopted in 2016 have not been altered. However, the amendments articulated in the Background Report Addendum recognize the additional infrastructure needs and ensure those that benefit from the



Off-Site Levy and Community Services Charges Background Report Addendum

infrastructure, pay for the infrastructure (*Benefit Allocation*) and that the *Financial Sustainability* of the Off-site Levy Program remains robust.

2.0 STAKEHOLDER ENGAGEMENT

Extensive stakeholder engagement contributed to the review and development of the 2016 Off-site Levy Bylaw, which was approved by Council 2016 January 11. As the proposed amendments will not impact established area landowners, and given the nature of the amendments, a more focused approach was utilized to consult with greenfield stakeholders. This approach is consistent with the Principles and Criteria for Off-Site Levies Regulation within the MGA, which requires that "...the municipality must consult in good faith on the calculation of the levy with stakeholders in the benefiting area where the levy will apply" (Alberta Regulation 187/2017).

Administration worked with BILD Calgary Region to formulate a working group consisting of greenfield developers with and without newly identified infrastructure requirements to service the new growth areas. The working group met four times between 2018 August 27 and 2018 September 18. The intent of these meetings was to review, discuss and provide feedback related to the proposed infrastructure being added, amendment approach and levy calculations.

In addition to consulting with the working group, an information package related to the amendments was distributed to Industry organizations (BILD, NAIOP, BOMA) to notify stakeholders of the proposed amendments and provide opportunities for feedback. Lastly, an information session was held on 2018 September 21, to provide an in-person opportunity for stakeholders to attend and provide feedback on the proposed amendments. Stakeholders were notified through the information package, meetings with industry, and through BILD Calgary Region circulation for the information session; approximately 35 members of industry attended.

3.0 GROWTH PROJECTIONS

Growth projections identify the benefiting area and population over which infrastructure costs are allocated. Dividing the growth infrastructure cost by the benefiting area or population produces the levy rate per hectare or unit amounts referenced in the Bylaw.

Overall growth projections, as outlined in Chapter 4 of the Off-site Levy 2015 Background Report, along with the residential, non-residential, and industrial share of annual growth remain consistent with the December 2015 Background Report. Through the approval of the New Community Growth Strategy 2018, the projected distribution of residential growth between the watershed catchments from 2019-2024 was amended to reflect a revised growth pattern accounting for the new areas. This redistribution impacts the drainage system levies, which are calculated with a catchment-based methodology; the city-wide levies are unaffected by these revisions.

4.0 AMENDMENTS

4.1 Transportation

The City of Calgary's Municipal Development Plan and Calgary Transportation Plan set out a clear framework for development growth over a 60-year timeline with associated transportation infrastructure requirements to build out the plans, as envisioned. The transportation Off-site Levy provides a mechanism for greenfield growth to contribute to the cost of transportation infrastructure based on the benefit allocated to greenfield development.

4.1.1 INFRASTRUCTURE NEEDS

Through the approval of the New Community Growth Strategy 2018 on 2018 July 30, the 80th Avenue / Stoney Trail Overpass was identified as an additional infrastructure need not contemplated in the 2016 Bylaw. Details related to the 80th Avenue / Stoney Trail Overpass are described in Table 2. The cost estimates are based on a Class V cost estimate, as per the Corporate Project Management Framework definitions. Cost estimates for new infrastructure were determined through the New Community Growth Strategy 2018 process.

Table 2 – New Transportation Infrastructure Costs

Infrastructure	New Greenfield Area Project	Total New Greenfield Area Transportation Infrastructure Cost (\$millions)
Interchanges	80 th Avenue / Stoney Trail Overpass	\$8.5

Appendix A of the Background Report Addendum has been updated to include the newly identified infrastructure project.

The total transportation greenfield capital costs identified in the 2016 Bylaw were \$2,620 million. Inclusion of the 80th Avenue / Stoney Trail Overpass results in a revised greenfield capital cost of \$2,629 million as displayed in Table 3.

Table 3 – Total Transportation Infrastructure Costs

Infrastructure	Total Transportation Infrastructure Costs (\$millions)
Established Areas Projects	\$6,062
Greenfield Areas Projects	\$2,629

4.1.2 AMENDMENT APPROACH

The transportation levy is based on a city-wide approach over a 60-year time horizon. The amendment approach does not contemplate adjustments to the growth projections or the allocation of benefit assigned to greenfield growth determined in the 2016 Bylaw. The new infrastructure identified contributes to the overall city transportation network and provides benefit to greenfield growth anticipate over 60-year time horizon. As such, the amendment approach recalculates the 2016 levy based on the new total transportation infrastructure costs allocated to greenfield development over the 60-year time horizon. The recalculated levy is then adjusted annually to determine the 2019 transportation levy rate.

4.1.3 LEVY CALCULATION

Details of the methodology and benefit allocation remain unchanged from Chapter 5 of the Off-site Levy 2015 Background Report.

The levy calculation remains unchanged from the original 2015 Background Report methodology:

$$\text{Levy Rate} = \frac{\text{GF Area Reduction (\%)} \times [(\text{GF Costs (\$)} \times \text{GF Benefit (\%)} + \text{Established Costs (\$)} \times \text{GF Benefit (\%)}]}{60 \text{ year GF Developable Area (Ha)}}$$

Based on the updated total greenfield transportation costs identified in Table 3 the amended levy calculation is as follows:

$$\text{Levy Rate (2016 Recalculation)} = \frac{0.9 \times [(\$2,629\text{M} \times 67\%) + (\$6,062\text{M} \times 17\%)]}{18,345 \text{ Ha}} = \$136,976/\text{Ha}$$

The transportation levy is adjusted annually on January 1 in the amount of the percentage equal to the average Statistics Canada non-residential construction price index (NRCPI) for Calgary for the previous four published quarters. The transportation levy rate effective 2018 December 31 is \$133,740 per hectare, as displayed in Table 4. This rate will be subject to the annual adjustment, which will be applied on 2019 January 1.

Table 4: Transportation Levy

Year	Transportation Levy
2018	\$133,740

4.2 Water Resources

The Water Resources Off-site Levy program is divided into the following three components:

- Water Distribution & Wastewater Collection – including upgrades and extensions to water distribution infrastructure and wastewater collection infrastructure.
- Drainage Systems – including new and upgraded drainage facilities and collection systems
- Water and Wastewater Treatment – including new plants, upgrades and capacity for wastewater and water treatment

A variety of additional water distribution, wastewater collection and drainage systems infrastructure needs were identified to provide service to new growth areas that were not contemplated in the 2016 Bylaw. No additional infrastructure needs were identified for water and wastewater treatment; these levies remain unchanged from the 2015 Background Report.

Through development of the Water Resources levy program in 2015 four Guiding Principles, as described in Section 2.3 of the 2015 Background Report, were particularly important. These specific principles guided the amendment approach utilized and are as follows:

- **Certainty** – A primary objective of the water resources program is to provide revenue assurance to the utilities.
- **Financial Sustainability** – Long term financial sustainability of the utilities is extremely important. There are two parts to this objective. The first is resiliency to ensure that the framework for funding and financing of growth infrastructure is responsive to changing growth levels. The second part is to manage financial risks in the business.
- **Fairness and Equity** – Fairness and equity ensures that those benefiting from the infrastructure are paying for that benefit.
- **Efficiency** – Finally, the water resources program provides an efficient levy process that is simple to administer and understand.

4.2.1 AMENDMENT APPROACH

In 2015 the Water Resources levy program methodology to calculate water distribution, wastewater collection and drainage systems levy rates was updated. The levy program was based on a 10-year timeframe reflective of The City's 10-year capital planning process (2015-2024). When the Bylaw was passed in 2016 the levy calculation was adjusted to 9 years based on the timeframe remaining in the 10-year capital plan.

In alignment with the guiding principles articulated above, the amendment approach updates the new infrastructure needs identified within the remaining 6-year timeframe (2019-2024) based on the new growth areas and recalculates the water, wastewater and drainage systems levy rates. Recognition of the new infrastructure needs in the levy rates reflects a responsiveness to the funding and financing of new infrastructure needs to support development of the new communities along with a reciprocal need to ensure those benefiting pay for the infrastructure. This provides a consistent approach to the levy calculation methodology established through extensive stakeholder engagement in 2015.

The levy calculation in the 2015 Background Report included a number of assumptions to calculate the levy rate, including interest rate projections and project timelines. All assumptions remain consistent with the

2016 Bylaw, save for total project costs to allow for the inclusion of new growth infrastructure and residential growth distribution to account for the new growth areas.

4.2.2 INFRASTRUCTURE NEEDS

The water distribution and wastewater collection off-site levies are applied across all greenfield areas, while application of the drainage system levy is dependent on which of the six major watershed catchments areas the subject lands are located within. These catchments are: Bow River, Elbow River, Fish Creek, Nose Creek, Pine Creek and Shepard.

Table 5 summarises the total costs for water distribution, wastewater collection and drainage systems infrastructure required to service growth from 2016 – 2024. Further details on costs are provided in Appendix B of the Background Report Addendum.

Table 5 - Water Distribution, Wastewater Collection and Drainage Systems Total Infrastructure Costs

Infrastructure	Total Infrastructure Costs -2016 Bylaw (\$millions)	Total New Infrastructure Costs (\$millions)	Total Infrastructure Costs – 2016 – 2024 (\$millions)
Water Distribution	266.4	98.3	364.7
Wastewater Collection	497.0	29.1	526.1
Drainage Systems	67.9	24.0	91.9
Total	831.3	151.3	982.6

Cost estimates used in the levy calculation are generally Class V cost estimates, as per the Corporate Project Management Framework definitions. These estimates include engineering, contingency and project administration. Cost estimates for new infrastructure were determined through the New Community Growth Strategy 2018 process.

4.2.3. ALLOCATION OF BENEFIT

Water Distribution & Wastewater Collection

The approach to allocating costs to greenfield growth for the new infrastructure needs identified is consistent with the 2016 Bylaw - all sanitary and water linear extensions to serve new development areas are 100% attributable to new growth, while costs allocated to growth for upgrades are undertaken on a

project by project basis. Detailed allocations can be found in Appendix B of the Background Report Addendum.

Table 6 summarises the allocation of water distribution and wastewater collection infrastructure costs to greenfield growth. The allocation includes infrastructure identified in the 2016 Bylaw plus the new infrastructure needs identified.

Table 6 - Greenfield Allocation of Water Distribution & Wastewater Collection Infrastructure Costs

Infrastructure	Total Infrastructure Costs – 2016 – 2024 (\$millions)	Greenfield Water Distribution & Wastewater Collection Infrastructure Costs – 2016 - 2024 (\$millions)
Water Distribution	364.7	186.2
Wastewater Collection	526.1	231.6
Total	890.8	417.8

Drainage Systems

The approach to allocating costs to greenfield growth for new infrastructure needs identified is consistent with the 2016 Bylaw - none of the drainage projects included in the levy calculation benefit existing development or regional areas and drainage system levy rates only include the project costs determined to benefit the Greenfield Area of the drainage catchment.

Table 7 summarises the allocation of drainage system infrastructure costs to green growth. The allocation includes infrastructure identified in the 2016 Bylaw plus the new infrastructure needs identified.

Table 72 – Greenfield Allocation of Drainage System Infrastructure Costs

Infrastructure	Total Infrastructure Costs – 2016 – 2024 (\$millions)	Greenfield Drainage System Infrastructure Costs – 2016 - 2024 (\$millions)
Greenfield Area	91.9	68.5

4.2.4. LEVY CALCULATION

The calculation utilized for the amended levy rates for water distribution, wastewater collection and drainage systems is consistent with Chapter 6 of the Off-site Levy 2015 Background Report. The amended calculation accounts for the inclusion of new infrastructure costs and adjusts the residential distribution of growth to reflect future growth within new growth areas. The calculation utilized for water, wastewater, and drainage systems levy rates is as follows.

Debt Servicing for Greenfield Growth-Related Capital Costs (9 yrs.) = Cost Base Future Value

$$\frac{\text{Cost Base Future Value}}{(1 + \text{Discount Rate})^{n1 \dots n9}} = \text{Cost Base Present Value}$$

$$\frac{\text{Cost Base Present Value}}{\text{Greenfield Developable Land Forecast (9 yrs.)}} = \text{Off-site Levy}$$

Table 83 – 2018 Water Distribution and Wastewater Collection Levy Rate (\$/Ha.)

Water Distribution	\$43,413
Wastewater Collection	\$50,127

The proposed Off-site Levy for drainage systems is shown in the following table.

Table 9 – 2018 Drainage System Levy Rate by Catchment

Catchment	\$ per Hectare
Bow River	\$8,340
Elbow River	-
Fish Creek	\$21,511
Nose Creek	\$16,868
Pine Creek	\$18,943
Shepard	\$44,110

Water distribution, wastewater collection and drainage system levy rates are increased annually on January 1 by 3.3 per cent. The proposed rates in Tables 8 and 9 will be effective 2018 December 31. These rates will be subject to the annual January 1 increases, which will be applied on 2019 January 1.

5.0 SUMMARY OF OFF-SITE LEVIES

5.1 Summary of Amended Off-site Levy Rates for Greenfield Area

Table 10 below provides a summary of the 2018 Levy Rates amended based on the inclusion of new infrastructure as detailed in the Background Report Addendum. These rates will come into effect 31 December 2018 and be subject to the annual adjustments applied on 1 January 2019.

Table 10 – Amended Off-site Levy Rates for Greenfield Area

Infrastructure	2018 Rate (\$/Ha)
Transportation	\$133,740
Water Distribution	\$43,413
Wastewater Collection	\$50,127
Drainage Systems - By Catchment	
Bow River	\$8,340
Elbow River	-
Fish Creek	\$21,511
Nose Creek	\$16,868
Pine Creek	\$18,943
Shepard	\$44,110

APPENDIX A – TRANSPORTATION

Table 11 (Update to Table 34 in 2015 Background Report) – Greenfield Infrastructure Transportation Project List
New infrastructure is identified in **red text**.

Category	Project Name	Total Cost (millions)
Interchanges	Métis Tr / Airport Tr I/C	\$70.0
	Airport Tr / Stoney Tr NE (Ultimate)	\$60.0
	Macleod Tr / 194 AV SE I/C	\$70.0
	Macleod Tr / 210 AV SE I/C	\$70.0
	West 22X/53 St SW Interchange	\$70.0
	West 22X/ 85th St W Interchange	\$70.0
	West 22X/69 St W interchange	\$70.0
	Deerfoot Tr / 212 AV SE I/C	\$16.0
	104 St / Marquis of Lorne (Fly Over) SE	\$30.0
	120 St / Marquis of Lorne I/C SE	\$70.0
	East Freeway/130th Ave SE I/C (To/from the North)	\$40.0
	East Freeway/106th Ave Trail Fly Over	\$30.0
	Glenmore Tr / 68 ST SE I/C	\$70.0
	Glenmore / Garden Rd SE	\$70.0
	Glenmore / 116th E I/C Se (Second Structure and Upgrade requirements)	\$70.0
	Peigan Tr / 52 ST NE I/C	\$70.0
	Peigan Trail/68th St I/C	\$60.0
	East Freeway / Memorial Dr Flyover	\$30.0
	16 AV NE / 68 ST NE I/C	\$70.0
	East Freeway/ 32 AV NE Flyover	\$30.0
	64 Ave / East Freeway Flyover	\$30.0
	Airport Trail/36th St NE I/C	\$40.0
	Airport Trail/60th St NE I/C	\$75.0
	Métis Tr / 64 AV NE I/C	\$70.0
	Metis Trail/128th Ave NE I/C	\$70.0
	60 St / Stoney Tr I/C NE	\$50.0
	Deerfoot Tr / 128 AV NE I/C	\$60.0
	Deerfoot Tr / Country Hills Blvd I/C (second structure)	\$30.0
	Deerfoot Tr/Airport Trail Ultimate	\$50.0
	160 Ave / Hwy 2 NE (second structure and upgrade requirements)	\$30.0
	11th Street/Stoney Trail I/C	\$50.0
	Centre St / Stoney Tr (second structure and upgrade requirements)	\$15.0
	14 St / Stoney I/C	\$40.0
	Shaganappi Tr/Stoney Tr (second structure and upgrade requirements)	\$15.0
	Centre St / Hwy 566 I/C	\$80.0
	Crowchild Tr / 12 Mile Coulee Rd I/C	\$70.0
	80 th Avenue / Stoney Trail Overpass	\$8.5
	Total	\$1,919.5

Category	Project Name	Total Cost (millions)
Road Structures over Rail/Creek	CP Rail at 194th Ave SW	\$25.0
	CP Rail at 210th Ave SW	\$25.0
	210 Ave SW at Pine Creek	\$20.0
	Pine Creek Crossing in South Macleod	\$25.0
	CP Rail at 114th Ave SE	\$25.0
	WID Canal Crossing at Glenmore Trail SE	\$20.0
	144th Ave at West Nose Creek	\$25.0
	160th Ave at West Nose Creek	\$25.0
	160th Ave at Rail and Creek Crossing (6 Lane X-section over creek, rail, service road)	\$53.0
	11th St at Nose Creek/CPR Rail Crossing	\$20.0
	Total	\$263.0
Expressways	Airport Tr - Barlow Tr, Airport - 19 St interchanges and widening 36 St to 60 St NE	\$83.0
	88 Street SE skeletal road extension	\$17.0
	Total	\$100.0
Ring Road Connections	SW and West Ring Road Connections	\$133.3
	Total	\$133.3
Greenfield Traffic	296 signals required	\$81.4
	Total	\$81.4
Pedestrian Overpasses	Stoney Tr, between Centre St and 14 St NW	\$6.0
	Stoney Tr, between Centre St and 11 St NE	\$6.0
	Airport Tr, east of Metis Tr, between Cityscape and Savannah	\$6.0
	Country Hill Bv NE, west of Stoney Trail, between North Cornerstone and South Cornerstone	\$6.0
	52 Street SE, between Auburn Bay and Mahogany	\$6.0
	Bow River, between Legacy and Cranston	\$12.0
	Total	\$42.0
BRT Infrastructure	162 Avenue SW, SW Ring Road to west side of Providence	\$90.0
	Total	\$90.0
Greenfield Transportation Infrastructure List: TOTAL		\$2,629.2

APPENDIX B – WATER RESOURCES

Table 12 (Update to Table 35 in 2015 Background Report) – Water Distribution, Wastewater Collection and Drainage Systems Infrastructure Project Lists
New infrastructure is identified in **red text**.

Category	Project Name	Allocation				Total Cost (millions)
		% Growth	% Greenfield	% Established	% Regional	
Water Distribution & Wastewater Collection						
Water Linear Extension Infrastructure	Ogden Feeder Main	100.0%	27.9%	55.0%	17.1%	\$38.5
	Lower Sarcee Feeder Main	100.0%	71.1%	15.7%	11.8%	\$30.9
	210 Ave SW Pump Station	100.0%	69.1%	17.8%	13.0%	\$15.0
	210 Ave Feeder Main	100.0%	69.1%	17.8%	13.0%	\$12.0
	East McKenzie FM	100.0%	29.8%	54.6%	15.6%	\$6.4
	Northridge FM Ph 1 and 2	100.0%	83.2%	16.8%	0.0%	\$30.7
	Northridge Reservoir Land	100.0%	83.2%	16.8%	0.0%	\$3.2
	Northridge Reservoir	100.0%	83.2%	16.8%	0.0%	\$12.1
	North Ridge West Leg Feedermain	100.0%	83.2%	16.8%	0.0%	\$20.8
	Belvedere Water Feeder Main Ph 1 and 2	100.0%	100.0%	0.0%	0.0%	\$23.0
	Haskayne Feedermain	100.0%	100.0%	0.0%	0.0%	\$11.3
	Providence 146 Ave Feedermain, Starlight East Pump Station and Westview Reservoir and Land	100.0%	100.0%	0.0%	0.0%	\$31.1
	Total					\$235.0
Sanitary Linear Extension Infrastructure	North Ridge Macdonald Trunk	100.0%	100.0%	0.0%	0.0%	\$7.1
	West Pine Creek Sanitary Trunk Ph 2	100.0%	100.0%	0.0%	0.0%	\$46.6
	Seton Tunnel Ph 1	100.0%	100.0%	0.0%	0.0%	\$31.8
	Seton Tunnel Ph 2	100.0%	100.0%	0.0%	0.0%	\$18.8
	144 Ave NE San Trunk	100.0%	100.0%	0.0%	0.0%	\$24.1
	North Beddington San Ph 2 CFA	100.0%	100.0%	0.0%	0.0%	\$8.9
	Beddington Creek II East Leg	100.0%	100.0%	0.0%	0.0%	\$2.7
	Belvedere Sanitary Trunk	100.0%	100.0%	0.0%	0.0%	\$6.0
	Glacier Ridge East Basin Sanitary Trunk	100.0%	100.0%	0.0%	0.0%	\$4.0
	Glacier Ridge West Basin Sanitary Trunk	100.0%	100.0%	0.0%	0.0%	\$8.2
	Haskayne Sanitary Trunk	100.0%	100.0%	0.0%	0.0%	\$3.9
	Rangeview Sanitary Trunk Laterals	100.0%	100.0%	0.0%	0.0%	\$7.0
	Total					\$169.1
Sanitary Upgrade Infrastructure	Redevelopment	TBD	0.0%	100.0%	0.0%	\$20.9
	Saddle Ridge Sanitary Upgrade	100.0%	46.2%	53.8%	0.0%	\$5.1
	Bowness Trunk Upgrade	87.0%	19.3%	40.5%	40.2%	\$48.6
	Shouldice Trunk Upgrade	61.0%	11.6%	69.3%	19.1%	\$24.0
	Nose Creek Trunk Upgrade	88.0%	48.4%	18.3%	33.3%	\$87.7
	Inglewood Trunk Upgrade	87.0%	24.0%	57.4%	18.7%	\$55.9
	McKenzie Siphon Upgrade	38.0%	40.5%	59.5%	0.0%	\$7.4
	17th Ave Trunk Upgrade	TBD	0.0%	100.0%	0.0%	\$4.6
	Beltline Trunk Upgrade	TBD	0.0%	100.0%	0.0%	\$1.5
	Forest Lawn LS Sewer Upgrading 1	55.0%	0.0%	100.0%	0.0%	\$6.7
	Forest Lawn LS Sewer Upgrading 2	68.0%	0.0%	100.0%	0.0%	\$6.6

	Fish Creek West Sub Trunk	TBD	0.0%	TBD	TBD	\$14.3
	Tsuu Tina Connection Upgrade	TBD	0.0%	TBD	TBD	\$9.4
	Elbow Drive Trunk Upgrade 1	TBD	0.0%	100.0%	0.0%	\$1.4
	Elbow Drive Trunk Upgrade 2	TBD	0.0%	100.0%	0.0%	\$16.1
	Penbrooke Trunk Upgrades	89.0%	0.0%	100.0%	0.0%	\$46.7
	Total					\$356.9
Category	Project Name	Allocation				Total Cost (millions)
		% Growth	% Greenfield	% Established	% Regional	
Water Upgrade Infrastructure	Airdrie FM Tie-in and Meter Chamber Relocation	100.0%	100.0%	0.0%	0.0%	\$1.4
	Pump Station 36 Installation	100.0%	83.2%	16.8%	0.0%	\$0.2
	Redevelopment	TBD	0.0%	100.0%	0.0%	\$11.5
	South Glenmore Reservoir Basin II	60.0%	29.8%	54.6%	15.6%	\$40.4
	Bearspaw Pump Station STN012 Upgrade	37.0%	28.3%	40.6%	31.1%	\$6.6
	Bearspaw Pump Station STN020 Upgrade	37.0%	28.3%	40.6%	31.1%	\$2.0
	Nose Hill Feedermain	37.0%	28.3%	40.6%	31.1%	\$37.8
	Country Hills Blvd Uptown Feedermain	37.0%	28.3%	40.6%	31.1%	\$29.8
Total					\$129.6	
Drainage Facilities & Network						
Drainage Facilities & Network	North Ridge Macdonald Trunk	100.0%	100.0%	0.0%	0.0%	\$7.5
	Redevelopment	TBD	0.0%	100.0%	0.0%	\$20.8
	Priddis Storm Trunk Outfall	100.0%	100.0%	0.0%	0.0%	\$23.8
	144 Av NE Storm Trunk Outfall*	100.0%	100.0%	0.0%	0.0%	\$10.4
	North Beddington Storm Trunk	100.0%	100.0%	0.0%	0.0%	\$1.7
	Riverbend Trunk Pond	TBD	0.0%	100.0%	0.0%	\$2.6
	Seton Storm Trunk	100.0%	100.0%	0.0%	0.0%	\$8.0
	Seton Storm Trunk Ph 2	100.0%	100.0%	0.0%	0.0%	\$3.5
	Glacier Ridge West Basin Storm Trunk and Outfall	100.0%	100.0%	0.0%	0.0%	\$3.8
	Haskayne Storm Outfall	100.0%	100.0%	0.0%	0.0%	\$2.0
	Providence Storm Trunk and Outfall	100.0%	100.0%	0.0%	0.0%	\$7.8
	Total					\$91.9

*144 Av NE Storm Trunk Outfall was included in the 2015 Background Report with no project cost. This has been amended in the Background Report Addendum to reflect the projected project cost.

Detail of Proposed Changes to the Off-site Levy Calculations

The purpose of this attachment is to provide the technical details and calculations of the proposed amendments discussed in the cover report. Details of the methodology to establish the off-site levies can be found in the 2015 Background Report and Background Report Addendum.

Through the New Community Growth Strategy 2018 process, the infrastructure summarized in Table 1 was identified as levy-eligible infrastructure required for the 14 approved communities that was not currently in the 2016 Off-site Levy Bylaw.

Table 1: Summary of Capital Infrastructure to be added to the Off-site Levy to Support the New Community Growth Strategy 2018

Infrastructure	Total Capital Costs (\$M) 2019-2022	Developer Portion in the Off-site Levy (\$M)
Transportation Total	\$8.5	\$5.1
Water Distribution	\$98.2	\$92.7
Wastewater Collection	\$29.1	\$29.1
Drainage System	\$24.0	\$24.0
Utilities Total	\$151.3	\$145.8

Timing of the Amendments to the 2016 Bylaw

An escalation rate is applied every year to the levy rates on January 1, as per Section 6(7) of the 2016 Bylaw. For the Water Resources rates, the escalation rate is 3.3 per cent, per year. For the Transportation rates, the escalation rate is the percentage equal to the average Statistics Canada Non-Residential Construction Price Index ("NRCPI") for Calgary for the previous four published quarters. The Q3 2018 non-residential construction price index is unknown at this time and will not be available until mid-December 2018.

The proposed amendments, and the resulting 2018 levy rates, will come into effect on 2018 December 31. These amended 2018 levy rates will then be subject to the annual increases applied on 2019 January 1. The 2019 rates shown for the Transportation levy are estimates based on current projection of the NRCPI. The 2019 rates for the Water Resources levies are the rates that will be in effect after the 3.3 per cent escalation rate is applied to the amended 2018 rates on 2019 January 1.

Transportation Levy Infrastructure

To support the approved East Stoney ASP development, it was identified that the 80 Avenue NE/Stoney Trail overpass is required. This is the only required levy-eligible transportation infrastructure project identified in the New Community Growth Strategy 2018 not included in the 2016 Bylaw. The overpass is estimated at a total cost of \$8.5 million, of which \$5.1 million is attributable to greenfield growth.

The Transportation Off-Site Levy calculation is (GF = greenfield):

$$\text{Levy Rate} = \frac{\text{GF Area Reduction}(\%) \times [(\text{GF Costs}(\$) \times \text{GF Benefit}(\%)) + (\text{Established Costs}(\$) \times \text{GF Benefit}(\%))]}{60 \text{ year GF Developable Area (Ha)}}$$

In the 2015 Background Report, in 2016 dollars, approximately \$2.6 billion of levy-eligible greenfield capital infrastructure ("GF Costs") was identified over the 60 year period. The New Community Growth Strategy 2018 adds \$8.5 million, in 2016 dollars, to this total. No further

changes are required to incorporate this infrastructure into the levy rate. Table 2 shows the amended levy rate, incorporating the 80 Avenue NE/Stoney Trail overpass:

Table 2: Transportation Levy Update

2018 Levy (2M2016 Bylaw) per hectare	Proposed Amended 2018 Levy per hectare	Projected 2019 Levy (2M2016 Bylaw) per hectare	Projected Amended 2019 Levy per hectare	Projected Difference per hectare (2019)
\$133,558	\$133,740	\$135,535*	\$135,720*	+\$185

*2019 levy rate is estimated and subject to change once NRCPI rates are confirmed in Q4 2018.

Utilities Levies Infrastructure

Through the New Communities Growth Strategy 2018, approximately \$151 million in required levy-eligible utility infrastructure was identified for the 14 new communities. This infrastructure affects three of the four Utility levy categories:

1. Water Levy;
2. Sanitary Sewer Levy; and
3. Storm Sewer Levies.

Water Resources generally funds the utility infrastructure projects through debt. The off-site levies cover the principal and interest payments over the timeframe of the calculation, details of which can be found in Sections 6.2 and 6.3 of the 2015 Background Report. The water levy, sanitary sewer levy and storm sewer levies are all calculated using the following formula:

$$\text{Levy Rate} = \frac{\text{Cost Base Present Value}}{\text{Greenfield Developable Land Forecast (X Years)}}$$

Levy Timeframe

For the 2016 Bylaw, the levy timeframe ("X Years") was the remaining period of the Water Infrastructure Investment Plan 2015-2024 (WIIP), or 9 years (2016-2024). The timeframe for the levy calculations has been adjusted from 9 years (2016-2024) to 6 years (2019-2024). An end date of 2024 aligns with the current WIIP (2015-2024) and approved program for capital investment by Water Resources.

Cost Base Present Value

The Cost Base Present Value is the present value of the principal and interest payments for the infrastructure projects over a certain timeframe (X years). For these levy amendments, the forecasted principal and interest payments were projected over the new levy timeframe of 2019-2024, in accordance with timelines identified in the New Community Growth Strategy 2018, and added to the original principal and interest forecast to calculate the amended Cost Base Present Value. For consistency, the amendments use the same interest rates used to calculate the original Cost Base Present Value in 2016.

Greenfield Developable Land Forecast

The Greenfield Developable Land Forecast for the water and sanitary sewer levies remains unchanged from the 2016 Bylaw, at 401 hectares per year until 2024.

The total growth forecast for the storm sewer levies is also 401 hectares per year until 2024. However, unlike the other levies, the storm sewer capital costs and growth forecasts are divided between the six watershed catchments that are outlined in the 2015 Background Report. The

capital costs benefitting growth in each catchment is paid for only by growth in that catchment. The original distribution of growth from the 2016 Bylaw was based on known and projected approvals at that time. However, the approval of the 14 new communities in the New Community Growth Strategy 2018 had a material impact on the forecasted growth pattern, as some areas would be moving forward that were not contemplated in 2015. Administration determined an adjustment to the distribution of growth across the watershed catchments was required to reflect the impact of the New Community Growth Strategy 2018. The growth distribution forecast was updated to reflect that some growth would be redistributed between the watershed catchments.

Table 3 shows the amended water, sanitary sewer, and storm sewer levy rates:

Table 3: Utilities Levy Update

	2018 Levy (2M2016 Bylaw) per hectare	Proposed 2018 Levy per hectare	2019 Levy (2M2016 Bylaw) per hectare	Proposed 2019 Levy per hectare	Difference per hectare (2019)
Water levy	\$34,494	\$43,413	\$35,632	\$44,845	+\$9,213
Sanitary sewer levy	\$47,431	\$50,127	\$48,996	\$51,781	+\$2,785
Storm sewer levies					
<i>Bow River</i>	\$7,452	\$8,340	\$7,698	\$8,615	+\$917
<i>Elbow River</i>	\$0	\$0	\$0	\$0	\$0
<i>Fish Creek</i>	\$0	\$21,511	\$0	\$22,221	+\$22,221
<i>Nose Creek</i>	\$12,085	\$16,868	\$12,484	\$17,425	+\$4,941
<i>Pine Creek</i>	\$17,940	\$18,943	\$18,532	\$19,569	+\$1,037
<i>Shepard</i>	\$45,569	\$44,110	\$47,073	\$45,565	(\$1,508)

Summary of Levy Impacts

Incorporating the proposed amendments, the overall impacts by watershed catchments are identified in Table 4:

Table 4: Overall Change in Levies by Watershed Catchments

Watershed Catchment	2018 Levy (2M2016 Bylaw) per hectare	Amended 2018 Levy per hectare	Projected 2019 Levy (2M2016 Bylaw) per hectare*	Projected amended 2019 Levy per hectare*	% Change (2019)*
Bow River	\$438,281	\$450,966	\$448,912	\$462,012	2.9%
Elbow River	\$430,829	\$442,626	\$441,215	\$453,397	2.8%
Fish Creek	\$430,829	\$464,137	\$441,215	\$475,619	7.8%
Nose Creek	\$442,914	\$459,494	\$453,698	\$470,822	3.8%
Pine Creek	\$448,769	\$461,569	\$459,747	\$472,966	2.9%
Shepard	\$476,398	\$486,735	\$488,287	\$498,962	2.2%

*2019 levy rate is estimated and subject to change once NRCPI rates are confirmed in Q4 2018.

Letters Received



21 September 2018

City of Calgary Planning & Development
The City of Calgary
PO Box 2100, Station M
Calgary, AB
T2P 2M5
Attn: Kathy Davies Murphy, Growth & Strategic Services

Dear Kathy

Re: Amendments to Off-Site Levy Bylaw 2M2016

BILD Calgary Region provides this letter to acknowledge the proposed amendments to the Off-Site Levy Bylaw 2M2016.

BILD Calgary Region (BILD CR) worked closely with the Growth Strategies team on the New Communities Growth Strategy that led to the July 30th, 2018 approval of 14 new communities in developing areas.

BILD CR was involved in the discussions to find a funding source for the approved communities. After a lengthy exploration of different funding mechanisms, the City determined that only an amendment to the Off-site levy Bylaw would provide the required source of funding for the developer portion of the additional infrastructure needed for the 14 communities.

As part of City and industry discussions, BILD CR requested that administration limit the levy adjustments to only those required for the 14 new communities, as this change is occurring within the term of the current OSL (off-site levy) bylaw. Further, BILD CR requested that the methodology used to calculate the amended levies be consistent with the original calculations used when the Bylaw was created in 2016. Administration agreed to these requests.

BILD CR believes that the amended levies presented at an open house for industry on September 21st have been calculated as per our requested methodology and as such we acknowledge Administration's request to Council to amend Bylaw 2M2016.

Letters Received

Yours truly,

BILD Calgary Region

A handwritten signature in black ink, appearing to read 'Guy Huntingford', written in a cursive style.

Guy Huntingford
Chief Executive Officer

c.c. Stuart Dagleish, General Manager Planning & Development, City of Calgary
 BILD Calgary Region, Board of Directors

**Planning & Development Report to
Priorities and Finance Committee
2018 October 02**

**ISC: UNRESTRICTED
PFC2018-1107**

Chinatown Cultural Plan and Local Area Plan – Update on funding and external partnerships

EXECUTIVE SUMMARY

On 2018 June 25, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan, subject to developing funding options and exploring external partnerships. This report provides an update on the external partnerships and outlines the recommended funding options available to proceed with the Council-directed Chinatown work.

As previously identified in 2018 June, Administration had requested Council to fund the expected project cost of up to \$1 million for the proposed Chinatown work. A recent review of the project scope indicates that the estimated consulting cost to deliver the Cultural Plan and the culturally-based Local Area Plan remains at approximately \$600,000, but leaves very limited room for a contingency. Accurate consulting costs, including a breakdown of cost by year, will only be known once a detailed scope of work for the project is developed with community and stakeholder input. At this time, a funding gap remains, preventing the project team from initiating further work. Administration's investigation into alternative funding options has revealed that external funding sources do not exist.

Administration's investigation on external partnerships discovered that there are opportunities for collaboration on the Chinatown Cultural Plan and Local Area Plan work. Efforts to establish a partnership with Urban Alliance are on-going, and expected to conclude once secured project funding is in place.

Based on the funding options assessed, Administration recommends that secured funding from three City sources will enable the Council-directed Chinatown work to commence. The three City sources are: i) Planning & Development's operating budget to allocate \$350,000 over the course of 2 years; ii) \$250,000 secured through a Council Innovation Fund application (PFC2018-1133); and iii) an amount of up to \$400,000 to be drawn from the Fiscal Stability Reserve to serve as the project contingency fund.

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**ISC: UNRESTRICTED
PFC2018-1107**

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Receive for information this report in support of the Council Innovation Fund application (Report PFC2018-1133) also appearing on the 2018 October 2 PFC agenda;
2. Approve the use of \$350,000 from Planning & Development's operating budget with:
 - a. \$50,000 per year in Community Planning's 2019 and 2020 base budget in consulting; and
 - b. A one-time expenditure budget increase of \$125,000 in Community Planning's 2019 and 2020 budget to be fully offset by a one-time revenue budget increase of \$125,000 in 2019 and 2020 to a net zero budget impact for the 2 years; and
3. Approve the use of the Fiscal Stability Reserve fund to serve as contingency for Chinatown's Cultural Plan and culturally-based Local Area Plan for a one-time 2019 operating budget increase of up to \$400,000 in Community Planning.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 25, with respect to Report [PUD2018-0514](#) Council directed Administration to:

- a) proceed with Option 3 Chinatown Cultural Plan / Culturally-based Local Area Plan, as presented;
- b) develop funding options including a potential Council Innovation Fund application and external partnerships including but not limited to the Urban Alliance to return to Council through the Priorities and Finance Committee as soon as possible; and
- c) report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work for Option 3 by no later than 2019 July, if budget for Option 3 is approved

On 2016 December 05, Council approved the recommendations of [C2016-0864](#) as follows:

1. Reconsider the reporting requirement arising from Council's direction regarding 2016 January 11 Notice of Motion NM2016-01 for Administration to report back to Standing Policy Committee on Planning & Urban Development by 2016 December on the broader scope of the work conducted with stakeholders, and direct Administration to report to the 2016 December 05 meeting of Council.
2. Approve the Guiding Principles as outlined in Attachment 1 to be used as an interim guide to reviewing planning applications, in conjunction with the Chinatown ARP, Centre City Plan and other City policies, until a new ARP is approved by Council.

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Priorities and Finance Committee
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Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

3. Direct Administration to conduct Phase 1 of work as outlined in the Chinatown Area Redevelopment Plan and Cultural Plan Scope of Work (Attachment 2) and report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a progress report by no later than 2018 Q2.

Land Use Application

On 2016 December 05, Council adopted the recommendations of report C2016-0907 as follows:

1. Give 1st and 2nd reading to 38P2015;
2. Give 1st reading to Bylaw 179D2015;
3. Consider the amendments to Bylaw 179D2015 as set out in the Revised Attachment 2 with clerical corrections.
4. Give 2nd reading to Bylaw 179D2015, as amended.
5. Withhold 3rd reading of Bylaws 179D2015 as amended, pending the conditional approval of a Development Permit by Calgary Planning Commission
6. Withhold 3rd reading of Bylaw 38P2015 pending the conditional approval of a Development Permit by Calgary Planning Commission or the passage of a new ARP for Chinatown.

On 2016 April 11, at Confirmation of the Agenda, Council referred Report CPC2015-183 and Bylaws 38P2015 and 179D2015 and the submissions received after the tabling motion was adopted by Council, to the Administration to “undertake a Scoping Report, for a new Chinatown Area Redevelopment Plan, to incorporate the following, to return with a Scoping Report to the 2016 December 05 Combined Meeting of Council:

- i) Develop a community-wide City-led Engagement process that identifies key work to be addressed in a new Chinatown Area Redevelopment Plan, and identifies preliminary topics, issues, and aspirations conveyed by a range of stakeholders;
- ii) Based on the results of the Engagement process in i) above, provide a supplementary planning report to Council on the subject application CPC2015-183, with recommendations for amendments, as appropriate; and
- iii) Coordinate with the on-going current Engagement projects in Chinatown including the Chinatown Retail Strategy, Green Line Project, and Centre City Guidebook.”

Notice of Motion

On 2016 January 11, Council adopted Councillor Farrell’s [NM2016-01](#) directing Administration, through a future Work Program and following the completion of the Green Line and Main Streets planning projects, to consider the preparation of a new Area Redevelopment Plan (ARP) for Chinatown and to prepare a progress report on the scoping of the ARP project and to report

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

back to City Council no later than Q4 2016 through the Planning and Urban Development Committee.

BACKGROUND

Chinatown is one of Calgary's most distinctive cultural neighbourhoods. The community is highly unique in its character and composition, and Chinatown's importance in recalling and reinforcing the history of Asian immigration to Calgary cannot be overstated. The existing ARP for Calgary's Chinatown predates the Municipal Development Plan and Calgary Transportation Plan, and is not in alignment with other significant City policies and corporate objectives. The built form and culture in Calgary's Chinatown are inextricably linked. A conversation about culture is needed to better understand and support the replacement of the existing ARP to ensure that future planning aligns with higher order policies, and future land use decisions and developments enhance the existing cultural character of the community.

In 2018 June, Administration provided a recommendation for Council's consideration that would see costs of up to \$1 million associated with Phase 2 of the Chinatown work, including a Chinatown Cultural Plan and Local Area Plan to be approved as part of Council's budget deliberations in 2018 November. An amendment was brought forward at Council on 2018 June 25 that directed Administration to develop funding options that included a Council Innovation Fund application and to explore external partnerships that included, but not be limited to, Urban Alliance.

A recent review of the project scope indicates that the estimated consulting cost to deliver the Cultural Plan and the culturally-based Local Area Plan, including engagement costs (i.e. workshops, open house venues, translation etc.) remains at approximately \$600,000, but leaves very limited room for any contingency. Accurate consulting costs, including a breakdown of cost by year, will only be known once a detailed scope of work for the project is developed with community and stakeholder input, and approved by the Standing Policy Committee on Planning and Urban Development no later than 2019 July. This approach is atypical, but was requested by Council to ensure project oversight.

Extensive public engagement carried out in 2016 over the course of eight months as a result of land use amendment application LOC2012-0101 triggered many discussions about the future of Calgary's Chinatown. Chinatown Phase 1 work leading up to 2018 June consisted of background research, preliminary project scoping and a high-level examination of costs and budget. The outcome and response to Phase 1 work reaffirmed the importance of advancing Chinatown's Cultural Plan and the culturally-based Local Area Plan as part of the second phase. Phase 2 work, as outlined in the project plan (Attachment 1), will be primarily undertaken by external consultants due to the specialized nature of the work including complex community dynamics, broad public interest, cultural nuances, and the extensive city-wide engagement that is expected.

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In response to Council's directive, the following provides an update on external partnerships and funding options.

External Partnerships

Urban Alliance

Urban Alliance is a strategic research partnership between The City of Calgary and the University of Calgary dating back to 2007. The partnership establishes a collaborative framework that enables the transfer of research between the University and the City with the benefit of communities in mind.

In coordination with Administration, an open invitation from the Urban Alliance Coordinator, Dr. Barry Phipps, to various university faculties to partake in the formulation of the Cultural Plan and the built-form policies of the Local Area Plan was sent out on 2018 July 19. Interest and desire to be involved with the proposed work was expressed from each of the following eight faculties: Anthropology; Community Health Sciences; Education; Environmental Design; Geography; Language, Linguistics & Cultural Studies; Nursing; and Sociology. Given the academic holidays that commenced in June, Administration will require until mid-November to short-list partnering faculties. Research proposals from interested faculty members are expected to be submitted to the Urban Alliance Coordinator by the end of 2018 November. From thereon, determining the best fit with Administration's work and scope of the Chinatown project along with secured funding from Council will narrow the number of partnering researchers.

Based on the previous experience from several hundred successful partnerships through Urban Alliance, City funding has typically assisted academic research. It is rare to see faculty or researcher funding offset the cost of a City project. Previous comments from the Urban Alliance Coordinator suggest it is unlikely that any research funding will significantly help offset the large project cost. The likelihood of Administration acquiring project funding through Urban Alliance remains extremely low.

Alberta Health Services

A limited number of conversations have taken place with public health physicians on the possibility to collaborate with Alberta Health Services on a variety of topics, including preventative medicine, aging, and the social determinants of health within an ethno-cultural setting. Further discussions are scheduled to take place in coordination with Urban Alliance with support from the Faculty of Nursing from the University of Calgary. An exhaustive update on these collaborative possibilities could not be made ready for the deadline of this report. Additional opportunities will continue to be explored as the project scope is further refined and the partnership with Urban Alliance is finalized.

Chinatown Community Stakeholders

Based on two 2018 August meetings with various Calgary Chinatown community stakeholders, including the Community Association and the Chinatown District Business Improvement Association, Administration received commitments that future community involvement and the

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

donation in-kind of time and services will be able to offset some of the expected costs in preparing the Cultural Plan and the culturally-based Local Area Plan. As part of these community discussions, contributions from the community could include assistance with some aspects of translation, assistance with advertising and promotions, and subsidizing the full or partial cost of event venues. The community's assistance has the possibility of reducing costs and improving the effectiveness of consultation and overall engagement.

With over 100 active community groups in Chinatown, several groups are also actively pursuing grant funding through grant-issuing organizations that include Calgary Economic Development and the Calgary Foundation. Potential funds from grants may be used by community members to inform the preparation of the Cultural Plan and the culturally-based Local Area Plan. Community contributions, beyond cost reductions, will increase the knowledge base of the project, help develop community connections, and commitment to the plans.

Administration notes that the outcome of many grant applications that have been applied for by community members in Chinatown will not be known until late 2018. Reliance on community grants to fund The City's work can complicate the scoping of the project and the defining of deliverables, and may affect the project timelines.

Potential Funding Sources

Federal and Provincial Grants

In 2018 July and August, Administration undertook the investigation of suitable grants from higher level governments that could offset the cost of the Chinatown Cultural Plan and the Local Area Plan. While a number of grants exist that provide support to planning work undertaken at the municipal level, the proposed Chinatown project work does not meet the eligibility requirements to access these funds. Many of the grants are meant to assist smaller municipalities with a population of under 25,000 residents. Other eligibility requirements necessitate partnerships with Non-Government Organizations and non-profit organizations on projects that can be readily implemented within 12 months. The Chinatown project work is expected to take over 24 months to complete.

Council Innovation Fund

A Council Innovation Fund application co-sponsored by Ward 7 Councillor, Druh Farrell and Ward 4 Councillor, Sean Chu will be on the 2018 October 2 PFC agenda (see Report PFC2018-1133). The purpose of the Council Innovation Fund is to encourage innovation and pilot projects that support goals of Council and have city-wide application. Successful applications need to demonstrate the potential to change citywide policies and procedures, and support or contribute to initiatives that further Council's priorities.

Integrating a Cultural Plan with a new culturally-based Local Area Plan in Chinatown would be a first for Calgary. The City is moving towards a more deliberate and formalized approach to integrating a cultural lens when developing planning policy. In addition, Chinatown provides an opportunity to develop and pilot new engagement practices, which will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other

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communities across the city. The proposed Chinatown work would be innovative at both the local and national level, and could serve as a pilot project for a new way of informing future policy plans. The co-sponsored application appearing on the 2018 October 2 agenda is seeking a withdrawal of \$250,000 from the Council Innovation Fund that currently has a balance of \$740,449.

Planning & Development's Budget

Administration's investigation to fund Phase 2 of the Chinatown work through Planning & Development's budget determined there is capacity to withdraw \$50,000 per year from the Community Planning consulting budget in 2019 and 2020 for a total of \$100,000 over the course of two years. In addition, a one-time expenditure budget increase of \$125,000 in 2019 and 2020 for a total of \$250,000 is requested, which will be fully offset by a one-time revenue budget increase for 2019 and 2020 to a net zero budget impact for the two years. This will enable Planning & Development's operating budget to fund a total of \$350,000 of the anticipated Phase 2 Chinatown work over the course of two years.

Funding from the Council Innovation Fund and Planning & Development's operating budget amount to a total of \$600,000. As referenced within Attachment 2, this is the minimum amount of secured funding that is required in order to proceed with developing a Cultural Plan and the culturally-based Local Area Plan. It should be noted that the estimated consulting costs are based on a broadly scoped Expression of Interest from 2017, and the actual consulting costs may increase from additional scoping that is expected to be undertaken in consultation with community and industry stakeholders. The Fiscal Stability Reserve has been identified to fund the project's contingency.

Fiscal Stability Reserve

The Fiscal Stability Reserve (FSR) is a contingency fund meant for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts. Funding from the FSR can also be used to fund one-time operating budget expenditures. Administration recommends that Council approve a one-time 2019 budget increase of up to \$400,000 in Community Planning to be funded by the FSR to serve as contingency for Chinatown Phase 2 work including the Cultural Plan and culturally-based Local Area Plan for 2019 and 2020.

Funding Conclusion

Administration's assessment into funding options has concluded that external funding sources do not exist at this time. Planning & Development's consulting budget in itself cannot entirely fund the project, and the sizable funding gap poses a significant project risk by not allocating the required resources at the project initiation stage. As a result, Administration recommends that a combination of internal City sources be used to fund the Council-directed Chinatown work.

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

Stakeholder Engagement, Research and Communication

Extensive internal and external community engagement was completed in 2016. As a result, targeted consultation was undertaken in 2018 July and August in response to the latest direction from Council on 2018 June 25. Specifically, several Chinatown community stakeholder groups met with Administration on two occasions in 2018 August.

In addition, a number of meetings and telephone conversations with the Urban Alliance Coordinator led to a formal session at the University of Calgary campus on 2018 September 21. The purpose of the session was for Administration to provide more information on the project needs, mandate, process, and timelines to interested researchers from the University of Calgary. This session was also an opportunity for Administration to work with the researchers in determining the most effective way to collaborate.

Chinatown's Phase 2 work will require purposeful, intensive consultation with citizens, the development industry, community groups, and Council. Creating opportunities for further dialogue and input prior to policy formulation is critical in order to inform future decisions affecting the community while holistically integrating cultural considerations into all aspects of government planning and decision-making.

Strategic Alignment

Secured funding to undertake the Chinatown Cultural Plan and the culturally-based Local Area Plan aligns with direction from the South Saskatchewan Regional Plan (SSRP), which directs municipalities to increase the proportion of new development within already developed lands through infill and redevelopment. Further, the SSRP calls for planning to be undertaken in such a manner that new development makes use of existing infrastructure.

Completion of the Cultural Plan and the Local Area Plan also aligns with Municipal Development Plan policies that call for creating a livable, vibrant, and diverse Centre City; fostering distinctive complete communities with a strong sense of place; and creating great communities by fostering community dialogue and participation in community planning. Phase 2 project work will also build on Transit Oriented Development principles with the 2nd Street SW Green Line station location expected near Chinatown's Daqing Square.

Social, Environmental, Economic (External)

Work on the proposed Chinatown Cultural Plan and the culturally-based Local Area Plan will provide new comprehensive policies and growth direction based on social, environmental and economic priorities of community stakeholders and all Calgarians that work in, live in, and visit Chinatown.

Direction and secured funding for the Chinatown Cultural Plan and the culturally-based Local Area Plan work will advance the following Council priorities:

- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency and be a place of opportunity.

**Planning & Development Report to
Priorities and Finance Committee
2018 October 02**

**ISC: UNRESTRICTED
PFC2018-1107**

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life.
- A City That Moves – Ensuring access to safe and affordable transportation choices.
- A Healthy and Green City – Supporting the delivery of equitable City services that reflect the diverse needs of Calgarians with respect to recreation and living opportunities.

Financial Capacity

Current and Future Operating Budget:

No impact to the current 2018 operating budget is expected.

Information presented within this report has an impact on the future Planning & Development operating budget with \$350,000 earmarked towards the consulting cost to undertake the next phase of Chinatown work. The amount of \$100,000 from the \$350,000 will be funded by Planning & Development's base budget. The remaining \$250,000 will be funded from the expenditure budget to be fully offset by a revenue increase, resulting in a net zero impact on the budget.

Secured funding from the Planning & Development operating budget and the Council Innovation Fund application provides a lump sum total of \$600,000, which is the minimum amount necessary to deliver the Chinatown Cultural Plan and the culturally-based Local Area Plan as referenced within Attachment 2.

Current and Future Capital Budget:

There are no impacts regarding this request.

Risk Assessment

Chinatowns across North America are facing a number of pressures that threaten their continued existence. Calgary's Chinatown finds itself at a cusp whereby a new vision is needed to strengthen the community identity and provide direction on the suitable integration of new developments.

Failure to secure the requested funding for Chinatown's Cultural Plan and a culturally-based Local Area Plan will result in the continued existence of an outdated policy plan that does not align with higher order policies and corporate objectives stated within the Municipal Development Plan. An outdated policy framework makes the review and outcome of current and future planning applications more unpredictable and costly. This may put the community, customer, Council, and Administration in a position of uncertainty, and delay timely approval of applications. Inevitable demographic changes and the development of the Green Line will undoubtedly affect the community. The continued surge in the willingness from the community members to participate in a new direction, if not capitalized and appropriately funded, could be a missed opportunity.

Without a source of secured funding that has an appropriately sized contingency, the flexibility of the project is compromised. Unexpected emerging issues may not be adequately dealt with, or may force the project team to go back, midstream, to Council for more resources.

Planning & Development Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-1107

Chinatown Cultural Plan and Local Area Plan - Update on funding and external partnerships

Appropriately funding Phase 2 Chinatown work enables an opportunity to pilot a new way of informing future Local Area Plans by integrating a cultural lens when developing built-form policies.

REASON(S) FOR RECOMMENDATION(S):

The appropriate funding for the Chinatown Cultural Plan and the culturally-based Local Area Plan presents a unique opportunity to define a detailed vision for Chinatown's future based on current policy and corporate objectives. Securing the minimum funding requirement of \$600,000 through the Council Innovation Fund and Planning & Development's operating budget avoids significant risks that will delay the delivery of the Cultural Plan and the culturally-based Local Area Plan. Identifying an additional funding source for contingency allows the project team to secure funding of up to \$1 million to develop and pilot new processes that include engagement practices that will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other plan areas across the city. Without new direction for Calgary's Chinatown, the processing of current and future planning applications will be further complicated and may lead to a deteriorating cultural fabric. Secured funding for this project will send a strong message of commitment for a vibrant and active Chinatown into the future.

ATTACHMENT(S)

1. Attachment 1 – Chinatown Project Plan – Phase 2
2. Attachment 2 – Anticipated Chinatown Consulting Costs

Chinatown Project Plan – Phase 2

Cultural Plan / Culturally-based Local Area Plan

Upon securing funding for Chinatown’s phase 2 project work, a well detailed Terms of Reference will be prepared by Administration that will lead directly in to the Request for Proposals process to retain consultants. Due diligence will be exercised in selecting consultant(s) with the appropriate project management skills and expertise to undertake a project of this magnitude. A detailed Scope of Work (deliverables and timelines) will be developed by the consultant in coordination with the project team with community and stakeholder input. Oversight will be introduced by taking the project’s Scope of Work for approval to the Standing Policy Committee on Planning & Urban Development no later than 2019 July.

Initially, the hired consultant(s) will undertake a community engagement process for the Cultural Plan to establish the community’s cultural vision, priorities, and develop a roadmap for future cultural development. This will serve to build on the foundation of planning work and research completed to date. The Cultural Plan will inform The City’s interaction with Chinatown in relation to the built environment, programming and other areas. The finding from the Cultural Plan can be used by external organizations such as Urban Alliance, community members, and businesses to undertake their own initiatives.

Following the cultural conversation, the Local Area Plan process would be undertaken to develop planning policies that address the community’s planning and development vision through a culturally specific lens.

	Chinatown’s Cultural Plan and culturally-based Local Area Plan
Consulting Estimate	\$500,000
Engagement Hard Costs Estimate (ads, venues, etc.)	\$100,000
Total Estimated Cost (Consulting + Hard Costs)	\$600,000 <ul style="list-style-type: none"> Does not include staff overtime for engagement events
Can this be accommodated within current budget?	No <ul style="list-style-type: none"> Additional budget of up to \$1 million is required to address emerging issues and ensure flexibility in piloting new processes that include engagement practices and integrating a cultural plan into the built-form policies of the Local Area Plan.

Chinatown Phase 2 work requires significant resources, potentially for an extended time, and cannot be supported entirely through the business units’ consulting budgets. It is estimated that the minimum secured funding of approximately \$600,000 is needed for consulting and engagement work.

The cost may be much higher as accurate consulting costs, including a breakdown of cost by year, will only be known once a Request for Proposals process is undertaken. As such, Administration recommends having a project budget available for up to \$1 million. Council directed work cannot commence until funding is secured for the duration of the project.



Anticipated Chinatown Consulting Costs

	Planning policy	Cultural plan	Total
Plan	\$200,000	\$125,000	\$325,000
Engagement	\$50,000	\$50,000	\$100,000
Translation	\$50,000	\$25,000	\$75,000
Workshops & open houses	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$100,000</u>
Base Cost* Min. secured funding required	\$350,000	\$250,000	\$600,000
Contingency	<u>\$300,000</u>	<u>\$100,000</u>	<u>\$400,000</u>
Grand Total** including contingency	\$650,000	\$350,000	\$1,000,000

NOTE: *All costs are estimates based on a high level scope of work.

**Consulting expense items have been split and estimated based on the responses to The City's 2017 Expression of Interest. Costs may vary significantly and are subject to be combined and pooled as part of a future Request for Proposal process.

Mayor's Office Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-1133

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Area Redevelopment Plan

EXECUTIVE SUMMARY

Councillor Farrell and Councillor Chu are sponsoring an application to the Council Innovation Fund ("CIF") with the cooperation and support of Community Planning and Calgary Recreation. This application is seeking \$250,000 to support the one-time creation of the Chinatown Cultural Plan and a culturally-based Local Area Plan. Through unanimous approval of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514) at the 2018 June 25 Regular Meeting of Council, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan. Funds from the CIF would go towards the total estimated budget of \$600,000 and would be used for anticipated consulting costs, including city-wide consultation and engagement conducted in several languages. Item PFC2018-1107 on the 2018 October 2 PFC agenda is related to this application.

RECOMMENDATION:

1. That the Priorities and Finance Committee recommend Council approve this application for the CIF for the Chinatown Cultural Plan and Area Redevelopment Plan in the amount of \$250,000.
2. That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2019, as per the CIF Terms of Reference.

PREVIOUS COUNCIL DIRECTION / POLICY

Council Innovation Fund:

As part of the 2010 November deliberations on the 2011 budget, Council established the CIF and directed Administration to develop Terms of Reference for the fund and create criteria that would guide Council on withdrawals request from the CIF. The Terms of Reference (see attachment 2) were adopted in March 2011 and are based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Successful applications must provide detailed documentation and address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have potential to change city-wide policies and procedures.

Any Council member(s) can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

Mayor's Office Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-1133

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Area Redevelopment Plan

Chinatown Cultural Plan:

Through unanimous approval of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514), Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan.

BACKGROUND

Currently, there is \$740,449 remaining in the Council Innovation Fund.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

See Attachment 1 for more details.

Stakeholder Engagement, Research and Communication

See Attachment 1 for more details.

Strategic Alignment

See Attachment 1 for more details.

Social, Environmental, Economic (External)

See Attachment 1 for more details.

Financial Capacity

Current and Future Operating Budget:

See Attachment 1 for more details.

Current and Future Capital Budget:

This would draw down the Council Innovation Fund by \$250,000. Should Council approve this application, the remaining balance in the Council Innovation Fund would be \$490,449.

Risk Assessment

The Terms of Reference for the CIF have been developed to support a wide variety of candidate projects. Councillors retain the discretion to develop and support applications to the CIF and Council retains the discretion and final decision-making power over withdrawals from the fund.

Mayor's Office Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-1133

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Area Redevelopment Plan

REASON(S) FOR RECOMMENDATION(S):

This application meets the Terms of Reference for the CIF. This project is a one-time funding request that has the potential to have a city-wide impact. The Chinatown Cultural Plan and culturally-based Local Area Plan advances the Citizen Priorities and Council Directives. In addition, Council has provided unanimous support for this project and funds from the CIF would help implement this direction.

ATTACHMENT(S)

1. Attachment 1 – Councillor Farrell and Councillor Chu's CIF Application: Chinatown Cultural Plan and Area Redevelopment Plan
2. Attachment 2 – City Manager Report – Council Innovation Fund Terms of Reference (Policy Interpretation) PAC2011-05 - 2011 March 01

Application to The City of Calgary Council Innovation Fund

Date: 2018 October 2

Name of Project: Chinatown Cultural Plan and Local Area Plan

Sponsor: Councillor Farrell and Councillor Chu

Affected Business Unit(s) and/or Departments: Community Planning & Calgary Recreation

Amount of Funds Requested: \$250,000

Project Description:

Chinatown is unique in its character and composition and is one of Calgary's most distinctive cultural neighbourhoods. Chinatown is a community with strong cultural, social, and heritage aspects. It draws people from across Calgary and the region. The existing Area Redevelopment Plan (ARP) for Calgary's Chinatown is over 30 years old. It is considered to be outdated and not aligned with the Municipal Development Plan or other significant City policies and corporate objectives.

Through unanimous approval of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514), Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan.

Cultural planning is a new process to identify and leverage a community's cultural resources, and integrate a cultural lens across all facets of local government planning and decision-making. Culture is anything that defines the unique identity of a community or social group, including such characteristics as social customs, seasonal traditions, geography, cuisine, oral traditions, fashion, visual and performing arts, literature, music, and religious expression. Given the dynamics of Calgary's Chinatown, there is a need to ensure that its unique culture informs future land use and development decisions.

Funding from the Council Innovation Fund would cover the anticipated consulting costs, including city-wide consultation and engagement conducted in several languages.

Project Benefits – Why is this project needed, and why now?

The existing Area Redevelopment Plan (ARP) for Calgary's Chinatown dates back to 1986. The format of the document is outdated and it provides limited development direction. Further, the ARP policies are not well aligned with the Municipal Development Plan or other significant City policies and corporate objectives.

Calgary's population over the years has become increasingly diverse, and that diversity is not well observed in the planning process. Lessons learned from the proposed work in Chinatown will influence current processes and procedures. Chinatown's demographic trends also indicate that a transition is underway, with pressures that do not align with the community's vision of how the community should evolve. This was apparent in 2016 when an application to redesignate a site was met with a high degree of controversy within the community and required extensive City planning, communications, and public engagement resources. With many Chinatowns across North America struggling, providing timely support to Calgary's Chinatown will help develop a vision for appropriate and sustainable development.

The City is moving towards a more deliberate and formalized approach to include cultural planning and cultural elements in planning policy. Chinatown provides an opportunity to develop and pilot a new

process, which will influence The City's approach to ethno-cultural engagement and develop cultural competency benefiting not only Chinatown, but also other communities city-wide.

Significant work was completed since 2015 and the community is eager to continue working with The City on a long term vision for Chinatown. Recent work by the community to document its history fits well with the cultural planning process. City Council approved a Cultural Plan for Calgary in 2016 that highlights the importance of integrating culture into all aspects of government planning. Combining a Cultural Plan with a new Local Area Plan in Chinatown would be a first for Calgary and could serve as a pilot project for a new way of informing future Local Area Plans. Undertaking a culturally-based Local Area Plan in Chinatown offers the opportunity to incorporate insightful lessons into future planning processes, and offer the opportunity to test engagement techniques.

Given Chinatown's overall importance to Calgary, and the growing momentum within and around the community, now is the appropriate time to define a vision for Chinatown's future. A critical component in developing a Cultural Plan and a culturally-based Local Area Plan will be community consultation and engagement that will be undertaken in at least three languages and adapted to the local context. Previous public consultation and engagement as part of preparing other Local Area Plans across the city have typically been in English only. Funding from the Innovation Fund will enable Administration to advance and potentially change city-wide processes on consultation and engagement with ethnically diverse groups. Lessons learned as part of the work undertaken on Chinatown will deliver a Best Practices Guide for future consultation in other ethnically diverse communities across Calgary.

The existing Chinatown ARP does not contemplate the Green Line or the station to be located at 2 Street and 2 Avenue SW. The Green Line will affect nearby development sites and increase community accessibility. A new culturally-based Local Area Plan for Chinatown is a significant opportunity for station area placemaking, exploring land uses that promote vibrancy around the station, and identifying connections throughout the community.

How does this project meet the Criteria of the fund as set out in the Terms of Reference?

Administration's work on the Chinatown Cultural Plan and the culturally-based Local Area Plan aligns with the Council Innovation Fund's purpose to support one-time funding to projects that can impact policy and procedures. Work on these plans supports innovation in allowing the community's culture to inform the built-form policies of the Local Area Plan. In the long term, innovation will be demonstrated through the documentation of lessons learned, the use of terminology, and examples of cultural considerations for Local Area Plans. This will further the practice of planning culturally at The City, and potentially informing a Best Practices Guide on consultation and engagement with ethno-cultural populations.

The Chinatown Cultural Plan and culturally-based Local Area Plan work advances the following Citizen Priorities:

- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency, and act as a place where there is opportunity for all.
- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible, and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life and equally benefit from City services.

- A City That Moves – Ensuring access to safe and affordable transportation choices. Supporting understanding of differing safety and accessibility priorities for diverse groups, as well as identifying tangible actions to address these different needs.
- A Healthy and Green City – Supporting the delivery of equitable City services that reflect the diverse needs of Calgarians with respect to recreation and living opportunities.
- A Well-Run City – The City of Calgary is further supported as a high performance organization that leverages diverse talents, engages in evidence-based, conducts quality decision-making, and delivers efficient and effective services.

Project Overview and Budget

Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514) identified the need for outside consulting expertise given the specialized nature of the work, complex community dynamics, broad public interest, cultural nuances, language barriers, and high public engagement expectations. At the 2018 June 25 Regular Meeting of Council, unanimous support was given by Council for this work.

Consulting costs to deliver the Cultural Plan and culturally-based Local Area Plan are outlined in Table 1. Further work on scoping the project and hiring the consultant(s) will start immediately following the full budget approval. The direction approved by Council as part of PUD2018-0514 requires significant resources, likely over an extended time, and cannot be entirely supported through the business units' consulting budget. It is estimated that this work will cost approximately \$600,000 for consultants and engagement hard costs, but this could be higher due to the community's diversity and competing interests of various groups. Additional costs may also arise from a potential change in scope when a detailed Request for Proposal (RFP) is developed with the community. All internal staff costs are excluded.

Table 1: Chinatown Cultural Plan and culturally-based Local Area Plan anticipated consulting costs

Expense	ESTIMATED COST
Cultural Plan	\$125,000
Area Redevelopment Plan	\$200,000
Engage consultant	\$100,000
Engagement workshops & open houses	\$100,000
Translation Services	\$75,000
Total Estimated Consulting Costs	\$600,000

NOTE: The figures provided above are based on a high level scope of work only. The actual cost may vary based on the successful candidate. Consulting expense items have been split, where possible, based on the findings from relatable projects and The City's 2017 Expression of Interest (EOI).

Accurate consulting costs, including a breakdown of cost by year, will only be known once a Request for Proposals and the scope of work processes are undertaken. Secured funding will help mitigate any unforeseen circumstances that may arise with the community and help ensure the successful execution of this work. As part of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514), Council directed Administration to report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work by no later than 2019 July.

Community Planning and Calgary Recreation will jointly manage the project. The budget split between these two business units is not yet determined. The recommended approach would be for all funds from

the Council Innovation Fund to be administered by Community Planning. Recreation will recover their costs from Community Planning by means of a Letter of Agreement. A summary of key findings and an update on the project work will be provided to Council through PFC no later than Q3 2019.

**City Manager Report to
Personnel and Accountability Committee
2011 March 01**

**ISC: UNRESTRICTED
PAC2011-06
Page 1 of 2**

**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

SUMMARY/ISSUE

As part of the 2010 November deliberations on the 2011 budget, Council established the Council Innovation Fund (CIF). Subsequent Council direction gave rise to the need to create Terms of Reference identifying criteria to qualify for withdrawals from the Fund.

PREVIOUS COUNCIL DIRECTION/POLICY

On 2010 November 29 Council adopted a motion amending the 2011 Operating and Capital Budgets and Business Plans, authorizing up to \$5 Million from the Fiscal Stability Reserve to be used for innovation and pilot projects subject to the approval of Council. On 2011 February 14 Council adopted a motion directing Administration to consult with Members of Council in drafting a Terms of Reference (TOR) for the Innovation Fund, to return to the Personnel and Accountability Committee (PAC) no later than 2011 March 01 and ... that no applications to the Innovation Fund be approved until the TOR have been adopted by Council.

ADMINISTRATION RECOMMENDATION:

That PAC recommends that Council adopt the Terms of Reference (see Attachment) for applications to the Council Innovation Fund.

INVESTIGATION

Council established the Council Innovation Fund through the 2010 November deliberations on the 2011 budget.

Candidate projects requesting withdrawals from the Council Innovation Fund have been brought forward to Council individually for approval. To date two projects have received funding: a facilitated review of The City's municipal purpose and core services (up to \$2.5 million) and the Mission Road Main Street Project (\$300,000).

Given the level of interest in the CIF to date it is anticipated that more funding requests will be forthcoming. Some criteria and a process for requesting and approving funds are needed.

The proposed Terms of Reference (Attachment 1) establish some guidelines for disbursements from the CIF, based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Candidate projects will be expected to provide detailed supporting documentation.

An approved Terms of Reference will provide helpful guidelines to applicants wishing to requisition monies from the fund, which will make the application process easier to understand and comply with and therefore more efficient. Clear Terms of Reference will enhance the transparency and fairness of decision-making regarding use of the Council Innovation Fund, and will enable Council to demonstrate value for money to the taxpayers.

BUSINESS PLAN/BUDGET IMPLICATIONS

Establishing the Terms of Reference will make decisions regarding expenditures from the Council Innovation Fund more transparent and easier to understand.

The Council Innovation Fund should be used for operating budget items.

Applications to the CIF will be entertained throughout the 2011 calendar year. To date \$2.8 million has been allocated, leaving

**City Manager Report to
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2011 March 01**

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**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

\$2.2 million in the Fund. In order to ensure that some monies remain available for the latter part of the year, no more the \$1.1 million from the funds remaining in the CIF should be disbursed before 2011 July 01. This will ensure that \$1.1 million remains in the Fund for applications that may be submitted between 2011 July 01 and December 31.

RISKS

The proposed Terms of Reference for the Council Innovation Fund have been developed to be flexible enough to support a wide variety of candidate projects. The risk associated with adopting the proposed Terms of Reference is that the flexibility created results in ambiguity as to whether a project does or does not qualify for the fund. This risk is of low impact as Council retains discretion and final decision-making power over withdrawals from the fund.

ATTACHMENT

Terms of Reference for the Council Innovation Fund.

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Council Innovation Fund

The broad purpose of the Council Innovation Fund (CIF) is to encourage innovations or pilot projects that have the potential to support or contribute to the goals of Council and that have city-wide application.

Guidelines

1. Process for Applications

- a) Applications for the withdrawal of funds from the CIF shall be brought by members of Council to Council for approval through a report included in the agenda of the Personnel and Accountability Committee (PAC). PAC will recommend approval or rejection to Council.
- b) The Mayor's Office will be the point of contact for all applications and will forward all proposals to PAC. Applications should be submitted to the Mayor's office no later than the 15th of the month.
- c) The applicant will be expected to complete and submit a prescribed form to the Mayor's Office. It is the responsibility of the member of Council seeking to access the CIF to use the application form to make their case to Council in the context of these guidelines.
- d) Successful applicants must report back to Council through PAC indicating how the money was spent and the outcomes of the project within 12 months of the approval of funding.
- ↓
- e) Any unused portions of CIF awards must be returned to the CIF.

2. Criteria for Successful Applications

Applications should demonstrate that the proposal is consistent with the Purpose of the Council Innovation Fund as set out in these Terms of Reference.

Successful applications will address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have the potential to change city-wide policies and procedures.

Applications for funding must include detailed documentation..

The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

Planning & Development Report to
Priorities and Finance Committee
2018 October 02

ISC: UNRESTRICTED
PFC2018-1118

Assessment and Tax Circumstances Report

EXECUTIVE SUMMARY

Council approval is needed to cancel taxes accrued in individual tax accounts. This report is presented to Council twice annually and this is the second report this year. The report includes the applicable 2016 and 2017 taxes accrued in property and business accounts that meet Administration's criteria for prior year tax cancellation. This report also includes the applicable municipal property taxes for non-profit organizations that applied and qualified for tax cancellations under the *Non-Profit Tax Mitigation Policy*.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council under the authority of section 347 of the *Municipal Government Act*:

1. Cancel property and business taxes for the amounts listed in the Attachment 1.
2. Cancel 2018 municipal property taxes for the qualifying non-profit organizations for the amounts listed in Attachment 2.
3. That Report PFC2018-1118 be forwarded to the October 15, 2018 Meeting of Council.

PREVIOUS COUNCIL DIRECTION / POLICY

Section 305 of the MGA does not allow assessors to change the property or business information in an assessment account, or the resulting assessment value, after the end of the tax year to which the assessment applies. In certain circumstances, Administration will recommend that Council consider exercising its discretionary taxation power under section 347 of the Municipal Government Act (MGA) to cancel taxes that correspond to property or business assessment rolls of prior tax years.

Section 203 of the MGA specifies that Council may not delegate its powers with respect to taxes, including its authority to cancel, reduce or refund prior year property and business taxes. Through the City of Calgary Charter, Council has the option to delegate this authority through a Charter Bylaw as long as the total amount to be cancelled, refunded or deferred in a taxation year does not exceed \$500,000 in a calendar year. In June 2018, Council chose to exercise this option and establish Bylaw 1H2018, the Tax Penalty Cancellation Delegation Charter Bylaw, to allow Administration to adjust property tax penalties that qualify under the Compassionate Property Tax Penalty Relief Program set out in PFC2018-0325. Cancellations requested through the Assessment and Tax Circumstances Report are not related to that program or Bylaw.

At the 2018 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the *Non-Profit Tax Mitigation Policy* to cancel the property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property

**Planning & Development Report to
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2018 October 02**

**ISC: UNRESTRICTED
PFC2018-1118**

Assessment and Tax Circumstances Report

met criteria for property tax exemption. The *Policy* is administered using the Assessment and Tax Circumstances Report for administrative efficiency.

BACKGROUND

Section 305 of the MGA does not allow assessors to change the property or business information in an assessment account, or the resulting assessment value, after the end of the tax year to which the assessment applies. In certain circumstances, Administration will recommend that Council consider exercising its discretionary taxation power under section 347 of the *Municipal Government Act* (MGA) to cancel taxes that correspond to property or business assessment rolls of prior tax years.

Section 203 of the MGA specifies that Council may not delegate its powers with respect to taxes, including its authority to cancel, reduce or refund prior year property and business taxes.

Tax Cancellations Related to Prior Years' Assessment Rolls

Property and business owners are reminded annually through various communication methods that they have a responsibility to inform the municipality of assessment errors or changes to their property or business in a timely manner. Section 305 of the MGA and section 7(a) of Business Tax Bylaw 1M2018 allow Administration to make corrections or amendments to property and business assessment rolls throughout the current tax year. A current year amendment to an individual assessment triggers a corresponding adjustment to the current year property taxes or business taxes for that individual account.

Inaccuracies in assessment rolls may result from a number of factors, including but not limited to: operational considerations associated with year-end assessment roll production, timing of communication between business units, incorrect data or mailing address information.

Generally, valid cancellation requests are for tax amounts that were levied as a result of one of the following four circumstances:

- Category I: a property or business assessment that was not corrected appropriately
- Category II: a tax exemption that was not processed or not processed correctly
- Category III: an incorrect issuance of a property or business assessment
- Category IV: a business account closure or move that was not processed or not processed correctly

The inaccuracy must be reported within two years for the tax cancellation request to be considered for inclusion in this report.

Exempt Organizations and the Non-Profit Tax Mitigation Policy

The *Non-Profit Tax Mitigation Policy* adopted by Council through C2014-0919 provides criteria for circumstances in which Administration may recommend Council to cancel municipal taxes that correspond to a period when an eligible non-profit property was under construction.

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**ISC: UNRESTRICTED
PFC2018-1118**

Assessment and Tax Circumstances Report

Property tax exemptions are governed by the MGA and the *Community Organization Property Tax Exemption Regulation* (COPTER). Provisions in the legislation differ based on the use of the property and the nature of the organization that holds it. One of these differences is the tax treatment of non-profit-held property that is not in use because of construction or renovation. Property held by specific entities such as public institutions (e.g. hospitals, public colleges and universities) is exempt from property tax when it is under construction. Property that is held by non-profit organizations to be used for an approved activity (e.g. places of worship, chambers of commerce, food banks, and under certain conditions, arts and cultural activities) is not property tax exempt until it is actually in use for these purposes.

To be considered for municipal property tax cancellation under the *Non-Profit Tax Mitigation Policy*, organizations must attain a property tax exemption for the property under the provincial legislation. Until the property is completed and occupied, and being used for the exempt purpose, applicants must pay municipal and provincial property taxes. Once the *Policy* criteria are met, up to four years of the municipal taxes paid over the construction period are subject to retroactive cancellation.

For administrative efficiency and timeliness, the *Policy* has been implemented using the Assessment and Tax Circumstances Report as the mechanism to bring these to Council for approval.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Tax Cancellations Related to Prior Years' Assessment Rolls

Property and business owners are encouraged each year to review and, if needed, ask questions about their property and/or business assessments before the end of the 60-day Customer Review Period that follows each assessment notice mailing.

Assessment sometimes receives requests for the cancellation of taxes from prior tax years; these may come directly from taxpayers or from other City business units. The investigation of each request can include researching internal communications and records, speaking directly to the affected taxpayer and working with other relevant City staff.

Administration uses the following criteria to determine if the circumstances and corresponding property or business tax amounts should be brought forward to Council in this biannual report:

- the inaccuracy was reported within two years of the occurrence; and
- Assessment was advised of the inaccuracy within the Customer Review Period in the year the inaccuracy occurred, but the correction was either not processed or incorrectly processed; or,
- the taxpayer was not aware and/or was not notified of the change in assessment and was unable to bring the inaccuracy to the assessor's attention within the Customer Review Period; or,
- the property or business assessment account was set up in error, and the assessment notice was sent to the wrong party; or,

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Assessment and Tax Circumstances Report

- another business unit was notified by the taxpayer of a change to a business premises and Assessment was not notified during the applicable taxation year.

The recommended adjustments to business tax accounts in this report would cancel or reduce municipal business taxes, and Business Improvement Areas (BIA) levies where applicable. The levies are distributed to BIAs in January each year and adjustments are made in the following year if there are increases or decreases.

The recommended adjustments to the property tax accounts due to assessment roll corrections would cancel or reduce both the municipal and provincial property taxes. Upon cancellation, the provincial portion of the property tax is a cost to The City because the provincial government does not refund its portion.

The funds for both business tax and property tax cancellations are available through The City's prior years' tax cancellation budget, should Council decide to support the recommendation for tax cancellations included in this report. If Council chooses not to support the recommendation, the tax liabilities and amounts owed will remain as originally billed.

Individual requests for prior years' tax cancellation that met Administration's criteria are listed in Attachment 1.

Tax Cancellations Related to the Non-Profit Tax Mitigation Policy

To assist non-profit organizations in applying for tax-relief under the *Non-Profit Tax Mitigation Policy*, Administration provides information about the *Policy*, how to qualify and the application process on Calgary.ca, via email and by phone year-round.

Requests for the cancellation of municipal taxes related to exemptible property held during periods of construction come from non-profit organizations on an ongoing basis.

The *Policy* ensures that tax cancellations for properties and/or facilities that are under construction are conducted in an equitable and consistent manner through an open and transparent process. It uses the following criteria to determine if the circumstances and corresponding municipal property tax amounts should be brought forward to Council:

- a building permit for the site was issued after 2013 January 01, the date established in the *Policy*, and
- the organization has filed the necessary application form to request tax cancellation under the *Non-Profit Tax Mitigation Policy* to Assessment, and
- the property and/or facility construction has been completed, and
- the property and/or facility is occupied by the organization and is being used for an exemptible purpose, and
- upon completion and occupancy, the organization has filed an application for property tax exemption under the MGA or COPTER to Assessment and the application has been approved.

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Assessment and Tax Circumstances Report

The non-profit organization must meet all of the above criteria in order to qualify for a municipal tax cancellation under the *Policy*.

The value of the cancellation amount is based on municipal tax levied during the eligible period the property was under construction and is retroactive to the organization attaining property tax exemption under provincial legislation. The eligible period begins the year that the required application is submitted to Assessment. If the application is submitted in the same year that the building permit is issued, the eligible period begins as of the date the permit is issued. If the application is submitted in a year subsequent to the issuance of the building permit, the eligible period begins on January 01 of that year. The period ends either four years from the date that the eligible period begins or when the property becomes exempt from taxation, whichever is earlier.

At the time this report was prepared, two non-profit organizations have met the criteria for municipal property tax cancellation under the *Policy*. Applicants that meet all requirements will be brought forward to Council for tax cancellation consideration in future reports.

The recommended adjustment due to the *Non-Profit Tax Mitigation Policy* would cancel or reduce only the municipal property taxes in that organization's account. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed.

The individual tax amount cancelled for the qualifying *Non-Profit Tax Mitigation* applicants is listed in Attachment 2.

Stakeholder Engagement, Research and Communication

This report is a collaborative effort between Assessment, Business Registry, and Finance. Throughout the circumstance report process, the business units are in communication, ensuring appropriate investigation and analyses are conducted for an accurate reflection of the tax cancellations proposed.

Taxpayers and non-profits are contacted by City staff subsequent to their initial inquiry if additional information is needed to establish whether individual circumstances meet the tax cancellation criteria.

For tax cancellation requests related to prior years' assessment rolls, Assessment advises property or business owners listed in Attachment 1 if their requests are included in the report. A second letter advises them of Council's decision.

For tax cancellations related to the *Non-Profit Tax Mitigation Policy*, non-profits are advised of eligibility during the application or circumstance report process and those listed in Attachment 2 will be advised of Council's decision.

The accounts of approved tax cancellations are then adjusted by Finance and a refund is issued when necessary.

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Assessment and Tax Circumstances Report

Strategic Alignment

The recommendations are in alignment with *Action Plan 2015-2018* and with the *Non-Profit Property Tax Mitigation Policy*.

Social, Environmental, Economic (External)

The taxpayers who own or hold the properties and businesses listed in Attachments 1 and 2 will receive tax cancellations or refunds.

Financial Capacity

Current and Future Operating Budget:

The total taxes recommended for cancellation are \$133,237.92. Finance has confirmed that there are sufficient funds in Corporate Costs (program 861) to accommodate the tax cancellations for the accounts proposed in Attachment 1 and 2. The total budget for the prior years' property and business tax cancellations in 2018 is \$1,000,000. The total budget for municipal tax cancellations proposed in Attachment 2 under the *Non-Profit Tax Mitigation Policy* is an additional \$1,000,000. At this time, no adjustments to future budget allocations are required to meet the tax cancellation requests set out in this report.

<i>Type of Tax</i>	<i>2018 Tax Cancellations (This Report)</i>
Property Tax - Non-NPTM Related	\$118,428.32
Business Tax	\$2,335.06
Property Tax - NPTM Related	\$12,474.54
Total	\$133,237.92

Current and Future Capital Budget:

There are no implications to the capital budget

Risk Assessment

No implications were identified.

REASONS FOR RECOMMENDATIONS:

Administration is prevented by legislative constraints from (1) making corrections to tax accounts relating to prior years' assessment and tax rolls, and (2) providing tax exemptions to otherwise eligible non-profit organizations whose properties are under construction. The accounts brought forward to Council were identified using the criteria within this report. The tax liabilities and amounts owed will remain as originally billed without Council approval.

Planning & Development Report to
Priorities and Finance Committee
2018 October 02

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Assessment and Tax Circumstances Report

ATTACHMENTS

1. Attachment 1 – List of Tax Cancellations Related to Prior Years Assessment Rolls
2. Attachment 2 – List of Tax Cancellations Related to the Non-Profit Tax Mitigation Policy

List of Proposed Tax Cancellations Related to Prior Years' Assessment Rolls

List of Proposed Tax Cancellations Related to Prior Years' Assessment Rolls

Issue #	Roll Number	Account Address	Tax Cancellation (\$)	Reasons
<u>PROPERTY TAX CANCELLATIONS</u>				
2016				
1	200152262	4669 Westwinds Drive NE	\$53,842.40	Category II: a tax exemption that was not processed or not processed correctly
2	034082602	3904 1 ST NE	\$5,320.92	Category II: a tax exemption that was not processed or not processed correctly
2017				
3	073989543	#354 6220 17 AV SE	\$77.37	Category III: an incorrect issuance of a property or business assessment
4	202318036	151 Sage Hill Boulevard NW	\$13,697.30	Category II: a tax exemption that was not processed or not processed correctly
5	759074909	197 Bridlewood Close SW	\$245.89	Category II: a tax exemption that was not processed or not processed correctly
6	140162900	244 Queen Alexandra RD SE	\$422.08	Category II: a tax exemption that was not processed or not processed correctly
7	066165200	2009 10 AV SW	\$2,225.43	Category I: a property or business assessment that was not corrected appropriately
8	202073557	82 Cranbrook Hill SE	\$714.78	Category III: an incorrect issuance of a property or business assessment
9	202357083	3800 Point McKay Rd NW	\$7,324.16	Category III: an incorrect issuance of a property or business assessment

List of Proposed Tax Cancellations Related to Prior Years' Assessment Rolls

Issue #	Roll Number	Account Address	Tax Cancellation (\$)	Reasons
<u>PROPERTY TAX CANCELLATIONS</u>				
10	164013302	7680 11 AV SW	\$4,393.72	Category I: a property or business assessment that was not corrected appropriately
11	171008303	9041 9 AV SW	\$4,474.94	Category III: an incorrect issuance of a property or business assessment
12	171008402	9055 9 AV SW	\$2,817.71	Category III: an incorrect issuance of a property or business assessment
13	164006504	7010 11 AV SW	\$22,871.62	Category III: an incorrect issuance of a property or business assessment
			\$118,428.32	Total Property Tax Cancellation

List of Proposed Tax Cancellations Related to Prior Years' Assessment Rolls

Issue #	Business Identifier	Account Address	Tax Cancellation (\$)	Reasons
<u>BUSINESS TAX CANCELLATIONS</u>				
2016				
14	14203327	207 5010 4 ST NE	\$611.84	Category II: a tax exemption that was not processed or not processed correctly
15	14359491	4529 1 S ST T SE	\$827.72	Category III: an incorrect issuance of a property or business assessment
16	14215578	110 851 4 ST SE	\$518.36	Category II: a tax exemption that was not processed or not processed correctly
2017				
17	13860663	6703 30 Street SE	\$377.14	Category IV: a business account closure or move that was not processed or not processed correctly
			\$2,335.06	Total Business Tax Cancellation

List of Tax Cancellations Related to the Non-Profit Tax Mitigation Policy

List of Tax Cancellations Related to the Non-Profit Tax Mitigation Policy

Issue	Roll Number	Account Address	Tax Cancellation (\$)	Reason
1	202565396	4255 64 AV SE	\$3,167.27	<p>The municipal property tax cancellation is for The Church of Pentecost Canada - Calgary, which meets the criteria for property tax exemption under section 362(1)(k) used for divine worship or education by a religious body.</p> <p>The cancellation is from the date the building permit was issued, April 24, 2018, to the first worship service on July 29, 2018.</p>
2	201338225	4170, 3961 - 52 Ave NE	\$9,307.27	<p>The municipal tax cancellation is for the Fiji Women's Association of Calgary, which meets the criteria for property tax exemption under 15(f) of COPTER as property used by an ethno-cultural association.</p> <p>The cancellation is from the date the building permit was issued, September 15, 2015 to the date the property tax exemption started, May 30, 2018.</p>
			\$12,474.54	Total NPTM Municipal Tax Cancellation

**Chief Financial Officer's Report to
Priorities and Finance Committee
2018 October 02**

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PFC2018-0931
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Status of Outstanding Motions and Directions

EXECUTIVE SUMMARY

Outstanding items for the Priorities and Finance Committee as of 2018 September 21.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2012 April 03, the Priorities and Finance Committee directed Administration to provide the Committee with a schedule of Status of Outstanding Motions and Directions.

BACKGROUND

None.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

None.

Stakeholder Engagement, Research and Communication

None.

Strategic Alignment

This report is in alignment with the mandate of the priorities and Finance Committee.

Social, Environmental, Economic (External)

None.

Financial Capacity

Current and Future Operating Budget:

None.

Current and Future Capital Budget:

None.

Risk Assessment

This report tracks outstanding motions and directions from the Priorities and Finance Committee to Administration. No specific risks are associated with this report. Any risks associated with a specific direction or motion will be dealt with in the context of the report on that direction or motion.

REASON(S) FOR RECOMMENDATION(S):

This report assists with the Priorities and Finance Committee to proactively track and manage its work.

ATTACHMENT(S)

Status of Outstanding Items for the Priorities and Finance Committee.

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
COUNCIL PENSION PLANS	2018 July 30	C2018-0935	<p>With respect to Notice of Motion C2018-0935, the following be adopted:</p> <p>NOW THEREFORE BE IT RESOLVED THAT Human Resources meet with each member of Council to gather their observations, experiences and suggestions relating to the Council pension plans, including plan governance;</p> <p>AND FURTHER BE IT RESOLVED THAT Human Resources determine whether Council suggestions and comments fall within the mandate and terms of reference of the Pension Governance Committee, the mandate of the Council Compensation Review Committee and/or the mandate of other committees of Council, or Administration;</p> <p>AND FURTHER BE IT RESOLVED THAT Administration report back to the PFC and Council no later than December 31, 2018 for a review of findings and recommendations.</p>	2018 December 31

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
HISTORIC GRAND LODGE OF THE FREEMASONS	2018 July 30	C2018-0959	<p>That with respect to Notice of Motion C2018-0959, the following Motion Arising be adopted:</p> <p>That Council direct Administration to prepare a report, and return to Council through the Priorities and Finance Committee no later than 2019 Q2, that provides an overview of the legislation governing property tax exemptions and tax cancellations in Alberta, Administration's current process for administering property tax exemptions, the property tax base exempt from taxation and previous Council direction regarding property tax cancellations.</p>	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

As at 2018 September 21

<p>NEW COMMUNITY GROWTH STRATEGY 2018 – FURTHER REVIEW AND ANALYSIS DIRECTION THROUGH PFC2018- 0678</p>	<p>2018 July 30</p>	<p>C2018-0900</p>	<p>3. For the fourteen communities identified in Attachment 4 (C2018-0900), as amended, direct Administration to:</p> <p>(d) Direct Administration, in consultation with stakeholders, to incorporate the proportionate share of the cost of off-site transportation infrastructure and any additional off-site utilities infrastructure attributable to new growth that provides servicing to new communities into the off-site levy rates, through a proposed amendment to the Off-site Levy Bylaw 2M2016, and report back to the Priorities and Finance Committee by no later than 2018 Q4.</p> <p>That with respect to Report C2018-0900, the following motion arising be adopted, in part:</p> <p>That Council:</p> <p>Direct Administration to work with Council's representative on Calgary Economic Development (CED) to identify appropriate members of CED staff and the CED Commercial Real Estate Committee to serve as an ad hoc working group that will review the Nose Creek business case to:</p> <ol style="list-style-type: none"> 1. Establish viability as contemporary mixed-use, campus-style development sites; 2. Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work; 3. Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base; 	<p>2018 Q4</p> <p>2019 January</p>
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Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
			5. Provide sound rationale (if any exist) for removal of the growth management overlay (GMO). Report back through PFC in 2019 January.	
INDEPENDENT REVIEW OF NON-RESIDENTIAL ASSESSMENT AND APPEAL SYSTEM	2018 June 28	PFC2018-0798	That the Priorities and Finance Committee: Direct that Administration return to PFC with the final, independent report and recommendations no later than Q4 2018	2018 Q4
CHINATOWN AREA REDEVELOPMENT PLAN PHASE 1 UPDATE	2018 June 25	PUD2018-0514	That with respect to Report PUD2018-0514 Council refer b), as follows, to Administration to develop funding options including a potential Council Innovation Fund application and external partnerships including but not limited to the Urban Alliance to return to Council through the Priorities and Finance Committee as soon as possible:	ASAP
UTILITIES INDICATIVE RATES AND FUNDING NEW GROWTH	2018 June 18	C2018-0787	Direct Administration, in consultation with stakeholders, to incorporate the proportionate share of the cost of off-site utility infrastructure attributable to new growth that provides servicing to communities approved by Council in the New Community Growth Strategy report (PFC2018-0678) into the off-site levy rates, through a proposed amendment to the water, sanitary sewer and storm sewer levy rates in Bylaw 2M2016, and report back to the Priorities and Finance Committee by no later than 2018 Q4.	2018 Q4

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
COMPASSIONATE PROPERTY TAX PENALTY RELIEF	2018June 05	PFC2018-0325	That the Priorities and Finance Committee recommends that Council: Direct Administration to report back through Priorities and Finance Committee on the results of the proposed program, including cost and number of participants, no later than 2019 Q4.	2019 Q4
CORPORATE AFFORDABLE HOUSING STRATEGY Q2 2018 UPDATE	2018June 05	PFC2018-0584	That with respect to Report PFC2018-0584, the following be approved, as amended: That the Priorities and Finance Committee recommend that Council: 1. Direct that Administration return to Council, through the Priorities and Finance Committee, with an update on this work, no later than Q2 2019; and 2. Invite the Community Housing Affordability Collective to provide an update on their work to the Priorities and Finance Committee no later than Q2 2019.	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
PROPOSED CODE OF CONDUCT FOR ELECTED OFFICIALS BYLAW26M2018	2018 May 28	PFC2018-0554	That with respect to PFC2018-0554, the following Motion arising be adopted: That Council direct the Ethics Advisor to investigate how to enhance reporter protection, including but not limited Councillors staff and Report back to the Priorities and Finance Committee no later than Q4 2018.	2018 Q4
BUSINESS TAX CONSOLIDATION – 2018 ANNUAL STATUS REPORT	2018 May 28	PFC2018-0190	That with respect to Report PFC2018-0190, the following be adopted: That Council: 1. Direct Administration to bring: (a) A 2019 status update report to the Priorities and Finance Committee in 2019 May; and (b) A final report on Business Tax Consolidation (BTC) to the Priorities and Finance Committee in 2019 July.	2019 May 2019 July

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
ENSURING EFFICIENCY, TRANSPARENCY AND THE APPROPRIATE USE OF CLOSED MEETINGS FOR COUNCIL BUSINESS	2018 April 05	C2018-0405	<p>That with respect to Notice of Motion C2018-0405, the following be adopted:</p> <p>NOW THEREFORE BE IT RESOLVED that Administration be directed to bring forward a report to Council, through the Priorities and Finance Committee, no later than Q4 2018, which report shall include the following information:</p> <ol style="list-style-type: none"> 1. The categories of matters that have been discussed in closed meetings of Council over the past year and the time spent in closed meetings of Council during that period; and 2. Information about governance practices and committee structures and strategies used by other Canadian municipalities in order to allow Administration to bring forward recommendations and strategies that: <ul style="list-style-type: none"> ▪ help increase transparency in decision-making processes; ▪ assist with ensuring Council meeting efficiency and effectiveness; and ▪ assist in decreasing the amount of time Council spends in closed meetings while still ensuring that personal privacy is protected and that Council is given the opportunity to discuss matters in closed meetings appropriate for discussion in that forum. 	2018 Q4

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE	2018 March 06	PFC2018-0187	As part of the proposed reporting process for the Wholly Owned Subsidiary, direct Administration to work with the EDIF Wholly Owned Subsidiary to bring a report to the Priorities & Finance Committee that reviews the pilot EDIF governance structure no later than 2019 Q2.	2019 Q2
GREEN LINE LIGHT RAIL TRANSIT PROJECT DELIVERY MODEL RECOMMENDATION	2018 March 06	PFC2018-0207	Council direct Administration to report back no later than Q4 2018 to the Priorities and Finance Committee of Council with the recommended budgets for approval including financing and confirmation of funding from the other orders of government for the Project.	2018 Q4
NEW COMMUNITY GROWTH STRATEGY	2018 February 22	PFC2018-0200	4. Direct Administration to bring a monitoring report on the implementation of the New Community Growth Strategy to the Priorities and Finance Committee no later than Q4 2019; and	2019 Q4

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2018 September 21

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
REVIEW OF COUNCIL'S PROCEDURE BYLAW	2017 July 31	PFC2017-0433	Direct Administration to bring forward a Procedure Bylaw review on the items listed in "Opportunity for Future Improvements", contained on Page 7 of this report, including investigating methods and strategies to streamline public hearing processes and including a review of how public hearings are conducted in other jurisdictions, and report back to Council through the Priorities and Finance Committee with recommendations no later than Q4 2018.	2018 Q4
SCOPING AND PLANNING FOR A SINGLE POINT OF ENTRY TO THE NON MARKET HOUSING SYSTEM	2017 June 06	PFC2017-0221	Direct Administration to proceed with the next phase of implementation for a One Window coordinated intake process and report back to Council through the Priorities and Finance Committee by Q4 2018	2018 Q4
COUNCIL INNOVATION FUND APPLICATION – WALK21 COMMUNITY MICROGRANTS	2017 March 21	PFC2017-0289	That the Priorities and Finance Committee recommends that Council approve the Council Innovation Fund Application – Walk21 Community Microgrants in the amount of \$172,500 and Administration report back to the Priorities and Finance Committee no later than Q4 2019.	2019 Q4