



AGENDA

SPC ON UTILITIES AND CORPORATE SERVICES

March 20, 2019, 9:30 AM
IN THE COUNCIL CHAMBER
Members

Councillor W. Sutherland, Chair
Councillor P. Demong, Vice-Chair
Councillor G. Chahal
Councillor D. Colley-Urquhart
Councillor J. Farkas
Councillor D. Farrell
Councillor S. Keating
Mayor N. Nenshi, Ex-Officio

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1 Minutes of the Regular Meeting of the Utilities and Corporate Services Committee, 2019 February 20
5. CONSENT AGENDA
 - 5.1 Status of Outstanding Motions and Direction Q1 2019, UCS2019-0350
 - 5.2 Waste Management Storage Site Operational Practices – Interim Approach to Address Safety Risks, UCS2019-0365
6. POSTPONED REPORTS
(including related/supplemental reports)

None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
 - 7.1 Financial Model: Pay-As-You-Throw for the Residential Black Cart Program, UCS2019-0364

- 7.2 Waste and Recycling Services Community Recycling Depot Optimization Update, UCS2019-0363
- 7.3 Symons Valley Centre – Build Out and Investment Strategy, UCS2019-0249
- 7.4 Reserve Bids for Properties in the 2019 Tax Sale, UCS2019-0357
Attachment 3 held confidential pursuant to Sections 23 (local body confidences), 24 (advice from officials) and 25 (disclosure harmful to economic and other interests of a public body).

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS
None

8.2 NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1 Proposed Method of Disposition (Residual Ward 09) – Ward 09 (800 84 ST NE) UCS2019-0342
Held confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of *FOIP*.

Review Date: 2029 February 28.

- 10.1.2 Summary of Real Estate Transactions for the Fourth Quarter 2018, UCS2019-0343
Held confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of *FOIP*.

Review by: 2019 April 30

10.2 URGENT BUSINESS

11. ADJOURNMENT

Members of Council may participate remotely if required.



MINUTES

SPC ON UTILITIES AND CORPORATE SERVICES

**February 20, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor W. Sutherland, Chair
Councillor P. Demong, Vice-Chair
Councillor G. Chahal
Councillor D. Colley-Urquhart
Councillor J. Farkas
Councillor D. Farrell
Councillor S. Keating

ALSO PRESENT: Deputy City Manager B. Stevens
Legislative Assistant D. Williams
Acting City Clerk L. Gibb

1. CALL TO ORDER

Councillor Sutherland called the Meeting to order at 9:30 a.m.

2. OPENING REMARKS

No opening remarks were provided.

3. CONFIRMATION OF AGENDA

Moved by Councillor Demong

That the Agenda for the 2019 January 23 Regular Meeting of the SPC on Utilities and Corporate Services be confirmed.

4. CONFIRMATION OF MINUTES

4.1 Unconfirmed Minutes - 2019 January 23 - Regular Meeting of the SPC on Utilities and Corporate Services

Moved by Councillor Demong

That the Minutes of the SPC on Utilities and Corporate Services, held on 2019 January 23, be confirmed.

5. CONSENT AGENDA

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

8. ITEMS DIRECTLY TO COMMITTEE

None

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Councillor Farrell

That pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of the public body) of the *Freedom of Information and Protection of Privacy Act*, the SPC on Utilities and Corporate Services now recess to reconvene in Closed Meeting at 9:35 a.m., in the Council Lounge, to discuss the following confidential item:

- 10.1.1 Proposed Approval of Expropriation – (Stoney 2) – Ward 05 (9707 Barlow TR NE)

MOTION CARRIED

The Committee reconvened in a public meeting at 10:15 a.m. with Councillor Sutherland in the Chair.

Moved by Councillor Farrell

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Proposed Approval of Expropriation – (Stoney 2) – Ward 05 (9707 Barlow TR NE), UCS2019-0228

Four coloured maps with respect to Report UCS2019-0228 were distributed in the closed meeting.

Administration in attendance during the Closed Meeting discussions with respect to Report UCS2019-0228:

Clerk: L. Gibb, D. Williams. Advice: B. Stevens, S. McClurg, C. Gusa, S. Undheim. Observer: R. Auclair, E. Lee, F. Snyders. Legal: K. Stewart.

Moved by Councillor Chahal

That with respect to Report UCS2019-0228, the following be approved:

That the SPC on Utilities and Corporate Services:

1. Request that the Report be forwarded as an item of Urgent Business, to the Closed Meeting portion of the 2019 February 25 Combined Meeting of Council;
2. Recommend that Council approve Administration Recommendations 1 and 2 as contained in the corrected Report UCS2019-0228; and
3. Request that the Recommendations, Report, Attachments, Distributions, and closed meeting discussions remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of the public body) of the *Freedom of Information and Protection of Privacy Act* unless The City of Calgary is required to disclose pursuant to the Expropriation Act (Alberta) for review by 2029 February 12.

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Demong

That this meeting adjourn at 10:16 a.m.

MOTION CARRIED

The following item has been forwarded to the 2019 February 25 Combined Meeting of Council as Urgent Business:

Closed Meeting

Proposed Approval of Expropriation – (Stoney 2) – Ward 05 (9707 Barlow TR NE), UCS2019-0228

The next Regular Meeting of the SPC on Utilities and Corporate Services is scheduled to be held on 2019 March 20 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED

**Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2019 March 20**

**ISC: UNRESTRICTED
UCS2019-0350**

Status of Outstanding Motions and Direction Q1 2019

EXECUTIVE SUMMARY

This report summarises the status of Utilities and Environmental Protection's outstanding Motions and Directions for Standing Policy Committee (SPC) on Utilities and Corporate Services (UCS) as of the end of the first quarter (Q1) 2019.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2007 February 06, Personnel and Accountability Committee approved PAC2007-05 Status of Outstanding Motions and Directions, directing Administration to bring forward as an item of business to each SPC a list of tabled and referred motions and reports for each committee; such lists to be reviewed by each SPC, to be dealt with on a quarterly basis.

BACKGROUND

This report provides a summary of outstanding motions and directions to be addressed at future meetings of this SPC. Summaries are presented on a quarterly basis to ensure accountability and timely responses.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Not applicable.

Stakeholder Engagement, Research and Communication

Not applicable.

Strategic Alignment

This report is in alignment with the mandate of the SPC on UCS.

Social, Environmental, Economic (External)

Not applicable.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications for this status report.

Current and Future Capital Budget:

There are no capital budget implications for this status report.

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UCS2019-0350

Status of Outstanding Motions and Direction Q1 2019

Risk Assessment

This report tracks outstanding motions and directions from the SPC on UCS 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 FOR RECOMMENDATION:

This report assists the SPC on UCS to proactively track and manage its work.

ATTACHMENT

1. Attachment 1 – Status of Outstanding Motions and Direction – Q1 2019

Status of Outstanding Motions and Direction – Q1 2019

ISC: Unrestricted

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ITEM	DATE OF REQUEST	APPROVAL	SUBJECT	MEETING DATE
Pay-as-you-throw Program for Residential Black Cart Collection	2018 June 13	UCS2018-0656	Administration to return with a financial model including an option, for tag-a-bag only, to return to Council through the SPC on Utilities and Corporate Services, no later than Q1 2019.	2019 March
Interim Approach – Private Waste Management Storage Sites	2018 Nov 19	C2018-1356	Administration to report back through the SPC on Utilities and Corporate Services no later than Q1 2019 on an interim approach to minimizing safety risks of these operations	2019 March
Annual Water Efficiency Plan update	2005 December 12	UE2005-55	Administration to report back to the SPC on Utilities and Corporate Services annually with updates on progress towards "30 in 30" goal.	2019 May
Flood Resiliency and Mitigation annual report	2014 December 02	PFC2015-0777	Administration to report back to the SPC on Utilities and Corporate Services annually on progress related to the recommendations from the Expert Management Panel on River Flood Mitigation. (Expert panel recommendation 6f).	2019 May
Corporate Environment, Health & Safety Performance Annual Report	2009 March 25	UE2009-07	Administration to report to SPC on Utilities and Corporate Services semi-annually on Corporate environment and safety performance, including audit results.	2019 May



UCS2019-0350
ATTACHMENT 1

Status of Outstanding Motions and Direction – Q1 2019 Continued

ISC: Unrestricted

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ITEM	DATE OF REQUEST	APPROVAL	SUBJECT	MEETING DATE
Waste & Recycling Services Outlook for 2018 to 2025	2018 April 18	UCS2018-0153	Administration to undertake a scoping report that investigates options and unintended consequences for significantly reducing waste, “avoidable” plastic waste, and single-use items, engage citizens and waste generators, and the costs of doing this work, and report back to the SPC on Utilities and Corporate Services with a scoping report no later than Q2 2019.	2019 Q2
Extended Producer Responsibility	2019 February 4	C2019-0129	Administration to cooperate with other Alberta municipalities, AUMA, producers and recyclers of packaging and paper products, and the Province of Alberta to develop a baseline that can inform the design of a provincial EPR program by researching: <ul style="list-style-type: none"> • The benefits, challenges, and risks of an EPR program in Alberta for these groups and their constituents; • The current recycling systems and supply chains across the province, and potential impacts of an EPR program in Alberta; and report back through the SPC on Utilities and Corporate Services no later than 2019 October.	2019 October
Scoping Report and Recommendations – Private Waste Management Storage Sites	2018 Nov 19	C2018-1356	Administration to report back to Council through the SPC on Utilities and Corporate Services no later than Q4 2019 with a scoping report on The City’s authority to use existing controls to limit the safety hazard, risk and liability of The City of Calgary from the operation of waste management storage sites and to make recommendations for potential	2019 Q4



UCS2019-0350
ATTACHMENT 1

Status of Outstanding Motions and Direction – Q1 2019 Continued

ITEM	DATE OF REQUEST	APPROVAL	SUBJECT	MEETING DATE
			policy and potential regulatory requirements to standardize practices that reflect best practices.	
Industry Feedback – 2018 Collection Services Review	2019 January 23	UCS2019-0113	Direct Administration to solicit feedback from the waste and recycling collection services industry regarding the 2018 Collection Services Review report and to assess and pursue service efficiency opportunities identified in that same report and return to Utilities and Corporate Services Committee by Q2 2020 with findings.	2020 Q2
Variable Stormwater Rate Structure	2018 July 30	UCS2018-0884	Administration to develop an implementation plan for a variable stormwater rate structure and report back to Council by Q4 2020 for potential implementation for the 2023 to 2026 business cycle.	2020 Q4
Extra Strength Surcharge Parameters for Wastewater	2018 July 30	UCS2018-0884	Administration to report back on rates and limits for wastewater extra strength surcharge parameters no later than 2020 November.	2020 November
Water, Wastewater and stormwater rates for 2023-2026	2018 July 30	UCS2018-0884	Administration to develop water, wastewater and stormwater rates for 2023-2026 that recover 100% of the cost of service for each customer class.	2022

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UCS2019-0365

Waste Management Storage Site Operational Practices – Interim Approach to Address Safety Risks

EXECUTIVE SUMMARY

Proper waste management, including recycling, is important for both Calgarians and Albertans. Public expectations continue to expand around having services and facilities to support garbage disposal, hazardous waste management, recyclables diversion, and composting. Along with these increasing business opportunities, is the need to ensure companies operating in the waste and recycling sector do so safely, adhering to regulatory requirements and reasonable standards.

In November 2018, Council brought forward Notice of Motion C2018-1356 that highlighted situations in the sector where Waste Management Storage Site operations may present a risk to public safety through such practices as materials not being moved in a timely manner and large amounts of waste being improperly stored. This report responds to Council's direction to Administration to report back on an interim approach to minimize the safety risks of these operations, in advance of reporting back in Q4 2019 with recommendations to further limit safety and liability risks through the establishment of potential policy and regulatory requirements.

Administration has completed the following actions to provide improved assurance that safety risks are being managed in the interim:

- Identified six Waste Management Storage Sites that meet the working definition and are included in the scope of the initial work.
- Assessed the jurisdictional authorities of the Government of Alberta and The City of Calgary (The City), Attachment 1.
- Assessed the history of safety incidents that have occurred at the identified sites.
- Conducted development permit and Alberta Fire Code compliance inspections on all identified sites to understand current state.
- Initiated discussions to enhance coordination between Alberta Environment and Parks (AEP) and The City on the regulation of these sites.

Early analysis has shown that AEP regulates these sites through notification requirements under the Activities Designation Regulation and that no provincial environmental legislation applies specifically to the operation of Waste Management Storage Sites; and The City's authorities are land use development permit and business licensing, and enforcement of the Alberta Fire Code. Of The City's authorities and practices, the Alberta Fire Code is the mechanism by which The City influences the safe operation of Waste Management Storage Sites through the oversight of stockpile content, height and/or separation.

To that end, the historical review of safety incidents and recent Alberta Fire Code inspections has confirmed three sites with active Alberta Fire Code compliance issues. The City's interim approach to minimizing the safety risks of these operations is addressed through identification of these sites, and Calgary Fire Department initiating enforcement actions and actively working with the businesses to address outstanding safety concerns.

Additional early findings have identified gaps or challenges related to the definition, identification and approval of existing and new Waste Management Storage Sites, as well as the absence of

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UCS2019-0365**

**Waste Management Storage Site Operational Practices - Interim Approach to
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regulations to govern their operations. Longer term solutions will be investigated and informed by industry, municipal and provincial best practices review, with recommendations provided in Q4 2019, as directed by Council.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services:
1. Receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 November 19, Council brought forward a Notice of Motion C2018-1356 on Waste Management Storage Site Operational Practices, directing Administration to report back through Standing Policy Committee (SPC) on Utilities and Corporate Services no later than Q1 2019 on an interim approach to minimize the safety risks of these operations.

Administration was also directed to return no later than Q4 2019 with a scoping report on The City's authority to use existing controls to limit the safety hazard, risk and liability of The City of Calgary from the operation of Waste Management Storage Sites; and recommendations for potential policy and potential regulatory requirements to standardize practices that reflect best practices.

BACKGROUND

The Waste and Recycling Industry Value Chain consists of public and private companies providing services and facilities to support garbage disposal, hazardous waste management, recyclables diversion, composting, hauling, and landfilling. Within this Value Chain are companies that operate Waste Management Storage Sites where materials are collected or received from multiple sources, sorted, and then either sold for recycling or sent to landfill. At some of these sites, operational practices have resulted in fires; non-compliance with the Alberta Fire Code with regards to stockpile content, height, and/or separation; and concerns for public safety. Other concerns raised include impacts on adjacent properties, and risk of landowner and potential City financial liabilities. The effective regulation of the operation of Waste Management Storage Sites by the Government of Alberta and The City of Calgary is required to minimize these and other risks.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

To minimize potential safety risks associated with Waste Management Storage Sites, the interim approach includes:

- Assessing the jurisdictional authorities of the Government of Alberta and The City.
- Identifying Waste Management Storage Sites.
- Assessing the number of safety incidents at identified sites.
- Conducting development permit and Alberta Fire Code compliance inspections.
- Initiating discussions to enhance coordination between AEP and The City.

Waste Management Storage Site Operational Practices - Interim Approach to Address Safety Risks

Jurisdictional Authorities

Administration has begun to assess the authorities and regulatory framework governing Waste Management Storage Sites. A summary of these authorities is provided in Attachment 1. Some initial gaps have been identified related to the definition and approval of sites, and the oversight of site operations.

Under provincial legislation, no approval is required for these sites; an operator is only required to notify AEP of their operation. AEP does not have operational requirements specific to Waste Management Storage Sites; however, as with all businesses operating in Alberta, these sites must comply with general environmental provisions set out by provincial legislation. If there is a contravention of the provincial legislation, such as a contaminant release or the facility is accepting hazardous waste, AEP can issue enforcement orders and environmental protection orders to remedy the situation.

Current City authorities for these sites are limited to land use development permit and business licensing, and enforcement of the Alberta Fire Code. The City does not have operational requirements for these sites.

Identification of Sites

The analysis of the regulatory context identified issues with how these sites are defined and identified. While Waste Management Storage Site is the term used for these operations in this initial assessment, the existing terminology in the Waste Control Regulations is 'Storage Site'.

For this initial assessment, The City has defined Waste Management Storage Site as any site with an AEP notification, and limited the initial scope to locations within Calgary boundaries. Currently there are six sites identified. The City will continue to refine this categorization and add new sites, as identified.

Administration also identified inconsistencies on how existing and new Waste Management Storage Sites are approved by The City and subsequently regulated by the Province. There is currently limited coordination with the Province and The City in regards to the approval of these sites. Under Land Use Bylaw 1P2007, Waste Management Storage Sites can be accommodated under several use definitions, none of which reference Subdivision and Development Regulation setback requirements. This poses a challenge in identifying new sites with setback requirements and better regulating the location of Waste Management Storage Sites in Calgary. Additional analysis will form part of the Q4 report.

Compliance Inspections

The City has current authorities to oversee these six sites through the Land Use Bylaw and enforcement of the Alberta Fire Code. The Land Use Bylaw (1P2007) gives The City authority over the specific type of development that can occur on the site. The Alberta Fire Code is provincial jurisdiction and has clear rules with respect to stockpile content, height, separation, etc. The City is enabled through the designation of safety code officers to ensure compliance with the Code.

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**Waste Management Storage Site Operational Practices - Interim Approach to
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The City recently conducted compliance inspections for the development permits and Alberta Fire Code for all identified sites. Of the six sites currently identified as Waste Management Storage Sites, all six were in compliance with their development permit, and three out of six have non-compliances identified with the Alberta Fire Code. Enforcement actions are underway for the Alberta Fire Code non-compliances.

None of the six sites have AEP enforcement orders against them.

Enhanced Coordination between AEP and The City

Administration has initiated discussion with AEP on our respective regulatory frameworks for Waste Management Storage Sites. Areas of discussion included identification of sites and site operations oversight.

The City has means to identify sites through development permit and business licensing processes. Provincially, AEP maintains a list of the sites for which a notification has been submitted. Effective and coordinated approval and regulation of the operation of Waste Management Storage Sites by the Province and The City is required to mitigate potential risks related to site identification. Given the current challenges in regulating new Waste Management Storage Sites through The City of Calgary Land Use Bylaw, the Province and The City have agreed to inform one another, as an interim measure, when either jurisdiction is aware of a new application request.

The City can inspect sites to ensure compliance with development permits and the Alberta Fire Code. AEP can also inspect sites, but does not do this routinely. Inspections are often only initiated if there is a public complaint.

Through these early discussions, AEP and The City have identified potential opportunities to enhance coordination on identification and approval processes, and operational oversight of Waste Management Storage Sites. These opportunities will be further investigated and described in the Q4 report.

Ongoing Actions

Additional sites of interest may be identified as The City works to identify best practices, further controls and potential policy and regulatory changes to improve the safe management of Waste Management Storage Sites. These sites will undergo development permit and Alberta Fire Code compliance inspections, and enforcement and corrective actions for non-compliances will be monitored. In addition, if Administration identifies immediate actions that can be taken to improve processes or reduce risk related to Waste Management Storage Sites, these may be implemented prior to the subsequent report in Q4 2019.

Stakeholder Engagement, Research and Communication

In support of this report, Administration has established an internal working group with representatives from Calgary Building Services, Calgary Growth Strategies, Environmental & Safety Management, Calgary Fire Department, Intergovernmental & Corporate Strategy, Law,

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and Waste & Recycling Services, and engaged with AEP. Additional engagement will be on-going with AEP and initiated with regional partners, industry, and others, as necessary, in support of the Q4 report.

Strategic Alignment

This report aligns with the 2019-2022 Citizen Priorities of: A Prosperous City, A City of Safe & Inspiring Neighbourhoods, and A Healthy & Green City.

Social, Environmental, Economic (External)

Waste Management Storage Sites provide positive environmental benefits by supporting citizen and industry recycling efforts to better manage their full waste stream; however, these sites may also potentially negatively impact the environment by contributing to air, land, and water contamination if not properly operated.

Socially, there may be increased public safety risks associated with contamination and fires, both to citizens and first responders, especially where the materials may not be clearly identified. The sites may also become neighborhood eyesores.

Economically, Waste Management Storage Sites support economic wellbeing and growth as businesses remain viable and continue to enter the sector; however, sites may lead to potential financial liabilities for landowners and The City if cleanup of abandoned sites and materials is required.

Financial Capacity

Current and Future Operating Budget:

The actions taken in support of this report have been achieved within current operating budgets. The Q4 report will identify any potential impacts on future budgets.

Current and Future Capital Budget:

The actions taken in support of this report have no impact on current capital budgets. The Q4 report will identify any potential impacts on future budgets.

Risk Assessment

The current steps of identification of sites, on-site inspections, and enhanced coordination with AEP provide interim mitigation of the safety risks potentially posed by these operations until additional analysis and recommendations can be made on process, policy, and/or regulatory improvements in Q4.

REASON(S) FOR RECOMMENDATION(S):

This report provides Committee with information on the interim steps The City has taken to minimize safety risks at identified Waste Management Storage Sites within the current regulatory environment.

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Waste Management Storage Site Operational Practices - Interim Approach to Address Safety Risks

ATTACHMENT(S)

1. Attachment 1 – Regulatory Authorities Applicable to Waste Management Storage Site Operations

Regulatory Authorities Applicable to Waste Management Storage Site Operations

Jurisdiction	Legislative Authority	Regulation
Government of Alberta (Alberta Environment and Parks (AEP))	Environmental Protection and Enhancement Act (EPEA)	The primary act in Alberta through which various aspects of the environment are regulated. This act provides enabling provisions allowing for regulations covering waste control and activities approvals and also contains provisions concerning inspections and offenses for non-compliance with the act including contamination release and remediation.
Government of Alberta (AEP)	Waste Control Regulation	Provides definitions of waste and the types of waste management facilities. Regulates the disposal of hazardous and non-hazardous wastes, but does not address the interim storage of non-hazardous waste. The definition of waste excludes recyclables. A recycling facility is not a waste management facility.
Government of Alberta (AEP)	Activities Designation Regulation	Defines and designates which activities require government approvals, registrations, or notifications. Storage Sites do not require an approval and are only subject to the notice requirements laid out under the regulation.
Government of Alberta (Municipal Affairs(MA))	Municipal Government Act	The act enables municipalities to pass bylaws including bylaws respecting the safety, health and welfare of people and the protection of people and property. Among other things, it enables municipalities to regulate land use and development through the passing of land use bylaws. The act also provides the overarching authority for the Subdivision and Development Regulation, the Calgary Charter Regulation, and the Calgary Metropolitan Region Board Regulation.
Government of Alberta (MA)	Calgary Charter Regulation	Modifies the MGA to provide additional regulatory powers to the City of Calgary above and beyond those provided to other municipalities through the MGA.

Jurisdiction	Legislative Authority	Regulation
Government of Alberta (MA)	Subdivision and Development Regulation	Imposes setback requirements between various kinds of developments including with respect to distances between storage sites and schools, hospitals, food establishments, and residential use.
Government of Alberta (MA)	Calgary Metropolitan Region Board Regulation	Regulates Calgary's Growth Management Board. Requires, among other things, the preparation of a Metropolitan Region Servicing Plan to identify services required to implement the Growth Plan; support optimization of shared services; and facilitate orderly, economical and environmentally responsible growth in the Calgary Metropolitan Region.
Government of Alberta	Alberta Fire Code	Passed pursuant to the Safety Codes Act, the Fire Code sets certain safety standards which are enforced by safety codes officers (in Calgary, the Fire Department has safety codes officers who enforce the Fire Code).
City of Calgary	Business License Bylaw 32M98	Regulates operating businesses through a licensing process which imposes requirements on business operators ranging from the payment of fees and obtaining insurance, to requirements that are specific to particular businesses.
City of Calgary	Land Use Bylaw 1P2007	Regulates land use and development through approval processes.
City of Calgary	Community Standards Bylaw 5M2004	Regulates nuisances including unsightly property and providing enforcement mechanisms for bylaw officers.
City of Calgary	Waste and Recycling Bylaw 20M2001	Regulates residential and commercial waste set out for collection, and regulates City disposal of waste, but does not regulate businesses that store waste for commercial purposes. Also includes enforcement mechanisms.

**Utilities & Environmental Protection Report to
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**ISC: UNRESTRICTED
UCS2019-0364**

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

EXECUTIVE SUMMARY

On 2018 June 13, Waste & Recycling Services (WRS) recommended a Pay-As-You-Throw (PAYT) program with three black cart sizes and tag-a-bag. Based on this recommendation, The Standing Policy Committee on Utilities and Corporate Services (SPC on UCS) directed WRS to return with a financial model for the recommended PAYT program, including an option for tag-a-bag only. This report details findings from the financial model analysis of the recommended options.

PAYT is a solid waste management program that provides residents with the ability to pay according to the amount of waste put out for collection. Typical PAYT programs include a choice of cart size and a requirement to pay for excess waste set outside the filled cart. Excess waste is typically identified for collection using tags or stickers and is commonly referred to as “tag-a-bag”.

PAYT can improve program fairness and provide customers with choice for cart size and service level. It introduces a financial incentive to fully use waste diversion programs and reduce the amount of garbage put out for collection, which can also result in more efficient programs. PAYT may also require more investments, increasing the overall cost of the program, and create a more complex program for customers. Increased contamination of diversion programs as a result of customers focusing on reducing garbage is also a risk.

WRS developed a financial model to evaluate the costs of two PAYT program options for residential garbage:

1. Maintaining the current black cart program with the addition of tag-a-bag for excess garbage outside the black cart; and
2. Providing three black cart sizes plus the addition of tag-a-bag.

The analysis of the financial model estimated that introducing a tag-a-bag program will cost approximately \$300,000 in the first year and \$200,000 annually in subsequent years. This includes the cost of collecting and disposing of the excess garbage, which is currently embedded in the Black Cart Program charge. Based on the financial model, these costs should be recovered through the sale of tag-a-bag stickers.

For the option with three cart sizes and tag-a-bag, the costs are approximately \$11 million to \$13.5 million in the first year, which includes the capital to purchase additional cart sizes. Annual costs for subsequent years will range from \$1.5 million to \$2.5 million. The analysis also indicated that introducing any new cart sizes will result in increased program costs, including cart purchase, storage and delivery costs, and billing system changes. These costs would eventually have to be recovered through black cart charges and cart exchange fees.

WRS has estimated the revised charges for the 2020 black cart program through the financial model. If tag-a-bag is introduced, both PAYT program options would result in a \$0.10 reduction in the monthly household charge for the standard sized cart. The reduction in charge is possible due to costs associated with collecting excess garbage outside of carts, which would be funded by the tag-a-bag program.

In addition to variable carts as an option for PAYT, WRS also considered the option of using Radio Frequency Identification (RFID) technology. The use of RFID technology to track how often residents put out their cart for collection is emerging as another option for a PAYT program. WRS will develop a plan to pilot the use of RFID technology for a PAYT program.

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**ISC: UNRESTRICTED
UCS2019-0364**

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities & Corporate Services recommend that Council direct Administration to:

1. Implement a tag-a-bag program for residential garbage collected outside of the black cart starting no later than Q2 2020, with a price of \$3.00 per tag in 2020;
2. Bring bylaw amendments, if required, as part of the budget adjustment process in November 2019 to update the Black Cart Program charge in 2020 to adjust for excess garbage costs being recovered through tag-a-bag revenue; and
3. Develop a plan for piloting RFID technology for PAYT and report back to SPC on UCS no later than Q4 2019.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 13, the SPC on UCS received the Pay-As-You-Throw Program for Residential Black Cart Collection report (UCS2018-0656). Administration recommended a PAYT program with three black cart sizes and tag-a-bag. SPC on UCS referred the report back to Administration to return with a financial model for the recommended PAYT program, including an option for tag-a-bag only.

On 2018 May 28, Council approved the Waste & Recycling Services Outlook for 2018 to 2025 (UCS2018-0153). A key trend identified in this report was increasing customer expectations. One of the initiatives identified to respond to this trend was providing options for residential customers through a variable pricing program. The use of pricing tools to incentivize diversion was also identified as a step towards our target of 70 per cent waste diversion by 2025.

BACKGROUND

PAYT is a program where residents pay according to the amount of waste they put out. Typical PAYT programs include a choice of cart size, and a requirement to pay for excess waste set out for collection. The excess garbage bags set out for collection are identified using tags or stickers, which is commonly referred to as a “tag-a-bag” program. PAYT programs can improve fairness, provide customers with choice for cart size, and introduce a financial incentive to fully use waste diversion programs and reduce the amount of garbage put out for collection. PAYT programs can improve collection efficiency when the price is set high enough to encourage residents to reduce the amount of excess garbage they place outside of the cart. PAYT may also require more investments, increasing the overall cost of the program, and create a more complex program for customers. Increased contamination of diversion programs as a result of customers focusing on reducing garbage is also a risk.

With the rollout of the Green Cart Program for residential composting in 2017, Calgary implemented a full suite of residential diversion programs, enabling Calgary households to minimize the amount of garbage they put out for collection and disposal. All households currently pay the same monthly Black Cart Program charge regardless of the amount of garbage they produce. Approximately four per cent of households set out excess garbage and the cost of this service is currently paid for by all households with black cart collection. Introducing PAYT would improve fairness in the Black Cart Program.

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Financial model

WRS reviewed several options for PAYT programs, and assessed two options with a detailed financial model: a tag-a-bag program; and a program with three black cart sizes and tag-a-bag (Attachment 1).

This analysis found that introducing a tag-a-bag program will cost approximately \$300,000 in the first year and \$200,000 annually in subsequent years. The tag-a-bag program costs include:

- customer education and communication
- printing tags or stickers
- managing a distribution network

Based on the financial model estimates, the tag-a-bag program costs are anticipated to be recovered through the sale of tags and it is recommended that this be reflected in a reduction of the monthly black cart charges by \$0.10 in 2020. The reduction in charge would be possible due to costs associated with collecting excess garbage outside of carts, which would be funded by the tag-a-bag program.

For the option with three cart sizes (120 L, 240 L and 360 L), where smaller (120 L) and larger (360 L) cart size options are provided in addition to the tag-a-bag program, the costs are approximately \$11 million to \$13.5 million in the first year. Approximately \$10 million of the cost in the first year is the capital required to purchase additional cart sizes. In subsequent years, approximately \$1.5 million to \$2.5 million will be required annually for ongoing tag-a-bag program costs, cart replacement and exchanges, and for managing increased blue cart contamination.

One of the risks identified is that households may choose the smaller black cart option based on cost even if it is not the right size for their household, resulting in additional contamination, cart exchanges and an increase in program costs. To manage this risk, a small financial incentive or no financial incentive will be provided at the onset of the program, so that customers who select a smaller cart size do so based on the size that is appropriate for their needs. After the program is fully established, a larger financial incentive can be provided to customers with smaller carts.

The estimated residential charges for a PAYT program in 2020 are shown in Table 1. Ranges for the small and large cart charges depend on the proportion of households that switch to different cart sizes, which would be examined in more detail prior to program rollout. The charges will also depend on the pricing strategies used to encourage households to choose the appropriate cart size for their needs while promoting waste reduction, and the use of cart exchange fees. It is recommended that the charge for the standard black cart be reduced by \$0.10 in 2020, to reflect the costs associated with managing excess garbage being funded from the tag-a-bag program. There will be pressure on the rates for all cart sizes in future years to recover the costs of introducing new cart sizes.

Small	Standard	Large	Tag-a-Bag
\$6.00 - \$6.85	\$6.85*	\$10.00 - \$13.00	\$3.00 per bag

Table 1: 2020 Estimated Monthly Household Charges for Three Cart Sizes and Tag-a-Bag

**The current Council approved charge for Black Cart Program in 2020 is \$6.95.*

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

Both PAYT options would support waste diversion, and improve the transparency and fairness of charges for garbage collection and disposal. The tag-a-bag program on its own is the lower cost option. It is also likely to achieve greater collection efficiency, since households are less likely to put out excess garbage due to costs associated with the service. In instances where households regularly put out excess garbage, WRS would work with them to determine if an additional cart is required.

The benefit to the three black cart sizes and tag-a-bag option is that customers could choose the black cart size that best meets their needs. Offering a choice of additional cart sizes will require managing a large inventory of standard carts, as it is anticipated that over 100,000 standard carts would be returned. Current black carts in circulation still have roughly 10 years of useful life remaining. If these carts are returned for a different cart size, additional costs will be incurred to store the returned carts. These carts would ideally be reused, but may reach the end of their useful life while in storage. Introducing new cart sizes when the existing carts are reaching the end of their useful life could significantly reduce associated costs.

Cities that introduce multiple cart-sizes at the same time as automated collection can offset some of the capital costs for carts with efficiency savings that are realized through automated collection. Calgary has already achieved program savings due to automation, and these savings are reflected in the current black cart program charges.

RFID technology for PAYT

The use of radio-frequency identification (RFID) technology to track how often residents put out their cart for collection is emerging as another option for a PAYT program. The RFID chips currently in Calgary's black carts could be used to track how often a cart is emptied. With this technology, there is the potential to have monthly billing based on how often the customer puts their black cart out for collection. This is referred to as variable set-out.

Variable set-out programs are rare in North America, but as RFID technology becomes more commonly used to track carts and customer program usage, it may be used more frequently for billing. This option was not included in the financial model, as additional investigation is needed to test the accuracy of the technology and required data transfer systems. Once the accuracy of the system has been established, further work is required to develop cost estimates to rollout and sustain this program. However, since RFID chips are embedded in Calgary's existing inventory of black carts, it may be a more affordable PAYT program for Calgary than variable cart sizes. Information on RFID technology and PAYT programs is provided in Attachment 2.

Stakeholder Engagement, Research and Communication

Customer engagement taking place in 2019 will include engagement on the topic of PAYT programs. If a PAYT program is introduced, Calgarians will require access to information about their options and responsibilities under the new program, and a communication campaign will be required to communicate the changes.

Strategic Alignment

Implementing a PAYT program can provide customers with a financial incentive to reduce the amount of garbage they produce. This is accomplished by aligning the charges residents pay for

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

garbage collection and disposal with the amount of garbage they produce, which contributes to a Healthy and Green City as well as a Well-Run City.

- Calgary is a leader in caring about the health of the environment and promotes resilient neighbourhoods where residents connect with one another and can live active, healthy lifestyles.
- Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners, and others.

Social, Environmental, Economic (External)

Social

A PAYT program may be viewed as a fairer system, as residents are only paying for the garbage they produce. It would require a behavior change by residents to purchase tags for excess garbage and/or select a cart size that is most appropriate for their household.

Environmental

A PAYT program provides an incentive to residents to optimize the diversion of waste from their black cart. Diverting waste reduces greenhouse gas emissions, redirects natural resources back into the economy, reduces environmental liability, and increases the life of landfills.

Economic (External)

A PAYT program would improve the transparency and fairness of the residential Black Cart Program by aligning the charges a resident pays with the amount of garbage their household put out for collection.

Financial Capacity

Current and Future Operating Budget:

If approved, the PAYT program will impact WRS' operating budget for 2020 and onward. A tag-a-bag program will cost approximately \$300,000 in the first year and \$200,000 annually thereafter. This would be recovered through the sale of bag tags. If smaller and larger cart size options are provided in addition to the tag-a-bag program, program costs are approximately \$2 million to \$3.5 million the first year in operating costs, and between \$1.5 million to \$2.5 million in future years, which would be recovered through program charges.

Current and Future Capital Budget:

A tag-a-bag program will not affect WRS' capital budget. Implementation of a three black cart size program would require the capital purchase of additional sizes of carts. The estimated total capital cost is approximately \$10 million. Cart purchases following implementation will be included in the growth plan for all cart based residential services.

Financial Model: Pay-As-You-Throw for the Residential Black Cart Program

Risk Assessment

Risks associated with introducing tag-a-bag for excess garbage outside the black cart include:

- Residents who generate excess garbage may view PAYT as an additional cost burden. Education on how to properly divert waste to reduce household garbage, and a potential reduction in the monthly black cart program charge may help mitigate this risk.
- Households may look for other ways to get rid of excess garbage, leading to contamination of the blue and green carts, and increasing these programs' costs. Ongoing education and enforcement will be required to manage this risk.
- Increased complaints between neighbours regarding garbage may be received once there is a price on excess. WRS will mitigate this risk by dedicating additional resources to manage customer complaints and to educate households.
- The number of tags sold may not cover the cost of running the tag-a-bag program. WRS will continue to monitor the tag-a-bag program and make adjustments, as required.

In addition to the risks identified above, the following risks are associated with implementing three black cart sizes and tag-a-bag:

- Households may choose a cart size that does not meet their needs. This would result in additional cart exchanges and overall program costs. This risk would be mitigated through a comprehensive outreach program to educate households on how to choose the right size cart for their needs. Cart exchange fees or limits may also be put in place to manage the number and costs of exchanges.
- The charge for the small cart size may not meet customer expectations for a low cost option.
- There will be increased inventory of the standard cart size as a result of exchanges. The current cart sizes still have roughly 10 years of useful life remaining. Based on the estimated number of carts that may be returned, most of the returned carts would not be used again before the end of their useful life. This would result in long-term storage costs or disposal of many carts before they have served their useful life.
- The high cost of implementing this program will result in upward pressure on rates to recover the capital costs.

REASON(S) FOR RECOMMENDATION(S):

A tag-a-bag program is recommended, without additional cart sizes, as this option limits the overall cost and complexity for both customers and The City, while improving fairness for customers. Encouraging customers to put out less excess garbage will also improve collection efficiency and waste diversion.

A tag-a-bag program will allow WRS to reduce the monthly black cart program charge for households by transferring the costs for the collection and disposal of excess garbage outside the black cart to the tag-a-bag program. WRS is also assessing the potential for a more affordable PAYT program based on the use of RFID technology.

ATTACHMENT(S)

1. Attachment 1 – Financial Model for Pay-As-You-Throw Program
2. Attachment 2 – Pay-As-You-Throw and Radio Frequency Identification

WASTE & RECYCLING SERVICES





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1. Introduction and Background

On 2018 June 13, Waste & Recycling Services (WRS) presented report UCS2018-0656 “Pay-As-You-Throw Program for Residential Black Cart Collection” to the Standing Policy Committee on Utilities and Corporate Services (SPC on UCS). A Pay-As-You-Throw (PAYT) program that includes three black cart sizes and a tag-a-bag program was recommended.

SPC on UCS directed Administration to return with a financial model for the recommended PAYT program, including an option for tag-a-bag only.

This document details our financial analysis of the following scenarios:

1. Tag-a-bag for excess garbage outside the black cart.
2. Three black cart sizes and tag-a-bag.

2. Financial Objectives

WRS’ financial model objectives, presented in UCS2016-0136 ‘Waste & Recycling Services Financial Model Review Summary’ were taken into consideration in building the financial model and recommending a PAYT approach for Calgary.

Financially and Operationally Sustainable

A sustainable model has reliable and adequate funding for all operating, capital and long-term liability requirements. Stable funding is required to continue to provide a reliable black cart program.

Supports Waste Diversion

A financial model that supports waste diversion is able to adjust to accommodate new programs and changes to existing programs. WRS will continue to develop strategies to increase waste diversion, particularly from the black cart.

Transparent

A transparent model allows for easy communication between WRS, their stakeholders and customers. It creates a shared understanding of the services that WRS provides, their value and how they are funded. A transparent financial model establishes rates and fees that are justifiable, fair, and stable for the end customer. PAYT is considered to be a fair and transparent way to charge for waste.

Equitable

Ensuring the model is equitable, produces rates that have no unintentional cross-customer subsidizations. This supports cost of service principles, such that recipients of a service pay the full cost for that service.

3. Financial Assumptions

The following assumptions were built into the financial model.

3.1 Tag-a-Bag For Excess Garbage Outside the Black Cart

- Approximately four per cent of households will likely set out excess. This estimate is based on average excess being set out by residents and results from capacity audits conducted in 2018.
- There will be a reduction in excess garbage over time as a result of tag-a-bag.
- It is likely that contamination rates in the blue and green carts will increase. Households, in an attempt to recycle more or to avoid having excess, may put items in their blue and green carts that belong in the black cart. Higher contamination in the blue carts will increase processing costs at the Materials Recovery Facility.
- Tag-a-bag will be full cost recovery.
- Tag sales will be through established City of Calgary distribution outlets.
- A one per cent commission will be paid to tag sale outlets (aligned with Calgary Transit).

3.2 Three Black Cart Sizes and Tag-a-Bag

- Estimated distribution of carts to households¹:
 - 20 to 25 percent will likely switch to a smaller cart size.
 - 60 to 70 per cent will likely stay with standard cart size.
 - 10 to 15 per cent will likely switch to a larger cart size.
- Estimated change in tonnage in each program²:
 - Five per cent reduction in black carts.
 - Four per cent increase in blue carts.
 - Three per cent increase in green carts.
- It is estimated that approximately 100,000 standard carts would be returned. These carts would ideally be reused, but many are likely to reach the end of their useful life while deteriorating in storage and will be recycled.
- Changes will need to be made to the current billing system to accommodate the requirements of having different cart sizes.
- Monthly contamination rates will be higher with this option compared to tag-a-bag only. In addition to attempting to recycle more or avoid having excess, households may also choose a cart size that is too small for their needs and seek other ways to dispose of extra garbage.
- Additional resources will be required to manage the program and customer requests for cart exchanges, inquiries and billing management. Changing cart sizes will require the intake and processing of the customer's request and will require changes to their customer billing information to ensure accurate reflection of their cart size.

¹ Results from the August 2018 'Green Cart Wave 2 Survey' indicates that 20 per cent of households would prefer a smaller cart, while 20 per cent of households would prefer a larger cart. This was based on customer preference and did not include cost as a factor. Our estimated distribution is based on an assumption that the pricing incentive will influence the number of households that select a smaller or larger cart.

² According to Skumatz Economic Research Associates, it is estimated that recycling will increase by 5-6%, yard waste diversion will increase by 4-5% and source reduction will be by six per cent. Estimate for Calgary is a bit lower due to current level of maturity of Calgary's black cart program.

- Increased calls to 311 regarding cart changes.
- Education and public communication will be required to ensure the public is well informed on issues, including choosing the right cart size and the impact of contamination.

4. Findings

WRS reviewed several options for PAYT programs, and assessed two options with a detailed financial model: a tag-a-bag program; and a program with three black cart sizes and tag-a-bag. The findings from this analysis are included below.

4.1 Tag-a-Bag for Excess Garbage Outside the Black cart

It is estimated that a tag-a-bag program would cost \$300,000 in the first year and \$200,000 annually in subsequent years. Program costs include printing tags or stickers, establishing a distribution network, commission for retail outlets, and education and communication associated with rolling out the new program.

Based on the expected average annual costs for the program, the recommended price per garbage bag tag would be \$3.00 each.

An external scan of other municipalities' bag tag charges indicates that \$3.00 per tag is in line with what other municipalities charge. Table 1 shows a summary of tag prices in select municipalities.

Municipality	Cost Per Tag	Notes
City of Airdrie	\$3.00	
Town of Cochrane	\$3.00	
City of Toronto	\$5.11	Sold as 5 tags per sheet for \$25.55
City of Vancouver	\$2.00	Sold in strip of 5 for \$10 at City Hall and Community Centres. Sold per tag at Safeway.
Region of Peel	\$1.00	Sold as 5 tags per sheet for \$5
City of Portland	\$5.00	

Table 1: Tag-a-Bag Price for Other Municipalities

Approximately four per cent of households currently set out excess garbage and the cost of this service is being paid for by all households. If a tag-a-bag program is implemented, it is estimated that there will be approximately \$500,000 collection and disposal costs avoided to the Black Cart Program, through excess garbage being paid for through tag sales. If tag-a-bag is introduced, household black cart charges can be reduced by \$0.10 per month.

The tag-a-bag program has some benefits and risks:

Benefits

- Black cart program charge can be reduced by \$0.10 per month.
- More equitable, as costs for excess garbage are fully borne by customers who put out excess.
- Provides an outlet for households that have excess garbage outside their carts.
- May influence customer behaviour towards generating less waste and diverting waste.
- Relatively easy to implement.
- Potentially improves collection efficiencies and safety of collection staff by reducing the amount of excess garbage.
- Self-funded. It does not create any upward pressure on the black cart program charge for future years.
- This program would be compatible with a Radio Frequency Identification (RFID) based PAYT program (see Attachment 2).

Risks

- Increased contamination in blue and green carts, thereby increasing costs of those programs.
- Increased costs for households that generate excess waste.

4.2 Three Black Cart Sizes and Tag-a-Bag

The initial cost of implementing this program is estimated to range between \$11 million and \$13.5 million for operating and capital combined. About \$10 million of this cost is for cart purchase, delivery and retrieval of carts from customers who request a cart switch at roll out.

Offering a choice of additional cart sizes will require the management of Calgary's existing inventory of carts, as it is anticipated that over 100,000 of these carts would be returned. These carts would ideally be re-used, but most of these carts will likely have reached the end of their useful life and will be recycled. This further increases cart management and inventory costs.

Other significant costs associated with this option include:

- Increased penalties and reduced recycling revenue as a result of increased contamination in the blue cart.
- Education and communication costs associated with the rollout.
- 311 related costs resulting from increased calls and requests by customers and billing change requirements.

Funds required in subsequent years to run this program on an annual basis are estimated between \$1.5 million and \$2.5 million. This includes \$200,000 for the tag-a-bag portion of the program. Major cost items that will be incurred after the first year will include ongoing customer requests for cart exchanges, billing changes and costs resulting from increased blue cart contamination as a result of this program.

The following were taken into consideration when estimating charges for this option:

- **Financial sustainment** - Tag-a-bag will be self-funded, while the black cart program charges will cover the costs of the three cart size program. Capital costs will have to be recovered over a timeframe of more than one business cycle to maintain relative rate stability.
- **Balancing fairness with waste diversion** - a price differential will be established between the standard and large cart size to discourage producing excessive amounts of waste, it will be low enough to make the large cart a more affordable option than paying for excess bags outside of carts.
- **Rate Stability**- additional financial burden of implementing this program will not be placed on customers who remain with the standard cart size. Also, the full rollout costs for the program will not be recovered within this business cycle, to avoid a significant increase in customers' monthly bills.
- **Managing the risks associated with right-sizing** – one of the risks associated with offering a smaller cart size at the initial rollout of PAYT is that a lot of customers may move to a smaller cart purely to save cost, which may result in garbage being placed in the blue and green carts. To manage this risk, little financial incentive will be offered for the smaller cart at the start of the program so that customers request a smaller cart only if it suits their needs. While initial cart switches will be offered for free, a fee may be charged for subsequent cart exchanges. Rules for cart exchanges will be developed as part of implementation, if WRS receives direction to implement a three cart size program.
- **Program cost components** - about 75 per cent of black cart costs are fixed. These costs will be incurred regardless of cart size or amount of garbage the customer sets out for collection. The remaining 25 per cent of costs are variable. The variable costs are directly linked to the amount of garbage collected and landfilled. Pricing adjustments can only be made within the variable portion.

Charges for 2020 are estimated in Table 2 for a three black cart size and tag-a-bag program.

Small	Standard	Large	Tag-a-Bag
\$6.00 - \$6.85	\$6.85*	\$10.00 - \$13.00	\$3.00 per bag

Table 2: 2020 Estimated Monthly Household Charges for Three Cart Size and Tag-a-Bag

**The current Council approved charge for Black Cart Program in 2020 is \$6.95. If tag-a-bag is introduced, monthly household black cart charges can be reduced from \$6.95 to \$6.85.*

The three black cart sizes and tag-a-bag scenario has some benefits and risks.

Benefits

- Provides the most flexibility to households, as they are able to select a cart size that suits their needs.
- Customers who generate excess on a periodic basis still have an outlet for excess waste.

- Over time, pricing may be used as an incentive to encourage customers to generate less waste and also divert more.
- More equitable, as customers who generate less waste pay less, while those who generate more waste pay more.
- More affordable than tag-a-bag for households that generate more waste.
- Potentially improves collection efficiencies and safety of collection staff if customers with excess waste can place it in a larger bin instead of tag-a-bag.

Risks

- Challenges associated with right-sizing, as customers may select a cart that is either too small or too big for their needs. This may result in cart switches, which could be costly both for The City and the customer.
- Increased contamination in blue and green carts, thereby increasing costs of those programs.
- The capital cost to purchase additional cart sizes is a significant portion of this program's costs and makes this an expensive option for Calgary, as a standard, automated cart collection system already exists. These high capital costs may result in upward pressure on rates to recover the capital costs.
- Potential issues from frequent changes to customer billing, due to cart exchange requests.

5. Recommendation

The recommendation is to implement a tag-a-bag program to manage excess garbage outside of carts. Use of a tag-a-bag program limits overall program costs and complexity for customers and:

- Allows for a reduction on the monthly Black Cart Program charge for households.
- Improves fairness, as customers who produce excess waste pay to manage that waste.
- May improve collection efficiency.
- May influence customers to reduce and divert waste.

Pay-As-You-Throw and Radio Frequency Identification (RFID)

The use of radio-frequency identification (RFID) technology to track how often residents put out their cart for collection is emerging as an option for a Pay-as-you-throw (PAYT) program. RFID tags can be embedded in carts and scanned by hand readers or readers on trucks to track the location and maintenance of carts, and gain information on program usage by customers. The RFID chips in Calgary's black carts could be used to track how often a cart is emptied. With this technology there is the potential to have billing based on how often carts are put out for collection. This is known as a variable set-out program.

A variable set-out program is considered more fair than a variable cart-size program because customers' bills are directly related to how much waste they generate. For this reason, it is also considered to provide a more direct incentive to customers to reduce waste. Variable set-out programs are rare in North America. RFID technology is more commonly used to track carts and customer program participation.

However, as the technology to integrate the systems that track cart data with billing systems improves, the use of RFID technology for both tracking and billing may start to be used more frequently. Currently, due to the level of accuracy required and the complexities associated with the residential billing system, the application of RFID technology to residential billing is not common.

Some communities have implemented both variable cart-sizes and variable set-out in one program (examples are included on the next page), this creates a complex program for customers and service providers. Cities that have already introduced variable cart sizes are less likely to introduce variable set-out because they already have a PAYT mechanism in place. However, cities that have not already invested in multiple sizes of carts may find that an RFID-based program is a more affordable way to introduce PAYT.

In October 2018, Canada's Ecofiscal Commission released a report that recommends municipalities implement PAYT programs, and specifically recommends an RFID-based PAYT program for Calgary¹. This is because a variable set-out program creates a stronger incentive to reduce garbage, as it is more closely tied to how much garbage a household generates than a variable cart-size program.

Additional reasons why RFID technology may be a good fit for a PAYT program in Calgary include:

- Calgary black carts already have RFID tags. It would not require the purchase of any new carts.
- WRS has successfully piloted collecting cart specific data using RFID technology on trucks.

¹ Canada's Ecofiscal Commission: "Cutting the Waste: How to save money while improving our solid waste systems", October 2018.

WRS is continuing to assess how an RFID technology system may be deployed for Calgary and is planning to:

- Include discussions on RFID and PAYT as part of planned customer engagement in 2019.
- Continue to research and liaise with jurisdictions that have implemented this technology to understand lessons learned.
- Review data collected from trucks using RFID to determine its reliability.
- Explore compatibility of RFID technology with the current billing system and identify changes that would be required to billing systems to facilitate RFID PAYT.
- Examine revenue forecasting and pricing options to manage potential financial risks associated with adopting RFID for PAYT.

RFID Technology in Other Jurisdictions

WRS conducted a scan of jurisdictions that have adopted RFID for PAYT. There is no known jurisdiction the size of Calgary in North America that has adopted RFID for PAYT. Findings on two jurisdictions that have adopted RFID are provided below:

CITY OF GRAND RAPIDS, MICHIGAN

The City of Grand Rapids, population of 200,000, introduced a variable set-out program for garbage collection in 2012. This allows customers to be charged only when they set out their garbage cart on collection day. There is no fixed fee.

Customers have the option to choose from three cart sizes and pay for service only when their cart is tipped. A prepaid account is required for service to be provided to the customer, and price per tip is based on the size of the customer's cart. The carts are tracked using RFID, which links customer cart information to their account.

While Grand Rapids has had success with garbage reduction and waste diversion with this program, it has also had some challenges with setting costs and forecasting revenue.

CITY OF BEACONSFIELD, QUEBEC

In 2016, The City of Beaconsfield, a mostly residential municipality, population of 20,000, became the first community in Canada to introduce a PAYT program using RFID technology.

Prior to 2016, garbage was collected manually and households paid a fixed fee for garbage. Households now have the option to choose from three cart sizes, and are charged both a fixed annual fee and an additional tipping fee each time they put their cart out for collection. Both the annual and tipping fees are based on the size of the customer's cart. A program to encourage backyard composting was introduced concurrently to address the large amount of yard waste generated by the community.

Beaconsfield successfully reduced garbage to landfill by 51 per cent per capita since introducing the program. Prior to implementing RFID, the community was the largest waste generator per capital on the island of Montreal, and afterwards they were the lowest. There was also a drop in



the rate of garbage set-out for collection from 86 per cent to 55 percent in the first year of implementation.

If rolling out this program again, Beaconsfield has indicated they would reconsider offering the small cart. Savings are primarily from reducing the number of carts that are set out for collection each week, and the small carts result in households putting their carts out more frequently.

Utilities & Environmental Protection Report to
SPC on Utilities and Corporate Services
2019 March 20

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UCS2019-0363

Waste and Recycling Services Community Recycling Depot Optimization Update

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on Waste & Recycling Services' (WRS) optimization of the Community Recycling Depot (CRD) Program. The program was introduced as a pilot in 1991, with five depots located across Calgary. By 2010, WRS serviced 52 CRDs, the peak number for the program. The introduction of the Blue Cart Program and other diversion requirements decreased demand for CRD recycling over time and the number of depots has been reduced to 27.

The CRD network provides an important complement to the residential Blue Cart Program. Recent surveys indicate that more than half of CRD users are single-family residents with excess and oversized recyclables, usually cardboard, that will not fit in their blue cart. The CRD network also provides recycling opportunities for small multi-family complexes and businesses. Approximately ten per cent of recyclables collected annually by The City of Calgary (The City) are through the CRD program, making it a significant contributor toward achieving The City's goal of 70 per cent waste diverted from City landfills by 2025.

In 2019 the tax supported, net operating budget for the CRD program is \$4.5 million, which is approximately 12 per cent of the net costs for city-collected recycling. The network is serviced by four collection trucks, seven days a week and further supported by two trucks that manage garbage and illegal dumping.

WRS' CRD optimization project, initiated in 2016, has achieved approximately \$1.4 million in cost savings over the 2015-2018 business cycle which were returned to the corporate budget savings account. These cost savings are also reflected in WRS' One Calgary 2019-2022 budget. WRS also investigated the potential for collecting additional blue cart materials in blue bags outside the blue cart as an alternative to the CRD Program; however, it was determined that this would be more expensive. It would also reduce convenience for single-family residents with oversized materials and take away this diversion opportunity for small multi-family complexes and businesses.

WRS' continued monitoring and optimization of the CRD Program will identify the most suitable locations for CRDs, aligning them with neighbourhoods that access the depots most frequently. It is anticipated that this will result in a range of 4 to 5 depots per city quadrant, based on population. This will ensure continued user access and diversion opportunities, while balancing program costs.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee (SPC) on Utilities and Corporate Services (UCS) recommends that Council direct Administration to continue to optimize the Community Recycling Depot network and report back to SPC on UCS no later than Q1 2021 with an update.

Waste and Recycling Services Community Recycling Depot Optimization Update

PREVIOUS COUNCIL DIRECTION / POLICY

In 2018, One Calgary 2019-2022 Service Plans and Budgets (C2018-1158) WRS committed to reduce Community-wide waste management programs in line with changing customer needs.

Additional historical Council direction is included as Attachment 1.

BACKGROUND

In 1991, the CRD Program started as a pilot of five depot locations across Calgary. The depots were the main residential recycling program in Calgary, with residents dropping off recyclables. The pilot program was successful and, in 1992, transitioned to a full program that was integrated into WRS operations. Depot locations were selected to offer convenience for residential customers and as a result were often hosted at locations not owned by The City. As Calgary grew, the number of depots increased, reaching a maximum of 52 depots in 2010.

Prior to the introduction of the Blue Cart Program in 2009, the CRD Program's diversion peaked at 40,746 tonnes in 2008. In 2009, the CRD network transitioned from collecting source separated recyclables to accepting co-mingled recyclables like the Blue Cart Program. With the new single family residential curbside Blue Cart Program, WRS expected demand for recycling at the CRD network to decrease.

In 2016, WRS implemented changes to the Waste and Recycling Bylaw that required all multi-family residential complexes (UCS2014-0649 Multi-family Recycling Strategy: Bylaw 20M2001 Amendment); and business and organizations (UCS2015-0691 Industrial, Commercial and Institutional Recycling Strategy: Bylaw 20M2001 Amendment) to establish onsite recycling programs. At that time WRS considered that the implementation of multi-family and business recycling bylaw could bring increased volumes to the CRD network, however, volumes further decreased.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In 2018, the CRD Program diverted over 6,000 tonnes of recyclables. Figure 1 shows the tonnes of materials recycled via the CRD Program and the number of depots since 1999.

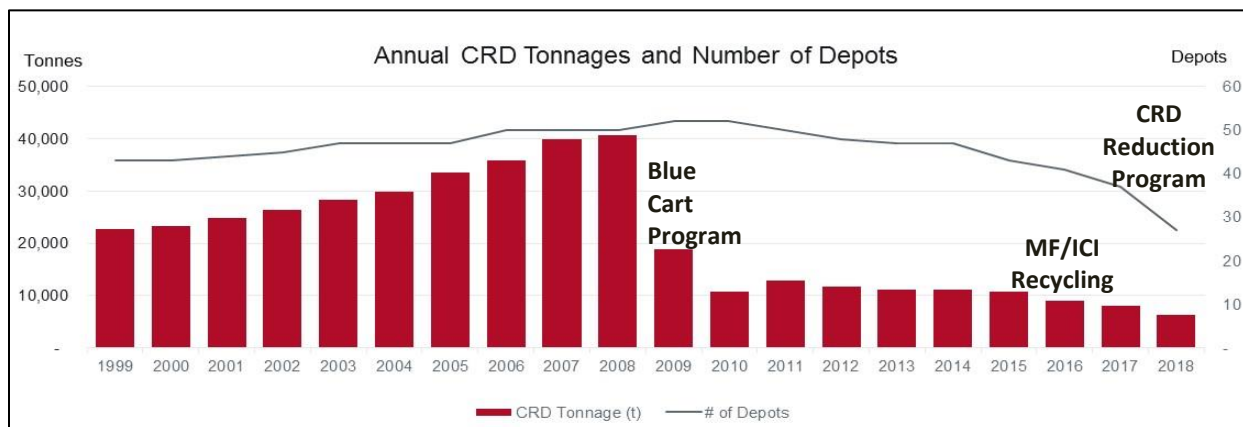


Figure 1: Annual CRD Tonnages and Number of Depots

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Waste and Recycling Services Community Recycling Depot Optimization Update

The 27 depots are serviced once or twice per day by four trucks, seven days a week. The program is also supported by two garbage trucks which are responsible for emptying CRD garbage containers and dealing with any illegal dumping at the sites.

Materials collected from the CRD network represent approximately 10 per cent of recyclables collected by The City annually, shown in Figure 2. Even at this decreased volume, the CRD program continues to be a significant contributor to The City's goal of 70 per cent waste diverted from City landfills by 2025.

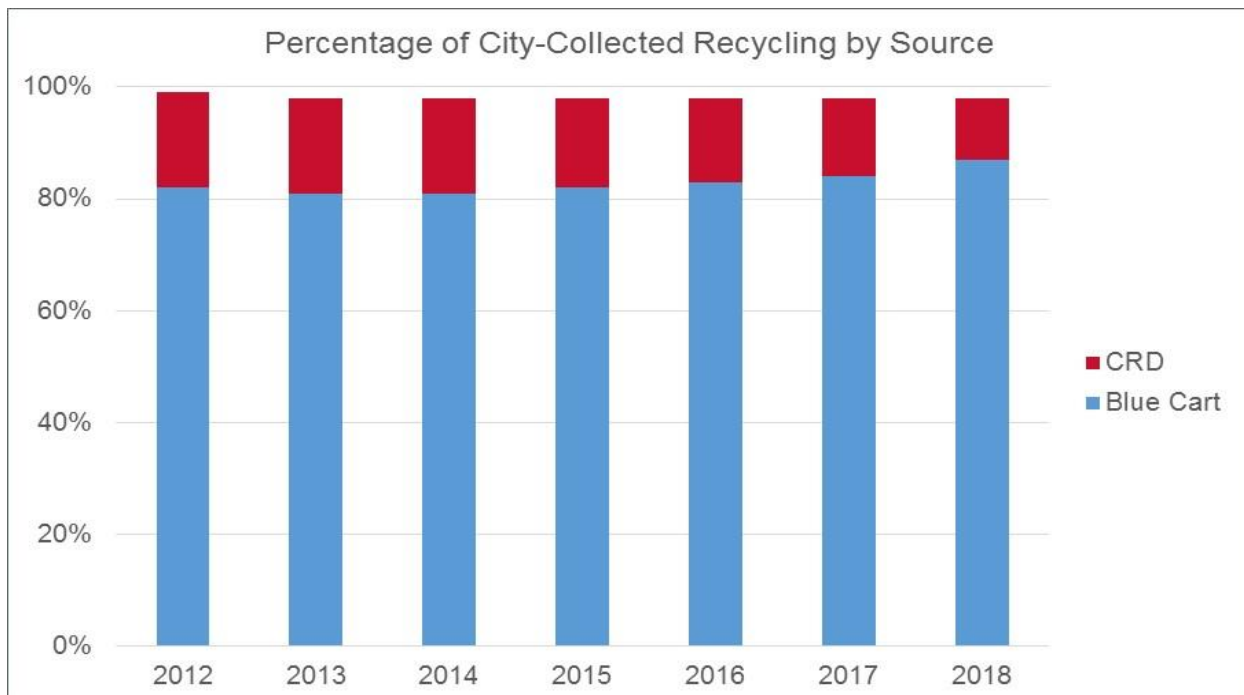


Figure 2: Percentage of City-collected Recycling by Source

Within the One Calgary 2019-2022 Service Plans and Budgets, the CRD Program continues to be tax supported. In 2019, the CRD net operating budget is \$4.5 million, with total operating costs of \$4.9 million offset by \$400,000 in revenue received from the sale of recyclables. CRD net program costs are approximately 12 per cent of the net costs for city-collected recycling.

The most recent CRD User Survey performed in 2017 found that single-family residents, with oversized cardboard and extra recyclables that do not fit in their blue cart, continue to be the primary user of the depots. CRD users are:

- 57 per cent Single family;
- 16 per cent Multi-family;
- six per cent Industrial, Commercial and Institutional (ICI); and
- 21 per cent out of city.

Use of the CRDs by both multi-family properties and business and organizations has decreased as a result of the bylaw mandating onsite recycling requirements introduced in 2016.

A 2016 CRD Waste Composition Study also noted that:

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- 34 per cent of the materials collected are cardboard, a large portion is oversized; and
- 41 per cent of the materials collected are paper products.

Community Recycling Depots Optimization Project

In 2016, WRS initiated the CRD Optimization Project to evaluate best practices, comparing Calgary to similar municipalities, and an analysis to determine the appropriate number of depots to complement existing onsite recycling programs available across all sectors in Calgary. All mid and large sized cities in Canada that participated in the municipal scan provide some sort of recycling drop-off facility to complement onsite and curbside recycling programs. Communities like Edmonton, Vancouver and Toronto tend to offer a blended drop-off model with large scale centres distributed strategically across the city accepting a wide range of both waste and recyclables, as well as additional smaller recycling depot/bin drop off locations at a community level.

The goal of the CRD Optimization Project is to:

- ensure that the CRDs are in the best locations possible, ideally City-owned land for occupancy stability;
- size depots such that the number of bins allows for consistent service levels;
- locate depots in communities with demographics that support depot usage, for example single-family properties with larger household sizes;
- balance the ongoing community need for this recycling program with program costs; and
- reduce the number of depots to a range of 4 to 5 depots per city quadrant, based on population.

In addition to actively reducing the number of CRD locations, WRS has been reviewing opportunities to align the remaining depots with neighbourhoods that access the depots most frequently. Attachment 2 maps the CRD locations. The assessment identified that some areas of the City had more depots than were needed and so select depots have been removed or moved. WRS is also reviewing opportunities to locate and/or relocate depots to City-owned facilities to reduce the likelihood of property owners withdrawing the use of their property for a CRD.

Factors considered when determining if a CRD location should be kept, removed or relocated.

- **Site ownership.** City owned locations with compatible uses are preferable to privately owned locations.
- **Available space.** With fewer CRD locations, the remaining depots need to be optimized, with adequate space for the number of bins required to appropriately manage the volume of material generated.
- **Community demographics and depot use.** Communities with larger household sizes and more children require easier access to CRDs than communities with a higher proportion of 1 and 2 person households. Areas with a high density of very small businesses and small multi-family properties require more access to CRDs than large commercial or office tower districts

Over the course of the 2015-2018 business cycle the optimization project, combined with removal requests from property owners, has reduced the number of CRDs by eight to 27 and decreased

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the number of trucks servicing the depots by two, achieving \$1.4 million in cost savings. These savings were returned to the corporate budget savings account.

WRS' One Calgary 2019 - 2022 budget reductions include anticipated savings from operating reductions in the CRD Program operating budget through continued monitoring and optimization.

Alternative to CRDs

As an alternative to the CRD Program, WRS investigated the potential for collecting excess residential recyclable blue cart materials in blue bags outside the cart. This option requires investment in additional equipment and staff at the materials recycling facility and additional collection costs. These additional Blue Cart Program costs would exceed savings from ending the CRD Program. Also, this option would reduce recycling opportunities for small businesses and multi-family complexes and removes the option for single-family residents to easily manage oversized materials. Details of the additional costs are:

- **Processing costs:** Cascades Recovery+ estimates additional costs of \$3.2 to \$5.8 million per year to process materials from the blue bags due to the need for the bags to be opened manually and emptied by staff, subsequently slowing the sorting line.
- **Increased collection costs:** Whenever a driver leaves the truck to collect excess materials, efficiency is reduced, driver safety is at risk and costs increase. WRS estimates that four per cent of single-family residents have excess materials outside their black cart. Assuming a similar number of dwellings could set out extra recycling, the additional collection costs could increase by approximately \$750,000 to \$1.4 million annually.
- **Illegal dumping costs:** WRS currently spends approximately \$500,000 annually managing garbage and other materials that are not part of the CRD program at depots. With the elimination of CRD locations, illegal dumping may increase. Residents may also continue to leave their excess recyclables at former depot locations for a period of time.

Conclusion

The CRD Program is an economical and efficient way to handle recyclables generated by household which are too big to be recycled using the Blue Cart Program, as well as, recyclables generated by small businesses and multi-family properties. WRS' continued monitoring and optimization of the CRD Program will identify the most suitable locations for CRDs ensuring user access and continued diversion opportunities, while balancing program costs.

Stakeholder Engagement, Research and Communication

WRS has completed user surveys to understand which Calgarians continue to use the CRD Program and why. These on-site user surveys provide insight into Calgarians expectations for the CRD Program.

A CRD material composition study was completed in 2017 to validate the types of materials that Calgarians said they were bringing to the CRDs for recycling. The composition study confirmed that the most commonly recycled material at CRDs is oversized and extra cardboard that will not easily fit into a blue cart.

Waste and Recycling Services Community Recycling Depot Optimization Update

Strategic Alignment

Creating options for Calgarians to manage excess recyclables through an optimized CRD network, maximizes diversion opportunities, which contributes to the Citizen Priorities for a Healthy and Green City as well as a Well-Run City.

Social, Environmental, Economic (External)

Social

Offering a variety of diversion opportunities improves the quality of life for Calgarians within their communities. Continuation of waste diversion programs, such as the CRD Program, offers accessibility and choice for recycling for single-family residents, multi-family complexes and ICI businesses, which makes Calgary a more attractive place to live and increases Calgary's reputation as an environmentally-friendly city.

Environmental

Reducing and diverting waste is a critical component of reducing Calgary's impact on land, air and water. Waste reduction and recycling reduces greenhouse gas emissions, redirects natural resources back into the economy and continues to be a significant contributor to The City's goal of 70 per cent waste diverted from City landfills by 2025.

Economic (External)

Ongoing evaluation of the CRD Program to identify efficiencies minimizes the cost of the services.

Financial Capacity

Current and Future Operating Budget:

There are no impacts to WRS operating budget with this recommendation.

Current and Future Capital Budget:

There are no impacts to WRS capital budget with this recommendation.

Risk Assessment

Additional reductions to the CRD network beyond planned optimization could risk an increase in recyclable materials going to landfill by making excess recyclables inconvenient to manage and reducing available options for small businesses and multi-family units to manage recyclable materials.

There is also a risk that if CRDs are eliminated, illegal dumping will increase. If the volume of recyclables received at the CRDs continues to decrease, there is a risk that costs of the program for the volume received becomes relatively expensive compared to the Blue Cart Program.

WRS is mitigating these risks through the ongoing Optimization Project

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Waste and Recycling Services Community Recycling Depot Optimization Update

REASON(S) FOR RECOMMENDATION(S):

Calgary's CRD network remains an important service for Calgary residents with excess and oversize recyclables and small multi-family complexes and businesses looking to comply with Calgary's multi-family and ICI recycling bylaw.

Continued monitoring and optimization of the CRD Program will identify the most suitable locations for CRDs, ensuring user access and continued diversion opportunities, while balancing program costs.

ATTACHMENT(S)

1. Attachment 1 – Historical Council Direction
2. Attachment 2 – Community Recycling Depot Map
3. Attachment 3 – Presentation



COMMUNITY RECYCLING DEPOTS (CRD) HISTORICAL COUNCIL DIRECTION

2014 – 2015-2018 Action Plan Proposed Business Plans and Budgets (C2014-0863), WRS committed to implement the multi-family recycling strategy, which included a CRD reduction plan.

2014 – Multi-Family Recycling Strategy (UCS2014-0026) WRS was directed to develop a Community Recycling Depot reduction plan to save \$350,000. These savings were to be redirected to fund the multi-family recycling program costs and were built into the 2015-2018 budgets.

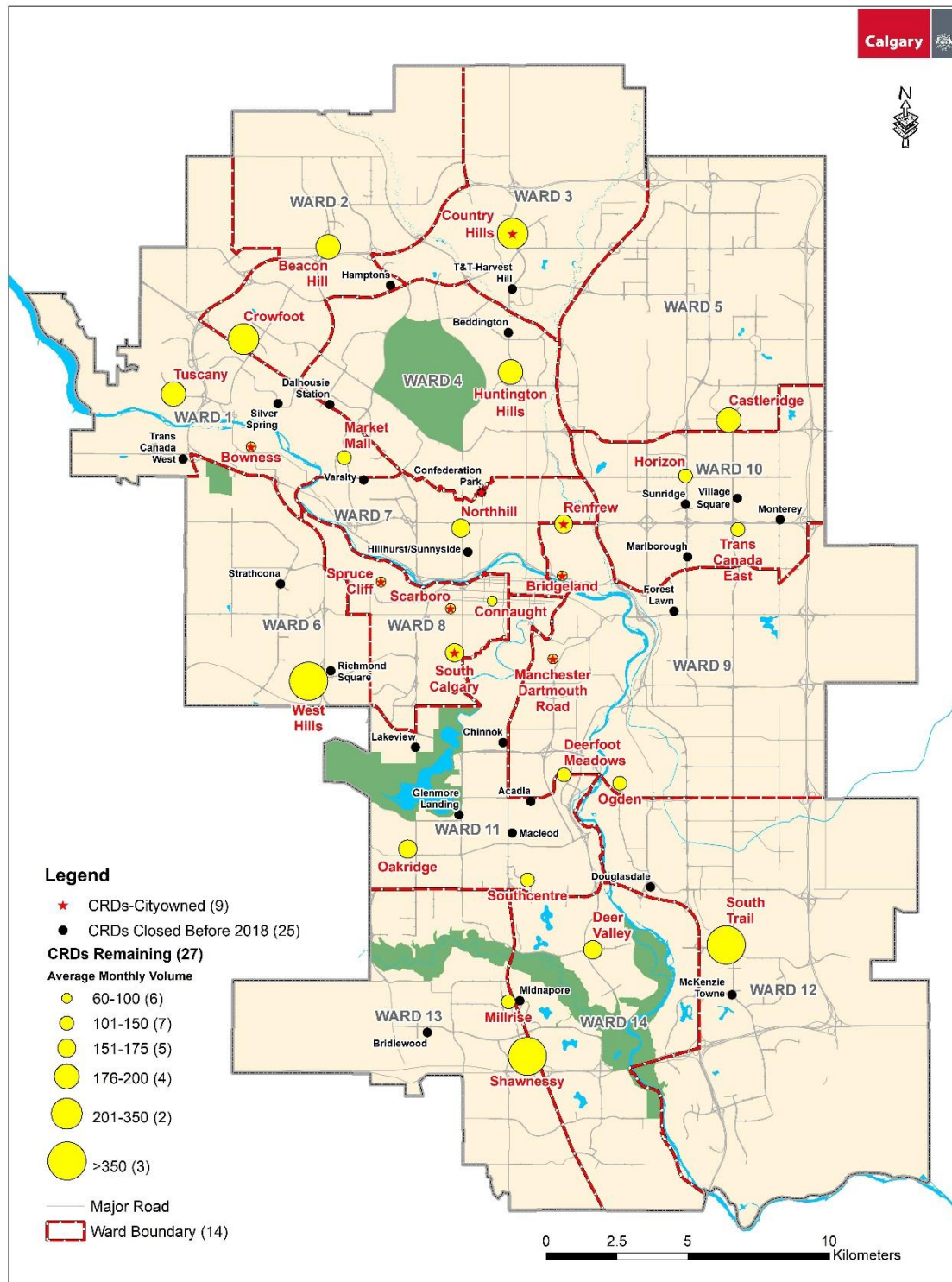
2005 – Recycling Pilot Summary Report (UE2005-40), Council directed WRS to move to a curbside recycling program that incorporates a revised depot network as a result of an approved Blue Cart Program.

1992 – Pilot Residential Recycling Program – Final Report (FB92-17), Council approved a city-wide drop off program for recyclables.

1991 – 1992 Interim Financing – Pilot Recycling Program (FB91-08), Council approved additional budget for WRS to continue the pilot of drop-off CRD recycling.

1990 – Status Report – Pilot Residential Recycling Program (OD90-72), WRS obtains Council permission to pilot drop-off CRD recycling and curbside collection at five locations.

Community Recycling Depot Map





Waste & Recycling Services Community Recycling Depot Optimization Update

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Overview

- Program Overview
- Optimization Project
- Alternative
- Next Steps: monitor and optimize

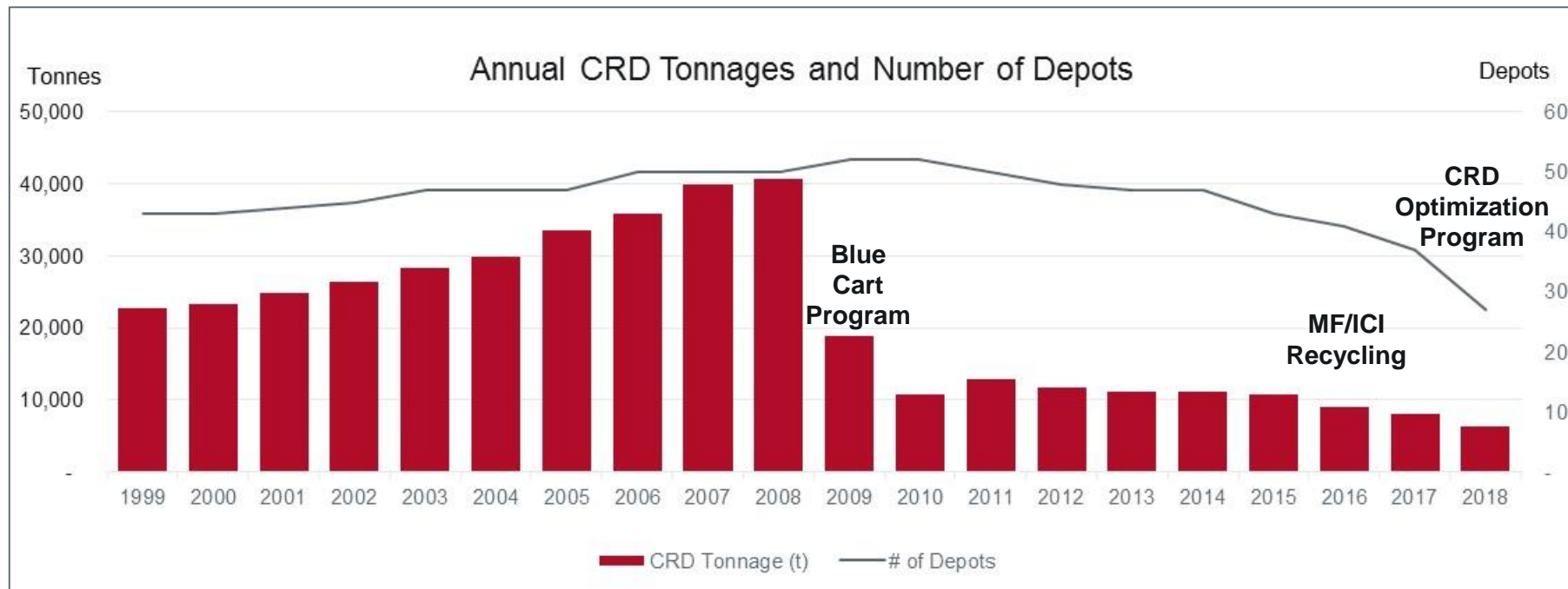


CRD Program Details

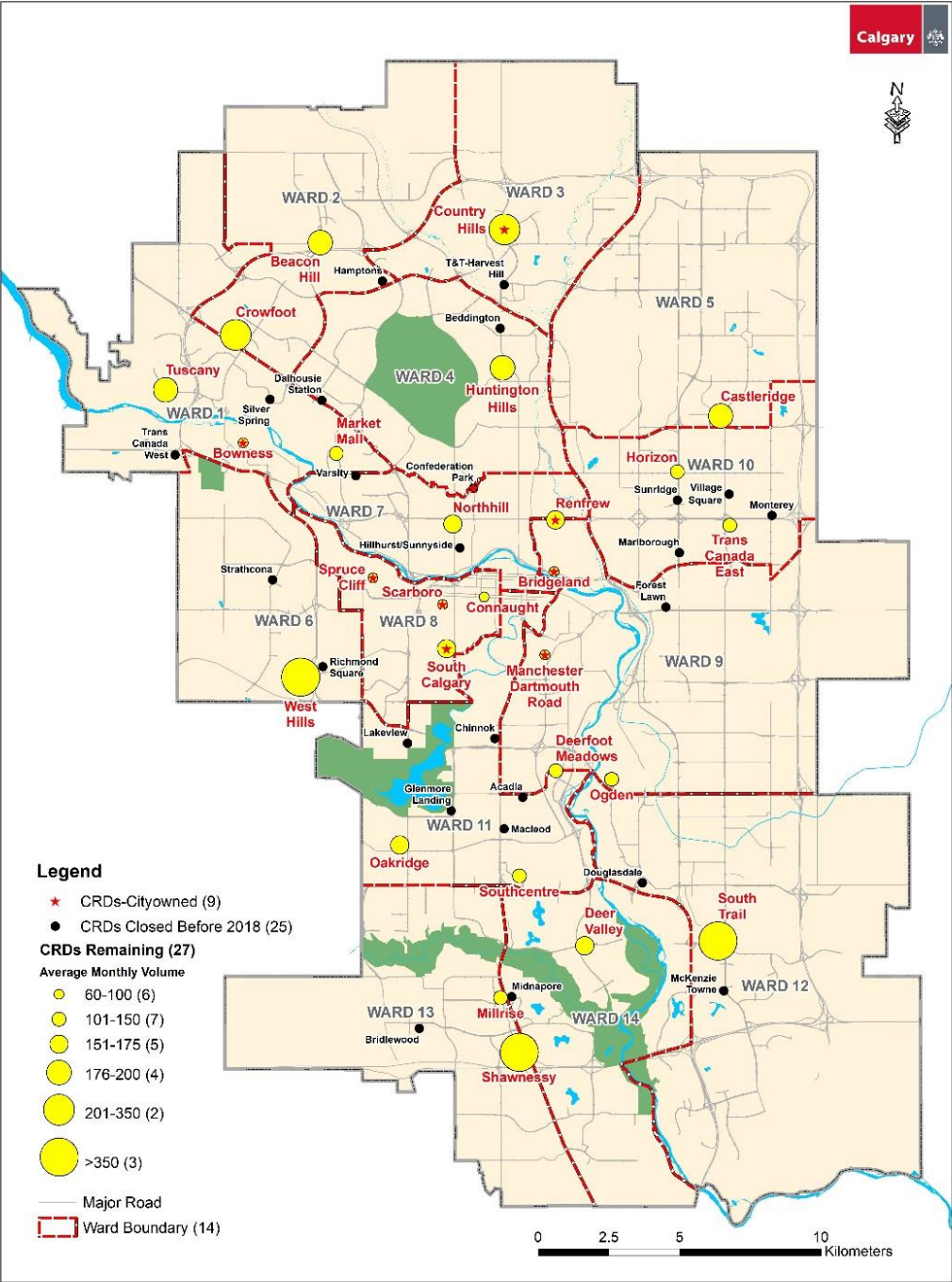


CRD Program History

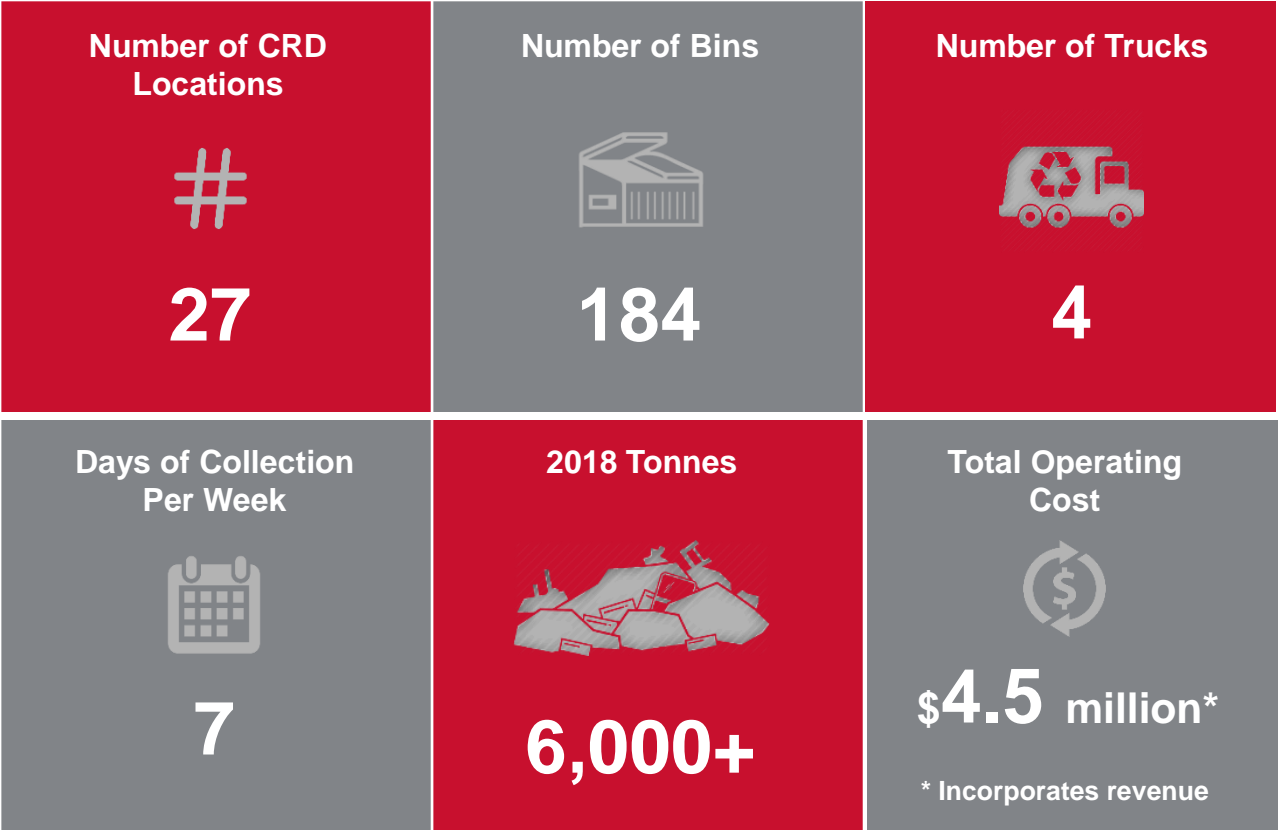
- Started in 1991: 5 depots
- Peak in 2008: 52 depots & over 40,000 tonnes
- New programs and other diversion requirements have reduced CRD volumes
- Depots closed through attrition and optimization project



CRD Network Map



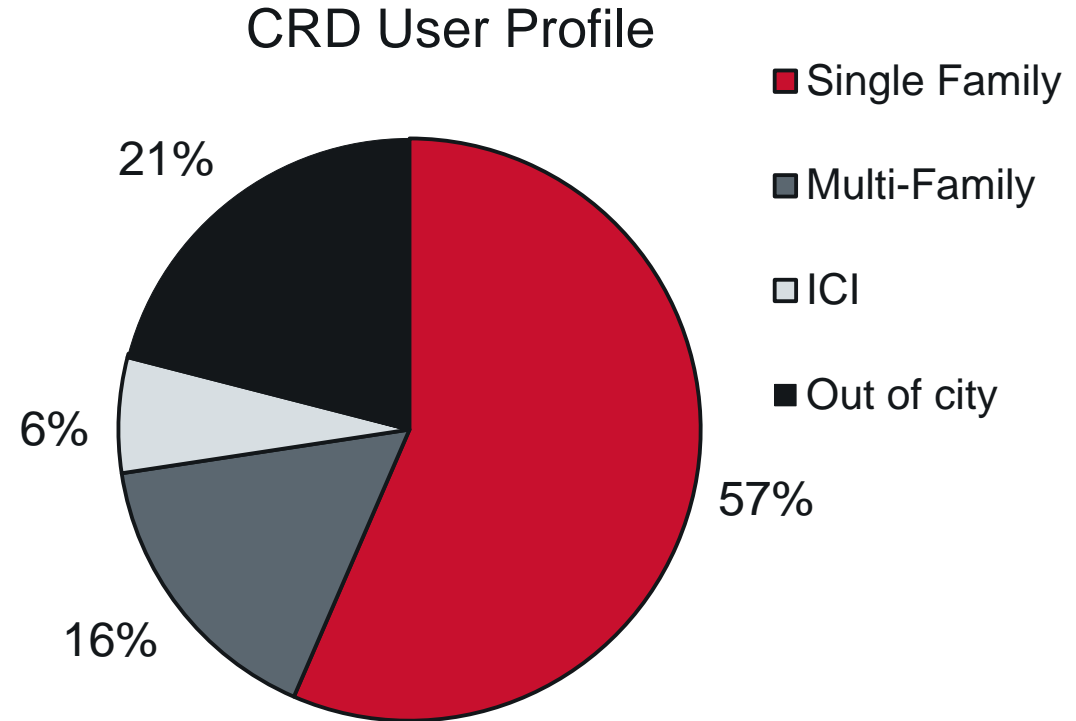
CRD Program





CRD User Survey - 2017

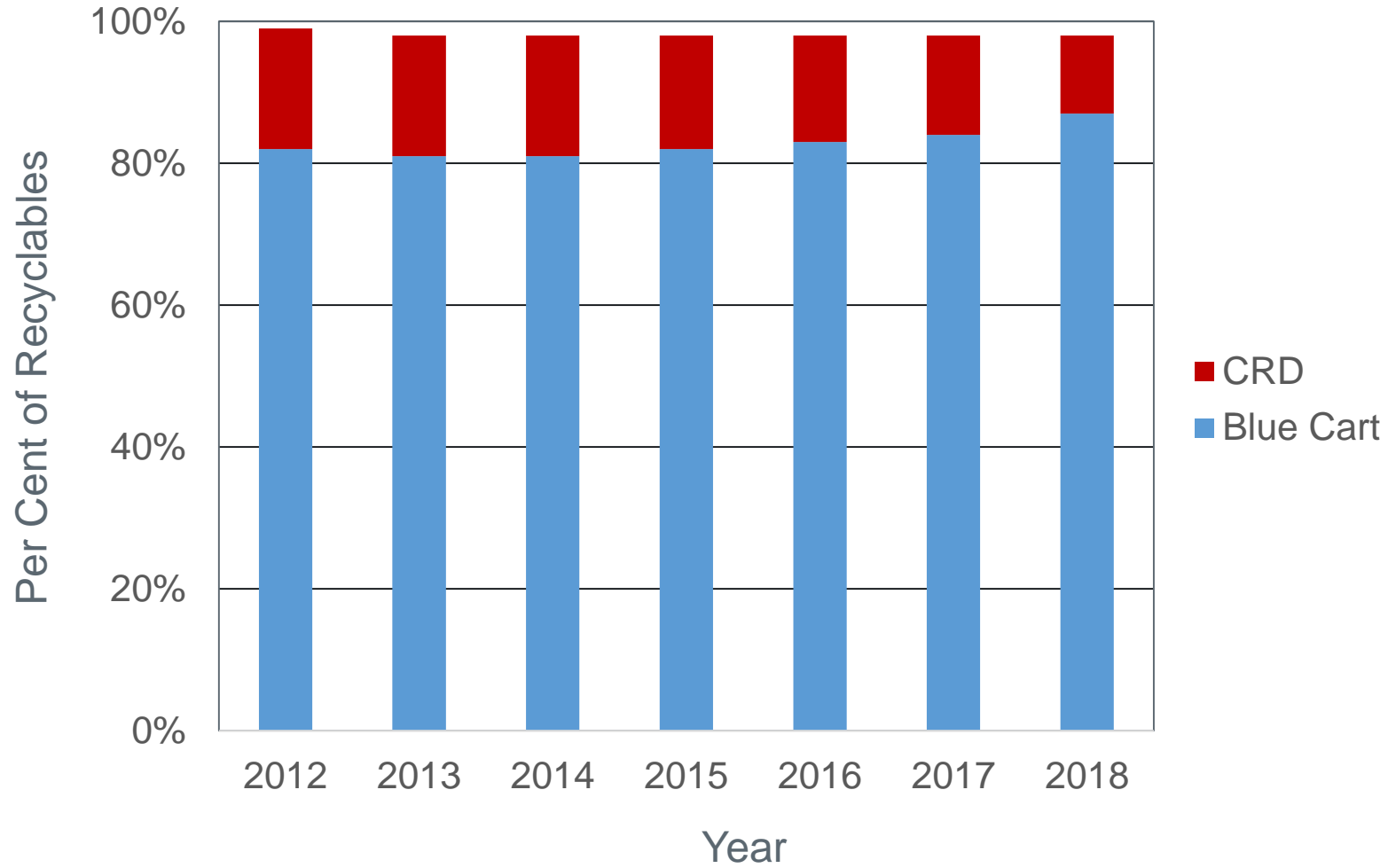
- 57% of the users were single-family residents (blue carts at home)
- Primary use is for oversized cardboard and extra recyclables







City Collected Recyclables by Source





CRD Optimization Project

- External scan (best practices)
- Determine appropriate number of depots
- Identify best locations
- Balance community need with program costs
- Resulted in:
 - Reduction of 8 depots, relocation of depots
 - Decreased the number of trucks by 2
 - Savings of \$1.4 million
 - Developed long-term aim (4 – 5 depots per city quadrant)



Alternative to CRD Program

Collecting excess residential recyclables in blue bags outside the blue cart

- Requires additional MRF staff and equipment
- Reduces collection efficiency
- Increases illegal dumping
- More expensive
- Reduces convenience
- Removes additional diversion opportunity.





Conclusion

CRDs provide:

- An option for residents with excess and oversized recyclables
- Diversion opportunity for multi-family complexes and business
- An economic and efficient way to handle recyclables



Recommendation

That the Standing Policy Committee (SPC) on Utilities and Corporate Services (UCS) recommends that Council direct Administration to continue to optimize the Community Recycling Depot network and report back to SPC on UCS no later than Q1 2021 with an update.

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Symons Valley Centre – Build Out and Investment Strategy

EXECUTIVE SUMMARY

In approving the land purchase in Sage Hill, Council directed Administration to report back on a build out and investment strategy for the lands to maximize the value of the investment while achieving Council's vision for a multi-service centre in Calgary's northwest. The proposed build out and investment strategy optimizes the development potential of the site through multi-service facilities, provides for flexibility in execution through phased development, accommodates community and partner uses, provides opportunities for site partnerships with private entities and other orders of government in a transit orientated environment.

The build out and investment strategy for Symons Valley Centre includes Phases 1A, 1B, 2 and 3. Phase 1A includes development of a library, affordable housing units, arts and culture spaces, community spaces, potential child care or retail, and investment in required site infrastructure to facilitate development of subsequent phases. Budget for services included in Phase 1A was approved through OneCalgary 2019-2022 Service Plans and Budgets in 2018 November. Funding and budget for subsequent Phase 2 (if required) and Phase 3 will be requested through future budgeting processes. Plans for development of Phase 1B includes partnership with other orders of government, therefore requiring formal intake of selected civic or other front facing citizen service partners to advance the development of the Symons Valley lands.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services recommends that Council:

1. Direct Administration to pursue build out of the entire Symons Valley Centre site substantially as described in this report and attachments;
2. Approve the Symons Valley Centre Phase 1A Budget Consolidation outlined in Attachment 1; and
3. Direct Administration to solicit selected civic or other front facing citizen service partners for the Phase 1B lands and determine the method of delivery or disposition to achieve the intent of the build out and investment strategy.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 November 30, Council approved OneCalgary 2019-2022 Business Plans and Budgets that approved funding support for library, arts and culture and facility management service lines of Symons Valley Centre Phase 1A.

On 2018 July 30, Council approved UCS2018-0525 Integrated Civic Facility Planning Program Update & Policy which approved the Corporate Facility Planning & Delivery Policy.

A full listing of previous Council direction can be found in Attachment 2.

BACKGROUND

The Integrated Civic Facility Planning (ICFP) program was created in Q2 2015 in response to Council and Administrative Leadership Team's direction to coordinate The City's facility planning and delivery functions, optimize The City's facility portfolio, consider multi-use builds, and focus on the value that investment in facilities can provide to citizens. The Symons Valley

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Symons Valley Centre - Build Out and Investment Strategy

Centre project was designated as a Learning Project under the ICFP program. In Q4 2015, Council directed Administration to negotiate the acquisition of land in Sage Hill and to develop a build out and investment strategy. The land acquisition was completed in 2016 October and development feasibility and master planning consultants were secured shortly thereafter.

Through 2017, initial site due diligence was conducted, followed by feasibility (site constraints, initial build out possibilities); then functional programming (determination of service lines, spatial arrangements/relationships and requirements for accommodation in physical facilities) and development of candidate site partners (program requirements, large scale development configuration and relationships across the site). Also through 2017, in partnership with adjacent land owners/developers, the Symons Valley Area Structure Plan Amendment was approved by Council – this amendment of local land use and mobility policy to accommodate a civic and mixed-use area was an important milestone and pre-requisite in furthering the development of Symons Valley Centre. Through Q1 and Q2 of 2018, the Master Plan further refined site partner relationships, site influences and initial development costing estimates. In Q4 of 2018, Council approved OneCalgary 2019-2022 Business Plans and Budgets that approved funding support for library, arts and culture and facility management service lines of Symons Valley Centre Phase 1A.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Investigation of development alternatives for Symons Valley Centre were generated in alignment with direction from Council through the ICFP program and requirements/conditions for purchase of the Symons Valley lands. The options analysis for the development of Symons Valley Centre has led to the phased approach described in this report and attachments. Principles for the development of the recommended strategy and development phasing for the site is found in Attachment 3; the local planning and development context is detailed in Attachment 4.

Analysis of City service needs initially identified transit and library requirements in the area; further investigation discovered service needs to deliver arts and culture spaces, community spaces and affordable housing units. In addition to identified service requirements, the site provides an ideal opportunity to inform Administration's response to Council direction regarding provision of child care spaces in City facilities, as well as the potential for small-scale retail. It was determined through development of a master plan that in order to maximize the development potential, meet service needs and deliver on Council's vision that an initial shared site investment is required. Based on the results of this analysis, Administration submitted budget requests for a City-centred Phase 1A development to deliver a library, arts and culture components, affordable housing, potential child care and retail (approved in OneCalgary 2019-2022 Business Plans and Budgets). The development of these services would supplement existing transit service that is currently in place.

Initial engagement with potential site partners such as Alberta Health Services and school boards identified an interest in locating on a Site Partner focused Phase 1B of the Symons Valley Centre. Due to independent budgeting processes/timelines and decision-making authority of potential site partners, it is recommended that this demonstration of partnership with other orders of government be tested on the separate Phase 1B parcels, the results of which will be used to develop public site partnership models for future repeatability. Council approval for formal authorization to engage complementary civic or other front facing citizen service

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Symons Valley Centre - Build Out and Investment Strategy

partners is now required to advance the development of the Phase 1B lands, as described in recommendation 3.

Site partnerships with the private sector will be investigated in subsequent phases including but not exclusive to the sale of private development parcels in Phase 2. This is made possible through subdivision of the lands into independently viable and serviced development parcels that have the capability of generating assessment value when fully built out. Transit and BRT infrastructure will be accommodated in increments around the edges of the site, with the eastern portion of the site (Phase 3) reserved for a future Park and Ride development in response to transit service demand.

As a result of the analysis above, Administration is recommending the full build out of the Symons Valley lands detailed in attachment 3; in addition, Administration is also seeking approval for formal authorization to engage complementary civic or other front facing citizen service partners for Phase 1B.

Identified as a learning project, the lessons extracted from this project will contribute to the ongoing development of the processes, tools and organizational effectiveness to successfully build out multi-service facilities, supported by appropriate site partnership models, to realize Council's objectives as expressed in the requirements/conditions for purchase of the Sage Hill lands and the ICFP program and now outlined in the Corporate Facility Planning and Delivery Framework.

Stakeholder Engagement, Research and Communication

Administration has engaged key stakeholders across the organization to provide effective governance for the development of Symons Valley Centre, ensure cross-corporate alignment, develop programs and services, and coordinate budget requests. The cross-corporate working team has also engaged external partners and executed public engagement and communication. Full details of public engagement activities can be found in Attachment 5.

Strategic Alignment

This report and its recommendations align with the following strategic directions:

- Corporate Facility Planning and Delivery Framework and Policy
- Council Priorities for OneCalgary 2019-2022
 - A Prosperous City
 - A City of Safe and Inspiring Neighbourhoods
 - A City That Moves
 - A Healthy and Green City
- Capital Infrastructure Investment Strategy C2018-0304
- Municipal Development Plan
 - 2.1.1 Creating a city attractive to people
 - 2.2.4 Complete communities
 - 2.3.1 Housing; Child Care Services
 - 2.3.6 Community Services and Facilities
- Developed Areas Guidebook, Municipal Development Plan, Volume 2, Part 3
 - 5.1 Community Services and Facilities
 - 5.1.2 Care Facilities

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Symons Valley Centre - Build Out and Investment Strategy

- *Foundations for Home*: Calgary's Corporate Affordable Housing Strategy (2016-2025)
- Cultural Plan for Calgary CPS2016-0867

Social, Environmental, Economic (External)

Social

In addition to service benefits to citizens from co-location and co-provision of multiple service lines, individual service lines also provide the following social benefits:

- Affordable Housing: Project will increase number of affordable housing units in Calgary by 48 units; affordable housing avoids future social costs saving on average \$34,000 annually per person housed by reducing the demand for other services.
- Library: Programmable spaces provides a qualitative return to the community; adult learning; educational and community events; social and community hubs.
- Child Care: Provision of child care lease space; benefit of child care spaces increased with proximity to affordable housing.
- Arts and Culture: Provision of spaces to support arts and cultural community activities - provides many community and individual benefits; including creative expression and development, social, emotional and cognitive well-being.

Environmental

Avoided costs of land consumption with multi-use facilities compared to single use facilities; Sustainable Building Policy entails net benefit in reducing environmental impact per square footage of City facilities; reduced overall square footage of multi-use facilities through shared spaces and multi-purpose spaces, thereby improving energy consumption per square foot and per service provided.

Economic

Employment of architects, engineers, design and construction firms; preparation and readiness of parcels suitable for private build out and resulting non-residential assessment value; community cultural spaces and amenities contribute to economic growth and resiliency through developing creative and cultural skills that support creative industries such as design, architecture and media development; affordable housing strengthens residents' purchasing power and boosts the local economy with increased disposable income to invest in other goods and services.

Financial Capacity

Current and Future Operating Budget:

Operating budget requests for all services in Phase 1A have been approved through established budgeting processes. Operating budgets for build out of future phases, if required, will be requested through established budgeting processes in the future.

Current and Future Capital Budget:

Capital budget requests for all services in Phase 1A have been approved through established budgeting processes. Capital budgets for build out of future phases, if required, will be requested through established budgeting processes in the future.

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Symons Valley Centre - Build Out and Investment Strategy

Risk Assessment

The following top-level risks will be monitored as the project moves forward:

Site Partner or Private Sector Capacity

Symons Valley Centre Phase 1A service lines have been determined and funded. Potential site partners in the remaining phases (Phases 1B and 2) may not have the capacity (financial or otherwise) to co-locate on the property. Timelines for development of Phases 1B and 2 will depend on potential site partner and/or private sector capacity to do so.

Development Lag

There may be a significant development lag where development takes time to fill out the area due to fluctuating market conditions that affect either available capital or private interest. These fluctuations are beyond the control of the project, but can be mitigated through phasing of the site to build out at opportune times that meet both market conditions and Council direction.

REASON(S) FOR RECOMMENDATION(S):

Council approval of the Symons Valley Centre Build Out and Investment Strategy will allow Administration to advance the development of 7 acres in Calgary's northwest. Approval of the recommendations will also allow Administration to continue site partnership development and build out of Phase 1B and future phases as they mature. This will allow the Symons Valley Centre to develop according to Council's vision for a civic presence in the area, thereby adding to the community as a whole and The Corporation's success in delivering multi-service facilities and complete communities.

ATTACHMENT(S)

1. Symons Valley Centre Phase 1A Budget Consolidation
2. Previous Council Direction
3. Symons Valley Centre Principles, Development Phasing and Build Out Plan
4. Symons Valley Planning Context
5. Public Engagement to Date and Next Steps

SYMONS VALLEY CENTRE PHASE 1A BUDGET CONSOLIDATION

The purpose of this attachment is to consolidate previously approved service budgets into a centralized Activity number 480771 (current budget of \$8M) for the delivery of Symons Valley Centre Phase 1A. This will streamline the administration of the project with multiple service owners and funding sources to facilitate project management accountability, project reporting, auditability and project continuity between program and project phases.

SYMONS VALLEY CENTRE PHASE 1A BUDGET CONSOLIDATION

1. Approve transfer of \$2,000,000 budget from Activity 480653 Symons Valley Arts and Culture to Activity 480771 Symons Valley Multi-Service Centre
2. Approve transfer of \$13,000,000 budget from Activity 413966 Symons Valley Community Library to Activity 480771 Symons Valley Multi-Service Centre
3. Approve transfer of \$11,500,000 budget from Project 489-AHS Increase Affordable Housing (PFC2018-0491 Attachment 1*) to Activity 480771 Symons Valley Multi-Service Centre

*previously approved North Hill funding transferred to Symons Valley

SYMONS VALLEY CENTRE PHASE 1A DEVELOPMENT BUDGET*

<ul style="list-style-type: none"> • affordable housing • arts and culture spaces • library • community spaces • shared pre-requisite site infrastructure and design (e.g. architectural design, servicing, parking, roads, building interface, landscaping) • potential child care lease space** or complementary retail** 	<p>\$34.5M* (class 5)</p>
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*previously approved through Action Plan 2015-2018 and OneCalgary 2019-2022 budget processes – no new funding is requested

**will be included if possible to accommodate within approved capital envelopes

PREVIOUS COUNCIL DIRECTION

On 2018 November 30, Council approved OneCalgary 2019-2022 Business Plans and Budgets that approved the arts and culture, facility management and library components of the Symons Valley Phase 1A project.

On 2018 July 30, Council approved UCS2018-0525 Integrated Civic Facility Planning Program Update & Policy which approved the Corporate Facility Planning & Delivery Policy.

On 2018 May 01, Calgary Housing brought forward PFC2018-0491: Affordable Housing Capital Development Plan which made the following recommendations related to Symons Valley Centre Integrated Civic Facility (ICFP):

1. Adopt in principle the lifecycle maintenance, new builds, and redevelopment programs as outlined in Table 2 Budget Summary of Capital Development for which Symons Valley ICFP was listed;
2. Refer Attachment 2: Program Budget Overview to November 2018 One Calgary Service and Budget Plans for consideration through the unfunded capital development list for which Symons Valley ICFP was listed; and
3. Direct Administration to continue to pursue federal and provincial funding opportunities for developments identified in Attachments 1 and 2 for which Symons Valley ICFP was listed.

On 2017 September 11, Council approved CPC2017-315 Symons Valley Area Structure Plan Amendment to provide supportive policy for a Civic and Mixed Use Area to accommodate the Symons Valley Centre through Phase 1A and into future build out phases.

On 2016 November 7, Council approved LAS2016-75: Integrated Civic Facility Planning Program 2016 Status Update. The report directed Administration to report back to Council annually through the SPC on Utilities and Corporate Services with an update on the Integrated Civic Facility Planning Program status no later than Q4 2017.

On 2016 April 25, Council approved CPS2016-0297 Cultural Municipal Sustainability Initiative Program Update and Recommended Projects for Funding followed by approval on 2016 November 2 of CPS2016-0867: Cultural Plan for the City of Calgary.

On 2016 June 28, Council approved PFC2016-0512: *Foundations for Home*: Corporate Affordable Housing Strategy that outlined the objectives for provision of affordable housing in Calgary.

On 2016 April 6, Council approved CPS2016-0297 Cultural Municipal Sustainability Initiative Program Update and Recommended Projects for Funding which approved in principle funding for community cultural spaces across Calgary.

On 2015 October 29 Council approved LAS2015-37 Proposed Acquisition Plan – Sage Hill Library and Transit Hub. This report directed Administration to report back on build out and investment strategies to optimize use of the total site for City, partner or community uses, plan

for additional community uses and determine the full development potential of the Sage Hill lands.

On 2015 October 29 Council adopted the committee recommendations contained in LAS2015-36 Integrated Civic Facility Planning Program report as follows: "That...Council direct Administration to report back... annually... with an update on the Integrated Civic Facility Planning Program project status no later than Q3 2016."

On 2014 February 10, Council received for information PFC2014-0094 Growth Library Update, where Administration provided an update on its review of land options to address a library service gap in northwest Calgary. The report also detailed intentions to supplement the Sage Hill development with a transfer of funds from the Rocky Ridge Recreation Facility project.

On 2012 November 05, Council approved PFC2012-0704 Update - Growth Libraries in southeast and northwest. This report approved the "change of location of a new northwest branch library from Rocky Ridge to the Symons Valley area" and directed "Administration to report back to Council through Priorities and Finance Committee no later than 2014 January" on suitable land options available that best meet the criteria to develop the new library.

On 2012 June 25, Council approved PFC2012-0248 Update on the New Recreation Facilities in the southeast and northwest. This report included the direction for Administration to "re-examine the need for, locations of, and timing of, the three library branches in conjunction with the Calgary Public Library Board and return to Council through the Priorities and Finance Committee no later than October 2012."

SYMONS VALLEY CENTRE PRINCIPLES, DEVELOPMENT PHASING AND BUILD OUT PLAN

The build out and investment strategy in this report is informed by corporate, partner and market readiness to realize Council's objectives of optimizing the use of the site, leveraging partnerships, maximizing investment and delivering on civic services within budget constraints. As an Integrated Civic Facility Planning (ICFP) Learning Project, this initiative will develop the building blocks for future multi-use and partnership opportunities based on the lessons learned.

The purpose of this attachment is to list the principles used in developing the build out strategy, describe the development phasing over time and outline the recommended Symons Valley Centre build out plan.

PRINCIPLES USED IN SYMONS VALLEY CENTRE BUILD OUT AND INVESTMENT STRATEGY

Principle	Response
Multi-Use Facilities	Encourage opportunities for integration of development by City services, civic partner agencies and the private sector by seeking efficiencies and complimentary sharing of spaces in buildings, public areas, parking, management; accommodate and encourage complementary services leading to service benefits through co-location; focus on citizen needs by developing City facilities within communities that include broader services such as health, child care, non-market affordable housing, and education; maximize land utilization of existing City lands
Flexibility and Choice in Execution	Built in flexibility in execution through lot arrangements and subdivision allows phased development through time, with 'off ramps' that allow disposition of land or development at later dates; flexibility in phasing allows matching phases with available capital through budget cycles; subdivided parcels provides sites that are flexible for different uses depending on funding or market changes (e.g. office vs. residential; changes in sector absorption rate; additional city services required).
Infrastructure Led Development and Municipal Development Plan Goals	Strategically located civic facilities to create service clusters that attract people, private development and encourage economic resiliency; investment in the Symons Valley Centre signals interest in the area, anchoring development in the NW in a Community Activity Centre on the primary transit network and related supportive transit infrastructure; planned development integrated with local development and build out plans that act as a catalyst to completing the community build out (full details on Planning Context in Attachment 3); meet MDP and Council mandated intensity targets (population and jobs per hectare).
Full Development Potential	Build out and investment strategy realizes the benefits of a strategic land purchase; articulates full build out potential that facilitates long term Return on Investment through maximizing use of the land; this densification and subsequent Phase 1B, 2 and 3 is facilitated by provision of site infrastructure in early phases; site investment includes site servicing, provision of a public road through the site (the 'high street'), as well as provision of Phase 1A's parking requirements through structured parking.
Site Partnerships	The Site master plan provides opportunities for The City to partner with public or private partners as phases develop. Through discreet subdivisions and/or lot arrangement, land interest can be disposed for use by site partners to further develop civic services or private market for eventual tax uplift in later phases. Phase 1B can include education and/or health services. Phase 2 can be used for civic expansion or sold to private interests.

<p>Accommodating City, Community and Partner Uses</p>	<p>Through investigation of citizen service needs and business unit service analysis, the Symons Valley Centre Phase 1A includes the following service lines:</p> <p>a) Calgary Public Library Branch Provision of an anticipated 1,800 square meter library in an area that Council has recognized as experiencing a long-standing library services gap; provision would address an outstanding service need in NW Calgary.</p> <ul style="list-style-type: none"> • Community Spaces Meeting rooms and community rooms accessible to the public will be provided as part of programmable spaces of the Library. <p>b) Arts and Culture spaces Building on the actions identified in CPS2016-0867 Cultural Plan for The City of Calgary, the development of a dedicated cultural space will address the shortage of cultural amenities in Calgary and the desire from citizens to engage in cultural activities in their neighbourhoods. Multifunctional in design, the room will allow citizens to program a wide variety of cultural activities supporting a diversity of community cultural expressions.</p> <p>c) Affordable Housing The Symons Valley Centre site is a greenfield location that scores high on affordable housing suitability criteria which includes considerations such as proximity and access to schools, grocery stores and amenities and provision of transit. Provision of 48 units will contribute to meeting the targets of Foundations for Home: Calgary's Corporate Affordable Housing Strategy.</p> <p>d) Transit Hub The Symons Valley Centre development will serve as a central point for feeder routes, a connection to BRT routes and a park and ride as well as support a Community Activity Centre (CACs are areas of moderate job and population growth convenient to one or more communities and supported by the Primary Transit Network). RouteAhead currently identifies a Bus Rapid Transit (BRT) connection from Sage Hill to the Red Line beyond 30 years, however, transit service exists today that connects to the Red Line. The full service will be included in future phases of build out.</p> <p>e) Child Care/small scale complementary retail The functional program for Phase 1A includes proposed provision of a leasable space suitable for a child care use. The space will be leased at full market value and operated by a 3rd party operator. The development also includes the proposed provision of small retail, such as coffee shops or other uses complementary to the main services of the facility. The inclusion of small scale retail is based on market analysis for the area that supports the viability of small scale retail and responds to Council direction in the Integrated Civic Facility Planning Program to test inclusion of leasable spaces, where appropriate, to mediate operating costs of a facility. The provision of these spaces is contingent on funding availability and source suitability after the core services of library, affordable housing and arts and culture have been provided for.</p>
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DEVELOPMENT PHASING

The following outlines the proposed phasing and build out of Symons Valley Centre.

Phase 1A (Figure 1) – City of Calgary service centered development – 2-5 years

- multi-service facility delivering a library, community spaces, arts and culture spaces, affordable housing, child care and complementary retail
- facility users share amenities including common use areas, common building components, common outdoor spaces, shared parking, shared street frontage
- multi-service facility realizes high number of service lines delivered per acre of usable City land base
- child care and retail spaces leased at full market value mediate operating costs of the overall shared facility
- investment in supportive site infrastructure (streets, landscaping, building interface, site servicing) allows development of later phases of Symons Valley Centre

Phase 1B (Figure 1) – site partnership opportunities – 2-5 years

- opportunities for site partners such as education and/or health to co-locate on the Symons Valley Centre site
- demonstration of partnership with other levels of government to further enhance the service offerings of the site to surrounding communities' populations
- maximizes front-facing civic-centered service lines per acre of usable land base

Phase 2 (Figure 2) – private or civic development parcels – at discretion

- through subdivision into discreet and viable development parcels, Council retains the option to dispose of lands for private sector mixed use development
- benefit would be derived from land sale price and increase in tax assessment base when developed, enabled by initial investment in site and infrastructure (costs of which can be built into the land purchase price)
- subdivision of land also retains the option of keeping the lands in City land base, either for development of civic services or to wait for optimum market conditions for sale

Phase 3 (Figure 2) – full BRT Park and Ride development – 5-10 years

- transit infrastructure will be built out in increments in response to area service demands
- full development of Park and Ride and BRT infrastructure completes development of the site on the east portion, fully realized for delivery of service value to citizens over time

Phase 4 (Figure 3) – full development potential – 30+ years

- BRT parking originally developed as surface parking acts as a 'land bank' that may be developed further in the 25+ year future, either by The City or the private sector, to fully maximize use of the land
- full site development requires incorporation of the surface level BRT parking stalls in new structured multi-use parking, either funded directly by The City or as part of condition of land sale

FIGURE 1
Concept Plan Phase 1a & 1b
(2-5 years)



Phase 1a (2 Years)

An integrated civic multi-service building

- Calgary Public Library
- Arts and culture spaces
- Calgary Affordable Housing
- Possible retail (e.g. coffee shop)
- Possible service spaces (e.g. child care)

Phase 1a includes community meeting spaces, a multi-purpose room and a kitchen available through the Library and arts and culture spaces

A Main Street

- Convenient on-street parking
- Landscaping, bike path and cycling infrastructure
- Large pedestrian area
- Initial 'Community Commons' landscaping tied to Main Street access

BRT Transit Services

- Existing infrastructure

Phase 1b (2-5 Years)

A Site Partners Building

- Potential education services
- Potential health services
- Other

An Outdoor Open Space

- Completion of the outdoor Community Commons
- Multi-functional space

**Dates and plans are subject to change*

FIGURE 2

Concept Plan Phase 2 & 3 (5-10 years)



Phase 2 (5-10 Years)

Future Development

- Potential main street retail
- Potential residential / office spaces
- Potential civic uses (education, health, other)

Phase 3 (5-10 Years)

Expanded BRT Transit Services

- A 250-stall park and ride surface parking facility
- Bus shelter

**Dates and plans are subject to change*

FIGURE 3

Concept Plan Full Development Potential Phase 4 (30+ Years)



Full Development Potential (30+ Years)

Private disposal and/or civic expansion

- Remaining parcels developed by City or private developer
- Surface parking becomes 250+ stall multi-use structured parking

Dependencies

- provision of additional multi-use structured parking
- future economic/environmental/social influences that support development
- replacement of BRT parking by City or private funding

SYMONS VALLEY PLANNING CONTEXT

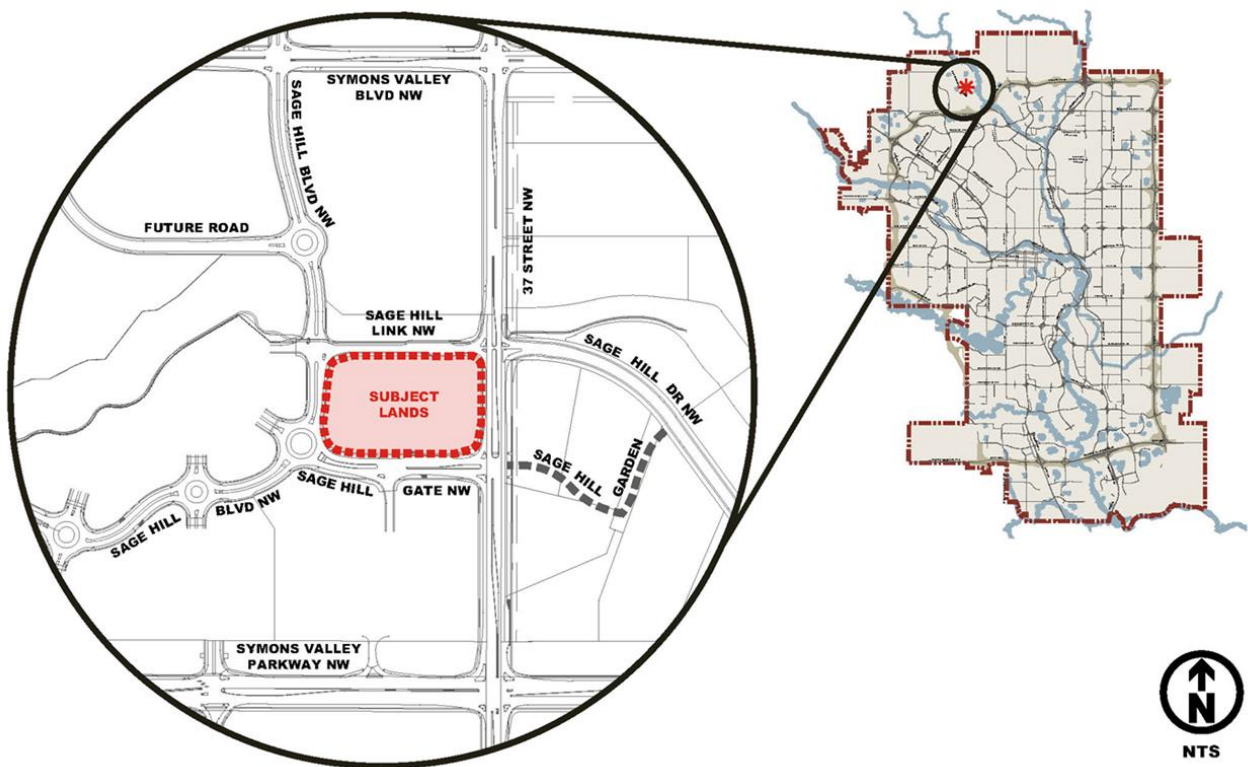
City & Community Context

The Symons Valley Centre is located on a ± 2.83 ha (6.99 acre) parcel of land in the developing northwest community of Sage Hill. The parcel is bounded on the north by Sage Hill Link NW, east by 37 Street NW, south by Sage Hill Gate NW, and west by Sage Hill Boulevard NW (see Map 1: Site Location). The site's external road infrastructure and utility servicing is already in place.

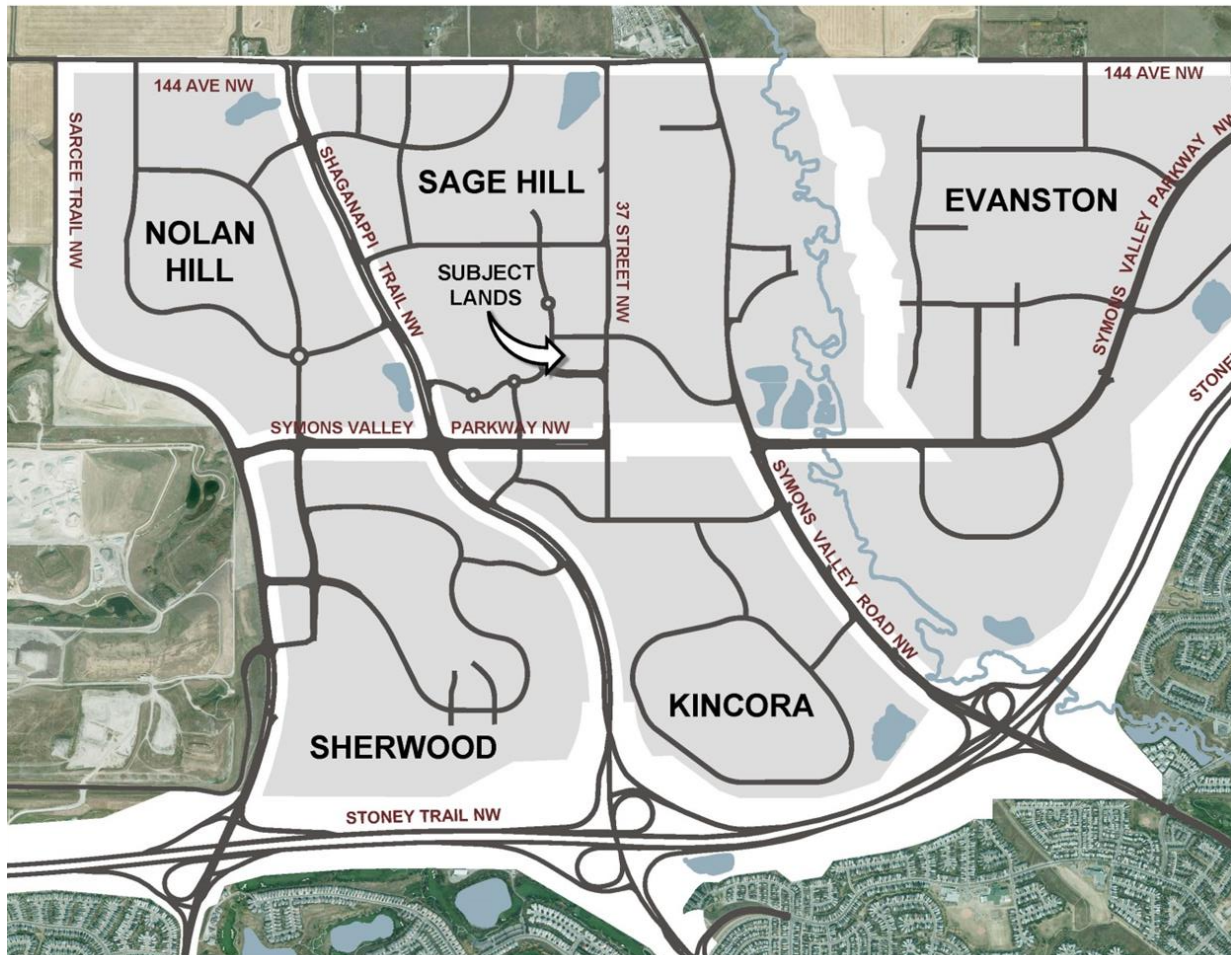
The Symons Valley Centre is centrally located among five actively developing communities, including Sage Hill, Nolan Hill, Sherwood, Kincora, and Evanston (See Map 2: Community Context). These communities have grown from a population of 2,650 in 2001 to 34,575 in 2016 and are expected to grow to accommodate a build-out population of 55,000 people during the next decade.

As communities continue to grow, there is a demand for civic services including library and transit services. Calgary Transit currently operates three bus routes that connect the Symons Valley Centre site to Light Rail Transit and commercial centres in north Calgary. As part of the review of libraries throughout Calgary in 2012, Council directed Administration to search for an appropriate library site in the Symons Valley area. The need for both a library and a transit hub resulted in the purchase of the Symons Valley lands in 2016.

Map 1: Location Context



Map 2: Community Context



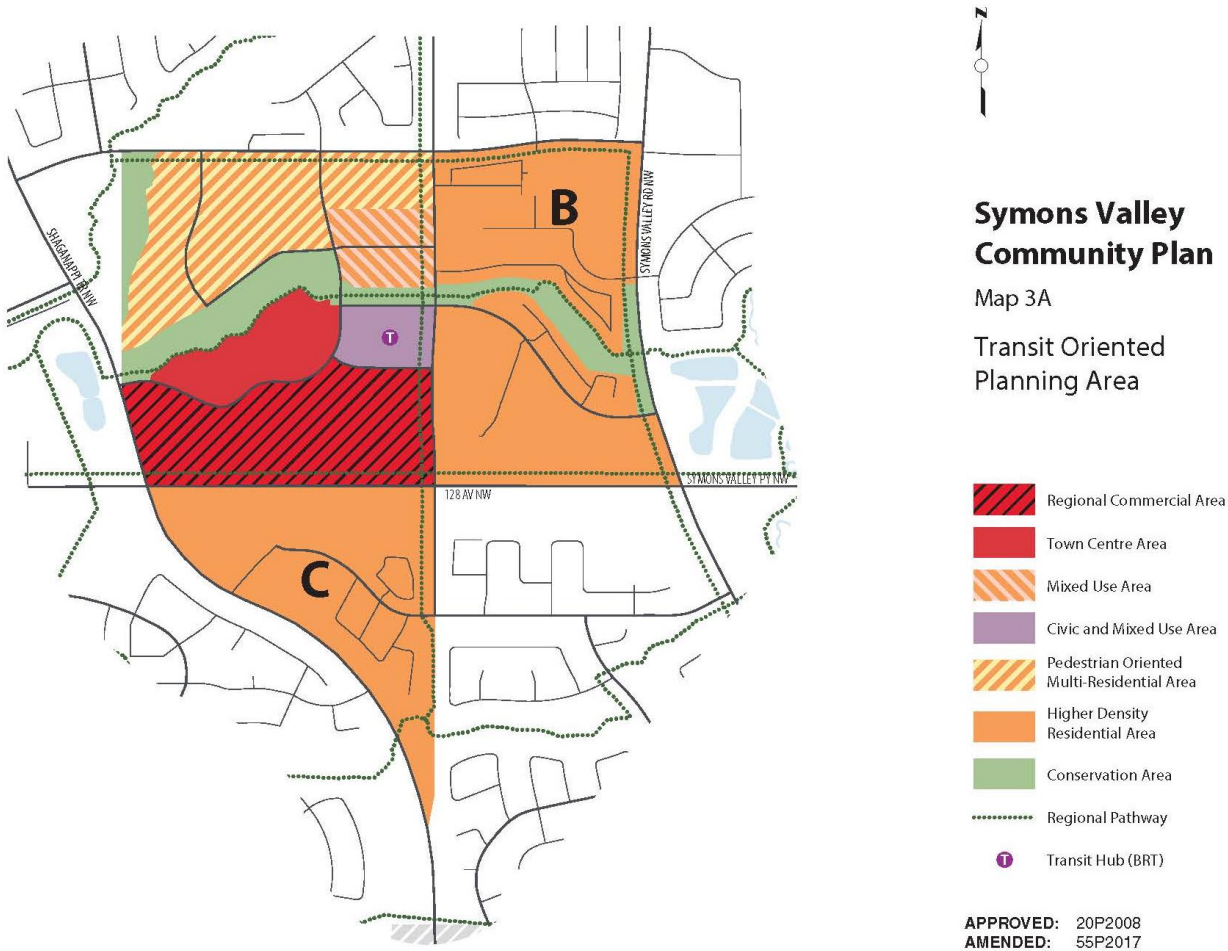
Community Plan Context

In 2001, Council adopted the Symons Valley Community Plan (Area Structure Plan). The area where the Symons Valley Centre is located is identified for a future Bus Rapid Transit (BRT) hub and surrounding Transit-Oriented Planning Area.

On 2017 September 11, Council approved the Amendment of the Symons Valley Community Plan to provide detailed policies to the undeveloped portion of the Transit Oriented Planning Area, including policies to guide development of civic (including a library and community spaces) and mixed uses on a site previously identified for office and employment uses. The amended ASP identified the Symons Valley Centre as Civic and Mixed Use area, allowing a range of uses that could provide additional community amenities beyond the library and BRT. The Symons Valley Centre Phase 1A and future full build-out are consistent with the amended ASP.

Within the amended ASP, a Regional Commercial Area is identified immediately to the south, a Town Centre Area is to the west, a Conservation Area to the north and a Mixed Use Area to the further north of the Conservation Area (Map 3).

Map 3: Symons Valley Community Plan Transit Oriented Planning Area



Existing and Future Development Context

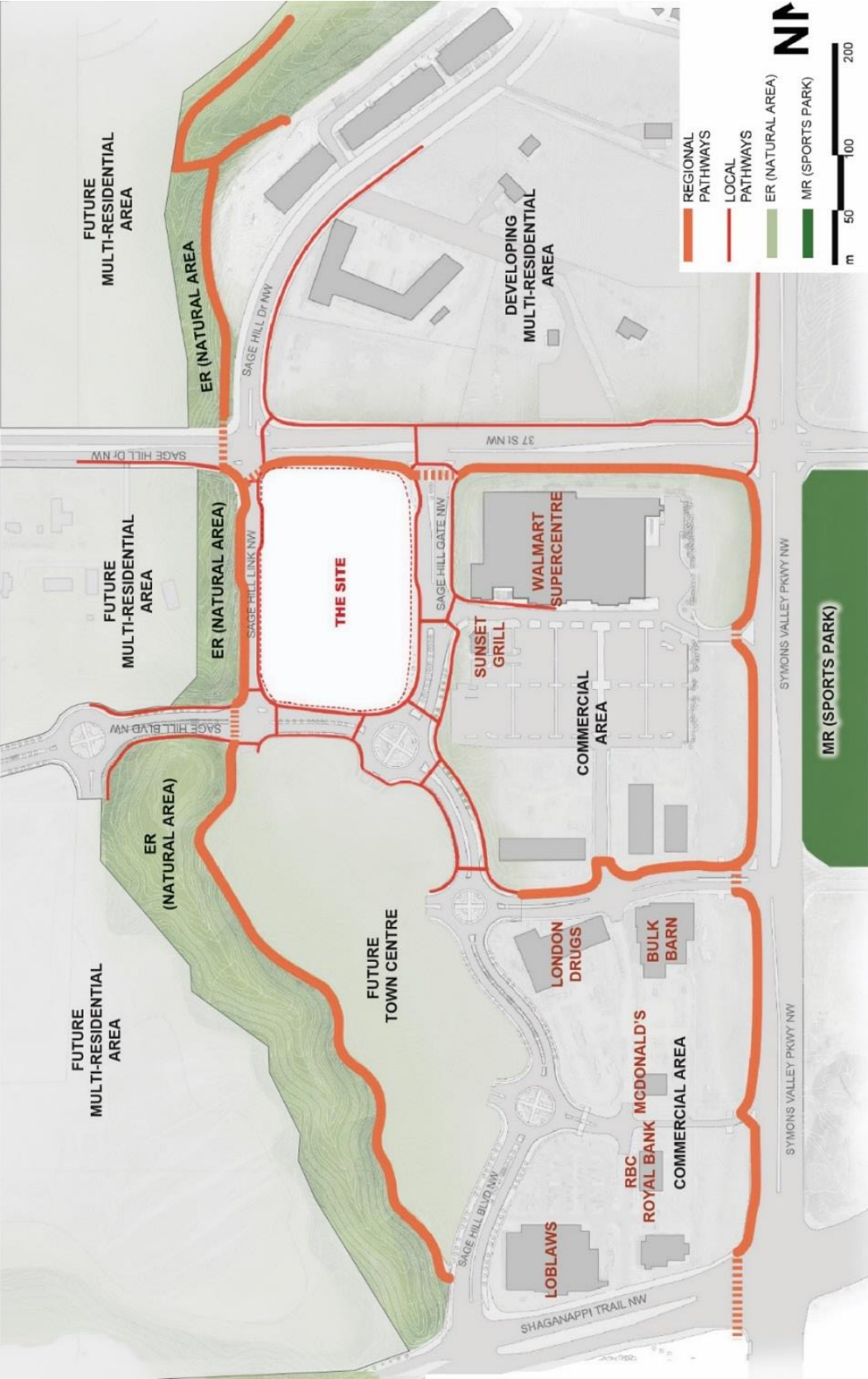
The overall ASP area is approximately 75 percent built-out. The Transit Oriented Planning Area represents approximately 20 percent of the remaining undeveloped lands within the overall ASP area. The development of Symons Valley Centre will be a catalyst and an anchor to attract and accelerate the surrounding developments to complete the last portion of Symons Valley areas, and contribute to complete communities.

Existing and planned future development surrounding the site includes the following uses as illustrated in Map 4.

- To the south is the existing Sage Hill Commons community-scale retail centre, which includes a Walmart, a City-Food grocery store and broad range of auto-oriented stores and services.
- Land to the west is expected to develop as a mixed-use “Town Centre” under existing Land Use Bylaw requirements. The Town Centre is expected to include residential and retail uses built to focus on a pedestrian-oriented central corridor.
- Lands to the north and east of the site are expected to develop for multi-family residential areas in conformity with the Transit-Oriented Precinct policies of the Symons Valley Community Plan. A small neighbourhood oriented gas-bar and convenience centre is planned for the corner of 37th Street and Sage Valley Boulevard (136th Avenue) NW.
- Immediately to the north across Sage Hill Link NE is a future ravine park.

Symons Valley Centre Phase 1A includes development of a library, affordable housing units, arts and culture components, community spaces, child care and supportive site infrastructure to facilitate development of subsequent Phases. It will be located at the northwest corner as an anchor to both the ravine park to the north and the future mixed-use Town Centre to the west. A programmable building interface will be provided between Phase 1A and 1B to provide pedestrian connections to/from the future Town Centre. BRT Park & Ride parking is accommodated at the east end of the site. In the ultimate scenario, this concept accommodates a mix of retail and multi-residential development over a two-level underground Park & Ride structure. When fully build out, the Symons Valley Centre will become a vibrant mixed-use hub for health, education, recreation and cultural services and activities for the Symons Valley communities.

Map 4: Existing and Future Development



PUBLIC ENGAGEMENT TO DATE AND NEXT STEPS

The following details engagement completed to date, what we heard from the public and future steps.

COMPLETED ENGAGEMENTS

2017 June 21 – Symons Valley Community Associations Focus Group #1	
Purpose	Members of the project team met with several members from the Community Associations serviced by the Symons Valley Centre site (Sage Hill, Sherwood and Kincora; Nolan Hill and Evanston were invited but did not attend) in a large format meeting. Community needs were explored for the site including Arts & Culture, shared community space and a public plaza.
Outcome	<p>Attendees expressed interest in:</p> <ul style="list-style-type: none"> ○ Changing the project name from ‘Sage Hill’ to ‘Symons Valley’ to reflect the inclusion of the surrounding communities in the proposed development ○ Establishing a new gathering place that would allow all five Symons Valley communities to better connect and grow relationships ○ Incorporating a broader range of community activities that can cater to all demographics and cultures in the community ○ Providing space for more multi-cultural events and celebrations to celebrate and learn about the different cultures within the community ○ Considering space that can better accommodate events in all four seasons ○ Having a hub and gathering places to connect ○ Providing an outdoor plaza with a number of uses to bring together recreation, family and arts and cultural activities – whether outdoor markets, cultural events, fitness or simply an area for relaxation <p>A full What We Heard report was posted on the public project webpage (Calgary.ca/symonsvalley).</p>
How input was used	<ul style="list-style-type: none"> • Input received will be utilized in the development of the Master Plan, land use redesignation and future work regarding building and site design where relevant • Changed name of development from ‘Sage Hill’ to ‘Symons Valley’ in response to community request

2018 April 4 – Symons Valley Community Associations Focus Group #2	
Purpose	10 members of the project team met with four members from the Community Associations serviced by the Symons Valley Centre site (Nolan Hill, Evanston and Sage Hill; Kincora and Sherwood did not attend). Strengths and benefits of the draft Master Plan were discussed and suggestions for the public open houses were recorded.
Outcome	Attendees had questions/comments about: <ul style="list-style-type: none"> ○ The outdoor space – public art, sheltering, maintenance ○ Affordable Housing – size of units, positivity and support for low income earners ○ Library – parking ○ Transit – impact to transit times
How input was used	Suggestions to share specific information regarding the Master Plan process, Capital Development timeline, future development possibilities, next steps, etc. were considered for the 2018 April 24 and April 28 sessions.

2018 April 24 and April 28 – Symons Valley Centre Drop In Session #1 and #2	
Purpose	The project team met with members of the communities to give a project update and request input on the draft Master Plan's strengths, weaknesses and areas for improvement.
Outcome	<ul style="list-style-type: none"> • Citizens from the area expressed concerns over parking, transit connectivity, road capacities • No objection to development of services
How input will be used	<ul style="list-style-type: none"> • Input relevant to the Master Plan will be used to refine the proposed Master Plan (which will in turn be used for future project phases) • Input relevant to design phases will be forwarded to the Phase 1A design team when onboarded • Input relevant to other service lines in The City (e.g. transit) were forwarded to the relevant business units

2018 April 24-May 11 – Online Engagement	
A What We Heard Report is was drafted to summarize feedback collected from the public sessions and online portal (completed 2018 June).	

FUTURE PLANNED ENGAGEMENTS

Details for future planned engagements have yet to be determined, as they are based on project direction and milestones; engagement timelines may be affected by funding decisions, resourcing, project needs or other factors. At this time, the next known engagement will be:

- **design phase** – community input on design

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2019 March 20

ISC: UNRESTRICTED
UCS2019-0357

Reserve Bids for Properties in the 2019 Tax Sale

EXECUTIVE SUMMARY

The purpose of this report is to request approval of the Reserve Bids for properties in the 2019 tax sale.

In accordance with the *Municipal Government Act* (MGA), every year Administration brings forward a list of properties that have been identified for public auction. This year the public auction is scheduled for 2019 April 18 at the Calgary Power Reception Hall, Municipal Building, 800 Macleod Trail S.E. at 10:00 am.

ADMINISTRATION RECOMMENDATION:

The SPC on Utilities and Corporate Services recommends that Council:

1. Approve the Reserve Bids for properties in the 2019 Tax Sale as outlined in Attachment 1; and
2. Request that Attachment 3 remain confidential under Sections 23, 24 and 25 of the *Freedom of Information and Protection of Privacy Act*, until published in the Council Agenda.

PREVIOUS COUNCIL DIRECTION / POLICY

None.

BACKGROUND

For a property to be added to the tax sale, it must be in tax arrears for three consecutive years and the tax sale process is a way for The City to recover these outstanding taxes.

Under the terms and conditions of the MGA, Chapter M-26 RSA 2000, a Municipality must by resolution, fix a minimum sale price for each parcel, which shall be the Reserve Bid, and any conditions that apply to the sale. The Sales & Acquisitions division of Real Estate & Development Services have viewed the properties in the 2019 Tax Sale prior to the determination of the reserve bids, and have compiled a schedule of Reserve Bids representing the minimum sale price.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Credit and Collections within Finance/Tax, Receivable and Payable, works with property owners and mortgage holders to facilitate payment of taxes. Credit and Collections will provide owners with opportunities such as payment plans in attempts to have the taxes paid and the properties removed from the tax sale. Referral to social aid agencies are also provided where warranted. In certain situations where there is no mortgage holder, an option of memorandum could be offered. The tax sale is the last resort to recovery tax debts. Property owners do have up to the start of the tax sale to arrange for a resolution on the outstanding taxes.

Properties that do not sell at the public auction can still be made available for sale through The City's standard sales process within Real Estate & Development Services in an attempt to recover outstanding taxes.

Valuation

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2019 March 20

ISC: UNRESTRICTED
UCS2019-0357

Reserve Bids for Properties in the 2019 Tax Sale

Administration has viewed all properties included in the Reserve Bid Listing (Attachment 3) and determined an estimate of market value to be used as the Reserve Bid for each parcel. The Reserve Bid represents the minimum bid that will be accepted as each parcel is called out during the Tax Sale.

Stakeholder Engagement, Research and Communication

As per the MGA, tax recovery notifications are registered on title and owner(s) are also notified directly that their property is on the tax arrears list.

The public auction will be advertised in the Alberta Gazette and the Calgary Herald prior to the auction.

Strategic Alignment

None.

Social, Environmental, Economic (External)

Social

No implications were identified.

Environmental

The properties will not be reviewed in accordance with The City's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy as they will be sold "as is".

Economic (External)

No implications were identified.

Financial Capacity

Current and Future Operating Budget:

None

Current and Future Capital Budget:

The net proceeds from any sale will be transferred to the Tax Forfeiture account. The previous owner(s) may then make an application to the court to obtain those proceeds. If proceeds from a sale are not claimed within 10 years from the date of sale, The City may, for any purpose, use those proceeds.

Risk Assessment

If this item is not approved, The City will not be in compliance with the requirements set forth in the MGA regarding its obligations to set the Reserve Bids for the Tax Sale scheduled 2019 April 18. The 2019 March 20 meeting of Utilities and Corporate Services is the last available opportunity to bring this report forward for Council approval prior to the 2019 April 18 date scheduled for the Tax Sale.

REASON(S) FOR RECOMMENDATION(S):

Under the MGA, municipalities are responsible for collecting taxes for municipal and educational purposes. Property taxes collected from properties is one significant revenue source to pay for

Approval(s): Brad Stevens concurs with this report. Author: Chris Gusa

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2019 March 20

ISC: UNRESTRICTED
UCS2019-0357

Reserve Bids for Properties in the 2019 Tax Sale

municipal services. The City has the ability to recover tax arrears under the MGA by undertaking a public auction to recovering outstanding taxes through a tax sale. By way of tax sale, this helps contribute to the financial stability of The City.

ATTACHMENT(S)

1. Attachment 1 – Recommendations
2. Attachment 2 – Public Sale of Land – Municipal Government Act
3. Attachment 3 – Reserve Bid Listing

RECOMMENDATIONS:

The SPC on Utilities and Corporate Services recommend that Council approve the reserve bid listing of Tax Sale properties valued by the Sales & Acquisitions Division, which represents the minimum sale price of each property and the following process:

- (a) That the properties listed in Attachment 3 be considered for inclusion in the 2019 April 18 Public Sale of Land by way of a public auction.
- (b) That the minimum sale price for improved and unimproved parcels be the reserve bid (Attachment 3).
- (c) That all improved properties be sold "as is, where is" on the basis of one third cash or cheque down effective the date of the Tax Sale, the balance to be paid within 30 days of the date of the sale.
- (d) That all unimproved properties be sold "as is, where is" on the basis of one third cash or cheque down or a minimum of \$500.00 whichever is the greater, on the date of the Tax Sale, the balance due being payable within 60 days of the date of the sale, with interest at prime plus 1% per annum being in effect at the Royal Bank of Canada and calculated on the unpaid balance.
- (e) Authorization for public marketing of those properties not sold at the Tax Sale, to be administered by Real Estate & Development Services, and authorization to negotiate a sale of these properties to the successful applicant(s).

**PUBLIC SALE OF LAND
MUNICIPAL GOVERNMENT ACT "CHAPTER M - 26 RSA 2000"
THE CITY OF CALGARY 2019 TAX SALE**

Notice is hereby given, that under the provisions of the Municipal Government Act, The City of Calgary will offer for sale by Public Auction, in the Calgary Power Reception Hall, City Hall, 800 Macleod Trail, S.E. on Thursday, 2019 April 18 at 10:00 a.m. in the forenoon, the following listed lands.

Each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title.

The land is being offered for sale on an "as is, where is" basis and The City of Calgary makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, or the developability of the subject land for any intended use by the Purchaser. No bid will be accepted where the bidder attempts to attach conditions precedent to the sale of any parcel. No terms and conditions of sale will be considered other than those specified by The City of Calgary.

The City of Calgary may, after the public auction, become the owner of any parcel of land that is not sold at the public auction.

In accordance with Section 424(1) and (3) of the Municipal Government Act, (1) "The municipality at whose request a tax recovery notification was endorsed on the certificate of title for a parcel of land may become the owner of the parcel after the public auction, if the parcel is not sold at the public auction," (3) "A municipality that becomes the owner of a parcel of land pursuant to subsection (1) acquires the land free of all encumbrances, except (a) encumbrances arising from claims of the Crown in right of Canada, (b) irrigation of drainage debentures, (c) registered easements and instrument, (d) right of entry orders."

Terms: On all improved property, one-third cash (or cheque) is required on the date of sale and the balance within 30 days. On all other property, one-third cash (or cheque), with a minimum cash payment of \$500, is required on the date of sale and the balance due being payable within 60 days of the date of sale, with interest at prime plus one per cent per annum calculated on the unpaid balance. All sales are subject to current taxes.

GST may apply on properties sold at the public auction.

Redemption may be effected by payment of all arrears of taxes and costs at any time prior to the date of the sale.

For a list of the addresses please visit www.calgary.ca/propertytax. The reserve bids will be available online approximately 2019 April 10.

Dated at Calgary, Alberta, 2019 February 4.



Michael Perkins
Manager, Tax, Receivable & Payable
Finance