



## REVISED AGENDA

### SPC ON COMMUNITY AND PROTECTIVE SERVICES

May 8, 2019, 9:30 AM

IN THE COUNCIL CHAMBER

#### Members

Councillor D. Colley-Urquhart, Chair

Councillor G-C. Carra, Vice-Chair

Councillor S. Chu

Councillor J. Gondek

Councillor R. Jones

Councillor J. Magliocca

Councillor E. Woolley

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 SPC on Community and Protective Services, 2019 March 13
5. CONSENT AGENDA

None
6. POSTPONED REPORTS

*(including related/supplemental reports)*

None
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
  - 7.1 Livery Fee Review, CPS2019-0609
  - 7.2 Golf Course Real Estate and Development Feasibility Assessment, CPS2019-0475

7.3 Haskayne Legacy Park Train Whistle Cessation, CPS2019-0603

7.4 Change in Name of the Chinatown District Business Improvement Area, CPS2019-0537

### **NEW MATERIALS**

#### ***7.4.1 Revised Attachment 1***

### **8. ITEMS DIRECTLY TO COMMITTEE**

8.1 REFERRED REPORTS  
None

8.2 NOTICE(S) OF MOTION  
None

### **9. URGENT BUSINESS**

### **10. CONFIDENTIAL ITEMS**

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES  
None

10.2 URGENT BUSINESS

### **11. ADJOURNMENT**

Members of Council may participate remotely, if required.



## MINUTES

### SPC ON COMMUNITY AND PROTECTIVE SERVICES

**March 13, 2019, 9:30 AM  
IN THE COUNCIL CHAMBER**

**PRESENT:** Councillor D. Colley-Urquhart, Chair  
Councillor G-C. Carra, Vice-Chair  
Councillor S. Chu  
Councillor J. Gondek  
Councillor R. Jones  
Councillor E. Woolley  
Councillor D. Farrell  
Councillor S. Keating

**ALSO PRESENT:** Acting General Manager K. Black  
Legislative Assistant T. Rowe  
Acting City Clerk L. Gibb

1. **CALL TO ORDER**

Councillor Colley-Urquhart called the Meeting to order at 9:34 a.m.

2. **OPENING REMARKS**

Councillor Colley-Urquhart provided opening remarks.

3. **CONFIRMATION OF AGENDA**

**Moved by** Councillor Gondek

That the Agenda for the 13 March 2019 Regular Meeting of the SPC on Community and Protective Services be amended, as follows:

- by bringing forward Item 7.3, CPS2019-0277 to be dealt with under section 6, Postponed Reports; and
- by bringing forward Items 7.4, CPS2019-0142 and 7.5, CPS2019-0222 to be dealt with immediately before Item 7.1.

**MOTION CARRIED**

4. **CONFIRMATION OF MINUTES**

4.1 Minutes of the Regular Meeting of the SPC on Community and Protective Services 2019 February 13

**Moved by** Councillor Woolley

That the Minutes of the Regular Meeting of the SPC on Community and Protective Services held on 2019 February 13, be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

- 5.1 Status of Outstanding Motions and Directions (as of 2019 March 1), CPS2019-0327

**Moved by** Councillor Jones

That the Committee approve the recommendations contained in the following Report in an omnibus motion:

5.1 Status of Outstanding Motions and Directions (as of 2019 March 1), CPS2019-0327

**MOTION CARRIED**

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Corporate Public Art Program Review Update, CPS2019-0014

Councillor Carra introduced the City Hall School class. They are 28 students in Grades 5 and 6 at Chinook Park School with their teacher, Kait Henry.

The following document was distributed with respect to Report CPS2019-0014:

- a presentation entitled "Corporate Public Art Program Update", dated 2019 March 13

The following documents were received for the Corporate Record with respect to Report CPS2019-0014:

- Public speaker notes from Linda Shaikh
- Public speaker notes from Karly Mortimer
- Public speaker notes from Daniel J. Kirk
- Public speaker notes from Clara McKeown
- Public speaker notes from Shauna Thompson
- Public speaker notes from Tristan Surtees

**SPEAKERS:**

1. Linda Shaikh;
2. Karly Mortimer;
3. Daniel J. Kirk;
4. Diana Sherlock;
5. Ciara McKeown;
6. Shauna Thompson; and

7. Tristan Surtees;

Committee approved by General Consent that items received for the Corporate Record will be included as an attachment to report CPS2019-0014.

**Moved by** Councillor Woolley

That with respect to Report CPS2019-0014, the following be approved:

1. That the SPC on Community and Protective Services recommend that Council direct Administration to complete the transfer of previously-approved budgets to a Corporate Public Art program: capital activity 446510; and
2. Report back to Council through the SPC on Community and Protective Services no later than Q1 2020 on a public art workplan and strategy for 2020 – 2022, and review the suspension of the Public Art Policy at that time.
3. That the SPC on Community and Protective Services refer this report as an item of urgent business to the Combined Meeting of Council on 2019 March 18 to meet Council's direction to report back by the end of Q1 2019.

**MOTION CARRIED**

7.2 Social Wellbeing Policy Report, CPS2019-0276

The following documents were received for the Corporate Record with respect to Report CPS2019-0276:

- Public speaker notes from Victoria Burns
- Public speaker notes from Karla Danan

**SPEAKERS:**

1. Victoria Burns
2. Karla Danan

By General Consent, items received for the Corporate Record will be included as an attachment to report CPS2019-0276.

**Moved by** Councillor Carra

With respect to Report CPS2019-0276, the following be approved:

That the Standing Policy Committee on Community and Protective Services recommend that Council:

1. Approve the Social Wellbeing Policy (Attachment 1); and
2. Rescind the Fair Calgary Policy (CSPS019) (Attachment 2).

**MOTION CARRIED**

7.3 Calgary Aboriginal Urban Affairs Committee Governance Review – Deferral, CPS2019-0277

**Moved by** Councillor Gondek

That with respect to Report CPS2019-0277, the following be approved:

That the Standing Policy Committee on Community and Protective Services recommend that Council defer the report on the modernization of CAUAC's Terms of Reference that was scheduled for 2019 Q1 to no later than 2019 Q3.

**MOTION CARRIED**

7.4 Calgary Transit Access Expanded Programs Evaluation, CPS2019-0142

**Moved by** Councillor Chu

That with respect to Report CPS2019-0142, the following be approved:

That the SPC on Community and Protective Services recommends that Council:

1. Direct Administration to begin the RFSQ for the ACE program; and
2. Direct Administration to engage with the taxi industry prior to developing the next procurement strategy for CTA ride-share program.

3.

**MOTION CARRIED**

7.5 Parks and Pathways Bylaw Review, CPS2019-0222

**Moved by** Councillor Chu

That with respect to Report CPS2019-0222, the following be approved:

1. That the SPC on Community and Protective Services recommend that Council give three readings to the proposed Parks and Pathways Bylaw (Attachment 1); and
2. That the SPC on Community and Protective Services refer this report as an item of urgent business to the Combined Meeting of Council on 2019 March 18 in order to align with TT2019-0205 (as per Council direction in C2018-0934 to facilitate the use of mobility devices with electric motors).

**MOTION CARRIED**

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

The following items have been forwarded to the 2019 March 18 Combined Meeting of Council:

URGENT BUSINESS

Corporate Public Art Program Review Update, CPS2019-0014

Parks and Pathways Bylaw Review, CPS2019-0222

The following items have been forwarded to the 2019 April 8 Combined Meeting of Council:

CONSENT

Social Wellbeing Policy Report, CPS2019-0276

Calgary Aboriginal Urban Affairs Committee Governance Review - Deferral, CPS2019-0277

Calgary Transit Access Expanded Programs Evaluation, CPS2019-0142

**Moved by** Councillor Jones

That this meeting adjourn at 12:09 p.m.

**MOTION CARRIED**

The next Regular Meeting of the SPC on Community and Protective Services is scheduled to be held on 2019 April 10.

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CHAIR

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ACTING CITY CLERK





**Community Services Report to  
SPC on Community and Protective Services  
2019 May 08**

**ISC: UNRESTRICTED  
CPS2019-0609**

**Livery Fee Review**

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**EXECUTIVE SUMMARY**

In 2018 April, Council directed Administration to complete a review of the fee structure in the Livery Transport Bylaw for all industry participants and determine an equitable fee structure that reflects the landscape of the evolving industry. Administration was also directed to explore a requirement that all private for hire vehicle drivers complete training equivalent to that required by other livery industry drivers.

An external contractor was hired to complete an independent review and propose a new fee schedule. In Administration's analysis, the proposed fee schedule represents a fair distribution of the costs associated with licensing and regulating the industry as established in the Livery Transport Bylaw. However, engagement with industry has identified a need to complete a full review of the existing bylaw prior to implementing any changes to the fee schedule. As part of One Calgary, Administration had already committed to conducting a review of the Livery Transport Bylaw over the 2019-2022 budget cycle. Administration is recommending that the bylaw review be accelerated to be completed by 2020 Q4, using \$1.1 million from the Livery Transport Services (LTS) Sustainment Reserve to fund the resources required to meet this timeline.

With respect to training requirements for private for hire vehicle drivers, Administration recognizes the merit of drivers across the industry receiving consistent training on industry licensing and regulation. The Livery Transport Bylaw already provides LTS with the authority to implement training for drivers in the industry. With Council's endorsement, Administration would work to develop a driver training program for new private for hire vehicle drivers.

**ADMINISTRATION RECOMMENDATIONS:**

That the Standing Policy Committee on Community and Protective Services recommend that Council:

1. Direct Administration to accelerate the planned review of the Livery Transport Bylaw 6M2007 as described in Attachment 1 and report back to Council through the Standing Policy Committee on Community and Protective Services with proposed amendments to the bylaw and its fee schedule no later than 2020 Q4; and
2. Endorse Administration's approach as described in this report to develop a driver training program for new private for hire vehicle drivers.

**PREVIOUS COUNCIL DIRECTION / POLICY**

A detailed listing of Council direction from previous reports is included in Attachment 2.

**BACKGROUND**

Through the Livery Transport Bylaw, LTS has the mandate to license and regulate the taxi, limousine and vehicles-for-hire industry with the purpose of ensuring public safety, consumer protection and service quality. As a cost-recovery service, fees are charged to industry participants to deliver on this mandate. LTS is challenged to ensure the fee schedule contained in the bylaw is set at a level that: maintains the service line's financial sustainability; provides

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funds for capital investments to support livery industry improvements and innovations; and aligns with a changing and evolving industry.

Over the past three and a half years, Council approved the following amendments to the fee schedule in the Livery Transport Bylaw:

- 2015 September – a freeze at 2015 levels for 2016 - 2017 to align with reductions to Action Plan budgets across the Corporation in response to the downturn in Calgary's economy;
- 2015 September - a reduction to the annual licence fee for Accessible Taxi Plate Licence (ATPL) holders from \$877 to \$220 to compensate for the higher fuel and maintenance costs of operating wheelchair accessible taxis;
- 2016 April – the incorporation of sections specific to licensing and regulating Transportation Network Companies (TNCs) as new market entrants into Calgary's livery industry;
- 2017 March - the elimination of the \$220 ATPL licence fee;
- 2018 January – an inflation increase to the whole fee schedule by four per cent over 2015 levels for the 2018 calendar year;
- 2018 April - the elimination of the \$141 Livery Vehicle Registration fee for taxis and limousines; and
- 2018 April – the inclusion of a TNC combined licence fee option following a one-year pilot.

Stakeholder engagement on the one-year pilot for the TNC combined licence fee option in 2018 identified an opportunity to undertake a review of the fee structure in the Livery Transport Bylaw. As a result, Council approved Administration's recommendation for a full analysis of The City's costs associated with each industry sector to ensure equity of fees paid across industry to cover administration and enforcement costs, with a report back in 2019 Q2. Council also directed Administration to explore training requirements for private for hire vehicle drivers, reporting back within the same time frame. In 2018 Q3, Administration hired Summit72 Capital Advisory Services to complete an independent review and propose a new fee schedule for the Livery Transport Bylaw. Summit72's *Livery Transport Services Fee Review* report, which contains a proposed fee schedule in Appendix A (page 15), can be found in Attachment 3.

While Summit72's review was underway, as part of One Calgary, Council approved a review of the Livery Transport Bylaw as a key deliverable for the taxi, limousine and vehicles-for-hire service line over the 2019-2022 budget cycle. This work was planned for 2021/2022 as staff resources became available once other One Calgary deliverables were completed in the first half of the budget cycle.

## **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

### **Fee Review Methodology and Findings**

Summit72 used Activity Based Costing (ABC), a commonly accepted accounting method used to understand the total costs of providing a good or service, to determine the licence fees industry participants should be charged to cover the LTS operating budget. An explanation of this methodology and how it was used to develop the proposed fee schedule is provided in sections 2 to 4 of Summit72's report in Attachment 3. To summarize, under ABC, activities such as the licensing of drivers, plates and companies are considered cost drivers and each cost driver is allocated the appropriate amount of direct costs (i.e. time to process a licence) and

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indirect costs (i.e. leasing, enforcement and other related costs). The allocation of industry sector cost responsibility is based on the total amount of LTS resources used by each industry participant. Summit72's proposed fee schedule distributes the costs to reflect this use of resources to industry participants within each sector.

The proposed fee schedule in Summit72's report is based on an annual operating budget of \$4.4 million. Summit72's costing review found the current fee schedule in the Livery Transport Bylaw did not align with the true costs associated with licensing and regulating the industry. Accordingly, to allocate costs equitably across all sectors, Summit72's proposed fee schedule resulted in noticeable increases to licence fees for most industry participants compared to the current fee schedule.

To provide insight into the overall financial sustainability of LTS, Summit72 was also requested to assess the TNC combined licence fee, market dynamics impacting the livery industry and the LTS Sustainment Reserve. This analysis is included in sections 4.2.1 to 6.2 in Attachment 3.

### **Driver Training for Private for Hire Vehicles**

At Council's direction, Administration analysed whether training should be required by drivers of private for hire vehicles that is equivalent to training taken by other livery drivers. Administration's analysis included: evaluating the regulatory requirements for a licence in an evolving industry; assessing the merit in aligning driver training with licence eligibility requirements across industry sectors; ensuring training is relevant and aligned with the LTS mandate to achieve public safety, consumer protection and service quality; and looking at approaches to streamline training across all sectors through online offerings. Administration also considered whether existing drivers should be exempt from the training requirement (a similar exemption was provided when training was implemented for taxi drivers in 2006).

### **Industry Engagement**

A full summary of feedback received through industry engagement activities is provided in the *What We Heard Summary Report* in Attachment 4. Feedback included:

- **Fee Review:** Overall feedback from industry participants was that the increases to licence fees in the proposed fee schedule are too high. There was also an expectation by some participants that the cost responsibility between the taxi and TNC sectors should be relatively equal (a breakdown of costs by industry sector can be found in Figure 2 (page 7) in the Summit72 report in Attachment 3). Concern was also expressed about the LTS \$4.4 million operating budget on which the proposed fee schedule was calculated and some industry participants called for LTS to review expenditures to find cost reductions. It was suggested any increases in the fee schedule be put on hold until a full review of the Livery Transport Bylaw was completed or until Administration examined fee structures in other cities to provide a comparative analysis of their licensing and regulatory practices.
- **Driver Training for Private for Hire Vehicles:** Feedback from industry participants indicated support for requiring driver training for new licensees, with a preference for online training, provided the training topics align with the LTS mandate of regulating and licensing the industry.

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### Administration's Analysis of the Fee Review

Administration's recommendation on the fee review has been informed by the following analysis:

- **Proposed Fee Increases:** With the fee schedule effectively frozen at 2015 levels for most of the Action Plan budget cycle, along with other amendments over the past three and a half years, Administration anticipated an increase in licence fees through this review.
- **Industry Sector Cost Responsibility:** In the Livery Transport Bylaw, the taxi and limousine sectors have three licence categories: drivers, plate holders and brokers, whereas the TNC sector has two licence categories: drivers and TNC companies. Accordingly, the calculation of the industry sector cost responsibility reflects the bylaw's existing regulatory framework. In addition, the steep increase in the proposed fees for mechanics and garages also include their share of direct and indirect costs associated with licensing and regulating this industry sector.
- **Hybrid Open-Closed Entry Livery System:** Feedback received from many industry participants reflected an interest in having the taxi and private for hire vehicle sectors licensed and regulated similarly. It is important to point out this was beyond the scope of the fee review and would be a significant departure from the hybrid open-closed entry livery system which took effect in 2016 April when TNCs entered the livery industry. In the current system, taxi plates are capped but no limits are placed on limousine plates or the number of private for hire vehicles that may be licensed to operate within the municipality. Within this system, LTS licenses and regulates all sectors for safety considerations, consumer protection and service quality. This approach was unanimously endorsed by the livery advisory committee at the time prior to being approved by Council. Requests to treat the sectors similarly, along with other proposed changes brought forward by stakeholders (i.e. use of security cameras, regulated meter rates) would require substantial amendments to the Livery Transport Bylaw.
- **Finding Efficiencies:** The costing review identified the total costs of licensing and regulating the industry as it exists today which includes both direct and indirect costs. A review of the Livery Transport Bylaw could lead to amendments that would change the way LTS licenses and regulates the industry which, in turn, may result in additional operating efficiencies.

### Options

With respect to the fee schedule, Administration has identified the following options:

1. **Approve Summit72's proposed fee schedule:** The proposed fee schedule, based on the ABC review, represents a fair distribution of costs by industry sector and aligns with the current regulatory framework in the Livery Transport Bylaw. Summit72's analysis has provided LTS with an understanding of the true costs (both direct and indirect) associated with licensing and regulating the industry today and has proposed a fee schedule to recover the operating budget. A key challenge related to this option is that the proposed increases are high, especially in the current economic climate.

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2. Approve a phased-in implementation of Summit72's proposed fee schedule: This option would provide some relief in this economic climate by maintaining driver's licence fees across all industry sectors at current levels in the existing fee schedule for 2020 and 2021, while all other proposed fee changes would be implemented. Full implementation of the proposed fee schedule would take effect in 2022. It is estimated approximately \$1 million per year would need to be drawn from the LTS Sustainment Reserve to cover the cost of freezing driver's licence fees until the end of 2021. A key challenge to this option is that while some industry participants are provided with relief, a phased-in implementation would not achieve equity across all industry sectors. In addition, this option would not amend the current licensing and regulatory framework set out in the Livery Transport Bylaw.
3. Complete a full review of the Livery Transport Bylaw and align a new fee schedule to that review, based on Summit72's ABC analysis: Industry feedback received on the fee review has identified issues with how the current industry is licensed and regulated, highlighting the need for a more comprehensive review of the Livery Transport Bylaw. As noted in this report, a full review of this bylaw had already been identified as a key One Calgary deliverable. This option would accelerate the bylaw review and aim to bring forward amendments to Council by 2020 Q4, using \$1.1 million from the LTS Sustainment Reserve to fund resources required to achieve this timeline.

**Administration's Recommendations**

- **Fee Review:** Administration recommends proceeding with option 3 to accelerate the planned review of the Livery Transport Bylaw. As outlined in Attachment 1, the review would include the development of a discussion paper to build a common understanding of the history and current state of Calgary's livery industry. A review of other jurisdictions for best practices would also be completed to consider options for regulatory frameworks moving forward. The review would be informed by comprehensive public and targeted stakeholder engagement to ensure the regulation of the industry is responsive to both citizen and industry expectations. Opportunities for public opinion research would be explored to compare current public views with findings from research that was conducted when TNCs entered the Calgary market. The ABC review completed by Summit72 would serve as a valuable tool to calculate a new fee schedule that would be in alignment with the implementation of any new regulatory framework.
- **Driver Training for Private for Hire Vehicles:** The Livery Transport Bylaw already provides LTS with the authority to implement training for drivers in all industry sectors. Accordingly, Administration recognizes the merit of drivers receiving consistent training related to the licensing and regulation of the livery industry. If Council endorses an approach to implement a driver training program for new private for hire vehicle drivers (with an exemption for existing drivers), Administration would work further with industry participants to develop this program. While Council directed work to explore options specific to drivers of private for hire vehicles, Administration would also work with other industry sectors to explore streamlining training for all new drivers.

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### **Police Check Fee Amendment to the Livery Transport Bylaw**

In 2019 April, Calgary Police Services implemented a fee increase for police checks, a key requirement for driver's licence applications under the Livery Transport Bylaw. As part of the One Calgary budget adjustment process, Administration will bring forward an amendment to the fee schedule in the Livery Transport Bylaw in 2019 November that aligns with this increase.

### **Stakeholder Engagement, Research and Communication**

A summary of industry engagement activities associated with this report is provided in Attachment 4: *What We Heard Summary Report*.

### **Strategic Alignment**

This report aligns with 2019-2022 Citizen Priority: A City That Moves and specifically to 2019-2022 Council Directive (M1): Council's primary concern is with the safety of all Calgarians therefore all modes of transportation must be safe.

Administration committed to complete a full review of the Livery Transport Bylaw over the One Calgary 2019-2022 service plan and budget cycle. In this report, Administration recommends accelerating the bylaw review, to be completed by 2020 Q4, to ensure a new bylaw and its accompanying fee schedule appropriately aligns with the LTS licensing and regulatory mandate of this evolving livery industry.

### **Social, Environmental, Economic (External)**

Administration is committed to providing a safe, sustainable and customer-focused livery system. Livery service enhances mobility and reduces social isolation for those with disabilities in Calgary communities. It also provides social benefit by providing an alternative to driving for individuals who may be impaired. Further, the taxi, limousine and vehicles-for-hire industry serves to facilitate the city's economic development, while supporting the use of environmentally-friendly modes of transportation by enabling personal travel by an integrated network that does not require vehicle ownership.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

LTS is funded through a cost recovery model where the fees collected from industry cover all direct and indirect costs. The fee structure for the industry must ensure the costs associated with each industry participant are fair and sufficient to cover their portion of LTS costs. Administration's recommendation in this report requires \$1.1 million from the LTS Sustainment Reserve to accelerate the planned review of the Livery Transport Bylaw. Completing the review earlier than planned will enable Administration to ensure the licensing and regulatory framework is aligned with a fee schedule that will result in financially sustainable future operating budgets.

#### ***Current and Future Capital Budget:***

The LTS Sustainment Reserve supports capital costs associated with licensing and regulating the livery industry. A financially sustainable fee schedule in a revised Livery Transport Bylaw will ensure an appropriate amount of funds are being maintained in the LTS Sustainment Reserve to support capital expenditures.

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### **Risk Assessment**

Administration continues to focus efforts on increasing transportation options, supporting public safety and providing better customer service. Continued use of annual livery citizen satisfaction survey results, industry best practices and research serves to mitigate potential risks.

If Council does not endorse Administration's recommendation to accelerate the review of the Livery Transport Bylaw, there will continue to be tensions among livery stakeholders about the licensing and regulatory framework and the corresponding fees charged to sustain the LTS operating budget.

There is a risk that the bylaw review may be delayed due to the complexities associated with the livery industry. This delay could impact the implementation of a fee schedule that equitably recovers fees from industry participants aligned to the direct and indirect costs required to regulate the industry. To mitigate this risk, Administration will proceed with the bylaw review in phases and present a proposed framework to Council in 2020 Q1. At that time, if it becomes apparent that the review may take longer, Administration may recommend that Summit72's proposed fee schedule be implemented prior to completing the bylaw review.

**REASONS FOR RECOMMENDATIONS:** Council directed Administration to complete a review of the fee schedule in the Livery Transport Bylaw to analyse fees for all industry participants and determine an equitable fee structure that reflects the landscape of the evolving industry. Engagement with industry on a new proposed fee schedule identified a need to complete a full review of the existing bylaw prior to implementing any changes to the fee schedule. Administration is recommending that the bylaw review be accelerated to be completed by 2020 Q4, using funds from the LTS Sustainment Reserve to pay for the resources required to meet this timeline. This report also responds to Council direction to explore training requirements for private for hire vehicle drivers. Administration recommends using the authority already provided in the Livery Transport Bylaw to enable LTS to work further with industry participants to develop a training program for new drivers.

### **ATTACHMENTS**

1. Attachment 1 – Livery Transport Bylaw Review – Proposed Timeline and Deliverables
2. Attachment 2 – Previous Council Direction/Policy
3. Attachment 3 – City of Calgary Livery Transport Services Fee Review, Summit72 Capital Advisory Services
4. Attachment 4 – Livery Transport Services Fee Review: What We Heard Summary Report





## Livery Transport Bylaw Review – Proposed Timeline and Deliverables

Timeline	Deliverable
2019 Q3	Discussion Paper <ul style="list-style-type: none"> <li>History and evolution of livery industry in Calgary</li> </ul>
2019 Q3-Q4	Best Practices Review of other Municipalities <ul style="list-style-type: none"> <li>Review regulatory frameworks</li> <li>Review corresponding fee schedules</li> <li>Compare similarities/differences with Calgary</li> </ul>
2019 Q4	Stakeholder/Public Engagement and Research <ul style="list-style-type: none"> <li>Options for regulatory frameworks</li> <li>Consider citizen opinions on available transportation options</li> </ul>
2020 Q1	Present proposed regulatory framework to Council
2020 Q2 -Q3	Administration to proceed with drafting Bylaw amendments
2020 Q3-Q4	Stakeholder engagement on proposed Bylaw amendments
2020 Q4	Bylaw amendments presented to Council for approval
2021 Q1	Begin Implementation of the Bylaw



On 2018 April 23, through report CPS2018-0110, Council approved amendments to the Livery Transport Bylaw 6M2007 allowing Transportation Network Companies (TNCs) to select from two options to pay annual licence fees. Council also approved a bylaw amendment to eliminate the \$141 Livery Vehicle Registration fee. In addition, Council directed Administration to undertake a full review of the fee structure in the Livery Transport Bylaw and report back to Council through the SPC on Community and Protective Services no later than 2019 Q2. Administration was also directed to explore a requirement that all private for hire drivers must complete training equivalent to that required by other livery industry drivers and report back within the same timeframe.

On 2018 March 19, Council referred CPS2018-0110 “Livery Industry Improvements – Update on Bylaw 42M2016” back to Administration, with direction to return to Council, through the SPC on Community and Protective Services, with a complete update, no later than 2018 May.

On 2017 March 20, through report C2017-0250, Council approved amendments to the Livery Transport Bylaw to eliminate the annual \$220 Accessible Taxi Plate Licence fee.

At the 2016 November 28 regular meeting of Council, Administration presented report C2016-0918, “Livery Industry Improvements”, which, among other Bylaw amendments, allowed TNCs to select from two licence fee options: The existing licence fee option, as approved by Council in 2016 February; or a proposed alternate TNC licence fee system – the “Combined TNC Licence Fee Option”. Council also directed Administration to report back to Council in 2018 Q1 with an update regarding the one-year pilot for the combined TNC licence fee option.

At the 2016 February 22 regular meeting of Council, Administration presented report C2016-0144, “Transportation Network Company Amendments.” Council approved the report and associated amendments to the Livery Transport Bylaw.

At the 2015 November 16 Strategic Session of Council, through report C2015-0886, Administration was directed to develop amendments to the Livery Transport Bylaw (6M2007) and report back to Council through the Taxi Limousine Advisory Committee (TLAC), no later than 2016 February 22.

On 2015 September 28, through report C2015-0696 “2016 Resilience Budget” Council approved amendments to the Action Plan 2015-2018 budget to mitigate the impacts of the downturn in Calgary’s economy. These amendments included freezing the licensing fees in the Livery Transport Bylaw at 2015 levels and further reducing the annual licensing fee for Accessible Taxi Plate Licences from \$877 to \$220.



# City of Calgary Livery Transport Services Fee Review



Summit72 Capital Advisory Services  
12/21/2018

## Disclaimer

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## 1. Background

### 1.1 Livery Transport Services (LTS)

Calgary's Livery Transport Services (LTS) is mandated with maintaining a vehicle-for-hire industry that ensures public safety, service quality and consumer protection. LTS fulfills this mandate through the licensing and regulating of all market participants, including taxis, limousines and Transportation Network Companies or TNCs (also known as ride sharing companies). Although not a profit center for the City of Calgary, LTS is expected to be self-sustaining. To this end, LTS seeks to ensure the service fees it charges market participants are sufficient to cover the costs of executing its mandate.

### 1.2 Industry Disruption

Prior to 2016, Calgary's vehicle-for-hire industry consisted almost entirely of taxis. In April of 2016 the City of Calgary decided to provide Calgarians with another vehicle-for-hire option, opening up the industry to competition from TNCs. This led to significant changes in the structure of Calgary's vehicle-for-hire market and by the end of 2018 TNCs are forecasted to have captured approximately 39% of the market.

This industry disruption has broadened the scope of LTS's regulatory and administrative oversight, with an increasing amount of time and effort now required to serve the TNC market segment. Consequently, service fees charged by LTS may not accurately reflect the costs of providing these services.

### 1.3 Scope of Work

The City of Calgary engaged Summit72 Capital Advisory Services to assess the impact this new industry structure will have on its current and future costs. Ultimately, the objective is the development of a fee schedule that equitably allocates costs across all market participants while also ensuring the current and future operational stability of LTS.

Since 2016, LTS and Calgary City Council have worked to address industry disruption primarily through a reduction in taxi fees and by introducing fees and regulations for TNCs. Our understanding is that some market participants and key stakeholders criticised this process as being *ad hoc*, causing the need for an independent, in-depth, and transparent analysis of LTS's fee structure.

A well-functioning vehicle-for-hire market, based on an equitable fee structure is central to what LTS aims to achieve through the delivery of this scope of work. Specifically, LTS wishes to establish a clear link between each market participant's consumption of LTS resources and the level of payment required to provide these services.

The scope of work required to deliver on this objective is as follows:

- Review of existing LTS processes;
- Develop an equitable fee schedule supported by Activity Based Costing principles;
- Complete further analysis of the TNC Combined Licence Fee option;
- Create a forecast model which provides insight into LTS revenue as it relates to the new fee schedule and projected industry trends; and
- Review of the LTS Reserve Fund



## 2. Methodology

### 2.1 Activity Based Costing (ABC)

Activity Based Costing (ABC) is a commonly accepted method used to understand the true costs incurred in the production of a good or in providing a service. Specifically, ABC is used to allocate indirect costs in a way that accounts for the relationship between a product and the resources that product consumes. In the case of LTS, if one industry participant consumes more LTS resources than another, then fees based on ABC will reflect this.

To apply ABC to understanding the costs of producing a good or service, it is necessary to differentiate between Direct, Indirect, and Total Costs.

#### ***Direct Costs***

Direct costs are those costs that can be easily traced to a specific good or service. Using LTS, an example of direct costs would be the time it takes a Livery Licensing Assistant to process a driver licence application or the cost of materials like a taxi plate.

#### ***Indirect Costs***

Indirect costs (also called overhead), are costs that are not easily traceable to a product or service. Indirect costs include the salaries and wages that are not directly involved in producing a good or service, as well costs such as building and vehicle expenses. ABC provides a means of equitably allocating the indirect costs to industry participants based on their consumption of resources.

#### ***Total Costs***

The total cost of a product or service is equal to the sum of all direct costs and indirect costs.

### 2.2 Implications of ABC Based Fee Structures

An LTS fee structure that is based on ABC does not imply that all market participants will pay equal fees. For example, differences in the business models employed by taxis and TNCs lead to differences in the amount of LTS services each of these industry sectors consumes. Therefore, applying the principle of equity to LTS fees may mean that fees will differ across industry sectors.

## 3. Fee Schedule Development

### 3.1 Data Gathering

For Summit72, the first step in the LTS Fee Review involved enhancing our knowledge of the organization's operational environment and the market it operates in. To facilitate this, we conducted extensive interviews and information gathering sessions involving LTS and relevant people from Compliance Services, Strategic Services, and Finance.

Next, Summit72 reviewed the relevant background documentation required to complete the fee review. This included, but was not limited to, policies and procedures, historical LTS demand, audited financial statements, and historical reserve fund data. Finally, detailed process maps and time studies provided by LTS Staff were

analyzed and taken to be indicative of the level of effort involved in processing front counter transactions and undertaking enforcement activities.

### 3.2 LTS Costing Dynamics

The City of Calgary administers the vehicle-for-hire industry under a cost recovery model whereby regulatory costs are passed on to industry participants in the form of fees.

For instance, if the cost to LTS of licensing and regulating all vehicle-for-hire drivers is \$1 million, then under an equitable fee structure that \$1 million will be passed on to drivers in the form of driver licence transaction fees. From this example, it becomes apparent that the number of drivers also impacts the magnitude of the fee. \$1 million distributed equally to 1,000 driver licence fees will be substantially more per driver than \$1 million distributed equally to 10,000 driver licence fees.

The driver licence example is indicative of all LTS fees in the sense that the magnitude of the fee is not only based on the magnitude of expenses, but also the number of fee transactions completed. This characteristic of a revenue neutral fee structure highlights the importance of accurate estimates for both expenses and the number of transactions. Summit72 worked closely with LTS staff to produce a steady-state view of future expenses and transaction numbers that could be used as the basis of the costing exercise.

### 3.3 Key Assumptions

Information gathered during the data gathering stage of work was reviewed and used to inform the fee development process. Activity Based Costing often requires balancing the competing priorities of achieving a high-level of cost precision against practical limitations such as the cost and time involved in such an exercise. For the current scope of work, it was not always deemed reasonable or cost effective to obtain the most precise costing estimates possible. Therefore, professional judgement was used to implement a number of assumptions that were necessary to develop the recommended fee schedule. For the purposes of transparency, a list of key assumptions used is provided on the following page.

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Table 1: LTS Fee Review Key Assumptions

Assumption	Rationale	Purpose	Source
Steady-State Annual Expenses	A normalized operating year based on budget and actuals smooths out one-time items and other irregularities	Allocate costs to industry participants based on an <u>average</u> operating year	LTS Audited Financials and 2019 – 2022 Budget
Steady-State Annual Transactions	Similar to expenses, create a normalized number of LTS transactions from current numbers of industry participants and historical transaction data	Calculate fees that are based on an <u>average</u> number of LTS transactions	LTS historical transaction data and LTS current industry reports
Maintain Status Quo	Expense projections maintain the status quo unless instructed otherwise by LTS (i.e. vacant positions are included in costs)	Produce the most accurate forward-looking view of expenses as possible	Various LTS sources
Compliance Indirect Costs are Allocated to all Industry Participants	Indirect costs for compliance (Livery Inspectors, vehicle expenses, Licence Review Hearing costs, etc.) are allocated to all industry participants. In this way everyone pays for compliance, similar to how all Calgary citizens pay for police services	Facilitates an appropriate and straight-forward costing methodology	Not applicable
New Car Set Up Fee Paid for by Plate Holders (Taxi and Limousine)	The New Car Set Up Fee was eliminated by Council in 2018. However, ABC requires that the related costs are allocated to a cost object	Allocate the cost to the most appropriate industry participant (plate holders)	Not applicable
Training for TNC Drivers	Council directed LTS to explore training for TNC drivers and report back at the same time as the Fee Review. The proposed training fee is included in the new fee schedule (Section 4.1) and the forecast analysis (Section 5.2)	Ensure equitable cost recovery from all industry participants.	Not applicable
Forecast Assumptions	Forecasts provided in Section 5.2 assume that LTS costs and related fees remain constant over the five-year forecast period	Removes uncertainty during / beyond 2019-2022 budget cycle	Not applicable

## 4. Results

### 4.1 Schedule of Fees

The result of the LTS Fee review is the proposed fee schedule provided below. See Appendix A for a comparison of this fee schedule with the existing Schedule B fees as contained in Livery Transport Bylaw 6M2007.

Table 2: Proposed Fee Schedule

<b>Driver</b>	<b>Taxi</b>	<b>Limo</b>	<b>TNC</b>	<b>Garage</b>
1st License / Renewal	230	230	329	-
Replacement	50	50	-	-
New Driver Application & Classroom Training	325	325*	325*	-
New Driver Application & Online Training	115	115	115*	-
New Driver Application & Training Manual (Limo Only)	-	150	-	-
Testing (additional Rewrite)	50	50	50	-
Accessible endorsement	80	80	80	-
Police check (includes \$30 CPS Fee)	45	45	45	-
License Reinstatement	181	181	181	-
License Reinstatement (152(3))	400	400	400	-
License Reinstatement (152(2))	1,260	1,260	1,260	-
<b>Plate</b>				
Application	50	50	-	-
1st License / Renewal	595	455	-	-
Transfer Application	260	-	-	-
Transfer Processing	200	-	-	-
Replacement	75	50	-	-
<b>Brokerage</b>				
Application / 1st License	3,000	2,500	3,500	-
Renewal	3,000	2,500	3,500	-
<b>Station</b>				
Application / 1st License	-	-	-	410
Renewal	-	-	-	400
<b>Mechanic</b>				
Application / 1st License	-	-	-	330
Renewal	-	-	-	325

\* not offered at this time

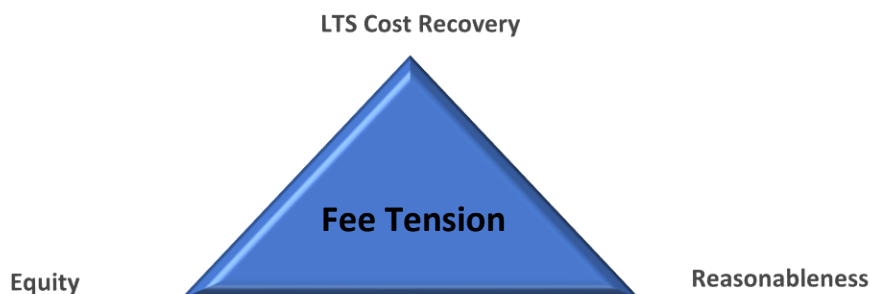
#### 4.1.1 Additional Comments

The proposed fee schedule includes all the assumptions set out in Table 1. This includes new items approved in the 2019 - 2022 One Calgary Budget such as the addition of two new Livery Inspectors and updated building lease expense related to the planned relocation of LTS offices from Stockman's Centre to Airways.

## 4.2 Discussion

The Activity Based Costing review resulted in cost estimates for all regulatory processes administered by LTS. These costs were then translated into the fees that LTS could charge market participants based on the principle of equity. However, the resulting fee structure made it apparent that the fee review needed to also consider the impact that equitable fees could have on the competitiveness of market participants. This led to the inclusion of the criterion of reasonableness in the fee review.

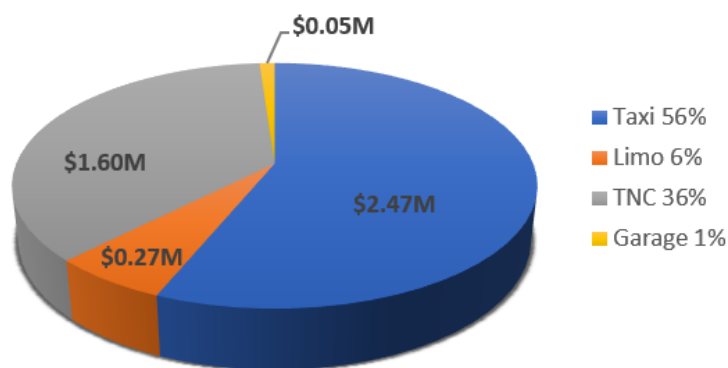
Figure 1: Fee Considerations



In recognition of this “fee tension”, a new approach was taken that applied the requirement for equity to the industry sector level (i.e. taxis, TNCs and limousines) rather than each industry participant (i.e. drivers, brokers, plateholders, etc.). This distinction became a point of departure for successive iterations of the proposed fee structure.

Equity at the industry sector level means that each industry pays for the costs they are responsible for and the Activity Based Costing review provided a clear view of this. Based on a total LTS operating budget of \$4.4 million, Figure 2 illustrates the industry sector cost breakdown.

Figure 2: Industry Sector Cost Responsibility



The proposed fee schedule in Table 2 sets fee prices at reasonable levels, while also explicitly satisfying each industry’s cost responsibility. For example, the fee for a taxi driver licence was set by balancing the need to cover LTS costs against the goal of ensuring the fee was not set at a rate that could potentially deter market participation and / or jeopardize existing service levels.

#### 4.2.1 TNC Combined Licence Fee

In 2016 Council approved the Combined Licence fee for TNCs. This fee structure consisted of an administration fee based on the number of TNC drivers and a \$0.20 per trip surcharge. The Combined Licence Fee was effectively eliminated by council in 2018 and replaced with a minimum and maximum fee that essentially fixes the TNC fee at specified rate per driver.

Throughout the year LTS tracks the number of TNC trips and TNCs are invoiced quarterly on a per trip basis. However, at the end of the year the actual amount owing is calculated based on the cumulative number of drivers over the course of the year multiplied by the current fee of \$229. The TNC either pays the difference or is reimbursed for their overpayment.

As part of the LTS Fee Review, Summit72 assessed the TNC Combined Licence fee in its current form and our observations are as follows:

1. The current fee system is administratively burdensome. It requires LTS staff to assess per trip fees throughout the year but then regardless of trip numbers, complete a year end true up based on the number of drivers.
2. Costs incurred by LTS for TNCs are a function of the need to regulate industry and to process industry related transactions such as licensing. In other words, costs are independent of the number of trips completed by TNC drivers and, as such, a per trip fee is not equitable from an ABC point of view. Likewise, this same argument would be made against a per trip fee for any other industry sector.

#### 4.2.2 Proposed TNC Per Trip Fee Methodology

A per trip fee has not been included in the new fee schedule because it does not fit within the equity framework. However, a per trip fee could be acceptable if it ensures that TNCs pay for their full cost responsibility of 36% or \$1.6 million (see Figure 2). In this case, the projected number of trips to use in the fee calculation would be important to ensure LTS isn't being exposed to an unnecessary level of revenue risk.

It is recommended that LTS base any decision related to a per trip rate on actual trip data, not forecasted number of trips, regardless of how the data is trending. While 2018 data is the most recent view of TNC volumes, a two-year average allows for the largest sample size and would likely be the most appropriate estimate of future volumes.

Table 3: TNC Per Trip Fee

<b>Total TNC Cost Responsibility (\$millions)</b>		<b>1.60</b>
<b>Period</b>	<b>Number of Trips (millions)</b>	<b>Per Trip Fee (\$)</b>
2017	2.28	0.70
2018*	3.91	0.41
Two-Year Average	3.09	0.52

\*10 months actuals and 2 months forecast

It is important to note that the proposed per trip fee above is not an appropriate comparison to the existing TNC per trip fee of \$0.20. The existing Combined TNC Fee includes a separate company administration fee which is not being proposed here. Additionally, the proposed per trip fee is based on an updated cost structure which includes items such as TNC training and increased enforcement costs.

For information purposes, the below table provides the per trip fee which would be required for a range of different TNC trip volumes. Again, this is based on the current LTS cost structure and a TNC cost responsibility of 36%.

Table 4: Per Trip Fee Based on Range of Trip Volumes

<b>Annual Trips (millions)</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	<b>2.5</b>	<b>3.0</b>	<b>3.5</b>	<b>4.0</b>	<b>4.5</b>	<b>5.0</b>	<b>5.5</b>	<b>6.0</b>
Per Trip Fee (\$)	1.60	1.07	0.80	0.64	0.53	0.46	0.40	0.36	0.32	0.29	0.27

### 4.3 Combined Licence Fee for Other Industries

A component of the LTS Fee Review is to further assess the Combined Licence Fee in order to investigate possible adjustments for other industry participants. This is certainly an option for other industry participants, however administering a per trip fee would require that taxi and limousine brokerages manage their fleets in a way that is similar to TNCs. LTS has expressed a willingness to work with industry participants if this is an option that they choose to pursue. In this case the same fee calculation methodology applied to TNCs would be recommended for other industry participants.

## 5. Market Dynamics

### 5.1 TNC Market Impact

As per Table 5 below, from 2014 to 2016, annual taxi trips were in decline (likely due to economic conditions<sup>1</sup>). The entry of TNCs in late 2016 has more than offset this decline, leading to an overall increase in market size from 8.4 million to 10.0 million over the five-year period.

Table 5: Annual Vehicle-for-Hire Trips

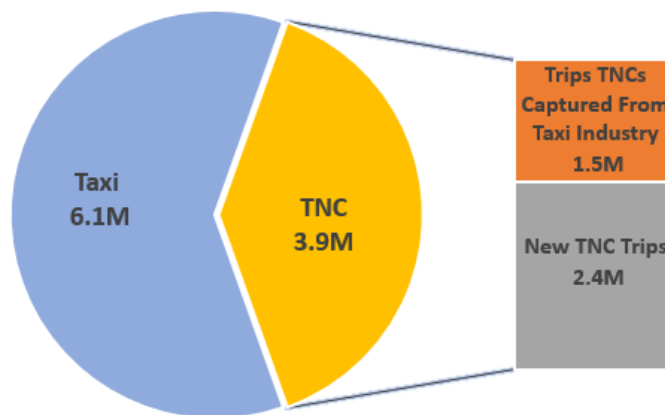
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual Taxi Trips (millions)	8.4	7.5	7.0	6.6	6.1*
Annual TNC Trips (millions)	0.0	0.0	0.1	2.3	3.9*
<b>Total Trips</b>	<b>8.4</b>	<b>7.5</b>	<b>7.1</b>	<b>8.9</b>	<b>10.0</b>

*\*10 months actuals and 2 months forecast*

<sup>1</sup> The economic downturn was precipitated by a large drop in the price of oil that began mid-2014 and continued into 2016

Figure 3 illustrates our estimation of the overall impact that TNC market entry has had on the total market size as well as the trips attributable to TNC capture of taxi market share.<sup>2</sup>

Figure 3: 2018 Taxi and TNC Trip Breakdown



One possible explanation for the increase in the overall number of trips is that TNCs may appeal to a different demographic who typically wouldn't hire a taxi. However, it is unlikely that this would result in an increase of 2.4 million trips per year. More likely, the increased number of rides provided by the vehicle-for-hire industry is largely due to TNC's surge pricing business model. A higher fare during high demand periods serves to encourage more drivers to come online and accept trips. For example, The Economist reports that "In San Francisco the number of private cars for hire has shot up . . . This suggests surge pricing has encouraged the number of taxis [referring to the total vehicle-for-hire pool] to vary with demand, with the market getting bigger during peak hours."<sup>3</sup>

In many cases, a high demand period that would see taxi supply fully utilized, would also correspond with TNC surge pricing being in effect. If the taxi fleet is fully employed, then any trips fulfilled by TNCs would be incremental trips rather than market share captured from taxis. Trip numbers would suggest that while TNCs have captured a portion of the market from taxis, they are also bringing all together new rides into the system. This distinction is important because it provides additional context to the impact which TNCs have had on the vehicle-for-hire industry in Calgary and has implications for the forecast in the following section.

<sup>2</sup> From 2014 to 2016, average taxi volumes were 7.6 million trips per year. 2018 taxi volumes are 6.1 million trips and comparing that to the three-year average, we estimate that current taxi volumes have fallen by 1.5 million trips per year. We attribute the loss of 1.5 million taxi trips to TNC market entry but, it would also appear that TNCs have increased the size of the total market. Comparing 2018 total trips to the three-year average, indicates that TNCs have added 2.4 million new trips (10 million minus 7.6 million).

<sup>3</sup> The Economist, <https://www.economist.com/finance-and-economics/2014/03/29/pricing-the-surge>



## 5.2 Market Scenarios

An important supplement to the proposed new fee schedule is the forecast model and analysis which assesses the impact of changes in the vehicle-for-hire industry and how susceptible the fee schedule is to market dynamics. To assist with this, the cost structure and fees have been held constant throughout the forecast period. In order to stress-test the new fees, multiple scenarios were produced, including extreme and even unlikely events. It is important to note that these extreme scenarios are not predictions, they are simply illustrative of potential worst-case scenarios.

### 5.2.1 Taxi Exit

In this scenario, the taxi industry continues to lose market share to TNCs and ultimately exits the market. Fragmentation of the taxi industry results in slow attrition over four years and the complete withdrawal in year five. Table 6 provides a view of LTS revenue under this five-year decline in taxi trip volumes.

Table 6: Taxi Exit Scenario

<b>LTS Revenue Forecast (\$millions)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
LTS Steady-State Expense Budget	4.40	4.40	4.40	4.40	4.40	
LTS Revenue Under Taxi Exit Scenario	4.00	3.89	3.86	3.79	3.69	
<b>Surplus / Deficit</b>	<b>-0.40</b>	<b>-0.51</b>	<b>-0.54</b>	<b>-0.61</b>	<b>-0.71</b>	<b>-2.76</b>

If this hypothetical scenario were to occur, LTS would see a growing decrease in revenue as the taxi industry exit occurred. While the loss of taxi driver licence fees is offset by an increase in TNC driver fees, the decline in plate revenue is not offset and is the main contributor to the annual deficit. If LTS did not react by reducing expenses or drawing from the reserve fund, an average 14% increase in fees for all industry participants would be required to offset the annual deficit.

### 5.2.2 TNC Exit

This scenario assesses a situation whereby changing market factors cause TNCs to exit the Calgary market in 2020. In this case, the loss of LTS revenue is equal to the revenue earned from TNC driver licence, training and broker fees.

Table 7: TNC Exit Scenario

<b>LTS Revenue Forecast (\$millions)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
LTS Steady-State Expense Budget	4.40	4.40	4.40	4.40	4.40	
LTS Revenue Under TNC Exit Scenario	2.80	2.80	2.80	2.80	2.80	
<b>Surplus/Deficit</b>	<b>-1.60</b>	<b>-1.60</b>	<b>-1.60</b>	<b>-1.60</b>	<b>-1.60</b>	<b>-8.00</b>

The total number of 2018 vehicle-for-hire trips is forecasted at 10 million. As discussed in Section 5.1, this includes an estimated 2.4 million trips which are being considered new trips directly attributed to the TNCs surge pricing business model. If TNCs exit the market, the presumption is that trip volumes would retreat back to pre-TNC levels. Therefore, taxis could expect to recapture the estimated lost market share of 1.5 million trips, but not the new trips that TNCs have attracted. While a TNC exit would likely result in higher revenue

earned for taxi drivers, it is not anticipated that a TNC exit would result in a material increase in the number of taxi drivers or LTS fee revenue.

In the absence of any reductions in LTS expenses or draw down of the reserve fund, an average 57% increase in fees for all industry participants would be required to offset the loss of TNC revenue.

### 5.2.3 Contested Market

This scenario illustrates a high level of competition between taxis and TNCs and predicts how the disruption in the vehicle-for-hire industry will unfold over the next five years and the results on LTS revenue.

Table 8: Contested Market Scenario

<b>LTS Revenue Forecast (\$millions)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
LTS Steady-State Expense Budget	4.40	4.40	4.40	4.40	4.40	
LTS Revenue Under Contested Market Scenario	4.59	4.86	5.02	5.02	5.02	
<b>Surplus / Deficit</b>	<b>0.19</b>	<b>0.46</b>	<b>0.62</b>	<b>0.62</b>	<b>0.62</b>	<b>2.51</b>

The expectation is that TNCs continue to gain market share at the expense of taxis but that growth will slow and the market will stabilize in 2021. TNC growth may be highly volatile in the short term, but on average, they are forecasted to increase their market share to 55% versus 45% for the taxi industry. This scenario assumes that taxi numbers stay constant (drivers, brokers and plates) and TNC driver numbers increase as they capture more market share and attract new trips based on their surge pricing model. As a result of increased TNC drivers and the related fees, there would be an annual surplus for LTS and an average 10% decrease in fees for all industry participants would be possible.

## 6. Reserve Fund

### 6.1 Background and Assessment

The LTS Reserve Fund is governed by City of Calgary Policy CFO013 and it is understood that the desire in the past has been to maintain a balance equal to one year's operating budget. The below table provides a historical view of the Reserve Fund.

Table 9: Reserve Fund Balance

<b>Reserve Fund Activity (\$1,000s)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Opening Balance	2,633	3,127	3,722	4,539	4,076	3,737
LTS Annual Operating Surplus / Deficit	910	668	901	-181	-354	373
Investment Income	84	70	99	110	86	119
Capital Expenditures	-500	-143	-183	-392	-71	-84
<b>Closing Balance</b>	<b>3,127</b>	<b>3,722</b>	<b>4,539</b>	<b>4,076</b>	<b>3,737</b>	<b>4,145</b>

In the past six years, only two years resulted in an operating deficit (2015 and 2016), with the largest deficit being \$354K.

It is also interesting to note that from 2014 - 2017, \$739K was contributed to reserve but \$386K was from fines and penalties rather than actual surplus revenue from fees<sup>4</sup>.

Table 10 is based on the current Reserve Fund balance and budgeted capital. It assumes an annual LTS deficit in order to illustrate that if the worst historical year persisted for the next budget cycle, LTS would still be able to fund operating shortfalls and meet capital commitments. In this hypothetical scenario, \$2.0 million would remain in the Reserve Fund at the end of the 2022.

Table 10: Reserve Forecast

<b>Reserve Fund Activity (\$1,000s)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Estimated Opening Balance	4,700	4,307	3,102	2,511
Estimated LTS Annual Operating Surplus / Deficit	-354	-354	-354	-354
Estimated Investment Income	141	129	93	75
Planned Capital Expenditures	-180	-980	-330	-230
<b>Closing Balance</b>	<b>4,307</b>	<b>3,102</b>	<b>2,511</b>	<b>2,003</b>

## 6.2 Reserve Fund Options

At the request of LTS, Summit72 has assessed the possibility of a temporary fee reduction financed through the Reserve Fund. Table 11 reflects a fee reduction in driver licences for taxis and limousines. As the percentage fee reduction increases, so does the annual deficit which would ultimately be subsidized from the Reserve Fund.

Table 11: Fee Reduction Sensitivity

<b>Fee Reduction</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>18%</b>	<b>20%</b>	<b>22%</b>	<b>24%</b>	<b>26%</b>	<b>28%</b>	<b>30%</b>	<b>32%</b>
Annual Deficit (\$1,000)	-111	-134	-157	-180	-203	-225	-248	-271	-294	-317	-340	-363
Taxi & Limo Driver License Fee (\$)	207	202	198	193	189	184	179	175	170	166	161	156

## 7. Conclusion

If there is one thing that is certain, it is that there will be a vehicle-for-hire industry in Calgary for the foreseeable future. However, the exact composition of that industry remains to be seen. LTS is responsible for regulating the vehicle-for-hire industry, and those regulations should not be punitive or favor one industry over another. Likewise, LTS should not be expected to intervene in the market to sustain existing companies or attract new ones.

The costing analysis that was completed has been based on established accounting principles and the resulting proposed fee schedule is equitable between industry sectors, it is reasonable and it addresses cost recovery. The City of Calgary should welcome legitimate stakeholder feedback but also recognize that it is the responsibility of all industry participants to work within the regulatory framework to identify the competitive advantages, strategic alliances, and efficiencies that will ensure their own long-term success. As previously

<sup>4</sup> Source: LTS Audited Financial Statements

noted, it is different industry sectors' business models which results in different regulation and therefore different costs. Each industry sector has the freedom to adjust their business model and thereby work with LTS to reduce their consumption of LTS resources and potentially, their fees.

One of the key points from the LTS fee review is that a healthy, competitive vehicle-for-hire industry will benefit LTS through stable revenue. However, industry disruption from ridesharing companies is likely not yet complete and new innovations such as autonomous vehicles are on the horizon. LTS and the City of Calgary should continue to proactively monitor market trends and be ready to adjust regulations and fees as market dynamics unfold.

## 8. Appendix

## 8.1 Appendix A

	Taxi Industry Cost % - \$2,465,70856%				Limo Industry Cost - \$270,7596%				TNC Industry Cost - \$1,601,57236%				
	Taxi Fees				Limo Fees				TNC Fees				
	Existing (\$)	New (\$)	Variance	Δ %	Existing (\$)	New (\$)	Variance	Δ %	Existing (\$)	New (\$)	Variance	Δ %	
Driver													
1st License / Renewal	141	230	89	63%	141	230	89	63%	229	329	100	43%	
Replacement	39	50	11	28%	39	50	11	28%	0	0	0	-	
New Driver Application & Classroom Training	312	325	13	4%	0	325	325	-	0	325	325	-	
New Driver Application & Online Training	312	115	-197	-63%	56	115	59	105%	0	115	115	-	
New Driver Application & Training Manual (Limo)	0	0	0	-	56	150	94	168%	0	0	0	-	
Testing (add'l Rewrite)	0	50	50	-	25	50	25	100%	0	50	50	-	
Accessible endorsement	75	80	5	7%	75	80	5	7%	0	80	80	-	
Police check (incls. \$30 CPS Fee)	43	45	2	5%	43	45	2	5%	0	45	45	-	
License Reinstatement	181	181	0	0%	181	181	0	0%	181	181	0	0%	
License Reinstatement (Subsection 152(3))	377	400	23	6%	377	400	23	6%	377	400	23	6%	
License Reinstatement (Subsection 152(2))	1,260	1,260	0	0%	1,260	1,260	0	0%	1,260	1,260	0	0%	
Plate													
Application	181	50	-131	-72%	0	50	50	-	0	0	0	-	
1st License/Renewal	912	595	-317	-35%	731	455	-276	-38%	0	0	0	-	
Transfer Application	260	260	0	0%	0	0	0	-	0	0	0	-	
Transfer Processing	260	200	-60	-23%	0	0	0	-	0	0	0	-	
Replacement	75	75	0	0%	50	50	0	0%	0	0	0	-	
Brokerage													
Application/1st License	1,824	3,000	1,176	64%	1,824	2,500	676	37%	1,965	3,500	1,535	78%	
Renewal	1,824	3,000	1,176	64%	1,824	2,500	676	37%	1,824	3,500	1,676	92%	
	Garage Industry Costs - \$48,4761%				Admin Costs - \$6,8320.2%								
	Garage Fees				Other Fees								
	Existing (\$)	New (\$)	Variance	Δ %					Existing (\$)	New (\$)	Variance	Δ %	
Station					Admin								
Application/1st License	97	410	313	323%					Bylaw	5	5	0	0%
Renewal	181	400	219	121%					Inspection forms	26	26	0	0%
Mechanic									Photocopy	1	1	0	0%
Application/1st License	50	330	280	560%					NSF	50	50	0	0%
Renewal	97	325	228	235%									





# Livery Transport Services Fee Review

## What We Heard Summary Report

2019 April

### Background

- On 2018 April 11, Council directed Administration to complete a full review of the fee structure in the Livery Transport Bylaw 6M2007. Administration was also directed to explore requirements for training TNC (ride-share) drivers equivalent to that required of other livery industry drivers.
- In 2018 Q3, an external contractor was hired to complete the review and propose a new fee schedule.
- In 2019 January, the contractor delivered the proposed fee schedule to Livery Transport Services (LTS).
- From 2019 February 25 - 28, LTS held information sessions with industry participants to provide an overview of the proposed fee schedule and collect additional comments and questions.
- From 2019 March 1 – 15, an online survey was also available for industry participants to provide additional feedback.

### Engagement Overview

In 2019 February, The City of Calgary held six in-person information sessions with industry participants by stakeholder group. Each information session covered the same material and provided an overview of the proposed fee schedule, with time allotted to collect additional comments and questions.

Following is a breakdown of the information sessions and number of participants:

#	Session	# Of Participants
1	Taxi Brokers & Limo Brokers	13
2	Taxi Drivers Session 1	9
3	Taxi Drivers Session 2	34
4	Individual Plate Holders, (Taxi and/or Limousines) Garages, Mechanics	28
5	TNC Drivers & Limo Drivers	49
6	Transportation Network Company (TNC) Representatives (not TNC Driver)	5
	<b>TOTAL</b>	<b>138</b>

Following the LTS in-person Information Sessions, from 2019 March 1 - 15, The City of Calgary hosted an online survey extending the opportunity to all industry participants to provide additional comments/or questions about the LTS Fee Review. The online survey link as well as [The City of Calgary Livery Transport Services Fee Review](#) Report, completed by the external contractor, was sent to the industry participants through the LTS Industry Bulletin via email.

The online survey participant analytics are as follows:

DELIVERED	VIEWED	RESPONDED
5,696	971	196

Note: Industry emails are delivered to industry stakeholders who have subscribed and/or provided consent to receive LTS email updates.

This 'What We Heard Report' includes a high-level summary from the six in-person information sessions and online feedback from the industry participants.



# Livery Transport Services Fee Review

## What We Heard Summary Report

2019 April

### What We Asked – In-Person Information Sessions

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A handout covering the LTS Fee Review background, findings and next steps as well as the proposed fee schedule was provided to each information session participant.

A short presentation of the fee review timeline, fee review findings, driver training and next steps were provided at the beginning of the information session.

Following the presentation, participants were asked to provide questions and/or comments on the proposed fee schedule.

The information session participants were also informed of the online survey to be sent out on 2019 March 1 where they could provide additional feedback.

### What We Heard – Summary of In-Person Information Sessions

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#### Taxi Brokers and Limo Brokers

- There were concerns about the proposed fee increase and brokers felt it was too high.
- Participants specifically expressed concern about the proposed increases to the driver licence and renewal, and garage licence renewal fees.
- Participants requested the stakeholder feedback and the 2018 budget vs actual be included in information presented to the Standing Policy Committee (SPC) meeting in 2019 May.
- Some felt the information relating to the industry sector cost responsibility in the proposed fee schedule was not correct.
- Participants felt the fees should be level between the TNC and taxi sectors, and noted that there would be more buy-in if the fees were reduced.
- Some participants suggested a full review of the Livery Transport Bylaw be completed before implementing a new fee schedule.
- Participants requested the actual LTS operating budget that was used to determine the proposed fee schedule.

#### Taxi Drivers

- Concerns were expressed about the proposed increase in licence fees, with the view they were too high.
  - Drivers suggested LTS should do more research and compare the proposed fees to other cities.
  - Some drivers proposed The City put a cap on Transportation Network Driver's Licences (TNDL).
  - It was suggested, by some participants, the combined licensing costs to operate as a TNC driver should be equal to the licensing costs for a taxi driver/taxi plate licence holder.
  - Some drivers suggested the option to extend the renewal licence time to two years.
- It was also suggested a driver should only pay for one licence, but be able to work as a driver in any of the three industry sectors (i.e. taxi, limo, TNC).

#### Individual Plate Holder (limo, taxi), Garages, Mechanics

- Garages/Mechanics expressed their concerns, and largely disagreed with the proposed increase in their annual licence fees, stating they were too high.
- There was a wide range of feedback regarding the licencing and renewals:
  - Have LTS change licence renewals from one year to two.
  - Add the 10 cents per-trip fee for the Accessible Taxi Incentive Program to licence renewal fees.
  - Have vehicle insurance part of the driver's licence renewal.
  - Consider a two-year licence term for mechanical/inspection sites.





## Livery Transport Services Fee Review

### What We Heard Summary Report

2019 April

- Participants indicated TNCs and taxis should have equal training, meter rate, increase in fees, rules, mechanical inspections and insurance.
- Participants suggested one licence for all drivers.

#### TNC Drivers and Limo Drivers

- Participants generally supported training for drivers.
- Participants were mixed on the preferred method of training. Some participants preferred online training while others preferred classroom training.
- Drivers asked questions around training such as:
  - What would TNC training look like?
  - If a driver had already completed taxi training, would there also be a requirement to complete TNC training?
  - How often is training?
  - Would training be required for part time drivers?
  - Would training be grandfathered for drivers who have already been licenced?

#### TNC Representatives

- Participants indicated the fees were not split fairly across the industry sectors, suggesting all driver licence fees for taxis, TNCs and limos should be equal.
- Participants indicated the number of taxi vehicles should equal the number of TNC vehicles.
- Participants felt the proposed fees are high.
- Participants felt The City should coordinate with other municipalities, specifically across Alberta, and align with Edmonton.
- Most participants agreed with training for drivers, preferably at no cost.
- Some participants requested LTS bring back customer service training and have it offered more regularly.
- Participants asked questions about training such as:
  - If taxi training has been completed, is TNC driver training required?
  - If a TNC driver has already been operating for some time, would there still be a requirement for training?

### What We Heard – Online Survey Summary, Questions and Responses

#### Please provide any comments and/or questions about the proposed fee schedule that distributes costs by industry sector

- Of the 196 industry participants, who responded to the survey, 32 did not comment on this question.
- Of those respondents who commented, 26 expressed support for the proposed fee schedule, while 24 opposed it.
- 30 respondents indicated the proposed fees were too high.
- There was conflicting feedback about industry sector cost responsibility: some respondents indicated more costs should be assigned to the TNC sector because they have more vehicles on the road; other respondents indicated the taxi percentage should be higher as they generate more revenue, and; one respondent suggested the cost responsibility of the limousine sector should increase as this sector offers a luxury service.
- 14 respondents requested additional information to understand how the proposed fee schedule was determined.
- 12 respondents were concerned about the fees and felt the fees should be reduced, eliminated or remain the same.



## Livery Transport Services Fee Review

### What We Heard Summary Report

2019 April

- 10 respondents thought the proposed renewal fees are too high and the renewal time of the licence should be changed from one to two years.
- 9 respondents commented on the equality between industry sectors. Comments included:
  - The fees and meter rate for taxi and TNC should be the same.
  - Fees should be divided equally by the number of vehicles on the road.
  - There should be a fair distribution of parking spots for TNC operators.
- 9 respondents raised concerns about fee increases in a struggling economy. Respondents felt inflation and increasing overhead charges for drivers should be considered in the proposed fee schedule.

#### **Please provide your comments and/or questions about the proposed fee changes:**

- Of the 196 industry participants, who responded to the survey, 17 did not comment on this question.
- 35 respondents disagreed with the proposed fee changes and believed they are too high.
- 21 respondents were concerned about the fees and felt the fees should be reduced, eliminated or remain the same.
- 19 respondents supported the proposed fee changes.
- 16 respondents commented on the renewal fees. Comments included:
  - Suggested changing the taxi/limo licence renewal term to 2 or 4 years.
  - Taxi licence and plate renewal fee is too high.
- 10 respondents expressed concern about the lack of information that was provided to support the proposed fee changes.
- 9 respondents felt the proposed fees, including renewal costs, should be equal between taxi and TNC drivers.
- 15 respondents felt the proposed fees are unfair and in favour of other industry sectors.
- 9 Respondents raised concerns about the proposed fee increases during a struggling economy.

#### **Please provide questions and/or comments about providing driver training across all industry sectors (i.e. taxis, limousines and TNCs)**

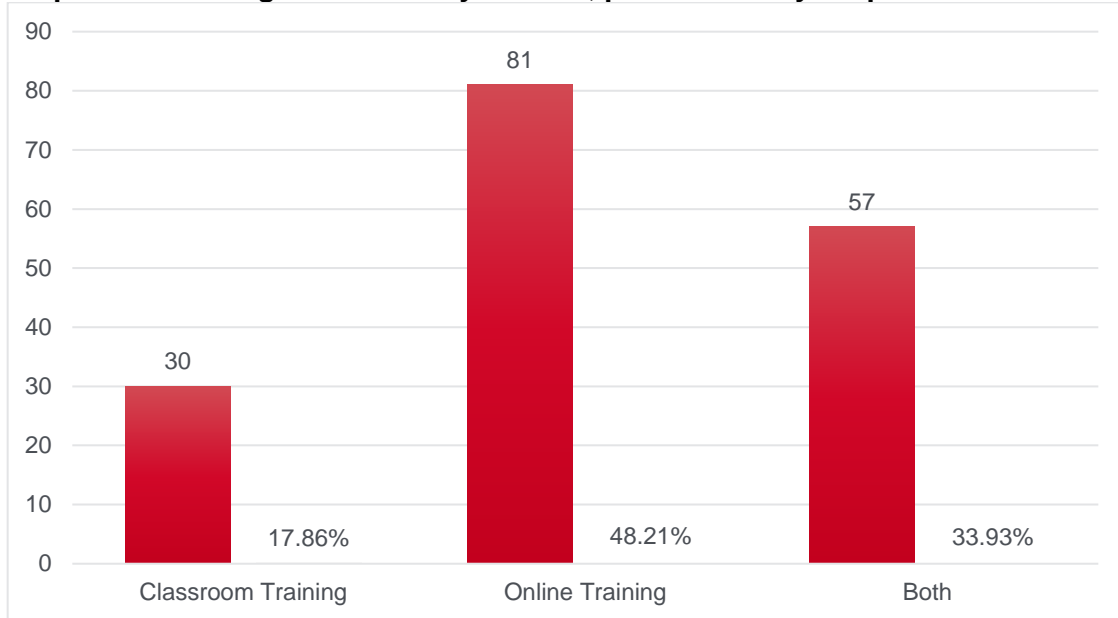
- Of the 196 industry participants, who responded to the survey, 19 did not comment on this question.
- 46 respondents strongly support providing driver training across all industry sectors.
- 15 participants support online training, mainly for the convenience, with emphasis of the training focusing on the importance of safety.
- 8 Respondents felt training should be a requirement for all drivers.
- 8 Respondents saw the value of training for new drivers and/or new hires but should not be required for experienced drivers (2 years or more).
- 8 respondents indicated they would support training if it was provided at no cost.
- 6 respondents supported in-class training because of the benefits of it being hands on and the opportunity to learn from City instructors.
- 6 respondents felt they would like to see more training and improvements with customer service, professionalism and social skills.

## Livery Transport Services Fee Review

### What We Heard Summary Report

2019 April

If LTS were to provide training to all industry sectors, please select your preferred method of training:



#### Do you have any other comments about the Livery Transport Services (LTS) Fee Review?

Responses included:

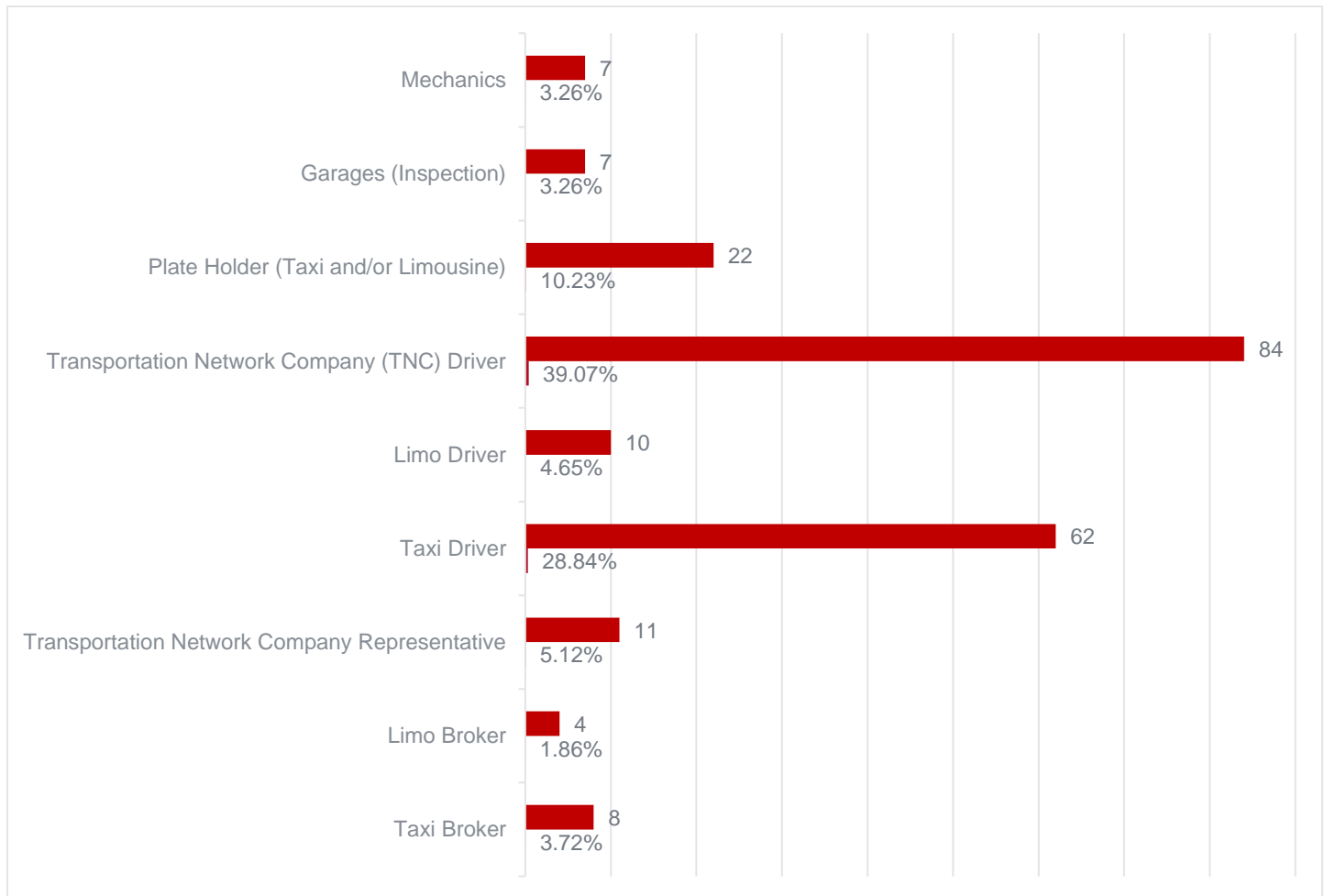
- There is a lack of information and clarity regarding the proposed fee allocation.
- The data provided and method used to create the fee schedule is incorrect and fails to consider the taxes and fees already paid to The City to operate business.
- The fees should be fair for everyone and not be biased in favour of other industry sectors.

## Livery Transport Services Fee Review

### What We Heard Summary Report

2019 April

Please select your industry stakeholder group (check all that apply)



### Additional Feedback Received

In addition to the feedback received through the in-person information sessions and online survey, LTS also received two submissions. One from industry participants representing taxi brokerages and another from a TNC company. Following is a summary of these submissions:

- Livery Fee Review Report:** concerns were expressed there was not sufficient detail provided in the report to explain how the costs were calculated to determine the cost responsibility of each sector and the resulting proposed fee schedule. It was suggested providing more information on LTS operating budgets, completing a side by side comparison of each industry sector and including details on how direct and indirect costs were calculated (i.e. using information collected from job shadowing LTS administration and enforcement staff) would have provided a better understanding of the proposed fee schedule.
- Differences in Fees Paid between Industry Sectors:** it was suggested there is an imbalance in the fees that drivers pay in the taxi sector compared to drivers in the TNC sector. On the other hand, a



## Livery Transport Services Fee Review

### What We Heard Summary Report

2019 April

TNC representative commented that the proposed 40% increase in TNC driver fees the company currently pays may ultimately result in higher fees being passed along to individual drivers. There was also a difference of opinion between the taxi and TNC sectors regarding the proposed fees for taxi plates. While taxi brokers questioned the costs associated with renewing a plate, the TNC questioned why this renewal fee has been significantly reduced in the proposed fee schedule while individual taxi and limousine drivers face a significant increase in their fees. Taxi brokers also questioned the dramatic increase in broker licence fees, while the TNC submission suggests that possible fees should be shifted from individual drivers to business.

- **Conduct Full Bylaw Review/Compare Best Practices:** Both the taxi and TNC submissions recommended completing a fuller review before implementing a new fee schedule. Taxi brokers recommended a review of the Livery Transport Bylaw so it can dictate the fee structure moving forward. The TNC representative recommended a review of the cost-recovery best practices utilized in other jurisdictions across Canada.
- **Reduce Operating Costs/Increase Transparency:** Both submissions raised questions about the LTS operating budget, suggesting that LTS costs should be controlled or reduced since LTS expenditures have not increased even with the introduction of TNCs into the industry. Both submissions also commented on the need for increased transparency on how costs are allocated across the industry sectors. The TNC submission also recommended using the new revenue from TNC per-trip fees to reduce costs for existing fee payers.

Additional feedback provided in the submissions went beyond the scope of the engagement on the Livery Fee Review, including:

- recommendations on doing more to further understand the day-to-day operations of the livery industry;
- comments regarding how the taxi and limousine industry effectively subsidized the TNC industry until the TNC pilot was completed;
- the need for a control on the number of private for-hire vehicles on the road at a given time;
- a comparison of vehicle inspection requirements across the industry sectors; and
- operating more efficiently to further reduce fees.



Deputy City Manager's Office Report to  
SPC on Community and Protective Services  
2018 May 08

ISC: UNRESTRICTED  
CPS2019-0475

## **Golf Course Real Estate and Development Feasibility Assessment**

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### **EXECUTIVE SUMMARY**

At the One Calgary budget discussions (C2018-1158) in November 2018, Council directed Administration to prepare a plan for a Real Estate and Development Assessment which may include decommissioning, repurposing and/or divesting of public golf course(s) for reinvestment in the remaining golf amenities to sustain the overall operations of public golf courses in Calgary, and report back by May 2019.

The intent of this report is to provide Administration's recommendation to proceed with a two stage plan to advance and complete a real estate assessment on The City's golf course lands and look for any additional direction from Council on the plan. In Stage 1, Administration is proposing a preliminary assessment of The City's golf course land assets. This will be brought back to Council no later than Q1 2020. The results of Stage 1 will also include the scope, schedule and anticipated costs for Stage 2 of the work plan.

Included in this report is the Feasibility Assessment Matrix that has been developed for Stage 1 (Attachment 1), which provides the criteria by which Administration will assess the real estate potential of The City's golf course land assets. Stage 2 will commence once the results and recommendations of the Stage 1 Feasibility Assessment have been presented to Council. The results of Stage 1 and Administration's recommendations will help Council provide the necessary direction on which courses should be included in a more comprehensive analysis in Stage 2 which will then assess the opportunities, constraints, impacts of decommissioning, repurposing, and/or divesting of The City's golf course land assets. This would include any recommendation on capital contributions as a result of potential or partial dispositions of golf course lands.

As additional background, Administration has also provided the *Golf Course Sustainability Work Plan Initiatives towards Net Zero*, (Attachment 2) which details the options Golf Course Operations (GCO) is pursuing to break even. The options in the plan aim to move GCO towards net zero operations by 2022, while pursuing opportunities to generate additional income.

It is important to note that subject to Council approval of these recommendations, Administration will be undertaking two separate work plans to achieve financial sustainability for The City's golf courses. Exploration of redevelopment and land options are being pursued by Real Estate and Development Services (RE&DS) while Recreation is undertaking the GCO Sustainability Work Plan. It is expected that when Administration brings forward the real estate assessment results of Stage 2, this could include some integration with potential options and initiatives that would be part of GCO's future Golf Course Sustainability Work Plan.

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## **Golf Course Real Estate and Development Feasibility Assessment**

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### **ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Community and Protective Services recommends that Council:

1. Adopt the recommendation to proceed with Stage 1 of the proposed plan for a Real Estate and Development Assessment, leveraging The City's internal expertise to conduct an initial assessment of all golf course properties and return no later than Q1 2020 with a recommendation on which properties should be included in Stage 2 of the analysis. The plan for Stage 2 will include Administration's recommendation on which golf course lands require further analysis as well as recommendations on timeline, scheduling and costs for Stage 2; and
2. Not include McCall Lake Golf Course in any development assessments given a Redevelopment Feasibility Study was completed on McCall Lake Golf Course in 2014, and the recent investment and improvements to the course in 2018-2019.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the One Calgary budget discussions (C2018-1158) in November 2018, Council directed Administration to prepare a plan for a Real Estate and Development Assessment which may include decommissioning, repurposing and/or divesting of public golf course(s) for reinvestment in the remaining golf amenities to sustain the overall operations of public golf courses in Calgary, and report back by May 2019.

### **BACKGROUND**

The City of Calgary, through the Recreation Golf Course Operations (GCO) division operates eight municipal courses and three driving ranges at six locations. Municipal golf courses provide affordable recreation opportunities, house corporate infrastructure (storm ponds, utility corridors), and have been part of the aesthetic, leisure and sport landscape in Calgary for over 100 years.

From 1995 to 2012, Golf Course Operations (GCO) was a self-supporting entity in both operating and capital. Over the 17-year period, golf contributed \$3.6 million to the Corporation and funded \$14 million in capital projects through pay-as-you-go and debt financing (inclusive of principal and interest). However, due to operational and capital funding challenges, Council changed GCO mandate to align with other Recreation services that are tax supported. As such, between 2013 and 2017, Golf received an average of seven per cent in tax support (\$700,000 per year).

The goal for GCO is to work towards break even and zero tax support annually. To achieve this, Council approved the Golf Course Sustainability Work Plan in 2015. The options being undertaken to become net zero by 2022 are included in Attachment 2.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

To respond effectively to the motion arising from the One Calgary budget deliberations Administration will undertake a parallel process (to the Golf Sustainability Work Plan) to determine the real estate potential at each municipal golf course, and provide those results to Council no later than Q1 2020.



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## **Golf Course Real Estate and Development Feasibility Assessment**

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### **Stage 1 - Golf Course Feasibility Matrix**

The work in Stage 1 will determine development potential, site opportunities, limitations and risks at each of the municipal golf courses. This will be done by using a Feasibility Assessment Matrix (Attachment 1), whereby each course is screened through a variety of criteria. As shown in the Feasibility Matrix, Stage 1 will include a historical review, an environmental review and analysis of existing servicing infrastructure, planning and policy considerations and current golf operations review. However, any recommendations on capital contributions as a result of potential or partial dispositions of golf course lands will be part of the Stage 2 analysis.

This screening process will provide an objective analysis of the golf course properties and aid in identifying which golf course(s) may have further real estate or land development potential.

Stage 1 only includes Administration time and staff resources, primarily RE&DS and GCO staffing (plus nominal disbursements, i.e. – Land Title searches, encumbrances, etc.) and would be funded out of the Real Estate Reserve. No outside consulting costs are anticipated to be required and Administration will report back to Council no later than Q1 2020. Stage 1 will conclude with Administration presenting our recommendations to Council on which golf properties should proceed to Stage 2 of the analysis.

### **Stage 2 – Real Estate Option Analysis**

Stage 2 will consist of a thorough analysis of the golf course(s) that Stage 1 has screened as being *potentially* suitable for decommissioning, repurposing, reconfiguring and/or divesting. Administration anticipates that this stage will require hiring of consultants to aid with cost benefit analysis, possible field programs, conceptual planning options, technical analysis/design, appraisals, market studies, feasibility studies that would aid Administration in the real estate and redevelopment assessment and possible options for proceed sales towards Golf's capital needs based on further consultation with GCO.

Administration will provide a cost estimate for Stage 2, along with scope, timing and Full Time Employee (FTE) requirements when we report back prior to the end of Q1 2020. Administration notes that Stage 2 is unfunded and would be seeking direction from Council on the funding source for this portion of work.

The scope of analysis for individual golf course properties may vary, and therefore cost and timing associated with the analysis of each property may differ. Administration will also consult with other business units (as required) during Stage 2 to complete a full analysis. Please see Attachment 3 for an illustration of the proposed work plan.

### **McCall Lake Golf Course**

Administration is recommending that McCall Lake Golf Course not be included in this work plan. The course is slated for re-opening in 2019 following the Council approved capital upgrades of \$6.7 million from the Sport Facility Renewal program. Additionally, substantial work in 2014 was undertaken to assess the re-development potential of McCall Lake. It was concluded at that time, (See Attachment 4) that it was not feasible to divest of McCall Lake. It is Administration's recommendation that given the recent investment and improvements that have taken place at McCall Lake Golf Course, that it be excluded from further analysis at this time.

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## **Golf Course Real Estate and Development Feasibility Assessment**

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### **Stakeholder Engagement, Research and Communication**

No public stakeholder engagement is planned as part of Stage 1, but Administration will work with other business units as required to undertake research in Stage 1. Administration will provide recommendations on public engagement for Stage 2 when Stage 1 results are presented to Council.

### **Strategic Alignment**

The work program proposed in this report aligns with Council's priorities to build: A City of Inspiring Neighbourhoods; a Healthy and Green City; and a Well-Run City.

The *Recreation Master Plan* and the *Sport for Life Policy* describe The City's commitment to affordable, accessible and comprehensive recreation and open space opportunities and programs.

Calgary's *Municipal Development Plan* is built on seven goals that directly influence the work program in this report. Those goals are: Prosperous economy, a Compact city, Great Communities, Good urban design, Connecting the city, Greening the city, and Managing growth and change.

### **Social, Environmental, Economic (External)**

RE&DS is committed to stewarding the Corporation's real property assets to maximize the financial and overarching community benefits for all Calgarians. By balancing the social, environmental and economic factors in land development, we ensure decisions are made that optimize the value of land for Calgarians. Of note, Golf course activity represents an economically prudent use of green space by generating economic activity in comparison to maintenance expenses of a passive park space.

#### **Social**

Municipal golf courses provide a platform for recreational opportunities. Aside from golf, the lands can be used in all four seasons for a spectrum of passive and active outdoor events. Golf courses contribute to physical activity and provide spaces for individuals to be active/social and increase their health and well-being.

#### **Environmental**

Golf courses provide Calgary with large open spaces, while accommodating utility infrastructure (i.e. stormwater). The courses provide natural areas and are a reprieve from the built environment, offering needed space for uses like wildlife corridors (and habitat), flight pathways and urban wetlands. The municipal land is within established communities, contributing to Calgary's urban forest and often adjacent to natural features such as the Bow River.

#### **Economic**

The economic benefit of redeveloping City-owned lands can add value to the surrounding community and increase the tax base for The City. Depending on the location, retail and commercial uses may be applicable, which would facilitate new employment opportunities. This work program, along with the GCO Sustainability work plan, will strive to eliminate operational tax support for The City's golf operations.

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## **Golf Course Real Estate and Development Feasibility Assessment**

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### **Financial Capacity**

#### ***Current and Future Operating Budget:***

Stage 1 of the work program is being undertaken by the Corporation and therefore no external costs will be incurred. By leveraging Administration's internal expertise, we are making efficient use of City resources. Minor costs associated with Land Title searches or other disbursements will be funded out of the Real Estate Reserve. Staff time and expenditures will be tracked and may be recoverable as a cost of a potential sale.

Stage 2 costs are unknown at this time. When Administration reports back on Stage 1, the recommendations will include a work plan and expected costs to complete Stage 2.

#### ***Current and Future Capital Budget:***

There are no capital costs for this report.

### **Risk Assessment**

Municipal golf courses comprise approximately 750 acres of land within Calgary. This land is within established communities, and often adjacent to significant natural features (i.e. Bow River). Exploration into redevelopment of existing recreation and open space is an extremely sensitive matter. In addition to public opinion, Administration has identified the following risks:

- Course(s) brought forward for further assessment after Stage 1, may not be decommissioned, repurposed or divested of, once the more indepth analysis is undertaken in Stage 2.
- Stage 2 may require significant financial and staff resources depending on the number of courses that require further analysis. Funding for Stage 2 has not been determined at this time.
- Stage 2 may take a significant amount of time to complete depending on the number of courses that are recommended for further analysis after Stage 1. For example, a Biophysical Impact Assessment (BIA) can take four seasons of field reporting to properly assess the environmental conditions on a parcel of land.
- Stakeholder engagement in Stage 2 of the analysis, especially for those golf courses with wetlands and near river valleys, may require consultation from the Province and/or First Nations.
- Golf Courses are categorized as natural infrastructure which is one of the pillars of the *Resilient Calgary* strategy. Any development of these assets is not likely to align with the Future of Natural Infrastructure being proposed by this strategy.

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### **Golf Course Real Estate and Development Feasibility Assessment**

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#### **REASON(S) FOR RECOMMENDATION(S):**

The real estate assessment work plan is an effective way to analyze both land potential and limitations at Calgary Golf Courses.

The assessment work plan is staged, with input opportunities from Committee and Council. This ensures cost effectiveness and strategic direction along the way.

McCall Lake has received significant upgrades for 2019 and has already been screened for development potential (2014). Administration recommends excluding it from this work plan.

#### **ATTACHMENT(S)**

1. Attachment 1 – Feasibility Assessment Matrix
2. Attachment 2 – Golf Course Sustainability Work Plan – Break Even Options
3. Attachment 3 – Work Plan Illustration
4. Attachment 4 – McCall Lake Feasibility Study and Update

	Historical Background	Development & Environmental Encumbrances	Location	Regulatory & Policy Considerations	Planning Considerations	Servicing & Site Access Considerations	Mobility	Alignment With Municipal Development Plan (MDP)	Area Market Assessment	Cost Risks	Golf Course Operations
Critical points to be researched	<ul style="list-style-type: none"><li>• Review Certificate of Title(s) and Caveats</li><li>• Determine how the Corporation acquired the lands</li><li>• Review any known archaeological information</li></ul>	<ul style="list-style-type: none"><li>• Review physical infrastructure (storm ponds, underground and shallow utilities)</li><li>• Review topographic data</li><li>• Review known subsurface conditions</li><li>• Review known contamination (pesticide use)</li><li>• Investigate Flooding concerns</li><li>• Review known wetlands</li></ul>	<ul style="list-style-type: none"><li>• Proximity to Central Business District</li><li>• High visibility site</li><li>• Proximity to valuable natural features (Rivers, Stream)</li><li>• Consolidation opportunities with nearby City lands</li></ul>	<ul style="list-style-type: none"><li>• Review applicable Federal, Provincial and Municipal regulatory obligations, and policies</li><li>• Local Plans (ASP, ARP)</li><li>• Land Use Bylaw</li></ul>	<ul style="list-style-type: none"><li>• Review adjacent Land Uses</li><li>• Airport Vicinity Protection Act (AVPA) requirements</li><li>• Planning context and area</li><li>• Review MR dedication in community</li></ul>	<ul style="list-style-type: none"><li>• Review existing storm, sanitary, and water availability</li><li>• Review proximity to roadways and access opportunities / constraints</li></ul>	<ul style="list-style-type: none"><li>• Review proximity to LRT and Bus</li><li>• Determine walk score / transit score</li><li>• Review proximity to regional pathways, sidewalks and trails</li></ul>	<ul style="list-style-type: none"><li>• Review alignment with MDP</li><li>• Review alignment with Council Priorities</li><li>• Alignment with previous Council direction for Recreation / Golf</li></ul>	<ul style="list-style-type: none"><li>• Determine competitive market analysis</li><li>• Housing Demand/ Inventory</li><li>• Commercial / Retail demand and inventory</li></ul>	<ul style="list-style-type: none"><li>• Review site for obvious cost implications (i.e.- relocating infrastructure, environmental clean up, slope stability issues, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Review known contractual obligations with third parties (i.e.- Cross Country skiing)</li><li>• Review financials for GCO operations</li><li>• Review attendance and catchment numbers for each course</li></ul>



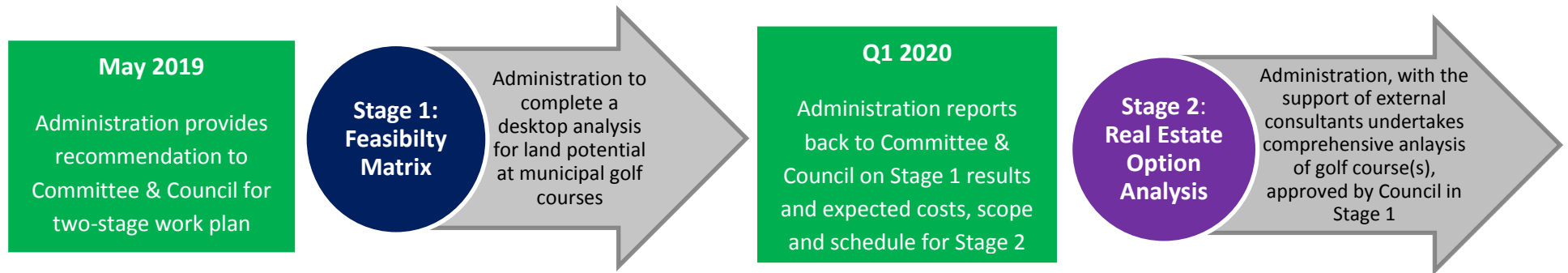
## Golf Course Sustainability Work Plan - GCO Break Even Options

<b>Table 1: Break Even Options Underway</b>				
		<b>Anticipated Total Yield by 2022</b>	<b>Implementation Date</b>	<b>Progress</b>
1	McCall re-opening	\$280,000	2019	<ul style="list-style-type: none"> <li>Construction currently underway; course re-opening late May 2019</li> <li>\$6.7M capital investment</li> </ul>
2	Annual Fee Adjustments	\$100,000	2019	<ul style="list-style-type: none"> <li>Pending Council approval as part of the One Calgary budget process</li> </ul>
3	Golf IT Solution	\$185,000	2021	<ul style="list-style-type: none"> <li>Underway with anticipated implementation Q1 2020</li> <li>Will support more efficient booking processes and enable advanced pricing strategies and is expected to increase attendance and revenue</li> </ul>
4	Debt Fulfillment	\$142,000	2019	<ul style="list-style-type: none"> <li>Debt payments completed in Dec 2018</li> <li>Utilized for capital improvements at Maple Ridge</li> </ul>
5	Increased standardization of operation practices between assets	\$273,000	2021	<ul style="list-style-type: none"> <li>Started in 2018 with expected completion 2020</li> <li>Ensuring that operations and maintenance is undertaken with increased standardization</li> </ul>
6	Contracting of Select Services	\$20,000	2019	<ul style="list-style-type: none"> <li>Contracting of select maintenance services currently underway</li> </ul>
	<b>Potential Yield</b>	<b>\$1,000,000</b>		

<b>Table 2: Options being pursued for enhanced sustainability</b>				
		<b>Anticipated Total Yield</b>	<b>State of Funding</b>	<b>Description</b>
7	Capital Improvement Alternatives	TBD	<p>Three projects are currently unfunded or on the “Unfunded for Information” capital list:</p> <ul style="list-style-type: none"> <li>• Shaganappi Clubhouse and Renewal (\$8.8M)</li> <li>• Shaganappi Maintenance Facility Replacement (\$2.1M)</li> <li>• Confederation Park Golf Course Clubhouse Upgrade (\$1.9M)</li> </ul> <p>One project that's part of the Essential Services Delivery Bundle, but currently unfunded:</p> <ul style="list-style-type: none"> <li>• Fairways and Greens Service Cycle in Essential Services Delivery Bundle (\$8.3M)</li> </ul>	<p>With capital investment, new business opportunities are possible. For example, improved Clubhouse facilities at Shaganappi Point would provide a source of year-round revenue through:</p> <ul style="list-style-type: none"> <li>• Expanded food &amp; beverage service</li> <li>• Conference, banquet and event rental possibilities.</li> </ul>
8	Partnering with Industry	TBD	2021	As the golf industry continues to evolve, opportunities exist to partner with industry leaders, to enhance golf assets and service offerings.



Work Plan Illustration





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**EXECUTIVE SUMMARY**

The City of Calgary has been providing quality affordable golf services to Calgarians since 1915. Golf Course Operations (GCO), a division of Recreation, manages eight (8) municipal golf courses and three (3) driving ranges at six (6) locations.

Golf Course Operations almost exclusively follows a self-supporting business model. While GCO has continued to meet commitments on the operating side of the business, capital and life cycle funding challenges remain. Capital investment is critical to enhance products and services aimed at growing the business, revitalize aging golf infrastructure, maintain quality in the facilities and services offered, and ensure the overall health and sustainability of the entire municipal golf course system.

To identify strategies for improving financial performance and sustainability, GCO undertook a systemic multi-faceted review of business operations which yielded a suite of recommendations to implement and investigate further as part of an overarching sustainability work plan. Several short-term strategies to improve operational performance have already been implemented or are currently underway. As one component of the sustainability work plan, to address capital funding requirements for the entire municipal golf system, the review identified McCall Lake Golf Course as an opportunity for redevelopment as it could provide a number of strategic financial benefits. These benefits included the elimination of the annual operating losses and the required capital funding for the site, as well as potential land sales that could provide a funding mechanism to address the remaining system-wide golf course capital requirements. Further, to meet recreation needs of surrounding communities, the McCall Lake redevelopment also identified the creation of a recreation campus on the north half of the site.

In 2012 October, Council directed Administration to further investigate the feasibility of the redevelopment of the McCall Lake Golf Course as the capital funding component for the GCO overarching sustainability work plan.

Throughout 2013 and 2014, Administration conducted additional analysis and developed the McCall Lake Redevelopment Feasibility Study as part of the necessary due diligence. This analysis explored the redevelopment potential and financial viability of a commercial/industrial area with land sales driving both objectives of meeting GCO capital requirements and funding of a new recreation campus.

Public engagement was also conducted to obtain citizen input regarding the potential redevelopment of the McCall Lake site and golf sustainability in general. Results from the public engagement suggest the majority of citizens (golfers and non-golfers alike) were not convinced the positives of redeveloping the McCall Lake Golf Course outweigh the drawbacks and that The City should explore alternatives to the McCall Lake redevelopment.

Findings from the McCall Lake Redevelopment Feasibility Study reveal that redeveloping the site would not achieve the project's objective to fully fund the required GCO capital improvements and the funding for the development of a new north recreation campus. Based on

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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the findings from the McCall Lake Redevelopment Feasibility Study, Administration recommends that redevelopment of the McCall Lake Golf Course site does not proceed. In light of the above findings and recommendation, an Updated Golf Course Operations Sustainability Work Plan (Attachment 2) has been developed and is being recommended for approval which continues the momentum of moving GCO towards sustainability in alignment with Council's approved Golf Course Operations Guiding Principles (CPS2013-0410) (Attachment 1) as they are relevant to all deliverables around GCO operational sustainability initiatives under investigation and being implemented by the municipal golf system.

**ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Community and Protective Services recommends that Council:

1. Direct Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation;
2. Direct Administration to implement the Updated Golf Course Operations Sustainability Work Plan as outlined in Attachment 2; and
3. Request that Attachments 6 and 7, McCall Lake Redevelopment Feasibility Study – Redevelopment Analysis and Financial Analysis, be removed from this report prior to being forwarded to the 2014 July 21 Combined Meeting of Council and that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), 25(1)(c) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachments 6 and 7 in camera if requested by Council.

**RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES,  
DATED 2014 JULY 02:**

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That Council:

1. Direct Administration to discontinue McCall Lake redevelopment planning and Outline Plan preparation;
2. Direct Administration to implement the Updated Golf Course Operations Sustainability Work Plan as outlined in Attachment 2;
3. Direct that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), and 25(1)(c) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachments 6 and 7 in camera if requested by Council.

Excerpt from the Minutes of the Regular Meeting of the SPC on Community and Corporate Services, dated 2014 July 02:

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**“And further, that the documents received for the Corporate Record be attached to Report CPS2014-0398 prior to being forwarded to Council.”**

Approval(s): Dalgleish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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**PREVIOUS COUNCIL DIRECTION / POLICY**

In 1995, Council approved and directed that GCO operate under the mandate outlined in CS95-07:1995-1998 Golf Course Business Plan Report. Specific to the issue at hand, the mandate requires GCO to:

- 1) Return \$200,000 to general revenues annually and credit revenues above \$200,000 to the Golf Course Levy Reserve; and
- 2) Structure revenues and costs to position golf course operations as fully self-sufficient with respect to direct operating and capital costs.

On 2012 October 15, Council adopted CPS2012-0702 as amended, as follows:

- 1) Approve, in principle, the elimination of the \$200,000 annual contribution to general revenues from the Business Unit Recreation – Golf, Operating Budget Program 426 and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
- 2) Approve, in principle, the change of the Golf Course Operations mandate from “fully self-sufficient” to “tax supported” to align with the mandate of the rest of the Recreation Business Unit and refer this recommendation to the 2013 budget adjustment process in 2012 November for consideration;
- 3) Approve the recommendations outlined in Attachment 2, Appendix 4 to develop a revised golf course fee structure and report back through the SPC on Community and Protective Services by 2013 May with a recommended golf fee structure;
- 4) Approve the McCall Lake Concept Plan and move forward with additional analysis in preparation for an Outline Plan as outlined in Attachment 2, Appendix 5; and
- 5) Direct that Administration Recommendation 4, as amended, and the Report and Attachments, remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(g), 25(1)(b) and 25(1)(c)(ii) of the *Freedom of Information and Protection of Privacy Act*.

At the 2012 November 26, Special Meeting of Council re: Proposed Adjustments to Business Plans and Budgets, 2013-2014 Council, with respect to Recommendation 1 contained in Report C2012-0717, the Community Services and Protective Services Department: Recreation Business Unit, 2013-2014 Operating Budget Program 426, contained on Page 17 of Attachment 1, be adopted, as follows: Operating Budget (pg. 17), Program 426, Recreation, Adjustment #8, Page #16.

On 2013 May 8, Council approved Report CPS2013-0410 Golf Course Operations Guiding Principles for a Revised Fee Structure, as follows:

- 1) Approve the guiding principles as a framework for Golf Course Operations revised fee structure decision making; and
- 2) Direct Administration to bring a revised fee structure to Council during the 2014 budget adjustments process (2013 November) for consideration.

In 2013 November, as part of Proposed Adjustments to the 2014 Business Plan & Budget (C2013-0668), deferral of a Revised Fee Structure for Golf was included in the Omnibus Report on Referred Items (ATTACHMENT 5G) which stated fee adjustments are an integral part of an

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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overall golf course sustainability strategy and are being reviewed comprehensively. Although the public engagement component of the program is complete, the associated analysis is well underway but remains incomplete. In order to finalize analysis and ensure a full suite of golf course fee adjustments are brought forward for consideration, the complete review of golf course fees will be deferred and forwarded as part of the 2015-2018 budget approval process.

**BACKGROUND**

In 2013, approximately 244,000 rounds of golf were played across all municipal golf courses. Specific to McCall Lake Golf Course, approximately 20,100 rounds were played at the par 3, and 32,500 were played at the 18-hole course.

In 1995, GCO was mandated by Council to be self supporting for all directly related operating expenses and capital, plus contribute \$200,000 annually to City General Revenue. As a result, the Golf Course Levy Reserve was created which has been the sole source of funding for all capital development and serves as a buffer in years when inclement weather and other impeding factors prevent GCO from reaching budget targets. From 1995 through to 2012, the reserve was successful in providing \$3.6 million to General Revenue and \$14.0 million towards golf course capital lifecycle and improvements. In 2008, the Reserve opened with the largest balance in history. However from 2010—2011 the Golf Course Levy Reserve balance was reduced to under \$200,000 due to decreases in annual revenues primarily attributed to poor weather and also due to some trends like market shifts, and temporary closures or service interruptions at two City-operated golf courses.

Anticipating some of the changing landscape of golf operations and resultant challenges facing municipal golf, in 2010 October, GCO undertook a comprehensive and systemic multi-faceted review of its business operations. The purpose of the review, supported by consultants, was to identify strategies for improving financial performance, meeting capital requirements and enhancing long-term sustainability across the entire municipal golf system. The review spanned from 2010-2012 and comprehensive analyses work conducted included:

1. Operating Feasibility Assessment
2. Financial Scenarios and Strategy
3. Fee Structure Analysis
4. High-level analysis of operating / service delivery models
5. 10-Year Capital Investment Plan (\$34.5 million inclusive of \$6.7 million for McCall Lake)
6. McCall Lake Golf Course Potential Redevelopment Scenarios

GCO's review of business operations was presented to Council on 2012 October 15 through report CPS2012-0702 The City of Calgary Golf Course Operations – Operational Business Review and Update. Council adopted the recommendations to:

1. eliminate the \$200,000 annual contribution to General Revenue (\$3.6 M total contributions to date);
2. change the Golf Course Operations mandate from “fully self-sufficient” to “tax supported” (for salary and wage increases which contribute less than 1.45% of GCO's operational budget – based on 2013 numbers); and
3. develop a revised golf fee structure.

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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In utilizing the Council approved Guiding Principles (Attachment 1) to establish a revised fee structure, it has become clear that the Principles serve as a framework to guide decision making related to GCO operational sustainability as a whole. Given they are now being used to guide additional sustainability work as noted in CPS2013-0410, they have been applied as a framework for all GCO decision making.

All three Council approved strategies serve to improve GCO's operating position. However, the challenge still remains for funding GCO capital requirements across the entire municipal golf system. Approximately \$34.5 million is required over 10 years across the entire municipal golf system, \$6.7 million of which was required at McCall Lake alone. As a result McCall Lake redevelopment analysis was also approved by Council in 2012 October as it was deemed the most viable option for addressing GCO capital needs within the framework of the self-sustaining model. Following Council's direction, Administration conducted an in-depth analysis on the proposed McCall Lake redevelopment throughout 2013 and 2014, refined the 2012 Concept Plan which led to a 2014 Concept Plan and a change from a Class 5 Order of Magnitude to a Class 4 Conceptual Design in alignment with The City of Calgary Corporate Project Management Framework (CPMF) Estimation & Contingency Standard.

A Historical Timeline of the above activities is summarized for reference in Attachment 3. Administration has reviewed and analyzed the McCall Lake redevelopment, along with financial and public engagement findings which are summarized in this Report and Attachments.

**INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Following Council's approval of Report CPS2012-0702 on 2012 October 15, Administration conducted an in-depth analysis and due diligence in the form of the McCall Lake Redevelopment Feasibility Study to determine if the redevelopment could achieve GCO capital funding requirements and the creation of a new recreation campus.

The McCall Lake Redevelopment Feasibility Study consisted of the following:

- Attachment 6 (confidential): Redevelopment Analysis: Consultation with stakeholders and Approving Authorities, Identification of site limitations, constraints and risks;
- Attachment 7 (**confidential**): Financial Analysis: Refinement of projected land sales and project redevelopment costs; and
- Attachment 5: Public Engagement Findings: Seven focus groups, Telephone Survey, Online weblink survey, two (2) open houses.

For the three aforementioned areas, a summary of the work conducted, including outcomes, is provided below. References to attachments and corresponding appendices which provide further information are also indicated.

Redevelopment Feasibility

As part of redevelopment analysis, Administration continued discussions with internal stakeholders and necessary approving authorities. In addition, reports and studies prepared for redevelopment purposes including environmental and geotechnical reports, water and

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City Clerks (C. Smillie)

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transportation reports, utilities, grading and volume analysis, and land use planning and policy requirements were considered. The report information was then used to inform the design of the 2014 Concept Plan to redevelop the McCall Lake Golf Course site.

Items identified as potential site limitations or risks are as follows:

1. Two existing ponds would need to be filled in for the industrial/commercial development;
2. Birthplace forest, located in three areas, would need to remain onsite;
3. Approximately 1,200 trees, which are considered public trees would need to be removed;
4. An addition or extension of McCall Lake water body for stormwater management is required;
5. Offsite transportation improvements would likely be required due to current congestion along McKnight Boulevard;
6. Existing utilities onsite limit site grading options for redevelopment;
7. Calgary Airport Authority has indicated more restrictive zoning requirements may be forthcoming to accommodate larger planes, which would impact building heights that could be accommodated within the redevelopment;
8. Municipal Development Plan amendment would be required; and
9. Three of the four social recreation lease holders currently occupying 70 ac± (28.3 ha±) would need to be relocated or displaced.

Based on the development feasibility findings Administration concludes that there are a number of site limitations, constraints and risks to consider. More detailed information is provided in Attachment 6 and is considered confidential as it contains information that could have market impacts and business implications. To fully understand if the 2014 Concept Plan should proceed, financial analysis was required to determine if the project would achieve its original goals of funding GCO capital requirements and a new recreation campus.

**Financial Feasibility**

A financial analysis was undertaken to determine if the 2014 Concept Plan and projected land sales would meet the goals of financial return towards GCO capital requirements and the creation of a new recreation campus.

The findings from the financial review indicated that:

- The 2014 Concept Plan did not yield the total funding requirements required for GCO capital requirements,
- No funds would be available to develop the new recreation campus, and
- As it is currently unknown if social recreation lease holders would be accommodated on the site following the redevelopment, potential support in alternate relocation would need to be considered if lease holders are displaced.

Detailed financial analysis is included in Attachment 7 and is considered confidential as it includes land sales valuations.

Administration conducted a variance analysis of the 2012 Concept Plan presented to Council on 2012 October 15 and the revised 2014 Concept Plan. The major discrepancies between the two scenarios are:

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)



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### **1. Reduced Amount of Land Available for Redevelopment Purposes**

The McCall Lake 2012 Concept Plan illustrated a business park immediately north of the McCall Lake water body. During further discussions with the Calgary Airport Authority, it was revealed that more restrictive zoning requirements would likely be pursued to accommodate larger planes. These restrictions remove a significant portion of land available for redevelopment / sale and also limit building heights, greatly diminishing land values and redevelopment potential.

### **2. Adjustment of Revenue for Parcels**

The 2012 Concept Plan based land sale revenues on the envisioned Urban Corridor for 32 Avenue as outlined in The City of Calgary Municipal Development Plan, which would yield significantly higher land values than what currently could be realized. As a result, land values are lower than originally projected.

### **3. Redevelopment Analysis**

Site constraints, limitations and risks identified through additional analysis increase redevelopment costs which in turn reduce revenues that could be generated. In addition, the 2014 Concept Plan estimate includes acreage assessment fees, which are significant, that were not included in the 2012 Concept Plan estimate.

At the early onset of any project, not all project costs, limitations and risks will be known until complete and detailed analysis is undertaken. The 2012 Concept Plan was based on preliminary information and considered a high level estimate. The additional McCall Lake analysis conducted in 2013 and 2014, demonstrates both Council and Administration value the due diligence and research a project requires ensuring informed decisions are made. The analysis herein affirms the step-wise approach that was taken to carefully identify redevelopment potential and feasibility of the 2014 Concept Plan was imperative and it is now clear an alternate funding mechanism for GCO capital is required.

To ensure due diligence, in addition to the Status Quo and 2014 Concept Plan options, Administration evaluated four (4) alternative redevelopment options (considered as Class 5 Order of Magnitude estimates) to determine if project goals could be met through these scenarios:

Original Options:

- 1 Status Quo
- 2 2014 Concept Plan

Four Alternative Redevelopment Options Evaluated:

- 3 Redevelop Driving Range Only
- 4 Redevelop Driving Range & and Par 3 course
- 5 Redevelop McCall Lake Golf Course Only (Exclude existing Social Recreation leaseholder lands)
- 6 Sell Entire Parcel as Raw Land

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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A summary of environmental, social and economic impacts of each additional evaluated alternative scenario is included in Attachment 4. Administration notes the financial analysis of these alternative scenarios do not meet the full purposes of Golf Course Operations capital program and new recreation campus development. The additional financial analysis of the alternate development options further supports the conclusion that McCall Lake redevelopment planning and preparation be discontinued.

Without sufficient capital investment funding to support municipal golf courses, assets and infrastructure will fall into a state of disrepair over time. Opportunities to enhance products and services aimed at growing the business will also not be realized. As a result, the quality of the customer experience risks going into a state of decline leading to lost revenues and overall market share. Further, it is The City's obligation to the public to steward and maintain these assets. At this time, potential alternatives to the capital funding issue require further investigation in order to identify a clear solution. GCO will continue to implement ongoing efficiencies and optimization strategies to enhance operating performance in the short to mid-term in an effort to realize cost savings and bolster revenues from operations. As outlined in Attachment 2, GCO will continue to undertake steps to enhance financial sustainability within the framework of GCO's Guiding Principles for decision making.

**Stakeholder Engagement, Research and Communication**

As part of the feasibility study, Administration offered several public engagement opportunities from 2014 January to April in order to gather citizen and stakeholder input and perspectives regarding the proposed redevelopment of the McCall Lake Golf Course and golf sustainability in general. This work included seven focus groups, two open houses, a telephone survey, an online weblink survey that mirrored the telephone survey, and comments captured through 311.

The public engagement was developed with three goals in mind:

- provide additional background information to citizens on the overall issue of golf sustainability
- share the research and work that has led to the potential redevelopment of the McCall Lake Golf Course
- provide opportunities for citizen input on golf sustainability and possible alternative solutions to the redevelopment of McCall Lake

The public engagement opportunities were communicated through a media release in 2014 January and posted on The City's website to draw awareness to the different channels available for citizens to provide input.

**Summary of findings:**

The public engagement findings provide different perspectives regarding the proposed redevelopment of the McCall Lake Golf Course. While many respondents understand the reasons and benefits for the proposed redevelopment, overall, the majority of respondents feel the drawbacks of redeveloping the McCall Lake golf course outweigh the positives.

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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Top drawbacks identified for redeveloping McCall Lake include the loss of a City-operated golf course, lack of tee-time availability and overcrowding at other City-operated golf courses, loss of green space/environmental impacts, and negative social impacts for citizens' quality of life.

Some participants perceive the redevelopment to be a "band-aid" solution that would not address the long-term sustainability needs of City-operated golf courses. The large majority of people expressed hope that The City would explore alternatives to the closure.

The public engagement findings indicate that citizens are concerned about the negative implications for redeveloping the McCall Lake golf course, with the loss of valuable green space being a primary concern raised across all engagement streams.

The findings highlight several citizen concerns should the redevelopment proceed and that there is a desire for The City to explore alternatives to the redevelopment. A more detailed summary of the public engagement findings and related reports is provided in Attachment 5. In conjunction with the redevelopment and financial analysis, the public engagement findings are an important component of the McCall Lake Redevelopment Feasibility Study.

**Social Recreation Lease holders**

The Social Recreation Leases at the McCall site currently include: Calgary Slo-Pitch Society, Calgary Industrial Softball Association (CCIAC), Calgary Canadian Irish Athletic Club, and the Calgary Rifle and Pistol Club (CRPC). Several of these groups have been lease holders and operators of the site for 25-30 years. A letter provided by Calgary Slo-Pitch Society voicing concern over the redevelopment can be found in Attachment 5.

**Save McCall Lake group (SMLG)**

At the 2014 April 14 focus group session with the SMLG, a report and presentation were provided by SMLG members in attendance. This information is provided in Attachment 5.

**Golf Management Advisory Committee (GMAC)**

GMAC is comprised of a cross section representation of golf course users who act as the voice for GCO customers. A letter responding to and opposing the proposed McCall Lake development from GMAC can be found in Attachment 5.

**Strategic Alignment**

GCO as part of Recreation's opportunities and services provided to Calgarians aligns with Council's Fiscal Plan for Calgary under "Investing in great communities and a vibrant urban fabric". GCO's long-term sustainability requirements align with this Fiscal Plan priority, in particular, with "investing in lifecycle maintenance of existing community infrastructure". Positioning GCO with further alignment under the Recreation Master Plan supports its mandate to develop and manage a comprehensive recreation service delivery continuum, which is the most effective way to provide Calgarians affordable, accessible and relevant recreation opportunities.

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

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**MCCALL LAKE REDEVELOPMENT FEASIBILITY STUDY AND UPDATE**

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**Social, Environmental, Economic (External)**

Social

Over GCO's 100 years of service provision, golf has been woven into Calgary's municipal recreation landscape and now provides a major source of recreation opportunities for citizens (i.e. average of 245,000 rounds annually). Having such a service available to them is a key component of citizens' satisfaction with recreational opportunities and overall quality of life in Calgary. In addition, mainstream golf services which support healthy lifestyles, GCO provides a variety of services, programs and special events that strengthen families and social connections. For many, the affordability of municipal golf is the difference between a citizens' ability to participate in the sport or not being able to participate at all.

Municipal golf services promote active healthy lifestyles, make Calgary a more attractive place to live, enhance quality of life, and build a sense of community. GCO is committed to ensuring long-term sustainability and the ongoing provision of customer focused, affordable golf services to Calgarians into its one hundredth year of service

Environmental

There are no evident environmental implications to the recommendations in this report.

Economic

Municipal golf facilities provide green space relief and affordable recreational opportunities which contributes to making Calgary an attractive place for visitors and businesses alike.

**Financial Capacity**

**Current and Future Operating Budget:**

The recommendations approved by Council on 2012 October 15 (CPS2012-0702), along with ongoing work, will allow GCO to continue to provide quality, affordable recreational golf services to Calgarians. These strategies will improve GCO's operating budget position. Ongoing work includes several initiatives to optimize operational efficiencies, see Attachment 2.

**Current and Future Capital Budget:**

Based on the findings from the McCall Lake Feasibility Study, alternative sources of capital funding should be investigated. GCO unfunded capital requirements will be put forward to the Culture Parks and Recreation Infrastructure Investment Plan (CPRIIPS) to be included as part of the 2015 – 2018 Action Plan deliberations. Over time, quality of service impacts due to lack of capital investment funding is anticipated and acknowledged. To investigate alternate sources for capital funding while moving forward on a continued operational basis, an Updated Golf Course Operations Sustainability Work Plan is outlined in Attachment 2.

**Risk Assessment**

In the short-term, a lack of immediate funding for capital requirements will delay GCO's ability to address infrastructure needs aimed at sustaining quality municipal golf course facilities. Investigation of alternative capital funding opportunities is required to identify a long term sustainability solution. Without reasonable capital investment, over time GCO will be unable to

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)

**Community Services & Protective Services Report to  
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**MCCALL LAKE REDEVELOPMENT FEASIBILITY STUDY AND UPDATE**

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maintain current levels of service and opportunities to enhance products and services aimed at growing the business will also not be realized. As a result, the quality of the customer experience risks going into a state of decline leading to lost revenues and overall market share. GCO will continue to rely on revenues to support operations, however, there is the potential for an operating shortfall to be experienced in any given year due to impacts of inclement weather or other factors. A shortfall however, would be offset through the Golf Course Levy Reserve. Subject to funding available in the Reserve, modest financial support through the Recreation business unit may or may not be required.

**REASON(S) FOR RECOMMENDATION(S):**

From the outset of the project, the proposed redevelopment of McCall Lake was driven by redevelopment revenue potential to support the capital requirements for the entire municipal golf system and a new recreation campus. The Feasibility Study indicates that the original project goals will not be met through the redevelopment of McCall Lake. Additionally, numerous constraints and risks have been identified through the analysis, highlighting a variety of challenges for redevelopment of the site. For these reasons it is recommended that the planning and preparation to redevelop McCall Lake does not continue.

To address ongoing municipal golf sustainability needs, GCO will continue to work within the framework of GCO Guiding Principles to achieve operational sustainability and identify a source of capital funding by undertaking the initiatives as outlined in Attachment 2. In the meantime, GCO will continue to rely on revenues to support operations and aim to optimize and seek efficiencies.

As Attachments 6 and 7, McCall Lake Redevelopment Feasibility Study – Redevelopment Analysis and Financial Analysis, contains potential land sales information that could have market impacts and business implications it is recommended that Attachments 6 and 7 remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g), 25(1)(a), 25(1)(b), 25(1)(c) of the Freedom of Information and Protection of Privacy Act.

**ATTACHMENTS**

1. Golf Course Operations Guiding Principles
2. Updated Golf Course Operations Sustainability Work Plan
3. Golf Course Operations Historical Timelines
4. McCall Lake Redevelopment Feasibility Study - Alternate Redevelopment Options
5. McCall Lake Redevelopment Feasibility Study - Public Engagement Findings
6. **Removed at Committee Request**
7. **Removed at Committee Request**
8. **Documents Received at Committee for the Corporate Record**

Approval(s): Dalglish, Stuart concurs with this report. Author: Ripley, Kyle and Tsang, Kathy  
City Clerks (C. Smillie)



**Community Services Report to  
SPC on Community and Protective Services  
2019 May 08**

**ISC: UNRESTRICTED  
CPS2019-0603**

## **Haskayne Legacy Park Train Whistle Cessation**

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### **EXECUTIVE SUMMARY**

A temporary ground level pathway crossing has been completed in Haskayne Legacy Park where a portion of the pathway crosses a Canadian Pacific Railway (CPR) line at the eastern edge of the park. The location is known as Mile 13.32 of the CPR Laggan subdivision and a map of the crossing location is in the Attachment.

Transport Canada regulations for rail crossings call for several safety measures, including a requirement that trains approaching a crossing sound a warning whistle. In the time since the construction of the crossing was completed and responsibility for its maintenance was taken over by The City, concerns about the frequent train whistles have been received from citizens living nearby.

Transport Canada allows exemptions to train whistle requirements if alternate safety measures are undertaken by the municipality. Calgary Parks has worked with both Canadian Pacific Railway and Transport Canada to identify and install the alternate safety measures required at this location to cease the need for whistle warnings. Construction of the crossing was completed in 2019, in accordance with the requirements of the Rail Safety Act and Canadian Rail Operating Rules ('CROR'). The CROR stipulate the inclusion of safety measures for at-grade crossings, including flashing LED warning lights and bell, and train whistle posts installed at 0.25 miles on each side of the crossing, to warn pathway users of a train's approach. The Rail Safety Act and Canadian Rail Operating Rules ('CROR') also require notification of adjacent residents and relevant associations or organizations in relation to all federally regulated railway companies. This report and associated approved Council minutes will serve as a formal declaration from Council to prohibit train whistles at the Haskayne Legacy Park crossing. Once this occurs, Administration will pursue a whistle cessation exception from Transport Canada to exempt this crossing from the whistle requirement.

### **ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Community and Protective Services recommend that Council:

1. Approve the cessation of train whistling at the rail crossing location known as Mile 13.32 of the CPR Laggan subdivision (Attachment); and
2. Direct Administration to provide notification of the above Council direction to Canadian Pacific Railway, the headquarters of Transport Canada Rail Safety Directorate, and other relevant stakeholders as required.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

Whistle cessation declarations have been made at numerous rail crossing points throughout the city over a number of years. For example:

On 2018 April 23, Council approved CPS2018-0364 (Abbeydale-Applewood Park Train Whistle Cessation) at the rail crossing known as *Mile 121.30 of the CN Three Hills subdivision*.

**Community Services Report to  
SPC on Community and Protective Services  
2019 May 08**

**ISC: UNRESTRICTED  
CPS2019-0603**

## **Haskayne Legacy Park Train Whistle Cessation**

On 2000 December 5, Council approved TTP2000-57 (Train Whistle Sounding in The City of Calgary), and directed Administration to pursue whistle cessation at three locations:

- 84 Street and 113 Avenue
- Shawville Gate west of Macleod Trail S
- Sheriff King Road east of 4 Street SW

### **BACKGROUND**

The Haskayne crossing is the eastern most crossing close to the Calgary communities of Bearspaw and Lynx Ridge and is bordered by a private property to the southeast, a possible new development to the northeast, and the rail to the southwest. Ultimately a below-grade crossing will be required by CPR to be built within a prescribed period of time (3 – 5 years) following the park opening.

The at-grade crossing at Mile 13.32 of the CPR Laggan subdivision, located at the eastern edge of Haskayne Legacy Park (Attachment) was completed in 2018, in accordance with the requirements of the Rail Safety Act and Canadian Rail Operating Rules ('CROR'). The CROR stipulate the inclusion of safety measures for at-grade crossings, including flashing LED warning lights and bell, and train whistle posts installed at 0.25 miles on each side of the crossing, to warn pathways users of a train's approach.

Following the construction of the crossing, The City received a number of calls from citizens concerned about the frequency of the new whistles and the nuisance they caused. To mitigate these concerns, Calgary Parks began the process required to exempt the need for train whistles at this location.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The crossing was designed and constructed according to Grade Crossing Standards; however, it was determined that the installation of additional safety measures for at-grade crossings, including flashing LED warning lights and bell, and train whistle posts installed at 0.25 miles on each side of the crossing, in lieu of otherwise mandatory train whistles is in the best interest of the adjacent residential communities, while still ensuring the pathway is safe for users and train operators. Without the additional safety measures, the only alternative would be to continue to provide safety warnings via train whistles, per Transport Canada's Canadian Rail Operating Rules.

Transport Canada, via the Railway Safety Act, controls the requirement for train whistling. There is a multi-step process for applying to lift the requirement for whistles, which includes consultation with the railway company, notification of stakeholders, assessment of the crossing and passing of a resolution by the municipal government to prohibit whistles at the subject location which is the purpose of this report and recommendation. Consistent with the Transport Canada instruction, Calgary Parks has consulted with Canadian Pacific Railway and gained their cooperation to coordinate whistle cessation. Calgary Parks carried out the required notification of relevant associations or organizations in relation to federally regularly railway companies. This was done by public newspaper advertisements on April 3, 2019. No responses were received as result of the notifications.



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**ISC: UNRESTRICTED  
CPS2019-0603**

## **Haskayne Legacy Park Train Whistle Cessation**

To complete the request for whistle cessation at this crossing, Administration requests that Council pass a resolution declaring that train whistling should not be used at the following location: rail crossing at Mile 13.32 of the CPR Laggan subdivision (Attachment). This report and associated approved Council minutes will serve as a formal declaration from Council to prohibit train whistles at the Haskayne Legacy Park crossing. Given the additional safety measures put in place and the notification of all relevant rail stakeholders, all other Transport Canada requirements are complete. Once the Council minutes are approved, as a final step in the request for whistle cessation, Administration will send a copy to CPR and all other relevant stakeholders, including the headquarters of Transport Canada Rail Safety Directorate. Whistle Cessation is anticipated to occur by July 1<sup>st</sup>, 2019.

### **Stakeholder Engagement, Research and Communication**

This report is coming forward in response to citizen concerns around train whistles in residential areas. Transport Canada requirements for whistle cessation applications include the need for direct notification of all relevant stakeholders (associations or organizations) as well as a public notice, regarding the municipality's intention to pass a resolution to prohibit train whistles at the subject location. Individual letters were sent out to rail stakeholders and an advertisement was posted in both the Calgary Herald and the Cochrane Times. No concerns were brought forward as a result of the notifications.

### **Strategic Alignment**

This report aligns with One Calgary citizen priority a *Healthy and Green City* and the Parks and Open Space line of service.

### **Social, Environmental, Economic (External)**

Whistle cessation at this location will enhance the liveability of adjacent neighbourhoods by reducing noise and nuisance, while ensuring that Haskayne Legacy Park users will continue to be safe while using the pathway. There are no economic impacts associated with the train whistle cessation request.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

Minor operating costs will be required to pay for annual maintenance and inspections of the crossing area to ensure ongoing compliance with Canadian Pacific safety requirements. These costs will be absorbed within current Parks Operating Program 445.

#### ***Current and Future Capital Budget:***

There is no new capital budget required for the implementation of whistle cessation at this level crossing. Canadian Pacific will still require the construction of an underpass at this location approximately 3-5 years after the park opening. Early estimates have this work projected to cost between \$1.5 million and \$10.5 million. Once the underpass design is refined, this phase of work will form part of future capital budget requests.

Community Services Report to  
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2019 May 08

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## **Haskayne Legacy Park Train Whistle Cessation**

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### **Risk Assessment**

The risks associated with the cessation of train whistle warnings will be offset by the specific alternate safety measures prescribed by Transport Canada. Calgary Parks worked in collaboration with CPR to address potential risks. The recommended safety measures in this assessment include the installation of crossing gates, fencing, flashing LED warning lights and bell, and train whistle posts installed at 0.25 miles on each side of the crossing, to warn pathway users of a train's approach. Additional risk mitigation will be achieved through regular monitoring, formal inspections and maintenance of new safety measures and area fencing.

### **REASON(S) FOR RECOMMENDATION(S):**

In accordance with Transport Canada Grade Crossing Standards and Section 23.1 of the Railway Safety Act, Council may pass a resolution declaring that train warning whistles should not be used in specific areas. Such a declaration for Mile 13.32 of the CPR Laggan subdivision (east end of Haskayne Legacy Park) would reduce nuisance and provide a better quality of life for residents in the area. Given the additional safety measures put in place, inspections of the work carried out by Canadian Pacific Railway, and the notification of all relevant stakeholders, all Transport Canada requirements are complete and whistle cessation can occur at this location.

### **ATTACHMENT(S)**

Haskayne Legacy Park Rail Crossing Location Map

HASKAYNE LEGACY PARK  
TRAIN WHISTLE CESSATION  
(Mile 13.32 of the CPR Laggan Subdivision)



0 50 100 200 300 400  
Meters





**Community Services Report to  
SPC on Community and Protective Services  
2019 May 08**

**ISC: UNRESTRICTED  
CPS2019-0537**

**Change in Name of the Chinatown District Business Improvement Area**

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**EXECUTIVE SUMMARY**

The Chinatown District Business Improvement Area (BIA) board has requested a name change to “Chinatown Business Improvement Area”. An amendment to the Chinatown District Business Improvement Area Bylaw 43M2015 is required to make this change. As the request meets all criteria and requirements, it is recommended that the Committee recommend that Council give three readings to the proposed amendments to Bylaw 43M2015 making the change requested by the BIA board.

**ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Community and Protective Services recommend that Council give three readings to the proposed bylaw (Attachment 2) to amend the Chinatown District Business Improvement Area Bylaw 43M2015.

**PREVIOUS COUNCIL DIRECTION / POLICY**

On 2016 November 7, Council approved that the Administration Recommendation contained in Report C2016-0854 be adopted, as follows: That Council give three readings to the proposed Bylaw 49M2016 to amend the Chinatown District Business Revitalization Zone Bylaw 43M2015.

On 2015 November 10, Council approved that the recommendations in PFC2015-0665 be adopted as follows: That Council: 1. Give three readings to Proposed Bylaw 43M2015 Establish the Chinatown District Business Revitalization Zone.

**BACKGROUND**

Under the Municipal Government Act (Alberta) (MGA) municipalities can create a bylaw to establish a BIA (formerly referred to as Business Revitalization Zone). The bylaw contains the name designated for the area and establishes a board of directors that governs the BIA.

In 2016, the Chinatown District Business Revitalization Zone Bylaw was changed to reflect a new name, Chinatown District BIA, to align with the MGA. Under provincial legislation, changing a name requires approval of the BIA board of directors and Council. On 2019 March 03 the Chinatown District BIA board, on its own initiative, submitted a Change in Name Request (Attachment 1) to Administration.

**INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Request for a Change in Name Process Summary

The Chinatown District BIA board is requesting to change its name from “Chinatown District Business Improvement Area” to “Chinatown Business Improvement Area”. The board provided its approval at the 2019 January 17 Annual General Meeting (Attachment 1).

The board’s rationale is the name change better aligns with its strategic plan which focuses on a clearer brand and location identifier. The board’s request meets the criteria for a bylaw amendment to be considered for approval and is compliant with the requirements in the MGA and provincial BIA Regulation.

**Community Services Report to  
SPC on Community and Protective Services  
2019 May 08**

**ISC: UNRESTRICTED  
CPS2019-0537**

**Change in Name of the Chinatown District Business Improvement Area**

Administration is recommending that Council give three readings to the proposed bylaw to amend the Chinatown District Business Improvement Area Bylaw 43M2015 (Attachment 2).

**Stakeholder Engagement, Research and Communication**

The name change request submitted to Administration by the BIA Chair, on behalf of the board of directors, included the required documentation that demonstrated board approval of the name change (Attachment 1). Under the Business Improvement Area Regulation, AR 93/2016, no additional stakeholder engagement is required.

**Strategic Alignment**

Council's direction and the work discussed in this report aligns with The Citizen Priority of *A Prosperous City* in One Calgary 2019-22, "Calgary continues to grow as a magnet for talent, a place where there is opportunity for all, and strives to be the best place in Canada to start and grow a business." Under One Calgary, BIAs are included as part of the Economic Development & Tourism Line of Service.

The work of BIAs in local communities supports and aligns *Calgary in the New Economy: an updated economic strategy for Calgary*.

**Social, Environmental, Economic (External)**

BIAs play an important role in supporting economic activity and neighbourhood revitalization.

**Financial Capacity**

***Current and Future Operating Budget:***

There is no operating budget implications associated with this report.

***Current and Future Capital Budget:***

There are no capital budget implications associated with this report.

**Risk Assessment**

There are no risks associated with this report. The change in name to "Chinatown BIA" was supported by the ratepayers at the 2019 Annual General Meeting and better reflects the focus on Chinatown as a community within the ratepayer's mandate.

**REASON(S) FOR RECOMMENDATION(S):**

The request for a change in name from Chinatown District BIA to Chinatown BIA meets all legislative requirements.

**ATTACHMENT(S)**

1. Attachment 1 - Documents Related to the Change in Name Request
2. Attachment 2 - Proposed Wording for a Bylaw to Amend The Chinatown District Business Improvement Area Bylaw 43M2015

**Proposed Wording for a Bylaw to Amend the Chinatown District Business Improvement  
Area Bylaw 43M2015**

1. Bylaw 43M2015, the Chinatown District Business Improvement Area Bylaw, as amended, is hereby further amended.
2. In the title to the bylaw, the word "**DISTRICT**" is deleted.
3. In sections 1, 4, 5, and 6, and in Schedule "A", the word "District" is deleted.
4. This bylaw comes into force on the day it is passed.

TEXT FOR DISCUSSION ONLY







2019 January 19

The City of Calgary  
P.O. Box 2100, Station M  
Calgary, AB T2P 2M5

Attention: Iris Li, Business Improvement Area (BIA) Partnership Co-ordinator  
Neighbourhood Connections | Calgary Neighbourhoods

**Re: Request to Change the Name of the Chinatown District Business Improvement Area**

Dear Ms. Iris Li,

On behalf of the Chinatown District Business Improvement Area – Board of Directors, I am writing to request an amendment to Bylaw 43/205 establishing our BIA in order to change the name of the Chinatown District Business Improvement Area.

On Thursday 2019 January 17<sup>th</sup>, at the Annual General Meeting, the Board and our ratepayers passed the following resolution:

That our current name, Chinatown District Business Improvement Area be amended in our bylaws to read Chinatown Business Improvement Area.

On behalf of the Board, I therefore request that the Chinatown District Business Improvement Area Bylaw No. 43M2015 be amended to reflect this change.

Please find attached a copy of our AGM minutes, which shows the resolution to change our current name from Chinatown District Business Improvement Area to Chinatown Business Improvement Area.

Sincerely,

Grace Su,  
Chinatown BIA Chair

Terry Wong,  
Chinatown BIA Executive Director

## **CHINATOWN DISTRICT BUSINESS IMPROVEMENT AREA (CDBIA) 2018 ANNUAL GENERAL MEETING MINUTES**

Date: January 17, 2019

Time: 5:00 – 6:30 P.M.

Venue: # 208, 328 Centre Street South, 2<sup>nd</sup> Floor Dragon City Mall, CDBIA Office

Attendance: 2018 CDBIA Board

Grace Su, Chair

\* Rod Olsen, Secretary, Treasurer

\* Bruce Brownlee

\* Annette Fung

\* Jeff Mah

Lillian Pan, Vice-Chair

\* Danny Ng, Past Chair

John Dong

\* Rita Liu

plus 15 Chinatown District BIA Ratepayers to establish quorum  
Terry Wong, CDBIA Executive Director

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These 2019 January 17 AGM Meeting Minutes:

Prepared by Rod Olsen, CDBIA Secretary (2018);

Confirmed by Terry Wong, CDBIA Executive Director

Authorized by Bruce Brownlee, CDBIA Secretary (2019)

Quorum Reached at 5:19 P.M. and meeting called to order by Executive Director, Terry Wong.

### **1. Chairperson's Welcome and Report**

- a) Grace Su welcomed all attendees to the meeting and spoke of the highlights of 2018 which included the Chinese New Years Gala, Canada Day, Stampede Breakfast, and the August Chinatown Street Festival in partnership with the Calgary Flames.
- b) Grace identified the upcoming ice sculpture event, in the park outside of James Short parkade (CISS), and the 2019 Chinese New Years Gala.
- c) The 2018 Board of Directors were introduced and thanked for their service over the past year.
- d) Grace asked that the prospective Directors nominated for election, that they commit their time, knowledge, and expertise to serving the businesses of Chinatown, and to ensure that the CDBIA's vision for Chinatown is carried out.

### **2. Approval of the 2017 CDBIA Annual General Meeting Minutes of 2018 January 18:**

Moved by Grace Su;

Seconded by Lillian Pan;

Motion Carried and Approved.

**CHINATOWN DISTRICT BUSINESS IMPROVEMENT AREA (CDBIA)**  
**2018 ANNUAL GENERAL MEETING MINUTES**

Thursday, 2019 January 17

3. Approval of the 2018 Annual General Meeting Agenda

Moved by Grace Su;                      Seconded by Lillian Pan;  
Motion Carried and Approved.

4. Motion to Amend CDBIA Bylaws to change the existing name from Chinatown District Business Improvement Area to Chinatown Business Improvement Area.

Moved by Grace Su;                      Seconded by Lillian Pan;  
Motion Carried and Approved.