

Deputy City Manager's Office Report to
Strategic Meeting of Council
2019 June 10

ISC: UNRESTRICTED
C2019-0752

Calgary's Evolving Role in Our Changing Region – Our Past, Present and Future

EXECUTIVE SUMMARY

Throughout the last several decades regional planning in Alberta has oscillated between mandatory and voluntary frameworks, each approach resulting in different impacts and issues to the region and The City of Calgary (The City). As of 2018 January 01, The City became a member of the provincially mandated Calgary Metropolitan Region Board (CMRB). With the establishment of the CMRB, City Administration continues to proceed with Council's direction (Attachment 1) to manage the relationship between The City and the region through:

- Collaborating with the CMRB to develop a high-quality regional plan and maintaining bi-lateral municipal relationships through existing agreements and Intermunicipal Development Plans
- Securing a legislated and sustainable regional plan
- Considering the use of inter-municipal appeals where detriment can be demonstrated
- Maintaining a minimum 30-year land supply of developable land

While the CMRB moves forward with its work, the region is also evolving, which results in new challenges and risks (Attachment 3) that may require an adapted approach. In consideration of the risks and tools (Attachment 4) to manage the relationship with the region, this Strategic Session of Council is intended to:

1. Provide Council with background and common information on Calgary's past, present and future relative to our region.
2. Engage Council in an interactive and facilitated session designed to generate Council discussion and direction to Administration.

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ADMINISTRATION RECOMMENDATION:

That Council direct Administration to:

1. Provide a status update to Intergovernmental Affairs Committee no later than Q4 2019;
2. Develop an interim, cross-corporate protocol to address requests for City service(s) and coordination of studies beyond the municipal boundary, and report back through Administrative Leadership Team to Intergovernmental Affairs Committee no later than Q1 2020;
3. Prepare a regional strategy including risks and resources, and report back to Intergovernmental Affairs Committee no later than Q1 2020;
4. Defer reporting on a potential Intermunicipal Development Plan review process with Rocky View County C2018-1373 until Q1 of 2020, to allow for consideration of the item as part of the regional strategy; and
5. That the attachments to this report and the closed session presentation and discussion remain confidential pursuant to Sections 21, 23 and 24 of the Freedom of Information and Protection of Privacy Act until reviewed for release by June 10, 2029.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 20 December 2018 meeting of Intergovernmental Affairs Committee, C2018-1373 Initiating an Intermunicipal Development Plan Review with Rocky View County, was approved as follows:

That Administration work with Rocky View County to develop a Terms of Reference for a potential Intermunicipal Development Plan review project and return to Council for further direction through the Intergovernmental Affairs Committee no later than Q3 2019.

At the 17 December 2018 meeting of Council, C2018-1373 Initiating an Intermunicipal Development Plan Review with Rocky View County, was approved as follows:

That Council:

1. Refer Notice of Motion C2018-1373 to the Intergovernmental Affairs Committee on 2018 December 20, to consider in the broader scope of all options relating to Calgary's regional future, but not limited to annexation, development of future Intermunicipal plans, and The City's framework and requirements for the new Regional Plan currently being developed; and
2. Direct Administration to report back to a 2019 Strategic Meeting of Council.

At the 17 December 2018 meeting of Council, C2018-1372 Exploring an Opportunity for Annexation from the MD of Foothills, was approved as follows:

That Administration work with the Municipal District of Foothills to investigate the potential for The City of Calgary to annex of the remainder of the Sirocco Area Structure Plan lands and any other lands necessary to create a logical planning cell(s); and

1. Determine the appropriate lands to be included in such an annexation;

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2. Identify the anticipated work program resource requirements;

And return to Council for further direction through the Intergovernmental Affairs Committee no later than Q3 of 2019.

Attachment 1 provides a high-level summary of past in-camera Council direction for further context on regional matters.

BACKGROUND

Calgary is the largest municipality by population in our region. Through much of our history, growth has been accommodated through the annexation of lands from neighbouring municipalities. The relationship between The City and the region has always been important. Over the past several decades regional planning in Alberta has oscillated between mandatory and voluntary frameworks, each approach resulting in different impacts and issues to the region and The City of Calgary.

Mandatory Regional Planning

Regional planning in Alberta began in 1953 after the province formalized regional planning commissions. In 1956, the Royal Commission on the Metropolitan Development of Edmonton and Calgary was completed. This report, also known as the McNally Commission/Report, identified early problems resulting from rapid metropolitan growth outside concentrated urban jurisdictions. The report recommended mandatory metropolitan planning, as well as amalgamation/annexation of Calgary with its surrounding jurisdictions including the Towns of Bowness and Montgomery and the Hamlet of Forest Lawn. It also emphasised the need for equitable service delivery. The report recommended that all urban development should fall under one municipality responsible for delivering citizen services and collecting property tax revenue. The approach was called "*uni-city*". For many years since 1956, The City of Calgary followed the uni-city governance and growth management model.

In 1964, the Calgary Regional Planning Commission adopted the Preliminary Regional Plan. It declared that urban municipalities should have sufficient lands for growth, maintaining the uni-city growth model. This growth model continued as the Preliminary Regional Plan was updated in 1971 and again in 1984. The Calgary Regional Plan of 1984 introduced two major changes. Firstly, policies encouraged a clear distinction between urban and rural districts, calling for higher densities and urbanized activities to locate in urban centres. Secondly, Calgary and smaller urban centres were granted urban fringe zones (5 miles and 2 miles, respectively), where new country residential and rural industrial uses were generally prohibited. The intent of creating urban fringe zones was to encourage urban-type developments to locate in urban areas.

Voluntary Regional Planning

In 1995, the Province disbanded the regional planning system. The Municipal Government Act (MGA) introduced a voluntary intermunicipal planning approach. The distinction between urban and rural municipalities was eliminated, and formalized regional planning was abandoned.

Established in 1999, the Calgary Regional Partnership was a voluntary regional planning group of which The City was a founding member. By 2009, the Calgary Metropolitan Plan (CMP) was developed. Certain municipalities had concerns regarding governance (in particular, the voting

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model) and the policy direction of the CMP, and left the partnership. The City of Calgary remained committed to the collaborative process and working with regional neighbours, and advocated that the CMP become a legislated plan. For many years it was assumed that the CMP would be legislated through the South Saskatchewan Regional Plan, but this failed to occur.

The Province continued to work with the Calgary region and sponsored a formal mediation process in 2013 to address the foundational concerns with the CMP and to arrive at shared interests between CRP members and those that left the CRP. The Province also organized regional workshops in 2015 to address common interests in legislating the CMP. Both initiatives failed to achieve a legislated regional plan.

During this voluntary era, The City marked a significant shift in its own growth management through the 2009 Municipal Development Plan. The City sought to balance new community growth with intensification. At the same time as The City's policies changed, an economic boom brought further growth pressure to the region resulting in high levels of growth in other municipalities in the region and on Calgary's boundaries.

Municipalities in the Calgary region have been some of the fastest growing in Canada. Calgary's share of the region's population has slowly declined from 91 per cent in 1986 to 85 per cent by 2018. At present, there are approximately 246,000 people who reside in municipalities outside Calgary. By 2076 that number is forecast to more than double to almost 600,000. Calgary's share of single and semi-housing starts has declined from 80 per cent in 2003 to 69 per cent in 2018. Employment data indicates a level of stability, with 80 per cent of the region's jobs locating in Calgary in 2016 compared to 83-84 per cent from 2001 – 2011. Comparative data of industrial land absorption illustrates significant volatility over the past five years as Calgary absorbed a high of 76 per cent of the region's industrial development in 2015 and dropped significantly to 37 per cent in 2016 (average absorption from 2014-2018 was 68 per cent).

Back to Mandatory Regional Planning

As issues of growth and a lack of regional planning compounded, The City continued to advocate for a legislated regional plan. On September 15, 2015, the Province announced that mandatory growth management boards would come into effect for the Calgary and Edmonton regions. By the end of 2017, the voluntary Calgary Regional Partnership was effectively disbanded and the Calgary Metropolitan Region Board was operating by the start of 2018.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The modernized MGA (2016) initiated key changes, including the updated purpose of municipalities and duties of councillors, the requirements of intermunicipal collaboration frameworks, and the introduction of mandatory growth management boards for both the Calgary and Edmonton regions. A new purpose for municipalities was established to "*work collaboratively with neighbouring municipalities to plan, deliver and fund intermunicipal services*" (MGA, s. 3d).

The Calgary Metropolitan Region Board (CMRB) came into effect on 2018 January 01. The CMRB Regulation established membership, voting structure, and the requirements that a Growth Plan and Servicing Plan be completed by 2021 January 01. Since the CMRB has been in effect, the CMRB Board has adopted an Interim Growth Plan and Interim Regional Evaluation

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Framework. Both received approval from the Minister of Municipal Affairs via a Ministerial Order in December 2018.

With the establishment of the CMRB, City Administration continue to proceed with Council's direction to:

- Collaborate with the CMRB to develop a high-quality regional plan and maintaining bi-lateral municipal relationships through existing agreements and Intermunicipal Development Plans
- Secure a legislated and sustainable regional plan
- Consider the use of inter-municipal appeals where detriment can be demonstrated
- Maintain a minimum 30-year land supply of developable land (MDP 5.2.2b)

Attachment 2 lists principles and aspirations that have guided City Administrations' approach to the region.

While the CMRB moves forward with its work, the region is also evolving, which results in new challenges and risks (Attachment 3) that may require an adapted approach. In consideration of the risks and tools to manage the relationship with the region (Attachment 4), this Strategic Session of Council is intended to:

1. Provide Council with background and common information on Calgary's past, present and future relative to our region
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Administration also requests that Council defer the reporting for C2018-1373 to develop a Terms of Reference with Rocky View County for a potential Intermunicipal Development Plan review project until Q1 2020. By deferring the report, Administration will be able to consider the potential review of the Rocky View County – City of Calgary Intermunicipal Development Plan as part of the broader regional strategy that will be returning to Council in Q1 2020.

Stakeholder Engagement, Research and Communication

There has been cross-departmental consultation related to writing this report. No external stakeholder consultation has been undertaken for this report.

Strategic Alignment

The Municipal Development Plan states in Policy 1.3.2 that The City is aligned with the aspirations of the Calgary Regional Partnership and the Calgary Metropolitan Plan.

The Municipal Development Plan states in Policy 5.2.1 that The City will continue to consult and work with inter-municipal and regional partners to ensure the best possible outcomes within the framework of the Calgary Metropolitan Plan.

The Triple Bottom Line Policy Framework (October 2011) under the heading Smart Growth Framework states that "The City works with its regional partners to ensure that growth is managed effectively to achieve the goal of long-term urban sustainability."

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Social, Environmental, Economic (External)

The CMRB Regulation calls for environmentally responsible land-use planning, growth management and the efficient use of land.

Financial Capacity

Current and Future Operating Budget:

There are no immediate impacts to the Operating Budget associated with this report. Resulting Council directions may impact resource requirements or require work plan reprioritizing.

Current and Future Capital Budget:

There are no current impacts to the Capital Budget associated with this report.

Risk Assessment

See Attachment 3 for the Risk Assessment.

REASON(S) FOR RECOMMENDATION(S):

Administration has reviewed current regional risks and options to advance The City's approach to the region. Developing an interim, cross-corporate protocol to address one-off regional servicing requests will help Administration and Council address requests until a long-term system is in place. Discussion from the Strategic Session of Council will inform a regional strategy including risks and resources. By deferring the report back to Council on the Rocky View County – City of Calgary Intermunicipal Development Plan (C2018-1373), Administration will be able to consider that work as part of the broader regional strategy.

ATTACHMENT(S)

1. High-Level History of Council Direction on Regional Matters (2013-2019) – CONFIDENTIAL
2. Overview of Approved Regional Principles – CONFIDENTIAL
3. Risk Assessment – CONFIDENTIAL
4. Overview of Regional and Bi-Lateral Tools – CONFIDENTIAL