

Planning & Development Report to  
SPC on Planning and Urban Development  
2019 December 04

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## **Transit-Oriented Development Implementation Strategy – Final Report**

### **EXECUTIVE SUMMARY**

In 2017, Council approved the *Green Line: Framework for a TOD Implementation Strategy* (the Framework), to help deliver transit-oriented development (TOD) along the future Green Line Light Rail Transit (LRT) system. The *Transit-Oriented Development Implementation Strategy* (the Strategy) advances the objectives of the Framework with a revised scope that considers all existing and planned LRT and Bus Rapid Transit (BRT) stations.

Based on input received through engagement and research on case studies from other North American cities, a new approach to TOD is being proposed. This approach will expand The City's conventional role from one that has focused mainly on TOD policies, plans and application review to one that includes a more proactive role to coordinate capital improvements in station areas that exhibit demand for development and fostering partnerships with a range of stakeholders that can contribute to TOD implementation.

To accomplish this shift, the Strategy proposes a TOD program based on an action plan that will address past obstacles to successful TOD and help achieve broader civic and social goals identified by stakeholders. The actions are to:

- 1) Complete station area evaluations (Attachment 2);
- 2) Develop funding and investment tools;
- 3) Support TOD policy; and
- 4) Foster collaborative partnerships.

Most actions are already underway through the Strategy itself, or through corporate initiatives of the Next Generation Planning System such as the Guidebook for Great Communities, the Established Area Growth and Change Strategy and the Offsite Levies Bylaw Review. For example, Phase 1 of the station area evaluations, focusing on all existing and planned LRT stations across Calgary will be complete in 2020 Q1. The other actions will be completed in 2020 and 2021.

With 60 existing and planned stations located along three LRT lines and additional stations along the BRT routes, TOD represents a great opportunity for the development of a significant amount of land across the city. By supporting the Strategy, The City will be taking a clear step toward unlocking this important economic opportunity and achieving its broader strategic goals.

### **ADMINISTRATION RECOMMENDATION:**

That the Standing Policy Committee on Planning and Urban Development recommend that Council approve the Transit-Oriented Development Implementation Strategy (Attachment 1).

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

At the 2019 March 18 Combined Meeting of Council, Council approved a recommendation to adjust the reporting timeline for the Transit-Oriented Development Implementation Strategy to return to Council, through the SPC on Planning and Urban Development no later than 2019 Q4 (PUD2019-0253).

At the 2018 June 25 Regular Meeting of Council, Council approved Administration's request to defer the report on Green Line Transit Oriented Development Implementation Strategy and to return back to the SPC on Planning and Urban Development no later than 2019 Q1 (PUD2018-0549).

At the 2017 June 26 Regular Meeting of Council, Council approved a recommendation to develop a Transit Oriented Development Implementation Strategy and report to Council through the SPC on Planning and Urban Development no later than 2018 Q2 (PUD2017-0471).

### **BACKGROUND**

Transit-oriented development is an important form of development that supports city-building and helps address the challenges of growth while enhancing the quality of life in neighbourhoods across Calgary. It has been a major policy objective of The City since the early 1980s when our LRT lines were built and is reflected in the Municipal Development Plan/Calgary Transportation Plan and several other policies and plans. Despite this policy direction, TOD has been limited to a few locations throughout the city.

Recent investments in the Green Line LRT and BRT lines have sparked a renewed focus on promoting TOD in Calgary. The Framework, approved by Council in 2017 June, set a course for coordinated initiatives of City partners and business units to help deliver TOD along the future Green Line LRT.

Since the Framework was approved, a number of changes have prompted revisions to the initial project scope and timelines. The Strategy now considers all existing and planned LRT and BRT stations across the city instead of just the Green Line. Also, a number of other City initiatives were identified to have objectives that overlap with the Strategy, presenting opportunities for coordination and alignment. These include the Guidebook for Great Communities, the Established Area Growth and Change Strategy and the Multi-Community approach to local area planning. As such, the Strategy has been developed in a way that links these initiatives to support opportunities for growth and change around transit stations.

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

In 2018 October, The Green Line TOD team hosted a TOD symposium that brought together members of the development industry, community, research institutions and planners to discuss the challenges and opportunities TOD represents. Coupled with inputs from community charrettes, case studies of successful TOD programs and discussions with internal and external stakeholders, Administration gained a clearer understanding of the obstacles that have hampered TOD in the past and opportunities for the future.

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### Obstacles identified

- Lack of prioritized public investment to support TOD;
- Market factors like land assembly, mixed-use development and land values;
- A lack of clear TOD policy;
- A slow and inconsistent development review process; and,
- Community opposition.

### Opportunities identified

- Focus on placemaking;
- Understand the needs of community;
- Ensure equitable development around transit stations; and
- Support environmental sustainability.

### **Success Factors for Transit-Oriented Development Implementation**

A review of stakeholder engagement and case study research of best practices revealed that the implementation of TOD relies on three basic success factors. Without any one of these, TOD will not be implemented successfully.

1. TOD-Focused Planning: a specific planning approach is required to create a clear vision for the scale and form of development around a transit station. Planning policy guides capital improvements and sets expectations for builders, developers, and communities. Planning is a critical first step to facilitate TOD.
2. Market interest: necessary to attract the private investment that delivers the vision of development articulated through planning. Market factors such as land costs and the cost of capital improvements can impact the feasibility of TOD projects and market interest.
3. Capital improvements: includes the leading infrastructure that is required to support development, such as utilities. It also includes public realm improvements such as well-designed streetscapes, parks, and plazas that help provide a high quality of life in an active urban environment.

To date, The City of Calgary has focused most of its efforts on planning. Since the mid-1990s, The City has approved several TOD policies and guidelines that have been incorporated in local area plans. However, with few examples of TOD implementation across the city, it is clear that a new approach, in which The City plays a more prominent role in supporting all three success factors is required.

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### **Transit-Oriented Development Program:**

#### Strategic Directions

The following strategic directions provide guidance for a TOD program that will better support the success factors for TOD in Calgary. They have been developed as a response to the findings of the case studies and the obstacles and opportunities identified by local stakeholders. Together, they lay the framework for a comprehensive TOD program.

- Integrate opportunities for public investment in TOD as part of a corporate system of prioritizing investment decisions;
- Provide supports to encourage private investment in TOD;
- Support planning policy and processes to improve the quality and feasibility of TOD;
- Position TOD as a desirable opportunity for community growth and change through collaboration and partnership; and
- Ensure TOD contributes to the City's broader civic and social goals including equity, environmental sustainability and building a resilient city.

#### Action Plan

Based on the strategic directions identified above, the following actions (described in more detail in Attachment 1 – Transit Oriented Development Implementation Strategy) are recommended as part of a comprehensive TOD program.

##### **Action #1 - Complete station area evaluations**

Administration is in the final stages of completing evaluations of transit station areas across the city (Attachment 2 - Sample Station Area Evaluations). The evaluations will be based on criteria such as capital investments, community readiness for TOD, land use capacity, completion of servicing and planning analyses and availability of community services and amenities. These criteria have been developed in coordination with the community evaluation criteria being used for the Established Area Growth and Change Strategy.

Station area evaluations will help establish a logical sequence of City-led planning activities and capital improvements to support the evolution of station areas. This will be accomplished by integrating station area evaluations, Main Streets priority areas and analyses of market interest provided by the Established Area Growth and Change Strategy. It will also serve as a tool to help develop market interest in station areas by highlighting underutilized sites with redevelopment potential.

##### **Action #2 – Develop funding and investment tools**

The Established Area Growth and Change Strategy and the Offsite Levies Bylaw Review are two City initiatives that are critical for addressing the capital improvements component of TOD implementation. These initiatives aim to develop tools and processes that will provide more consistent funding and investment for the delivery of utilities and public realm improvements required to support growth and maintain high quality of life in neighbourhoods experiencing growth and change. Along with the station area evaluations, these tools will help deliver investments to match market interest in TOD.

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### **Action #3 – Support TOD policy**

Transit-oriented development policy has been incorporated into the Guidebook for Great Communities. Future work will be required to help align and update TOD policy in other City documents such as the Municipal Development Plan and local area plans. Part of this update is to develop new policies that support flexible approaches to achieve TOD, such as limited-term development and innovative management tools for on-street and private parking.

### **Action #4 – Foster collaborative partnerships**

The strategy proposes that Administration continue to work with new and established partners in the business sector, community organizations, research institutions and social service providers to develop new collaborations to help improve our approach to align planning and capital improvements with market interest in TOD.

The four actions of the TOD program provide the basis of an initial work plan for 2020 and 2021 that is included in Attachment 3 – TOD Program Timelines.

### **Strategic Alignment**

The Transit-Oriented Development Implementation Strategy is an important component to enable The City to achieve the goals of guiding policies such as the Municipal Development Plan (MDP), the Calgary Transportation Plan (CTP) and the Climate Resilience Strategy.

#### **Municipal Development Plan (Statutory – 2009)**

Transit-oriented development will contribute to many of the goals articulated in Section 2 of the MDP. The form and design principles of TOD will help create a connected city of great communities. TOD also is an important contributor to a prosperous city, with new development creating opportunities for employment and local businesses to flourish.

#### **Calgary Transportation Plan (Statutory – 2009)**

Transit-oriented development is an important form of growth to help support the City's transportation goals. TOD will support affordable and accessible mobility options (Goal #3), Enable public transit, walking and cycling as the preferred mobility choice for more people (Goal #4) and advancing environmental sustainability (Goal #6).

#### **Climate Resilience Strategy (Non-statutory – 2018)**

Programs 5 and 6 of the City's Climate Change Action Plan are targeted at providing Calgarians with greater choice of low- or zero-emissions transportation modes and to develop land use and transportation planning that contributes to emissions reductions. Successful implementation of TOD will support both of these components of the Action Plan.

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

Administration set out to gather information from a wide variety of knowledgeable stakeholders. Within The City, a cross-corporate Directors Steering Committee and a Managers Working Group were established, including members from Planning and Development, Transportation Planning, Urban Strategy, Transit, and Real Estate & Development Services.

Administration also engaged with members of Calgary's business community and other TOD experts from other municipalities. An example of this outreach is the TOD symposium The City

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hosted in 2018 October that brought together members of the development industry, local communities, research institutions and planners to discuss the challenges and opportunities TOD represents.

A number of obstacles and opportunities for TOD were identified through inputs from Green Line community charrettes, research on national and international leading practices on TOD, and notes gathered during Council-led visits to Vancouver, Seattle and Portland in 2015.

A draft of the Strategy has been shared with the Directors Steering Committee and members of the building and development industry through the Established Area Growth and Change working group. Feedback from those discussions has been incorporated into the Strategy and this report.

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

The Strategy program will result in city-shaping outcomes which include social, environmental, and economic benefits for generations to come.

#### Social

Transit-oriented development can provide many social benefits. For example, the mixed-use form of TOD provides the amenities and services that, in combination with convenient transit options to get around the city, can lead to more active lifestyles that encourage social interaction. Also, the range of housing choice available in TOD can help contribute to communities that accommodate residents through all stages of life.

#### Environmental

The form, scale and mixed-use design of TOD will help achieve Calgary's goals related to approved policies such as the Climate Resilience Strategy. Transit-oriented development provides the opportunity to reduce demand for driving, encourage more efficient building design (LEED standard, for example) and provides opportunity to implement low-impact storm-water management.

#### Economic

The actions identified in the Strategy support economic development in Calgary by addressing many of the obstacles that have prevented TOD implementation in the past. The station area evaluations and funding and investment tools for example, are being developed to highlight development opportunities around transit stations, make TOD projects more feasible and improve investor confidence in Calgary as a place to do business.

Successfully implementing TOD will result in many economic benefits for Calgary including job creation, increased property assessment values and economic diversification.

### **Financial Capacity**

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

There are no operating budget implications associated with these recommendations. Future work of the TOD program will be resourced through existing budgets in Planning and Development. Other corporate resources required to fulfill the strategic directions are also expected to be provided through existing budgets.

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

At this time, there are no capital budget implications associated with this recommendation. However, Administration may propose public investment in capital improvements needed to support TOD through the Established Area Growth and Change Strategy or the Main Streets Investment Program.

### **Risk Assessment**

The focus of Administration's ongoing risk management related to TOD includes:

#### Integration with other corporate initiatives

As highlighted previously, the Strategy is closely integrated with a number of other corporate initiatives that are part of the Next Generation Planning System. Should any of these initiatives be delayed or should their scopes change significantly, such changes could have implications for the efficacy of the Strategy.

#### Lack of investment in capital improvements to support TOD

As The City continues to experience capital constraints and uncertainty from other orders of government, the ability for The City to invest in TOD at priority station areas poses a risk.

#### Ongoing challenges to market interest

Due to current low demand for higher-density residential and commercial development, private investment in some TOD sites is deemed a significant financial risk by the development industry, particularly outside the Centre City.

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

The Transit-Oriented Development Implementation Strategy addresses obstacles that have prevented successful transit-oriented development in Calgary in the past. It also helps align corporate initiatives and programs to allow The City to be a more proactive supporter of the components necessary for transit-oriented development implementation.

By supporting the Strategy, Council will advance our progress on many of the Municipal Development Plan goals. Transit-oriented development represents an important economic opportunity as a means to spur employment and boost investor confidence in the city, and it will contribute to great communities in Calgary, by increasing people's housing and mobility options in a more compact and vibrant urban form.

### **ATTACHMENT(S)**

1. Attachment 1 – Transit-Oriented Development Implementation Strategy
2. Attachment 2 – Sample Station Area Evaluations
3. Attachment 3 – TOD Program Timelines.