

Industry/City Work Plan 2019 Year-End Report

EXECUTIVE SUMMARY

The Industry/City Work Plan (Work Plan) arose from the 2015/2016 Off-Site Levy Bylaw process, to establish a closer working relationship and partnership between The City and the land development and building industry (Industry), towards mutually beneficial outcomes. The Work Plan is established and governed by the Developer Advisory Committee made up of Industry and City representatives. It continues to be an important strategy to improve the context for development and investment in Calgary.

In 2019, Industry and The City focused on advancing the Established Area Growth and Change Strategy to inform recommendations for 2020; established alignment with existing projects benefitting the industrial sector ahead of an Industrial Growth Strategy; monitored market trends and investment progress in new and actively developing communities as part of the New Community Growth Strategy; and implemented continuous process improvements resulting in faster approvals and more consistent and transparent decisions and process.

The 2020 Work Plan, developed collaboratively between Industry and The City, includes work that is expected to contribute to economic recovery, supporting business, and fiscal responsibility. Key objectives for 2020 include the Off-Site Levy Bylaw review and Off-Site Levy Audit Implementation; Phase 1 recommendations for the Established Area Growth and Change Strategy as well as the continuation of work in Phase; scoping for an Industrial Growth Strategy; New Community Growth Strategy business case recommendations and potential future policy and financial improvements; and, ongoing commitment to Continuous Process Improvements.

The Work Plan initiatives are delivered through the City Planning & Policy and Development Approvals service lines (as outlined in One Calgary, 2019-2022 Service Plans and Budgets), with the primary objective of advancing the Citizen Priority of A City of Safe and Inspiring Neighbourhoods; and the Work Plan specifically focused on Council directives related to complete communities (N4) and city growth (N5).

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommends that Council direct Administration to report back to the SPC on Planning and Urban Development with a 2020 year-end Industry/City Work Plan update, no later than 2021 January.

PREVIOUS COUNCIL DIRECTION / POLICY

At the [2019 February 4th Combined Meeting](#), with respect to PUD2019-0005, Council directed Administration to:

- 1) Provide a mid-year communication, in the form of a memo, to all Council members on the progress of the 2019 Industry/City Work Plan, no later than 2019 July 15; and
- 2) **Report back to the SPC on Planning and Urban Development with a 2019 year-end Industry/City Work Plan report, no later than 2020 January.**

At the [2018 January 22nd Regular Public Hearing Meeting](#), with respect to PUD2018-0021, Council directed Administration to:

- 1) Provide a mid-year communication to all Council members on the progress of the 2018 Industry/City Work Plan, no later than 2018 July; and

Industry/City Work Plan 2019 Year-End Report

- 2) Report back to the SPC on Planning and Urban Development with a 2018 year-end Industry/City Work Plan report, no later than 2019 January.

At the [2017 June 26th Regular Meeting](#), with respect to PUD2017-0425, Council directed Administration to report back to the SPC on Planning and Urban Development with a year-end Industry/City Work Plan report, by no later than 2018 January, and that the report include the agreed to Industry/City actions for the upcoming year.

At the [2016 January 11th Combined Meeting](#), with respect to C2016-0023, Council directed Administration to implement the key deliverables of the 2016 work plan to address issues that arose through the Off-Site Levy Bylaw process, as outlined in Attachment 3.

BACKGROUND

The Industry/City Work Plan was originally directed by Council in 2016 January (C2016-0023) to establish a closer working relationship and partnership between The City and the land development and building industry, towards mutually beneficial outcomes. It continues to be an important strategy to improve the context for development and investment in Calgary. The original Work Plan included six initiatives: establish an Industry/City Collaboration Committee, a phasing growth/land supply strategy, an established area strategy, a funding growth strategy, a process improvements strategy, and an industrial strategy. The following year in 2017, these initiatives were adjusted to reflect three geographic areas, within which both phasing and funding would be considered, and included: the new community growth strategy, established area strategy, industrial strategy, and continuous process improvement strategy. These initiatives have since progressed significantly but remain largely unchanged in structure.

The Work Plan is established and governed by the Industry/City collaboration committee initially formed in 2016, referred to as the Developer Advisory Committee (DAC). Current committee membership, as of December 10, 2019 can be found in Attachment 1 and includes City and Industry representatives. The DAC provides valuable stakeholder insight, oversees and advises on progress and challenges across the initiatives outlined in the Work Plan, and allows consistent information sharing by DAC members with various stakeholders. Many members of DAC also participate in multi-stakeholder working groups required to deliver on the Work Plan. Further Administrative governance occurs through the Directors' Integrated Growth Committee (DIGC) and the General Managers' Strategic Growth Committee (GMSGC), as outlined in the Municipal Development Plan, Part 5, Framework for Growth and Change.

The purpose of the Work Plan is to:

- enable Industry and The City to work collaboratively to address issues, advance initiatives, and link to other City policy and investment;
- articulate growth strategy and continuous process improvement goals and actions that Industry and The City agree to work on together for the year; and
- provide accountability and demonstrate success towards mutually beneficial outcomes.

An Industry/City Work Plan mid-year status update was provided to all members of Council on 2019 July 15, and published on [Calgary.ca](#).

Industry/City Work Plan 2019 Year-End Report

The purpose of this 2019 Year-End Report is to:

- share 2019 achievements and progress (Attachment 2) towards the previously declared 2019 Work Plan initiatives and actions (Attachment 3);
- outline challenges and opportunities identified through the year, and resulting shifts in the Work Plan; and
- provide a high-level Work Plan for 2020 (Attachment 4) and demonstrate ongoing commitment to the Work Plan (Attachment 5).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

For 2019, Industry and The City agreed to focus on 30 actions, across four initiatives: new community growth strategy, established area strategy, industrial growth strategy, and continuous process improvements (Attachment 3). Of the 30 actions identified in the Work Plan, 15 are complete, 9 are on track and 6 have been mutually agreed to be delayed (additional detail can be found in Attachment 2).

In 2019, Industry and The City have:

- focused on advancing the Established Area Growth and Change Strategy, to inform recommendations for 2020 that will enable redevelopment, sustain quality communities, and support the viability of local business;
- established alignment with existing projects benefitting the industrial sector (e.g. Goods Movement Strategy, Guidebook for Great Communities, and Stormwater Strategy), ahead of a scoping report for an Industrial Growth Strategy;
- monitored market trends and investment progress in new and actively developing communities approved in 2018 through the New Community Growth Strategy, and work is underway to inform potential growth recommendations for 2020;
- implemented continuous process improvements resulting in faster approvals, and increased consistency and transparency of decisions and process for applicants; and
- presented jointly at the Canadian Home Builders' Association National Urban Council regarding land development industry and municipal government collaboration in Calgary and at the Calgary Real Estate Forum on Investing in Calgary: Kickstarting Growth and Change in our Established Areas.

While much has been accomplished in 2019, The City faces increasing financial and resource constraints, at a time when enabling growth and change across the city is more important than ever. Enabling growth and change allows Calgary to better attract private capital investment, retain and create jobs in the land development and building sectors, and build a great city to attract businesses and residents.

For 2020, the Developer Advisory Committee agreed to reframe the Work Plan to include: Growth Funding & Investment, City-Wide Growth Strategy and Continuous Process Improvements (Attachment 4), in alignment with priorities in the City Planning & Policy Service Line Workplan 2020 (PUD2020-0016) and in support of the Next Generation Planning system. The Growth Funding & Investment initiative is new for the 2020 Work Plan, rather than being included as part of other initiatives (established area growth and change strategy and new community strategy) as it has been since 2017. Given the recent Off-Site Levy Annual Reporting Audit (AC2019-1241) and the review of the Off-Site Levy Bylaw in 2020, Industry and The City agreed this work is of significant importance (both in priority and scope) to highlight it

Industry/City Work Plan 2019 Year-End Report

as its own initiative, while maintaining strategic alignment with the City-Wide Growth Strategy work. The City-Wide Growth Strategy initiative includes the New Community Growth Strategy, Established Area Growth and Change Strategy, and Industrial Growth Strategy, and reflects work and commitment towards achieving a future comprehensive city-wide growth strategy.

For 2020, the Developer Advisory Committee agreed to focus on 19 objectives across the three initiatives, of which 14 carry forward from 2019 and five (associated with the Off-Site Levy Bylaw review, Off-Site Levy Audit Implementation, and New Community Growth Strategy growth management overlay policy review) are new. Key objectives for 2020 include:

- Off-Site Levy Bylaw review, and Off-Site Levy Audit Implementation (Growth Funding & Investment);
- Phase 1 recommendations for the Established Area Growth and Change Strategy, a scoping report for the Industrial Growth Strategy, and New Community Growth Strategy business case recommendations and potential future policy and financial improvements (City-Wide Growth Strategy); and
- Initiation of the Digital + Collaboration project and ongoing implementation of process improvements (Continuous Process Improvements).

Where applicable, the 2020 objectives outlined in Attachment 4 reflect scope and timelines currently directed by Council. However, Administration is recommending changes to Council direction as part of the City Planning & Policy Service Line Workplan 2020 (PUD2020-0016) that would have direct impacts to the 2020 Industry/City Work Plan. Should these recommendations be adopted, the 2020 Industry/City Work Plan would be revised accordingly, to align with new Council direction and in discussion with Industry. Fulsome consultation on the recommendations proposed in PUD2020-0016 has not occurred as part of the 2020 Industry/City Work Plan engagement; Industry members have been informed of the recommended changes.

In previous years, an Industry/City Work Plan update has been provided at mid-year and year-end. Industry and The City have demonstrated ongoing commitment to working collaboratively to advance initiatives as set out in the Work Plan, and increased trust and transparency. Given this commitment, and considering the significant time and resources required, Industry is in agreement with no longer doing a mid-year report, and Administration is recommending future reporting occur annually. Administration and Industry will continue through 2020 to consider the purpose of reporting to Council on the Work Plan, and alternate accountability and communication mechanisms as appropriate.

Stakeholder Engagement, Research and Communication

Industry and Administration have worked collaboratively, through the Developer Advisory Committee and initiative working groups, to establish the purpose and approach to this report, key messages, timelines and roles. Content for the 2019 Year-End Initiative Updates (Attachment 2), and priority initiatives and objectives as outlined in the 2020 Work Plan (Attachment 4) were also developed collaboratively. Risks and challenges, and Administration's recommendation have been jointly agreed to by Industry and Administration. This collaborative approach to reporting and work planning has been iterative, over the course of three months (October to December 2019).

Industry/City Work Plan 2019 Year-End Report

Stakeholder contributions reflect those from across Industry (e.g. developers, development consultants, BILD Calgary Region, NAIOP), and The City (Planning & Development, Law, Transportation, Water Resources, and Finance).

Letters from Industry, regarding this report and the associated Work Plan are included in Attachment 5.

Administration and Industry also recognize the importance of engaging and collaborating with other stakeholder groups in the delivery of initiatives outlined in the Work Plan. Stakeholders such as the Federation of Calgary Communities, Business Improvement Areas, ENMAX, Community Associations, and community members are engaged in a variety of ways (from advisory and working group members, to consultation).

Strategic Alignment

The Industry/City Work Plan initiatives in the 2020 Work Plan are delivered through the City Planning & Policy and Development Approvals service lines (as outlined in One Calgary, 2019-2022 Service Plans and Budgets). Growth Funding & Investment and City-Wide Growth Strategy initiatives are reflected in the City Planning & Policy Service Line Workplan 2020 (PUD2020-0016; priority areas B and D); while Continuous Process Improvements are included as part of the Development Approvals work plan, managed by Administration.

The primary objective of these service lines is to advance the Citizen Priority of *A City of Safe & Inspiring Neighbourhoods*, through specialized planning expertise to guide and enable growth and change in Calgary; and the Work Plan specifically focused on Council directives related to complete communities (N4) and city growth (N5).

The Industry/City Work Plan is also focused on advancing towards the long-term 60-year strategy of a more sustainable city form for Calgary, as set out in the Municipal Development Plan.

Social, Environmental, Economic (External)

Through 2019, the development context in Calgary and the Work Plan initiatives have been impacted by a number of significant changes. The results of the Federal election influence investor confidence in both the development industry and real estate; and the Provincial budget was tabled. The implications of these changes have yet to be fully realized, and The City will continue to proactively manage to this changing context, making appropriate adjustments as needed.

Together, the Work Plan initiatives advance social, environmental and economic goals as outlined in the Municipal Development Plan and Calgary Transportation Plan. Improving the context for development in the city can lead to benefits for customers, communities, and citizens, such as reduced costs for builders and developers, along with streamlined policy and

Industry/City Work Plan 2019 Year-End Report

investment opportunities for various communities, and greater housing and commercial choice and affordability for citizens and businesses.

Financial Capacity

Current and Future Operating Budget:

There are no impacts to current or future operating budgets as a result of this report. Projects identified in the Work Plan have been resourced within existing budgets. If necessary in 2020, the reallocation of existing resources can be considered to deliver on this Work Plan, or actions within the Work Plan may need to be reprioritized.

Current and Future Capital Budget:

There are no impacts to current or future capital budgets as a result of this report. However, capital budgets and costs are a consideration in each of the initiatives within the Work Plan. Should capital budget be required to advance the objectives of any of the initiatives, this would be brought forward to Council as part of the 2020 Mid Cycle review, or as required through Council committees.

Risk Assessment

Through 2019, a number of factors have significantly impacted the Work Plan initiatives, and will continue to be challenges into 2020. Key risks and challenges include:

- Calgary economy, housing market, and the forecasted pace of development;
- Provincial and City budget pressures (both capital and operating);
- City and stakeholder resource limitations; and
- Work Plan scope and complexity.

The City, in collaboration with Industry, are proactively managing these risks and challenges, and making appropriate adjustments. Further adjustments to the Work Plan may be required into 2020, though it remains an important investment of time and resources for both Industry and The City.

Additionally, in 2019, there has been noticeable increase in both sickness and absence time and staff departures. This has affected Administration's ability to resource and complete initiatives as planned. Should staff absences and departures continue, delivery timelines may need to be reconsidered, and would be addressed through the City Planning & Policy service line.

The risk of not continuing with the collaborative Work Plan is also significant. It would erode trust between The City and Industry; limit The City's ability to understand stakeholder issues and opportunities related to ongoing priority work to improve the development context in Calgary; reduce transparency of the work between The City and Industry for citizens and interested stakeholders, and it would eliminate a key communications channel that leverages members of DAC.

Planning & Development Report to
SPC on Planning and Urban Development
2020 January 15

ISC: UNRESTRICTED
PUD2020-0020

Industry/City Work Plan 2019 Year-End Report

REASON(S) FOR RECOMMENDATION(S):

The Industry/City Work Plan Year-End report demonstrates a commitment by The City and Industry to work collaboratively on declared initiatives and objectives related to the growth strategy and continuous process improvements. It provides accountability and transparency, demonstrates success, and allows information sharing with interested stakeholders.

An annual year-end report to Committee will meet the above mutually agreed to objectives by Industry and The City, while reducing the time and effort required to provide semi-annual updates. This time and effort can be redirected towards delivering on the Work Plan.

ATTACHMENT(S)

1. Attachment 1 – Developer Advisory Committee Membership as of December 10, 2019
2. **Corrected Attachment 2 – Industry/City Work Plan 2019: Year-End Initiative Updates**
3. Attachment 3 – 2019 Industry City Work Plan Schedule (PUD2019-0005)
4. Attachment 4 – Industry/City Work Plan 2020: Work Plan
5. Attachment 5 – Letters from Industry