

**Planning & Development Report to
SPC on Planning and Urban Development
2020 May 06**

**ISC: UNRESTRICTED
PUD2020-0241**

Joint Use Coordinating Committee and Joint Use Reserve Fund Annual Report

EXECUTIVE SUMMARY

The purpose of this report is to provide an annual update on the Joint Use Coordinating Committee (JUCC) work plan and the status of the Joint Use Reserve Fund (Reserve Fund).

The report provides a summary of the demand on the Reserve Fund during 2019 along with identifying future demands on the Reserve Fund (Attachment 1). These demands are divided into three timeframes: future demands for the current year, projections within the next five years, and projections beyond the next five years.

In 2019, Reserve Fund expenditures totalled \$1.4 million including land acquisition for Meadowlark Park. The 2019 December 31 Reserve Fund balance is \$74.5 million while the total anticipated future demands for 2020 and beyond are \$241 million.

This report was prepared collaboratively by all three parties of the Joint Use Agreement (JUA): Calgary Board of Education, Calgary Catholic School District and The City of Calgary.

ADMINISTRATION RECOMMENDATION:

That Standing Policy Committee on Planning and Urban Development recommends that Council receive this report and its attachments for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 20, Council adopted Councillor Pincott's motion that the Committee Recommendations contained in the Joint Use Agreement and Joint Use Coordinating Committee Update, PUD2016-0364, be approved, directing a change in the formal reporting period to Council of the Joint Use Reserve Fund to every year by the following May.

On 2012 March 12, Council adopted Alderman Pincott's motion that the Intergovernmental Affairs Committee Recommendations contained in Report IGA2012-10 be adopted, as follows:

"That Council:

1. Receive this report for information; and
2. Approve a change in the formal reporting to Council, to treat the Joint Use Reserve Fund as though it were a City Reserve, with a formal review and report every three years."

The Joint Use Agreement between the Calgary Board of Education, the Calgary Catholic School District and The City was executed on 1985 March 04. Section 9.2.1.7 of the agreement states: The Joint Use Coordinating Committee shall "Report annually on the status of the Reserve Fund to all three parties".

On 1985 February 18, Council approved L85-07, Joint Use Agreement, and authorized the officers of The City of Calgary (The City) to execute the proposed agreement.

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BACKGROUND

Purpose and Scope of the Joint Use Agreement

This agreement, signed in 1985, is between the Calgary Board of Education (CBE), the Calgary Catholic School District (CCSD), and The City of Calgary (The City), regarding the joint allocation, use, planning and development, and maintenance of municipal reserve, open space, and school sites.

Scope and Authority of the JUA stems from the Municipal Government Act, sections 666(1) to (4) and 670, which require the owner of a parcel of land that is the subject of a proposed subdivision to provide up to 10 percent of their developable land for municipal reserve, open space, or education purposes, and the allocation of those lands to be made pursuant to an agreement.

A separate agreement is currently in place between The City and the Conseil scolaire Franco-Sud (FrancoSud).

Purpose and Scope of the Joint Use Coordinating Committee

The JUCC consists of one representative from the CBE, one representative from the CCSD, and two representatives from The City (Community Planning and Calgary Parks). This committee operates on a consensus model.

The JUCC is the body charged with monitoring and implementing the responsibilities under the JUA.

The Joint Use Reserve Fund

Under the JUA, the Reserve Fund is administered by the JUCC, and managed by The City of Calgary Treasury as a Trust Account. All land purchases for school sites, parks and open space require authorization by Council. Under the JUA, the Reserve Fund is held in trust by the three parties. The assets of the Reserve Fund consist of:

- money in place of reserve land;
- proceeds from the disposal of reserve land; and
- interest earned by, and accruing to, the Reserve Fund.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Joint Use Coordinating Committee: Year in Review

In 2019, the JUCC implemented the JUA by making recommendations to Council on the acquisition of land for Meadowlark Park totalling \$1.4 million.

The JUCC continues to provide greater awareness and transparency to its activities through the following two initiatives:

- Held the third annual Open House meeting on 2019 November 05, where Councillors, School Board Trustees from the CBE, the CCSD, and FrancoSud, BILD Calgary Region, the Federation of Calgary Communities and other stakeholders, attended an overview of the JUA and the role of the JUCC. This was followed by a question and answer period where the attendees shared their thoughts and inputs with the JUCC.

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- An annual joint meeting between the Site Planning Team; a subcommittee of the JUCC tasked with reviewing application proposals for joint use sites, and the JUCC to discuss issues that the JUCC should be aware of, and continue to identify, opportunities moving forward between the two groups.

Changes to Provincial Legislation

On 2017 October 26, The Province announced that the updates to the *Municipal Government Act* had been proclaimed. The requirement for all municipalities to have Joint Use Planning Agreements with local school boards was introduced and came into force in 2018 April.

Modernizing the Joint Use Agreement

In 2016, The City, through the Mayor's Office, brought the Chairs of the CBE and the CCSD to negotiate an agreement to present to The Province with respect to the future of reserve land within the city and anticipated changes to the JUA. The result of these discussions was a Memorandum of Understanding (MOU) that was signed in 2016 September. The principles and parameters outlined in the MOU for changes to the JUA are;

- allowing determination of what constitutes compatible uses on a particular site;
- fostering complete communities through reserve land;
- negotiations will be achieved using a consensus-based and collaborative model;
- investigating funding mechanisms for acquiring land required for high school sites; and
- promoting development on surplus, unused, closed and underutilized school sites.

The MOU informed the development of The City of Calgary Charter, 2018 Regulation (the City Charter). In early 2019, the City Charter was approved. The City Charter allows for the identification of uses that provide a public benefit and are compatible with school board purposes, allowing for new uses on School Reserves, Municipal and School Reserves or Municipal Reserves that are or have been in use for school board purposes.

The City is intent on modernizing the JUA with CBE, CCSD and FrancoSud to address outdated issues and new authorities granted through the City Charter.

A draft project timeline anticipates that negotiations with the school boards will commence in 2020 with the drafting of a modernized JUA occurring in 2021 and an anticipated Council approval in 2022.

The Joint Use Reserve Fund for 2019

During 2019, the Reserve Fund received cash receipts from development and disposition of reserves totalling \$3.3 million and earned interest of \$2.1 million. During this same period, expenditures totalled \$1.4 million resulting in a fund balance on 2019 December 31 of \$74.5 million.

Below is a summary of the Joint Use Reserve Fund account in 2019:

- | | |
|-----------------------------------|------------------|
| • Fund Balance on January 1, 2019 | \$ 70.4 million |
| • Fund Receipts | \$ 3.3 million |
| • Fund Investment Income | \$ 2.1 million |
| • Fund Disbursements | (\$ 1.4 million) |
| • Fund Balance December 31, 2019 | \$ 74.5 million* |

*\$0.1M discrepancy due to rounding to the nearest hundred thousand dollars

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Refer to Attachment 2 of this report for a detailed summary of the 2019 Reserve Fund Receipts and Disbursements.

The Joint Use Reserve Fund for 2020 and Beyond

Anticipated future demands on the Reserve Fund are divided into future demands for the current year of 2020, followed by projections within the next five years, and projections beyond the next five years. These demands are estimated at \$241 million (\$25 million in 2020, \$50.5 million from 2021 to 2025 and \$165.5 million 2026 and beyond), based on a high-level market value estimate for net fully serviced lands as of the date of this report. For a more detailed breakdown and itemization of these demands, see Attachment 1.

Stakeholder Engagement, Research and Communication

The JUCC is built on the consensus model, as such this report was written with the input and support of the Committee members.

Strategic Alignment

The JUCC and the JUA align with the policies contained in Section 2.3.5 Municipal, School and Environmental reserves of the *Municipal Development Plan*.

Social, Environmental, Economic (External)

The Reserve Fund enables the three JUCC parties to ensure reserve land is provided in optimal locations, and ensure complete communities, by enabling The City to:

- coordinate the provision of land for recreational and educational facilities through the planning process;
- take money in place of reserves in locations where open space or school land is not required;
- dispose of surplus reserve land and secure the proceeds for future purchases; and
- purchase land in open space deficient communities for parks, recreation facilities, and schools.

Financial Capacity

Current and Future Operating Budget:

There is no impact to The City's operating budget as the Reserve Fund is solely used for land acquisition as per the terms of the JUA. Any facilities constructed on purchased land are the responsibility of the applicable organization, including operating costs.

Current and Future Capital Budget:

The JUA provides a mechanism to both collect and allocate money in place of reserve land in a coordinated fashion that ensures maximum benefit to the community by jointly locating educational and recreational facilities on joint use sites. This results in significant capital budget savings for both The City and school boards.

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Risk Assessment

With the Reserve Fund balance on 2019 December 31 being \$74.5 million, and the future demands projected at \$241 million, the Reserve Fund is currently deficient. The Reserve Fund's revenue stream is predominantly dependent on cash in lieu being paid by industrial and commercial development in place of reserve land. As future industrial and commercial development takes place, there will be an increase in the Reserve Fund revenue. However, since this is market dependent, contributions beyond the next five years are difficult to predict. To ensure the revenue stream is not at risk with future fluctuations in industrial and commercial land development, different funding models will also be investigated when negotiating a new JUA.

REASON(S) FOR RECOMMENDATION(S):

As per Council direction, the report provides an annual overview and update of the Joint Use Coordinating Committee work plan and an update on the status of the Joint Use Reserve Fund to Council.

ATTACHMENT(S)

1. 2020 JUCC Goals and Joint Use Reserve Fund Demand: 2020 and Beyond
2. 2019 Reserve Fund Receipts and Disbursements