

INDUSTRY/CITY WORK PLAN UPDATE

EXECUTIVE SUMMARY

The initiation of the Industry/City Work Plan (“the work plan”) was approved on 2016 January 11 as part of the Off-Site Levy Bylaw report to Council (C2016-0023). Administration provided updates to Council on the Industry/City Work Plan in 2016 June and 2017 January. The work plan outlines key initiatives that the development industry and Administration discuss in order to enhance accountability, make improvements, and provide opportunities for feedback. This collaboration helps set direction for future work and improves the context for development in Calgary. The purpose of this report is to provide an update on the progress made on the Industry/City Work Plan since the 2017 January update.

Together with Industry, Administration continues to focus on actions in new communities, established areas, and industrial areas. The continuous process improvements initiative facilitates improvements in these areas and across municipal corporate practices. A progress report, included as Attachment 1, provides a detailed update on the four initiatives. Attachment 2 is a summary and timeline of the work plan actions for 2017. Key actions for 2017 include finalizing processes and funding options for new community development, reducing the costs and risks associated with redevelopment, conducting baseline research to inform a city-wide industrial strategy, and further process improvements.

Notable achievements in this reporting period include: the publication of the Killarney Utility Information Summary, solidifying short, medium and long-term objectives and actions for the industrial strategy working group, finalizing the terms of reference for the industrial strategy working group, improving the pre-application process for customers, and revising the development permit extension and commencement rules to assist customers if unforeseen development circumstances occur.

The work plan reflects a collaborative approach to working with industry stakeholders and continues to see a high level of engagement. Administration remains committed to working with industry stakeholders as this work continues.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Planning and Urban Development recommends that Council direct 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.

RECOMMENDATIONS OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2017 JUNE 14:

That Council approve the Administration Recommendation contained in Report PUD2017-0425.

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PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 January 23 meeting, through report PUD2017-0014, Council adopted the following recommendation:

That the Standing Policy Committee (SPC) on Planning and Urban Development recommends that Council direct Administration to provide an Industry/City Work Plan update report to Council through the SPC on Planning and Urban Development by no later than 2017 June.

At the 2016 June 20 meeting, through report PUD2016-0406, Council adopted the following recommendation:

2. Direct Administration to provide an Industry/City Work Plan Update report to Council through the SPC on Planning and Urban Development by 2017 January.

At the 2016 January 11 meeting, through report C2016-0023, as part of the Off-Site Levy Bylaw, Council adopted the following recommendation:

3. Direct Administration to implement the key deliverables of the 2016 Work Plan to address issues that arose through this process, as outlined in Attachment 3 [2016 Work Plan].

This report responds to Council direction by providing an update, through the SPC on Planning and Urban Development.

BACKGROUND

In open discussions between Industry and The City during the Off-Site Levy Bylaw process, a number of areas of improvement were co-identified for action through the Industry/City Work Plan. In 2017 January, Administration reported on the six initiatives in the 2016 Work Plan (PUD2017-0014). The purpose of the Industry/City Work Plan is to improve the development context in Calgary through a number of initiatives. The 2016 Work Plan was comprised of six initiatives:

- Initiative 1: Establish Developer Advisory Committee
- Initiative 2: Phasing Growth/Land Supply Strategy
- Initiative 3: Established Area Strategy
- Initiative 4: Funding Growth Strategy
- Initiative 5: Process Improvements Strategy
- Initiative 6: Industrial Strategy

In 2016 the Developer Advisory Committee was established, including Administration and industry stakeholders, completing Initiative 1: Establish Developer Advisory Committee. The Developer Advisory Committee now plays a role in the oversight of the actions of the Industry/City Work Plan.

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The Developer Advisory Committee, helped identify targeted work plan actions and deliverables for 2017, consolidating the 2017 actions into four key initiatives. Attachment 2 outlines the 2017 targeted actions for each initiative:

- New Community Growth Strategy (merging the 2016 Phasing Growth/Land Supply and Funding Growth Strategies);
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.

The four key initiatives identified in the work plan for 2017:

- Focus on a few, high priority initiatives that will make a difference to stakeholders.
- Reflect the completion of Initiative 1: Establish Developer Advisory Committee. This committee has been established and now plays a role in the oversight of the work plan.
- Build on the work from 2016, and reflect efforts to focus the Phasing Growth / Land Supply and the Funding Growth strategies into one strategy for New Community Growth. The Established and Industrial Area Strategies will also consider land supply and funding options specific to their context to encourage investment, and to identify opportunities to retain existing capital in Calgary.
- Recognize that improvements to City processes can be achieved for all types of development and will be part of ongoing work, which is reflected by renaming the Process Improvements Strategy to Continuous Process Improvements.
- Develop an approach to address the goals and objectives of the work plan based on development types: new communities, established areas and industrial areas.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Industry and The City are committed to continuing to prioritize work to improve the context for development in Calgary, and to ensure that both The City and development interests are considered in the outcomes. To facilitate discussions, working groups have been established for each initiative, and meet on a regular basis. The 2017 actions for each initiative have been developed, reviewed, and approved by respective working group members and the Developer Advisory Committee, and are listed in Attachment 2.

A progress report, included as Attachment 1, provides a detailed update on the four initiatives identified for 2017:

- New Community Growth Strategy;
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.

BILD CR agreed to, and supports the above structural changes to the initiatives in the Work Plan for 2017, as stated in their letter of support (Attachment 3).

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New Community Growth Strategy

The New Community Growth Strategy initiative is a merger of the Phasing Growth/Land Supply initiative and the Funding Growth initiative.

The Phasing Growth/Land Supply initiative has focused on The City's implementation of the Growth Management Overlay (Overlay), a policy tool introduced to strategically align planning and infrastructure resources. The Funding Growth initiative has focused on topics such as exploring alternative funding options to accelerate development, capital budget certainty, debt and debt servicing impact, cumulative operating cost impact, and accountability in reporting.

The merger of the two 2016 initiatives allowed the topics of the Funding Growth initiative to be discussed in the context of the Growth Management Overlay, which is the focus of the Phasing Growth/Land Supply initiative. To ensure opportunities for funding growth in established and industrial areas remained a consideration, the Established Areas Strategy and the Industrial Strategy initiatives agreed to expand the financial topics in their mandates.

Established Area Strategy

The Established Area Strategy initiative is focused on reducing barriers to redevelopment related to the costs of redevelopment, utility infrastructure information, funding growth, policy implications, and application processes. The working group that supports this strategy has prioritized their actions for 2016-2017, and remains focused on the key outcomes that have been identified for 2017. In addition, this working group provides feedback on a number of policy initiatives that are outside the scope of the work plan, but that influence and support redevelopment in Calgary.

Industrial Strategy

The Industrial Strategy initiative focuses on the identification of opportunities to support industrial development by off-setting the impacts of the levy through policy considerations and comprehensive strategies. The long term focus of the working group is to grow and maintain the industrial tax base by developing strategies that support the industrial sector's long-term prosperity and strengthen Calgary's position as an inland port for Western Canada.

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Continuous Process Improvements

The Continuous Process Improvements initiative aims to address concerns across the approval process from Land use/Outline plans to occupancy and development closeout. Both The City and Industry are concerned about ensuring that Calgary is an attractive place for real estate investment, that the approval process is simplified and efficient, and that partnerships can be built between The City, development industry, and communities. In addition to the process improvement efforts with Industry, noteworthy structural changes to the approval process have been put into place, or will be put in place, to identify and make improvements to: governance, applicant relations, Final Acceptance Certificates, and aid in corporate decision making on land development issues.

Initiative Results / Impact

The tangible results or impacts made due to the ongoing efforts of each initiative for the period January to June 2017 are set out in the following table.

Initiative	Results/Impact (see Attachment 1 for more details)
New Community Growth Strategy	<ul style="list-style-type: none"> • Responding to BILD Calgary proposal for the Growth Management Overlay process. • Implementing the Overlay removal proposal/business case review process for unfunded growth areas. Eight business cases have been accepted by The City. • Continuing work to analyze operating cost impact of additional new community growth areas. • Developing Administrative recommendations on alternative capital funding options. • Off-site Levy program information is being assembled to support the 2016 annual report.
Established Area Strategy	<ul style="list-style-type: none"> • Centre City Levy Program information is being assembled to support the 2016 annual report. • The publication of the Killarney Utility Information Summary. The next two communities for utility information mapping are Chinook and Bridgeland. Continuing to formalize the investment criteria for infrastructure upgrades. • Collaboration with departments to consider reductions in their fees and charges on redevelopment. • Ongoing analysis of existing financial tools and programs to support redevelopment; support for Capital Investment Plan recommendations. • Monitoring proposed changes to the Municipal

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	<p>Government Act (MGA) specific to levy regulations.</p> <ul style="list-style-type: none"> • Engagement on policy projects influencing redevelopment.
<p>Industrial Strategy</p>	<ul style="list-style-type: none"> • Solidified the short, medium and long-term objectives and actions, including the industrial strategy with the working group. • Created three sub working groups to address technical/issue specific projects for industrial lands in Calgary. • Produced two industrial land use maps to inform the current state of industrial land in Calgary and focus the working group conversations. • Finalized the Terms of Reference for the working group. • Provided updates on Goods Movement Strategy to the working group. • Connected the working group members with other improvement projects providing an “industrial lens” for other projects.
<p>Continuous Process Improvements</p>	<ul style="list-style-type: none"> • The transitioning of the Explore process from the early stage of the application process; the pre-application process will be enhanced. • A new workflow for pre-application process. • The development of an application/approval communication timeline, establishing clear communication expectations and rules for customers. • The reduction to the scope of review for applications, resulting in improved application timelines for customers. • A proposed revision to development permit extension and commencement rules to assist customers if unforeseen development circumstances occur, improving stability for customers (report PUD2017-0325). Land Use Bylaw amendments to allow for the changes will be presented to Council on 2017 June 12. • The revision of the Complete Application Requirement List (CARL) for row housing application, making this CARL more user friendly for customers.

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Reporting

Administration recommends in this report that a year-end Industry/City Work Plan report be taken to SPC on Planning and Urban Development no later than 2018 January. This year-end report is to include the agreed to 2018 Work Plan Schedule with the Industry/City actions for the upcoming year. In 2018 July, a mid-year update memo will be communicated to Council to inform them of the progress made on the 2018 Work Plan Schedule.

Stakeholder Engagement, Research and Communication

The Industry/City Work Plan is a unique collaboration of the initiative working groups composed of industry members and City staff (Attachment 1). The representation has expertise in new community, established, retail/employment, and industrial development. Membership includes developers, development consultants and the following representative organizations: BILD – Calgary Region (CR), Building Owners and Managers Association (BOMA), Commercial Real Estate Development Association (NAIOP) and Calgary Economic Development.

In 2016 the Developer Advisory Committee was formed as a key initiative, and includes members from Industry and City Administration. The Developer Advisory Committee was created to provide insight and perspectives on the overall work plan and associated outcomes of the Industry/City Work Plan initiatives.

To support the work plan, there also is an internal cross-corporate working team comprised of representatives from: Transportation Planning, Water Resources, Calgary Approvals Coordination, Law, Calgary Fire Department, Calgary Growth Strategies, Finance, and Community Planning. This working team is tasked with preparing the information and cross-corporate analysis that supports each of the initiatives.

Administration's work and decision making as it relates to the work plan is guided by the Directors Integrated Growth Committee (DIGC) and the General Managers Strategic Growth Committee (GMSGC).

BILD CR provided their support for this update report in a letter (Attachment 3). They indicate unexpected changes to timelines and staffing have resulted in delays to the deliverables, but do recognize that Industry and The City can work together to overcome these challenges. BILD CR state in their letter that they are very appreciative of Administration's ongoing commitment to the Industry/City Work Plan.

NAIOP has indicated that they continue to be supportive of the Industry/City Work Plan, and is very appreciative of the transparency and open collaboration between The City and Industry.

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Strategic Alignment

The Industry/City Work Plan directly supports corporate priorities by:

- Prioritizing investments for the future;
- Using existing resources more efficiently;
- Investing efficiently; and
- Increasing transparency and accountability.

Advancing the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP) vision requires city-building successes in a multitude of areas. Through a collaborative approach, the Developer Advisory Committee members identified actions for improvements to better achieve the MDP and CTP vision.

The Industry/City Work Plan is a project listed in the Planning and Development Business Plan. The work aligns with the Business Plan by identifying opportunities and tools that advance the MDP and CTP vision, enhance application and approval processes to help realize development, and develop clear direction through the creation and implementation of bylaws and policies.

Social, Environmental, Economic (External)

The targeted outcome of enhancing the development context in Calgary through the Industry/City Work Plan initiatives means that social, environmental and economic goals (such as those of the MDP and CTP) will be more effectively implemented throughout all areas of Calgary.

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 within the work plan were resourced in 2016, and Administration has continued to resource this work in 2017 within existing budgets. Moving forward, reallocation of existing resources may be required to ensure the work can be completed.

Impacts to operating budgets and costs are a consideration in the work being done within several of the Industry/City Work Plan initiatives. If additional fees and charges, or changes to funding are required, requests will be brought forward to Council during the next budget cycle, or as required through Council committees.

Current and Future Capital Budget:

There are no impacts to current or future capital budgets as a result of this report.

Capital budgets and costs are a consideration in the work being done within several of the Industry/City Work Plan initiatives. Capital budget and cost implication impacts will be brought to Council during the next budget cycle.

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Risk Assessment

The City's policy and practices related to development have implications for future capital and operating budgets. Administration continues to work collaboratively with Industry to ensure financial and strategic impacts arising from work undertaken in the Industry/City Work Plan are considered. Risk assessments will be included when key items or direction arising from the work plan are brought forward to Council.

REASON(S) FOR RECOMMENDATION(S):

The Industry/City Work Plan Update provides an overview of the progress to-date for each initiative. The update enhances accountability and transparency to stakeholders, provides opportunities for feedback, and provides an opportunity to set direction for future work. As the work plan initiatives continue, Administration is recommending a year-end Industry/City Work Plan report to the SPC on Planning and Urban Development no later than 2018 January. This report is to include the agreed to Industry/City actions for the upcoming year. A mid-year update memo will be sent to Council members no later than 2018 July to articulate progress on the actions in the Industry/City Work Plan.

ATTACHMENT(S)

Attachment 1: Industry/City Work Plan Update 3: January through June 2017
Attachment 2: Industry/City Work 2017 Work Plan Schedule
Attachment 3: Letter of Support from BILD Calgary Region