

JOINT USE COORDINATING COMMITTEE AND JOINT USE RESERVE FUND ANNUAL REPORT

EXECUTIVE SUMMARY

On an annual basis, an update report on the Joint Use Coordinating Committee (JUCC) work plan and the status of the Joint Use Reserve Fund is presented to Council for information.

The report provides a summary of the demand on the Reserve Fund during 2016 (Attachment 1). Anticipated future demands on the Reserve Fund are also provided. These demands are divided into three timeframes: future demands for 2017, projections within the next five years, and projections beyond the next five years (Attachment 2). Information on a Memorandum of Understanding signed between the three parties to the Joint Use Agreement (JUA) - Calgary Board of Education, Calgary Catholic School District and The City of Calgary - is also included.

This report was prepared collaboratively by all three parties of the JUA.

ADMINISTRATION RECOMMENDATION

That SPC on Planning and Urban Development recommends that Council receive for information this report and attachments.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2017 MAY 10:

That Council receive Report PUD2017-0384 and Attachments for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 20, Council, through report PUD2016-0364, directed to “ADOPT, Moved by Councillor Pincott, Seconded by Councillor Keating, that the Committee Recommendations contained in the following Reports, be adopted in an omnibus motion: Joint Use Agreement and Joint Use Coordinating Committee Update, PUD2016-0364.” This recommendation approved 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, through report IGA2012-10, directed to “ADOPT, Moved by Alderman B. Pincott, Seconded by Alderman J. Stevenson, 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”.

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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.

BACKGROUND

Purpose and Scope of the Joint Use Agreement (JUA)

The JUA is an agreement between the Calgary Board of Education, the Calgary Catholic School District, and 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)-(4), which require subdivision applicants to provide up to 10 percent of their developable land for municipal reserve, open space or education purposes. Under the JUA, the Reserve Fund is held in trust by the three parties. For more detailed information on the purposes of the JUA see Attachment 1.

Purpose and Scope of the Joint Use Coordinating Committee (JUCC)

The JUCC consists of one representative from the Calgary Board of Education, one representative from the Calgary Catholic School District, and two representatives from The City (Community Planning and Community Services). This committee operates on a consensus model.

The JUCC is the body charged with monitoring and implementing the responsibilities under the JUA. For more detailed information on key activities of JUCC see Attachment 1.

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 require authorization by City Council.

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 (JUCC) in 2016

During 2016 JUCC implemented the JUA by making recommendations to City Council on the acquisition of land as per the JUA. The JUA prioritizes the acquisition of land in order of local, community, and then regional needs. A Triennial Reserve Review also occurred through report PFC2016-0796, with the next one scheduled for 2019.

JUCC also set out to provide greater awareness and transparency to its activities through the following two initiatives:

- Held a joint annual meeting between the Site Planning Team (SPT) and the JUCC to discuss issues that the JUCC should be aware of, and outline opportunities moving forward between the two groups;

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- The JUCC discussed setting up an annual open floor meeting, where Councilors, School Board Trustees and other interested parties can share thoughts and inputs with JUCC. The first meeting is to be scheduled for implementation in Q4 of 2017.

A Memorandum of Understanding (MOU) was signed on 30 September 2016 between the three parties to the JUA. This MOU supports in principle the addition of other public benefit uses that support, complement or enhance the primary uses considered on Reserve Land. It also sets out direction for a modernized JUA.

Included in the MOU is an elaboration that the reserve uses will be decided through a collaborative and consensus model based on fostering complete communities and that a future modernized Joint Use Agreement will promote development on surplus, unused, closed, or underutilized school sites and Municipal and school reserves to promote efficient use of the land.

It is anticipated that a draft City Charter for Calgary will be provided by the Province by the end of 2017. The outcome of the City Charter will provide the direction for the commencement of negotiations to develop a modernized JUA amongst the three parties that will address topics and issues that have risen since the JUA's approval in 1985.

The Joint Use Reserve Fund for 2016

During 2016, the Reserve Fund received receipts of \$5.0 million and earned interest of \$1.2 million. During this same period expenditures were \$7.6 million resulting in a fund balance on December 31, 2016 of \$82.3 million.

Below is a summary of the Joint Use Reserve Fund account in 2016:

• Fund Balance on January 1, 2016	\$ 83.7 Million
• Fund Receipts	\$ 5.0 Million
• Fund Investment Income	\$ 1.2 Million
• Fund Disbursements 2012-2015	(\$ 7.6 Million)
• Fund Balance December 31, 2016	\$ 82.3 Million

For more detailed information on the 2016 expenditures, see Attachment 1.

The Joint Use Reserve Fund for 2017 and beyond

Anticipated future demands on the Reserve Fund are divided into future demands for 2017, followed by projections within the next five years, and projections beyond the next five years. These demands are estimated to cost around \$216 million, 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 itemisation of these demands, see Attachment 2.

With the Reserve Fund balance on December 31, 2016 being \$82.3 million, and the future demands coming to \$216 million, the Reserve Fund is currently deficient. The Reserve Fund's revenue stream is predominantly dependent on cash in lieu being paid by industrial development in place of reserve land. As future industrial development takes place, we will see

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an increase in the Reserve Fund revenue. Also different funding models will be investigated when negotiating a new JUA, to ensure the revenue stream is not at risk with future fluctuations in industrial land development.

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 Joint Use Reserve Fund enables the three 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 Joint Use Agreement. 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.

Risk Assessment

Currently there are 235 public schools and 109 separate schools that fall under the JUA. Without a JUA in place The City would require individual agreements to perform many of the above functions that would result in the following issues and risks to negotiate separate agreements:

- increased time ;
- increased costs;

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- inconsistency;
- uncertainty for development industry; and
- uncertainty for school boards.

REASONS FOR RECOMMENDATION:

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

ATTACHMENTS

1. Joint Use Reserve Fund Annual Report: 2016
2. Joint Use Reserve Fund Demand: 2017 and beyond