

Background

Context

The Citywide Growth Strategy evolved from the Industry/City Work Plan that was developed as a collaboration between the development and building industry and The City to continue to pursue ways to enable growth following the 2016 Off-site Levy Bylaw approval. Eventually, it was determined that growth issues would be addressed under three growth strategies, the New Community Growth Strategy (first iteration in 2018), Established Areas Growth and Change Strategy (Phase 1 in 2020) and the Industrial Growth Strategy (scoping report expected in early 2021). Looking ahead to the 2023-2026 budget cycle, an integrated Citywide Growth Strategy will be brought forward that examines growth trends and will make growth investment recommendations across the city, holistically. Investment across the city is important for the following reasons:

- Investment in established areas is important to accommodate population growth and change and occurs in parallel with redevelopment and replacement of aging infrastructure.
- Industrial development plays a key role in supporting a prosperous economy, to capitalize on Calgary's competitive advantage and attract various industry clusters. Well-timed growth-related investments in Calgary's industrial areas are crucial.
- Investment in new communities helps provide more affordable housing options and choices while supporting private capital investment.

An important accountability and transparency element of the growth strategy is to provide an annual monitoring report on growth and related budget decisions to support Administration and Council's future decision making related to investments in growth.

The goal of this monitoring report, included as Attachment 2, is to

- provide transparency and accountability based on The City's and developers' commitments made through the NCGS 2018 decisions, commitments made through Phase 1 of the EAGCS, and through the One Calgary (2019-2022) Service Plans and Budget;
- demonstrate the extent of private capital investment within the Calgary housing market since 2018 to inform future discussions on growth investment decision-making such as the New Community Growth Strategy report (PFC2020-0963, also on this agenda); and
- help guide potential budget course corrections to consider ahead of Mid-Cycle One Calgary Service Plans and Budget deliberations in 2020 November.

Current New Community Naming and Number References

At the time of Council's approval of the 14 new communities in 2018 July, a community was defined generally by the community boundaries approved within Area Structure Plans. Many of the approved business cases represented a portion of a new community, with additional development within the community expected to be brought forward later. Since that time, many of the business cases have moved forward in the land development process and have received Council approval of new community boundaries and names. These new community boundaries and names no longer add up to 14, nor do the new community boundaries represent the same areas of business cases. For consistency, Administration continues to reference the 14 new

communities as they were approved in 2018 July, as well as the new community name. A map of the original 14 new communities, and a table of how naming has changed since, is included in Attachment 2.

Previous Council Direction

Below is complete list of recommendations from report PFC2019-1062. This report PFC2020-0962 is in response to item 7.

That Council direct Administration to:

1. As a modification to the established process of regularly receiving business cases for new communities that recognizes the City of Calgary's current economic constraints, Administration may recommend a limited number of growth opportunities to Council, that must meet the following criteria:
 - a. no required capital from the City of Calgary to initiate development;
 - b. no required operating costs in the current One Calgary (2019-2022) budget or the next (2023-2026) budget cycle, without a proposed mitigating solution, that does not include tax and utility rate increases using the existing model and any improvements made by the date of review;
 - c. completing areas of previously approved communities and leveraging capital investments already made in 2018 and prior years;
 - d. property tax generation potential; and
 - e. levy generation potential that funds new and established areas.
2. Invite landowners to submit a one-page proposal (with a template to be provided) by December 31, 2019 to demonstrate how their proposed business case meets the criteria noted above.
3. In consultation with Calgary Economic Development's real estate pillar experts, Administration will determine which growth opportunity areas will continue to full business case review, and will then invite business cases from related landowners by January 31, 2020 with a submission deadline of March 13, 2020.
4. Review business cases by May 29, 2020, with subsequent dialogue with proponents and a summary of approved and rejected cases to be forwarded to October 13 2020 Priorities and Finance Committee for review, discussion and recommendation. Recommendations will be forwarded to the following Council meeting for decision.
5. Evolve the practice of looking at a direct incremental operating cost model to a full operating cost model, in conjunction with other stakeholders. A briefing on progress toward the new model will be presented at 2020 June 9 Priorities and Finance Committee meeting, with a targeted timeline for completion of no later than Q3 2021.
6. Explore the phasing out of the growth management overlay, and report back to Priorities and Finance Committee no later than Q2 2020 with options to better align to our current economic situation and that creates policy that encourages a business-friendly environment and further development investment and retention in Calgary.
7. Bring a 2020 Growth Strategy Monitoring Report to Council through Priorities and Finance Committee by no later than 2020 October;
8. Remain committed to the following 4 guiding principles outlined in Attachment 3 through this modified process for business cases for growth:
 - a. Recognize the principle of shared risk that Industry and Administration agreed to as part of the New Community Growth Strategy 2018 work;
 - b. Address City financial constraints related to capital and operating funding availability;
 - c. Address City resourcing constraints related to work plan priorities; and

d. Continue to drive toward a Comprehensive Citywide Growth Strategy that includes new communities, established areas and industrial areas for 2022 March.

Following Council it was determined through discussions with Calgary Economic Development and Councillors that Calgary Economic Development's real estate pillar experts would not be involved in the process due to a conflict of interest.

Items five and six have been postponed to 2021 and Q2 2021 respectively.

Citywide Growth Strategy

May 25, 2020

PFC2020-0381

Council received the Established Area Growth and Change Strategy (EAGCS) 2020: Phase 1 Recommendations report and approved the recommendation to “Approve a capital budget request for Budget Id 481650 Public Realm (EAGCS) of \$11.7M in 2021 and \$18.3M in 2022, funded by the Established Area Investment Fund”.

February 3, 2020

PUD2020-0020

Through the Industry/City Workplan 2019 Year-End Report, Administration indicated they would bring forward an Industrial Growth Strategy scoping report in Q3 of 2020. Through report C2020-0698 that deferred all reports due in Q3 and Q4 2020 at the discretion of the City Manager and the General Manager, the timing of the scoping report was adjusted to Q1 2021.

November 18, 2019

PFC2019-1062

Council received the 2019 Growth Strategy Monitoring Report (PFC2019-1062) and directed Administration to complete a review of new community business cases in 2020. In recognition of The City’s financial constraints at the time, Council directed a modified business case process as outlined in Council’s recommendations 1-4.

September 24, 2018

PFC2018-0891

Council directed Administration to undertake the Established Area Growth and Change Work and bring forward strategic actions across the Established Area that meaningfully support community growth, change and quality of life.

July 30, 2018

PFC2018-0678, C2018-0900

Council approved a total of 14 new communities for the 2018 New Community Growth Strategy. Eight communities were recommended for approval by the Priorities and Finance Committee through PFC2018-0678, and the Priorities and Finance Committee also recommended that associated Growth Management Overlay removals be brought forward to Council on 2018 July 30 for a public hearing. Overlay removals were accomplished through C2018-0585 New Community Growth Strategy – Growth Management Overlay Removals Arising from PFC2018-0678.

An additional six new communities were added on 2018 July 30 through Council direction on supplemental report C2018-0900 New Community Growth Strategy 2018 – Further Review and Analysis Directed through PFC2018-0678.

March 19, 2018

PFC2018-0200

Council provided direction for a New Community Growth Strategy. Foundational to this work, Administration and Industry agreed on six principles that were developed together to guide the work, they are; 1) Collaborate, 2) Incorporate a market oriented perspective, 3) Advancing new development, 4) Establishing accountable processes, 5) Cumulative impact considerations on capital and operating costs, and 6) Shared risk. Council also directed Administration to bring a report to Council with findings and recommendations toward the development of an Established Areas Growth Strategy, including funding and timing considerations, that complements the New Community Growth Strategy.