

Review to Consider Expanding the Centre City Enterprise Area

RECOMMENDATIONS:

That the Standing Policy Committee on Planning and Urban Development direct Administration to bring forward an amending bylaw to the *Land Use Bylaw 1P2007* to allow a one-year pilot Enterprise Area for Montgomery on the Bow Business Improvement Area, the International Avenue Business Improvement Area and the 10 Avenue SW and 14 Street SW commercial areas in the community of Sunalta to the 2021 January Combined Meeting of Council to allow time for the required notice and advertising.

HIGHLIGHTS

- Reducing cost and saving time for business start up and expansion is a priority for the City of Calgary. While the current development permit approval process for changes of use and minor building modifications manages risk for the City of Calgary and allows for citizen input, it also increases costs and time for applicants. A focused temporary pilot program to exempt these development permit applications outside the downtown will allow for immediate action while providing learnings and data to inform a possible city-wide approach.
- What does this mean to Calgarians? Reducing approval times will allow quicker business start up and expansion and aims to reduce vacant storefronts in these challenging times. By only proceeding with a pilot in areas that are supportive of the approach it will help mitigate the risks.
- Why does it matter? The downturn in the economy and the impacts of COVID-19 have resulted in job losses and business closures creating a loss of commercial services and valued establishments for Calgarians. Vacant storefronts can make commercial streets feel less safe and attractive. Streamlining applications for businesses and building improvements can mitigate these challenges and support vibrant neighbourhoods.
- A temporary pilot program in select and strategic growth areas aligned with the Municipal Development Plan limits risk to the City of Calgary and allows monitoring and evaluation of the pilot.
- Land Use Bylaw Amendments will allow exemptions for two types of Development Permits that are supportive of business growth, reduce identified corporate risks and will not impact levy fee intake.
- The proposed pilot is aligned with and supportive of other corporate initiatives such as COVID-19 Support for businesses lead by the Business Sector Task Force and Land Use Bylaw Amendments to Support Business Needs.
- On 2019 November 18, a Motion Arising from Councillor Farrell directed Administration to report back “with recommendations on expanding some or all of the practices associated with the Centre City Enterprise Area”.
- Strategic Alignment to Council’s Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1

DISCUSSION

The Centre City Enterprise Area (CCEA) was instituted as a temporary pilot project in July of 2017 to make it easier for tenants and new businesses to set up operations and for building owners to make improvements to their buildings (PUD2017-0142, Bylaw 30P2017). The

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development industry and business community are very supportive of the revised process. Specifically, the CCEA allowed;

- Exemptions for change of use applications from requiring a development permit, provided it is for a listed permitted or discretionary use in the relevant Land Use Bylaw district;
- Exemptions for applications for exterior alterations from requiring a development permit, unless it is a building on the Inventory of Evaluated Historic Resources; and
- Exemptions for applications for additions less than 1,000 square metres in size from requiring a development permit, provided the proposed development still meets Section 24 Conditions for Development Permit Exemptions.

At the 2019 November 18 Public Hearing of Council (PFC2019-1028 (Bylaw 77P2019)), Council made permanent the exemption for change of use applications within the CCEA and extended the exemptions for exterior alterations and additions, for an additional year, to July 2021. At that Council meeting, Council discussed the benefits to businesses to extend these Development Permit exemptions to other commercial areas. Initial scoping has identified both benefits and disadvantages to expanding the Enterprise Area approach to other areas.

Benefits

For applicants, some of the main benefits include less time in the approval process (allowing immediate application for building permits and licenses) and reduced application fees. In the case of a small building addition, there is also the potential to save on levy fees, as a levy for Established Area - Treatment Plant are paid as a condition of approval of a development permit, but only when additional floor space is provided in new construction. For The City, reduced fees are expected to be offset with reduced costs for processing and advertising

Disadvantages

Through the development permit process, applicants are often provided early identification of Alberta Safety Code issues or Alberta Health Services requirements that may have significant costs to achieve compliance. When such issues are identified later during the building permit process, the applicant may have already incurred the higher costs of preparing detailed drawings. Any changes to plans at the building permit stage can be more expensive to accommodate and increase consulting fees to the applicant.

The City of Calgary uses the development permit process to assess impacts of use changes and building additions on City infrastructure and operations, eliminating the development permit increases the possibility of unforeseen impacts and costs to these City operations and potentially required upgrades. Without a development permit, some bylaw provisions such as locational criteria or outdoor lighting limits, would not be reviewed for compliance, resulting in potential off-site impacts and potentially create non-conforming uses. Legislatively, levies cannot be required as a condition of building permits or licenses, so The City uses the development permit as the tool to collect levies, when additional floor space is provided in new construction. Administration is currently analysing data regarding the number of developments that could be exempted from a development permit and an assessment of the nature of those developments. More information and data will be available at the time of any Public Hearing on the required Land Use Bylaw amendments.

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Enterprise Area Expansion Pilot

Administration is recommending a pilot expansion as follows:

- expand to 3 Main Street areas where City-initiated land use redesignations have already been implemented
- 1-year duration
- apply only to changes of use and exterior alterations (additions would not be exempt)

This approach allows for immediate implementation and a more manageable monitoring process. It will provide valuable data and observations to inform discussion of a broader city-wide implementation option. Not including the exemption for small building additions reduces the identified corporate risks and eliminates revenue loss from levy fees. A focus on Main Streets that have already been implemented through land use redesignations reduces the risk of complicating in-flight local area plan processes and aligns with existing corporate goals.

Further, applying the pilot to only a few areas will allow strategic and quick engagement with the affected Business Improvement Areas (BIA) and Community Associations prior to a Public Hearing. A short pilot period (1 year) will allow time to monitor the number of changes of use and renovations (through building permits) in comparison to past trends and allow time to engage the broader public and all BIAs about the Enterprise Area pilot project.

The three specific BIA/commercial areas were chosen as all have had implementation action related to the supporting Established Areas strategic growth (city-initiated land use redesignations, significant City of Calgary investment in transit, public realm and other mobility/road right-of-way upgrades) and provide a good representation of the different types of Main Streets that exist in the city. The three selected are: Montgomery on the Bow Business Improvement Area, the International Avenue Business Improvement Area and the 10 Avenue/14 Street SW commercial areas in the community of Sunalta. Discussions are currently underway with local stakeholders regarding the specifics that may be included in the exemption.

This report title and previous Council review used the term “Enterprise Area”, but in order to provide more clarity about the intent of the Land Use Bylaw amendments, a more plain language description for Council review and Public Hearing advertising will be provided.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Calgary Neighbourhoods hosts a weekly meeting with Business Improvement Area’s leadership. The meetings of 2020 July 28 and 2020 August 25 were used to discuss the idea of expanding the Enterprise Area. Following these discussions, the three pilot areas were chosen, and individual meetings have taken place with Montgomery on the Bow Business Improvement Area, the International Avenue Business Improvement Area and the Sunalta Community Association regarding the 10 Avenue/14 Street SW commercial areas. All three of these key stakeholders have expressed enthusiastic support for the pilot program, but specific bylaw amendments are ongoing.

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IMPLICATIONS

Social

Remaining responsive to the needs of citizens and businesses through these unprecedented times is a critical social consideration. If approved, these amendments will support job creation and the provision of local services in growing neighbourhoods that are accessible by walking and transit.

Environmental

A resilient and vibrant commercial area within a neighbourhood provides more local options for commercial services and employment, providing shorter trips for nearby residents when accessing these commercial areas.

Economic

These amendments will support the start up of businesses and investment in commercial properties. This will not only create jobs but also supports the building owner's ability to maintain revenue from leases and ultimately the value of their properties.

Service and Financial Implications

Development Permit fees will be forgone because of these amendments. Reduced fees are expected to be offset with reduced costs for The City for processing and advertising.

RISK

The principal risks identified include less public involvement in the development permit process and possible future impacts on City infrastructure and operations and on the surrounding communities. These risks are being mitigated by selecting pilot areas that have some expressed business and community support and by limiting the pilot to one year. This time frame allows for monitoring of impacts and the ability to undertake additional consultation and research on the nature and extent of any impacts.

ATTACHMENT(S)

1. Previous Council Direction
2. Maps of Proposed Pilot Areas
3. Letters from Stakeholders

Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dalglish	Planning & Development	Approve