

Stakeholder Summary to Date

Internal and External Engagement focused on the following areas:

- Identifying specific locations and case studies for follow-up and analysis
- Top reasons potential tenants walk away from vacant space
- Most challenging city requirements
- Most important changes that would make leasing easier
- Challenges for pop-up retail and co-working spaces

Common challenges:

- Land use bylaw, building code and business licensing requirements do not easily accommodate multiple-tenants or users within a common occupied space. It is difficult to determine rule compliance when one space is occupied by different and users that change regularly. Creativity in interpretation and approval review is necessary to accommodate proposals. This makes it difficult to provide proponents with certainty and clarity at the business start-up phase.
- If a land use bylaw amendment is necessary to accommodate a user, the time required for approval (minimum 4 months) and the uncertainty of outcome often results in a tenant looking for another space.
- Last minute identification of building and mechanical upgrades necessary can be costly and create time delays to occupancy. This is particularly challenging to small businesses but also for larger, corporate tenants who may have other options than waiting.
- If Alberta Gaming and Liquor Commission or Alberta Health Services also apply, this adds to the complexity and timing to occupancy.
- Land Use Bylaw and local area policy rules regarding the location of uses (i.e. certain non-active uses not allowed at street or +15 level) makes it difficult for in-demand businesses to find spaces where they want to be. The most commonly impacted businesses are medical clinics, small-scale offices and financial institutions. A particular example is dental offices often seek street level locations.
- Parking requirements for medical offices and restaurant uses are the most likely to challenge tenancies in the centre city area.
- The time necessary to obtain development permit approval for façade upgrades or other building improvements to attract or retain tenants can significantly impact building revenues. These types of permits may also trigger the application of other City standards and requirements that would not apply if the building was kept in its current state.
- Existing building stock is not always designed to accommodate the types of uses that City policy would like to see locate at street level. This makes it challenging for building owners to fill existing vacant space without major renovations and incurring significant costs while revenues are decreasing.

Calgary Planning Commission Recommendations

- City infrastructure such as cycle tracks or operating practices such as on-street parking hours can impact the marketability of buildings and viability of existing businesses, particularly at street level, creating short term vacancies.
- Sometimes the complexity and amount of government regulation alone can give the perception that a proposed use is not possible to accommodate. While often these challenges can be overcome by experienced staff, the ability to provide consistent resolution over a large number of cases is difficult.
- Emerging issues such as rail setbacks can significantly impact the leasing potential of desirable uses. For example, daycare uses are a very popular amenity for office tenants, but the rail setback issue potentially eliminates this opportunity in office buildings close to the rail corridor.

Opportunities for Change:

- Suspend change of use development permit requirements for a period of time to have an immediate impact.
- Eliminate parking requirements for changes of use in existing buildings
- Should find ways to improve customer service in the area of tenancy changes – this could be by improving expertise on how to navigate the existing regulatory environment for tenants, brokers and building owners. For example, have dedicated staff to serve one client through all approvals at The City and to coordinate with Alberta Health and AGLC.
- City should track and make available decisions and solutions on unique tenancy situations to help both internal staff and brokers to provide better advice to prospective tenant and building owners.
- City should work to develop better on-going relationships with brokers and building owners to help understand challenges and anticipate emerging issues.
- City and Calgary Parking Authority should evaluate the short term parking system to better serve the retail and short term visitor, either through location of stalls relative to businesses or rates at different times of day.
- Review the Land Use Bylaw to remove locational barriers and to update definitions to allow for greater flexibility to accommodate new types of tenants and a broader range of uses.
- Consider creating a definition in the Land Use Bylaw for pop-up retail that aligns with a pop-up business license to make it easier for this emerging trend.
- Consider reducing the number of discretionary uses in existing buildings.
- Consider if it's possible to let a building owner hold a license for a space so individual tenants do not require one.
- Is it possible to create a business license for a small business that is portable to more than one location.

Calgary Planning Commission Recommendations

- City should look to extend the “life” of an approved development permit to avoid the need for a building owner or developer to go through the approval process again while they are trying to market or attract tenants.
- City should consider fast tracking or eliminating the need to obtain a development permit for building improvements and renovations that are minor in nature but necessary to attract or retain tenants. Taking this time and risk away may encourage further investment in existing buildings.
- City should re-assess which streets have the best chance to be great retail streets and then align streetscape designs, cycle tracks and parking arrangements to best serve that outcome.
- Consider if there are any financial incentives The City could offer to either businesses or building owners.
- Consider ways to have less restrictive use rules in areas where the long-term desired uses are not yet viable. These areas can be detected through the level and duration of vacancy rates.
- Create a culture of problem solving inside City Hall from the perspective of the applicant. Could one staff person or staff unit advocate for a client from end-to-end through all approvals necessary to occupy a space quickly and safely.