Background

This report provides an update on the development of financial tools and strategies that support investment in established areas of Calgary. This work is underway as part of Phase 2 of the Established Area Growth and Change Strategy. Investment considerations and recommendations would be prepared for Council’s consideration as part of the Citywide Growth Strategy anticipated in 2022 in alignment with the 2023-2026 business plan and budget. This citywide strategy considers the established area as well as the New Community Growth Strategy, and the Industrial Area Growth Strategy.

Context

An Industry/City Work Plan was created in 2016 as follow up from the 2015 Off-Site Levy review initiative. This work plan included several strategies to support the land development industry in addressing some of their specific challenges. One of the initiatives was called the Established Area Strategy, where Administration worked directly with Industry stakeholders to reduce barriers to redevelopment. This work identified the need for The City to actively and intentionally support existing communities that are growing and redeveloping with investment in capital assets, such as infrastructure and public realm.

The next iteration of this work was the Established Area Growth and Change Strategy, which was scoped in 2018 (PFC2018-0891) and was directed by Council to return with recommendations by the 2020 mid-cycle adjustments to the One Calgary business plan and budget. This initiative included broader stakeholders, including both community and business representatives. Phase 1 of this work provided recommendations in 2020 May (PFC2020-0381) for both public realm and infrastructure investment in 2021-2022. This was funded by Council through a Notice of Motion (PFC2020-0131) by providing $30M for public realm improvements, and $5.4M budget allocation within Water Resources to fund three utility upgrades in support of anticipated growth.

Phase 2 of the Established Area Growth and Change Strategy is underway, with the intention of developing more sustainable financial tools and strategies to support predictable and intentional investment in growing established areas. Work in Phase 2 also advances the development of financial tools and strategies that were identified in Phase 1 (e.g. North Hill Community Tax Uplift Pilot, review of bonus density tools, etc). This report provides a mid-way update on the progress of this work.

Previous Council Direction

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations (PFC2020-0381)
On 2020 May 25, with respect to the further development of financial tools and strategies for established area investment, Council directed Administration to:

a. Explore a new Established Area off-site levy for local-sized water and sanitary pipes, through consultation with stakeholders, and for Council’s consideration, as part of the current Off-site Levy Bylaw review;

b. Develop a two-year pilot Tax Uplift program in the North Hill Communities Local Area Plan to support future growth-related public realm investments; and

c. Explore additional financial tools and strategies for public realm investment in Phase 2 and replenishing the Established Area Investment Fund, as listed in Attachment 3, with a report back with preliminary recommendations through the Priorities and Finance Committee by end of Q4 2020.

Notice of Motion - Identifying a Funding Source for Public Realm Improvements in Established Areas (PFC2020-0131)

On 2020 Feb 3, with respect to identifying a funding source for public realm improvements in the established area, Council directed:

5. That administration redirect a minimum of 1% of the favourable budget variance from investment income within Corporate Programs annually until 2026 to be used for the Established Areas Growth Strategy