

BRIEFING

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Item # 5.2.1

Planning & Development Briefing to
SPC on Planning and Urban Development
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Joint Use Coordinating Committee and Joint Use Reserve Fund Annual Update

PURPOSE OF BRIEFING

The purpose of this briefing is to provide an annual update on the Joint Use Coordinating Committee (JUCC) work plan and the status of the Joint Use Reserve Fund (Reserve Fund). Attachment 1 provides the background and previous Council direction.

This briefing provides a summary of the demand on the Reserve Fund during 2020 (Attachment 2) along with identifying future demands on the Reserve Fund (Attachment 3). These demands are divided into three timeframes: demands for the current year, projections within the next five years, and projections beyond the next five years. In 2020, Reserve Fund expenditures totalled \$1.4 million including land exchange, deep utility construction and maintenance in Seton. The 2020 December 31 Reserve Fund balance is \$77.7 million while the total anticipated future demands for 2021 and beyond are \$248 million.

This briefing was prepared collaboratively by all three parties of the Joint Use Agreement (JUA): Calgary Board of Education, Calgary Catholic School District and The City of Calgary.

SUPPORTING INFORMATION

The Joint Use Coordinating Committee: Year in Review

In 2020, the JUCC implemented the JUA by making financial contributions to a land exchange and servicing in Seton totalling \$1.4 million.

The JUCC continues to provide greater awareness and transparency to its activities through the following two initiatives:

- The fourth annual Open House meeting held on 2020 November 20 in a new virtual format, where Councillors, School Board Trustees from the CBE, the CCSD, and FrancoSud, BILD Calgary Region, the Federation of Calgary Communities and other stakeholders, attended an overview of the JUA and the role of the JUCC. This was followed by a question and answer period where the attendees shared their thoughts and inputs with the JUCC. The 2020 virtual Open House had record turnout and Administration may continue with optional video attendance at future events for ease of participation.
- An annual joint meeting between the Site Planning Team; a subcommittee of the JUCC tasked with reviewing application proposals for joint use sites, and the JUCC to discuss issues that the JUCC should be aware of, and continue to identify opportunities moving forward between the two groups.

The Joint Use Reserve Fund for 2020

During 2020, the Reserve Fund received cash receipts from development and disposition of reserves totalling \$2.6 million and earned interest of \$2.1 million. During this same period, expenditures totalled \$1.4 million resulting in a fund balance on 2020 December 31 of \$77.7 million.

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Below is a summary of the Joint Use Reserve Fund account in 2020:

- Fund Balance on January 1, 2019 \$ 74.5 million
- Fund Receipts \$ 2.6 million
- Fund Investment Income \$ 2.1 million
- Fund Disbursements (\$ 1.4 million)
- Fund Balance December 31, 2019 \$ 77.7 million

Refer to Attachment 2 of this report for a detailed summary of the 2020 Reserve Fund Receipts and Disbursements.

The Joint Use Reserve Fund for 2021 and Beyond

Anticipated future demands on the Reserve Fund are divided into future demands for the current year of 2021, followed by projections within the next five years, and projections beyond the next five years. These demands are estimated at \$248 million (\$25 million in 2021, \$28.9 million from 2022 to 2026 and \$194.4 million 2027 and beyond), based on a high-level market value estimate for net fully serviced lands as of the date of this report. Land estimates are subject to change and do not include other fees or expenses that may arise. Future acquisitions require detailed site specific market valuations and determination of other costs as part of The City's acquisition process. For a more detailed breakdown and itemization of these demands, see Attachment 3.

Modernizing the Joint Use and Planning Agreement

In 2020 December, Council directed Administration to collaborate with the three school boards to deliver a modernized Joint Use and Planning Agreement (Agreement). The new Agreement will be flexible and provide guidance on how joint use sites are utilized, planned and developed to adapt to the evolving needs of Calgarians. Work has begun on the new Agreement with phase 1 of engagement and visioning complete. Attachment 4 provides an overview of the project to date.

Financial Capacity

There is no impact to The City's operating budget as the Reserve Fund is mainly used for land acquisition and in accordance with the terms of the JUA. Any facilities constructed on purchased land are the responsibility of the applicable organization, including operating costs.

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

With the Reserve Fund balance on 2020 December 31 being \$77.7 million, and the future demands projected at \$248 million, the Reserve Fund is currently deficient. The Reserve Fund's revenue stream is predominantly dependent on cash in lieu being paid by industrial and commercial development in place of reserve land. As future industrial and commercial development takes place, there will be an increase in the Reserve Fund revenue. However, since this is market dependent, contributions beyond the next five years are difficult to predict. To ensure the revenue stream is not at risk with future fluctuations in industrial and commercial land development, different funding models are also be investigated while negotiating a new Agreement.

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ATTACHMENT(S)

1. Attachment 1 – Background and Previous Council Direction
2. Attachment 2 – 2020 Reserve Fund Receipts and Disbursements
3. Attachment 3 – 2021 Joint Use Coordinating Committee Goals and Joint Use Reserve Fund Demand: 2021 and Beyond
4. Attachment 4 – Modernizing the Joint Use and Planning Agreement Status Update