

DEVELOPER FUNDED ASP EVALUATION REPORT

EXECUTIVE SUMMARY

The Developer Funded Area Structure Plan (DFA) process helped to transform the ASP process to be more efficient and effective, and contributed to making the ASPs more innovative and implementable. This report outlines key lessons from the DFA program. Included in the attachments are: a map showing the location of the ASPs (Attachment 1); a summary of feedback received from landowners and their consultants (Attachment 2); a summary of feedback received from internal departments (Attachment 3); an evaluation of the program (Attachment 4); and letters from landowners in the ASP areas (Attachment 5).

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Planning and Urban Development recommends that Council receive this report for information.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2016 SEPTEMBER 14:

That the Administration Recommendation contained in Report PUD2016-0659 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2015 December 07, Council adopted the remaining three Developer Funded ASPs (Glacier Ridge, Nose Creek and Providence) and raised a Motion Arising as follows:

Moved by Councillor Keating, Seconded by Councillor Farrell, that with respect to Reports CPC2015-219, CPC2015-220 and CPC2015-221, Council direct Administration to report back to Council on lessons learned concerning the Developer Funded Area Structure Plans from Planning, Development and Assessment's point of view, no later than Q4 2016.

On 2014 February 24, Council approved report PUD2014-0076. This report outlined a sequence for the four remaining ASPs that align with the Growth Management Framework. A subsequent amendment to the MDP was/is required and recommended to Council to add these ASPs to Map 2.

On 2013 December 02 Council approved report C2013-0753 Developer Funded Area Structure Plans Pilot Project Report, which directed "Administration to report back to Council within 12 months with an evaluation of the Pilot Project, as per the 2012 December 03 Motion Arising with respect to PUD2012-0670".

On 2013 March 18, Council approved C2013-0057 New Area Structure Plan Process to direct Administration to undertake Developer Funded Area Structure Plans.

DEVELOPER FUNDED ASP EVALUATION REPORT

BACKGROUND

Prior to the DFA program, the preparation of ASPs was less prescriptive. ASP preparation did not necessarily have a predictable timeline or budget, and the amount of stakeholder engagement undertaken varied. It was not uncommon for the preparation of an ASP to take two to three years. Also, the ASP documents were long and cumbersome, including many policies with city-wide or generic application. These policies were repeated throughout ASP documents, oftentimes in similar but slightly different wording.

There were areas of improvement observed in the traditional ASP preparation process that could be addressed by a developer-funded process. Following Council direction to do so, Administration began the preparation of six developer funded ASPs in 2013 and the last of the ASPs were approved at the end of 2015.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In December 2015, Council approved the last of six developer-funded Area Structure Plans (ASPs) and directed Administration to report back on lessons learned from the program. All six ASPs were completed on time, and all but one were completed under budget. Attachment 1 to this report shows the location of the six ASPs. These ASPs incorporated innovative policies, pushing the envelope for suburban growth in Calgary.

In 2013, Council directed Administration to use a developer-funded approach as part of a pilot program. This program was intended to:

- create shorter, more streamlined ASPs that are context-specific;
- produce a realistic accounting of the resources required to complete an ASP; and
- create a process to provide Council with more flexibility over where and when new development occurs.

The developer-funded process was a departure from the traditional process for planning new communities. With the significantly reduced timeline (i.e. approximately one year to produce an ASP), the projects required a high level of internal collaboration, nimble decision-making, and real-time application of lessons learned. It also required an enhanced level of support from landowners and their supporting consultants.

The DFA program transformed the delivery of corporate policy projects. By setting clear expectations, working along specific timelines, clarifying accountabilities, and tracking staff time and costs of projects, Administration was able to facilitate ASP delivery in a way that it had not before. Administration also relied heavily upon information provided by landowner consultants.

Internal staff and external stakeholders all commented on the positive aspects of having a clear timeline, in that it required projects to have a constant forward momentum and timely decision-making. The short timelines also stressed the importance of the Administration/landowner partnership that was required to complete the work effectively. The level of collaboration required to successfully complete these projects has resulted in a greater understanding of the goals and limitations of The City, and the objectives and challenges faced by the landowner

DEVELOPER FUNDED ASP EVALUATION REPORT

groups. Relationships with industry are stronger and more positive now than before the DFA program.

From a quality and service delivery standpoint, the DFA program was very successful. As a result of the six DFAs completed, The City has ASP policy for:

- 190,000 additional people;
- 55,000 additional jobs;
- 4,700 hectares of additional planned land supply;
- 11 new communities;
- 44 new neighbourhoods;
- 1 new Major Activity Centre; and
- 6 new Community Activity Centres.

The DFA program also:

- piloted new approaches to community engagement (including First Nations engagement) and health impact assessments (i.e. Nose Creek ASP);
- developed innovative policies with regard to industrial areas, activity centres, street design, natural area preservation, and retail centres; and
- won awards for policy development and shared the successes and lessons of the DFA program with other cities through conferences and meetings.

However, the tight timelines were challenging for both Administration and industry at times. Should the DFA approach be considered for future ASP work, increasing the timeline by six months is recommended, as this would result in more time for analysis and collaboration, improved decision-making, and sharing of information. The technical analysis required to produce an ASP is time-consuming and generally requires a serial process (e.g., the biophysical inventory informs the master drainage plan, which informs the environmental open space study area, etc.) rather than an overlapping process. Since ASPs are long term planning documents that are developed less frequently, Administration considers an increased timeline to be appropriate.

Overall, the ASP delivery model is stronger through the application of lessons learned from the DFA program. Should Council consider taking a similar approach to planning new areas in the future, there are adjustments that should be considered. These adjustments are outlined in Attachments 2 and 3 to this report. Attachment 4 to this report includes a detailed evaluation of the DFA program, examining the risks that were identified at the outset of the project, if and how they were mitigated, and what risks still remain. Attachment 5 contains letters from landowners in the ASP areas, detailing their experiences and thoughts about the DFA process.

Based on the experiences of the DFA program, Administration recommends using the developer-funded approach for future ASPs and is investigating the potential for using private funds for other planning projects. The manner in which Administration developed the ASPs, including the defined timeline and budget, the partnership and collaboration projects with industry, and the clear expectations for quality should be replicated for other planning projects regardless of how they are funded and Community Planning is investigating how to apply this approach to on-going and future projects.

DEVELOPER FUNDED ASP EVALUATION REPORT

Stakeholder Engagement, Research and Communication

Administration used an enhanced engagement and communication strategy for the program with varying degrees of success. At the outset of the projects, The City's Engage! group helped create the engagement strategies for the projects. This was done in collaboration with the landowners and also in concert with Planning & Development Communications group.

Landowners and Administration were engaged through weekly meetings for the first four months of the projects. The purpose of these meetings was to raise issues, discuss interests, and collaboratively generate solutions and approaches to problem-solving. Following the creation of the land use concept, the frequency of landowner meetings was generally reduced to biweekly for the remainder of the project timelines. This was a greater level of engagement than was common with past ASP processes.

Transparency and open communications were key to the public engagement strategies. All landowner and Technical Advisory Committee meeting agendas and meeting minutes were posted on the project websites with public access. This allowed external stakeholders the opportunity to follow the decision making process through the ASP creation, and made for a public record of events.

Public engagement on ASPs was traditionally limited to open houses. The DFA program actively engaged a wider audience through a number of new approaches. For example, blog posts were written and shared on The City's social media accounts, which ended up generating media interest including newspaper articles and radio interviews. These blog posts generated substantial web traffic for topics that had been less viewed in the past. Open Houses were still held at key points in the project along with specialized workshops to bring internal and external stakeholders together to provide input.

The program also included a commitment to continuous improvement. Landowners were given a formal opportunity to provide feedback on the process for their respective ASP, and the lessons learned from their feedback were applied to the next projects in an iterative fashion so that the projects were continuously improving. A summary of landowner feedback is provided in Attachment 2, and it is worth noting that the landowners reviewed this report and are generally in agreement with its findings.

Strategic Alignment

The DFA program supported Council's initiatives and objectives to transform the planning system as well as the Leadership Strategic Plan objective of planning and building a great city, and to partner with the development industry. The DFA program was also aligned with current work on The City's strategic growth direction, infrastructure investment strategies and the Industry/City Work Plan initiatives.

Social, Environmental, Economic (External)

Social

The six ASPs created under the DFA program will serve to create complete communities in the six plan areas, with Council approved policy available sooner than would have otherwise been possible. These communities were comprehensively designed to ensure that residents will be

DEVELOPER FUNDED ASP EVALUATION REPORT

able to live, work and play all in the same neighbourhood if they choose to. The ASPs were also developed through a robust engagement process, reflecting the feedback of Calgarians to the greatest extent possible.

Environmental

The ASPs all require the development of higher-density, transit-oriented communities through a variety of design, conservation, and transportation policies. This is expected to reduce vehicle dependency, thereby reducing greenhouse gas emissions and promote healthier lifestyles.

Economic (External)

The DFA process, including the streamlined document/process and the developer funded element, resulted in less time to produce the ASPs, allowing landowners to have achieved Council's approved land status faster than what may have occurred through the standard process. This results in positive external economic benefits, such as potentially achieving development faster.

Financial Capacity

Prior to the DFA process, considerable City resources (i.e. staff time and budget) were dedicated to ASP preparation with no means to recover those costs. With the DFA process, The City was compensated for the time spent on the ASP work and this meant that existing City resources could be used elsewhere to advance other initiatives as some new staff were hired to work on the ASPs.

It is worth mentioning that tight budget controls were maintained over the DFA projects. Administration working on the ASPs had access to time-tracking software which accounted for their time in nine categories. Time entered was reconciled against the project budgets and associated expenses were also captured. This allowed for a true accounting of the cost of producing an ASP, and more granular detail for analysis as to which parts of ASP preparation were most intensive.

Current and Future Operating Budget:

Given that staff time was funded by landowners, no additional operating costs were associated with the DFA process. Once the projects ended, the staff who were assigned to the project were reintegrated to normal business unit needs. The DFA program also resulted in tax rate savings compared to the usual approach of having The City fund the work, as the work was paid for by landowners instead of through tax supported budgets.

Current and Future Capital Budget:

No direct capital budget impacts resulted from the DFA program. The program allows for more accurate estimates as to the cost of developing the ASP areas, which can then be factored into future capital budgeting exercises. Capital budget implications will come at a later date once decisions on infrastructure investments are made.

Risk Assessment

At the outset of the process, Administration analyzed the risks associated with the DFA process. Most of the risks were successfully mitigated before they became issues, but some risks still

DEVELOPER FUNDED ASP EVALUATION REPORT

remain and would continue to be evident in the future. These are addressed in summary below and are outlined in more detail in Attachment 4.

Dated Plans

Changes in planning paradigms and policy happen regularly, often reflecting changes in citizen preferences and Council priorities. Given that most of the ASP areas are not anticipated to fully build out for many years, it is likely that by the time development is ready to proceed, ASP amendments will be required to align the documents to contemporary planning conditions. Having the New Community Planning Guidebook in place (which is intended to be updated regularly) will help to mitigate this risk. However, the question remains how valuable current ASP policies will be in the long term when actual development occurs.

Expectations

As mentioned, having an ASP in place for an area does not mean that development is ready to proceed in the near term. While the program has greatly increased the level of information available to Administration and Council regarding suburban growth opportunities, it has also resulted in increased pressure on The City to plan for capital and operating funds for these lands and begin the Outline Plan/Land Use process. As the Growth Management Overlay removal stage is the next approvals process step toward development, developers are now very focused on this stage. There is some risk that having more ASPs in place raises expectations that development will proceed in parallel in more areas, and Administration is put in the difficult position of responding to these expectations without a clear implementation strategy in place for advancing new community growth. Through the Industry/City Work Plan, Administration is currently working with industry to develop processes that should help to clarify expectations and requirements across ASPs with Growth Management Overlays.

Alignment with Policy Goals

Producing the six ASPs as part of the DFA program did not align to the strategic and timely sequencing of land identified in the Municipal Development Plan, and it essentially planned new areas much sooner than The City had anticipated. The order in which the ASPs were produced does not necessarily align to a logical sequencing order (vis-à-vis other areas that do not have ASPs in place, or vis-à-vis communities already developing) and does not promote the complete build-out of new communities. Planning for a substantial amount of land is now complete but strategic growth policy and budgeting decisions to be made in order for the ASPs to be implemented and to allow development to proceed. Appropriate growth management processes and prioritization are expected to mitigate these development related risks.

REASON(S) FOR RECOMMENDATION(S):

This report provides an evaluation of the developer funded process for Area Structure Plans as requested by Council.

DEVELOPER FUNDED ASP EVALUATION REPORT

ATTACHMENT(S)

1. Location and Features of Developer Funded Area Structure Plans
2. Developer Funded Area Structure Plan Evaluation - Landowner Feedback
3. Developer Funded Area Structure Plan Evaluation – Technical Advisory Committee Feedback
4. Detailed Evaluation of Developer Funded Area Structure Plan Program
5. Letters from Landowners