

INTEGRATED CIVIC FACILITY PLANNING PROGRAM 2016 STATUS UPDATE

EXECUTIVE SUMMARY

Initiated in Q2 2015, the Integrated Civic Facility Planning (ICFP) program is addressing Council and Administrative direction to coordinate the facility planning and delivery functions at The City. A comprehensive framework is in development to achieve economies of scale, build multi-use facilities where appropriate, create economic resiliency, and improve services to citizens. ICFP has created a financial model that demonstrates how co-locating internal City facilities could avoid up to 15% of the capital and operating costs over a 25 year period (based on a Net Present Value calculation). In addition, discussions with the development industry are underway to determine the optimal conditions to partner in order to reduce risk and share costs.

Specific Learning Projects are ongoing to gather learnings from previous and ongoing integrated facility projects to influence the outcomes of the framework, demonstrate the future state, and enable the strategic outcomes of the program. Project Leads have been assigned and interdisciplinary teams have been established to conduct feasibility and master planning for these projects. Contracts for consultants are being awarded to accelerate and complete this work.

As a cross-corporate program, ICFP is working closely with other corporate initiatives including Green Line (City Shaping), Urban Strategy, Real Estate & Development Services, Infrastructure Calgary, and the Community Services Capital Development team to ensure alignment. The team is also engaged with other civic institutions including Calgary Public Library, Calgary Police Service and Alberta Health Services.

ADMINISTRATION RECOMMENDATION(S)

1. That the Land and Asset Strategy Committee recommend that Council direct Administration to report back to Council annually through the Land and Asset Strategy Committee with an update on the Integrated Civic Facility Planning Program status no later than Q4 2017.
2. That **Attachment 2 Learning Projects Summary and Key Accomplishments** remain confidential under Sections 24(1)(a) and 25(1)(c) of the *Freedom of Information and Protection of Privacy Act*, until the feasibility and site analysis has been completed and a site declared.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2015 October 29 Council adopted the committee recommendations contained in LAS2015-36 Integrated Civic Facility Planning Program report as follows: "That...Council direct Administration to report back... annually... with an update on the Integrated Civic Facility Planning Program project status no later than Q3 2016."

BACKGROUND

In Q1 2015, Council directed Administration to coordinate The City's approach to facility planning in order to achieve economies of scale, build multi-use facilities wherever appropriate, consider opportunities to work with the private sector, and improve services to citizens.

Research and stakeholder engagement indicates significant benefits to the implementation of integrated facility planning and the delivery of multi-use facilities, including:

- A focus on citizen needs by developing City facilities within communities that include broader services such as health, daycare, non-market housing, and education.

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- The opportunity to deliver and partner with other private and public entities to reduce risk and share costs.
- Multi-use civic facilities, combined with supportive transit infrastructure, provide equity of access to City services.
- The ability to strategically locate civic facilities to create service clusters that attract people, private development, and provide economic resiliency.
- The efficient use of facility resources (e.g. building materials, project management consulting resources, building operations) through shared facilities to avoid redundancies seen in a single-use model.

The Integrated Civic Facility Planning (ICFP) program was created in Q2 2015 as a response to Council's direction, and other direction from Council and the Administrative Leadership Team.

As a cross-corporate transformational change program, ICFP is developing a coordinated, corporate approach for the planning and delivery of City facilities through the following four workteams:

- 1) Corporate Facility Planning Framework
- 2) Facility Strategies
- 3) Learning Projects
- 4) Corporate Facility Portfolio Plan

Led out of Facility Management, the ICFP program is leveraging existing resources and facilitating cross-corporate working teams and consultants to execute the work.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

ICFP is implementing a corporate wide approach to planning and delivering facilities while addressing structural barriers and gaps that need to be overcome to achieve success. As a change initiative, the ICFP program is focused on developing a common approach, common vision, and common culture to the planning and delivery of facilities. What follows is the progress of the program to date.

ICFP Program Governance

To ensure cross-corporate representation and participation, the ICFP program has established a governance structure including the General Manager, Community Services as Executive Sponsor and the Director, Facility Management as Program Sponsor. The program reports into the director-level Accommodation & Infrastructure Steering Committee and has brought together a manager-level steering committee comprised of representatives from business units that plan and deliver City facilities.

ICFP Program Outcomes

As part of the foundational work to establish a clear line of sight to Council's direction, the ICFP identified the following priority outcomes:

Long Term Outcomes:

- 1) Facilities continue to support city building (e.g. strategic locations, economic stimulus)
- 2) Facilities are efficient, effective and support service delivery to citizens

Medium Term Outcomes:

- 1) Facilities are well-designed, efficient and flexible
- 2) Future real estate costs are avoided

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- 3) There is a new City culture around the planning and delivery of civic facilities to achieve economies of scale
- 4) Facilities contribute to the strategic outcomes of The City (e.g. MDP, imagineCalgary, TOD)
- 5) Strategic land purchases are made for future facilities
- 6) Facilities are citizen focused
- 7) Needs of City service lines are met
- 8) Multi-business unit, mixed-use civic facilities are developed
- 9) Capital budgeting for facilities is coordinated
- 10) The City's facility portfolio is rationalized

ICFP Workstreams

Corporate Facility Planning Framework: A common approach

The Corporate Facility Planning Framework provides the processes, tools and organizational structure required to ensure the integration of facility planning across the organization. A repeatable, evidence-based approach ensures that objectives established in planning are carried through to delivery. An understanding of the information required in the planning process prior to capital construction budget requests is critical and includes: strategic options analysis, financial return on investment, social return on investment, evaluation against Facility Strategies criteria, evaluation of single and multi-use options, and analysis of delivery methods. In addition, the new processes will allow City staff to evaluate other options such as working with the private sector and co-locating with other levels of government, while providing efficient and effective facilities and the best result to citizens from a triple bottom line perspective. This ensures facilities developed by The City are evaluated consistently and that decisions are in line with Council's direction and The City's vision.

2016 Key Accomplishments:

- Engaged City subject matter experts that are involved in the development of the framework.
- Conducted best practices research investigating other municipalities and private industry practices around facility planning.
- Investigated existing practices used at The City that will be leveraged to develop the framework.
- Conducted a gap analysis on current practices in The City against the proposed future state of facility planning and delivery.
- Developed a draft model for facility planning and delivery that will continue to be refined based on stakeholder input.

Facility Strategies: A common vision

The Facility Strategies outline The Corporation's vision for facilities. They provide criteria for planning and decision making to ensure the vision is implemented. The City of Calgary has a number of existing facility strategies (e.g. Operations Workplace Centre strategy) and others that are in development (e.g. myFlexwork Workplace Strategy – Tomorrow's Workplace). The program will leverage these strategies, enhance them if required, and look for gaps where new strategies need to be developed. To date, the following new strategies have been proposed for development:

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- Location Strategy: Where facilities are located to support city building, densification, good urban planning practices and to set an example for the private sector.
- Co-location Strategy: Principles on how City business units will co-locate within facilities and on sites to support greater efficiency and enhanced services to citizens.
- Development Industry Partner Strategy: Decision making principles to determine if, when, and how The City should partner with a developer on projects.
- Public Service Strategy: How civic facilities will support services to citizens in consultation with other business units.
- Design Strategy: Guidelines for City facilities to support urban design outcomes, accessibility, community building and good architectural practice.

The strategies are based on best practice research, stakeholder engagement, and alignment with the Municipal Development Plan and associated policies. The primary objective of these strategies is to guide The City's facility planning practices and ensure facilities are efficient, effective, and support citizen service delivery. The strategies also identify the dependencies associated with their successful implementation. In addition, the strategies require a methodology for measuring, setting targets, and reporting progress.

2016 Key Accomplishments:

- Initial analysis on the Co-location Strategy indicates that by co-locating internal City functions in a multi-use facility, rather than multiple single-use facilities, The City could avoid up to 15% of the cost (CAPEX and OPEX) over a 25 year period (based on a Net Present Value calculation).
 - Operating – efficiencies in operating costs over the life of the facility (e.g. heat, light), and facility renewal (i.e. lifecycle costs are cheaper per square foot when performed on one facility versus multiple single-use facilities);
 - Capital – multi-use facilities provide efficiencies in land purchase costs and construction, especially since a multi-use model shares common space in a physical build.
- The program team conducted best practices research for the Development Industry Partner Strategy by investigating how other municipalities have partnered with this industry. Interviews were also conducted with industry representatives to understand how the industry would want to partner with The City, what would make The City a good partner, and what risks are associated with this kind of partnership (Attachment 1).

Learning Projects: Creating a common culture

The Learning Projects are in-flight projects that are being leveraged to demonstrate desired outcomes and to help inform the Civic Facility Planning Framework. Projects include a greenfield development, medium scaled comprehensive redevelopment, Green Line redevelopment, and public service counters.

2016 Key Accomplishments:

- ICFP is working with the Calgary Fire Department to develop a new standard emergency response station specification that will consider: co-locating with other departments and functions (external and internal) and that could be shared with a private partner for other methods of facility delivery.

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- A review of previous projects where The City has partnered with the development industry and/or created mixed-use facilities to identify what worked well and what could be improved upon.
- See confidential Attachment 2 for a complete list of current Learning Projects and additional 2016 key accomplishments.

Corporate Facility Portfolio Plan: Moving integrated facility planning forward

The Corporate Facility Portfolio Plan is a set of short, mid, and long range plans that will rationalize the existing portfolio and will identify what facilities the organization should build, demolish, renovate, acquire, and relinquish. After completion, the facility plan will be refreshed every four years in line with Action Plan to inform capital planning processes and determine a work plan for upcoming business cycles. The plan is dependent on the completion of the framework in order to ensure that all service needs are considered.

ICFP Roadmap and Next Steps

The program is on-track to report back to Council with the model Corporate Facility Planning Framework and priority strategies by Q4 of 2017. For high level, individual workstream schedules refer to the ICFP Program roadmap (Attachment 3).

Stakeholder Engagement, Research and Communication

In addition to the engagement, research and communication indicated within each workstream above, ICFP has engaged key stakeholders across the organization to provide program information and establish working relationships. ICFP has:

- Met with the management teams from each business unit to provide information on the program and discuss how business units can work collaboratively with ICFP.
- Established a working team to ensure alignment with other key corporate initiatives including Green Line (City Shaping), Urban Strategy, Real Estate & Development Services, Infrastructure Calgary, and Community Services Capital Development.
- Continued to engage with external partners such as Calgary Public Library, Calgary Police Service and Alberta Health Services.
- Investigated innovative facility delivery methods (e.g. development industry builds, mixed-use civic facilities, etc.) used by other municipalities to determine best practices and understand risk.

Strategic Alignment

Council Priorities

This report's recommendation aligns with and contributes to the following of Council's key strategic objectives in Action Plan 2015 – 2018:

- A City of Inspiring Neighbourhoods
- A Well Run City
- A Prosperous City
- A Healthy and Green City

A detailed breakdown of the strategic alignment of this Program is provided in Attachment 4.

Social, Environmental, Economic (External)

The Corporate Facility Planning Framework will achieve many social, economic, and environmental benefits including:

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- Allowing for the strategic location and delivery of multi-use facilities that combine multiple civic services, create a sense of place and identity, enable social interaction, social cohesion, and achieve a higher level of design and accessibility.
- Realizing potential avoided costs of up to 15% in both operating and capital expenditures, identifying opportunities to partner with private industry and establishing repeatable tools and processes.
- A comprehensive, corporate-wide framework for the planning and delivery of facilities lowers The City's risk by having repeatable tools and processes.
- Reducing the amount of land required to site facilities, and reducing the overall square footage of the facility, thereby improving energy consumption per square foot and per service provided.

Financial Capacity

Current and Future Operating Budget:

None with this report. Administration will deliver this work within existing resources and repurpose positions for the program and future operations.

Current and Future Capital Budget:

None with this report. Existing capital programs will support the program.

Risk Assessment

The ICFP program has conducted a risk assessment and identified the following risks as most significant:

- There is currently no process to realize Council's immediate expectations to achieve more mixed-use facilities and co-location of services.
Mitigation: The ICFP program will provide a coordination function on select Learning Projects. The Learning Projects have identified facility initiatives already underway and in the appropriate project planning stage, that can consider co-location, multi-use or partnership opportunities in order to inform future planning processes. The Corporate Facility Planning Framework will ensure this work will be continued in the future. In the interim, ICFP is working with other business units to communicate clearly with Council when in-flight projects need to move forward as single-use facilities in order to maintain service to citizens and support the economy.
- As per Council direction through LAS2014-50, Administration continues to explore innovative and sustainable funding options for corporate accommodations including Operations Workplace Centres (OWC).
Mitigation: To address the sustainable funding challenge, development charges for projects on OWC sites are under review as they impede successful project delivery and diminish the effectiveness of obtaining sustainable funding. A project-by-project budget request to address these charges is expected to alleviate this challenge. In addition, the ICFP program will be investigating a comprehensive view of funding through the development of the framework and strategies.

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REASON(S) FOR RECOMMENDATION(S):

In 2015 October, Council directed administration to report back on the status of the Integrated Civic Facility Planning Program. This report demonstrates the program's progress and key accomplishments to date. In addition, the report sets out the next steps and information to be reported at the next update in Q4 2017.

ATTACHMENT(S)

1. Partnership Strategy Research Summary
2. Learning Projects Summary and Key Accomplishments (CONFIDENTIAL)
3. Integrated Civic Facility Planning Program Roadmap
4. ICFP Summary of Strategic Alignment