

Partnership Strategy Research Summary

Project Background

As part of the Integrated Civic Facility Planning program, this project was initiated to support Council's direction (Motion Arising CPC2015-010) to explore the efficacy of The City of Calgary to partner with the private industry to deliver civic facilities. The research findings identified in this attachment provide critical input for ICFP's Learning Projects and future strategies and actions on the subject of partnerships.

Project Summary

This research occurred over Q1 and Q2 of 2016 and drew lessons from three discreet streams:

Best practice research

Extensive online and document research was conducted to explore partnership cases of municipalities throughout Canada and the United States. The results helped identify partnership typologies and gain insight into the effectiveness of each type of partnership.

Internal stakeholder engagement

Over 20 individuals, including representatives from Real Estate & Development Services, Planning & Development, Urban Strategy, Corporate Analytics & Innovation, Calgary Housing, Calgary Recreation, Calgary Parks, and Calgary Neighbourhoods, were engaged through in-person sessions. These individuals were selected because they had past experience with partnerships, are working on a partnership initiative, or have a known business relationship with the development industry. This engagement step was important to leverage the existing corporate intelligence around working with the development industry (i.e. Planning Department's working relationship with development groups during the Development Levy Initiative). The result from the internal engagement:

- provided information on the current partnership status in Calgary
- provided the internal stakeholder's perspectives about the opportunities, learnings, risks and benefits of partnering with the development industry
- helped the project team identify the most effective approach to communicate with development industry

External Stakeholder Engagement

The project team held one-on-one meetings with six different development industry groups who have established relationships with The City of Calgary, including Calgary Municipal Land Corporation (CMLC) and Urban Development Institute (UDI) – Canadian Home Builders Association (CHBA). After meeting with the Chairperson of UDI, the project team was invited to give a presentation to the UDI committee members and received valuable input on partnerships. The feedback from the development industry was cautiously optimistic and The City's intention to build relationship was well received. Many of the development industry's comments seem to concur with the perspectives from internal City stakeholders.

Findings

Based on the research, The City of Calgary should be prepared to address the following to successfully partner with the development industry:

1. Shared risks

- Partnerships should be based on shared risks and responsibilities between private and public sectors.
- The City must provide certainty to the developers through financial, legal, and planning processes.
- The City should respect private sector's timeframe.

2. Communication

- Enhancing communication between The City and developers is key.
- The City should invest resources and time into building long-term relationships with the development industry.

3. Process

- The current legal, planning and procurement processes do not provide the flexibility that the development industry requires.
- The development industry is interested in projects that are leading-edge and innovative.
- There is no mechanism to allow individual/creative ideas from developers to be discussed at initial or conceptual stages.

4. Authority and expertise

- Industry partners require a direct and one-person decision making structure, but currently individuals from The City do not have ultimate decision making authority.
- The more complicated the project is (e.g. mixed use developments), the more important it is to have effective governance that simplifies the process.
- The City currently does not have a mature practice or sufficient internal expertise in building partnerships, understanding market and financial impacts, and articulating the needs and requirements of The City.

5. Partners' selection system

- It is important to have an effective scanning mechanism to select the right industry partners for the right projects at The City.
- Partnerships should ensure building quality and the understanding of the facility's life cycle costs.