

LAND SUPPLY TARGETS – DEFERRAL REQUEST

EXECUTIVE SUMMARY

The purpose of this report is to request that Council direct Administration to defer the report on the development of land supply targets for Industrial Areas, Developed Areas and Transit Oriented Development areas in order to receive direction from the 2014 October 27 Strategic Session on capital budgets.

Administration has been collecting and analyzing data on the potential build out of Industrial, Developed and Transit Oriented Development lands. Several discussions with key stakeholders have occurred.

In the case of Industrial Areas, land supply data was published in 2013 November in the *Employment Areas Growth and Change* document. Administration has been holding discussions with stakeholders around how to improve the tools in the Framework for Growth and Change for industrial development. The Land Supply Strategy proposed a target of 3-to-5 years of serviced land supply for industrial; this has been positively received by stakeholders.

In the case of Developed Areas and Transit Oriented Development locations, draft land supply data was made available in the draft *Developed Areas Growth and Change* report in 2014 July. This represents the first time The City has compiled land supply data for these areas, and the report details capacity within existing land use, policy plans, and vacant/underutilized land. The challenge in attracting development in built environments is generally not in establishing targets for a set number of units per year, nor is it in initiating new policy work. Challenges are generally local and nuanced, involving developing within a built community with many stakeholders.

Accordingly, Administration recommends completing further work with stakeholders in order to continue the dialogue on opportunities and challenges in these three important development types. This work may also be informed by Council discussion in October on strategic budget matters and the development of infrastructure funding strategies.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Planning and Urban Development recommends that Council approve Administration's request to defer reporting on land supply targets for Developed Areas, TOD Areas, and Industrial Areas. Administration will provide an update on this work as part of the land supply strategy update at the 2014 December meeting of the SPC on Planning and Urban Development.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2014 SEPTEMBER 10:

That the Administration Recommendation contained in Report PUD2014-0661 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 December 16, Council adopted PUD2013-0772, directing Administration to "work with key stakeholders in 2014 to develop recommendations for the targets for industrial areas,

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developed and Transit Oriented Development areas and report back through the SPC on Planning and Urban Development no later than September 2014”.

BACKGROUND

The Land Supply Strategy (PUD2013-0772) is a series of targets, strategies, and monitoring directions that function as:

- a basis for informing the Framework for Growth and Change; and
- a plan that will continue to evolve as information becomes available, in order to ensure that the Strategy is focussed on outcomes identified by stakeholders.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since receiving the Council direction, Administration has completed the following work:

Industrial Areas

Administration published and circulated the *Employment Areas Growth and Change 2013* document in 2013 November, which details land supply conditions for industrial development. Major findings include an average absorption of 205 hectares per year of industrial land from 2010 to 2012, and a citywide vacant serviced supply in 2013 of just under 1,000 hectares.

Discussions have begun with stakeholders on the usefulness of land supply targets for industrial, and impacts of Framework for Growth and Change generally. The industrial land supply target of 3-to-5 years of serviced supply (transportation/fire/water/ sanitary/storm) has been positively received by industry representatives. Administration has acknowledged the position of stakeholders that the application of the tools in the Framework for Growth and Change for industrial lands requires greater clarity and potentially refinement.

Developed Areas and TOD Areas

Administration circulated a draft *Developed Areas Growth and Change* document in 2014 July which details, for the first time, land supply conditions in Calgary's Developed Areas. The document analyzed supply by four key measures: supply under existing land use, supply within approved local area plans, supply on vacant parcels, and the prevalence of underutilized land.

Creating land supply targets for areas that already have land use, have already developed and are candidates for redevelopment is largely an academic exercise. Whether these types of properties are redeveloped in the short, medium or long term is reliant on market based decisions, in response to local circumstances. Servicing issues associated with this type of growth are mostly local, determined in response to specific applications. Administration's analysis shows there is the currently potential under existing land use for 52,900 units in the Developed Areas. The issue is not supply, but when, and how best to encourage redevelopment in a logical way that adds to the diversity of housing, commercial and industrial uses.

A further finding from the data was that meeting the 33 per cent growth target in the Municipal Development Plan will require an estimated 3,000-3,500 new units per year in the Developed Areas. Already, an average of 2,900 new units are being added annually. In each of the past three years, the share of growth in Developed Areas has been greater than 30 per cent.

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Administration has also begun engagement with members of the Urban Development Institute – Calgary (UDI) and Canadian Home Builders Association – Calgary Region (CHBA). A meeting in 2014 June reviewed proposed methodologies and discussed initial findings for land supply in Developed Areas. Further engagement is scheduled, starting in September.

Stakeholder Engagement, Research and Communication

Administration has been meeting with stakeholders from industry periodically over the last nine months. As land supply management has a material impact on City investment and therefore development patterns, it is essential that industry and citizens have the opportunity to provide feedback on the new data and any targets developed from the data.

Strategic Alignment

Administration will ensure that this work continues to align with the Municipal Development Plan, Calgary Transportation Plan, Calgary Metropolitan Plan, and the 2020 Sustainability Direction. Furthermore, Administration will align with strategic direction arising from budget related discussions occurring in late 2014.

Social, Environmental, Economic (External)

Social, environmental, and economic implications will continue to be considered in this work.

Financial Capacity

Current and Future Operating Budget:

There are no immediate operating budget implications associated with this report. Serviced land supply decisions can have operating budget implications.

Current and Future Capital Budget:

There are no immediate operating budget implications associated with this report. Serviced land supply decisions can have capital budget implications.

Risk Assessment

Not developing additional targets for Industrial Areas, Developed Areas and Transit Oriented Development locations could possibly result in less focus on these areas/development types, or less investment in these areas/development types in the Action Plan 2015-18 budget.

However, this risk is mitigated by the land supply levels reported in *Employment Areas Growth and Change* and draft *Developed Areas Growth and Change*. Administration is also moving forward with planning policy work across the city, and infrastructure investment is proposed as part of the Action Plan 2015-18 budget.

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REASON(S) FOR RECOMMENDATION(S):

This report requests a deferral of the land supply target reporting for Industrial Areas, Developed Areas and Transit Oriented Development locations, which were directed by Council in 2013 December. With a deferral, Administration will use the additional time to (1) incorporate guidance from key budget direction and the development of infrastructure funding strategies, (2) analyze and review data that has recently become available, and (3) continue engaging key stakeholders in order to develop a strategy that works for industry and The City in helping to achieve the goals of the Municipal Development Plan.

ATTACHMENT(S)

None.