

Land Use Bylaw Amendments for Streamlining Change of Use Process

RECOMMENDATION:

That the Infrastructure and Planning Committee recommend that Council give three readings to the Proposed Bylaw amending the Land Use Bylaw (Attachment 2) to improve the Change of Use development permit process.

HIGHLIGHTS

- The proposed Land Use Bylaw (LUB) amendments outlined in this report will help local businesses to streamline the Change of Use development permit process.
- Proposed changes affect the commercial and mixed-use districts in the LUB by:
 - Improving application timelines;
 - Simplifying the process to open in existing spaces; and
 - Reducing costs during the Change of Use process.
- The most common Change of Use applications are for everyday commercial businesses that typically have minimal impacts on the surrounding community since they are occupying already built commercial spaces/buildings.
- These changes are another example of how Calgary is welcoming new businesses to locate here and modernizing the way The City conducts business.
- Additional opportunities to make planning processes easier will be identified in and addressed through the Land Use Bylaw renewal project, due to begin this year.
- **What does this mean to Calgarians?** Streamlining the Change of Use process means Calgarians will have faster access to more local businesses and there will be fewer empty commercial spaces within Calgary communities.
- **Why does this matter?** These changes will make it faster and easier for entrepreneurs to open and grow their business in existing and vacant buildings. By reducing permit steps and delivering the right services, The City can support the success of local businesses and attract new businesses to Calgary.
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Discussions with business owners outlined in prior reports (BAC2021-0956 and BAC2021-1170) to the Business Advisory Committee (BAC) noted challenges with the Change of Use permit process. A Change of Use permit is required when a business moves out of an existing space and a new type of business moves in (i.e., from a retail store to a pet groomer).

Through previous engagement and noted in the BAC reports mentioned above, the main concerns raised by business owners around the Change of Use process were the time it takes to start their business, cost, and onerous regulations in the Land Use Bylaw (LUB). To deliver on one of Council's priorities to focus on enabling business, Administration found opportunities to streamline the process by amending the LUB, so businesses can occupy their locations faster and with less cost. The proposed LUB changes outlined below and presented to the BAC (BAC2023-0351) and at a closed session with the Calgary Planning Commission, enable both a streamlined process and continue to ensure the business meets the applicable rules in the LUB mitigating any potential negative impacts.

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Administration is recommending the following changes to the Land Use Bylaw:

- Remove two uses (Accessory Food Service and Accessory Liquor Service) and deem them to be ancillary to other uses thus no longer requiring a separate development permit.
- Delete the use of Take-Out Food Service as it is a redundant use and combine it into one of two existing restaurant uses as the function and activities are the same.
- Introduce regulation changes to the Commercial Office (C-O) District that will increase the number of permitted uses in this district.
- Remove the requirement for a development permit if the Change of Use is for a permitted use in a commercial or mixed-use district. It is important to note that there would still be methods in place to record the Change of Use and maintain transparency for Calgarians.

These changes will benefit on average, a minimum of 30 per cent (340 permits) of all development permits per year for commercial and mixed-use districts. Benefits to business owners will range from:

- Reduction in processing times by six to 21 days, depending on the use.
- Reduction in costs associated with permit drawings and fees.
- Increased clarity if a use is permitted or discretionary, providing greater certainty to business owners and communities alike.
- Quicker occupancy for businesses to start their operations.

The minimum cost savings will be \$190, which is the fee for a permitted Change of Use development permit. However, the true cost savings is more in time, consultants, and other requirements that will vary from case to case.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Public engagement had been conducted previously, starting in 2019, through the Business and Local Economy Team. Further discussions with internal partners were conducted as part of this work to complement the public feedback.

On 2023 April 19, the proposed changes to the LUB were discussed with the BAC and they were supportive of the changes.

Proposed changes were discussed at the 2023 May 18 meeting of the Calgary Planning Commission in Closed Session. The overall opinion was positive.

There were four main themes:

- Implementation – transition of deleted uses, moving of uses from discretionary to permitted, limited public input;
- Time and cost savings – time and cost savings for business owners and Administration;
- Improvements – ensure changes improve the process, other opportunities in the future, consideration of residential and industrial districts for improvements; and
- Engagement – who was engaged, future opportunities to be engaged.

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Commission members noted that they look forward to additional opportunities for improvements and engagement with The City when the LUB renewal begins.

IMPLICATIONS

Social

Streamlining the Change of Use process provides an opportunity for a variety of businesses within walking distance from a person's home, which is one element of creating complete communities. Also, reducing the complexity of regulations and process for changes of use should enable more business owners to navigate the system on their own.

Environmental

The changes provide an alternative to business owners to choose and occupy vacant retail and commercial spaces quickly and will offset the need for new spaces.

Economic

These Land Use Bylaw amendments reflect The City's business-friendly approach and reduce time and cost for both businesses and Administration during the land use approvals process. This helps with the economic success for businesses and, in turn, for Calgary.

Service and Financial Implications

There are no operating or capital budget implications. There will be a reduction in fees collected due to development permit exemptions, however, there is an accompanying reduction in staff time and resourcing required.

RISK

While the proposed changes will allow a business to occupy a vacant space faster, these changes may create the false expectation that a business could locate in any vacant space in a commercial/mixed-use district.

A second risk is that these changes may create a misunderstanding that other approvals along the Change of Use process, such as a Safety Code permit or a Business Licence, are no longer required.

To mitigate these risks, The City continues to refine and improve the information on The City's website and conduct information sessions. Businesses may also consult with The City, at no cost, prior to signing a lease to ensure the required approvals and process are followed to seamlessly open their business.

ATTACHMENTS

1. Background and Previous Council Direction
2. Proposed Amendments to Land Use Bylaw 1P2007
3. Proposed Land Use Bylaw Amendments and Rationale
4. Presentation

**Planning and Development Services Report to
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Department Circulation

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