

Industry/City Work Plan Update

EXECUTIVE SUMMARY

As part of the Off-site Levy Bylaw approved on 2016 January 11, an Industry/City Work Plan was also approved. This Work Plan outlined six key initiatives that the Development Industry and Administration, including various departments, will collaborate on to enhance accountability, provide opportunities for feedback and help to set direction for future work. These initiatives address issues in all areas of the city including established areas, greenfield areas, and industrial lands. This approach is a collaborative way of working with Industry stakeholders that was proven successful during the Off-site Levy Bylaw process.

Since Council approval, Industry and Administration have established working groups for each of these initiatives. This report provides an update on the progress of the Industry/City Work Plan. For each initiative there is a separate progress overview template which will be used consistently in future reports (see Attachment 1). The overviews include progress updates, issues/challenges and next steps. The next report will be provided by the end of January 2017 and will include reporting for the remainder of 2016.

Overall the initiatives have been progressing well and according to the schedule laid out in the Industry/City Work Plan Schedule (see Attachment 2). In total, 32 meetings with the various working groups have been held as of 2016 May 6. A number of internal and external representatives are committing time and effort to ensure the success of this approach.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Planning and Urban Development recommends that Council:

1. receive this report for information; and
2. direct Administration to provide an Industry/City Work Plan update report to Council through the SPC on Planning and Urban Development by 2017 January.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2016 JUNE 08:

That the Administration Recommendations contained in Report PUD2016-0406 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2016 January 11 meeting, as part of the Off-site Levy Bylaw, Council adopted Report C2016-0023 with the following recommendation:

3. Direct Administration to implement the key deliverables of the 2016 work plan to address issues that arose through this process, as outlined in Attachment 3.

This report responds to Council direction #3 by providing an update to Council, through the SPC on Planning and Urban Development. Regular updates were agreed to in discussions with Industry with a commitment made to return to Council every 6 months.

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BACKGROUND

Throughout the Off-Site Levy Bylaw process, collaboration was a key approach. Through open discussions between Industry and The City, a number of important future improvement areas were identified. The City and Industry committed to working together to improve the development context in Calgary by achieving the outcomes identified in Attachment 3 of the Off-Site Levy Bylaw report (C2016-0023) including:

- Initiative #1: Establish Developer Advisory Committee
- Initiative #2: Phasing Growth/Land Supply Strategy
- Initiative #3: Established Area Strategy
- Initiative #4: Funding Growth Strategy
- Initiative #5: Process Improvements Strategy
- Initiative #6: Industrial Strategy

With the change in Calgary's economic situation and the creation of Infrastructure Calgary, an additional purpose for Initiatives #2, #3, and #6 was identified. The City has focused efforts to accelerate capital spending and potentially advance new capital spending to help with economic stimulus through Infrastructure Calgary. The Phasing Growth/Land Supply, Established Areas, and Industrial Strategy initiatives subsequently began work to identify recommendations for infrastructure projects that could be realized through Infrastructure Calgary. The intention for these stimulus recommendations is to advance public infrastructure investment opportunities, and consider possibilities for combined public sector and private developer investment.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

For each of the six initiatives, for the period 2016 March to May, a progress update is provided in Attachment 1. The update for each initiative has been reviewed by respective committee members, including Industry and Administration.

Overall the initiatives have been progressing well and according to the schedule laid out in the Work Plan (Attachment 2). Working groups have been created and there have been 32 meetings held as of 2016 May 06. These collaboration efforts have resulted in clearer understanding of expectations, initial project scoping and progress on specific activities as discussed in Attachment 1.

Building on the collaborative effort of the Off-site Levy Bylaw project, Initiative #1, the external and internal Developer Advisory Committee membership and approach is designed to continue the collaborative approach for the Industry/City Work Plan. This group is an umbrella committee that provides insights and advice to Initiatives #2 to #6, as shown in Attachment 1 (p.4).

Significant work has been undertaken regarding Initiative # 2: Phasing Growth/Land Supply to explore best options for Growth Management Overlay removal process. The introduction of economic stimulus and a potential opportunity to make investment recommendations through Infrastructure Calgary has had significant influence over the direction of this working group's activities.

The Initiative #3: Established Areas working group is addressing the issues related to reducing barriers to redevelopment in the established areas, and thereby balances the additional burden

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of the new off-site levy charges on redevelopment projects. Initial scoping by the Established Area Working Group resulted in a clear understanding that all actions identified in Initiative #3 are highly important to the redevelopment community.

Review of the originally identified activities by the working group for Initiative #4: Funding Growth Strategy resulted in common understanding that the first priority is to explore funding arrangements and options for alternative financing. The rationale for making this the highest priority is to align with the requests for this information from the Initiative #2: Phasing Growth / Land Supply Strategy working group.

The Initiative #5: Process Improvement Strategy aims to address concerns across the approval process from Land use/Outline plan to occupancy and development completion. Both The City and Industry are concerned about ensuring that Calgary is an attractive place for developers to invest, that the approval process is simplified and efficient, and that partnerships can be built between The City, Development Industry and communities.

The Initiative #6: Industrial Strategy stemmed primarily from an acknowledgement that there is a need to monitor the impacts of the off-site levy rates on industrial development and gather information to inform the next bylaw review. Additional activities were identified including having a better understanding of strategies to support industrial development and the impacts of policy.

The next update report will be an update of the progress from 2016 June – December and will be provided in January 2017. The next update report is expected to include progress on all next steps as outlined in Attachment 1 including priorities such as:

- growth management overlay removal process;
- Centre City Levy program;
- funding and financing proposal expectations;
- process improvements priority projects; and
- project scoping for the Industrial Strategy.

Stakeholder Engagement, Research and Communication

The Industry/City Work Plan is a unique collaboration process of working groups composed of Industry members and City staff for all six initiatives (Attachment 1, p. 4). Representation is diverse with membership from the Development Industry including greenfield, established areas, retail/employment and industrial, development consultants, and the respective Industry representative organizations: CHBA-UDI Calgary Region Association; Building Owners & Managers Association, Calgary Chapter (BOMA); and NAIOP.

City decisions associated with the Industry/City Work Plan are guided by the Directors Integrated Growth Committee (DIGC) and Infrastructure Calgary committee.

To support the work plan, there is one internal cross-corporate working team comprised of representatives from: Transportation Planning, Water Resources, Calgary Approvals, Law, Calgary Fire Department, Calgary Growth Strategies, Finance, and Community Planning. This

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working team prepares the information and cross-corporate analysis that supports the various initiatives.

Each respective working group meets on a regular basis as appropriate for the work objectives. As of 2016 May 6, the six initiatives have had 32 working sessions with the various Industry/City working groups in support of these projects.

The update for each initiative in Attachment 1 has been reviewed by respective committee members, including Industry and Administration. In addition, CHBA-UDI Calgary Region Association has provided a letter in support of this update report (Attachment 3).

Strategic Alignment

The Industry/City Work Plan directly supports the 2016-2017 corporate priorities by:

- Prioritizing investments for the future
- Using existing resources more efficiently
- Investing efficiently
- Increasing transparency and accountability

Achieving the Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP) requires city-building successes in a multitude of areas. The collaborative approach being taken by the Industry/City Work Plan membership has identified top priority areas for improvements to better achieve the MDP and CTP goals.

Social, Environmental, Economic (External)

The targeted outcome of enhancing the development context in Calgary through the Industry/City Work Plan initiatives means that social, environmental and economic goals (such as those of the Municipal Development Plan and the Calgary Transportation Plan) will be more effectively implemented throughout all areas of The City.

The focus on infrastructure investment recommendations being prepared with Infrastructure Calgary is a result of the focus on local economic stimulus. The approach supports community-building in the established, greenfield, and industrial areas.

Financial Capacity

Current and Future Operating Budget:

Many projects identified within each of the six initiatives were included in the Action Plan and as such staff resourcing for the Industry/City Work Plan may not result in additional operating cost impacts. However, reallocation of existing resources may be required to ensure the work can be complete following the Council approved timelines.

Current and Future Capital Budget:

A list of growth-related infrastructure investments is being prepared through Growth Strategies which could benefit from the potential capital budget recast. The list will include investment areas for greenfield, established and industrial developments. The recommendations will be

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reviewed through Infrastructure Calgary's efforts with the potential to be incorporated into the Corporation's capital priorities and, if selected, will be funded through the capital budget or alternative financing arrangements.

Risk Assessment

Reporting on a regular basis and following a formal process is required to ensure the collaborative approach including transparency, accountability and open communication is maintained.

For thorough decision making, risk assessments will be incorporated during the alternatives and analysis phase of the initiatives.

REASON(S) FOR RECOMMENDATION(S):

The Industry/City Work Plan Update provides an overview of progress to-date for each initiative to enhance accountability and transparency to stakeholders; provide opportunities for feedback; and an opportunity to set direction for future work. As the work plan initiatives are continuing, Administration is recommending the next update be provided in 2017 January.

ATTACHMENT(S)

Attachment 1: Industry/City Work Plan Update 1: March to May, 2016

Attachment 2: Industry/City Work Plan Schedule

Attachment 3: Letter of Support