

## **Industry/City Work Plan 2017 Year-end Report**

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### **EXECUTIVE SUMMARY**

The initiation of the Industry/City Work Plan (“the work plan”) was approved on 2016 January 11 as part of the Off-Site Levy Bylaw report to Council (C2016-0023). Administration provided progress updates to Council on the Industry/City Work Plan in 2016 June, 2017 January, and in 2017 June. The work plan outlines key initiatives that the development industry (Industry) and Administration discuss in order to enhance accountability, make improvements, and provide opportunities for feedback. This collaboration helps set direction for future work and improves the context for development in Calgary. The purpose of this report is to provide a year-end report on the progress made on the Industry/City Work Plan from July to December 2017, and to outline the agreed upon Industry/City actions for 2018.

Together with Industry, Administration continues to focus on actions in new communities, established areas, and industrial areas. The continuous process improvements initiative facilitates improvements in these areas and across municipal corporate practices that concern development. A 2017 year-end report, included as Attachment 1, provides a detailed update on the four initiatives. Attachment 2 is a summary and timeline of the work plan actions in 2017. Building upon the 2017 work plan, Attachment 3 outlines the 2018 work plan with agreed to Industry/City actions for 2018, including anticipated timelines to complete the work.

The actions in the 2017 work plan advanced the priorities of Planning & Development and helped to remove barriers to development. Notable achievements in this reporting period (July to December 2017) include: reaching consensus on policy and process changes regarding the submission of applications covered by Growth Management Overlays, compiling research for the industrial strategy working group and developing a communications plan to enable the sharing of industrial education work, the publication of the pilot Killarney-Glengarry Neighbourhood Specific Infrastructure report, the publication of the 2016 Off-site Levy report on calgary.ca, and enhancing the application submission and review process, along with improvements to feedback and communication with customers.

The work plan reflects a collaborative approach to working with Industry stakeholders and continues to see a high level of engagement. Administration remains committed to working with Industry stakeholders as the actions in the work plan are advanced.

### **ADMINISTRATION RECOMMENDATION:**

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

- 1) Provide a mid-year communication to all Council members on the progress of the 2018 Industry/City Work Plan, no later than 2018 July; and
- 2) Report back to the SPC on Planning and Urban Development with a 2018 year-end Industry/City Work Plan report, no later than 2019 January.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2017 June 14 meeting, through report PUD2017-0425, Council adopted the recommendation that Administration report back to the SPC on Planning and Urban Development with a year-end Industry/City Work Plan report, by no later than 2018 January,

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and that the report include the agreed to Industry/City actions for the upcoming year. This report responds to that Council direction.

At the 2017 January 23 meeting, through report PUD2017-0014, Council adopted the following recommendation:

That the Standing Policy Committee (SPC) on Planning and Urban Development recommends that Council direct Administration to provide an Industry/City Work Plan update report to Council through the SPC on Planning and Urban Development by no later than 2017 June.

At the 2016 June 20 meeting, through report PUD2016-0406, Council adopted the following recommendation:

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.

At the 2016 January 11 meeting, through report C2016-0023, as part of the Off-Site Levy Bylaw, Council adopted 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 [2016 Work Plan].

### **BACKGROUND**

During discussions between Industry and The City through the 2015/2016 Off-Site Levy Bylaw process, a number of areas of improvement were mutually identified for action through the Industry/City Work Plan. The purpose of the work plan is to improve the development context in Calgary through a number of initiatives. Oversight of the Industry/City Work Plan is managed through the Developer Advisory Committee, comprised of Administration and Industry representatives.

In 2017 January, Administration reported on the six initiatives in the 2016 Work Plan (PUD2017-0014), completing one of the initiatives and consolidating two others.

The Developer Advisory Committee identified targeted work plan actions and deliverables for 2017, consolidating the 2017 actions into four key initiatives. Attachment 2 outlines the 2017 targeted actions for each initiative:

- New Community Growth Strategy (merging the 2016 Phasing Growth/Land Supply and Funding Growth Strategies);
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.

The four key initiatives identified in the work plan for 2017:

- Focused on a few, high priority initiatives that will make a difference to stakeholders.
- Built on the work from 2016, and reflects efforts to focus the Phasing Growth / Land Supply and the Funding Growth strategies into one strategy for New Community Growth.

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- The Established and Industrial Area Strategies considered land supply and funding options specific to their context to encourage investment, and identified opportunities to retain existing capital in Calgary.
- Managed work and resources to reflect priority focus areas while recognizing the realities of an economic downturn.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The Industry/City Work Plan has evolved from a year-long project to address specific issues to a program of work that will continue, identifying areas for process improvement and facilitating an on-going conversation with Industry. The City and Industry are committed to continuing to prioritize work to improve the context for development in Calgary, and to ensure that The City, as well as the perspectives of citizens and the customer are considered in the outcomes. The intentional management of the agreed to 2017 work plan, in collaboration with Industry partners has delivered results for our customers.

To facilitate discussions, working groups were established for each initiative, and meet on a regular basis. The 2017 actions for each initiative were developed, reviewed, and approved by respective working group members and the Developer Advisory Committee, and are listed in Attachment 2.

In relation to the Established Area Initiative, members of the Developer Advisory Committee and the Established Area Working Group have expressed some disappointment and frustration in the postponement of work to explore direct reductions in revenue producing fees and charges, as these costs are a concern of Industry. The work will resume in early 2018, following confirmation of 2018 department budgets. In the interim, reductions to non-revenue producing costs, such as security deposits, are being explored. In addition, a number of corporate projects outside the scope of this work plan are making headway on reducing indirect and direct costs, such as freezing application fees at 2016 rates for the last two budgets.

A year-end report, included as Attachment 1, summarizes the work completed from July to December 2017, and provides a detailed update on the four initiatives identified for 2017:

- New Community Growth Strategy;
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.

### New Community Growth Strategy

The New Community Growth Strategy initiative has been focused on The City's implementation of the Growth Management Overlay (Overlay), a policy tool introduced to strategically align planning and infrastructure resources. This initiative has focused on topics such as developing alternative funding options for capital and operating costs to accelerate new community development, managing debt and debt servicing impact, addressing cumulative operating cost impact, and increasing accountability in reporting. In 2016, The City communicated an investment plan that would have helped fund infrastructure to support additional development. However, the availability of additional City funding and alternative funding options has been constrained as a result of City budget reductions over the past year. Due to the reduction of investment funding, the Outline Plan/Land Use policy change in the Municipal Development

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Plan became the priority action at the beginning of this reporting period to allow the submission of Outline Plan/Land Use applications prior to the removal of the Overlay. The priority over the second half of this reporting period and continuing forward into 2018 is developing alternative funding options for capital and operating costs to accelerate new community development.

### Established Area Strategy

The Established Area Strategy initiative is focused on reducing barriers to redevelopment related to the costs of redevelopment, utility infrastructure information, financial tools to support growth, policy implications, and application processes. The working group that supports this strategy prioritized their actions for 2016-2017, and remains focused on the key outcomes that have been identified for 2018. In addition, this working group provides feedback on a number of policy initiatives that are outside the scope of the work plan, and that influence and support redevelopment in Calgary.

### Industrial Strategy

The Industrial Strategy initiative focuses on the need to identify opportunities to support industrial development through policy considerations and comprehensive strategies. The group undertook research to outline the composition of industrial land uses and associated jobs within the city, including a breakdown of the changing ratio of industrial jobs relative to city centre jobs since 2011. Educational materials are being developed to communicate the current state of industrial lands in Calgary, the associated economic advantages that industrial/employment lands bring to the city, and the role of Calgary's industrial sector in supporting the region's inland port strategy. The long term focus of the working group is to define a framework for a city wide industrial strategy with supporting plans and policies for growing and maintaining the industrial tax base, supporting the sector's long-term prosperity and strengthening Calgary's position as an inland port.

### Continuous Process Improvements

The Continuous Process Improvements initiative aims to address concerns across the approval process from Outline Plans/Land Use to occupancy and development closeout. Both The City and Industry are concerned about ensuring that Calgary is an attractive place for real estate investment, that the approval process is simplified and efficient, and that partnerships can be built between The City, Industry, and communities. In addition to the process improvement efforts with Industry, noteworthy structural changes to the approval process have been put into place to make improvements to: the processing of revised plans, site grading, row housing and land use applications, along with enhancements to communication and feedback from customers.

### Initiative Results / Impact

In 2017, thirteen actions identified on the 2017 work plan (Attachment 2) were completed. Three of these thirteen actions reached intended milestones, with the work continuing into 2018.

These three milestones are:

- the publication of the Killarney-Glengarry Neighbourhood Specific Infrastructure report on calgary.ca;
- New Community Growth Strategy business case reviews; and
- the assessment of the current state of industrial land uses in Calgary.

Ten additional actions identified on the 2017 work plan will see work continue into 2018.

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These results are a reflection of the intentional focus of the work plan and considerable effort by Administration and Industry volunteers, contributing to significant progress being made on the actions identified in the work plan.

The tangible results or impacts made due to the ongoing efforts of each initiative for the period 2017 July - December are set out in the following table.

Initiative	Results/Impact (see Attachment 1 for more details)
New Community Growth Strategy	<ul style="list-style-type: none"> <li>• Amended the Municipal Development Plan to allow applications in Overlay areas to be submitted prior to an Overlay removal.</li> <li>• Implemented full cost recovery for Outline Plan/Land Use applications with a Growth Management Overlay.</li> <li>• Reviewed eight Developer business cases for Overlay removal.</li> <li>• Developing an operating and capital cost offset method with Industry to advance development outside of City budgets and plans.</li> <li>• Published the 2016 annual Off-site Levy report, with improvements to transparency.</li> </ul>
Established Area Strategy	<ul style="list-style-type: none"> <li>• Improved reporting detail for annual Centre City Levy report; further analysis of 2014-2015 data, and creating recommendations to increase the effectiveness of this program.</li> <li>• Completed pilot Neighbourhood Specific Infrastructure Information report for the community of Killarney-Glengarry.</li> <li>• Engaged on policy projects influencing redevelopment.</li> <li>• Scoping potential modifications to securities for temporary shoring and those collected at Development Completion Permit (DCP) for redevelopment projects.</li> </ul>

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<p>Industrial Strategy</p>	<ul style="list-style-type: none"> <li>• Developed an industrial communication strategy.</li> <li>• Developing education materials to outline the current state of Calgary's industrial sector, and the economic benefits associated with it.</li> <li>• Completed an audit of industrial information/web presence on Calgary.ca.</li> <li>• Made connections with other corporate teams as well as agencies working to align projects such as the Goods Movement Strategy, CalgaryEATS! Food Action Plan, Calgary Economic Development's Agri-business Strategy, etc.</li> <li>• Provided an industrial perspective on process improvement work on permit timing, change of use, construction completion certificate/final acceptance certification.</li> <li>• Struck a utility pipe-sizing requirements sub-committee to explore utility requirements for industrial areas.</li> </ul>
<p>Continuous Process Improvements</p>	<ul style="list-style-type: none"> <li>• Completed the design for the Explore replacement.</li> <li>• Identified issues with the construction drawing and Construction Completion Certificate / Final Acceptance Certificate (CCC/FAC) process.</li> <li>• New Land Use, Outline Plan and Road Closure (LOC) workflow.</li> <li>• New Initial Team Review (ITR) template.</li> <li>• Established a Complete Application Requirement List (CARL) Advisory Group.</li> <li>• The scope of review has been reduced for row housing and site grading applications.</li> <li>• Developed an online directory that is searchable by address or application number.</li> <li>• Customized timelines for land use and development permits.</li> <li>• Created a survey tool that provides feedback from customers.</li> <li>• Established an enhanced revised plan process.</li> </ul>

Reporting

In the 2017 June 14 mid-year report to SPC on Planning and Urban Development (PUD2017-0425), Administration informed Council of the intent to report back on the Industry/City Work Plan in 2018 July by way of a communication to Council. Administration recommends in this report that a mid-year agreed upon Industry/Administration communication on the Industry/City Work Plan, most likely in the form of a memo, be sent to all Council members and made available publicly on calgary.ca. The communication will include an update on the progress of the 2018 work plan, and will be provided to Council no later than 2018 July. Industry and Administration agree that doing so allows for more work to be completed on work plan items, and continues to ensure transparency and accountability.

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A 2018 year-end report will be taken to SPC on Planning and Urban Development no later than 2019 January. This year-end report is to include the agreed to 2019 Work Plan Schedule with the Industry/City actions for the upcoming year.

### **Stakeholder Engagement, Research and Communication**

The Industry/City Work Plan is a unique collaboration of the initiative working groups composed of Industry members and City staff (Attachment 1). Industry representatives have expertise in new community, established areas, retail/employment, and industrial development. Membership includes developers, development consultants and the following representative organizations: BILD – Calgary Region (BILD CR), Building Owners and Managers Association (BOMA), Commercial Real Estate Development Association (NAIOP) and Calgary Economic Development (CED).

The Developer Advisory Committee was formed in 2016, and includes members from Industry and Administration. The Developer Advisory Committee was created to provide insight and perspectives on the overall work plan and continues to meet monthly. The on-going collaborative efforts of Developer Advisory Committee are built upon the strong relationships that have been developed. The Developer Advisory Committee remains committed to advancing the priorities of the work plan and reducing barriers to development. The City would like to thank Industry members for their dedication to the work plan and the many volunteer hours and ideas that have been contributed to this initiative.

Administrative representatives from Transportation Planning, Water Resources, Calgary Approvals Coordination, Law, Calgary Fire Department, Calgary Growth Strategies, Calgary Community Services, Finance, and Community Planning have contributed to the work plan. These representatives are tasked with preparing the information and cross-corporate analysis that support each of the initiatives.

Stakeholder letters to members of Council from BILD-CR and NAIOP, as well as individual development industry members are included in Attachments 4 and 5.

### **Strategic Alignment**

The Industry/City Work Plan directly supports corporate priorities by:

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

Advancing the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP) vision requires city-building successes in a multitude of areas. Through a collaborative approach, the Developer Advisory Committee members identified actions for improvements to better achieve the MDP and CTP vision.

The Industry/City Work Plan is an important corporate initiative. The work advances the MDP and CTP vision, enhances application and approval processes to help realize development, and develops clear direction through the creation and implementation of bylaws and policies.

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The actions in the New Community Growth, Established Area, and Industrial Strategies in attachment 3 of this report are identified in, and aligned with the SPC on Planning and Urban Development (PUD) report PUD2018-0011, titled, Planning and Development Policy Prioritization Strategy. The Continuous Process Improvements (CPI) initiative ensure that applications are processed in a timely manner, with customers having a clearer expectation as to what they can expect from The City in regards to timelines and scope of reviews. The actions identified in the CPI initiative typically do not result in policy or bylaw amendments and therefore have not been identified in PUD2018-0011.

### **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 MDP and CTP) will be more effectively implemented throughout all areas of Calgary. The goals of certain actions in the work plan focus on economic development, capital investment and job creation to support the Calgary economy.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

There are no impacts to current or future operating budgets as a result of this report. Projects identified within the work plan were resourced in 2016, and Administration continued to resource this work in 2017 within existing budgets. If necessary in 2018, the reallocation of existing resources can be considered to deliver on this work plan.

Impacts to operating budgets and costs are a consideration in the work being done within several of the Industry/City Work Plan initiatives. If additional fees and charges, or changes to funding are required, requests will be brought forward to Council during the next budget cycle, or as required through Council committees.

#### ***Current and Future Capital Budget:***

There are no impacts to current or future capital budgets as a result of this report.

Capital budgets and costs are a consideration in the work being done within several of the Industry/City Work Plan initiatives. Capital budget and cost implication impacts will be brought to Council during the next budget cycle, or as required through Council committees.

### **Risk Assessment**

The City's policy and practices related to development have implications for future capital and operating budgets. Administration continues to work collaboratively with Industry to ensure financial and strategic impacts arising from actions undertaken in the work plan are considered. Risk assessments will be included for individual items when key items and recommendations arising from the work plan are brought forward to Council.

For 2018, Administration will continue to prioritize and allocate resources to deliver on the work plan. It is acknowledged that other Corporate priorities may draw on resources that also support this work.



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### **REASON(S) FOR RECOMMENDATION(S):**

The Industry/City Work Plan Year-end Report provides an overview of the progress made within the last reporting period (July to December 2017) for each initiative. The report enhances accountability and transparency to stakeholders, offers the opportunity for feedback, and provides an opportunity to set direction for future work. As the work plan initiatives continue, Administration is recommending a mid-year Industry/City Work Plan update to be communicated to all Council members no later than 2018 July and published publicly on calgary.ca.

A 2018 year-end report to Council through the SPC on Planning and Urban Development would occur no later than 2019 January. This report is to include the agreed to Industry/City actions for 2019.

### **ATTACHMENT(S)**

1. Attachment 1 – Industry/City Work Plan Update 4: June through December 2017
2. Attachment 2 – Industry/City 2017 Work Plan Schedule
3. Attachment 3 - Industry/City 2018 Work Plan Schedule
4. Attachment 4 - Letter from BILD Calgary Region and NAIOP
5. Attachment 5 - Letter from Members of the Redevelopment Industry