

**Planning & Development Report to
SPC on Planning and Urban Development
2018 April 09**

**ISC: UNRESTRICTED
PUD2018-0376
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Joint Use Coordinating Committee and Joint Use Reserve Fund Annual Report

EXECUTIVE SUMMARY

On an annual basis, an update report on the Joint Use Coordinating Committee (JUCC) work plan and the status of the Joint Use Reserve Fund is presented to Council for information.

The report provides a summary of the demand on the Reserve Fund during 2017 (Attachment 1) along with identifying future demands on the Reserve Fund (Attachment 2). These demands are divided into three timeframes: future demands for the current year, projections within the next five years, and projections beyond the next five years. An update on what the JUCC has achieved in 2017 and is currently working on is also included in the cover report and Attachment 2.

This report was prepared collaboratively by all three parties of the Joint Use Agreement: Calgary Board of Education, Calgary Catholic School District and The City of Calgary.

ADMINISTRATION RECOMMENDATION:

That SPC on Planning and Urban Development recommends that Council receive for information this report and attachments.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2018 MARCH 09:

That the Administration Recommendation contained in Report PUD2018-0376 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 20, Council through report PUD2016-0364, directed to "ADOPT, Moved by Councillor Pincott, Seconded by Councillor Keating, that the Committee Recommendations contained in the following Reports, be adopted in an omnibus motion: Joint Use Agreement and Joint Use Coordinating Committee Update, PUD2016-0364." This recommendation approved a change in the formal reporting period to Council of the Joint Use Reserve Fund, to every year by the following May.

On 2012 March 12, Council through report IGA2012-10, directed to "ADOPT, Moved by Alderman B. Pincott, Seconded by Alderman J. Stevenson, that the Intergovernmental Affairs Committee Recommendations contained in Report IGA2012-10 be adopted, as follows:

That Council:

1. Receive this report for information; and
2. Approve a change in the formal reporting to Council, to treat the Joint Use Reserve Fund as though it were a City Reserve, with a formal review and report every three years."

The Joint Use Agreement between the Calgary Board of Education, the Calgary Catholic School District and The City was executed on 1985 March 04. Section 9.2.1.7 of the agreement states: The Joint Use Coordinating Committee shall "Report annually on the status of the Reserve Fund to all three parties".

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On 1985 February 18, Council approved L85-07, Joint Use Agreement, and authorized the officers of The City of Calgary (The City) to execute the proposed agreement.

BACKGROUND

Purpose and Scope of the Joint Use Agreement (Agreement)

This agreement was signed in 1985 between the Calgary Board of Education, the Calgary Catholic School District, and The City; regarding the joint allocation, use, planning and development and maintenance of municipal reserve, open space and school sites.

The City also signed a separate agreement in 2012 with the Francophone Regional School Authority (FrancoSud) for the joint allocation and planning of their school sites.

Scope and Authority of the Agreement stems from the *Municipal Government Act*, sections 666(1) - (4) and 670, which require subdivision applicants to provide up to 10 percent of their developable land for municipal reserve, open space, or education purposes, and the allocation of those lands to be made pursuant to an agreement. Under the Agreement, the Reserve Fund is held in trust by the three parties. For detailed information about the Agreement see Attachment 1.

Purpose and Scope of the Joint Use Coordinating Committee (JUCC)

The JUCC consists of one representative from the Calgary Board of Education, one representative from the Calgary Catholic School District, and two representatives from The City (Community Planning and Calgary Parks). This committee operates on a consensus model.

The JUCC is the body charged with monitoring and implementing the responsibilities under the Agreement. For detailed information on key activities of JUCC see Attachment 1.

The Joint Use Reserve Fund

Under the Agreement, the Reserve Fund is administered by the JUCC, and managed by The City of Calgary Treasury as a Trust Account. All land purchases require authorization by Council.

The assets of the Reserve Fund consist of:

- money in place of reserve land;
- proceeds from the disposal of reserve land; and
- interest earned by, and accruing to, the Reserve Fund.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Joint Use Coordinating Committee (JUCC) in 2017

In 2017, the JUCC implemented the Agreement by making recommendations to Council on the acquisition of land as detailed in Attachment 1.

The JUCC also set out to provide greater awareness and transparency to its activities through the following two initiatives:

- Held the first annual Open House meeting in Q4 of 2017, where Councillors, School Board Trustees from the Calgary Board of Education, the Calgary Catholic School District, the Francophone Regional School Authority (FrancoSud), BILD Calgary Region, the Federation of Calgary Communities and other stakeholders, attended an overview of the Agreement and the role of the JUCC. This was followed by a question and answer period where the attendees shared their thoughts and inputs with the JUCC.
- An annual joint meeting between the Site Planning Team; a subcommittee of the JUCC tasked with reviewing application proposals for joint use sites, and the JUCC to discuss issues that the JUCC should be aware of, and continue to identify opportunities moving forward between the two groups.

On 2017 October 26, the province announced that the updates to the Municipal Government Act had been proclaimed. The requirement for all municipalities to have Joint Use Planning Agreements with local school boards was introduced and will come into force in April 2018. In addition to this legislation coming into force, there is still an expectation of city charter regulations that will offer additional opportunities for uses on reserve land.

In addition, through the city charter process, the province has initiated an Urban Schools collaboration table that includes membership from the provincial ministries of Municipal Affairs and Education, Calgary and Edmonton school boards and The City of Calgary and The City of Edmonton. The Urban Schools collaboration table will likely initiate negotiations of a modernized Agreement that will address topics and issues that have risen since the Agreement's approval in 1985.

The future development of a new Agreement will build on the Memorandum of Understanding that was signed on 30 September 2016 between the three parties to the Agreement. This Memorandum supports in principle the addition of other public benefit uses that support, complement or enhance the primary uses considered on Reserve Land. It also sets out direction for a modernized Agreement, including a collaborative and consensus model based on fostering complete communities and promoting development on surplus, unused, closed, or underutilized school sites and Municipal and School Reserves to support efficient use of the land.

The Joint Use Reserve Fund for 2017

During 2017, the Reserve Fund received receipts of \$0.7 million and earned interest of \$1.6 million. During this same period expenditures were \$1.0 million resulting in a fund balance on December 31, 2017 of \$83.6 million.

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Below is a summary of the Joint Use Reserve Fund account in 2017:

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|-----------------------------------|------------------|
| • Fund Balance on January 1, 2017 | \$ 82.3 Million |
| • Fund Receipts | \$ 0.7 Million |
| • Fund Investment Income | \$ 1.6 Million |
| • Fund Disbursements | (\$ 1.0 Million) |
| • Fund Balance December 31, 2017 | \$ 83.6 Million |

For more detailed information on the 2017 expenditures, see Attachment 1.

The Joint Use Reserve Fund for 2018 and beyond

Anticipated future demands on the Reserve Fund are divided into future demands for the current year of 2018, followed by projections within the next five years, and projections beyond the next five years. These demands are estimated at \$212 million, based on a high-level market value estimate for net fully serviced lands as of the date of this report. For a more detailed breakdown and itemization of these demands, see Attachment 2.

With the Reserve Fund balance on December 31, 2017 being \$83.6 million, and the future demands coming to \$212 million, the Reserve Fund is currently deficient. The Reserve Fund's revenue stream is predominantly dependent on cash in lieu being paid by industrial and commercial development in place of reserve land. As future industrial and commercial development takes place, we will see an increase in the Reserve Fund revenue. However since this is market dependent, contributions beyond the next five years are difficult to predict. This is why different funding models will also be investigated when negotiating a new Agreement, to ensure the revenue stream is not at risk with future fluctuations in industrial and commercial land development.

Stakeholder Engagement, Research and Communication

The JUCC is built on the consensus model, as such this report was written with the input and support of the Committee members.

Strategic Alignment

The JUCC and the Agreement align with the policies contained in Section 2.3.5 Municipal, School and Environmental reserves of the Municipal Development Plan.

Social, Environmental, Economic (External)

The Joint Use Reserve Fund enables the three JUCC parties to ensure reserve land is provided in optimal locations, and ensure complete communities, by enabling The City to:

- coordinate the provision of land for recreational and educational facilities through the planning process;
- take money in place of reserves in locations where open space or school land is not required;
- dispose of surplus reserve land and secure the proceeds for future purchases; and
- purchase land in open space deficient communities for parks, recreation facilities, and schools

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Financial Capacity

Current and Future Operating Budget:

There is no impact to The City's operating budget as the Reserve Fund is solely used for land acquisition as per the terms of the Joint Use Agreement. Any facilities constructed on purchased land are the responsibility of the applicable organization, including operating costs.

Current and Future Capital Budget:

The Agreement provides a mechanism to both collect and allocate money in place of reserve land in a coordinated fashion that ensures maximum benefit to the community by jointly locating educational and recreational facilities on joint use sites. This results in significant capital budget savings for both The City and school boards.

Risk Assessment

Currently there are 245 public schools and 112 separate schools that fall under the Agreement. Without an Agreement in place The City would be required to negotiate individual agreements that would result in the following issues and risks:

- increased time
- increased costs;
- inconsistency;
- uncertainty for development industry; and
- uncertainty for school boards.

REASONS FOR RECOMMENDATION:

The report provides an annual overview of the Joint Use Coordinating Committee work plan and an update on the status of the Joint Use Reserve Fund to Council.

ATTACHMENTS

1. Joint Use Reserve Fund Annual Report: 2017
2. 2018 Joint Use Coordinating Committee Goals and Joint Use Reserve Fund Demand: 2018 and beyond