

**Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 July 20**

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Integrated Civic Facility Planning Program Update & Policy

EXECUTIVE SUMMARY

The Integrated Civic Facility Planning (ICFP) program addresses Council and Administrative direction to coordinate The City's facility planning and delivery functions, optimize The City's facility portfolio, and focus on the value that investment in facilities can provide to citizens. A comprehensive Corporate Facility Planning & Delivery Framework ("the Framework", summary in Attachment 1; full document in Attachment 2) and associated Policy (Attachment 3) have been developed that will enable Administration to realize economies of scale, consider multi-use facility opportunities, improve services to citizens, work with other levels of government, and position the organization to be a suitable partner for the private sector. This Framework and Policy will replace the existing Corporate Workplace Framework Policy that was approved in 2003 (Attachment 4).

ADMINISTRATION RECOMMENDATION:

That the SPC on Utilities and Corporate Services recommends that Council:

1. Approve the Corporate Facility Planning & Delivery Policy (Attachment 3);
2. Receive for information and adopt in principle the Corporate Facility Planning & Delivery Framework (Attachment 2);
3. Rescind the Corporate Workplace Framework Policy (CS002) (Attachment 4);
4. Direct Administration to report back through the SPC on Utilities and Corporate Services with an update on the implementation plan status (Attachment 5) as needed.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 25, Council adopted Administration's recommendation contained in UCS2018-0739 Integrated Civic Facility Planning Program 2017 Status Update Deferral that "Council defer the Integrated Civic Facility Planning Program 2017 Status Update report to no later than 2018 Q3."

On 2017 December 15, Council adopted Administration's recommendation contained in UCS2017-125 Integrated Civic Facility Planning Program 2017 Status Update Deferral that "Council defer the Integrated Civic Facility Planning Program 2017 Status Update report to no later than 2018 Q2."

On 2016 September 29, Council adopted Administration's recommendation contained in LAS2016-76 Integrated Civic Facility Planning Program 2016 Status Update report as follows: that "Council direct Administration to report back to Council annually through the Land and Asset Strategy Committee with an update on the Integrated Civic Facility Planning Program status no later than Q4 2017."

BACKGROUND

In Q4 2014 Council directed Administration to update the current Corporate Workplace Framework Policy, considering new workplace strategies, and deliver a corporate wide facility portfolio plan (LAS2014-50). In Q1 2015, Council directed Administration to coordinate The City's approach to facility planning to achieve economies of scale, build multi-use facilities when appropriate, consider opportunities to work with the private sector, and improve services to citizens (CPC2015-010).

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In response to Council's direction, Administration formed the Integrated Civic Facility Planning (ICFP) program in Q2 2015 with the mandate to develop and facilitate a coordinated, corporate-wide approach to planning and delivering facilities. Set up as a corporate change initiative, ICFP established a cross-corporate governance structure and team focusing on three themes: a common vision, a common approach, and a common culture, to address structural barriers and gaps required to create an updated policy and framework.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

At its core, civic facilities are developed by The City of Calgary to support the services that are provided to our citizens. As Council had directed, and is supported by global recognition that the facility infrastructure a city provides can play an important role in creating value and improving outcomes for citizens¹. Citizen value such as creating complete and well-designed communities, developing service hubs, supporting private investment in new and existing communities, and thinking differently about how civic facilities shape our city. The Facility Management profession also states the initial capital investment in a facility is only 10% of the total cost of ownership, with the remaining 90% of costs reflected in the operations, maintenance, and capital renewal of that facility. Effective, up-front and long-range planning, coupled with efficient delivery, can avoid an average 10%-15% of the costs in the lifecycle of a building. It is with this multi-faceted focus on service delivery to citizens, citizen value and the reduction and avoidance of costs, that the ICFP program, in collaboration with service representatives from across The Corporation, developed The Corporate Facility Planning & Delivery Framework and Policy.

The program embedded learning and continuous improvement into the development of the Framework to best meet the needs of The City, stakeholders, and citizens. The program captured experiences and lessons learned by: (1) researching case study projects delivered by other municipalities, (2) incorporating lessons and experiences gained from previous City projects, (3) investigating existing practices used at The City, (4) capturing the process and decision-making challenges experienced by stakeholders, and (5) using rapid prototyping to develop approaches to solve problems quickly, implementing them, testing and then re-evaluating as required.

In addition, the Learning Projects have been foundational to the ICFP Program. These in-flight projects in Sage Hill (Symons Valley Centre), Varsity (Varsity Multi-Service Centre) and Thornhill (Thornhill Civic Centre), demonstrate the desired outcomes, help inform the Framework, test the governance model, and are instrumental in developing a common culture around the planning and delivery of City facilities. Key lessons learned to date include:

- There is limited ability to coordinate and co-locate when capital funding is already allocated.
- Developers are interested in working with The City but clear definition of facility requirements and single point of decision making are required to mitigate developer risk.
- Clear governance and decision-making authority are required to coordinate services.
- Consistent processes for planning and delivery are necessary to support collaboration.
- Operating models for multi-use facilities are required earlier in the planning process.

¹ Project for Public Spaces, Inc. (Produced under the auspices of the UN-HABITAT Sustainable Urban Development Network) (2015). Placemaking and the Future of Cities. This source is one among many that recognize the value.

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The Corporate Workplace Framework Policy (CS002) (Attachment 4) was approved by Council in 2003 and set out a vision and structure for the planning and delivery of corporate workplaces. Since that time administration has actively worked to implement the framework through all facility planning and delivery decisions. However, over time several changes have occurred such as the services offered by The City (i.e. transfer of EMS to the province), the role of the City (i.e. the new Municipal Government Act and City Charter), the advent of new strategies and tools (i.e. Tomorrow's Workplace, working with the private sector, greater co-location of services etc.) and shifting expectations from Council and citizens regarding the outcomes facilities can support. The updated Corporate Facility Planning & Delivery Framework (Attachment 2) and Policy (Attachment 3) have been developed to respond to these changes and lessons learned and provide greater flexibility to respond to changes in the future. Overall, the new Framework and Policy will allow The City to:

- Integrate the facility needs of sixty-one City of Calgary service lines and coordinate with the private sector and other levels of government.
- Evaluate the best approach (single-use and multi-use) to create the best value for citizens.
- Analyze financial benefit and potential cost avoidance of both capital and operating expenditures on facility projects.
- Consider development options that include the private sector and co-locating with other levels of government or public entities.
- Evaluate the financial, social, environmental and cultural value of every facility option in alignment with the Framework goals.
- Develop and maintain a comprehensive Corporate Facility Portfolio Plan that will optimize the existing portfolio and identify what facilities The City should build, demolish, renovate, acquire, maintain and relinquish.
- Make decisions on the facility portfolio and facility projects cross-corporately to ensure service delivery requirements are met and corporate goals and citizen focused outcomes are achieved.

For a summary of the Framework highlights refer to Attachment 1, or for the full Framework refer to Attachment 2.

A Council policy (Attachment 3), the Corporate Facility Planning & Delivery Policy, has been developed as an enabling policy to support the execution of the Framework. The policy pulls key areas of the Framework together, including goals, principles, and procedural direction, to provide clear expectations between Administration and Council on why and how facility planning and delivery work will be conducted at The City.

Stakeholder Engagement, Research and Communication

The following engagement and research was conducted to support the development of the Framework:

- Establishment of a cross-corporate manager steering committee and a cross-corporate working teams to guide and contribute to all work completed within the program.
- Coordination with other key corporate stakeholders and initiatives including City Shaping (Green Line), Main Streets (Urban Strategy), Land Strategy (Real Estate & Development

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Services), Corporate Infrastructure Investment Strategy (Infrastructure Calgary), One Calgary - Service Plans and Budgets, Calgary Police Services, and Community Services.

- Engagement with external partners such as Calgary Public Library, School Boards and Alberta Health Services at a portfolio level and on specific sites.
- Investigation of innovative facility delivery methods (e.g. development industry builds, mixed-use civic facilities, etc.) used by other municipalities to determine best practices and understand risk.

Strategic Alignment

This report, Policy and Framework are in alignment with Council Priorities for One Calgary 2019 – 2022: A Well Run City, A Prosperous City, A City of Safe and Inspiring Neighbourhoods, A City that Moves, A Healthy and Green City. Further, the program is in alignment with One Calgary and service-based budgeting, as well as a number of other Council and Administrative directions.

Social, Environmental, Economic (External)

The Framework will achieve social, economic, and environmental benefits including:

- Allowing for the strategic location and delivery of multi-use facilities that combine multiple civic services, create a sense of place and identity, enable social interaction, social cohesion, and achieve a higher level of design and accessibility.
- Potential avoided costs of up to 15% in both operating and capital expenditures, identifying opportunities to work with private industry and establishing consistent process.
- Reduction of the amount of land required for facilities, and the overall square footage of a facility will improve energy consumption per square foot and per service provided.

Financial Capacity

Current and Future Operating Budget:

The ICFP program was initiated with a one-time funding allocation which ends in 2018. Approximately \$1M annually in operating funds are required to fund the resources required for ongoing planning work within Facility Management to support the delivery of the facility planning service line. This request will come forward through the One Calgary 2019-2022 budget. Over time, The Corporation will realize resource efficiencies as a result of this funding ask.

Current and Future Capital Budget:

Capital to commence the building of facility infrastructure was estimated as part of the Corporate Portfolio Planning work, both of these requests will come forward through the One Calgary 2019-2022 budget cycle. Future capital will be required for ongoing planning work and will be requested as part of ongoing City business and budget cycles.

Risk Assessment

Potential risks associated with successful implementation (see Attachment 5) of the Framework include long-term funding sustainability, data systems and data integrity, and organizational readiness. These risks are being mitigated in part by the ongoing effort towards service integration across the organization, as well as through the continuous improvement processes embedded in the Framework. If the Framework is not implemented and operations is not

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funded, benefits including potential cost avoidance, portfolio optimization, and increased service efficiencies will not be realized.

REASON(S) FOR RECOMMENDATION(S):

Approval of a new Corporate Facility Planning & Delivery Policy will clarify and improve consistency of The City's practices for the planning and delivery of City facilities including governance practices, risk management, accountability, and reporting requirements. It will also streamline and simplify The City's administrative procedures. This will allow The City to realize economies of scale, consider multi-use facility opportunities, work with other levels of government, and make the organization a more desirable partner for the private sector.

ATTACHMENT(S)

1. Summary of Corporate Facility Planning & Delivery Framework
2. Corporate Facility Planning & Delivery Framework
3. Corporate Facility Planning & Delivery Policy
4. Corporate Workplace Framework Policy (Council Policy CS002)
5. Corporate Facility Planning & Delivery Implementation Plan