

**Planning & Development Report to  
Priorities and Finance Committee  
2018 October 02**

**ISC: UNRESTRICTED  
PFC2018-1107**

## **Chinatown Cultural Plan and Local Area Plan – Update on funding and external partnerships**

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### **EXECUTIVE SUMMARY**

On 2018 June 25, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan, subject to developing funding options and exploring external partnerships. This report provides an update on the external partnerships and outlines the recommended funding options available to proceed with the Council-directed Chinatown work.

As previously identified in 2018 June, Administration had requested Council to fund the expected project cost of up to \$1 million for the proposed Chinatown work. A recent review of the project scope indicates that the estimated consulting cost to deliver the Cultural Plan and the culturally-based Local Area Plan remains at approximately \$600,000, but leaves very limited room for a contingency. Accurate consulting costs, including a breakdown of cost by year, will only be known once a detailed scope of work for the project is developed with community and stakeholder input. At this time, a funding gap remains, preventing the project team from initiating further work. Administration's investigation into alternative funding options has revealed that external funding sources do not exist.

Administration's investigation on external partnerships discovered that there are opportunities for collaboration on the Chinatown Cultural Plan and Local Area Plan work. Efforts to establish a partnership with Urban Alliance are on-going, and expected to conclude once secured project funding is in place.

Based on the funding options assessed, Administration recommends that secured funding from three City sources will enable the Council-directed Chinatown work to commence. The three City sources are: i) Planning & Development's operating budget to allocate \$350,000 over the course of 2 years; ii) \$250,000 secured through a Council Innovation Fund application (PFC2018-1133); and iii) an amount of up to \$400,000 to be drawn from the Fiscal Stability Reserve to serve as the project contingency fund.

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### ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Receive for information this report in support of the Council Innovation Fund application (Report PFC2018-1133) also appearing on the 2018 October 2 PFC agenda;
2. Approve the use of \$350,000 from Planning & Development's operating budget with:
  - a. \$50,000 per year in Community Planning's 2019 and 2020 base budget in consulting; and
  - b. A one-time expenditure budget increase of \$125,000 in Community Planning's 2019 and 2020 budget to be fully offset by a one-time revenue budget increase of \$125,000 in 2019 and 2020 to a net zero budget impact for the 2 years; and
3. Approve the use of the Fiscal Stability Reserve fund to serve as contingency for Chinatown's Cultural Plan and culturally-based Local Area Plan for a one-time 2019 operating budget increase of up to \$400,000 in Community Planning.

### RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2018 OCTOBER 02:

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The Administration Recommendations were lost at Committee.

Excerpt from the Minutes of the Regular Meeting of the Priorities and Finance Committee, Held 2018 October 02

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### “Moved by Councillor Chu

That with respect to Report PFC2018-1133, the following be approved:

1. That the Priorities and Finance Committee recommends that Council approve this application for the Calgary Innovation Fund for the Chinatown Cultural Plan and Area Redevelopment Plan in the amount of \$250,000.
2. That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2019, as per the Calgary Innovation Plan Terms of Reference.

### ROLL CALL VOTE

For: (3) Mayor Nenshi, Councillor Carra, and Councillor Chu

Against: (3) Councillor Magliocca, Councillor Woolley, and Councillor Gondek

**MOTION DEFEATED**

Pursuant to Section 134(a) of the Procedure Bylaw 35M2017, Councillor Chu requested that the lost motion be forwarded to Council for information.

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**Moved by** Councillor Chu

That with respect to Report PFC2018-1107, the following be approved:

That the Priorities and Finance Committee recommends that Council:

1. Receive for information this report in support of the Council Innovation Fund application (Report PFC2018-1133);
2. Approve the use of \$350,000 from Planning & Development's operating budget with:
  - a. \$50,000 per year in Community Planning's 2019 and 2020 base budget in consulting; and
  - b. A one-time expenditure budget increase of \$125,000 in Community Planning's 2019 and 2020 budget to be fully offset by a one-time revenue budget increase of \$125,000 in 2019 and 2020 to a net zero budget impact for the 2 years; and
3. Approve the use of the Fiscal Stability Reserve fund to serve as contingency for Chinatown's Cultural Plan and culturally-based Local Area Plan for a one-time 2019 operating budget increase of up to \$400,000 in Community Planning.

### ROLL CALL VOTE

For: (3) Mayor Nenshi, Councillor Carra, and Councillor Chu

Against: (3) Councillor Magliocca, Councillor Woolley, and Councillor Gondek

**MOTION DEFEATED**

Pursuant to Section 143(a) of the Procedure Bylaw 35M2017, Councillor Chu requested that the lost motion be forwarded to Council for information."

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 25, with respect to Report [PUD2018-0514](#) Council directed Administration to:

- a) proceed with Option 3 Chinatown Cultural Plan / Culturally-based Local Area Plan, as presented;
- b) develop funding options including a potential Council Innovation Fund application and external partnerships including but not limited to the Urban Alliance to return to Council through the Priorities and Finance Committee as soon as possible; and
- c) report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work for Option 3 by no later than 2019 July, if budget for Option 3 is approved

On 2016 December 05, Council approved the recommendations of [C2016-0864](#) as follows:

1. Reconsider the reporting requirement arising from Council's direction regarding 2016 January 11 Notice of Motion NM2016-01 for Administration to report back to Standing Policy Committee on Planning & Urban Development by 2016 December on the broader

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scope of the work conducted with stakeholders, and direct Administration to report to the 2016 December 05 meeting of Council.

2. Approve the Guiding Principles as outlined in Attachment 1 to be used as an interim guide to reviewing planning applications, in conjunction with the Chinatown ARP, Centre City Plan and other City policies, until a new ARP is approved by Council.
3. Direct Administration to conduct Phase 1 of work as outlined in the Chinatown Area Redevelopment Plan and Cultural Plan Scope of Work (Attachment 2) and report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a progress report by no later than 2018 Q2.

### Land Use Application

On 2016 December 05, Council adopted the recommendations of report C2016-0907 as follows:

1. Give 1<sup>st</sup> and 2<sup>nd</sup> reading to 38P2015;
2. Give 1<sup>st</sup> reading to Bylaw 179D2015;
3. Consider the amendments to Bylaw 179D2015 as set out in the Revised Attachment 2 with clerical corrections.
4. Give 2<sup>nd</sup> reading to Bylaw 179D2015, as amended.
5. Withhold 3<sup>rd</sup> reading of Bylaws 179D2015 as amended, pending the conditional approval of a Development Permit by Calgary Planning Commission
6. Withhold 3<sup>rd</sup> reading of Bylaw 38P2015 pending the conditional approval of a Development Permit by Calgary Planning Commission or the passage of a new ARP for Chinatown.

On 2016 April 11, at Confirmation of the Agenda, Council referred Report CPC2015-183 and Bylaws 38P2015 and 179D2015 and the submissions received after the tabling motion was adopted by Council, to the Administration to “undertake a Scoping Report, for a new Chinatown Area Redevelopment Plan, to incorporate the following, to return with a Scoping Report to the 2016 December 05 Combined Meeting of Council:

- i) Develop a community-wide City-led Engagement process that identifies key work to be addressed in a new Chinatown Area Redevelopment Plan, and identifies preliminary topics, issues, and aspirations conveyed by a range of stakeholders;
- ii) Based on the results of the Engagement process in i) above, provide a supplementary planning report to Council on the subject application CPC2015-183, with recommendations for amendments, as appropriate; and
- iii) Coordinate with the on-going current Engagement projects in Chinatown including the Chinatown Retail Strategy, Green Line Project, and Centre City Guidebook.”

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### Notice of Motion

On 2016 January 11, Council adopted Councillor Farrell's [NM2016-01](#) directing Administration, through a future Work Program and following the completion of the Green Line and Main Streets planning projects, to consider the preparation of a new Area Redevelopment Plan (ARP) for Chinatown and to prepare a progress report on the scoping of the ARP project and to report back to City Council no later than Q4 2016 through the Planning and Urban Development Committee.

### **BACKGROUND**

Chinatown is one of Calgary's most distinctive cultural neighbourhoods. The community is highly unique in its character and composition, and Chinatown's importance in recalling and reinforcing the history of Asian immigration to Calgary cannot be overstated. The existing ARP for Calgary's Chinatown predates the Municipal Development Plan and Calgary Transportation Plan, and is not in alignment with other significant City policies and corporate objectives. The built form and culture in Calgary's Chinatown are inextricably linked. A conversation about culture is needed to better understand and support the replacement of the existing ARP to ensure that future planning aligns with higher order policies, and future land use decisions and developments enhance the existing cultural character of the community.

In 2018 June, Administration provided a recommendation for Council's consideration that would see costs of up to \$1 million associated with Phase 2 of the Chinatown work, including a Chinatown Cultural Plan and Local Area Plan to be approved as part of Council's budget deliberations in 2018 November. An amendment was brought forward at Council on 2018 June 25 that directed Administration to develop funding options that included a Council Innovation Fund application and to explore external partnerships that included, but not be limited to, Urban Alliance.

A recent review of the project scope indicates that the estimated consulting cost to deliver the Cultural Plan and the culturally-based Local Area Plan, including engagement costs (i.e. workshops, open house venues, translation etc.) remains at approximately \$600,000, but leaves very limited room for any contingency. Accurate consulting costs, including a breakdown of cost by year, will only be known once a detailed scope of work for the project is developed with community and stakeholder input, and approved by the Standing Policy Committee on Planning and Urban Development no later than 2019 July. This approach is atypical, but was requested by Council to ensure project oversight.

Extensive public engagement carried out in 2016 over the course of eight months as a result of land use amendment application LOC2012-0101 triggered many discussions about the future of Calgary's Chinatown. Chinatown Phase 1 work leading up to 2018 June consisted of background research, preliminary project scoping and a high-level examination of costs and budget. The outcome and response to Phase 1 work reaffirmed the importance of advancing Chinatown's Cultural Plan and the culturally-based Local Area Plan as part of the second phase. Phase 2 work, as outlined in the project plan (Attachment 1), will be primarily undertaken by external consultants due to the specialized nature of the work including complex community

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dynamics, broad public interest, cultural nuances, and the extensive city-wide engagement that is expected.

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

In response to Council's directive, the following provides an update on external partnerships and funding options.

#### External Partnerships

##### *Urban Alliance*

Urban Alliance is a strategic research partnership between The City of Calgary and the University of Calgary dating back to 2007. The partnership establishes a collaborative framework that enables the transfer of research between the University and the City with the benefit of communities in mind.

In coordination with Administration, an open invitation from the Urban Alliance Coordinator, Dr. Barry Phipps, to various university faculties to partake in the formulation of the Cultural Plan and the built-form policies of the Local Area Plan was sent out on 2018 July 19. Interest and desire to be involved with the proposed work was expressed from each of the following eight faculties: Anthropology; Community Health Sciences; Education; Environmental Design; Geography; Language, Linguistics & Cultural Studies; Nursing; and Sociology. Given the academic holidays that commenced in June, Administration will require until mid-November to short-list partnering faculties. Research proposals from interested faculty members are expected to be submitted to the Urban Alliance Coordinator by the end of 2018 November. From thereon, determining the best fit with Administration's work and scope of the Chinatown project along with secured funding from Council will narrow the number of partnering researchers.

Based on the previous experience from several hundred successful partnerships through Urban Alliance, City funding has typically assisted academic research. It is rare to see faculty or researcher funding offset the cost of a City project. Previous comments from the Urban Alliance Coordinator suggest it is unlikely that any research funding will significantly help offset the large project cost. The likelihood of Administration acquiring project funding through Urban Alliance remains extremely low.

##### *Alberta Health Services*

A limited number of conversations have taken place with public health physicians on the possibility to collaborate with Alberta Health Services on a variety of topics, including preventative medicine, aging, and the social determinants of health within an ethno-cultural setting. Further discussions are scheduled to take place in coordination with Urban Alliance with support from the Faculty of Nursing from the University of Calgary. An exhaustive update on these collaborative possibilities could not be made ready for the deadline of this report. Additional opportunities will continue to be explored as the project scope is further refined and the partnership with Urban Alliance is finalized.

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### *Chinatown Community Stakeholders*

Based on two 2018 August meetings with various Calgary Chinatown community stakeholders, including the Community Association and the Chinatown District Business Improvement Association, Administration received commitments that future community involvement and the donation in-kind of time and services will be able to offset some of the expected costs in preparing the Cultural Plan and the culturally-based Local Area Plan. As part of these community discussions, contributions from the community could include assistance with some aspects of translation, assistance with advertising and promotions, and subsidizing the full or partial cost of event venues. The community's assistance has the possibility of reducing costs and improving the effectiveness of consultation and overall engagement.

With over 100 active community groups in Chinatown, several groups are also actively pursuing grant funding through grant-issuing organizations that include Calgary Economic Development and the Calgary Foundation. Potential funds from grants may be used by community members to inform the preparation of the Cultural Plan and the culturally-based Local Area Plan. Community contributions, beyond cost reductions, will increase the knowledge base of the project, help develop community connections, and commitment to the plans.

Administration notes that the outcome of many grant applications that have been applied for by community members in Chinatown will not be known until late 2018. Reliance on community grants to fund The City's work can complicate the scoping of the project and the defining of deliverables, and may affect the project timelines.

### Potential Funding Sources

#### *Federal and Provincial Grants*

In 2018 July and August, Administration undertook the investigation of suitable grants from higher level governments that could offset the cost of the Chinatown Cultural Plan and the Local Area Plan. While a number of grants exist that provide support to planning work undertaken at the municipal level, the proposed Chinatown project work does not meet the eligibility requirements to access these funds. Many of the grants are meant to assist smaller municipalities with a population of under 25,000 residents. Other eligibility requirements necessitate partnerships with Non-Government Organizations and non-profit organizations on projects that can be readily implemented within 12 months. The Chinatown project work is expected to take over 24 months to complete.

#### *Council Innovation Fund*

A Council Innovation Fund application co-sponsored by Ward 7 Councillor, Druh Farrell and Ward 4 Councillor, Sean Chu will be on the 2018 October 2 PFC agenda (see Report PFC2018-1133). The purpose of the Council Innovation Fund is to encourage innovation and pilot projects that support goals of Council and have city-wide application. Successful applications need to demonstrate the potential to change citywide policies and procedures, and support or contribute to initiatives that further Council's priorities.

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Integrating a Cultural Plan with a new culturally-based Local Area Plan in Chinatown would be a first for Calgary. The City is moving towards a more deliberate and formalized approach to integrating a cultural lens when developing planning policy. In addition, Chinatown provides an opportunity to develop and pilot new engagement practices, which will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other communities across the city. The proposed Chinatown work would be innovative at both the local and national level, and could serve as a pilot project for a new way of informing future policy plans. The co-sponsored application appearing on the 2018 October 2 agenda is seeking a withdrawal of \$250,000 from the Council Innovation Fund that currently has a balance of \$740,449.

### *Planning & Development's Budget*

Administration's investigation to fund Phase 2 of the Chinatown work through Planning & Development's budget determined there is capacity to withdraw \$50,000 per year from the Community Planning consulting budget in 2019 and 2020 for a total of \$100,000 over the course of two years. In addition, a one-time expenditure budget increase of \$125,000 in 2019 and 2020 for a total of \$250,000 is requested, which will be fully offset by a one-time revenue budget increase for 2019 and 2020 to a net zero budget impact for the two years. This will enable Planning & Development's operating budget to fund a total of \$350,000 of the anticipated Phase 2 Chinatown work over the course of two years.

Funding from the Council Innovation Fund and Planning & Development's operating budget amount to a total of \$600,000. As referenced within Attachment 2, this is the minimum amount of secured funding that is required in order to proceed with developing a Cultural Plan and the culturally-based Local Area Plan. It should be noted that the estimated consulting costs are based on a broadly scoped Expression of Interest from 2017, and the actual consulting costs may increase from additional scoping that is expected to be undertaken in consultation with community and industry stakeholders. The Fiscal Stability Reserve has been identified to fund the project's contingency.

### *Fiscal Stability Reserve*

The Fiscal Stability Reserve (FSR) is a contingency fund meant for operational emergencies, urgent or contingency capital expenditures, and to compensate for unplanned revenue reductions with significant financial impacts. Funding from the FSR can also be used to fund one-time operating budget expenditures. Administration recommends that Council approve a one-time 2019 budget increase of up to \$400,000 in Community Planning to be funded by the FSR to serve as contingency for Chinatown Phase 2 work including the Cultural Plan and culturally-based Local Area Plan for 2019 and 2020.

### *Funding Conclusion*

Administration's assessment into funding options has concluded that external funding sources do not exist at this time. Planning & Development's consulting budget in itself cannot entirely



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fund the project, and the sizable funding gap poses a significant project risk by not allocating the required resources at the project initiation stage. As a result, Administration recommends that a combination of internal City sources be used to fund the Council-directed Chinatown work.

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

Extensive internal and external community engagement was completed in 2016. As a result, targeted consultation was undertaken in 2018 July and August in response to the latest direction from Council on 2018 June 25. Specifically, several Chinatown community stakeholder groups met with Administration on two occasions in 2018 August.

In addition, a number of meetings and telephone conversations with the Urban Alliance Coordinator led to a formal session at the University of Calgary campus on 2018 September 21. The purpose of the session was for Administration to provide more information on the project needs, mandate, process, and timelines to interested researchers from the University of Calgary. This session was also an opportunity for Administration to work with the researchers in determining the most effective way to collaborate.

Chinatown's Phase 2 work will require purposeful, intensive consultation with citizens, the development industry, community groups, and Council. Creating opportunities for further dialogue and input prior to policy formulation is critical in order to inform future decisions affecting the community while holistically integrating cultural considerations into all aspects of government planning and decision-making.

### **Strategic Alignment**

Secured funding to undertake the Chinatown Cultural Plan and the culturally-based Local Area Plan aligns with direction from the South Saskatchewan Regional Plan (SSRP), which directs municipalities to increase the proportion of new development within already developed lands through infill and redevelopment. Further, the SSRP calls for planning to be undertaken in such a manner that new development makes use of existing infrastructure.

Completion of the Cultural Plan and the Local Area Plan also aligns with Municipal Development Plan policies that call for creating a livable, vibrant, and diverse Centre City; fostering distinctive complete communities with a strong sense of place; and creating great communities by fostering community dialogue and participation in community planning. Phase 2 project work will also build on Transit Oriented Development principles with the 2<sup>nd</sup> Street SW Green Line station location expected near Chinatown's Daqing Square.

### **Social, Environmental, Economic (External)**

Work on the proposed Chinatown Cultural Plan and the culturally-based Local Area Plan will provide new comprehensive policies and growth direction based on social, environmental and

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economic priorities of community stakeholders and all Calgarians that work in, live in, and visit Chinatown.

Direction and secured funding for the Chinatown Cultural Plan and the culturally-based Local Area Plan work will advance the following Council priorities:

- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency and be a place of opportunity.
- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life.
- A City That Moves – Ensuring access to safe and affordable transportation choices.
- A Healthy and Green City – Supporting the delivery of equitable City services that reflect the diverse needs of Calgarians with respect to recreation and living opportunities.

### **Financial Capacity**

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

No impact to the current 2018 operating budget is expected.

Information presented within this report has an impact on the future Planning & Development operating budget with \$350,000 earmarked towards the consulting cost to undertake the next phase of Chinatown work. The amount of \$100,000 from the \$350,000 will be funded by Planning & Development's base budget. The remaining \$250,000 will be funded from the expenditure budget to be fully offset by a revenue increase, resulting in a net zero impact on the budget.

Secured funding from the Planning & Development operating budget and the Council Innovation Fund application provides a lump sum total of \$600,000, which is the minimum amount necessary to deliver the Chinatown Cultural Plan and the culturally-based Local Area Plan as referenced within Attachment 2.

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

There are no impacts regarding this request.

### **Risk Assessment**

Chinatowns across North America are facing a number of pressures that threaten their continued existence. Calgary's Chinatown finds itself at a cusp whereby a new vision is needed to strengthen the community identity and provide direction on the suitable integration of new developments.

Failure to secure the requested funding for Chinatown's Cultural Plan and a culturally-based Local Area Plan will result in the continued existence of an outdated policy plan that does not align with higher order policies and corporate objectives stated within the Municipal Development Plan. An outdated policy framework makes the review and outcome of current and future planning applications more unpredictable and costly. This may put the community, customer, Council, and Administration in a position of uncertainty, and delay timely approval of

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applications. Inevitable demographic changes and the development of the Green Line will undoubtedly affect the community. The continued surge in the willingness from the community members to participate in a new direction, if not capitalized and appropriately funded, could be a missed opportunity.

Without a source of secured funding that has an appropriately sized contingency, the flexibility of the project is compromised. Unexpected emerging issues may not be adequately dealt with, or may force the project team to go back, midstream, to Council for more resources. Appropriately funding Phase 2 Chinatown work enables an opportunity to pilot a new way of informing future Local Area Plans by integrating a cultural lens when developing built-form policies.

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

The appropriate funding for the Chinatown Cultural Plan and the culturally-based Local Area Plan presents a unique opportunity to define a detailed vision for Chinatown's future based on current policy and corporate objectives. Securing the minimum funding requirement of \$600,000 through the Council Innovation Fund and Planning & Development's operating budget avoids significant risks that will delay the delivery of the Cultural Plan and the culturally-based Local Area Plan. Identifying an additional funding source for contingency allows the project team to secure funding of up to \$1 million to develop and pilot new processes that include engagement practices that will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other plan areas across the city. Without new direction for Calgary's Chinatown, the processing of current and future planning applications will be further complicated and may lead to a deteriorating cultural fabric. Secured funding for this project will send a strong message of commitment for a vibrant and active Chinatown into the future.

#### **ATTACHMENT(S)**

1. Attachment 1 – Chinatown Project Plan – Phase 2
2. Attachment 2 – Anticipated Chinatown Consulting Costs