

Transportation Report to
SPC on Transportation and Transit
2018 December 06

ISC: UNRESTRICTED
TT2018-1289

The Calgary Goods Movement Strategy

EXECUTIVE SUMMARY

The Calgary Region is a multimodal hub connected to local, national and international markets by railways, highways, pipelines and a large international airport. Referred to as an inland port, Calgary is a goods movement hub that enables the distribution of goods between businesses in and around Calgary, as well as provincial, national and international markets. Several new large-scale distribution centres are evidence of the growing footprint of warehousing and logistics in the Calgary Region.

Both residents and businesses in Calgary rely on the timely availability of goods and products to meet their daily needs. The cost of every day goods that citizens need directly depends on the transportation costs of those goods. The Calgary Transportation Plan (CTP) and the Municipal Development Plan (MDP) recognize that efficient goods movement is essential to Calgary's well-being, growth and quality of life. Goods movement helps ensure distribution centres and other economic sectors (e.g. manufacturing, wholesale and retail trades, construction and agriculture) continue to thrive and grow. It is important to develop a strategy to improve goods movement network to serve citizens now and into the future. For these reasons, Administration initiated a goods movement strategy in 2017.

The Calgary Goods Movement Strategy (GMS) is the first comprehensive study on our city's goods movement and can be used to better understand the economic importance, issues and challenges as well as a tool to enhance goods movement for Calgarians. The strategy has several unique aspects including strong ties to economic development, collaboration with public and private sector stakeholders, consideration of innovations and technological advances in goods movement and analysis of various data sources. It also includes a public education and awareness campaign.

The GMS is informed by feedback from targeted stakeholder engagement, including identification of current challenges, potential solutions and ideas on how to ensure Calgary thrives in the transportation and logistics sectors over the next 30 years. Research was conducted using truck travel data analysis, an origin-destination survey of trucks, interviews with key stakeholders, best practice research and a jurisdictional survey of nine North American cities. The strategy supports a multimodal system that is safe, economical, reliable, efficient and environmentally sustainable.

The GMS recommends 26 actions grouped according to six strategic directions. The actions complement each other and inform land use planning, development approval, economic development, investment decisions and transportation infrastructure planning and operations. The GMS also includes implementation and monitoring plans which act as roadmaps to achieve an efficient goods movement network.

The strategy has attracted significant interest and support from the public and private sector, distributors and logistics communities, who want to collaborate with The City to implement the GMS and promote Calgary's attractiveness as a place to grow and invest. Several stakeholders have provided letters of support.

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ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee (SPC) on Transportation and Transit recommends that Council:

1. Approve the Goods Movement Strategy and adopt the Strategic Directions and action items of the Strategy as per the Attachment 1
2. Direct Administration to consider capital and operating funding requirements for implementation of the short-term action items into the mid-cycle budget adjustments for 2021-2022
3. Direct Administration to include the capital and operating costs to deliver the medium-term strategy actions during the development of the next budget business cycle (2023-2026)
4. Direct Administration to work with industry and stakeholders to establish a goods movement committee to provide input into the implementation and monitoring of Goods Movement Strategy. Request that the City Clerks circulate Members of Council as to their interest in serving on this committee, to return to Council with the results of the poll and a draft Terms of Reference no later than Q1 2019.
5. Direct Administration to report back with an update on the Goods Movement Strategy implementation to Council through the SPC on Transportation and Transit no later than Q2 2021

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2009 September 28 Regular Meeting of Council, Council approved the Municipal Development Plan (MDP) and the Calgary Transportation Plan (CTP). The CTP and MDP recognize commercial vehicles as a critical element of Calgary's economy, with an emphasis on several key areas such as the airport, industrial areas, intermodal rail terminals and primary goods movement corridors. Specifically, the CTP provides the policy framework for the Goods Movement Strategy through transportation goal five, "promote economic development by ensuring the efficient movement of workers and goods".

BACKGROUND

Calgary's citizens and businesses depend on transportation network to purchase and distribute a wide range of products efficiently and seamlessly. CTP and MDP recognize that efficient goods movement helps achieve transportation, land use, economic and environmental aspirations and goals. Over \$20 billion in goods comes to and from Calgary by truck and rail every year (*source: Statistics Canada*). About \$5 billion of exports and imports are cleared through Calgary International Airport every year (*source: Statistics Canada and Canada International Merchandise Trade Database*). An efficient goods movement system helps ensure that Calgary residents and businesses have access to a full range of products at reasonable costs from around the world. It is important to sustain an efficient goods movement network in the face of rapidly changing technological advancements in transportation and in the supply chain and warehousing sectors. To understand existing challenges, upcoming trends and to ensure that Calgary's goods movement network can continue to serve the citizens into the future, administration prioritized the development of a comprehensive strategy, the first of its kind for Calgary.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

The objectives of the Goods Movement Strategy are to:

- Identify and prioritize short, medium and long-term actions, strategic directions and investments in transportation infrastructure to enhance the goods movement network in Calgary.
- Support the MDP's urban growth policies and the CTP's sustainable transportation initiatives, as well as identify proposed changes to the CTP's Primary Goods Movement Network.
- Complement municipal and regional economic development initiatives by articulating the strong linkage between efficient goods movement and the economy.
- Review and where appropriate, consolidate The City's bylaws related to goods movement.

Study process:

Stakeholder engagement was a critical component of developing the GMS supported by analysis of existing conditions and trends, reviews of best practices and policies and focused data collection. The development of the GMS was done in four stages:

Stage One: Foundation - focused on establishing the basis for the strategy, profile of goods movement in Calgary and a review of the policy context. The economic importance of goods movement was also described in this stage. Advisory groups were formed and collected initial feedback from targeted stakeholders.

Stage Two: Issues and challenges - focused on identifying existing issues and challenges through data analysis and feedback from targeted stakeholders. An origin-destination survey of truck movements was conducted during this phase.

Stage Three: Opportunities - explored how issues and challenges can be addressed using feedback from stakeholders and through best practice reviews and jurisdictional surveys.

Stage Four: Strategy and Actions - focused on developing a policy framework for the strategy which included identifying actions, investments and priorities. In this stage, plans for implementing the GMS and monitoring the strategy's progress were developed.

Vision of the Goods Movement Strategy:

To guide the development of the GMS, the following vision was established:

The Goods Movement Strategy supports a multi-modal system that is safe, economical, reliable, efficient and environmentally sustainable.

Within Calgary, goods movement is widely recognized as an essential contributor to the economic, social and environmental wellbeing of residents and businesses.

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Throughout the project, stakeholders identified both infrastructure and non-infrastructure related challenges.

Challenges were organized into the following themes:

1. Congestion and other inefficiencies on the roads and highways in and around Calgary
2. Emerging and ongoing needs and trends such as disruptive technologies
3. Protection of strategic goods movement infrastructure
4. Last kilometre deliveries and accessibility
5. Maintaining flexibility for future plans
6. Implications of regional needs

The GMS proposes several actions to address the above-mentioned challenges using six strategic directions:

#	Strategic Direction	Focus
1	Continue to invest in transportation infrastructure to enhance goods movement.	Action items propose potential improvements to transportation corridors connecting key industrial destinations to address network challenges raised by stakeholders.
2	Collaborate with external partners to enhance regional goods movement.	Action items focus on enhanced collaboration among public-and private-sector goods movement stakeholders.
3	Promote planning for logistics centres and industrial areas.	Action items enhance goods movement road network and help the Calgary International Airport, rail terminals, rail corridors and other strategic freight hubs to continue to thrive in the future.
4	Enhance last-kilometre deliveries.	Action items are proposed to improve deliveries at and within buildings to better meet existing and emerging delivery requirements.
5	Develop flexible plans to adapt for a changing future.	Recognizing and anticipating new technological and other emerging developments, this strategic direction proposes action items to help plan for a changing future.
6	Enable data collection and collaboration on goods movement research.	This strategic direction proposes action items to improve access and use of data and research to anticipate and better plan for goods movement needs.

The strategic directions and action items are informed by analysis of truck travel data in and around Calgary, stakeholder feedback, best practices review and jurisdictional surveys. All the 26 action items are listed in Attachment 1: The Calgary Goods Movement Strategy.

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Other outcomes:

The GMS lists several potential and planned improvements that can enhance accessibility to and from areas with significant truck traffic, such as The Calgary International Airport, the northeast and southeast industrial areas and along major goods movement corridors. The GMS recommends that these initiatives be investigated further to take explicit account of the potential benefit to goods movement in the supporting functional plans, studies and the setting of priorities.

The recommended improvements include a broad range of actions, such as improving signal progression along goods movement corridors, improving connectivity to industrial areas and implementing previous Council approved infrastructure and intersection capital plans. Some specific recommendations include:

- Additions to the Primary Goods Movement Network, Map # 5 from CTP. The recommended additions aim to ensure connectivity and fluidity within the city including the newly approved growth areas, as well as connectivity with the neighbouring municipalities with no route removals.
- Consolidation of the Truck Route Bylaw and the Dangerous Goods Bylaw. These bylaws are already supported by the truck route map, so it is recommended that they be combined to provide information to truck drivers in a single document. Improvements to the legibility and clarity of the truck route map are also recommended.

For more information, the Goods Movement Strategy Technical Reports are located on:
www.calgary.ca/goodsmovement.

Implementation plan:

The implementation plan provides measurable benefits of implementation and a suggested timeline presented as short, medium or long-term, depending on the most probable amount of time required to implement the actions. Since many of the actions are multi-faceted, a detail cost cannot be projected. Instead costs are rated on a three-point scale (represented as \$, \$\$, \$\$\$), where the first level represents low-cost policy directions or studies, the second level represents larger-effort strategies and programs, and the third level represents significant infrastructure investments. All 26 actions will be subjected to detailed evaluation prior to implementation. Details of the implementation plan can be found in Appendix A of Attachment 1: The Calgary Goods Movement Strategy.

Goods movement committee:

One of the action items within the GMS would see the establishment of a goods movement committee. The committee would be made up of City staff, Council representatives, members of industry, other public agencies and private industry and academia. The committee would move forward and monitor the implementation of the GMS. This idea is inspired by several other jurisdictions that have established committees to implement their goods movement strategies such as the Goods Movement Task Force in Peel Region, Ontario and TransLink's Urban Freight Council in Vancouver. A goods movement committee is recommended as the first step of implementation if the GMS is approved.

Measures of success:

Qualitative and quantitative indicators will be used to assess the success of implementing the GMS. The indicators are tied to the five elements of the vision: "a multi-modal system that is

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safe, economical, reliable, efficient and environmentally sustainable”.

The indicators are:

- Safety: Reduction in collisions involving trucks
- Economical: Improved rate of return for investments along major truck routes
- Reliability: Reliable truck travel times
- Efficiency: Increased use of major truck corridors and Stoney Trail by trucks and reduction in truck traffic on other routes
- Environmental: Reduction in greenhouse gas emissions and air pollutants

Stakeholder Engagement, Research and Communication

Engagement plan

Key stakeholders had multiple opportunities to participate in the development of the GMS, contributing their understanding of challenges and potential solutions and commenting on the draft strategy.

Four advisory groups were created to provide input from a range of perspectives throughout the development of the GMS:

1. Operational Advisory Group: Industry leaders focused on short-term operations and conditions
2. Strategic Advisory Group: Alberta Transportation, the Calgary International Airport, industry leaders and academics, focused on long-term perspectives
3. Regional Advisory Group: Neighboring municipalities focused on regional needs and opportunities
4. Internal Advisory Group: City staff focused on potential opportunities to address challenges

Other events:

- One-on-one interviews with representatives of key industries and infrastructure owners
- Symposia and workshops with academia and the logistics community
- Public engagement sessions, as well as an online survey

The GMS has attracted significant interest and support from the public and private sector.

Attachment 3: Letters of Support includes letters from the following stakeholders:

1. Alberta Transportation Delivery Services – Southern Region
2. Alberta Transportation Network and Capital Planning Branch
3. Calgary International Airport
4. Canadian Pacific Railways
5. Calgary Economic Development
6. Van Horne Institute
7. University of Calgary
8. Mount Royal University
9. Bison Transport
10. FedEx
11. Commercial Real Estate Development Association (NAIOP)
12. Alberta Sand and Gravel Association (ASGA)

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Research

Background research for strategy development included an analysis of truck travel patterns within Calgary. Interviews with nine other peer jurisdictions on how to address goods movement challenges and a review of best practices in cities across North America and Europe were also conducted. A survey of more than 3,500 truck drivers on the roads and highways around Calgary was administered which enabled administration to profile the characteristics of trucks travelling to, from and through Calgary. The research and surveys were used to generate and assess potential solutions to challenges identified throughout the project. All proposed solutions were then vetted for feasibility and presented to key stakeholders for final review before inclusion.

Communication

An education campaign provided Calgarians with information about goods movement in Calgary and how it impacts their daily lives. The education campaign ran prior to advertising engagement opportunities so that participants would have a better understanding of the impacts of developing a goods movement strategy.

The engagement and communication activities undertaken as part of the project are summarized in Attachment 2: Goods Movement Strategy Engagement and Communications Summary Report.

Strategic Alignment

The GMS aligns with multiple Council approved policies and specifically supports:

- The CTP by reviewing, enhancing and augmenting the goods movement policies. The Strategy provides action items to help achieve goods movement goals listed in the CTP.
- The MDP by complementing and supporting urban growth policies. The Strategy complements The City's growth management and industrial land strategies.
- 2020 Sustainability Directions, "A Prosperous Economy, Smart Growth". The recommendations from the GMS supports the attraction and retention of businesses that need to move goods to markets in Calgary, regionally, nationally and internationally.
- One Calgary citizen priorities: 'A Prosperous City', 'A City that Moves', 'A Healthy and Green City', and 'A Well-Run City'. The recommendations will help improve travel time for people and goods.

Social, Environmental, Economic (External)

This report and the recommendations included in this report were reviewed for alignment with The City of Calgary's Triple Bottom Line (TBL) Policy Framework. The GMS sets a vision for a multi-modal system that is safe, economical, reliable, efficient and environmentally sustainable. Below are specific implications:

Social

Implementation of the GMS will support connecting goods and services, locally, regionally, and globally through a safe, efficient, reliable and connective goods movement network. The actions, when implemented, will improve quality of life for Calgarians by helping ensure they can continue to receive a wide-range of products at reasonable cost, facilitating connections to their jobs in the

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goods movement sector, and minimizing the impacts of goods movement through appropriate planning and design.

Environmental

Implementation of the GMS is intended to help minimize fuel consumption, greenhouse gas emissions and air pollutant emissions from goods movement activity.

Economic

The GMS was developed in close collaboration with Calgary Economic Development and other industry associations. Implementation of the GMS supports the economic development of Calgary by helping ensure the efficiency of goods movement, in turn making Calgary a more competitive location for businesses to locate.

Financial Capacity

Current and Future Operating Budget:

There are no immediate impacts to the current operating budget. Several action items that were recommended as part of the GMS could be implemented using the existing budget and resources. Funding requirements will need to be identified closer to the implementation of other action items.

Current and Future Capital Budget:

The GMS identifies infrastructure investments to enhance goods movement which could be included in the list of potential projects for future capital budgets.

Risk Assessment

The GMS supports the MDP and CTP and complements other strategies to improve and invest in goods, auto, transit, bicycling and pedestrian infrastructure. If the GMS is not approved by Council, there are potential impacts on the ability of the MDP and CTP to enable a fulsome multi-modal transportation system in Calgary.

The GMS has attracted significant interest and broad support from the private sector, distributors and the logistics community. They are eager to collaborate with The City to promote Calgary's attractiveness as a place to invest and grow. If the GMS is not endorsed by Council and if the action items are not implemented, there is the potential of losing stakeholder trust. It would be a missed opportunity to position the municipality as an inland market, support economic growth and support transportation and logistics industries in Calgary.

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REASON(S) FOR RECOMMENDATION(S): Goods movement is not just about trucks and moving large freight. It is about moving people and making delivery of day-to-day goods to Calgarians seamless and retaining jobs in a vital economic sector. The recommendations are a result of comprehensive engagement and are supported by key stakeholders. The recommendations will set the stage to achieve the vision of the Calgary Goods Movement Strategy: a multi-modal system that is safe, efficient, reliable, economical and environmentally sustainable. Implementing the action items means we are willing to move together with the industry, with Calgary Economic Development and key stakeholders to help maintain and grow our economy.

ATTACHMENT(S)

1. Attachment 1 – The Calgary Goods Movement Strategy
2. Attachment 2 – Goods Movement Strategy Engagement and Communications Summary Report
3. Attachment 3 – Letters of support