

Industry/City Work Plan 2018 Year-end Report

EXECUTIVE SUMMARY

The purpose of this report is to provide a year-end summary of the progress made on the Industry/City Work Plan from January to December 2018, and to outline the agreed-upon Industry/City actions for 2019.

The ongoing Industry/City Work Plan is focused on key initiatives that the development industry (Industry) and Administration are addressing collaboratively to enable development in Calgary, enhance accountability, make process improvements, and provide engagement opportunities. This collaboration helps set direction for future work and improves the context for development in Calgary.

Together with Industry, Administration continues to focus on actions in new communities, established areas, and industrial areas. The continuous process improvements initiative facilitates enhancements in these areas and across municipal corporate practices that concern development. The 2018 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 undertaken in 2018. Building upon the 2018 work plan, Attachment 3 outlines the 2019 work plan with agreed-to Industry/City actions, including anticipated timelines to advance the work.

Notable achievements in 2018 include:

- delivering the New Community Growth Strategy to Council, which involved strategic discussions with Council and ultimately resulted in the approval of 14 new communities for 2019-2022;
- the Council approval of a scoping report that initiated strategic work for the Established Area Growth and Change Strategy;
- the publication of web-based information showing the Industrial sector's contributions to the economy and job creation; and
- improved business processes that enhance customer service and The City's ability to process applications more efficiently.

The Industry/City 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 stakeholders as the actions in the work plan are advanced.

Industry/City Work Plan 2018 Year-end Report

ADMINISTRATION RECOMMENDATION:

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

- 1) Provide a mid-year communication, in the form of a memo, to all Council members on the progress of the 2019 Industry/City Work Plan, no later than 2019 July 15; and
- 2) Report back to the SPC on Planning and Urban Development with a 2019 year-end Industry/City Work Plan report, no later than 2020 January.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 January 15, the SPC on Planning and Urban Development approved the following recommendations of PUD2018-0021:

- 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.

Administration provided a mid-year memorandum to all Council members on 2018 July 25, regarding the progress of the work plan, impacts arising, and any changes to associated timelines.

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, and that the report include the agreed to Industry/City actions for 2019.

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:

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:

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].

Industry/City Work Plan 2018 Year-end Report

BACKGROUND

During discussions between Industry and The City through the 2015/2016 Off-Site Levy Bylaw process, several areas of improvement were mutually identified for action through the Industry/City Work Plan (the “work plan”). The original purpose of the work plan was to improve the development context in Calgary through several concurrent initiatives: to initiate a City-Industry collaboration committee, a phasing growth strategy for new communities, an established area strategy, a funding growth strategy (later merged into the three geographic initiatives), a process improvement strategy, and an industrial strategy.

Oversight of the Industry/City Work Plan continues to be managed through the Developer Advisory Committee, comprised of Administration and Industry representatives. This structure established key relationships and mechanisms where mutually identified actions have been brought forward and subsequently completed. As well, this structure encouraged, during 2017 and 2018, the prioritization of actions and the addition of new actions to build on past successes or address new challenges.

Looking back at the actions first identified in the work plan in 2015/2016, much has been achieved. The strategy work focusing on new communities designed and delivered an improved approach to community investment, with a dedicated source of funding. The multi-faceted established areas strategy has elevated the discussion around the costs of redevelopment to focusing on defining strategic investment in areas of redevelopment. The focus on improvements to the approvals process continues to yield more cost-effective and timely processes; and the industrial strategy has heightened the profile of industrial development and created a foundation for an upcoming strategy for investment in the industrial land base. Most importantly, there is an open and productive working relationship between Industry and Administration that has yielded results that continue to improve the context for development in Calgary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The work plan has evolved from a year-long project to address specific issues to a program of work that will continue, facilitating an on-going conversation with Industry and identifying new areas for improvement as previous actions are completed. Administration and Industry are committed to continuing to prioritize work to improve the context for development, 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-upon 2018 work plan, in collaboration with Industry partners, has delivered results for customers. A year-end report, included as Attachment 1, summarizes the work completed over 2018, and provides a detailed update on the four initiatives:

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

The 2018 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 Attachment 3, agreed-upon actions for 2019 are provided.

Industry/City Work Plan 2018 Year-end Report

The following section provides a high-level overview, by individual initiative, of the accomplishments of 2018 and the plans for 2019.

New Community Growth Strategy

The New Community Growth Strategy initiative seeks to enable strategic and comprehensive growth decisions in new community areas by aligning planning policy, infrastructure and servicing needs, the Growth Management Overlay policy tool, and City capital and operating budgets. This initiative has been focused on how to enable development and retain capital and jobs in Calgary, while also achieving the policy objectives in the Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) and a balancing in market forces.

In 2018, achievements included establishing a context for strategic discussions on new community growth with Council and Industry, building a framework for strategic growth decision making, and ultimately recommending investments for new communities and actively developing communities for inclusion in the One Calgary (2019-2022) service plan and budget (reports PFC2018-0200, C2018-0489, PFC2018-0678 and C2018-0900). This series of reports provided the necessary information and analysis required to set the new community investment program that will lead to increased development capacity and service provision in the 27 actively developing communities, and the 14 new communities approved by Council on 2018 July 30. This work set a new standard for Administrative rigour, Industry participation, and overall transparency for The City's new community growth decision making process.

The priority for 2019 will be monitoring the implementation of the New Community Growth Strategy, including monitoring growth trends, incurred capital and operating costs, and economic benefits. Refining the cost model and service standards for growth areas is also a priority for 2019. Finally, the need to clarify some definitions and processes, well in advance of the 2020 evaluation for the Mid Cycle Review, has been identified.

Established Area Strategy

Since 2016, the Established Area Strategy initiative has been focused on reducing barriers to redevelopment by addressing the costs of redevelopment, utility infrastructure capacity, financial tools, policy alignment, community readiness and application processes. To date, the working group for this initiative remained focused on the key outcomes identified for 2018 and provided support for a scoping report on the Established Areas Growth and Change Strategy which was approved by Council in 2018 September.

Given the increased focus on investment in established areas of the city during discussions for One Calgary (2019-2022) service plans and budget, and particularly investment needed to activate policy goals, the main focus for work in 2019 will be the deliverables of the Established Areas Growth and Change Strategy, as part of an integrated growth strategy for Calgary, with the support of new multi-stakeholder working groups and a new Advisory Group. This strategy increases the focus on established areas in 2019. The scope of this program will reflect the input from community, business interests, development industry, and Administration as strategic recommendations in support of growth in existing communities are developed. Deliverables will support a more well-rounded understanding of trends in areas of redevelopment, identify important community amenities to sustain quality of life in areas of intensification, identify opportunities to leverage investment with other city builders, and prepare recommendations for Council in using planning and financial tools to support targeted market areas experiencing or expected to experience growth.

Industry/City Work Plan 2018 Year-end Report

Industrial Strategy

The Industrial Strategy initiative focuses on the need to identify opportunities to support industrial development through policy considerations and comprehensive strategies. Web-based materials were developed in 2018 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 focus of the working group for 2019 is to define and build a framework for a city wide industrial strategy, as part of an integrated growth strategy for Calgary, with supporting plans and policies for growing and maintaining the industrial tax base. A key milestone for 2019 is the delivery of a scoping report to Council to show the key goals and outputs of that framework.

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 focused on ensuring that Calgary is an attractive place for real estate investment, that the approval process is simple and efficient, and that partnerships can be built between The City, Industry, and communities. The focus in 2018 saw the implementation of the Explore project, and extensive interviews and workshops with customers and Administration to identify the issues and gaps within the Construction Drawings (CD) and the Construction Completion Certificate/Final Acceptance Certificate (CCC/FAC) processes and products. These efforts resulted in recommendations for improvement that would result in clearer application processes for the customer, improved efficiencies in processing applications, and improved customer service overall. The focus in 2019 will be on implementing the findings and recommendations documented during these consultation efforts of 2018 to improve the CD and CCC/FAC processes and products.

Initiative Results / Impact

In 2018, all 25 actions in the 2018 work plan (Attachment 2) were either completed or were significantly advanced with some work continuing into 2019. Nine of the 25 actions in the 2018 work plan were completed. Sixteen actions saw major deliverables provided in 2018, with work on these continuing into 2019.

These results reflect the intentional focus and resourcing 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. A remarkable amount of work was completed in 2018, work that helped define growth opportunities and challenges in a way that has not been done before in Calgary. Learnings from these efforts are expected to inform strategic growth and business improvements over the short and medium term. Administration is examining its resources to ensure that The City can continue to produce positive results as we work toward enabling growth and implementing Council policy.

A listing of the results and impacts accomplished over the past year are set out in the following table. Additional detail for each initiative is provided in Attachment 1.

Industry/City Work Plan 2018 Year-end Report

Initiative	Results/Impact
New Community Growth Strategy	<ol style="list-style-type: none"> 1. Gained Council approval of the New Community Growth Strategy on 2018 March 19 (report PFC2018-0200) 2. Evaluated 12 business cases against criteria supporting Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) alignment, market forces, and The City's financial capacity 3. Recommended a portfolio of business cases to Priorities and Finance Committee on 2018 June 28 (report PFC2018-0678). Council approved 14 new communities on 2018 July 30 (report C2018-0900). 4. Amended the Off-site Levy Bylaw on 2018 November 12 to incorporate the utilities and transportation infrastructure needed for the 14 new communities (report PFC2018-0973) 5. Published the 2017 Off-Site Levy Annual Report on Calgary.ca in 2018 December
Established Area Strategy	<ol style="list-style-type: none"> 1. Council approval for the scoping report for the Established Areas Growth and Change Strategy in 2018 September (PFC2018-0891) 2. Explored reductions to targeted costs of redevelopment – including a review of the performance of existing density bonusing programs, a review of excavation/shoring securities, and reducing Development Completion securities from 150% to 110% on 2018 June 1. 3. Hosted a workshop to scope how policies and initiatives both benefit and impact redevelopment areas considering cost, infrastructure requirements, and MDP alignment 4. Identified a pilot community (17th Ave SW between Crowchild Trail and 37 St) to identify, plan, and prioritize technical requirements that will enable redevelopment to be realized 5. Reviewed underutilized road rights-of-way in key corridors and drafted principles to indicate where encroachment would be appropriate 6. Continued development of funding tools for developed areas investment, including potential pilots of financial tools 7. Identified how best to increase access to local utility information for potential redevelopment sites 8. Delivered the Centre City Levy annual report (PUD2018-0389) on 2018 June 25
Industrial Strategy	<ol style="list-style-type: none"> 1. Focused on streamlining and improving communication for sharing the Industrial sector's benefits via website updates, highlighting the sector's contributions to the economy and job-creation in Calgary 2. Evaluated The City's sanitary pipe sizing policies, design standards and practices for different industrial users 3. Determined infrastructure needs to support the Industrial sector's viability and success for input into the One Calgary 2019-2022 budget process 4. Created partnerships and brought other initiatives to the working group to foster collaborative planning on items that impact Calgary's industrial sector

Industry/City Work Plan 2018 Year-end Report

Initiative	Results/Impact
Continuous Process Improvements	<ol style="list-style-type: none">1. Completed the Explore Project that provides a process early in the application journey for The City and applicants to identify, understand, and mitigate issues2. Engaged customers and City staff and identified recommendations for the Construction Certificate/Final Acceptance Certificate and Construction Drawings projects

Reporting

Similar to 2018, Administration recommends in this report that a 2019 mid-year Industry/Administration memo be sent to all Council members. The communication will include an update on the progress of the 2019 work plan and will be provided to Council no later than 2019 July 15.

It is also recommended that a 2019 year-end report be brought to the SPC on Planning and Urban Development no later than 2020 January. This year-end report will include the accomplishments achieved in 2019 as well as an agreed-upon work plan for 2020.

Stakeholder Engagement, Research and Communication

The Developer Advisory Committee (the “committee”) was formed in 2016 with the original work plan and includes members from Industry and Administration. The Developer Advisory Committee was created to provide oversight and perspectives on the overall work plan. The committee meets monthly.

The process for setting the work plan is collaborative and ongoing. Initially, a draft work plan (including changes to it) is reviewed by the initiative working groups, which are composed of representatives from distinct sectors of Industry, with support from Administration. The work plan is then reviewed by the committee which provides a combined Industry and City perspective, and a forum to openly discuss the work plan and progress regularly. This ongoing collaborative review process means that all participants (Industry and City) remain engaged and informed.

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), commercial and industrial development through NAIOP, and Calgary Economic Development (CED).

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 developing strategies, process, and preparing the information and cross-corporate analysis that support each of the initiatives.

A letter regarding this report and associated work plan from BILD-CR and NAIOP is included in Attachment 4.

Industry/City Work Plan 2018 Year-end Report

Strategic Alignment

The One Calgary service line of City Planning and Policy aims to translate Council and citizen's priorities into tools for the development industry to plan and build communities providing homes and jobs to Calgarians. This service relies upon collaboration with communities and the development industry to consider the interests of the various groups and create balanced outcomes. The 2019 work plan (Attachment 3) is included in the City Planning and Policy service and is aligned with the 2019 service priorities as outlined in the report City Planning and Policy Priorities 2019 (PUD2019-0019).

The efforts guided by the work plan are in alignment with three of the citizen priorities highlighted in the One Calgary (2019-2022) service plan and budget: A City of Safe and Inspiring Neighbourhoods, A Prosperous City, and A Well-Run City.

The citizen priority of A City of Safe and Inspiring Neighbourhoods focuses on building safe, mixed and inclusive neighbourhoods. Decisions about building neighbourhoods – whether new or established - are a key focus of the work plan, making sure that as Calgary builds, all neighbourhoods are safe, inspiring, desirable, and public investments are made equitably.

One key element of the citizen priority of A Prosperous City is that Calgary “strives to be the best place in Canada to start and grow a business”. With both Industry and The City working closely together, the work plan has accomplished improvements to business processes, identified and removed barriers to development, and has made sure that public investments are targeted to the areas of the city to best support growth and change. These accomplishments, and those envisioned for 2019, continue to lay the foundation for future prosperity in Calgary by improving the business environment and enabling investment in Calgary.

Finally, the work plan aligns well with the citizen priority of A Well-Run City. This priority focuses on building a “modern and efficient municipal government” that is focussed on “continuous improvement to make life better every day for Calgary by learning from citizens, partners, and others.” The collaboration between Industry and The City has established an environment where all involved are continually learning and looking for ways to improve. By engaging in ongoing discussions with Industry, The City is more informed and aware of challenges that the development industry is facing and both parties can reach better solutions together.

Social, Environmental, Economic (External)

The targeted outcome of enhancing the development context in Calgary through the 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.

Improving the context for development in the city can lead to reduced costs for builders and developers, and consequently greater housing affordability for Calgarians. Further, enabling greater choice in housing types and locations can be beneficial for citizens and good for the 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 Industry/City Work Plan were resourced in 2016, and Administration

Industry/City Work Plan 2018 Year-end Report

continued to resource this work in 2018 within existing budgets. If necessary in 2019, the reallocation of existing resources can be considered to deliver on this work plan.

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 implications related to specific initiative actions are expected be brought to Council during the 2020 Mid Cycle review, 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 2019, 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.

The risks of not continuing this work are substantial. Relationships that have been established would be challenged, the continued flow of information and feedback would be jeopardized, and as a result, the level of collaboration would be reduced. Collaboration is the key element that has led to the successes of the work plan to date. This has led to better business processes and new strategies to enable growth across the city.

REASON(S) FOR RECOMMENDATION(S):

The Industry/City Work Plan Year-End Report provides an overview of the progress made in 2018 for each of the four initiatives, and actions planned for 2019. The report enhances accountability and transparency to stakeholders, offers the opportunity for feedback, and provides an opportunity to set direction for future work.

A 2019 year-end report to Council through the SPC on Planning and Urban Development would occur no later than 2020 January. That report would include the agreed upon actions for 2020.

Administration is also recommending a mid-year Industry/City Work Plan memo be distributed to all Council members no later than 2019 July 15.

ATTACHMENT(S)

1. Attachment 1 – Industry/City Work Plan 2018 Year End Report
2. Attachment 2 – Industry/City 2018 Work Plan Schedule
3. Attachment 3 – Industry/City 2019 Work Plan Schedule
4. Attachment 4 – Letter from BILD and NAIOP