

Planning & Development Report to
Priorities and Finance Committee
2019 January 22

ISC: UNRESTRICTED
PFC2019-0018

Consideration of the Nose Creek Communities in an Economic Development Context – Deferral Request

EXECUTIVE SUMMARY

Administration is requesting a short deferral for the Nose Creek business case review work. This work was initiated by Council through a motion arising from the New Community Growth Strategy 2018 (C2018-0900), in order to consider the Nose Creek business case within a broader economic development context. As per the Council direction, the final reporting will consider Calgary's competitiveness in attracting commercial and industrial investment, as a city and within the greater region.

A deferral will provide time for Calgary Economic Development (CED), identified members of CED's Commercial Real Estate Committee, the business case proponents, and Administration to join Councillor Jyoti Gondek (the initiator of the motion arising) in participating in a workshop where the identified questions can be considered in more detail through a collaborative, hands-on session. This session would build on the work completed on this file to-date via engagement with CED, the proponents, and the other stakeholders. Administration will also conduct engagement with Councillor Jeff Davison (Council's representative for CED).

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council approve Administration's request to defer the report on the consideration of the Nose Creek business case in an economic development context, and direct Administration to return to the Priorities and Finance Committee with a report in 2019 March.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 July 30, Council approved recommendations for the New Community Growth Strategy 2018 – Further Review and Analysis Directed through PFC2018-0678 (C2018-0900) report. Through this report, 14 new communities were approved for the One Calgary (2019-2022) service plan and budget. Additionally, the following motion arising was adopted by Council:

Direct Administration to work with Council's representative for Calgary Economic Development (CED) to identify appropriate members of CED staff and the CED Commercial Real Estate Committee to serve as an ad hoc working group that will review the Nose Creek business case to:

1. Establish viability as contemporary mixed-use, campus-style development sites;
2. Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work;
3. Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base;
4. Evaluate ability to prevent neighbouring municipalities from poaching investment opportunities from Calgary; and
5. Provide sound rationale (if any exist) for removal of the growth management overlay (GMO). Report back through PFC in 2019 January.

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BACKGROUND

On 2018 July 30, Council directed Administration to engage Calgary Economic Development (CED) to review the business case for the two communities in the Nose Creek Area Structure Plan (ASP) that were not approved through the New Community Growth Strategy 2018 (C2018-0900). The Council motion included direction to consider this review in the context of Calgary's competitiveness in attracting commercial investment generally, and also relative to the larger Calgary economic region. Council directed Administration to return to the Priorities and Finance Committee in 2019 January.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Preliminary Work

Administration engaged CED and met multiple times to develop a work plan, identify members for a working group based on the membership of CED's Commercial Real Estate Committee, and discuss the Nose Creek context while considering broader challenges and opportunities in attracting investment for industrial and commercial development in Calgary.

Meetings with the local Councillor and initiator of the motion (Councillor Gondek) and Council's representative to CED (Councillor Davison) occurred in August and September 2018.

Administration also involved QuadReal Property Group, the proponents of the Nose Creek business case, to ensure they were engaged and had the opportunity to present their business case to the other stakeholders.

Progress to Date

Those engaged to-date have committed effort and time to provide input on the regional competitiveness of Calgary's non-residential market, trends around industrial serviced land supply, and current market strength. A broad discussion and research of Calgary's industrial market competitiveness among similar North American jurisdictions has also occurred.

Furthermore, there were discussions around the development of the upcoming Industrial Area Growth Strategy, including potential scope and deliverables. This work is intended to leverage the ongoing work of the Industrial Strategy Working Group (part of the Industry/City Work Plan) and commence in 2019.

Reason for Deferral

The meetings mentioned above occurred through September to December 2018. In December, it was identified that this work would benefit from an additional workshop that was open to all stakeholders. Following this, due to the busy schedules of all involved, the earliest date that could be arranged for a workshop was determined to be 2019 January 23. This is a key engagement event, and Administration would like to incorporate the discussion and findings from the workshop in responding to Council's direction.

In summary, a deferral of this report to Priorities and Finance Committee meeting on 2019 March 5 allows Administration to address the five points from the motion arising and include the results of the 2019 January 23 workshop in the final report.

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Stakeholder Engagement, Research and Communication

A number of stakeholders have been working together to achieve the goals of the Council direction. These include representatives from Calgary Economic Development (CED), identified members of CED's Commercial Real Estate Committee, the QuadReal Property Group business case proponents, Councillor Jeff Davison (Council's CED Board Member), Councillor Jyoti Gondek (initiator of the motion arising), and Administration. Stakeholders have agreed that a deferral will provide time for the scheduled workshop to be completed and reflected in the final report. QuadReal Property Group (the business case proponent) has provided a letter of no objection to the deferral. This letter is included as Attachment 1.

Strategic Alignment

A deferral will allow for additional information from the 2019 January 23 workshop to be reflected in the report. This will enhance the comprehensiveness of the review and provide better information on opportunities for attracting and retaining commercial and industrial investment in the city. This is aligned with the One Calgary (2019-2022) Citizen Priority: A Prosperous City.

Social, Environmental, Economic (External)

None regarding this request to defer.

Financial Capacity

Current and Future Operating Budget:

None regarding this request to defer.

Current and Future Capital Budget:

None regarding this request to defer.

Risk Assessment

None regarding this request to defer.

REASON(S) FOR RECOMMENDATION(S):

A deferral of the report on the Nose Creek business case that considers Calgary's competitiveness in attracting commercial and industrial investment will allow Administration to incorporate feedback from a stakeholder workshop that is scheduled for 2019 January 23.

ATTACHMENT(S)

Attach 1 – Letter from QuadReal Property Group - PFC2019-0018