

# Industry/City Work Plan

2018 Year End Report

January 9, 2019





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## Executive Summary

The Industry/City Work Plan (“the work plan”) was approved on 2016 January 11 as part of the Off-Site Levy Bylaw. The work plan outlined key initiatives that the development industry (Industry) and Administration collaborated on to enhance accountability, make improvements, provide opportunities for feedback and help set the direction for future work. This Industry/City 2018 Work Plan Year End Report reflects the work completed in 2018, and identified priorities for 2019 that fall within four key initiatives. The initiatives of the work plan involve all of The City’s Business Units and all stages in the approvals continuum. The work plan is supported by the Developer Advisory Committee, each initiative working group, and Administration.

For the 2019-2022 One Calgary business plans and budgets, a service-based approach was adopted. The City’s plans and budgets are organized around 61 services overall. The efforts guided by the Industry/City work plan are in alignment with the Council priorities of A City of Safe and Inspiring Neighbourhoods, A Prosperous City, and a Well-Run City. The three services lines that Planning & Development provides that align with these priorities are: City Planning & Policy, Development Approvals, and Building Safety.

The City Planning & Policy service provides specialized planning expertise to guide and enable growth and change in Calgary. The goal of that growth and change is to build a city of attractive communities that meet the various lifestyle choices of our diverse citizens and employment areas that support continued economic prosperity in Calgary. The City engages with communities and Industry to develop the long-range vision for the city and to produce detailed growth plans that reflect the goals of individual neighbourhoods.

The key direction to advance these Council priorities is provided by the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP), which require city-

building successes in a multitude of areas. Each year, through a collaborative approach, Administration, the Developer Advisory Committee, and the initiative working groups identify actions for improvements to better achieve the MDP and CTP vision.

Some examples of actions from 2018 that supported this vision (with some continuing into 2019) include:

- Building and implementing a framework for strategic growth decision making
- Touch points with Council on the opportunities and costs associated with new community development
- Completion of the New Community Growth Strategy’s evaluation of new community investment opportunities, culminating in Council approval of 14 new communities for initiation in 2019-2022
- Exploring reductions to targeted costs of redevelopment in established areas
- Identifying, planning and prioritizing the technical requirements that will enable redevelopment in established areas
- Council approval of an Established Area Growth and Change Strategy scoping report, and identifying 8 key deliverables that will define success for that strategy
- Focusing on streamlining communication and sharing the industrial sector’s benefits broadly; and
- Completing the implementation of the Explore approach, and continuing work on the Circulation and Transportation Impact Assessment processes for development applications.
- Effective collaboration is achieved when the results of the team’s efforts are greater than those that the individual members could achieve on their own. The Industry/City work plan lays the foundation for this collaboration, and the successes of this effort are discussed in this report.

## Initiative Updates

The priorities for each initiative have been developed, reviewed and approved by respective Working Group members and the Developer Advisory Committee.

The purpose of the Industry/City work plan is to improve the development context in Calgary through the work plan initiatives. In 2018 January, Administration reported on the progress of the four initiatives in the 2017 work plan (PUD2018-0021). Four key initiatives comprise the 2018 work plan:

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

### New Community Growth Strategy

#### Background

The New Community Growth Strategy initiative implements the Growth Management Overlay policy tool by aligning planning and infrastructure resources. This initiative has been focused on how to enable development and attract and retain capital and jobs in Calgary. This initiative specifically has focused on topics such as developing alternative funding options for capital and operating costs to accelerate new community development, addressing cumulative operating cost impact, and increasing accountability in reporting. The priority for 2018 was establishing a framework for strategic growth decision making and recommending new community investments for the 2019-2022 budget cycle.

#### Purpose

The purpose of the New Community Growth initiative for 2018 was to:

- Establish a framework for strategic growth decision making.
- Establish principles and criteria for prioritizing areas that could have Overlays removed.
- Align with growth-related infrastructure prioritization work.

- Explore funding arrangements and options for alternate capital and operating cost funding with Industry.
- Gather information and analyze annual operating costs to better understand impacts on budget resulting from advancement of additional growth areas. Evaluate and implement options.
- Continue to improve the annual off-site levy report and process.

### Results/impact achieved in 2018

#### Business Cases: Prioritize business cases for budget consideration

Administration evaluated 12 business cases submitted by private developers (representing 16 potential new communities) against criteria created to reflect the three key factors used in growth decision making - Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) Alignment, Market Forces, and The City's Financial Capacity. A portfolio of eight communities was recommended by Administration to the Priorities and Finance Committee on 2018 June 28 (report PFC2018-0678). Council approved 14 new communities on 2018 July 30 (report C2018-0900).

Through the business case review process, BILD Calgary and a group of developers were kept informed of the work by Administration. Broad understanding on the framework was achieved. Administration also worked extensively with business case developers in order to ensure the evaluation was fair and transparent.

#### Report back in Q1 2018 to PFC on a framework for strategic growth decision making, including:

- a. Process articulation (within and outside of City budgets)
- b. Alternative funding options for capital and operating costs
- c. Cumulative impact monitoring

## Implementation of framework

Administration brought forward a New Community Growth Strategy (report PFC2018-0200) to Council on 2018 March 19, which explored different funding options for capital and operating costs. However, as no new, mutually agreeable alternative funding methods were discovered, and with the need to make new community investment decisions in time for the One Calgary 2019-2022 budget approvals, it was decided to continue with the existing funding model based on property taxes and off-site levies.

Following the approval of the 14 new communities in July, Growth Management Overlays for the approved new communities were removed. Growth Management Overlays were also brought forward for existing developing communities based on One Calgary budget approval.

As per Council direction from 2018 March, funding considerations for new community business cases will be considered as part of a two year cycle in alignment with mid-cycle budget adjustments. Moving to a two year evaluation cycle provides certainty in process, with enough flexibility to meet market demand and allowing The City to consider financial implications at budget time.

The New Community Growth Strategy provided a clear process to determine when and where The City should grow, providing greater certainty for private investment decisions. Continued investment strengthens existing services and provides for additional services in actively developing communities. The City's investment also leverages private investment to help achieve The City's goal of A Prosperous City.

To monitor the cumulative impacts of the New Community Growth Strategy, Council directed Administration to return with a monitoring report in Q4 2019. This monitoring report will be an important tool for communicating the emerging results (expenditures and growth) of the Strategy.

## City financial reporting and planning (Off-site Levy Bylaw/next budget)

The 2017 Off-Site Levy Annual Report was completed in Q4 2018 and published on Calgary.ca in 2018 December.

All off-site levy collections and expenditures are reviewed to ensure appropriate allocation and use. The report identifies off-site levy projects and development timing, to ensure Industry has information on where levies are being used and when infrastructure is planned to be completed. The report also identifies projects where The City front-ended the costs of construction, and progress is being made towards repayment through levy collection.

An amendment to the Off-site Levy Bylaw was required to incorporate the utilities and transportation infrastructure needed for the 14 new communities. This amendment also ensures a funding source is available to move forward with the delivery of this infrastructure. The amendment (report PFC2018-0973) was approved by Council at the 2018 November 12 Council meeting.

Administration incorporated the new and actively developing communities operating and capital needs into the One Calgary 2019-2022 Service Plans and Budgets that was approved in 2018 November. The budget approval ensures the actively developing communities will be able to continue developing, and services can be provided to citizens.

Continuously improving The City's financial reporting provides confidence to citizens and customers that The City is appropriately and efficiently allocating the necessary resources to deliver and complete the required infrastructure projects.

## Challenges

### Clarifying how infrastructure is funded

In preparation of the One Calgary service plans and budgets, there has been some confusion

from developers and Council members about how new community infrastructure is funded, and what if any spillover effects the New Community Growth Strategy has had on other budget opportunities. Analysis and communication should be undertaken to improve understanding across the different groups mentioned above.

### **Defining operating and capital budget requirements for the business cases and actively developing communities**

Defining specific budget requirements for new growth, and how the requirements should be attributed, was a challenge. Developers and The City worked together to model the amount of proposed development and required infrastructure and services over the 2019-2022 budget cycle. Last minute refinement to costs estimates was a result.

### **2019 Work Plan Tasks**

#### **Monitor the implementation of the New Community Growth Strategy including cumulative impact monitoring**

Administration, working together with Industry, will monitor market forces and the amount of development within the 14 new communities as these communities build out.

Administration will also monitor the delivery of infrastructure and services, and report back on the budget allocation dedicated to the 14 new communities, and the actively developing communities through the One Calgary Mid-Cycle Adjustment process.

#### **Linkage to city-wide funding and financing tools discussion in the Established Area Growth and Change Strategy**

The New Community Growth Strategy will work alongside the Established Area Growth and Change Strategy to identify financing tools that could be applied across the city.

### **City-wide capital and operating options that share risk, leverage private investment, reduce City costs, and provide mutually beneficial outcomes**

Administration was directed by Council as part of the 2018 New Community Growth Strategy report PFC2018-0200, to work collaboratively with Industry members to explore potential alternative capital and operating options that could be applied across the city in industrial areas, established areas, and greenfield areas. Although this direction arose as part of the new communities discussion, this work will focus on all types of development through linkages as outlined below.

#### **Linkage to Off-site Levy Bylaw review**

The New Community Growth Strategy will link in with the scheduled Off-site Levy Bylaw review to be completed by 2021, by reviewing infrastructure and growth projections as well as potential funding options.

#### **Preparation for One Calgary Mid-Cycle new community business case review process. Provide direction around Growth Management Overlay removals, business case review processes, and geographic definitions**

Administration will work with Industry to set schedules, deadlines, and submission expectations ahead of accepting and reviewing business cases for the mid-cycle adjustment process in 2020. Following approval of the New Community Growth Strategy, there have been some questions about how the relationship between the areas presented in the business cases, the areas where the Growth Management Overlay was removed, and the areas that benefitted from infrastructure all tie in together. Focused effort in 2019 should help to address these questions by explaining the purpose of the business case process, how Growth Management Overlay removal area is determined and relationships to servicing catchment areas.

## Established Area Strategy

### Background

The Established Area Strategy focuses on reducing barriers to redevelopment related to the costs of redevelopment, utility infrastructure information, funding growth, policy implications, and application processes.

The Working Group comprised of Industry and City representatives that supports this strategy has prioritized their actions for 2019, and remains focused on the key outcomes that have been identified. In addition, this Working Group provides feedback on many policy initiatives that are outside the scope of the work plan, but that influence and support redevelopment in Calgary. This has been valuable for these initiatives.

### Purpose

The following are the actions that were confirmed by the Working Group in early 2018, and modified in mid-2018. Many of these actions continued from work started in 2017.

The purpose of these actions is to reduce risks to successful redevelopment projects, both through direct and indirect project costs, transparency and predictability of critical information, and strategic investment in communities that are experiencing redevelopment pressures.



## Results/Impact achieved in 2018

2018 was a year of continued actions from 2017, combined with new actions that developed over the course of the year. Ultimately this initiative undertook nine unique actions that looked to mitigate a variety of challenges experienced by redevelopment, and work towards a strategic investment plan for redevelopment and change. The contribution of the Established Area Working Group was highly beneficial to understanding the unique challenges that redevelopment has in Calgary, and the dedication of the members to support this initiative was substantial and consistent. The work completed through this initiative and the supporting Working Group, has laid the foundation for the Established Area Growth and Change Strategy.

### Explore reductions to targeted costs of redevelopment

Securities are funds held in deposit by The City during various stages of a redevelopment project. Both the security retained at Development Complete Permit (DCP) stage, and that for Excavation and Shoring were considered for reduction. The DCP security was reduced from 150% to 110% of the value of outstanding project work as of June 1, 2018. This translates to between \$4 and \$8 million that remains with developers and can therefore be put towards other development opportunities.

The current system of determining the value of Excavation and Shoring securities was reconsidered. Several alternatives were explored that increased the risk to The City to a level that was deemed unacceptable. Therefore, no changes were put forward as a result of this work, and the Established Area Working Group agreed to end the pursuit of this action in favour of higher priority opportunities.

The potential to waive the community services portion of the Centre City Levy was considered as an option to lower the cost of redevelopment. In mid-2018 the Established Area Working Group generally supported the continued collection of

these charges as this money directly supports public amenity investment in the Centre City and complements other funding sources to deliver capital projects. These levy charges have held steady since 2010. In Q4 discussions were revisited regarding the community services portion of the charges, and discussions are anticipated to continue into 2019.

Background information on the performance of the variety of bonus density programs was assembled to understand how well these programs have supported public amenity improvements since implementation. Further work on improved tracking and reporting formed work into Q3/Q4 of 2018, and will continue into 2019.

### **Scope how policies and initiatives both benefit and impact Redevelopment Areas considering costs, infrastructure requirements, and MDP alignment**

On 2018 March 8 a workshop was held with industry members and cross-department representatives to identify challenges to redevelopment, and the initiatives that are helping to support redevelopment. Several challenges were identified, explored and prioritized. This provided a more fulsome understanding to Administration of some common challenges to redevelopment, and where the opportunities are to address them. This information was used to inform the 2018 work undertaken in the next action discussed below.

### **Pilot one community to identify, plan and prioritize technical requirements that will enable redevelopment to be realized**

The workshop on March 8, noted in the previous action, informed a discussion about defining a specific area to concentrate efforts on reducing challenges to redevelopment in the short term. Both industry members and internal cross-department members agreed that the 17<sup>th</sup> Ave SW corridor between 37 St SW and Crowchild Trail would be a good candidate to investigate market interest and opportunity for redevelopment. This decision prompted more integration between the Established Area Initiative

and the Main Streets design work for this corridor. Moving forward, work in design and construction of the Main Street corridor presents an opportunity to address some of these challenges, and translate lessons learned to future Main Streets projects.

### **Review of underutilized road rights-of-ways on key corridors**

One challenge to redevelopment that has been identified by Industry members is the limits to encroachment into road right-of-way setbacks below and above grade. In 2018, Transportation worked on increasing flexibility for underground parking structures and above-grade building design to extend into the setback area where encroachments don't conflict with the other purposes of the right-of-way. The work to develop principles to guide these decisions is ongoing and will help increase design flexibility for buildings on key corridors, which in turn increases project feasibility.

### **Further development of funding tools for Developed Areas investment**

Assembly of background information on existing bonus density programs was done through 2018, as well as discussions about suggested actions to refine how these programs support public amenity investment. Discussions with the Working Group and internal staff will help identify and develop any ideas for program improvements through 2019. As opportunities to improve programs are identified and undertaken, this increases the effectiveness of this tool in supporting public amenity investment as communities experience redevelopment pressures. The work to evaluate this investment tool will be incorporated into the Established Area Growth and Change Strategy for 2019.

### **Water Resources site-specific utility information requests – pilot implementation**

Through 2018, Water Resources explored how best to increase access to local utility information for potential redevelopment sites. Increased access to information helps identify at an early

stage the need, and likely cost, of utility upgrades that may be required as part of a redevelopment project. This decreases the financial risks of a redevelopment project. Recent projects were used to model the type of information that Water Resources could provide on given timelines, and the value of this information was considered by the Working Group. The group agreed that a Water Resources-only pre-application process would be a valuable new service.

### **Centre City Levy review and annual report**

The annual program report was delivered to Priorities and Finance Committee and Council in June 2018 (report PUD2018-0389). The Working Group identified improvements to the program to facilitate more effective support of public amenity improvements and investment in the utility network. In addition, changes should reflect the new legislation that governs levies within the Municipal Government Act. As a comprehensive review requires a substantial commitment of resources and time, and coming forward with incremental changes is not ideal, there have not yet been proposed amendments recommended to Committee and Council.

This work will be examined for potential action when this levy is reviewed and will build on the discussions that have occurred to date. A robust and modern levy provides cost certainty to developers and increases the effectiveness of related investment in public amenity and utilities needed to support redevelopment.

### **Established Area Growth and Change Strategy scoping and work**

A bulk of the effort through Q2/Q3 2018 was spent scoping strategic work for the Established Area Growth and Change Strategy. This work was not anticipated in a formal way when priorities were identified in early 2018, thus was an addition to the identified actions from 2018 January. The scoping report for this Strategy was approved by Council in 2018 September with eight deliverables. This resulted in work focused on several deliverables through Q3/Q4 2018, and the creation of a new Advisory Group of stakeholders

to help guide the work. This Advisory Group will be supported by several focused Working Groups in 2019 that will work to create information that supports the recommendations of the Strategy.

This effort will extend through 2019, including an update report in May 2019. This strategic thinking also supported the One Calgary discussions regarding investment in growth-related infrastructure and amenities within the established areas of the city in Q3/Q4 2018.

The end goal of this strategic work is to have a dedicated approach to supporting redevelopment in existing communities which helps meet the long term policy goals outlined in the Municipal Development Plan.

### **Staying connected to ongoing policy work**

In 2018, the Working Group decided there would be benefit in holding quarterly meetings that focused on connecting with project leads from other initiatives that have an impact on redevelopment. The Working Group heard project updates and provided input into approximately twelve projects, including TOD/Green Line, Bridgeland/Riverside Area Redevelopment Plan (ARP), Inglewood/Ramsay ARP, Killarney ARP, Beltline ARP, Baseline Engagement, Community Representation Framework, Centre City Plan Refresh, Main Streets, Developed Areas Guidebook, Municipal Development Plan Monitoring, and changes to the City's concurrent applications process. This effort to connect project leads to the working group continues to demonstrate value by gaining industry feedback early in the project. This creates more robust policies and project outcomes that consider the specific challenges of redevelopment. This action is expected to continue through 2019.

### **Challenges**

#### **Variety of Initiatives**

After finalizing the work plan actions for 2018, an additional action of scoping and beginning the work towards an Established Area Growth and Change Strategy was identified. While there is

recognition that the work plan for each year is flexible and evolves over the course of the year, the list of actions for 2018 substantially increased with the addition of the Strategy to the work plan. In addition, resources were required to support the development of the One Calgary (2019-2022) Service Plan and Budget in 2018 Q4. It was therefore challenging to pursue work on all initiatives simultaneously, and resulted in slower progress of some actions than what was originally envisioned in early 2018.

### **Legislative Changes**

Through 2018, there was anticipation of the announcement of components of the new City Charter regulations. While anticipating this legislative change, the review of the Centre City Levy was paused. Fiscal framework information was released by the Province of Alberta in December which supports how The City may move forward in this review.

### **2019 Work Plan Tasks**

#### **Established Area Growth and Change Strategy**

For 2019, the highest priority actions will be related to the Established Area Growth and Change Strategy. This is an 18-month program of work supported by a variety of stakeholders. Work includes initiating the working groups, setting the context, best practices research, identifying critical infrastructure and public amenities, developing sustainable financial and planning tools, identifying opportunities to leverage investment, developing a decision process for investment recommendations, outlining a strategy for March 2020. There is an update report due by May 2019 to the Priorities and Finance Committee.

The ultimate program outcomes will emerge in early 2020 as a set of formal recommendations to Committee and Council to implement strategic tools and investments to support redevelopment goals. Report PFC2018-0891 provides more details on the intent of the work, and the program deliverables, timelines and stakeholders.

The Established Areas Working Group and the Developer Advisory Committee agreed that prioritizing this work for 2019 means that several other initiatives will be paused in order for both internal and external resources to be dedicated to the overall Strategy.

The scope of the review of bonus density programs will be reduced to improving internal tracking, identifying program improvements, and understanding where bonusing programs are likely to be successful in supporting public realm investment.

#### **Established Areas Working Group**

With the identification of the multi-stakeholder Established Area Growth and Change Strategy as the key priority for 2019, there is an anticipated shift in meeting frequency with the existing Established Areas working group. To sustain the valuable discussions and relationship that has been established, this group will continue to support the market characterization of the Strategy work, and a select number of initiatives in 2019.

#### **Staying connected on ongoing policy work**

Given the benefit of discussions with project leads on related initiatives through 2018, this effort is anticipated to continue, using the quarterly meeting protocol. This facilitates input from Industry members into projects that may have impact on redevelopment.

#### **Centre City Levy Annual Report for 2018**

The 2018 annual Centre City Levy report is anticipated for delivery to Committee in June 2019, with review of reporting information by members of the Working Group.

#### **Paused Initiatives**

There are a number of actions that the Industry and City agreed will be paused in 2019 in order for resources to be dedicated to the Growth and Change Strategy. If additional resources are found in 2019, further work could be undertaken on the following initiatives. Further, if certain

paused actions are found by easier to implement or critical to the overall Strategy, they may be reintroduced.

### **Reducing challenges to redevelopment in a priority market area**

Further to Action 3 in 2018 to pilot one community to prioritize technical challenges to redevelopment, as the Main Streets program continues to design key corridors and move towards a construction phase in some areas, connections will be explored and actioned when there are opportunities to reduce technical challenges to redevelopment. In particular, this effort is anticipated to examine the 17<sup>th</sup> Ave SW corridor between 37 ST SW and Crowchild Trail, as identified as an area of short term market interest with opportunity to address challenges.

### **Implement a Water Resources-only pre-application process**

Water Resources' solution to the site-specific utility information pilot – a Water Resources-only pre-application process – garnered support from the Industry Working Group. In 2019, Water Resources may find resources to work towards implementing this new tool for potential applicants to obtain City information on the utilities related to their site, depending on the scope and progress of the Established Areas Growth and Change Strategy.

### **Review and update the Water Resources Redevelopment Strategy**

Water Resources may also find capacity to review and update their Redevelopment Strategy, which was created in 2016, depending on linkages to the Established Area Growth and Change Strategy. This strategy outlines the approach to support redevelopment and highlights key action items. This review is timely to ensure alignment with the Strategy.

### **Encroachment into underutilized road rights-of-ways in key corridors**

The Transportation-based work to explore encroachment of building design into underutilized

road rights-of-ways may move forward in 2019, depending on resources, by further developing some principles that will identify the conditions under which a design encroachment would be appropriate.

## **Industrial Strategy**

### **Background**

This initiative focuses on identifying opportunities to support industrial development through policy considerations and comprehensive strategies. The long-term focus of the Industrial Strategy Working Group is to maintain and grow the industrial tax base, by developing strategies that support the industrial sector's long-term prosperity and strengthen Calgary's position as an inland port.

### **Purpose**

The purpose of the Industrial Strategy is four-fold:

1. Identify strategies for continued support of industrial development;
2. Provide continued analysis of industrial land supply;
3. Monitor the impacts of the levy rate on industrial development and gather information to inform the next bylaw review; and
4. Review and recommend possible policy changes.

The 2018 work plan builds on the framework that was established in 2016, and on the short and medium-term priorities that were identified in 2017. The focus of 2018 was largely on addressing some of the broader challenges around information access and distribution as well as on responding to inquiries around servicing needs and site planning considerations for industrial parcels.

## Results/impact achieved in 2018

### Complete industrial education work

There was a focus in 2018 to make the benefits of the industrial sector more accessible and easier to understand. Website updates were published in mid-2018 highlighting the sector's contributions to the economy and job-creation, the advantages of Calgary's investments in the transportation network and other infrastructure, as well as industrial land policies as outlined in the Municipal Development Plan and area structure plans.

[Calgary's Industrial Sector](#) website update was shared with Industry, promoted to BILD and NAIOP distribution lists, is cross-linked on numerous City of Calgary websites, and was announced in the City's Dispatch e-blast newsletter in July.

### Conduct additional research around the cost/value proposition for industrial development in Calgary relative to some regional municipalities

Calgary Economic Development was engaged to share findings of the 2017 Calgary Location Cost Index that focused on understanding Calgary's relative business costs competitiveness, outside of the oil and gas sector. The index considered development and operating costs in the Calgary region in relation to selected competing metro regions throughout North America. Through the creation of a sub-committee, there was also focus on assessing Calgary's industrial competitiveness in relation to neighbouring rural municipalities. Considerations of property tax rates, off-site levies, and general servicing and infrastructure considerations were presented. The Working Group will continue to monitor the city's industrial competitiveness.

A review was completed of customer concerns and of an industry report that considered pipe-sizing requirements and industry recommendations to improve standards in Edmonton. Water Resources reviewed the Edmonton report and shared their findings with

the Industrial Strategy Working Group as it relates to Calgary. It was revealed that Calgary is already utilizing sanitary flow criteria more representative of current day practices as recommended in the report. Findings revealed that Calgary's current sanitary design standards for wastewater generation rates are appropriate and not overly conservative. No further revisions to these standards are necessary.

### Explore mutual access issues

Industry input was collected on mutual access driveway considerations for industrial parcels. Administration will articulate The City's considerations and current approach, and investigate opportunities to address Working Group feedback gathered to improve site access.

### Provide input to prioritize infrastructure investments for the next capital budget in industrial areas

Workshops were held with the Working Group in advance of the development of the One Calgary (2019-2022) service plan and budget that identified City funded transportation upgrades that would further support industrial development in this budget cycle and beyond. These priorities were shared with Transportation to help inform their project budget planning work. They were also considered of value to the Goods Movement Strategy which cross-identified similar infrastructure investment opportunities to support the movement of goods and people.

### Provide input on policies, and local area planning updates, that impact the industrial sector

Fostered opportunities for the Industrial Strategy group to provide comments and insights on related policy updates that impact the sector, including the Chinook Station Area Redevelopment Plan.

Comments and insights were also provided on related policy updates or strategies that impact the sector, including the Goods Movement

Strategy, and the 2018 Bus Rapid Transit Service Plan for the Southeast Industrial Area.

### **Continue to build partnerships and to provide input in support of industrial development**

Industrial Strategy Working Group meetings continue to be energetic, productive and well attended; and the group even welcomed new members in 2018. The group has maintained a collaborative approach and continues to foster partnerships by linking to other initiatives that have an impact on Calgary's industrial sector.

Industrial Strategy work was linked with the New Community Growth Strategy, which resulted in the approval of 14 new communities, 4 of which include commercial and industrial components. For this work, the group also provided feedback on the Off-site Levy Bylaw adjustments to facilitate the development of the new approved communities.

Lastly, Administration began work with Calgary Economic Development to prepare a report on the feasibility of the Nose Creek business case and investment opportunities in the Nose Creek industrial corridor. This report will be presented to the Priorities and Finance Committee on 2019 January 22.

### **Continue to provide input on relevant continuous process improvements work**

Input was provided regarding Continuous Process Improvement considerations related to efficiencies for small businesses. The Working Group maintained a high level of engagement and commitment to this project as demonstrated by productive meetings and good progress on the work plan.

### **Challenges**

#### **City staff resources**

Resources continue to be stretched for the amount of work and effort required for the success of this initiative, and for the anticipated delivery of the city-wide Industrial Growth

Strategy, especially given the current focus and needs of the Established Area Growth and Change Strategy. Similar resourcing pressures have been felt by industry members.

### **Broad scope of work**

Numerous action items and priorities have been suggested for consideration by the Industrial Strategy Working Group. It will be very important to narrow the focus of the strategy for 2019 and define the scope of work that is achievable.

### **2019 Work Plan Tasks**

#### **Begin development of a framework for the city-wide Industrial Strategy and prepare a scoping report for Council**

Looking forward to 2019, the highest priority actions will be related to creating the framework for the city-wide Industrial Strategy and detailing that in a scoping report to Council. This will require defining program goals and outlining the main intentions behind a city-wide Industrial Strategy. This strategy will need to reflect both private sector goals as well as those of Real Estate and Development Services who manage city-owned industrial lands.

#### **Continue to explore mutual access issues**

Please see comments provided on this task under Results/impact achieved in 2018.

#### **Linkage to city-wide funding and financing tools discussed in the Established Area Growth and Change Strategy**

The Working Group will work collaboratively with the Established Area Growth and Change Strategy on any financing tools that could be applied in industrial areas of the city. The Working Group will also advocate for the protection of industrial land uses in the established areas.

#### **Updates on industrial land supply and development activity in Q2 and Q4**

A focus will be maintained on monitoring the land supply for Calgary's industrial sector and including development permit activity at mid-year and at the end of the year.

### **Linkage to the Off-site Levy Bylaw review - provide input on how the industrial sector can remain competitive in attracting and maintaining investment**

A key consideration for 2019 is to inform the Off-site Levy Bylaw review through input on how the industrial sector can remain competitive in attracting and maintaining investment. To be successful in this endeavor, work will need to be carried out to determine industry-wide recommendations for the review.

### **Linkage to city-wide policy planning, including the Stormwater Strategy and the MDP/CTP review**

The Industrial Strategy Working Group will continue to build partnerships and provide input on key policy development, local area planning updates, and continuous process improvement work with impacts to industrial development. In 2019, there will be a focus to link to city-wide policy planning, including the Stormwater Strategy considerations and the MDP/CTP review.

### **Regional considerations and competitiveness, including updates on Calgary Metropolitan Regional Board work**

To remain abreast of regional changes, the Working Group will include a focus on regional considerations and competitiveness, including updates on Calgary Metropolitan Regional Board work and policies that impact the industrial sector.

## **Continuous Process Improvements**

### **Background**

The Continuous Process Improvements (CPI) 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. In addition to the process improvement efforts with Industry, noteworthy structural changes to the approval process have been put into place, or will be put in place, to identify and make improvements to: governance, applicant relations, Final Acceptance Certificates, and aid in corporate decision making on land development issues.

### **Purpose**

The Continuous Process Improvement Project has been focused on three key aspects: accountability, clarity, and transparency. CPI has worked to ensure that applications are processed in a timely manner, with customers having a clearer expectation as to what they will expect from the City in regards to timelines and scope of reviews. As well, we have been working with our Industry partners to define the services that they need from The City, to ensure that Calgary remains an attractive city to invest in.

### **Results/Impact achieved in 2018**

#### **The Explore project is now complete**

The Explore project has been completed. The results we have seen from this project is that an enhanced version of the pre-application process is now being used by city staff. To support this change, new business processes have been developed that help support our customer's needs.

We have already started to see the benefits of this new process. These include: the opportunity for community associations to be part of the process, city staff completing a review of the project before meeting with customers, customers being provided an assessment form prior to meeting with city staff, a reduction in the amount of staff time needed for meetings in comparison to the previous process, and discussions that are

focused on the topics that have been identified by the customer.

### **The Completed Construction Certificate (CCC)/Final Acceptance Certificate (FAC) project has identified recommendations**

The CCC/FAC project has spent the past year with city and industry members to identify issues with the CCC/FAC process, and develop solutions that have been identified by the project team.

Multiple workshops and interviews were completed to establish gaps in the CCC/FAC process. Through this work, the project team reviewed the current CCC/FAC process and identified areas of improvement, and a number of recommendations were developed. The expected benefit of the implementation of these recommendations will result faster release of securities, increased clarity and transparency of city processes, clear expectations for stakeholders, smarter decision making between business units, increased accountability, increased internal efficiency, and realized cost savings for industry members.

The project also identified a multi-year timeline of implementation. Implementation of these recommendations will occur through its own project.

### **Construction drawings project has identified recommendations**

Similar to CCC/FAC, the construction drawing project did a full review of the current state of processing applications. Interviews were conducted with Industry members to understand their experience of the construction drawing review process. This work identified areas where The City was not providing applicants with clear processes or expectations.

Through these interviews and review of the Construction drawing process, the project team was able to develop recommendations that would help the processing of these types of applications. These improvements are focused on improving communication with our customers, revising the internal processes of review, and revising what the City is asking for from our customers. We are

expecting that the implementation of these recommendations will result in: issues being resolved prior to application submission, a reduction of re-submissions, and improved clarity and direction for customers.

## **Challenges**

### **Internal and External Resources**

The Continuous Process Improvements initiative has been tasked with managing the work for multiple projects. In some cases both internal and external resources were required to contribute to several actions, amongst many other projects requiring their attention. Members of BILD Calgary have been extremely accommodating of Administration's requests; Administration has been equally accommodating of the requests of the Working Group for this initiative.

### **Change Fatigue**

The Continuous Process Improvements initiative has led to considerable process changes and enhancements in a short period of time. This work has resulted in the risk of change fatigue. To mitigate this concern, Administration has embedded change "champions" in all work, with the purpose of identifying the benefits that come with each change being implemented.

### **Impacts and decisions of other projects**

The scope of Continuous Process Improvements initiative covers most of the approvals continuum, ranging from Outline Plans to occupancy. The decisions of other projects that impact these file types can have an impact on the Continuous Process Improvements initiative. Administration has mitigated this issue by reporting to a City Administration committee, which allowed the team to have a better understanding of other projects and decisions being made.

## **Staffing Changes**

Staffing changes has resulted in gaps in the representation of stakeholder groups in some cases at key periods in the work required for each action. Additional staff turnover could impact the completion date of the actions listed in this report.

## **2019 Work Plan Tasks**

For the Continuous Process Improvement initiative, the focus will be on the three actions that started in 2018, and implementation of recommendations identified over 2018.

### **Construction Drawing and Completed Construction Certificate/Final Acceptance Certificate Implementation**

Work continues with the implementation of the recommendations that were identified in the Construction Drawing & Completed Construction Certificates/Final Acceptance Certificates. It is expected that the implementation of the Construction Drawing recommendations will be completed in 2019, and the CCC/FAC implementation will require a multi-year timeline to complete. These projects will use the recommendations identified in their previous projects, to implement new business process and procedures that will enhance the efficiency of application reviews.

### **Standard Comment Library and Detailed Team Review Template revisions**

The project team will be updating the standard comments used to review applications. The project team is working with Industry members to ensure that the changes are understandable by our customers. The project team is also reviewing the templates that are used for assessing applications. The purpose of the template

changes are to see if The City can provide customers an assessment of their application that is easier to understand, and presents key information in an easier format. This project should be completed by Q2 of 2019.

## **Application Circulation**

The circulation project started in 2018 and will continue to 2019. The purpose of this project is to review and validate the circulations that are occurring on applications. It is expected that this review will increase the consistency of circulations so that similar applications have similar circulations and are not under- or over-circulated. This project should be completed by Q2 of 2019.

## **Transportation Impact Assessments (TIA)**

The TIA project will be completing an assessment of the TIA review processes. The project team will be reviewing issues with the review process, and identifying and implementing solutions to those issues. It is expected that this review will result in enhanced submissions, and will review protocols of TIAs, alignment of the TIA review with application timelines, improved mutual accountability of city staff and Industry members and improved consistency and predictability of the TIA process. After a review is undertaken, implementation of solutions is expected to be complete by the end of 2019.

## **Additional CPI projects to be determined collaboratively**

CPI resources are currently working with other City staff and Industry members to determine and prioritize what actions should be tackled next. Once we collaborate with our partners, we will be able to develop charters and timelines for future actions, and we will be able to update the stakeholders with the future direction of the Continuous Process Improvement initiative.