

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan – Refined Project Scope and Budget

EXECUTIVE SUMMARY

On 2018 June 25, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan, subject to developing funding options and exploring external partnerships. Administration's recommendation to use three different City sources to fund the Chinatown Cultural Plan and culturally-based Local Area Plan in the amount of up to \$1,000,000 was reviewed at the Priorities and Finance Committee (PFC) meeting of 2018 October 02. Pursuant to Section 134(a) of the Procedure Bylaw 35M2017, Administration's recommendation was forwarded to Council for information. At the subsequent Council meeting of 2018 October 15, Council directed Administration to reduce the forecasted project budget and contingency by refining the project scope, and return to Council no later than Q1 2019.

Administration has now refined the project scope for the Chinatown Cultural Plan and the Local Area Plan, and on that basis reassessed the expected project costs. The reassessment has resulted in the elimination of significant consulting costs that were identified in 2018 October. Based on the refined project scope, the overall consulting budget is now estimated to be \$500,000.

Three chief reasons can be attributed to the cost savings: (i) a refined project scope developed with stakeholder input has considerably reduced the uncertainty and the associated project contingency; (ii) a considerable amount of the Local Area Plan will be undertaken by Community Planning staff, which has reduced planning consulting costs; and (iii) assurance of assistance from community stakeholders, and meaningful collaboration from the University of Calgary's researchers as part of the Urban Alliance partnership has further reduced the need for professional consultants.

The direction to proceed with developing a Chinatown Cultural Plan and culturally-based Local Area Plan requires significant financial resources, extending over multiple years, and cannot be entirely supported through Planning & Development's budget. As a result, Administration recommends funding from two City sources be used to commence the Council-directed Chinatown work. Planning & Development's operating budget has the capacity to allocate \$250,000 over the course of two years. The remaining balance, in the amount of \$250,000, is requested through a Council Innovation Fund application (PFC2019-0282). Secured project funding will permit the project team to formally enter into pending Urban Alliance agreements and commence the Council-directed work.

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ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Authorize the withdrawal of \$75,000 in 2019 and 2020 for a total of \$150,000 from the Planning and Development's Calgary Building Services Sustainment Reserve to secure funding for the Chinatown Cultural Plan and Local Area Plan;
2. Approve the overall funding framework for the Chinatown Cultural Plan and Local Area Plan from two City sources, being Planning & Development's 2019 and 2020 operating budget and the Council Innovation Fund application in an amount totalling \$500,000; and
3. Report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a finalized scope of work by no later than Q3 2019.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 October 15, at Confirmation of the Agenda, Council brought forward the following items to be referred back to Administration to reduce the forecasted budget/contingency by refining the project scope and by continuing to work with external partners, including Urban Alliance, returning to Council not later than Q1 2019:

- a) Item 9.3.4, report [PFC2018-1107](#); and
- b) Item 9.3.5, report [PFC2018-1133](#)

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

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

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

1. Reconsider the reporting requirement arising from Council's direction regarding 2016 January 11 Notice of Motion NM2016-01 for Administration to report back to Standing Policy Committee on Planning & Urban Development by 2016 December on the broader scope of the work conducted with stakeholders, and direct Administration to report to the 2016 December 05 meeting of Council.

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

Land Use Application

On 2018 November 12, Council gave 3rd reading to Bylaw 38P2015 (being a Bylaw of The City of Calgary to amend the Chinatown Area Redevelopment Plan - LOC2012-0101/CPC2015-183/C2016-0907) and Bylaw 179D2015, (being a Bylaw of The City of Calgary to amend the Land Use Bylaw 1P2007 - Land Use Amendment LOC2012-0101/CPC2015-183/C2016-0907) as amended.

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

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

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

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

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Notice of Motion

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

BACKGROUND

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

Over the course of eight months in 2016 extensive engagement was carried out as a result of land use amendment application LOC2012-0101, and many discussions were had about the future of Calgary's Chinatown. Chinatown Phase 1 work leading up to 2018 June consisted of background research, preliminary project scoping and a high-level examination of costs and budget. As part of Phase 1 work of the Chinatown policy project, Council accepted the business case, summarized below, to proceed with the preparation of the Chinatown Cultural Plan and the culturally-based Local Area Plan (hereon in referred to as Chinatown Phase 2 work). The rationale outlined to proceed with Chinatown Phase 2 work included:

- Calgary's Chinatown is located along the gateway to Centre City, and serves as a critical link to communities of Eau Claire and East Village
- Construction on the Green Line is anticipated to start in 2020, and the current ARP and policy framework does not envision the integration of a new station nor does it promote or advance Transit-Oriented Development principles
- Chinatown is the cultural home to the Chinese community in Calgary and has the potential to become a more vibrant cultural hub and destination; and
- New developments in the community and demographic shifts and transitions could, over time, erode the community's distinctive cultural characteristics.

The outcome and response to Phase 1 work reaffirmed the importance of advancing Chinatown Phase 2 work. Administration had previously recommended that Chinatown Phase 2 work be primarily undertaken by external consultants due to complex community dynamics, broad public interest, cultural nuances, and extensive city-wide engagement.

At the 2018 October 15 meeting of Council, Administration recommended the minimum secured funding of \$600,000 for Chinatown Phase 2 work. Due to an undefined project scope, a generous contingency of up to \$400,000 was also recommended. At the Confirmation of the Agenda, Council referred the recommendation back to Administration with the direction to

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reduce the forecasted budget and project contingency by refining the project scope and continuing to work with external partners, including Urban Alliance, and return to Council no later than Q1 2019.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In response to Council's direction from 2018 October 15, the below actions were taken.

Project Scope

Starting in late October of 2018 and over a period of six weeks, Administration refined the preliminary project scope document that was prepared as part of Phase 1 work. Various feedback loops and touch points were set up during the six weeks that allowed for internal and external stakeholders to provide comments. External stakeholders included the Chinatown Community Association, Chinatown District Business Improvement Area (BIA), and several University of Calgary researchers affiliated with the Urban Alliance partnership.

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

On 2018 December 6, the updated project scope was circulated to various stakeholders with a five-week circulation period provided to solicit feedback. Various internal and external stakeholders shared feedback on the project scope. Feedback and comments received on the project scope are discussed in more detail in the following section of the report.

The preparation of the refined project scope document (Attachment 1) has allowed Administration to reduce scope uncertainty and adjust the associated project contingency accordingly. Attachment 1 forms the same scope shared with all external stakeholders. With a reduced project scope, the Local Area Plan work can now be undertaken by Administration whereas, due to the specialized nature of the work, the Cultural Plan component will require consulting expertise. As a result, the accompanying Cultural Plan is requested to be fully funded by the Council Innovation Fund application.

Refining the project scope has allowed the project team to build on previous work completed, and further advance new areas of work. For example, Chinatown's Eight Guiding Principles are aspirational statements that were developed through the 2016 engagement work in collaboration with the community. The principles were unanimously accepted by Council in 2016 to be used as an interim guide in reviewing planning applications in Chinatown. As part of Phase 2 work, the Guiding Principles will be added to the Local Area Plan to ensure they are visible to Administration, development industry, and citizens, and carry the weight of statutory policy.

Taking into consideration Council's previous direction from 2018 June, Administration has deliberately kept the refined project scope in "draft" status in order to allow Council's Standing Policy Committee on Planning & Urban Development (PUD) the opportunity to finalize the scope

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and provide project oversight. Should Council approve the budget for this work, Administration is prepared to return with a detailed and finalized scope of work to PUD in 2019 July.

Project budget and funding sources

Consulting costs to deliver Chinatown Phase 2 work are outlined in Table 1, and estimated at approximately \$500,000. The core budget as presented at the 2018 October 15 Council meeting has changed from \$600,000 to \$470,000, and the contingency reduced from \$400,000 to \$30,000. The overall projects costs will be higher once internal costs have been factored, and this figure is estimated to be approximately \$750,000. This is comparable to other Local Area Plan projects undertaken in the past – with the added benefit of a Cultural Plan informing the Local Area Plan as well.

The figures included in Table 1 are based on the refined project scope of work. Actual overall project costs may vary based on the Request for Proposal process and approval of specific Urban Alliance projects. Expense items have been split, where possible, and are based on the findings from submitted proposals by university researchers, relatable projects, and The City's 2017 Expression of Interest. Should the actual consulting costs increase from the estimated amount, a project contingency amount of \$30,000 has been earmarked within the overall budget. A refined and agreed upon scope developed with stakeholder input has provided certainty, and as a result, significantly reduced the project scope and contingency.

Table 1: Anticipated Chinatown Consulting Costs

PROJECT EXPENSE	ESTIMATED COST
Cultural Plan	\$110,000
*Local Area Plan	\$25,000
Urban Alliance Partnership	\$60,000
Engage Consultant	\$100,000
Communications & Engagement Implementation	\$125,000
Translation Services	\$50,000
Total	\$470,000
Project Contingency	\$30,000
Total consulting costs including contingency	\$500,000
*Note: the Urban Alliance partnership will assist with the delivery of the Local Area Plan and policy development.	

Council Innovation Fund

A Council Innovation Fund application co-sponsored by Councillors Farrell and Chu will be on the 2019 March 5 PFC agenda (see Report PFC2019-0282). The purpose of the Council Innovation Fund is to encourage innovation and pilot projects that support goals of Council and have city-wide application. Successful applications need to demonstrate the potential to change citywide policies and procedures, and support or contribute to initiatives that further Council's priorities.

At the time of writing, Administration's collaboration with the Urban Alliance had led to the submission of three research proposals that stand to benefit the delivery of Chinatown Phase 2 work. The Urban Alliance partnership has enabled academics from various fields such as Business, Environmental Design, Geography and Sociology to contribute to the project based on the refined scope. The cost associated with each proposal is approximately \$20,000, and

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collectively sum to \$60,000. Secured project funding will permit Administration to formally commit to the research and enter into pending cost agreements.

Integrating a Cultural Plan with a Local Area Plan is a new and emerging practice for municipalities. The City is moving towards a more deliberate and formalized approach to integrating a cultural lens when developing planning policy. In addition, Chinatown provides an opportunity to develop and pilot new engagement practices, which will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other communities across the city. The proposed Chinatown Phase 2 work would be innovative at both the local and national level, and could serve as a pilot project for a new way of informing future policy plans. The co-sponsored application is seeking \$250,000 from the Council Innovation Fund that currently has a balance of \$5,365,905.

Planning & Development Budget

Community Planning's budget has a total of \$220,000 for consulting costs for each base year. Administration's investigation to fund Chinatown Phase 2 work through Planning & Development's operating budget determined there is capacity to utilize \$50,000 from the Community Planning consulting budget in 2019 and 2020 for a total of \$100,000 over the course of two years. In addition, a one-time expenditure of \$75,000 in 2019 and 2020 for a total of \$150,000 is proposed to be funded by the withdrawal from the Calgary Building Services (CBS) Sustainment Reserve. The one-time unbudgeted draw from the CBS reserve will lead to Community Planning's base budget (program #612) to be increased, resulting in a net zero budget impact for the two years. This will enable Planning & Development to fund a total of \$250,000 of the anticipated Chinatown Phase 2 work over the course of two years.

Stakeholder Engagement, Research and Communication

Extensive City-led engagement was completed in 2016 as a result of a contentious ARP amendment and Land Use application in Chinatown. In responding to Council's latest direction, targeted consultation was undertaken between 2018 November and 2019 January as part of refining the project scope. Stakeholders included the Community Association, Chinatown District BIA, active community members and advocates, landowners and Urban Alliance researchers.

Overall, comments provided suggest that the preparation of the Cultural Plan should be well coordinated and sequenced so that the findings from the Cultural Plan work inform the built form policies of the Local Area Plan. Other pertinent feedback received that influenced the refinement of the project scope included:

- A comprehensive evaluation of the transportation (vehicular and pedestrian) network and parking analysis must inform future policies
- Project engagement and consultation should be planned around all ages, and include all of the various users that live, work and play in Chinatown
- Chinatown's culture and heritage should be referenced in the Local Area Plan, but that document itself should be focused, succinct and clear in its purpose;
- There must be clear linkages between the Cultural Plan and the implementation of the Local Area Plan policies; and
- The project team should utilize existing research and findings and build on the past work that The City has undertaken with the community.

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Members of the Chinatown Community Association and the Chinatown District BIA reiterated their support for the Phase 2 project work and provided assurances that commit future community involvement and the donation in-kind of time and services to further offset some of the expected costs in the delivery of Chinatown Phase 2 work. As part of these community discussions, contributions from the community could include assistance with some aspects of translation, assistance with advertising and promotions, and subsidizing the full or partial cost of event venues. The community's assistance has the possibility of further reducing project costs and improving the effectiveness of consultation and overall engagement.

Chinatown Phase 2 work will require additional purposeful, intensive engagement with citizens, the development industry, community groups, and Council. Creating opportunities for further dialogue will inform the project's communications and engagement strategies prior to the finalization of the project's engagement plan. This project's engagement plan will be a critical component that integrates cultural considerations into the built-form policies of the Local Area Plan.

At the time of report finalization, letters of support to proceed with the Chinatown Phase 2 work had been received from Calgary Tourism, Calgary Economic Development, University of Calgary, Calgary Heritage Authority, Chinatown District BIA, The Calgary Chinese Elderly Citizens' Association, QuadReal Property Group, Anthem United Communities, and John Hooks of PHX Energy Services Corp. (refer to Attachment 2).

Strategic Alignment

Secured funding to undertake Chinatown Phase 2 work aligns with direction from the *South Saskatchewan Regional Plan* (SSRP), which directs municipalities to increase the proportion of new development within already developed lands through infill and redevelopment. Further, the SSRP calls for planning to be undertaken in such a manner that new development makes use of existing infrastructure.

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

Social, Environmental, Economic (External)

Work on the proposed Chinatown Phase 2 work will provide new comprehensive policies and growth direction based on social, environmental and economic priorities of community stakeholders and all Calgarians that work in, live in, and visit Chinatown. Direction and secured funding for Chinatown Phase 2 work will advance the following Council priorities:

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- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency and be a place of opportunity.
- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life.
- A City That Moves – Ensuring access to safe and affordable transportation choices.

Financial Capacity

Current and Future Operating Budget:

Information presented within this report has an impact on the future Planning & Development operating budget with \$250,000 earmarked towards the consulting cost to undertake the next phase of the Chinatown work. One hundred thousand dollars will be funded from Planning & Development's base budget with the remaining \$150,000 funded from the expenditure budget (as per Administration Recommendation 1) to be fully offset by a revenue increase, resulting in a net zero impact on the budget. Secured funding from the Planning & Development operating budget and the Council Innovation Fund application provides a lump sum total of \$500,000, which is adequate to deliver the refined project scope.

Current and Future Capital Budget:

There are no impacts regarding this request.

Risk Assessment

Chinatowns across North America are facing a number of pressures that threaten their continued existence. Calgary's Chinatown finds itself at a cusp whereby a new vision is needed to strengthen the community identity and provide direction on the suitable integration of new developments. Failure to secure the requested funding for Chinatown Phase 2 work will result in the continued existence of an outdated policy plan that does not align with higher order policies and corporate objectives stated within the *Municipal Development Plan*. An outdated policy framework makes the review and outcome of current and future planning applications more unpredictable and costly. This may put the community, customer, Council, and Administration in a position of uncertainty, and delay timely approval of applications. Inevitable demographic changes and the development of the Green Line will undoubtedly affect the community. The continued surge in the willingness from the community members to participate in a new direction, if not capitalized and appropriately funded, could be a missed opportunity.

Without a source of secured funding, the progress of the project is compromised. Appropriately funding Chinatown Phase 2 work enables an opportunity to pilot a new way of informing future Local Area Plans by integrating a cultural lens when developing built-form policies.

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REASON(S) FOR RECOMMENDATION(S):

The appropriate funding for Chinatown Phase 2 work presents a unique opportunity to define a detailed vision for Chinatown's future based on current policy and corporate objectives. Securing project funding of \$500,000 through the Council Innovation Fund and Planning & Development's operating budget avoids significant risks that will delay the delivery of the Council-directed Cultural Plan and the Local Area Plan. Piloting new processes that include engagement practices that will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other plan areas across the city sets this project apart from other Local Area Plan projects. Without new direction for Calgary's Chinatown, the processing of future planning applications, especially adjacent to the Green Line light rail network may be further complicated. Secured funding for this project will send a strong message of commitment for a vibrant and active Chinatown into the future.

ATTACHMENT(S)

1. Refined Chinatown Phase 2 Scope of Work
2. Chinatown Cultural Plan and Local Area Plan – Letters of Support