

Background and Progress Update for the Strategy and Main Streets Investment Program

The purpose of this attachment is to provide background on the two initiatives being updated through this report, and to comment generally on linkages.

Background on the Established Area Growth and Change Strategy

The creation of the Established Area Strategy initiative of the Industry/City Work Plan in 2016 set the foundation for a collaborative working relationship between the building and land development industry (“Industry”) and Administration and helped prioritize actions towards reducing barriers to redevelopment. This work helped launch the Comprehensive and City-wide Growth Strategy, of which the Established Area Growth and Change Strategy (the “Strategy”) is the second focus area after the New Community Growth Strategy.

The Strategy scoping report was approved by Council in 2018 September. Building on the three foundations of the New Community Growth Strategy: Municipal Development Plan/Calgary Transportation Plan Alignment, Market Demand, and Financial Impacts, this work also incorporates the concept of Redevelopment Readiness that recognizes this Strategy applies to communities that are at different points in their lifecycles and have varied histories of development and redevelopment. Input from key stakeholders, including community members, the Federation of Calgary Communities, business improvement area representatives, BILD – Calgary Region, NAIOP, and Administration is being incorporated to support strategic decision making. The project has a governance model that includes a multi-stakeholder Advisory Group, supported by four multi-stakeholder working groups, in addition to internal growth-focused teams of staff, directors, and general managers. Growth and redevelopment, when done collaboratively with all stakeholders, can support community vibrancy.

Discussions related to implementation in specific local area planning initiatives have been referred to this work to be considered as part of a comprehensive approach to strategic investment and leveraging the work on potential planning and financial tools. These areas include the Banff Trail Area Redevelopment Plan and the North Hill Area Redevelopment Plan (CPC2016-045), and the Chinook Station Area Redevelopment Plan (PUD2019-0128). These areas are to be included in the evaluation of enabling growth across existing communities.

Background on the Main Streets Program

The Main Streets Program (the “Program”) is an initiative that began in 2014 and has focused on identifying and delivering on opportunities to support redevelopment in existing communities through direct investment and the use of planning and financial tools. The Program supporting urban corridors in existing communities through planning, investment, and innovative solutions to a variety of issues, including parking management, historic resource conservation, enhancement of local business and flexibility for retail and commercial areas to draw more people to main streets. The Program focuses on implementation approaches to enable the policies, goals and targets contained in the MDP and CTP. These corridors, or main streets, provide commercial services, housing, recreation and important transportation links to the adjacent 68 communities. The Program consists of three phases:

1. Planning - City-initiated land use redesignations and amendments to local area plans. Prioritization approach and implementation planning.
2. Investment - Streetscape Master Plan and analysis conducted by Water Resources.
3. Innovation - solutions to a variety of issues, including parking management, historic resource conservation, enhancement of local businesses and flexibility for retail and

commercial areas to provide more events and activities to draw more people to main streets.

Council approved the Main Streets Implementation Plan at the 2017 April 10 Combined Meeting of Council (PUD2017-0241). An amendment to the Implementation Plan to simplify and reduce priority areas down from three to two was approved by Council on 2018 May 07 (PUD2018-0347) and the current implementation plan can be found in Attachment 1 of that report. In 2018 November, Council directed the creation of the Main Streets Investment Program to implement strategic investments in growth areas within the developed areas, including corridors, transit oriented development (TOD) sites, and other key growth areas using appropriately scaled, sustainable, long-term funding mechanisms and alternative funding options.

Background on the TOD Strategy

Administration was directed to create a TOD Implementation Strategy based on the Green Line TOD Framework (PUD2017-0471) approved by Council in 2017 June with the expectation of reporting back in Q2 2018. A deferral of this report was approved to allow for the Green Line project execution plan to proceed. Continued work on the strategy led to recognition that this strategy should cover all TOD locations city-wide. Current work is underway to evaluate each location, understand the factors that are critical to realizing successful TOD, and defining strategy actions for The City to support that success. Work is ongoing in 2019 with an expected report on the strategy by 2019 Q4.

Relationship between Main Streets Investment Program, the Transit Oriented Development Strategy, and the Established Area Growth and Change Strategy

Moving towards strategic decisions within 179 communities requires focusing on priority areas and the types of infrastructure and services that should be delivered to support them. The goal is to find the location and type of investment in the short term that provides a measurable return on that investment while supporting long-term policy goals. This means identifying areas where market demand and private investment will align with City-led investment.

Prioritization of strategic areas for investment is currently being done by three separate programs: the Strategy, Main Streets Program, and the citywide Transit Oriented Development (TOD) Strategy. Each of these programs have their own unique considerations, but also share common factors. The Main Streets Program has prioritized the 24 urban corridors within existing communities based on existing land use capacity, planning need, redevelopment readiness, and infrastructure knowledge and cost (Table 1). The TOD Strategy is in the process of identifying the status of each TOD location to understand what is outstanding to facilitate redevelopment. More comprehensively, the Strategy is considering all areas within 179 existing communities and using recent and current market indications to determine which areas have the strongest market potential for redevelopment. Synthesizing this information will provide a thorough understanding of the short term strategic investment that can be made to support growth that is in alignment with the goals of the MDP and CTP.

There is additional program alignment in formulating investment recommendations through The City's budget process and implementing financial and planning tools to help advance MDP and CTP supported growth in TOD locations, corridors/main streets, and incrementally throughout established communities.

Progress Update on the Established Area Growth and Change Strategy

Following Council approval of the scoping report in 2018 September, the following work was advanced:

- A cross-stakeholder Advisory Group was formed to help guide the governance and strategic thinking around the project. This group includes community, business, industry and Administration;
- The Advisory Group adopted a Terms of Reference that includes project principles, a working strategy map that includes 179 communities, and a governance framework identifying four cross-stakeholder working groups. These working groups focus on Utility Information and Implementation, Public Environment, and Financial Planning and Investment (a fourth, future group is envisioned for Planning and Policy tools that enable growth);
- The Advisory Group helped define the scope of this work, the deliverables and members of each working group, supported strategic discussions about project progress, and has been an information conduit to their respective stakeholder groups;
- Through the existing Strategy Working Groups, members of Industry and Administration have collaborated to produce a set of data-based market indicators that identify areas that have demonstrated, and are expected to continue to demonstrate, market support for redevelopment. This will allow the working groups to focus work on the most strategic communities for growth through a lens of market support. This approach focuses on communities that have or are expected to experience higher degrees of growth and change and sets a base for upon which additional layers of information can be collected and used to help arrive at strategic recommendations. There is a recognition that both market demand and funding is not likely to be sufficient to address needs for all 179 existing communities, and therefore a prioritization framework is necessary;
- The working groups have met weekly since 2019 February to further the details of 'what' and 'how' strategic investment can support growth, leveraging existing information from recent work and initiatives where possible. Discussions have sought to clarify the issues and the expected outcomes of this work. Stakeholders have a high level of participation and are elevating the collective knowledge and understanding of the breadth of challenges and opportunities specific to redevelopment;
- The working groups have defined four phases of work, including (1) confirming the challenges, (2) evaluating the tools and options, and (3) applying tools and testing scenarios, before (4) finalizing recommendations in late 2019. The groups are currently in either phase 2 or have moved into phase 3.

Throughout this work, the Strategy is leveraging related work, research, engagement and discussions from initiatives that are also working towards outcomes that support the MDP goals. Internally, there is coordination to reduce overlap of project work, use stakeholder participation and input efficiently, and align project outcomes.

Progress Update on the Main Streets Investment Program

The Implementation part of the Program received funding amounts of \$30M from Action Plan Mid Cycle Adjustment in 2017 May, and another \$30M in 2018 November through the One Calgary (2019-2022) service plans and budget approvals. The Planning part of the Program received \$450,000 to carry out engagement and communications related to City initiated land use re-designations. These were one-time funding asks and do not include funds for on-going operations and maintenance. There could be an opportunity to fund the capital, operating, and maintenance costs through the funding tool options currently being explored as part of the Strategy.

The \$60M is currently planned to be spent on the Main Street projects listed below in Table 1. Portions of the funds are already spent and committed to the design of listed Main Streets, and pending the completion of the construction drawings, the status of the construction funding will

be confirmed. With the current \$60M of available funding it has been identified that some Main Streets will remain unfunded or only potentially be allocated a small portion of the required construction funds. As a result, future funding may be sought at the mid cycle adjustment in 2020 and will be coordinated with the recommendations of the Strategy; along with identifying opportunities to leverage other funded City projects to find construction efficiencies and potentially identifying additional funding sources from other internal stakeholders. Public realm projects are generally done for one of three reasons: lifecycle maintenance, growth related upgrades, and/or investment into an existing community that is going through a transition period. Each of these can have different funding sources or draw on a combination of sources that can sometimes include private funding contributed by developers doing projects in the area.

Water Resources has completed the infrastructure analysis work for the following Main Street Areas: 17th Av SE, 17th Av SW (37th St to Crowchild Tr SW), and 37th St SW. Urban Strategy is working closely with Water Resources and other internal stakeholders to ensure projects are aligned and integrated.

Table 1 – Main Streets Implementation Plan Status⁴

	Land Use Redesignations¹	Streetscape Master Plan	Detailed Design and Construction²
17 Av SE	Completed	Completed	Completed
17 Av SW – 37 th St to Crowchild Tr SW	Completed	In Progress	Funded
37 th St SW	Completed	In Progress	Funded
1 Av NE	Completed	In Progress	Funded (Partial)
Bowness Rd NW (Montgomery)	Completed	In Progress	Funded
16 th Av NW (Montgomery) ³	Completed	In Progress	Unfunded
33 rd /34 th Av SW	In Progress	In Progress	Funded (Partial)
9 th Av SE	In Progress	Completed	Unfunded
Bowness Road NW (Bowness)	Completed	Unfunded	Unfunded
Centre Street N (South of 16 th Av)	In Progress	In Progress	Unfunded

Notes:

- ¹ status aligns with completed or ongoing community engagement
- ² construction status to be confirmed after construction drawing are completed for each project
- ³ 16th Av NW (Montgomery) project is tied to the corridor study project transportation is currently working on
- ⁴ the remaining priority Main Street Areas have funding for land use re-designations, however design and construction are currently unfunded

The 33rd and 34th Avenues SW (Marda Loop) Streetscape Master Plan (also to be presented at 2019 May 1 Planning and Urban Development committee meeting) provides insight into some of the typical public realm and utility assets that established communities require and gives a sense of the magnitude of funding that is necessary to support these types of investments. The Main Streets Program is coordinating with the Strategy to ensure alignment. Recommended investment areas will evaluate investment efficiency, value creation, flexibility and support the shared goals of the established communities, developers and The City.