

Summary of Recent and Current Initiatives to Develop Tools that Support Redevelopment

The purpose of this attachment is to describe a number of currently underway City initiatives that are focused on enabling redevelopment through different tools or mechanisms. For a discussion of tools that are under consideration for future implementation, see Attachment 7.

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1. Current City Growth Investment Approaches

The City supports investment in redevelopment typically through the four-year business planning and budget cycle, and through the local area planning process. The Main Streets Investment Program and the Established Areas Growth and Change Strategy (the “Strategy”) are focused on the implementation of long-term growth-related policy goals to become more intentional and strategic in investment considerations. In 2017 and 2018, Council approved growth-related funding for both Established Areas and Main Streets. This includes improvements to deep utilities, public realm, pedestrian corridors, pathways, and local parks.

The City is evolving its approach to funding and financing growth-related investments, as evidenced by initiatives undertaken since the 2011-2015 Framework for Growth and Change study, the 2017 corporate budget recast process that supported targeted established area investment, the 2018 New Communities Growth Strategy (C2018-0900), and the One Calgary service plans and budgets (C2018-1158). To support the multi-use civic facilities that provide multi-faceted services in growing communities, Administration is working towards any further integrated alignment of corporate budget asks (UCS2018-0525).

In 2016, The City revised the Off-site Levy Bylaw to include a treatment plant levy within the Established Areas of the City, which offsets growth related investments required in water and wastewater treatment plants. A 3-year approach to phasing in these new charges allowed for industry to better absorb these new costs. To support redevelopment that reflects long term planning goals, a density incentive program was created to offset a portion of the treatment plant levies that would otherwise be incurred in the Established Areas by higher density redevelopment. Out of the 2016 Off-site Levy Bylaw review process, the Industry/City Work Plan was created to identify and work towards addressing the challenges to redevelopment through the Established Areas Strategy initiative.

Further review of the Off-Site Levy will incorporate a review of the existing Centre City Levy to evaluate how it supports redevelopment in the Centre City by providing clarity of costs for projects and provides funds to support utility and public realm improvements related to growth in this community.

The City has also used a Community Revitalization Levy in the Rivers District (generally East Village and Victoria Park) to undertake public realm and infrastructure improvements in advance of redevelopment. This tool, which directly allocates increases in municipal and provincial property taxes back into the community, provided a funding mechanism to comprehensively undertake upgrades that were/are needed to support a transition of these communities.

2. Water Resources Cost Sharing Model Exploration

One of the major challenges raised by developers is the uncertainty whether they will trigger a major upgrade to the water or sanitary system. The costs of these upgrades can vary widely and impact the financial feasibility of a project. Over the last six months, Water Resources has been exploring the potential of a cost-share strategy where The City finances the cost to upgrade existing pipes to accommodate development and then implements a strategy to recover this investment.

Though a greenfield community, the Springbank Hill study area provided an ideal opportunity for Water Resources to test this cost-recovery concept before potentially applying it to an existing community. In summary, Springbank Hill has two sanitary options to service the study area. The first sanitary option (Option A) involves the construction of a new sanitary extension across private land; this option would follow the standard process of a developer-financed, developer-funded program paid for by the developer who triggered the upgrade, not a cost-recovery initiative. The second sanitary option (Option B), would require upgrading 12 segments of existing sanitary pipes through an existing community. Option B's upgrades are both financially and logistically onerous for a single developer to undertake and, therefore, analogous to the circumstances that may happen in a redeveloping area. In Option B, The City would finance the project via a "Pay as You Go" financing approach, where developers will ultimately fund the project through contributions collected through conditions at subdivision or development permit approval.

The Springbank Hill cost-recovery pilot project, may or may not move forward depending on the sanitary servicing option the landowners ultimately choose. However, if it does not move forward, Administration has gained valuable experience outlining the structure, determining its application, defining the process, identifying the risks, and speaking with landowners and developers. This experience will inform the discussion of cost-recovery through the Established Area Growth and Change Strategy and evaluate the potential application of a similar funding tool in a redeveloping area.

A potential location to explore and discuss further through the Established Area Growth and Change Strategy is along 17 Avenue SW between Crowchild Trail and 37 Street. Three phases of water and sanitary upgrades were identified during the City-initiated re-designation process along the Main Street. Water Resources determined that the first two phases were required in the short term to facilitate redevelopment and, as a result, The City will fund and finance the project and implement the upgrades in conjunction with the Main Street streetscape improvements. The third phase of upgrades is less urgent and can, potentially, provide an opportunity to implement an alternative funding and financing demonstration project. This project will be discussed and evaluated through The Established Area Growth and Change Strategy to determine its viability and, if viable, its application.

3. Facility Management – Integrated Civic Facility Planning Program

With the approval of The Corporate Facility Planning & Delivery Policy in July 2018, Facility Management is now undertaking the development of the first Corporate Facility Portfolio Plan. This plan is critical to the implementation of Council's vision for The City to plan in a more

coordinated way to deliver multi-service facilities, partner with the private sector, realize economies of scale, reduce our land base and create vibrant and functional spaces and places for citizens in their communities. The Corporate Facility Portfolio Plan is long-range, strategic plan that identifies what facility infrastructure should be invested in, divested of, or redeveloped. It is the outcome of the Coordinated Facility Portfolio Planning process and provides the direction for all facility programs and projects that The City will deliver. This plan will be the basis of a coordinated investment plan focused on facility projects for the City of Calgary.

In addition, Facility Management is actively completing detailed planning on prioritized sites throughout the city including sites in established communities. The sites and facilities currently underway include the provision of Community facing services such as recreation, library, arts and culture, fire, police, affordable housing and transit services as well as back of house operations such as parks, transit, roads and water operations. This upfront planning is essential to preparing the city for growth while also looking for cost efficiencies. These sites are being planned to support potential business cases either at mid-cycle adjustments or in preparation for the 2023-2026 budget.

In order to demonstrate the vision set out by Council and ALT in the Corporate Facility Planning & Delivery Policy and Framework (UCS2018-0525), a number of learning projects have been undertaken including a multi service facility in Varsity that includes fire, affordable housing, corporate accommodation and possible third party lease spaces. This project, now in early design stages, is a result of an asset at end of life, planned and active growth in the University District and Brentwood area, and the opportunity to bring a wider range of services to the area.

As Calgary continues to grow and intensify, The City will continue to plan more projects such as this to maximize existing land, demonstrate the objectives within the MDP and help shape the city through facility infrastructure.

4. Review of Bonus Density as a Tool to Support Public Amenities

Calgary Growth Strategies began a review of existing bonus density tools to evaluate their history in supporting public realm investment in applicable communities. Principles in the use of this tool were drafted, key findings in how they've functioned since implementation, and short and long-term actions identified to increase the effectiveness of this investment tool. This work is anticipated to be incorporated into the consideration of planning tools to support redevelopment.

In addition, the application of bonus density tools in areas not currently covered by bonus density policy is being contemplated. This would allow for unique negotiated contributions to public realm elements as part of increasing the land use density on a particular application. The appropriate land use tools would be required to activate a negotiated contribution. This would provide flexibility in the use of this tool without the need for comprehensive consideration of area-wide policy.

5. Heritage Conservation Tools Exploration

Through report PFC2019-0223 Administration sought direction to conduct further analysis on heritage preservation tools and financial incentives. A report back on findings and potential tools is scheduled for 2019 Q4. This report highlighted that heritage conservation is an important component of sustainable city building by providing benefits related to economic development, environmental sustainability and quality of life/social objectives. To advance heritage

conservation in Calgary, the report outlined the kind of tools and approaches used elsewhere to conserve heritage assets and explored their applicability in the Calgary context.

6. City Initiated Land Use Redesignations

Administration has recently used city-initiated land use changes to support growth and redevelopment, particularly in priority Main Street areas. In 2017 there were three communities with five Main Street corridors that were redesignated to adjust for building densities and heights that were more aligned to expected redevelopment. Although not much time has passed, and the redevelopment market is influenced by many factors, Administration has been trying to evaluate the benefits of this tool in supporting redevelopment.

Anecdotally, there have been concerns raised that areas adjacent to Main Streets have been capturing more sales activity than within the Main Street area. This theory was tested and determined that in fact properties within Main Street areas are experiencing slightly higher sales activity compared to adjacent area, or the city as a whole. However, despite relatively higher sales activity within Main Street areas, total new units built in Main Street areas is not significantly higher. Over the past three years (2015 – 2018), the total number of units in Main Street areas have increased by 1.6%. However, the total number of residential units in areas 400m beyond the boundaries of Main Streets has increased by 2.4%. of units. Administration anticipates continued monitoring of land prices, sales, and redevelopment projects in these areas to help evaluate the merit of this tool.

7. Multi-Community Planning Approach to Streamline Policy Environment

As outlined in report PUD2018-0011, a multi-community planning project is taking a district-based approach to reduce 200+ local planning documents not aligned with the MDP to between 30-50 local area plans that advance the vision of the MDP and the CTP. The current number of plans, created across several decades, often creates confusion regarding implementation and not enough are updated in a timely manner. New, local area plans have boundaries that reflect entire catchment areas of people and communities for the myriad Main Streets or Primary Transit (LRT and BRT) stations throughout Calgary. This multi-community approach will better align future growth planning with recent and planned investments in an area's amenities and infrastructure to support the desired growth.

The multi-community plan approach is being piloted with the North Hill Communities project. Officially launched in September 2018 (PUD2018-0347) it includes the communities of: Highland Park, Mount Pleasant, Tuxedo Park, Winston-Heights-Mountview, Crescent Heights, Renfrew, Rosedale, Capitol Hill and Thorncliffe Greenview (south of Mcknight Blvd). It encompasses the Main Streets of Centre St, Edmonton Trail NE, 16 Ave N (Deerfoot to 19 St NW) and 4 St NW as well as primary transit stations for Green Line, MAX Orange BRT and Centre Street BRT.

Currently, the North Hill Communities area has ten local policy documents, each covering different portions of the area. These documents were originally created between 1977 and 2017. Updating and consolidating policies of those ten plans will provide a more comprehensive picture of where growth should occur in the future.

As noted in the 2019 PD Workplan multi-community plans are identified to be initiated for two other areas in September 2019 that were expanded from previous single community plan areas

to multi-community plans. These areas (10 & 31) began with Killarney and Kingsland initially but now propose to include a number of adjacent or nearby communities, again reflecting that anticipated growth nodes and corridors often are found at the edges of adjacent communities.

Subsequently, administration will use learnings from the above three projects to continue refining the process for local growth planning and continually work with communities, industry and Council to prioritize upcoming local area planning in the remaining multi-community districts over the ensuing years. While these plans are not likely to identify the timing for funding of community amenities and infrastructure by year or budget cycle, this information can be provided through the Established Area Growth and Change Strategy to help evaluate the appropriate timing of investment. Additional local area planning work by single community is underway in 2019 for Bridgeland/Riverside, Historic East Calgary, and Chinook Station Area.

8. Industry/City Work Plan

Since the approval of the Off-site Levy Bylaw in 2016, Administration and Industry representatives have been working together to improve the context for development in Calgary through the Industry/City Work Plan. This Work Plan employs a unique collaborative approach where stakeholders work together in working groups, endeavouring to find solutions to issues that are identified annually by the Developer Advisory Committee.

The Established Area Strategy initiative of the Work Plan has been focused on solving issues facing redevelopment for the last 3 years. Questions addressed include liaising with in process policy plans, examining fees and securities, discussing infrastructure servicing, and engaging on capital investments that benefit redevelopment.

9. Downtown Strategy

On 2019 April 01 Council held a Strategic Session on the Downtown Strategy and Focus and endorsed a proposal to better organize and communicate the efforts of The City, CMLC, CED and other Civic Partners. This includes a framework for an ongoing strategy including a new governance model, accountability system and score card that will help drive strategic initiatives and actions.

Administration is currently reviewing and updating the Centre City Plan. The outcome of this project may include policies, initiatives and actions that will support the downtown through the challenges of this economic downturn, and support redevelopment of the Centre City. Administration will work towards alignment between the outcomes of this and those of the Established Area Growth and Change Strategy.