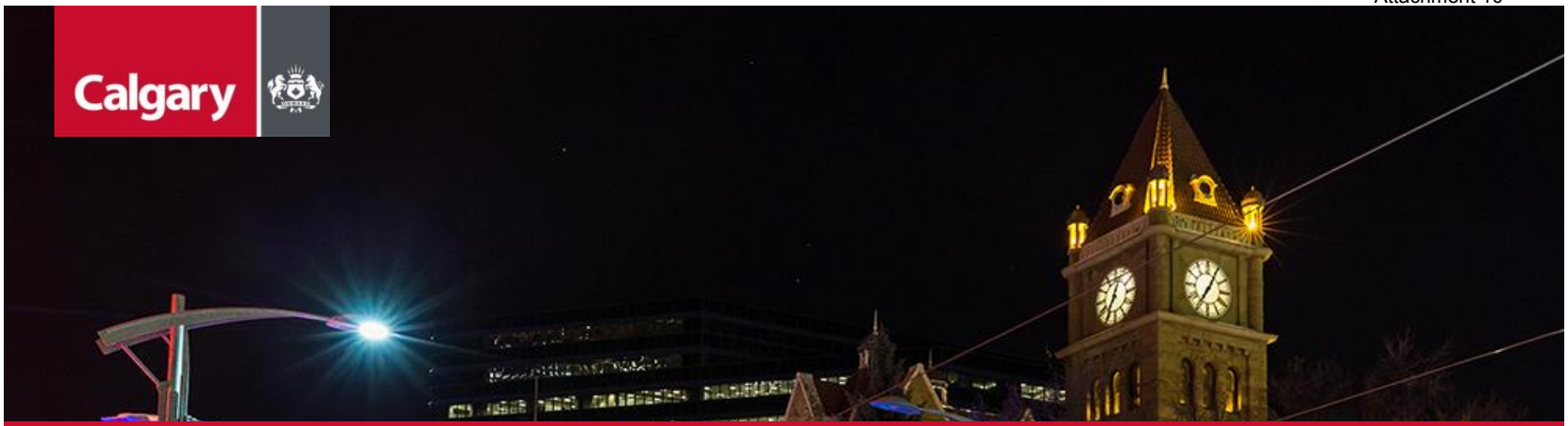


Update Report on the Main Streets Investment Program & Established Area Growth and Change Strategy

(PUD2019-0305)

SPC on Planning and Urban Development

2019 May 1

ISC: Unrestricted

Purpose

1. Provide an update on the Established Area Growth and Change Strategy (Strategy) and the Main Streets Investment Program
2. Identify the relationship between programs
3. Identify opportunities and challenges of this work
4. Seek support for a phased approach to next steps

Summary of Previous Direction

2018 September – Direction to undertake the Strategy

- Identify infrastructure and amenities to support growth
- Develop options for financial and planning tools
- Provide an update report by 2019 May
- Outline a strategy and bring recommendations by 2020 March

2018 November – Direction to develop a Main Streets Investment Program

- Implement strategic investment in growth areas, including corridors, TOD sites, and other growth areas
- Develop funding mechanisms and options
- Identify any capital cost savings as infrastructure projects in New Community Growth Strategy and developing communities draw to completion
- Provide an update report by Q2 2019 in conjunction with the Strategy

Main Streets (Planning) Progress and Next Steps for 2019

- Completed the land use redesignations in 7 Main Street Areas

- In 2019 complete the land use redesignations for:
  - Centre St N
  - Edmonton Trail
  - 4th St NW
  - 10th Avenue SW
  - 14th Street (Bow River to 17th Av SW)

- 9th Av (Inglewood) SE and Centre Street N are being completed as part of the current ARP work in those areas.

Main Streets (Implementation) Progress and Next Steps for 2019 - 2021

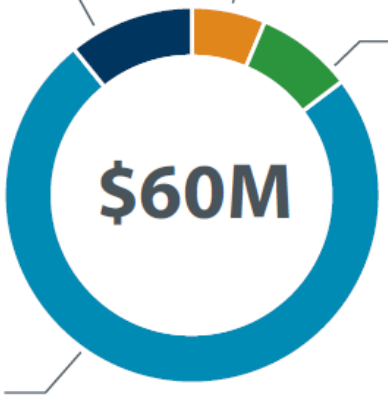
Main Streets implementation summary

9 master plans

- 9 Ave SE
- 17 Ave SW
- 37 St SW
- Bowness Rd
- 1 Ave NE
- 33/34 Ave SW
- Centre St N
- 16 Ave NW
- 10 Ave SW

1 project partially funded for construction

- 33/34 Ave SW



5 shovel ready designs

- 17 Ave SW
- 37 St SW
- Bowness Rd
- 1 Ave NE
- 33/34 Ave SW

4 projects fully funded for construction

- 17 Ave SW
- 37 St SW
- Bowness Rd
- 1 Ave NE

The Urban Strategy implementation team is targeting construction startup in 2020 (2021 for 1 Ave NW + 33/34 Ave SW)

Strategic Alignment & Funding Considerations

- Main Streets are one component of an established area that will see future private and public investment
- Current funding for Main Streets Implementation Program is one time allocations consisting of provincial and municipal contributions
- Looking forward, Main Streets will work together with Established Area Growth and Change Strategy to create a more sustainable long term investment program
- Identification of any potential savings from New Community Growth Strategy

Progress Update on the Strategy

- Created a multi-stakeholder governance framework and engagement approach
- Defined a working strategy area of 179 communities
- Applied data-based market indicators as a first cut to narrow the priority areas
- Defining required infrastructure and amenities for investment
- Evaluating financing and funding tools available
- Addressing a changing context: financial availability and timing of work

Collaborative Approach

FEDERATION OF
CALGARY COMMUNITIES

BILD
CALGARY REGION

NAIOP
COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

Options for Moving Forward

1. Current approach: Incremental improvements to growth investment through service plans and budget decisions.

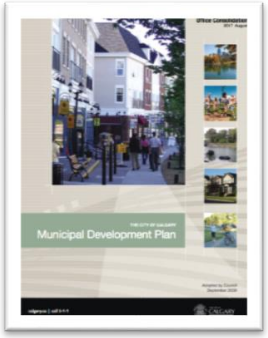
2. Intentional, outcome driven, two-phase approach: Focus on redevelopment in prioritized market areas with planning, funding and financing tools applied to enable growth and change and deliver great communities. Include Main Streets and transit oriented locations in this approach.

3. Main Streets focus: Leverage the previously approved programs as the primary tool to support redevelopment and deliver public realm improvements for prioritized areas.

Administration recommends Option 2

A Strategic Decision Framework

Complementing the New Community Growth Strategy, three factors form the foundation for this work



MDP/CTP Alignment

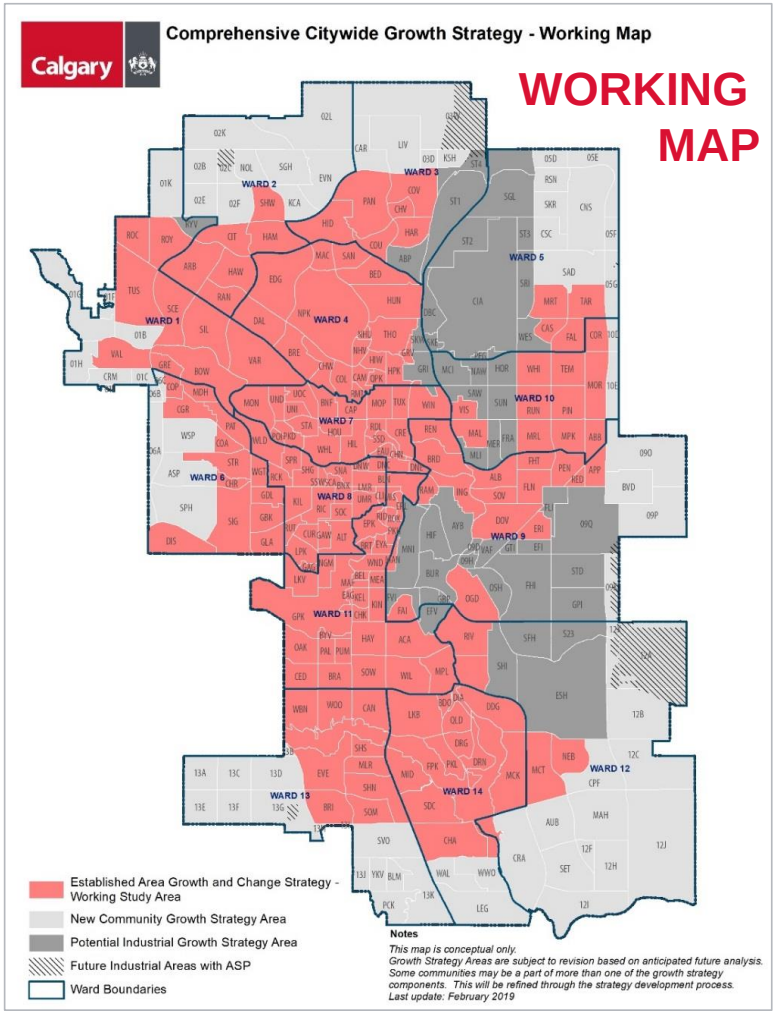
Market Demand

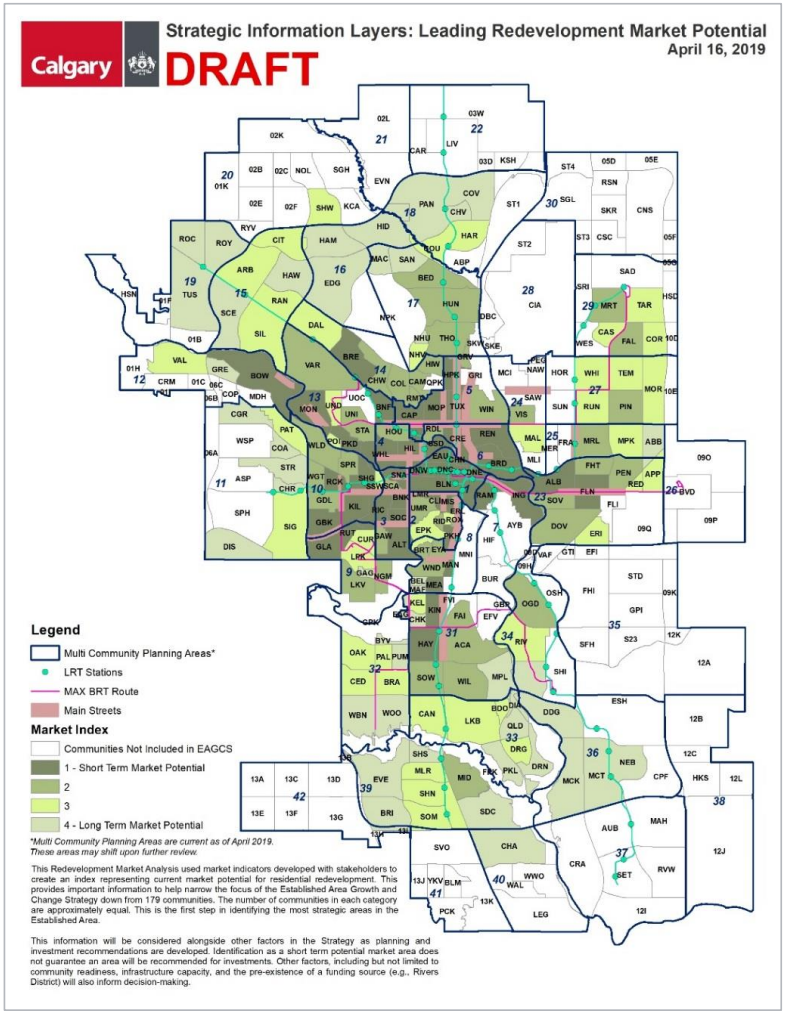
Financial Impact

+

Redevelopment Readiness

Working Towards Identifying Strategic Growth Areas





Financial Tools

- Significant research and building on past work has been completed.
- Possible funding sources are either:
  - (a) currently in-use by The City in some form, or
  - (b) have been used or considered by The City in the past as a financial tool and were not supported in the Calgary context.
- The goal is that the funding sources, infrastructure components, and financial tools will combine as part of a long-term sustainable capital and operating financial strategy.
- Test scenarios and sensitivity analysis are underway.
- Recommendations on possible financials tools will be developed for phases 1 and 2.

Two-Phased Approach – Phase 1

Phase 1 | Through 2020 March

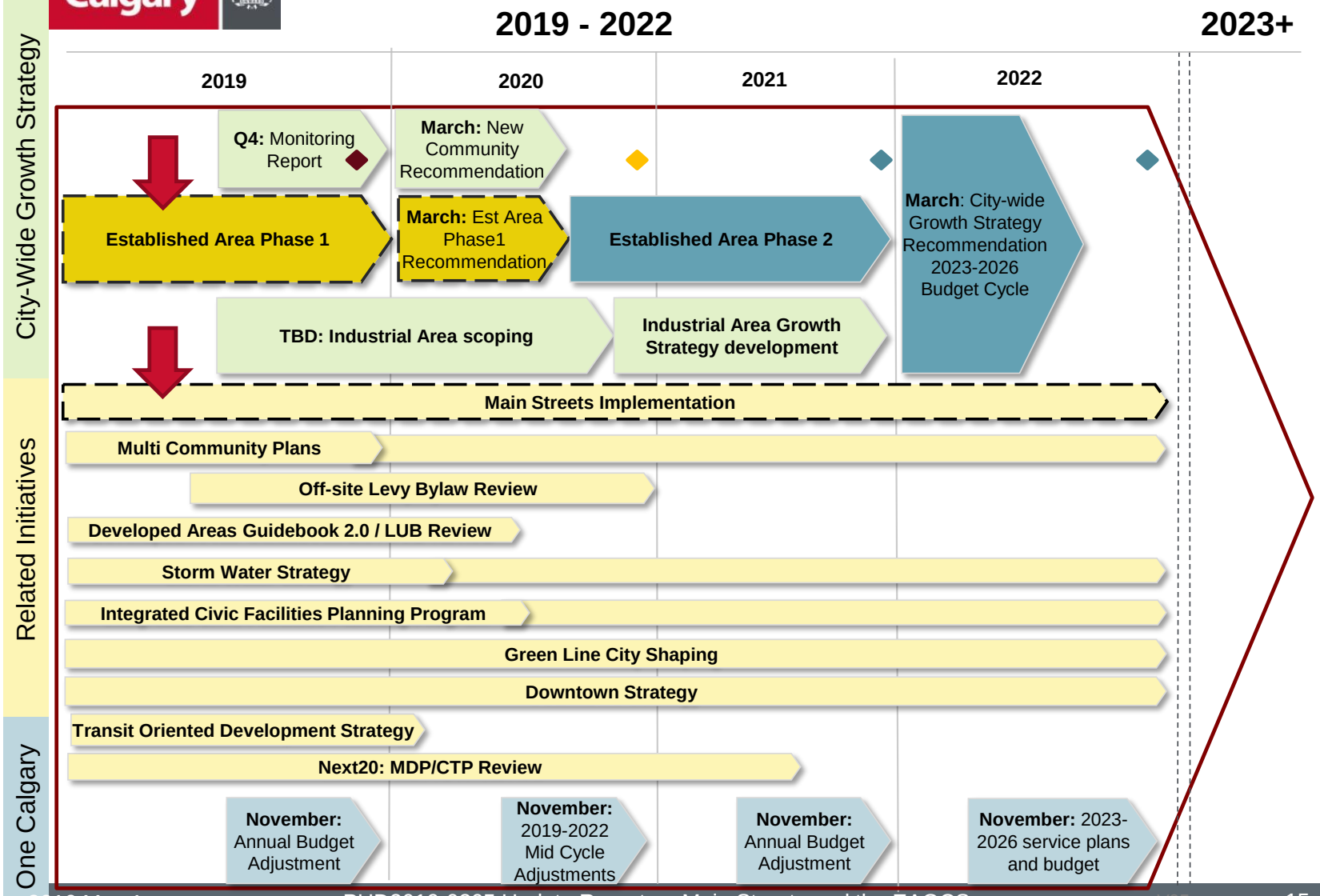
1. Identify top strategic growth areas and develop business case proposals
2. Identify funding, financing and planning tools to support implementation
3. Make recommendations by 2020 March for mid-cycle budget consideration, and any additional implementation actions
4. Reporting framework for Main Streets updates
5. Identify Phase 2 work
6. Identify opportunity for alignment with related initiatives

Two-Phased Approach – Phase 2

Phase 2 | 2020+

1. Create a systematic approach to city-wide growth investment
2. Further develop and implement financial and planning tools to support redevelopment
3. Develop annual monitoring of growth portfolio
4. Identify timelines for delivering 2023-2026 growth investment recommendations

Phased Project Timeline



Risks

Options 1 or 3

1. Reaching the MDP and CTP goals
2. Meeting market demand
3. Investor confidence
4. Supporting great communities

Recommended Option 2

1. Unpredictability of Return on Investment
2. Resourcing the Strategy and its implementation
3. Providing clear connections with related initiatives
4. Managing scope and expectations
5. Ensuring alignment in a shifting legislative and policy environment

Report Recommendation

That the SPC on Planning and Urban Development recommend that Council:

Direct Administration to report by 2020 March to Council, through the Priorities and Finance Committee, with Phase 1 work elements, as identified in this report, and refinement of plans and timing for Phase 2 work.

Thank you

Main Streets Progress and Next Steps for 2019

Table 1 – Main Streets Implementation Plan Status[4]

	Land Use Redesignations[1]	Streetscape Master Plan	Detailed Design and Construction[2]
17 Av SE	Completed	Completed	Completed
17 Av SW – 37th St to Crowchild Tr SW	Completed	In Progress	Funded
37th St SW	Completed	In Progress	Funded
1 Av NE	Completed	In Progress	Funded (Partial)
Bowness Rd NW (Montgomery)	Completed	In Progress	Funded
16th Av NW (Montgomery)[3]	Completed	In Progress	Unfunded
33rd/34th Av SW	In Progress	In Progress	Funded (Partial)
9th Av SE	In Progress	Completed	Unfunded
Bowness Road NW (Bowness)	Completed	Unfunded	Unfunded
Centre Street N (South of 16th 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*

EAGCS Key Strategic Outcomes

Supporting quality of life for current residents and businesses

Supporting quality of life for future residents and businesses

Support housing demand and market interest

Create certainty for investment (public and private)

Create resilience, reduce risks

Remove barriers and limiting factors

Optimize funding sources

Spur investor confidence in Calgary

Defining Redevelopment Market Potential

- Based on valuable feedback from the Established Area Working Group and Altus, the approach and a number of the inputs into the model were revised
- Seven equally weighed categories were created to reduce overlap created by similar indicators
- Variable in each category, in sum, represent 1/7th of the total score

Development Activity

Housing Stock

Policy

Amenities

Housing Prices

Demographics

Lifecycle Stage

Defining Redevelopment Market Potential

Category	Criteria	Category Weighting	Weighting within Category
Category 1 - Development Activity	Number of Land Use Redesignations, 2016 - 2018	1	0.25
	Active Development Permits		0.25
	Change in Number of Building Permits, 2009-2012 vs 2014-2018		0.25
	Total Building Permits, 2008-2018		0.25
Category 2 - Housing Stock	Total Dwelling Unit Change, 2014 - 2018	1	0.33
	Increase in Rental Stock (Multi), 2016 - 2018		0.33
	Percent of Dwelling Units Over 55 Years Old		0.33
Category 3 - Policy	Main Street Policy	1	0.25
	Post-MDP Local Area Plan		0.25
	Percent of Multi-Parcels Underutilized		0.25
	Total Unit Capacity on Vacant Parcels		0.25
Category 4 - Amenities	Value of Commercial Building Permits, 2016-2019	1	0.33
	Walk Score		0.33
	Transit Score		0.33
Category 5 - Housing Prices	Combined Sales and Price Increase, 2014-2018	1	0.33
	Change in Single Detached Values, 2014 - 2018		0.33
	Change in Multi Values, 2014 - 2018		0.33
Category 6 - Demographics	Population Change, 2014-2018	1	0.5
	Proportion of Population in 25 to 34 Age Cohort		0.5
Category 7 - Community Lifecycle Stage	Early Stages of Development Indicator	1	1

Defining Redevelopment Market Potential

Purpose / Use

- The subset ***should*** be used:
  - To identify candidates for future prioritization work
  - By the EAGCS working groups to inform area specific work
- The subset ***should not*** be used:
  - As a final list. The list may be revisited as more information becomes available
  - As a guarantee of where investments and tools will be applied. This will be determined using the other “layers”, and Administration does not anticipate being able to support all communities.

Redevelopment Market Analysis

Layers

Guiding Principles of EAGCS (1-7)

The following principles are intended to demonstrate a shared understanding about the purpose of this work. A common understanding on the principles does not pre-suppose the outcomes of the work. The intent of these principles is to guide the development of recommendations towards an Established Area Growth and Change Strategy.

1) **Collaboration:** Stakeholders can more effectively advance strategic growth solutions together rather than individually. All working, advisory, and decision-making groups share a responsibility to advance the goals of the Strategy.

2) **Openness, transparency, mutual respect, and consideration of perspectives:** All stakeholder perspectives are important and bring value to the discussion. Outcomes arising from working, advisory, and decision-making groups should be shareable with those outside these groups.

Guiding Principles of EAGCS (1-7)

3) **Evidence based evaluation, solutions based approach:** Advice and recommendations are well thought out and are grounded in the best available research and data analysis. Solutions are pragmatic and straightforward to implement.

4) **Enabling policy aligned, market supported, financially sustainable growth:** The primary goal of the Strategy is to enable strategic, market supported growth in the Established Area that aligns with the vision of the MDP and CTP. Consideration of financial feasibility of supporting development is relevant for any stakeholder. Investment recommendations should enable growth in strategic, market-supported areas.

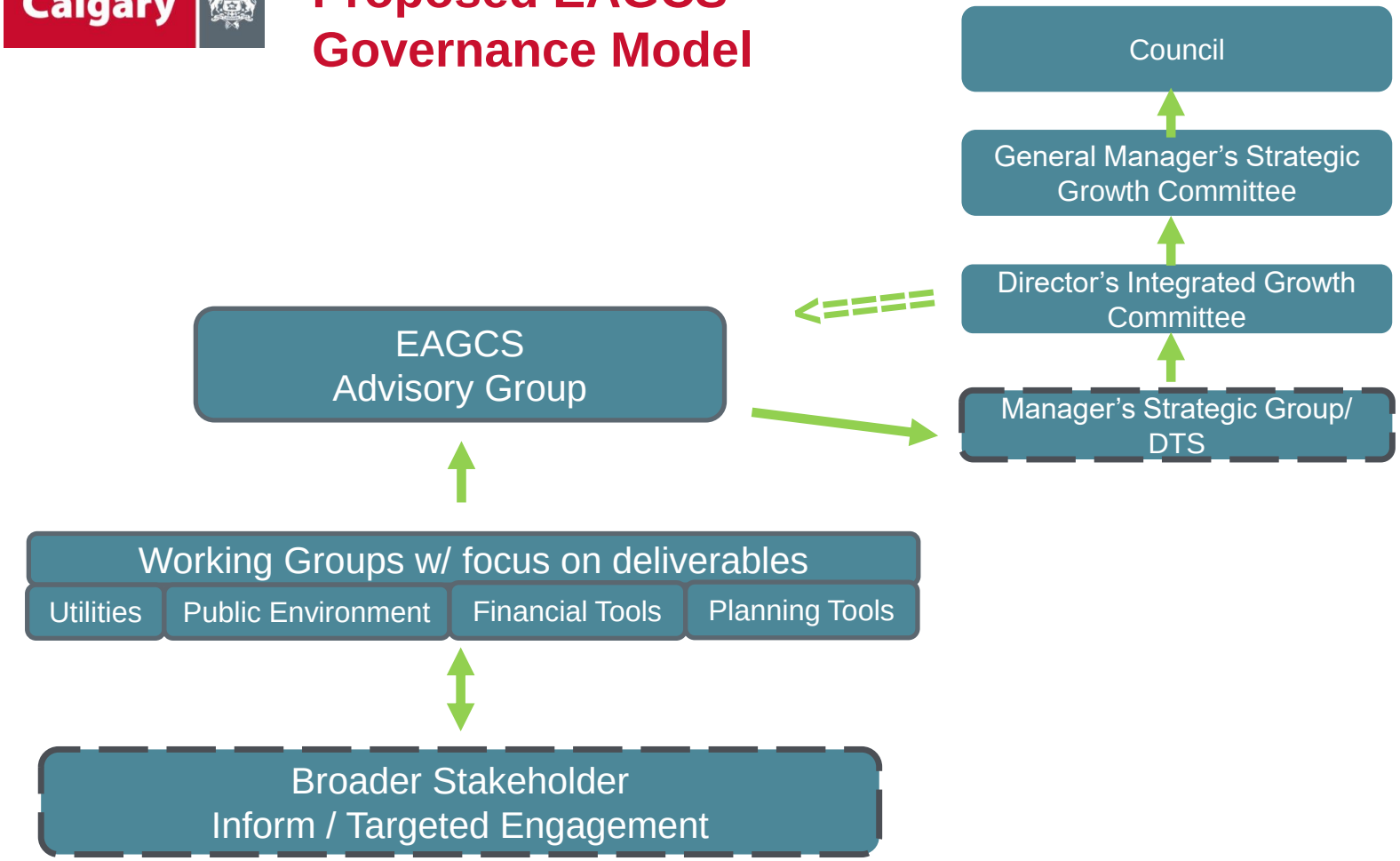
5) **Redevelopment readiness:** In addition to the strategic growth factors of MDP/CTP Alignment, Market Forces, and City Financial Capacity, a fourth strategic growth factor in the Established Area Growth and Change Strategy that considers redevelopment readiness should be considered. (see Attachment 3: Redevelopment Readiness Definition).

Guiding Principles of the EAGCS (1-7)

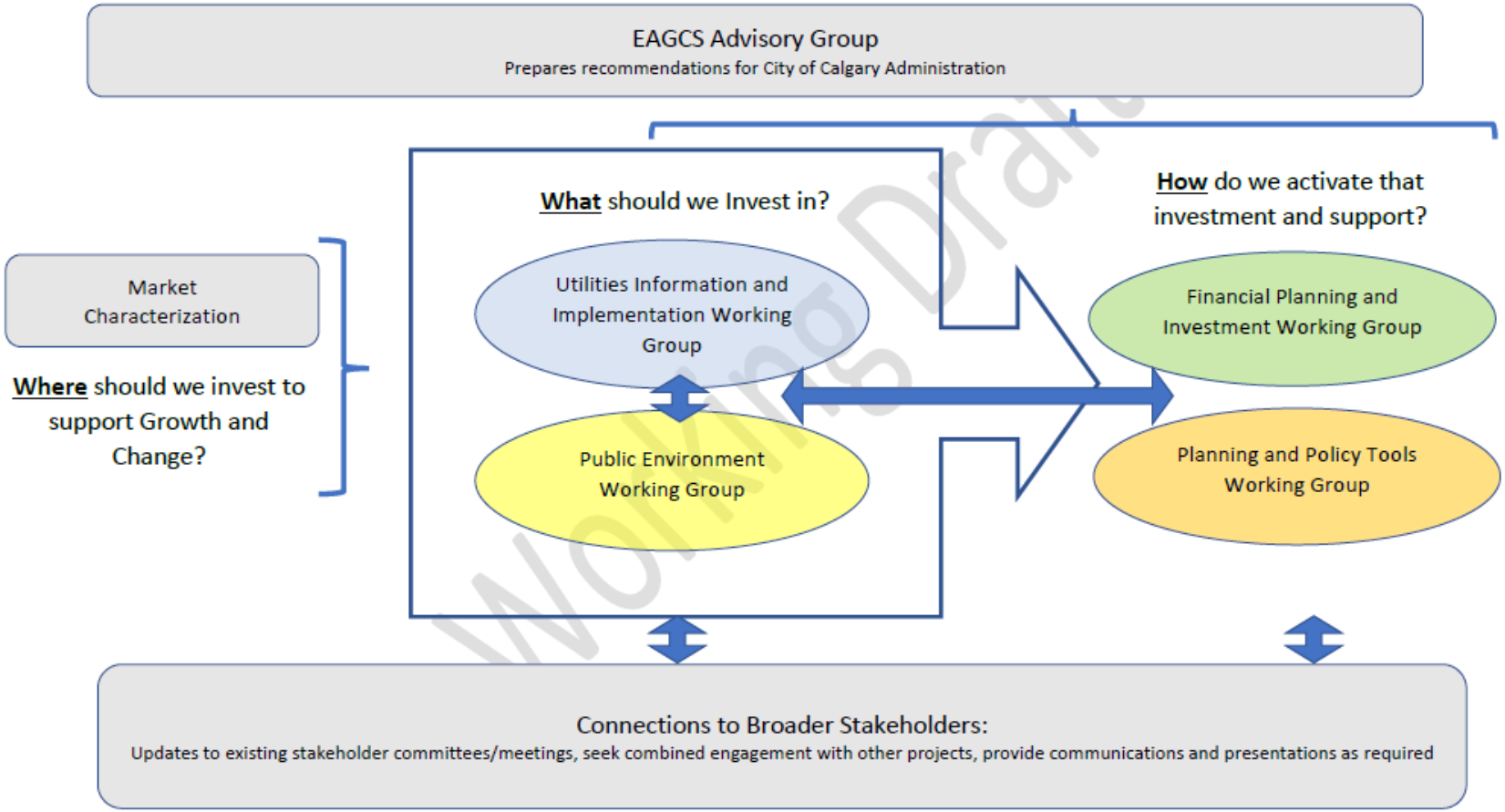
6) **Application across the Established Area:** The Strategy is intended to apply to all of the communities identified in Attachment 2 to this Terms of Reference. However, the application of financial and planning tools designed to enable growth are not expected to be uniform across the area. Those areas that are experiencing higher degrees of growth and change, or are projected to experience higher degrees of growth and change based on market indications are expected to receive greater consideration in the implementation of these tools, subject to prioritization and available funding.

7) **Shared Risk** The risks of development should be offset in proportion to benefit through a shared risk approach involving developers, citizens, businesses, and The City.

Proposed EAGCS Governance Model



Building Strategic Recommendations, Through Lens of "Where, What and How"



Working Draft

Proposed Redevelopment Readiness Definition

"An evaluation that reflects the readiness of an area to receive change, and includes:

- Existing post-MDP Council approved policy,
- Land use capacity of existing and/or post-MDP local plan aligned land use districts,
- High occurrence of under density developments,
- Market attractiveness,
- Community readiness, community lifecycle, and
- Knowledge of infrastructure context."

Proposed definition amends the definition used by Main Streets

** considers age of communities, stage of redevelopment, and population/cohort trends

Strategic Alignment & Funding Considerations

Together, Main Streets and the Strategy

- Advance the implementation of long term planning goals
- Apply a growth-related lens to make investment recommendations in prioritized areas
- Seek to partner with Communities, BIAs and Industry stakeholders

Main Streets are one of a number of priority projects that will require funding in established areas

Current funding for Main Streets Implementation Program is one time allocations consisting of provincial and municipal contributions

Looking forward, The City is exploring funding and financing tools that will potentially be more sustainable in the long term