

Planning & Development Report to
SPC on Planning and Urban Development
2019 May 01

ISC: UNRESTRICTED
PUD2019-0393

Joint Use Coordinating Committee and Joint Use Reserve Fund Annual Report, PUD2019-0393

EXECUTIVE SUMMARY

The purpose of this report is to provide an annual update on the Joint Use Coordinating Committee (JUCC) work plan and the status of the Joint Use Reserve Fund (Reserve Fund).

The report provides a summary of the demand on the Reserve Fund during 2018 along with identifying future demands on the Reserve Fund (Attachment 1). These demands are divided into three timeframes: future demands for the current year, projections within the next five years, and projections beyond the next five years.

In 2018, Reserve Fund expenditures totalled \$16.5 million including land acquisition for the West Macleod Regional Recreation Facility and Library, and the Seton Regional Facilities and Dry Pond Reconfiguration. The 2018 December 31 Reserve Fund balance is \$70.4 million while the total anticipated future demands for 2019 and beyond are \$206.5 million.

This report was prepared collaboratively by all three parties of the Joint Use Agreement: Calgary Board of Education, Calgary Catholic School District and The City of Calgary.

ADMINISTRATION RECOMMENDATION:

That the SPC on Planning and Urban Development recommends that Council receive for information this report and its attachment.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 20, Council adopted Councillor Pincott's motion that the Committee Recommendations contained in the Joint Use Agreement and Joint Use Coordinating Committee Update, PUD2016-0364, be approved, directing a change in the formal reporting period to Council of the Joint Use Reserve Fund to every year by the following May.

On 2012 March 12, Council adopted Alderman Pincott's motion that the Intergovernmental Affairs Committee Recommendations contained in Report IGA2012-10 be adopted, as follows:

"That Council:

1. Receive this report for information; and
2. Approve a change in the formal reporting to Council, to treat the Joint Use Reserve Fund as though it were a City Reserve, with a formal review and report every three years."

The Joint Use Agreement between the Calgary Board of Education, the Calgary Catholic School District and The City was executed on 1985 March 04. Section 9.2.1.7 of the agreement states: The Joint Use Coordinating Committee shall "Report annually on the status of the Reserve Fund to all three parties".

On 1985 February 18, Council approved L85-07, Joint Use Agreement, and authorized the officers of The City of Calgary (The City) to execute the proposed agreement.

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BACKGROUND

Purpose and Scope of the Joint Use Agreement

This agreement, signed in 1985, is between the Calgary Board of Education, the Calgary Catholic School District, and The City, regarding the joint allocation, use, planning and development, and maintenance of municipal reserve, open space, and school sites.

Scope and Authority of the Joint Use Agreement (Agreement) stems from the Municipal Government Act, sections 666(1) to (4) and 670, which require the owner of a parcel of land that is the subject of a proposed subdivision to provide up to 10 percent of their developable land for municipal reserve, open space, or education purposes, and the allocation of those lands to be made pursuant to an agreement.

Purpose and Scope of the Joint Use Coordinating Committee

The JUCC consists of one representative from the Calgary Board of Education, one representative from the Calgary Catholic School District, and two representatives from The City (Community Planning and Calgary Parks). This committee operates on a consensus model.

The JUCC is the body charged with monitoring and implementing the responsibilities under the Agreement.

The Joint Use Reserve Fund

Under the Agreement, the Reserve Fund is administered by the JUCC, and managed by The City of Calgary Treasury as a Trust Account. All land purchases for school sites, parks and open space require authorization by Council. Under the Agreement, the Reserve Fund is held in trust by the three parties.

The assets of the Reserve Fund consist of:

- money in place of reserve land;
- proceeds from the disposal of reserve land; and
- interest earned by, and accruing to, the Reserve Fund.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Joint Use Coordinating Committee: Year in Review

In 2018, the JUCC implemented the Agreement by making recommendations to Council on the acquisition of land including land acquisition for the West Macleod Regional Recreation Facility and Library, and the Seton Regional Facilities and Dry Pond Reconfiguration totalling \$16.5 million.

The JUCC continues to provide greater awareness and transparency to its activities through the following two initiatives:

- Held the second annual Open House meeting on 2018 November 05, where Councillors, School Board Trustees from the Calgary Board of Education, the Calgary Catholic School District, and the Francophone Regional School Authority (FrancoSud), BILD Calgary Region, the Federation of Calgary Communities and other stakeholders, attended an overview of the Agreement and the role of the JUCC. This was followed by

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PUD2019-0393**

a question and answer period where the attendees shared their thoughts and inputs with the JUCC.

- An annual joint meeting between the Site Planning Team; a subcommittee of the JUCC tasked with reviewing application proposals for joint use sites, and the JUCC to discuss issues that the JUCC should be aware of, and continue to identify, opportunities moving forward between the two groups.

Changes to Provincial Legislation

On 2017 October 26, the province announced that the updates to the Municipal Government Act had been proclaimed. The requirement for all municipalities to have Joint Use Planning Agreements with local school boards was introduced and came into force in 2018 April. In addition to this legislation, there is still an expectation of city charter regulations that will offer additional opportunities for uses on reserve land.

In addition, through the city charter process, the province has initiated an Urban Schools collaboration table that includes membership from the provincial ministries of Municipal Affairs and Education, Calgary and Edmonton school boards, The City of Calgary and The City of Edmonton. Upon completion of a revised city charter, the school boards and City will commence the development of a new Joint Use Agreement.

The future development of a new Agreement will build on the Memorandum of Understanding that was signed on 2016 September 30 between the three parties to the Agreement. This Memorandum supports in principle the addition of other public benefit uses that support, complement or enhance the primary uses considered on Reserve Land. It also sets out direction for a modernized Agreement, including a collaborative and consensus model based on fostering complete communities and promoting development on surplus, unused, closed, or underutilized school sites and Municipal and School Reserves to support efficient use of the land.

The Joint Use Reserve Fund for 2018

During 2018, the Reserve Fund received cash receipts from development and disposition of reserves totalling \$1.6 million and earned interest of \$1.6 million. During this same period, expenditures totalled \$16.5 million resulting in a fund balance on 2018 December 31 of \$70.4 million.

Below is a summary of the Joint Use Reserve Fund account in 2018:

- | | |
|-----------------------------------|-------------------|
| • Fund Balance on January 1, 2018 | \$ 83.6 million |
| • Fund Receipts | \$ 1.6 million |
| • Fund Investment Income | \$ 1.6 million |
| • Fund Disbursements | (\$ 16.4 million) |
| • Fund Balance December 31, 2018 | \$ 70.4 million |

Refer to Attachment 2 of this report for a detailed summary of the 2018 Reserve Fund Receipts and Disbursements.

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The Joint Use Reserve Fund for 2019 and Beyond

Anticipated future demands on the Reserve Fund are divided into future demands for the current year of 2019, followed by projections within the next five years, and projections beyond the next five years. These demands are estimated at \$206.5 million (\$3.5 million in 2019, \$53.5 million from 2020 to 2024 and \$149.5 million 2025 and beyond), based on a high-level market value estimate for net fully serviced lands as of the date of this report. For a more detailed breakdown and itemization of these demands, see Attachment 1.

Stakeholder Engagement, Research and Communication

The JUCC is built on the consensus model, as such this report was written with the input and support of the Committee members.

Strategic Alignment

The JUCC and the Agreement align with the policies contained in Section 2.3.5 Municipal, School and Environmental reserves of the Municipal Development Plan.

Social, Environmental, Economic (External)

The Reserve Fund enables the three JUCC parties to ensure reserve land is provided in optimal locations, and ensure complete communities, by enabling The City to:

- coordinate the provision of land for recreational and educational facilities through the planning process;
- take money in place of reserves in locations where open space or school land is not required;
- dispose of surplus reserve land and secure the proceeds for future purchases; and
- purchase land in open space deficient communities for parks, recreation facilities, and schools.

Financial Capacity

Current and Future Operating Budget:

There is no impact to The City's operating budget as the Reserve Fund is solely used for land acquisition as per the terms of the Joint Use Agreement. Any facilities constructed on purchased land are the responsibility of the applicable organization, including operating costs.

Current and Future Capital Budget:

The Agreement provides a mechanism to both collect and allocate money in place of reserve land in a coordinated fashion that ensures maximum benefit to the community by jointly locating educational and recreational facilities on joint use sites. This results in significant capital budget savings for both The City and school boards.

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Risk Assessment

The Reserve Fund's revenue stream is predominantly dependent on cash in lieu being paid by industrial and commercial development in place of dedication of reserve land. As future industrial and commercial development takes place, there will be an increase in the Reserve Fund revenue. However, since this is market dependent, contributions beyond the next five years are difficult to predict. To ensure the revenue stream is not at risk with future fluctuations in industrial and commercial land development, different funding models will also be investigated when negotiating a new Agreement.

REASON(S) FOR RECOMMENDATION(S):

The report provides an annual overview of the Joint Use Coordinating Committee work plan and an update on the status of the Joint Use Reserve Fund to Council.

ATTACHMENT

1. Attachment 1 – 2019 JUCC Goals and Joint Use Reserve Fund Demand: 2019 and Beyond
2. Attachment 2 – 2018 Reserve Fund Receipts and Disbursements