

Industry/City Work Plan

Update 3: January through June 2017

June 14, 2017





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Executive Summary

The Industry/City Work Plan (“the work plan”) was approved on 2016 January 11 as part of the Off-site Levy Bylaw. The 2016 Work Plan outlined six key initiatives that the development industry and Administration collaborated on to enhance accountability, make improvements, provide opportunities for feedback and help set the direction for future work. The Industry/City 2017 Work Plan reflects the work completed in 2016, and identifies actions for 2017 that fall within four key initiatives. The initiatives of the work plan involve all of The City’s Business Units at all stages in the planning continuum. The work plan is supported by the Developer Advisory Committee, each initiative working group, and Administration.

This progress report provides information on the results, challenges and next steps for each initiative: New Community Growth Strategy, Established Area Strategy, Industrial Strategy, and Continuous Process Improvements. The Industry/City Work Plan continues to be an important collaboration between Administration and the development industry. Administration and industry members are committed to the work plan, and will communicate on the year-end work plan progress to Council members in 2018 January.

Industry/City Work Plan

The purpose of the Industry/City Work Plan is to improve the development context in Calgary through the work plan initiatives. The 2016 Work Plan was comprised of six initiatives:

- Initiative 1: Establish Developer Advisory Committee
- Initiative 2: Phasing Growth/Land Supply Strategy
- Initiative 3: Established Area Strategy
- Initiative 4: Funding Growth Strategy
- Initiative 5: Process Improvements Strategy
- Initiative 6: Industrial Strategy

In 2016 the Developer Advisory Committee was established, completing Initiative 1: Establish Developer Advisory Committee. The Developer Advisory Committee now plays an oversight role in the work plan. In 2017 January, Administration reported on the progress of the six initiatives in the 2016 Work Plan (PUD2017-0014).

The Developer Advisory Committee, which includes representatives from Administration and industry, identified targeted Industry/City Work Plan actions and deliverables for 2017. The Industry/City 2017 Work Plan built upon the 2016 actions and deliverables, and introduced new deliverables where appropriate. The result condenses the work plan into four key initiatives:

- New Community Growth Strategy (merging the 2016 Phasing Growth/Land Supply and Funding Growth Strategies);
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.

Improving the Planning Continuum

The collaboration with industry stakeholders has identified opportunities to improve the planning continuum to better respond to customers’ needs and encourage investment in Calgary. The initiatives of the work plan span The City’s business units and the planning continuum, from policy through growth management and into the approvals process.

The New Community Growth Strategy initiative focuses on finding opportunities to improve the processes in the early stages of the planning continuum, in particular at the growth strategy and infrastructure stage. This initiative has focused on The City’s implementation of the Growth Management Overlay (Overlay), a policy tool introduced to strategically align planning policy and infrastructure resources. This initiative also explores: alternative funding options to accelerate

development, capital budget certainty, debt and debt servicing impact, cumulative operating cost impact, and accountability in reporting.

The Established Area Strategy focuses on reducing barriers to redevelopment related to the costs of redevelopment, utility infrastructure information, funding growth, policy implications, and application processes.

The Industrial Strategy will consider strategies that support the industrial sector's long-term prosperity and strengthen Calgary's industrial tax base and position as an inland port for Western Canada.

The Continuous Process Improvements initiative aims to address concerns across the approval process from Land use/Outline plans to occupancy and development closeout.

Engaging Industry and working collaboratively

The Industry/City Work Plan is a unique collaboration of the initiative working groups composed of industry members and City staff (Appendix 1). The representation has expertise in new community, established, retail/employment, and industrial development. Membership includes developers, development consultants and the following representative organizations: BILD – Calgary Region (CR), Building Owners and Managers Association (BOMA), Commercial Real Estate Development Association (NAIOP) and Calgary Economic Development.

Aligning with the Municipal Development Plan and Calgary Transportation Plan

The Industry/City Work Plan directly supports corporate priorities by:

- Prioritizing investments for the future;
- Using existing resources more efficiently;
- Investing efficiently; and
- Increasing transparency and accountability.

Advancing the Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP) vision requires city-building successes in a multitude of areas. Through a collaborative approach, the Developer Advisory Committee members identified action areas for improvements to better achieve the MDP and CTP vision.

The Industry/City Work Plan is a project listed in the Planning and Development Business Plan. The work aligns with the Business Plan by identifying opportunities and tools that advance the MDP and CTP vision, enhancing application and approval processes to help realize development, and developing clear direction through the creation and implementation of bylaws and policies.



Governance

The Industry/City Work Plan is a unique collaboration comprised of working groups involving industry members and City staff. Together with Industry, Administration continues to focus on actions in new communities, established areas, and industrial areas. The Continuous Process Improvements initiative facilitates improvements in these areas and across municipal corporate practices.

The work plan reflects a collaborative approach to working with industry stakeholders and continues to see a high level of engagement. Administration remains committed to working with industry stakeholders as this work continues.

Organizational Chart

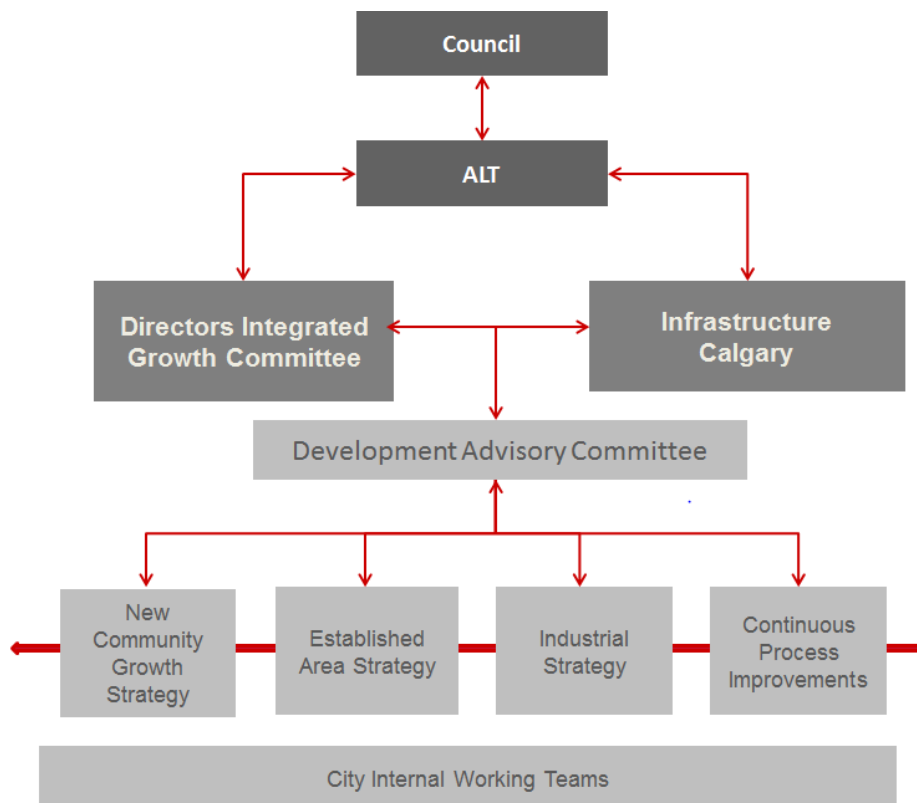
The governance structure for the Industry/City Work Plan is illustrated in Figure 1.

Committees (DIGC, GMSGC) and the Internal Working Team (cross-corporate)

To support the work plan, an internal cross-corporate working team was established comprised of representatives from: Transportation Planning, Water Resources, Calgary Approvals Coordination, Law, Calgary Fire Department, Calgary Growth Strategies, Finance, and Community Planning. This working team is tasked with preparing the information and cross-corporate analysis that supports each of the initiatives.

Administration's role in the Industry/City Work Plan is guided by the Directors' Integrated Growth Committee (DIGC), and the General Managers' Strategic Growth Committee (GMSGC), which is a sub-committee of the Administrative Leadership Team (ALT).

Figure 1: Industry/City Work Plan Governance Structure



Initiative Working Groups

Industry and The City are committed to continuing to prioritize work to improve the context for development in Calgary. To facilitate discussions, working groups have been established for each initiative, and meet on a regular basis. These collaborative discussions have contributed to the development of the Industry/City 2017 Work Plan.

Developer Advisory Committee (DAC)

The Developer Advisory Committee was formed as a key initiative in the 2016 Work Plan, and includes members from industry and City Administration. The Developer Advisory Committee membership and approach is designed to continue the collaborative approach for the Industry/City Work Plan that was established as part of the Off-Site Levy Bylaw work. The Developer Advisory Committee was created to provide insight and perspectives on the overall work plan and associated outcomes of the work plan initiatives.

In 2016 the Developer Advisory Committee was established, completing Initiative 1: Establish Developer Advisory Committee. The Developer Advisory Committee now plays an oversight role in the work plan.



PURPOSE

The Developer Advisory Committee's role is to:

- Guide the creation of the working groups.
- Provide insight and connection between the initiatives and offer advice to the working groups.
- Provide insight and perspective on the outcomes and deliverables of each initiative ensuring connectivity and alignment with the Municipal Development Plan (MDP)/Calgary Transportation Plan (CTP).
- Communicate the industry perspective in support of advancing the Industry/City Work Plan.

The Developer Advisory Committee is guided by the following six principles:

1. Guiding Legislation and Policy Alignment

Promote the achievement of goals and ensure that recommendations are grounded in, and aligned with, the Municipal Development Plan, Calgary Transportation Plan and other City of Calgary planning and financial policies. Seek opportunities to manage or mitigate risk and identify opportunities for agreed upon legislative changes, whether to a City Charter or amendments to the Municipal Government Act, or both. Understand the current legislation and impacts associated with Off-Site Levies charges and fees.

2. Certainty

The recommendations of the Developer Advisory Committee should contribute to an overall growth strategy and infrastructure decisions or direction that provide cost and infrastructure certainty.

3. Financial Sustainability

Implement the outcomes identified in the work plan to contribute to a sustainable financial framework for growth-related infrastructure that is in the best interest of current and future citizens of Calgary. Funds collected should be accurately accounted for, reported and used as intended.

4. Fairness and Equity

Policies and processes will be developed and applied equitably; recognizing that impacts and outcomes achieved may vary depending on individual circumstances. All committee members have a voice in the process and represent the view of industry from a variety of perspectives.

5. Efficiency

By working through each initiative in an efficient manner, the committee will ensure coordination of initiatives, the effective operation of the DAC meetings and the people resources required to deliver on each initiative.

6. Competitiveness

Ensure that economic competitiveness of Calgary is considered, especially as it relates to competition within the Calgary region and for each type of residential, commercial and industrial development.



Initiative Updates

The actions for each initiative have been developed, reviewed and approved by respective working group members and the Developer Advisory Committee.

Changes to Structure of the Initiatives

The purpose of the work plan is to improve the development context in Calgary through the work plan initiatives. In 2017 January, Administration reported on the progress of the six initiatives in 2016 Work Plan (PUD2017-0014). The 2016 Work Plan was comprised of six initiatives:

- Initiative 1: Establish Developer Advisory Committee
- Initiative 2: Phasing Growth/Land Supply Strategy
- Initiative 3: Established Area Strategy
- Initiative 4: Funding Growth Strategy
- Initiative 5: Process Improvements Strategy
- Initiative 6: Industrial Strategy

The Developer Advisory Committee, which includes Administration and industry stakeholders, developed the work plan for 2017 that identified targeted actions and deliverables, which fall within in four key initiatives:

- New Community Growth Strategy (merging the 2016 Phasing Growth/Land Supply and Funding Growth Strategies);
- Established Area Strategy;
- Industrial Strategy; and
- Continuous Process Improvements.



Reasons for the initiative changes

The four key initiatives identified in the work plan for 2017:

- Focus on a few, high priority initiatives that will make a difference to stakeholders.
- Reflect the completion of Initiative 1: Establish Developer Advisory Committee. This committee has been established and now plays a role in the oversight of the work plan.
- Build on the work from 2016, and reflect efforts to focus the Phasing Growth / Land Supply and the Funding Growth strategies into one strategy for New Community Growth. The Established and Industrial Area Strategies will also consider land supply and funding options specific to their context to encourage investment, and to identify opportunities to retain existing capital in Calgary.
- Recognize that improvements to City processes can be achieved for all types of development and will be part of ongoing work, which is reflected by renaming the Process Improvements Strategy to Continuous Process Improvements.
- Develop an approach to address the goals and objectives of the work plan based on development types: new communities, established areas and industrial areas.

New Community Growth Strategy

Background and Merging Initiatives 2 and 4

The New Community Growth Strategy is not a new initiative in the Industry/City Work Plan, but rather a merger of the Phasing Growth/Land Supply initiative and the Funding Growth Initiative. Industry stakeholders and City representatives have agreed that, given the common focus on process and funding option questions in new community areas with Growth Management Overlays, it made sense to merge the two initiatives. This would allow information from the Phasing Growth/Land Supply initiative, which is focused on articulating the process for Overlay removal in new communities, to be shared with the Funding Growth initiative, which is working on evaluating financial tools that could be used to address capital and operating issues that prevent Overlays from being removed.

The Phasing Growth/Land Supply initiative has been focused on The City's implementation of the Growth Management Overlay ("Overlay"), a policy tool introduced to strategically align planning and infrastructure resources. The Funding Growth initiative has focused on topics such as exploring alternative funding options to accelerate development, capital budget certainty, debt and debt servicing impact, cumulative operating cost impact, and accountability in reporting. More recently, following an invitation from Administration to submit Overlay removal proposals/business cases that attracted eight submissions from Industry, this initiative has assisted with developing a review process for the submissions.

Purpose

The purpose of the New Community Growth initiative combines the overlapping objectives previously identified in the Phasing Growth/Land Supply initiative and the Funding Growth initiative.

The purpose of the New Community Growth initiative is to:

- Review the Growth Management Overlay Process. Implement the new approach in relation to the Outline Plan process. Develop and align the review process for Overlay removal proposals/business cases.
- Establish principles and criteria for prioritizing areas that could have their Overlays removed.
- Align with growth-related infrastructure prioritization work.
- Explore funding arrangements and options for alternate capital financing with Industry. Research best practices in other municipalities. Evaluate and implement options.
- Gather information and analyze annual operating costs to better understand impacts on budget resulting from advancement of additional growth areas. Evaluate and implement options.
- Provide more detailed and timely capital plan information to Industry, with the intent to provide long term certainty.
- Continue to improve the annual levy report and process.



Results/impact achieved

1. Review the Growth Management Overlay Process. Implement the new approach in relation to the Outline Plan process. Develop and align the review process for Overlay removal proposals/business cases.

The review of the Overlay process has moved through several phases:

- Initial engagement and discussion
- Creation of a draft process that received an “in principle” acceptance from the General Managers’ Strategic Growth Committee (GMSGC) and the working group.
- Invitation to submit Overlay removal proposals/business cases consistent with the aspects identified by Administration (funding proposal, MDP alignment, and economic benefit).
- Submission of eight Overlay removal proposals/business cases, which are currently under review by Administration.

Administration is also currently reviewing a proposal from BILD Calgary Region, made in early March, to allow submission of Outline Plan/Land Use applications prior to Overlay removal. This was requested for a number of reasons, including allowing for greater information sharing, and a desire for developers to be ready when financial tools become available in the future. Administration is carefully evaluating this proposal and related impacts in order to respond thoughtfully to BILD Calgary Region. A process that works for The City and Industry will help foster certainty and reliability in the development process.

2. Establish principles and criteria for prioritizing areas that could have their Overlays removed.

Principles for prioritizing growth areas were developed at the outset of this work. As the Overlay removal process evolves, these

principles are used to inform decisions on how the Growth Management Overlay is implemented, as well as to inform budget recommendations. Seven principles were developed, including supporting economic development, facilitating Municipal Development Plan alignment, ensuring financial risk mitigation, and facilitating consumer choice and affordability.

3. Align with growth-related infrastructure prioritization work.

Insight from the industry group was used to inform infrastructure prioritization work completed in Q4 2016 and Q1 2017.

4. Explore funding arrangements and options for alternate capital financing with Industry. Research best practices in other municipalities. Evaluate and implement options.

Building on the work completed in late 2016, the working group has continued to explore alternate funding arrangements for capital with the help of a consultant. Conventional financing arrangements like funding through City budgets and front-ending agreements (Construction Finance Agreements) have been discouraged by Administration. Options such as payback tied to future levy receipts and developer funding without recovery are under evaluation. Administration has also undertaken some research of best practices employed in other Canadian cities. Defining these options provides predictability to Industry on what agreements The City can and cannot explore with developers.

5. Gather information and analyze annual operating costs to better understand impacts on budget resulting from advancement of additional growth areas. Evaluate and implement options.

This topic has received greater attention as The City financial situation has become constrained. The Finance business unit continues to analyze the Overlay removal proposals/business cases received from developers. As well, Calgary Growth Strategies has led work to explore a common method for how developers may offset the operating inefficiencies associated with opening additional new community growth areas. A premise was proposed by the working group and is currently being analyzed using City data.

6. Provide more detailed and timely capital plan information to Industry, with the intent to provide long term certainty.

The work of the New Community Growth initiative continues to help The City prepare for the 2019-2022 budget cycle, including ways to contribute to decision making processes through establishing decision criteria and increasing transparency in process.

7. Continue to improve the annual levy report and process.

Administration has recently hired a new staff member to help lead the 2016 reporting on off-site levies. Off-site levy reporting increases transparency to Industry regarding the investment of developer levies.

Challenges

1. Analyzing business cases for the Growth Management Overlay removal process

The review of Overlay removal proposals/business cases from areas requiring City capital and operating funding is a new process for both The City and Industry. Administration is working to review the proposals at a high level in order to expedite timelines, but also with enough detail to make

sound recommendations. The submissions must be assessed for both current feasibility and also to inform future strategic growth decisions. The working group is very interested in how the Overlay removal proposals/business cases will be used, and on what basis decisions will be made. Administration may use this process to inform Overlay removal implementation and as a consideration in making budget recommendations.

2. Managing the relationship between the Growth Management Overlay and the Outline Plan/Land Use (OP/LU) review process

While the Overlay and OP/LU application review are closely linked, they are not necessarily focused on the same area. Overlay removal areas are aligned with servicing catchment boundaries, while OP/LU areas are defined by planning and ownership boundaries. The Overlay removal process, which must occur prior to land use approval, has been under discussion for some time. Administration and the working group agree that certainty is a shared goal, as this will enable developers and City staff to make business decisions based on a stable framework. Work is ongoing to build a process that provides developers with an opportunity to make a proposal, but also limits resourcing impacts within Administration during the identification and review of infrastructure funding issues.

Both Administration and the external group acknowledge that this work has moved past original timelines. This is due to the complexity of the issues, and the need to consider and balance City and Industry perspectives. Recently, progress has accelerated as the critical issues have come into focus and risks have been thoughtfully discussed.

3. Fully articulating capital and operating cost options in a shifting financial and legal environment

This work has been impacted by changes in The City's ability to support alternative funding tools to advance growth in new communities. Some of these changes are due to the availability of funding (which has declined recently as the volume of developer paid levies has fallen), and also from uncertainty in the amount of transfers from other levels of government. Other changes are due to how The City has strategically reserved its debt capacity, which has limited the availability of Construction Finance Agreements.

The working group has suggested other alternative funding tools that seek to avoid

triggering City debt; however these proposals would require amendments to the Off-site Levy Bylaw and would impact cash flow. A "no recovery" option is also being discussed.

On the question of operating costs, industry has shown a willingness to financially offset the incremental operating cost inefficiencies in additional growth areas in a proportionate way, and with a limited term that is acceptable to both Industry and The City. Work is underway to collect and analyze City cost data in order to test assumptions.

Next steps (Q3 – Q4 2017)

1. Finishing the review of Overlay Removal Proposals/Business Cases

Eight proposals were submitted by developers before the March 3 deadline. All present at least one unfunded City capital infrastructure piece, and all lack funding for operating costs in current approved City budgets. Each Overlay removal proposal/business case has identified, in the developer's opinion, the outstanding City infrastructure required, the economic benefits of City investment in the area, and how development in the area would support the Municipal Development Plan.

City staff from all departments are involved in consolidating comments, responding to the submission proponents, and making recommendations to senior administration.

2. Analyzing the operating cost impact of the Overlay removal proposals/business cases and the Industry proposal for offsetting operating costs

More detailed analysis is required on the operating cost impact in additional growth areas, as well as the impact to efficiency on other growth areas that may not grow as quickly if additional areas are initiated. Many conversations have been held with the working group on the theory of operating cost efficiency; now more detailed analysis is required to prove out assumptions.

3. Complete offsite levy reporting

Annual off-site levy reporting is completed by The City in consultation with the Industry. This work has begun and the reporting should be available in the short term.

4. Prepare to inform the 2019-2022 capital and operating budget process

While the focus of the initiative has been on the Overlay process and associated capital and operating funding options, both developers and City staff have begun to look ahead to the 2019-2022 budget process. It will be important for those investment recommendations to be informed by external and internal input. Information gathered through the Overlay removal proposal/business case process may be informative.

5. to BILD Calgary proposal for Outline Plan and Overlay removal processing

Complete review of BILD Calgary proposal and respond to Industry, including reporting to Council where necessary. Work with Industry to implement any changes to the process. Ensure City risks are addressed, including cost recovery, managing developer expectations, and that Outline Plans can remain current.



Established Area Strategy

Background

The Established Area Strategy focuses on reducing barriers to redevelopment related to the costs of redevelopment, utility infrastructure information, funding growth, policy implications, and application processes.

The working group that supports this strategy has prioritized their actions for 2016-2017, and remains focused on the key outcomes that have been identified. In addition, this working group provides feedback on a number of policy initiatives that are outside the scope of the work plan, but that influence and support redevelopment in Calgary.

Purpose

The following are the actions that were agreed to by the working group in 2016, that carried forward into 2017:

1. Centre City Levy Reporting and Review
2. Reductions in the Costs of Redevelopment
3. Utility Information Mapping
4. On-going Policy Engagement
5. Strategic Investment Program for Redevelopment

These actions seek to reduce risks to successful redevelopment projects, both through direct and indirect project costs, transparency and predictability of critical information, and strategic investment in developed areas communities that are experiencing redevelopment pressures.

Results/impact achieved

The first meetings of 2017 were used to take stock of the accomplishments of 2016, and set strategic actions for the first and second halves of 2017. This discussion benefitted from the oversight of the Developer Advisory Committee as they considered the full range of actions across the initiatives that were considered for 2017. The

following actions demonstrate that the Established Area Strategy remains consistent with the work originating in 2016, with some projects evolving into secondary phases of project work.

1. Centre City Levy Reporting and Review

Since 2016 December, this work has included requesting information on program revenue and spending from business units for the 2016 year. Information was reconciled and drafted into reporting tables, which was reviewed at working group meetings. In preparation for the 2017 June Standing Policy Committee on Planning and Urban Development (PUD) meeting, the report was drafted in collaboration with cross-department and industry representatives and new formats and content were considered.

Monitoring of the changes to Municipal Government Act legislation and City Charter regulations continued in order to guide the timing and content of a comprehensive review of this program. Any proposed changes would be brought to a future PUD Committee and Council for consideration as a separate report.

2. Reductions in the Costs of Redevelopment

In 2016 December the inventory of fees and charges on the development permit phase of redevelopment was published. This also marked the transition into phase two, which was to review those inventoried costs and examine where reductions or adjustments could be made to the overall costs of redevelopment projects. Background research into the direct fees and charges is being assembled, with the support of Directors' Integrated Growth Committee (DIGC) and department resources. The requirements placed on applicants can be reviewed, including security payments, application fees, and fees for services such as inspections carried out by Administration. Reductions in fees and charges can be

considered by individual departments or Committee and Council depending on the nature of the fee or charge.

3. Utility Information Mapping

Water Resources has been progressing on the effort to create utility information mapping for communities within the developed areas in order to provide potential applicants with additional information to predict the need and scope of utility upgrades. The community of Killarney was chosen as the first pilot community and a report showing the assembled information has been prepared and will be published on Calgary.ca. The working group collaborated to select the next two communities for this work, and infrastructure information mapping is underway. In addition, Water Resources formalized and published criteria to help guide and explain department decisions on strategic investment in the developed areas when utility improvements are needed related to both growth and life cycling.

4. On-going Policy Engagement

The working group is interested in hearing updates and providing feedback on ongoing policy initiatives that have impacts on redevelopment. This group shares a diverse perspective on potential implications of work on redevelopment application processes, costs, and policy development. Since December, this group has provided feedback on the Developed Areas Guidebook, and the Main Streets project. This group also remains connected to the work with ENMAX and other shallow utility providers initiated in 2016 December to tackle some of the challenges identified regarding redevelopment.

5. Strategic Investment Program for Redevelopment

Work to support strategic investment in infrastructure and public amenities in the developed areas is ongoing and projected to

continue into 2018. Since 2016 December, this included further support of short term capital investment projects brought to Committee and Council for consideration. In addition, with consideration for a longer-term strategic investment program, a project charter was created that outlined the steps identified to undertake the work. As the first step in this work, meetings were held with departments to understand their strategic decision-making to support infrastructure and amenities in the developed areas communities. The range of financial tools that are currently used in this regard were examined. This may provide insight into potential tools that demonstrate successful support of capital investment in utility and transportation infrastructure as well as public amenities to sustain existing communities through their lifecycle.

Challenges

Changing Legislation - There is recognition that the timing and evolution of the Municipal Government Act and City Charter regulations will have impact on the work that has been prioritized by this working group.

Shallow Utilities Discussions - The work initiated in December with the shallow utility providers identifies challenges specific to redevelopment. This work is in the early stages, and will likely be dealt with as separate discussions from the working group. The Established Area Strategy can support this work once the initial actions have been identified.

Volunteer Fatigue – The first half of 2017 was a busy year of proposed policy changes that impacted the developed areas of the city. This work included the Developed Areas Guidebook, Land Use Bylaw amendments, Main Streets policy changes and associated city-initiated redesignations, and Greenline Station Area Planning work. This work enabled industry representatives to connect with project leads; however, external representatives have limited

time to dedicate to these discussions. The working group has attempted to remain focused on a few key outcomes to mitigate volunteer fatigue.

Next steps (Q3 – Q4 2017)

1. Centre City Levy Review

The amended MGA regulations are now anticipated to be released in the second half of 2017, and therefore the working group may be able to complete a more comprehensive review of the Centre City Levy program through Q3-Q4. Any proposed changes to the levy program would be brought to Committee and Council as a separate report.

2. Costs of Redevelopment

The working group will continue to investigate ways to reduce the costs of redevelopment through the remainder of 2017. The work to inventory fees/charges will be expanded to include other phases of the application process including Development Site Servicing Plans (DSSPs) and Development Completion Permits (DCPs).

3. Utility Information Mapping

Work will be ongoing by Water Resources to create utility information summaries for two new communities in the developed areas. The working group has agreed that Chinook and Bridgeland are the next desired communities for this utility information summary work.

4. On-going Policy Engagement

As opportunities arise to connect the working group with ongoing initiatives, project leads will be invited to present their work for feedback from this group. This working group will remain connected to the new work aiming to address challenges with shallow utilities and redevelopment.

5. Opportunities for Investment in Established Areas

Work will continue through 2017 to define potential funding mechanisms to support infrastructure and community amenities in developed area communities related to growth. This work is complex and requires collaboration with development representatives, internal departments, communities, and business improvement associations. These stakeholder connections will increase as the potential program is defined. Any proposed program and budget requests will be presented through Committee and Council as a separate report.



Industrial Strategy

Background

This initiative focuses on the identification of opportunities to support industrial development including offsetting the impacts of the levy through policy considerations and comprehensive strategies. The long term focus of the Industrial Strategy working group is to grow and maintain the industrial tax base by developing strategies that support the industrial sector's long-term prosperity and strengthen Calgary's position as an inland port for Western Canada.

Purpose

The purpose of the Industrial Strategy is four-fold:

1. Identify strategies for continued support of industrial development;
2. Provide continued analysis of industrial land supply;
3. Monitor the impacts of the levy rate on industrial development and gather information to inform the next bylaw review; and
4. Review potential policy impacts.

The focus of the actions for the Industrial Strategy initiative, as agreed by the working group in January 2017 is to:

1. Link in with process improvements that directly affect industrial development;
2. In consultation with Water Resources explore pipe sizing requirements for different industrial users;
3. Identify baseline research/framework;
4. Outline an approach for industrial awareness and education, and compile education materials to inform Councillors and citizens of the benefits of an industrial land base; and
5. Link in to other agencies and strategies.

The intent of these actions is to facilitate industrial development and job creation, while creating awareness of the benefits of an industrial tax base in the city, and the strategic importance of Calgary in the goods movement market.

Results/impact achieved

The first meetings of 2017 were used to set strategic actions for the first and second halves of 2017. This discussion had the oversight of the Developer Advisory Committee, providing a full range of actions for 2017. The following actions demonstrate that the Industrial Strategy builds on the work originating in 2016.

1. Develop a Terms of Reference for the Industrial Strategy working group

The Terms of Reference has been prepared by members of the Industrial Strategy working group. It outlines the group's purpose, vision, values, principles, responsibilities and membership, highlighting the collaboration among the Industry and The City around industrial sector objectives and initiatives.



2. Link in with process improvements that directly affect industrial development

Process Improvements

At the April meeting project managers of their respective process improvements work presented on Construction Completion Certificate/Final Acceptance Certificate (CCC/FAC), Permit Coordination, and Change of Use, outlining progress and accomplishments of those projects to date. Several industrial working group members are participating on the change of use work, which is of significant importance to the working group. Working group members are also providing industrial perspectives on the other process related initiatives.

Other agencies and strategies

In recognition of the link between the Industrial Strategy and the Goods Movement Strategy (to be completed in 2018) a connection was made that included conversations among the Industrial Strategy working group, Transportation Planning and Calgary Economic Development. Much of the work being done as part of the Goods Movement Strategy has a direct impact on, and is of interest to, the industrial sector.

3. Identify baseline research/framework

A snapshot of the city's industrial land supply from 2014-2016 was presented to the working group. The City's current industrial land use zones have been mapped to provide an overview of industrial type uses and their locations within the city limits. This work has allowed for a better understanding of Calgary's current land uses and potential pressures on the industrial land base, The City's position as an inland port, and the

importance of growing and maintaining the industrial tax base.

4. Investment in industrial infrastructure

On 2017 April 24, Council approved (through report TT2017-0379) a capital allocation for City funding towards the Glenmore Trail and 68 Street Southeast intersection enhancements. These enhancements have been supported by the working group and would leverage additional investments from area land owners. Cumulatively, these investments would improve circulation within this important industrial growth area in the city's southeast and allow for contiguous industrial development. The improved circulation will encourage new industrial development opportunities on private and municipal-owned lands, and align with City Council's strategic objective to improve critical goods movement corridors throughout Calgary to strengthen the economy.

Challenges

Changing Legislation – The upcoming creation of a Growth Management Board will likely place a greater emphasis to look at the Calgary Region as a whole in planning and attracting industrial development.

Representation across different business groups – The Industrial Strategy working group has a wide range of members that offer perspectives and knowledge in different phases of industrial development. The working group includes land owners, developers, real estate professionals and association groups. These diverse perspectives present challenges in some situations as the working group members can have divergent interests given their specific role in industrial development.

Linking in with different groups to provide an “industrial lens” – Many other strategies, research, and process improvements are underway within The City that affect industrial development. Creating connections, staying aware of other related initiatives, and providing the industrial perspective will be top of mind for the Industrial Strategy working group.

Next steps (Q3 – Q4 2017)

1. In collaboration with Water Resources, explore pipe sizing requirements

One of the sub-working groups will begin exploratory discussions on sanitary, storm and water servicing requirements for industrial development through Q3-Q4. These exploratory discussions will involve an education component on how servicing requirements are determined for industrial users. Water Resources would lead this sub-working group.

2. Continuing development of an industrial strategy

The working group will continue to work on actions that support the industrial sector and help to diversify Calgary’s economy. This will include gathering research to help inform a framework for a city-wide industrial strategy.

3. Continuing to develop industrial awareness and education

Working in conjunction with Calgary Economic Development, ongoing actions will be examined and developed to strengthen the city and regional position as an inland port, and build awareness of the importance of an industrial tax base.

4. On-going engagement

Initiative leads will be invited to present work that could impact industrial lands to the Industrial Strategy working group. This provides the working group the opportunity to provide input and feedback.

Continuous Process Improvements

Background

The Continuous Process Improvements initiative aims to address concerns across the approval process from Land use/Outline plans to occupancy and development closeout. Both The City and Industry are concerned about ensuring that Calgary is an attractive place for real estate investment, that the approval process is simplified and efficient, and that partnerships can be built between The City, development industry, and communities. In addition to the process improvement efforts with Industry, noteworthy structural changes to the approval process have been put into place, or will be put in place, to identify and make improvements to: governance, applicant relations, Final Acceptance Certificates, and aid in corporate decision making on land development issues.

Purpose

The 2017 Continuous Process Improvements initiative actions are:

1. Permit Coordination
2. Row Housing
3. Site Grading
4. Construction Drawings
5. Construction Completion Certificate/Final Acceptance Certificate (CCC/FAC)
6. Development Site Servicing Plan (DSSP)
7. Communication Expectations and Rules
8. Explore
9. Application Circulation
10. Identification and Submittal of Supporting Documents
11. Submittal and Initial Team Review (ITR)
12. Detail Team Review (DTR) Template Revisions
13. Standard Comment Library

Results/impact achieved

1. Explore

A decision has been made to transition the current Explore file type to the CPAG pre-application type. Enhancements will be made to the current CPAG pre-application that will provide more value to customers, clarify roles, responsibilities, and timelines, as well as enhance accountability for all departments involved in the pre-application process. A new workflow for the CPAG pre-application has been developed that improves the previous pre-application process. The Explore working group is currently implementing the new CPAG pre-application process, and is moving to production in Q3/Q4 2017.

2. CCC/FAC

A complete review of the overall CCC/FAC process was required at the start of this project and has been completed with input by CPAG generalists, CPAG specialists, and industry members. This has resulted in identifying problem areas to enhance the current CCC/FAC file type, and improvements to the overall system. The CCC/FAC working group is currently working on the identification and implementation of these proposed improvements.

3. Construction Drawings

The overall process for the construction drawings is very similar to that of the CCC/FAC project. A review of the overall Construction Drawing process was required at the start of this project and a walkthrough of the construction drawing process was undertaken with generalists, specialists, and industry members. This has resulted in

identifying problem areas and improvements to the overall system to develop a future state workflow.

The construction drawing project also included a review of the current software being used internally. That software review is due to be completed by Q3 2017 to coincide with the software licensing renewal. The Construction Drawing working group is currently working on implementation of the future state for construction drawings.

4. Submittal and Initial Team Review (ITR)

The submittal and ITR working group has developed a new land use, outline plan, road closure (LOC) workflow that is going into production on 2017 June 21. This new workflow clarifies internal processes, and provides the ability to use digital plans for review. Fewer drawings will be required from the customer, and holds (resulting in application processing delays) will be reduced if additional plans are required. Internally, the data that Administration uses to measure application processing times will be more accurate.

The submittal and ITR working group has also developed a revised Initial Team Review template, which will provide the customer with more information about their application, who is reviewing their plans, and when they can expect to receive their detailed team review. This enhanced ITR will reduce the amount of uncertainty that customers have when submitting their application. Publication of the new Initial Team Review templates will go live in Q3 2017.

The submittal and ITR working group has developed a Complete Application Requirements List (CARL) advisory group that is focused on simplifying and enhancing the current CARLs. The enhanced CARLs will result in clearer application requirements for

customers. The Terms of Reference has been developed for the CARL advisory group. This CARL advisory group is now an operational task that is being run under Calgary Approvals Coordination.

5. Site Grading

The Site Grading working group is reducing the scope of review for site grading applications. This reduced scope is expected to result in a shortened timeframe to review an application and a faster approval for customers.

The Corporate Planning Applications Group (CPAG) standard comments for site grading applications are being reviewed in relation to the reduced scope of CPAG, ensuring that comments are appropriate.

Part of this work provided clarity around the assessment process for site grading, specifically identifying changes in assessed value of land. A document has been developed that addresses customer concerns around stripping and grading, and provides clarity around the assessment process. The stripping and grading approval process is also better defined within the planning continuum for customers.

6. Communication Expectations and Rules

An online directory has been developed that identifies the CPAG generalists, managers, directors, and support contacts, such as the approvals coordinators. The current online directory is in the form of a pdf that has to be manually updated. An online directory that updates staff information automatically is currently in development, with completion due at the end of 2017 June.

This action included a requirement to review the rules surrounding CPAG and applicants. The current rules that are in place were

deemed acceptable, and training was completed to reiterate the expectations and business rules for communication between CPAG and applicants. Training has also been provided to CPAG to restate the current business rules between specialists and generalists. This training has been provided through the mandatory training required for all CPAG members, and was administered through the Training & Development team in Planning and Development.

Customized timelines for targeted application types will improve communication with customers. These customized timelines will be developed for applicants, allowing agreed upon timelines with customers to be reflected in reporting, along with an accurate representation of the timelines within the tracking software for applications. The customized timeline for development permits has been completed, and the customized timeline for land use applications will be completed in Q3 2017.

To gather valuable feedback from customers a questionnaire was developed that will be circulated after the completion of an application. The questionnaire will ask a customer specific application related questions, providing valuable feedback in a timely manner. Administration will have the ability to link survey results to specific customers, file types, and file numbers, providing an opportunity for specific training, and issue mitigation. The team developed the questionnaire to work with the application tracking software, enhancing data over the use of a standard survey. The Canadian Anti-Spam legislation (CASL) has presented some survey rollout issues; Administration is currently developing solutions to mitigate these issues. Production of the survey is set for Q3 2017.

7. Row Housing

The row housing work is complete. Permitted use row housing is intended to mix with other 'at grade' housing forms such as single and semi-detached dwellings so that as a typology, row housing is predictable and repeatable. After significant discussion with generalists, specialists, and industry representatives, a decision was made to develop an expedited review process for row housing applications. This review limits the CPAG representative scope of review, and allows the application to move to decision once this CPAG review is complete. The Row Housing CARL has been revised to reflect these process changes. The revisions to the Row Housing CARL will improve the application and approval process for customers.

8. Development Site Servicing Plan (DSSP)

The DSSP working group identified issues with the current state of the approval process. Solutions to mitigate these issues have been developed, and were confirmed by Industry as acceptable options. An implementation strategy is currently being developed, with internal and external stakeholder involvement. These enhancements are expected to result in significantly faster and efficient approvals of DSSP's.

9. Permit Coordination

The Permit Coordination working group has focused on identifying common challenges in the planning continuum that cause application delays. The Permit Coordination group has identified redundancies in the process, and is currently implementing solutions to mitigate the challenges in the review process.

The Permit Coordination working group has taken the same approach to reduce the

amount of documentation and information required at each stage of the application process. One deliverable that was part of the Permit Coordination work was to determine if the development completion permit and occupancy permit can be aligned so only one permit would be required. After much discussion, it was determined that the creation of one permit that would cover both inspector processes for development and building permits was unfeasible. Instead, inspectors identified challenges with both processes, and have developed mitigation solutions. Implementation of the solutions should be completed in Q3/Q4 2017.

This work includes improving the revised plan process. The working group identified improvements to the revised plan process, which included increased authority for inspectors to approve as-builts, and revisions to the circulation of revised plans. Specifically, the file manager who approved the original development permit will be the same file manager to review the revised plans.

Challenges

Internal and External Resources – The Continuous Process Improvements initiative has been tasked with managing the work for the nine actions. In some cases internal and external representatives contribute to several of the actions, resulting in challenges procuring appropriate resources. Members of BILD have been extremely accommodating of Administration's requests. Administration has been equally accommodating of the requests of the working group for this initiative.

Change Fatigue – The Continuous Process Improvements initiative has led to considerable process changes and enhancements in a short period of time. This work has resulted in the risk of change fatigue. To mitigate this concern, Administration has embedded change "champions" in all work, with the purpose of

identifying the benefits that come with each change being implemented.

Impacts and decisions of other projects – The scope of Continuous Process Improvements actions cover most of the planning continuum, ranging from outline plans to occupancy. The impacts and decisions of other projects that consider these file types can have an impact on the Continuous Process Improvements initiative. Administration has mitigated this issue with involvement in the Project Oversight Committee, which allowed the team to have a better understanding of other projects and decisions being made.

Staffing Changes – Recent staffing changes have resulted in gaps in the representation of stakeholder groups in some cases at key periods in the work required for each action. Additional staff turnover could impact the completion date of the actions listed in this report.

Next steps (Q3 – Q4 2017)

1. Completion of outstanding projects

Continuous Process Improvements is set to complete the initial projects that were identified at the kickoff of the project (with the exception of some longer term enhancements recommended from the DSSP work).

2. New Projects

The four remaining actions have been verified by the Continuous Process Improvements working group, and are currently underway.

3. Additional Projects

While some of the actions are completed, additional process improvements may be identified. Administration's expectation is that Continual Process Improvement work will be part of the operational work spearheaded by the Calgary Approvals Coordination business unit.

Appendix

The Industry/City Work Plan continues to be an important collaboration between Administration and the development industry. Many hours of effort from a significant number of individuals has gone into advancing the priorities for each initiative. Administration sincerely thanks the members of each initiative working group for bringing forward their ideas, expertise, and experience. The progress to date is a result of the efforts of City staff and Industry members who have contributed their knowledge and skills towards advancing the Industry/City Work Plan. The City of Calgary would like to thank the following people who have contributed in 2017.

New Community Growth Strategy

Industry Members

Brett Friesen, Hopewell Residential
Chris Sargent, Genesis Development
Collin Campbell, Mattamy
Grace Lui, BILD Calgary Region
Guy Huntingford, BILD Calgary Region
Jay German, Ronmor
Josh White, Dream Development
Marcello Chiacchia, Genstar
Robert Homersham, NAIOP

Internal Members

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Erin Coyle, Finance
Kathy Davies Murphy, Calgary Growth Strategies
Matthew Sheldrake, Calgary Growth Strategies
Rick Masters, Finance

Established Area Strategy

Industry Members

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Ben Lee, IBI Group
Beverly Jarvis, BILD Calgary Region
Chris Ollenberger, NAIOP, Quantum Place Developments
Christopher Pollen, Battistella Developments
Dave White, Civic Works Planning + Design
Gillian Lawrence, Remington Development Corp.
Greg Bodnarchuk, exp
Joel Tiedemann, Sarina Homes
Lloyd Suchet, BOMA
Richard Morden, NAIOP, QuadReal Property Group
Shameer Gaidhar, Millenium Plus Homes
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Lesley Kalmakoff, Calgary Growth Strategies

Industrial Strategy

Industry Members

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Blair Sinclair, Triovest Realty Advisors Inc.
Brady Morrice, Walton Development and Management
Craig Dickie, Walton Development and Management
Dan Alexander, Oxford Properties Group
Deana Haley, Calgary Economic Development
Dennis Doherty, Pacific Investments and Development Ltd.
Don Larke, Hopewell Development
Guy Huntingford, BILD Calgary Region
Jay German, Ronmor Developers Inc.
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Patricia Cayen, Hopewell Development
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Laurie Kimber, Land Use Bylaw
Lesia Luciuk, Law
Marlena Rogowska, Calgary Growth Strategies
Robyn Jamieson, City Wide Planning & Design
Shawn Small, Calgary Growth Strategies
Tanner Fellingner, Water Resources

Continuous Process Improvements

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Arlin Amundrud, Morrison Hershfield
Ben Lee, IBI Group
Beverly Jarvis, BILD Calgary Region
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Brian Anderson, Stantec
Brian Horton, O2 Planning + Design
Catherine Agar, Westcreek Developments
Clark Piechotta, Qualico
Collin Campbell, Mattamy
Curtis Hobbs, ISL Engineering and Land Services Ltd.
Damon Butz, Shane Homes
David Baker, Aplin Martin
David White, Civic Works Planning + Design
Don Pasquini, Pasquini & Associates
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Greg Brown, B&A Planning Group
Guy Huntingford, BILD Calgary Region
James Scott, PBA Land and Development
Jessica Karpat, QuantumPlace Developments
Jim Grandan, Dream
Josh White, Dream
Kathy Oberg, B&A Planning Group
Kevin Buchanan, Pasquini & Associates
Michael Jacobson, Homes by Avi
Mike Brander, Remington Development Corp.
Neil MacKimmie, Cardel Homes
Nigel Sparling, InfraCor
Randy Langille, Pasquini & Associates
Reg Jans, Stantec
Rick Gratton, Brookfield
Ryan Boyd, Brookfield
Ryan Darragh, Ronmor
Simon Battistella, Battistella Developments
Stephen Sheldrake, Pasquini & Associates
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Continuous Process Improvements (Continued)

Internal Members

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