




Memo

2019 July 15

To: The Mayor and Members of Council
 From: Kathy Davies Murphy, Chair, Developer Advisory Committee
 Re: **Industry/City Work Plan Mid-Year Status Update**

Administration and representatives of the land development and building industry (Industry) continue to advance the objectives of the Industry/City Work Plan (Work Plan). Originally directed by Council in 2016 January to establish a closer working relationship and partnership between The City and Industry, this work is an important strategy to improve the context for development and investment in Calgary. This memo and attachments provide a progress update on the 2019 Work Plan, in response to Council direction on 2019 February 04 (PUD2019-0005).

Of 30 actions identified in the Work Plan, 12 are complete, 15 are on track and three have been mutually agreed to be delayed (two in the Established Areas Growth and Change Strategy, and one in the Industrial Strategy). Additional details regarding Industry/City collaboration in support of further development and projects, can be found in the attachments. In the first half of 2019, Industry and Administration have:

- Focused on advancing the **Established Areas Growth and Change Strategy** (attachment 1), to inform recommendations for 2020 that will enable redevelopment, sustain quality communities, and support the viability of local businesses;
- Ahead of a scoping report for an **Industrial Strategy** (attachment 2), established linkages to other work that promotes and supports improvements benefitting the industrial sector.
- Monitored market trends and investment progress in new and actively developing communities approved in 2018 through the **New Community Growth Strategy** (attachment 3), and work is underway to review the decision-making process to inform potential growth recommendations for 2020;
- Implemented **Continuous Process Improvements** (attachment 4) resulting in faster approvals, and increased consistency and transparency of decisions and process for applicants; and
- Presented jointly at the Canadian Home Builders' Association National Urban Council regarding land development industry and municipal government collaboration in Calgary.

During this time of fiscal restraint, enabling growth and change across the city is more important than ever. The collaborative work of Industry and Administration, to address issues, advance initiatives and link to ongoing policy and investments, will allow us to leverage public and private funds to attract, retain, and grow private capital investment in Calgary. We are proactively managing to the changing market, financial and resource limitations, and making appropriate adjustments. Work towards achieving a Comprehensive City-Wide Growth Strategy remains an important investment of time and resources from both Industry and The City.

Calgary

Memo

I am pleased to provide you with this update on behalf of City Administration and members of the Developer Advisory Committee. If you have questions about the Industry/City Work Plan, please don't hesitate to contact me.

Sincerely,

Kathy Davies Murphy

Chair, Developer Advisory Committee
Manager, Growth and Strategic Services
Planning & Development, City of Calgary
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Attachments:

1. Established Areas Strategy 2019 Mid-Year Update
2. Industrial Strategy 2019 Mid-Year Update
3. New Community Growth Strategy 2019 Mid-Year Update
4. Continuous Process Improvements 2019 Mid-Year Update
5. BILD CR ICWP Mid-Year Status Update Letter of Support
6. NAIOP ICWP Mid-Year Status Update Letter of Support

cc: Administrative Leadership Team, City of Calgary
Laura Kennedy, City Clerk, City of Calgary
Matthias Tita, Director, Calgary Growth Strategies, City of Calgary
Developer Advisory Committee
Board of Directors, BILD Calgary Region
Board of Directors, NAIOP Calgary

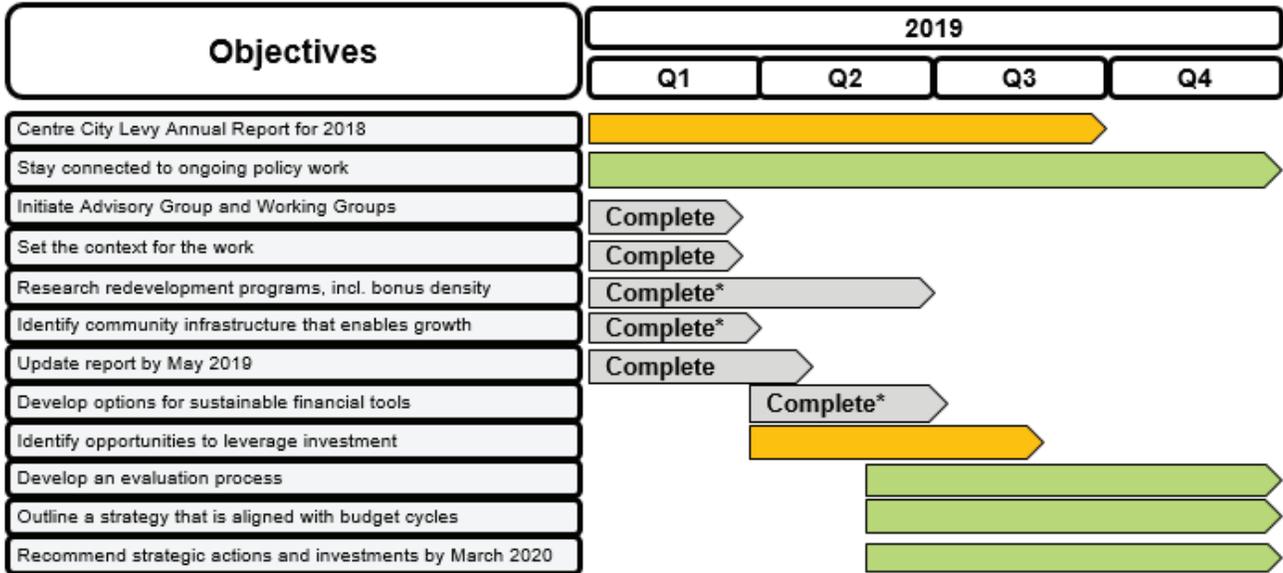
Established Areas Strategy 2019 Mid-Year Update

Background

The Established Areas Strategy focuses on reducing cost barriers related to redevelopment, utility infrastructure information, funding growth, policy implications, and application processes.



What we said we'd do



* Denotes deliverable is largely complete in support of Phase 1 of the EAGCS.

Of twelve actions, six are largely complete in support of Phase 1, four are on track, and two (yellow above) have been delayed to better align with overall timelines and deliverables. The specific deliverables have been adjusted through the Update Report (PUD2019-0305) from May 2019 where a two-phased approach to the Strategy was approved by Council. The deliverables above are primarily in support of Phase 1, but will be leveraged in support of future Phase 2.

Results to Date (January – June 2019)

As part of the Industry/City Work Plan Established Areas Strategy, the Established Area Growth and Change Strategy (“Strategy”), has been an intentional and collaborative focus in 2019, between The City, community representatives, and Industry. Stakeholders have progressed foundational work that will inform recommendations intended to support redevelopment and sustaining quality communities, while leveraging public funds with private investment in support of economic recovery.

This work includes understanding the redevelopment market, reviewing best practices of financial and planning tools, identifying capital investments that support redevelopment and quality of life in communities experiencing growth, and making connections with projects working towards related outcomes. A Strategy update report (PUD2019-0305) was delivered in conjunction with the Main Streets Program, in May 2019.

Work Planned (July – December 2019)

Working collaboratively with Industry, community and business representatives, the work continues to advance towards Phase 1 financial tools, planning and policy tools, and investment recommendations for March 2020. Additionally, clear tracking of how The City leverages funds from developments in the Centre City to support utilities and public realm improvements will be reported in the annual Centre City Levy Report to be delivered in Q3 2019, in combination with the annual Off-Site Levy Report. Industry members will continue to be connected to ongoing policy work through quarterly meetings.

Changes and Challenges

Elements of the Industry/City Work Plan have been limited or delayed as a result of resource constraints on staff and available funding. Despite this, work on the Strategy has been active and productive, given an intentional focus across Administration and from industry and community representatives. Through the 2019 May Update Report, the Strategy was adjusted to reflect a two-phased approach. Adjustments to deliverables have been reflected in the timeline above.

“...need to plan and invest now for tomorrow in the established areas, not just with the Main Streets beautification but in our community amenities as well.”

– Naz Virani, Sarina Homes

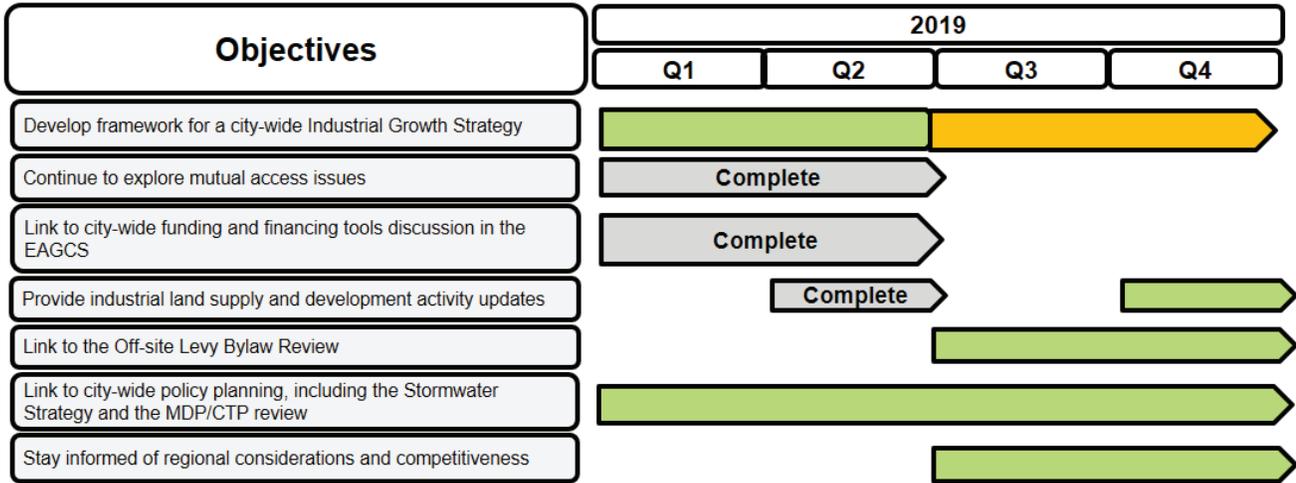
Industrial Strategy 2019 Mid-Year Update

Background

The Industrial Strategy focuses on identifying opportunities to support industrial development through policy considerations and comprehensive strategies. The long-term focus of the Industrial Strategy Working Group is to support economic recovery, and grow 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.



What we said we’d do



Of seven actions, three are complete, three are on track and one (yellow above) has been delayed.

Results to Date (January – June 2019)

To date, the Industrial Strategy working group has established linkages to other work that promotes and benefits the industrial sector, such as mutual access considerations and stormwater initiatives. This has informed changes that will benefit industrial developers, improving competitiveness within the Calgary market, and make private investment within the city boundary more attractive. The Industrial Strategy working group has also been connected to the development of industrial categories and policy within the revised Developed Areas Guidebook. This work is expected to be delivered to Council by the end of 2019, laying the foundation for future implementation. Further, connections with the Next20 project (Municipal Development Plan/Calgary Transportation Plan update) will continue to strengthen city-wide policy and enhance the integrity of our industrial lands.

Work Planned (July – December 2019)

Linkages to other strategies, initiatives and projects to promote and support improvements that benefit the industrial sector will be ongoing (such as the revised Developed Areas Guidebook and future multi-community plans). The Industrial Strategy working group is expected to begin to develop a framework for a city-wide Industrial Growth Strategy, culminating in a scoping report now expected to proceed to Council in 2020.

Changes and Challenges

Some elements of the Industry/City Work Plan have been limited or delayed as a result of resource constraints. One of these is an Industrial Growth Strategy scoping report, which is now expected to move forward to Council in 2020, rather than by the end of 2019. The Industrial Strategy Working Group will continue to discuss scoping this year.

It is acknowledged that the economics of developing industrial land within Calgary have become much more challenging due to regional competitiveness and the changing context of the non-residential property tax distribution. The City and Industry are committed to looking at financial and non-financial ways to address these challenges, highlight value, and continue supporting economic diversification and leveraging private investment.

“The industrial development sector is unique given that Calgary competes on both a regional and often a North America wide basis for new industrial development. It is especially important in the current economic climate that The City and Industry continue to work together to enhance Calgary’s attractiveness and competitiveness in the industrial sector which is vital for the economic health of The City.”

- Trevor Dickie, Dream Unlimited Corp.

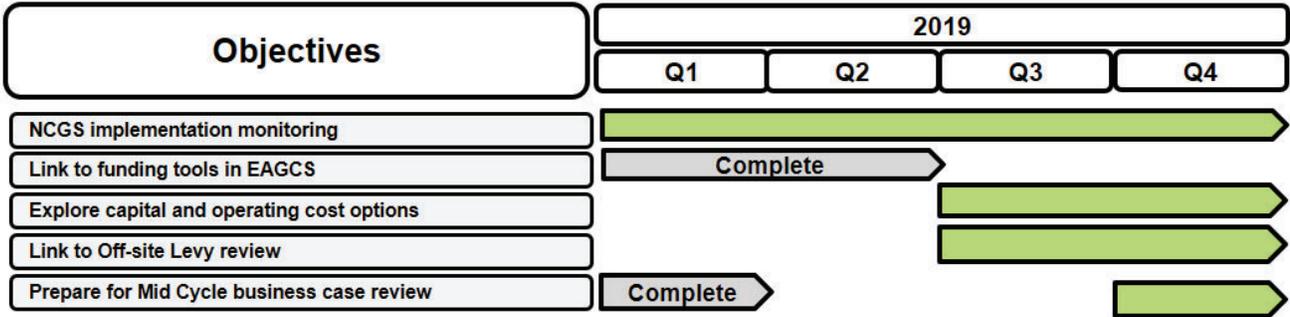
New Community Growth Strategy 2019 Mid-Year Update

Background

The New Community Growth Strategy (NCGS) seeks to enable strategic growth in new and actively developing community areas by aligning planning policy, market demand, and infrastructure and servicing needs with City service plans and budgets.



What we said we'd do



Of five actions, one is complete and four are on track (of which one has completed the first phase).

Results to Date (January – June 2019)

So far in 2019, the New Community Growth Strategy work has focused on monitoring progress made on the new communities approved in 2018, linking to the funding tools work in other strategies and reviewing the decision-making process to inform growth and change decisions for 2020. A third-party consultant was retained to gather feedback from internal and external stakeholders, and members of Council, to inform potential improvements to the decision-making process. Looking forward, anticipated timelines for 2020 have been posted to The City’s website.

Work Planned (July – December 2019)

The first annual growth strategy monitoring report is expected to proceed to the 2019 October 8 Priorities and Finance Committee meeting. This report will provide transparency on planning, investment, and market progress and changes since the 2018 decisions, and inform the future 2020 decisions and process. Linkages to city wide capital and operating cost discussions and the Off-site Levy review will begin in the latter half of the year.

Changes and Challenges

The changing context of the Calgary market continues to pose challenges, and the pace of development and the delivery of City investments requires close monitoring. However, through a shared commitment to transparency and continued collaboration, The City and Industry are committed to setting a context that will enable growth and retain private investment of capital in Calgary.

“The City-Industry Work Plan continues to be an effective way to leverage public and private resources towards achieving common goals. Continued work to support all components of the growth strategy, including both Established Areas and the New Community areas, will be critical to the long term viability of the overall strategy.”

– Grace Lui, BILD Calgary Region

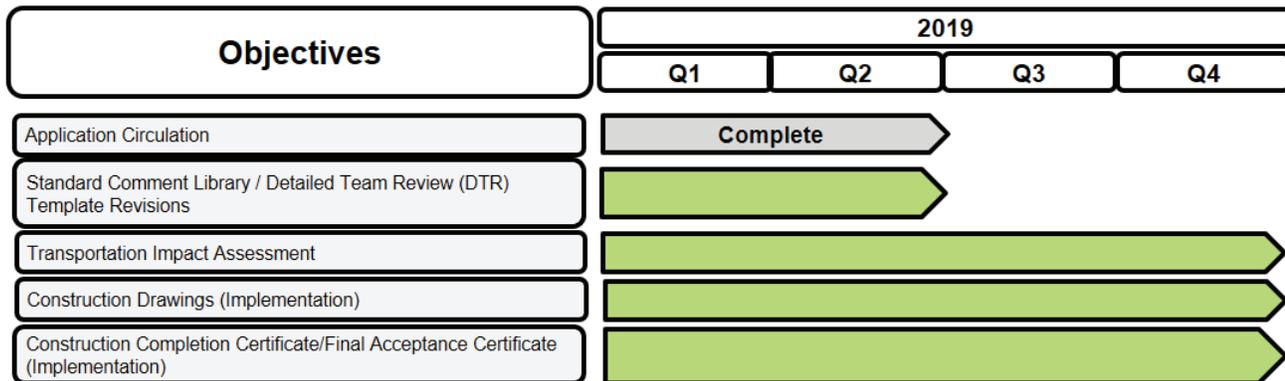
Continuous Process Improvements 2019 Mid-Year Update

Background

The Continuous Process Improvements Program aims to address concerns across the approval process from Outline Plans/Land Use to occupancy and development closeout. Both The City and Industry are focused on ensuring that Calgary is an attractive place for real-estate investment, that the approval process is simple and efficient, and that partnerships can be built between The City, Industry, and communities.



What we said we'd do



Of the five actions, one is complete and four are on track.

Results to Date (January – June 2019)

Working in collaboration with Industry, recent improvements have resulted in faster approvals, and increased consistency and transparency of decisions and process for our customers. Most recently, these have been realized through implementation of the construction drawings, standard comment library and application circulation projects. Changes to the construction drawing submission process have already shown significant improvement in 2018, as outlined in the tables below.

Table 1. Approval rate for underground construction drawings.

Submission number	Percent Approved		Percent Change
	2015	2018	
First	3%	51%	+48%
Second	70%	95%	+25%
Third	91%	100%	+9%

Table 2. Approval rate for surface construction drawings.

Submission number	Percent Approved		Percent Change
	2015	2018	
First	0%	15%	+15%
Second	53%	70%	+17%
Third	90%	100%	+10%

Work Planned (July – December 2019)

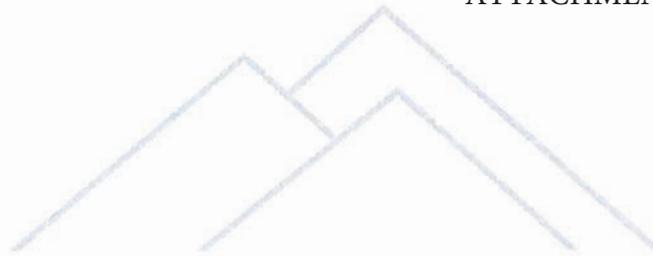
Projects remaining for 2019 are expected to contribute to continued improvement and competitive outcomes for The City and Industry. The Standard Comment Library and Circulation Project is expected to be complete in Q3 2019, and the Transportation Impact Assessment Project in Q4 of 2019. Administration continues to work collaboratively across the corporation and with Industry partners to make process improvements to the Construction Completion Certificate and Final Acceptance Certificate that will yield results for the 2019 construction season.

Changes and Challenges

Elements of the Industry/City Work Plan have been limited or delayed as a result of resource constraints on staff. However, given these improvements can be delivered quickly and with limited resource draw for both The City and stakeholders, this impact should be less significant compared to other Work Plan initiatives. Notwithstanding the positive progress to date, The City and Industry agree on the importance of unwavering and ongoing commitment to Continuous Improvement. Such commitment underscores the need to leverage City investment with Industry/private investment capital to fully realize the objectives of Industry/City Work Plan and more broadly the Municipal Development Plan and Calgary Transportation Plan. Further, both The City and Industry recognize there are competing alternatives for City investment and Industry/private investment capital. Timely, effective and efficient progress on projects is key to ensure competitive return on and return of capital to both The City and Industry investment and accordingly, attracting that investment.

"...a notable improvement in reduced circulation time to Underground and Surface approvals from 2017 to 2018. Definitely an indication that the Construction Drawing Process Improvements have been successful."

– Reg Jans, Stantec



July 9, 2019

The City of Calgary
P.O. Box 2100,
Station M 700,
Macleod Trail South,
Calgary, AB T2P 2M5

Attention: His Worship, Mayor Nenshi and Members of Council

Ladies and Gentlemen:

Re: Industry City Work Plan – Mid-Year Status Update

On behalf of BILD Calgary Region's (BILD CR) members we write to you in respect of Industry/City Work Plan (ICWP) mid-year status update memo.

We wish to thank the City for the opportunity to provide industry input and feedback on the status update, and recognize the spirit of collaboration, diligence and effort which City Administration has brought to the ICWP. BILD CR supports the ICWP, and views it as critical to constructively advancing many City of Calgary Planning and Urban Development initiatives, including:

- Cost effective, efficient implementation of Council's 2018 approvals and directions in respect of a city-wide Growth Strategy, inclusive of the New Community Growth Strategy, the Established Areas Growth and Change Strategy as well as the Industrial Strategy; and
- Maintaining the journey of Continuous Process Improvement to ensure the development investment environment in Calgary remains relevant and competitive with other options.

We have reviewed the memo provided by the Chair of the Developer Advisory Committee and endorse the status updates as fairly representing the progress on the Key Strategy Areas as provided in the attachments in the memo. As noted in the memo, some actions have been delayed by mutual agreement of industry and Administration. BILD CR acknowledges the pressures, constraints and challenges in respect of realizing these strategies, supports

Administration adequately resourcing these initiatives, and the Mayor and Councillors also supporting the necessary resourcing. BILD CR believes adequate resourcing will result in the most timely and effective leveraging possible of private sector investment in development, and construction toward property tax generation.

We encourage the Mayor's and Councillors' continued support of the ICWP and believe it has produced positive outcomes for the City, Industry and Calgarians.

Respectfully,
BILD Calgary Region



Brian Hahn
Chief Executive Officer

cc: Stuart Dagleish, General Manager, Planning & Development
Kathy Davies Murphy, Manager, Growth & Strategic Services

Date: Thursday, June 27, 2019



Mayor Nenshi and City Councillors
P.O. Box 2100, Station M
700 Macleod Trail South
Calgary, AB
T2P 2M5

Re: Industry City Work Plan – Mid-Year Memo to Council

Dear Mayor Nenshi and City Council,

Thank you for the opportunity for NAIOP Calgary to comment on the Industry City Work Plan (ICWP) mid-year memo to Council.

NAIOP Calgary supports the ICWP moving forward as it is a key component in ensuring focus and collaboration between Industry and City administration on issues that affect the Building & Development Industry most. We thank administration for their ongoing commitment to the ICWP. Our overarching concern at present, in conjunction with the comments below on each part of the ICWP, is the recurring theme that there is potential for the work to be compromised. Below is an excerpt from the report that speaks to this....

Elements of the Industry/City Work Plan have been limited or delayed as a result of resource constraints on staff and available funding. Despite this, work on the Strategy has been active and productive, given an intentional focus across Administration and from industry and community representatives. Adjustments to deliverables have been reflected in the timelines.

While we appreciate the constraints and pressures that are being applied, we would encourage administration to continue to resource this work as our Industry is one of the keys to the economic recovery that is required to rectify the reasons for those constraints and pressures.

Established Areas:

It is NAIOP's view that the funding/financing mechanisms that are being explored are the key to realising an established areas strategy that meets both Industry and City goals. A

comprehensive growth strategy will not be realized without a commitment to adequately fund the strategy and align with the market direction and amended MDP goals... that said, Whatever the outcome or the scope of the funding, Industry will continue to develop and invest in established areas albeit in a 'one off' direction.

Industrial Areas:

This initiative has really been slowed due to staffing issues. The scoping report, which is the first milestone document, is not planned until sometime in 2020. While this is somewhat disappointing, the climate that surrounds industrial development is tenuous at best. With the non-residential property tax situation, the continued challenges with processing storm water and the current review of City assets that include industrial lands, it is fair to say that more certainty around all these issues is required before a robust industrial strategy could be realised.

New communities:

With the approval of 14 new communities in mid 2018, the focus must be to ensure that the process that provided direction and certainty to Industry wishing to invest and develop new communities continues on its scheduled path, and is refined. We are encouraged that the City has initiated a complete process review using a third party consultant which should provide for positive changes and aid developers in the next cycle of the City accepting applications.

Continuous Process Improvements:

There has definitely been steady and documented progress as it relates to CPI. The City and Industry teams have collaborated to ensure the 'low hanging fruit' has been addressed and completed. As the tasks become more complex and harder to implement it is critical that this work does not get side-tracked.

We trust that Council will continue to support the ICWP that has produced positive outcomes for both the City and Industry since 2016.

Sincerely, on behalf of, NAIOP

A handwritten signature in black ink, appearing to read "Guy Huntingford". The signature is fluid and cursive, written in a professional style.

Guy Huntingford
Director Strategic Initiatives
NAIOP Calgary