

Calgary



# Industry/City Work Plan

UPDATE 1: MARCH TO MAY, 2016



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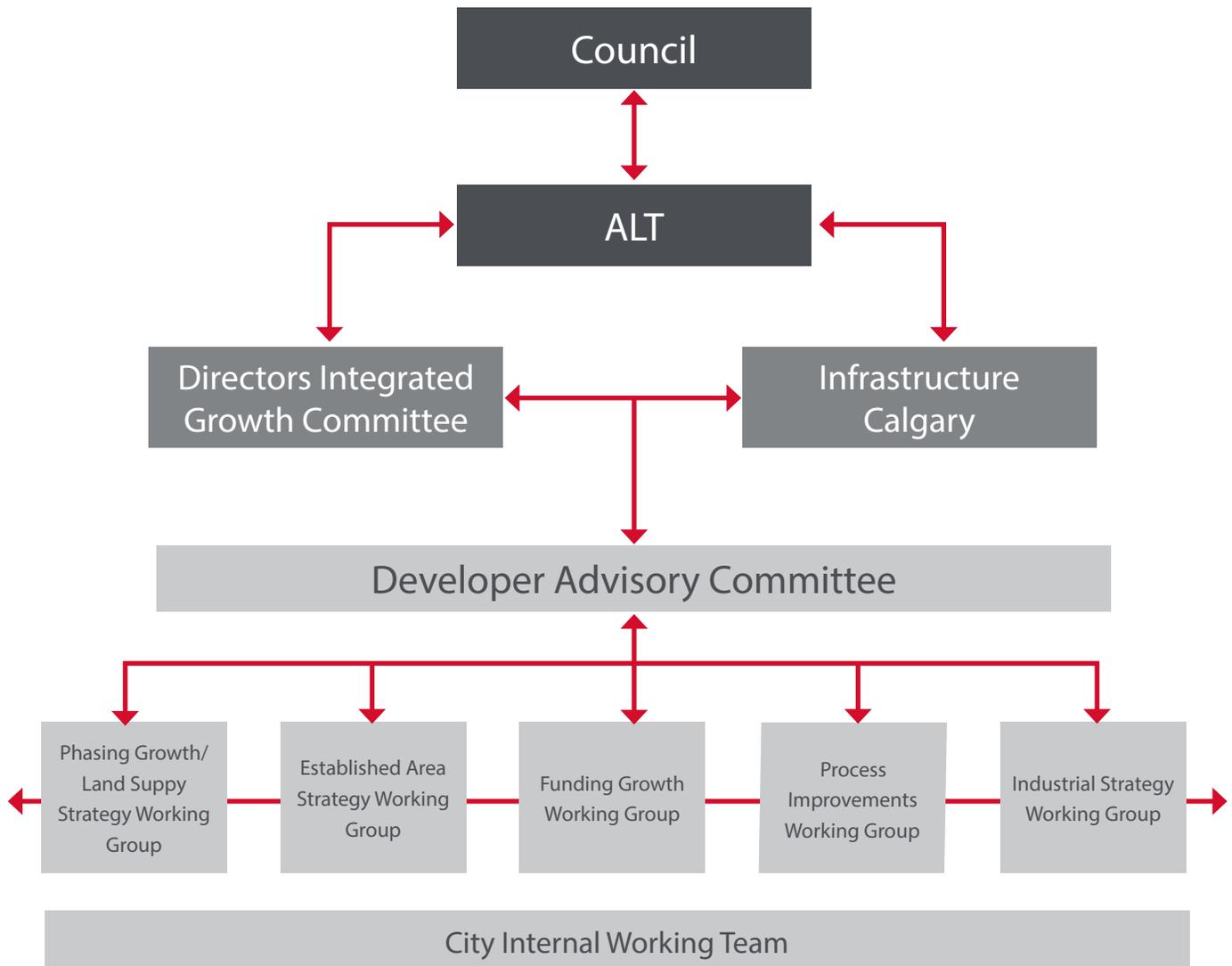
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# Initiative 1: Developer Advisory Committee

## Background

The Industry/City Work Plan is a unique collaboration process comprised of working groups involving Industry members and City staff who focus on six initiatives established as priorities in January 2016. The Developer Advisory Committee provides insight and perspectives from across Industry and City Administration on the overall work plan and associated outcomes of each of the other initiatives.



The experience gained through the Off-Site Levy process proved the value of having a committee with broad representation that could provide insight into the potential impacts of decisions, assess resource needs and ensure outcomes are aligned. The Developer Advisory Committee membership and approach is designed to continue the collaborative approach for the Industry/City Work Plan.

The Developer Advisory Committee's role is to provide insight and connection between the initiatives; to provide advice to the working groups; and to communicate on behalf of the Industry/City Work Plan.

## Membership

The Developer Advisory Committee was established to provide cross-Industry and cross-departmental perspective on the activities and outcomes of the Industry/City Work Plan.

The members include:

- **Kathy Dietrich** | City of Calgary (Calgary Growth Strategies) - Chair
- **Guy Huntingford** | CHBA-UDI | Calgary Region Association
- **Wallace Chow** | Jayman
- **Nazim Virani** | Serena Homes
- **Mark Wynker** | Stantec
- **James Robertson** | West Campus Trust
- **Gillian Lawrence** | Remington
- **Chris Plosz** | Section 23
- **Chris Ollenberger** | Quantum Place
- **Francois Bouchart** | City of Calgary (Water Resources)
- **Matthias Tita** | City of Calgary (Community Planning)
- **Rick Masters** | City of Calgary (Finance)
- **Kerensa Fromherz** | City of Calgary (Transportation Planning)
- **Amie Blanchette** | City of Calgary (Calgary Approvals Coordination)
- **Jill Floen** | City of Calgary (Law)

An internal Administration working group was created to support the various initiatives through strategic alignment, preparing cross corporate analysis and gathering data. The team meets weekly.

Members include:

- **Sarah Huber** | Water Resources
- **Scott Lockwood** | Community Planning
- **Kevin Froese** | Community Planning
- **Rick Masters** | Finance
- **Denise Jakal** | Law
- **Mark Woodward** | Calgary Fire Department
- **Kerensa Fromherz** | Transportation Planning
- **Robyn Jamieson** | Calgary Growth Strategies
- **Jim Francisco** | Calgary Growth Strategies
- **Sarah Alexander** | Calgary Growth Strategies
- **Matthew Sheldrake** | Calgary Growth Strategies
- **Lesley Kalmakoff** | Calgary Growth Strategies
- **Stephanie Gagnon** | Calgary Growth Strategies
- **Ivy Campbell** | Calgary Growth Strategies

## Purpose / Description

The Developer Advisory Committee's role is to:

- guide the creation of the working groups,
- provide insight and perspective on outcomes and deliverables of each initiative ensuring connectivity and alignment with the Municipal Development Plan (MDP)/Calgary Transportation Plan (CTP); and
- develop a Terms of Reference.

## Progress (2016 March - May)

- Overall, the Industry/City Work Plan's six initiatives are progressing well and according to the schedule laid out in the Work Plan (Attachment 2).
- Working groups have been established for all five active initiatives.

- The Developer Advisory Committee has met five times during which they:
  - a. Provided feedback to Initiative #2: Phasing Growth/Land Supply on the exploration of a Development Industry proposal around the removal of the Growth Management Overlay and the investment focused approach for Greenfield.
  - b. Articulated the main functions of the Developer Advisory Committee including:
    - maintain perspective on all the work being initiated within each individual initiative to endeavour to strike a balance in time commitment for Industry and Administration undertaking the work;
    - assist with implementation of the variety of outcomes that will be delivered from each initiative;
    - receive updates on each initiative and offered advice to the project leads to take back to the working groups; and
    - communicate with their respective groups on this work.

## Issues & Challenges

- The Developer Advisory Committee is seeking further clarity on its role in relationship to providing advice and direction to the other initiatives/working groups.
- With the majority of prioritization processes for each initiative completed by the working groups, the Developer Advisory Committee will be able to effectively create a Terms of Reference, principles for the Industry/City Work Plan as a whole and a comprehensive project scoping for the Industry/City Work Plan. This work will further enable reporting on whether the overarching objectives of the Industry/City Work Plan are being achieved.
- The Developer Advisory Committee has identified that more broad communication about these initiatives beyond the direct membership is important.

## Next Steps (2016 June – December)

The Developer Advisory Committee priorities for the next six months include:

1. Industry/City Work Plan project scoping and principles;
2. creating a Terms of Reference; and
3. developing a communications plan.

The Work Plan's overall progress across the initiatives is a priority of the Developer Advisory Committee. Future reporting will encompass next steps from all initiatives including such priorities as:

- growth management overlay removal process;
- Centre City Levy program;
- funding and financing proposal expectations;
- process improvements priority projects; and
- project scoping for the Industrial Strategy.

## Initiative 2: Phasing Growth / Land Supply Strategy

### Background

The Phasing Growth/Land Supply initiative has focused on The City's implementation of the Growth Management Overlay (GMO), a tool introduced to strategically align planning and infrastructure resources after the change in how Area Structure Plans are initiated. This work responds to a shared understanding with Industry that the GMO removal process and requirements should be clarified. Lessons learned from previous GMO removals over several years are informing this work.

The City is exploring efforts to accelerate capital spending and identify new capital investments through the Infrastructure Calgary initiative. Infrastructure Calgary is focused on a variety of outcomes including more efficient spending, as well as finding opportunities to stimulate the economy during the current economic downturn. The opportunity presented through the Infrastructure Calgary initiative is significant and the Industry/City Work Plan teams have been working with Infrastructure Calgary representatives to identify projects that would support the economy through the initial investment that has the potential to leverage private developer investment.

Meetings have occurred weekly since 2016 February. The discussions have been lively and productive as the teams have collaborated to find solutions.

### Membership

- Guy Huntingford | UDI-CHBA Calgary Region Association
- Brett Friesen | Hopewell Residential
- Chris Sargent | Genesis Land Development
- Dale Johnson | exp Services Inc.
- Grace Lui | Brookfield Residential
- Greg Brown | B&A Planning Group
- Jay German | Ronmor
- Josh White | Dream Development
- Matthew Sheldrake | City of Calgary (Calgary Growth Strategies)
- Stephanie Gagnon | City of Calgary (Calgary Growth Strategies)

### Purpose / Description

The Industry/City Work Plan approved by Council in January 2016 included three key objectives for the Phasing Growth/Land Supply Strategy:

1. The first objective was to review the Growth Management Overlay process, and understand infrastructure issues. Developers desired clearer direction on The City's process for evaluating whether Overlays can be removed from their lands. Administration desired greater information about the serviceability of these lands, to determine what was required, financially and otherwise, to bring leading infrastructure to these lands.
2. With this understanding, the second objective was to establish principles and criteria for prioritizing areas that could have their Overlays removed.

3. The third objective was to implement the new approach through changes to the Outline Plan process – clarifying the planning and financial requirements prior to removal, the decision making model, and the level of concurrency during the process.

Another key objective was identified after the Industry/City Work Plan was approved – that this work should be aligned with and inform the growth-related infrastructure prioritization work of Infrastructure Calgary. As a result, a task was added to identify opportunities in greenfield, established and industrial areas to leverage public infrastructure investment along with private development investment.

## Progress (2016 March – May)

Since beginning work in February, there have been 11 meetings with Industry and the following progress has been made:

1. **Assembled Phasing Growth/Land Supply and internal working groups**

The Phasing Growth/Land Supply working group includes representation from land developers both inside and outside of GMO impacted lands, consultants, and the Canadian Home Builders Association – Urban Development Institute – Calgary Region Association (UDI-CHBA-CRA) and Administration. The internal working team includes representation from all of The City's infrastructure departments, as well as Planning, Finance, and Law (see membership on p 3).

2. **Worked collaboratively to understand challenges and opportunities in overlay areas and completed inventory of development information**

A detailed inventory of GMO impacted lands was compiled including existing servicing, outstanding servicing needs, costs, revenues, and potential supply. Consideration of both initial and complete community phases was included. The inventory was used to improve awareness and is intended to support immediate and future decisions.

3. **Preparing investment recommendations through the Infrastructure Calgary initiative**

The opportunity to collaborate with Infrastructure Calgary through the introduction of economic stimulus considerations that might leverage public and private sector investment has had a significant influence over the direction of this working group's activities.

A proposal by the Phasing Growth working group's Industry members was received in March with selection criteria, including financial risk mitigation and readiness to proceed into development, to support economic stimulus in 2017/2018. The Industry members felt the proposal resolves many shared concerns around land supply, process, and funding/financing, while positioning private greenfield development as an opportunity to leverage City investments aimed at stimulating the economy. The proposal is based on a finance risk mitigation model that explores greater sharing of risk between developers and The City. The proposal defines a process to provide for additional housing units by 2018 which could assist in the goals of stimulating the economy, adding dispersion and choice for consumers through a first phase in each of the current vacant ASPs. Administration has been working with the Industry members to understand the proposal and the implications of this approach.

To meet the 2016 budget adjustment timeline, and the potential for the developer proposals to enable applications in the first phase of all Area Structure Plans with GMOs, a high level investment-oriented analysis was undertaken to understand the capital and operating financial costs/benefits associated with greenfield, established and industrial areas infrastructure investment opportunities.

Principles have been drafted with the Phasing Growth/Land Supply and Established Area working groups, and future members of the Industrial working group. These principles are intended to represent both City and Industry interests while acknowledging risks. The principles are foundational to ensure alignment for infrastructure investment recommendations and subsequent potential GMO removals.

A full inventory of development information has been jointly collected to provide sufficient information from which to develop a suite of established, greenfield, and industrial infrastructure recommendations through the Infrastructure Calgary initiative. In the long term, a comprehensive analysis of impacts will occur to support future recommendations.

**4. Developing process flow charts to clarify overlay removal steps**

The Phasing Growth/Land Supply Strategy working group has explored alternative process flow charts to clarify the GMO removal steps balancing considerations around concurrency of financing and planning processes, appropriate levels for decision-making and efficient timelines. The work on this activity will continue after the investment recommendations are prepared.

## Issues & Challenges

Several issues and challenges became apparent to both the internal and external working groups:

**1. The link to The City's stimulus efforts is a new approach**

The working groups have been challenged by the opportunity to identify infrastructure projects that leverage public and private investments. The approach of identifying capital budget efficiencies concurrently with identifying potential projects means that the potential budget recast details, associated debt and debt servicing implications are unknown at this time. The group is working towards balanced solutions that will align with The City's priorities and timelines while considering Industry investment priorities and schedules. As well, once the work on stimulus has been completed, more comprehensive discussions will take place on process, distributing financial risk, and strategic growth.

**2. Positive discussions are underway and decisions will be forthcoming on:**

- where in the planning process it is most appropriate to resolve infrastructure issues;
- concurrency of funding/financing and planning evaluation in the planning process;
- decision making for funding/financing proposals; and
- risk sharing and risk transfer among The City and the developer.

**3. Improving certainty for developers with overlay concerns**

At the conclusion of this work, it is likely that the Industry members of the Phasing Growth/ Land Supply working group (and land developers generally) will define success based on the level of certainty it provides them with regard to GMOs. At this point, not enough is known to draw this conclusion. Administration is committed to working with the external group to bring greater certainty on this topic while also helping the Administration manage resources relating to staff time and capital planning.

## Next Steps (2016 June - December)

The following next steps are anticipated:

**1. Complete infrastructure investment recommendations and evaluation in collaboration with Infrastructure Calgary**

This includes the work underway to identify recommendations based on economic stimulus and alignment with principles. The investment recommendations work is being completed for greenfield, industrial and established areas.

**2. Complete work on new process flow chart and decision making steps**

Once the work related to accelerated/new infrastructure spending is complete, continue work with the Phasing Growth/Land Supply working group to define a GMO review process that is expedient and addresses the issues around certainty of process, concurrency of financing/ funding and planning evaluation, and appropriate decision making.

**3. Implement outcomes to (i) capital planning, (ii) approvals process**

Work should begin to assist delivery of infrastructure identified as a priority. Areas that become serviced as a result of funding for required leading infrastructure should be allowed to enter the Outline Plan process. A strategy will be created for reviewing development in areas without budgeted City infrastructure, but are the subject of a developer funding proposal.

**4. Link with Funding Growth initiative and Infrastructure Calgary**

Future decisions on alternate funding options available to developers and any changes to City budgeting processes are within the mandate of Initiative #4: Funding Growth and Infrastructure Calgary respectively. Continuous collaboration with both initiatives will be essential to identify and understand impacts.

## Initiative 3: Established Area Strategy

### Background

The Established Area Strategy stems from the Off-Site Levy Bylaw process when Administration included consistent levy charges in the established area for the first time. Industry had concerns that the layering of costs associated with redevelopment and additional levies would potentially create further burden on redevelopment projects. Addressing these issues through the Industry/City Work Plan is intended to reduce barriers to redevelopment, thereby off-setting the additional burden of the off-site levy charges on redevelopment projects.

The Industry/City Work Plan was a suggested set of potential priorities; however, there was opportunity for Industry and The City to review and evaluate which actions would be short-term priorities. The established area initiative was discussed as being an ongoing 'program' of work that would have sub-projects within it to accomplish outcomes as time progresses, and therefore priorities are expected to change over time as projects are completed.

### Membership

Membership in the Established Area Strategy was on an ad-hoc basis for the prioritization process and individuals will be invited to commit to the specific projects as they unfold. Involvement to date has included:

- Richard Morden | Bentall Kennedy
- Chris Ollenberger | NAIOP
- Shameer Gaidhar | Millenium Plus Homes
- Greg Bodnarchuk | exp
- Joel Tiedemann | Sarina Homes
- Dan Diebolt | Embassy Bosa
- Bev Jarvis | CHBA-UDI | Calgary Region Association
- Oliver Trutina | Truman Homes
- Gillian Lawrence | Remington Development Corp.
- Ben Lee | IBI Group
- Paul Battistella | Battistella Developments
- Dave White | Civic Works Planning + Design
- Lloyd Suchet | BOMA
- Travis Oberg | West Campus Development Trust
- John Purdy | Brookfield Residential
- Lesley Kalmakoff | City of Calgary | Calgary Growth Strategies
- Sarah Huber | City of Calgary | Water Resources
- Kerensa Fromherz | City of Calgary | Transportation Planning
- Kevin Barton | City of Calgary | Urban Strategy
- Stephanie Gagnon | City of Calgary | Calgary Growth Strategies

### Purpose / Description

The Industry/City Work Plan approved by Council in January 2016 included six key actions for the Established Area Initiative:

1. The first action is to understand infrastructure capacity in the Established Area by undertaking further analysis and identifying funding approaches. This would include analysis on water, storm, sanitary services, as well as community amenities. Infrastructure capacity pinch points can be a major expense for a redevelopment project that may not be identifiable until well into the application process, and therefore poses a risk to the success of redevelopment projects. Efforts to make comprehensive information available regarding capacity may reduce the risk to these projects.

2. The second action is to create an inventory of all costs imposed on development permits and review the cumulative effects and relevancy of these costs. Greater clarity of redevelopment application costs for Industry is important for developers to be aware of from the onset of their applications. This action will help provide greater transparency related to expected costs, and ensure costs being charged are relevant.
3. The third action is to consider the engineering specifications required by The City and the impacts that these requirements have on redevelopment applications and costs.
4. The fourth action is to develop a strategy that addresses the public realm/community benefits in the context of growth in established areas.
5. The fifth action is to improve on established area permit approval processes and related issues including permitted uses, changes of use applications, Land Use Bylaw, community engagement, policy impacts, and timelines. Improvements to the permit approvals process can help reduce risk to redevelopment related to the outcomes of their applications.
6. The sixth action is to monitor the impact of the off-site levy rate on established areas following the introduction of the levy on a consistent basis in the established areas.

To expand upon the policy impacts referenced in Action #5, there was interest by the working group to be connected to the variety of policy projects ongoing at The City that are creating or amending policy within the established area. This includes local area planning exercises through the Main Streets project and Green Line SE, as well as new or amended ARPs (East Village, Downtown West, etc), the creation of new guidebooks (Centre City and Established Areas), and any amendments to the Municipal Development Plan and/or the Land Use Bylaw. This group would like to be involved at an early stage on what is being proposed, and requests the opportunity to provide input and feedback that will inform this work.

Administration recognizes potential links with the work plan priorities and other ongoing Administrative initiatives. Through further scoping and work plan discussions there will likely be opportunities to connect Industry with this work. The timing and degree of this connection can be determined moving forward, acknowledging that scope creep of this work plan is a risk that would need to be managed.

## Progress (2016 March - May)

The Established Area Working Group was formed in February and held two scoping meetings to discuss priorities for work in 2016 and whether additional priorities should be considered. Initial scoping resulted in a clear understanding that the activities identified in the Established Area section of the Industry/City Work Plan were important to the development community and would be prioritized in due course. A starting point for the discussion included all background work that Administration had done to date such as a draft inventory list of costs applied to the established areas developers.

Through the scoping discussion, it was agreed by the Established Area working group that the approvals/process issues related to redevelopment would be included in the Process Improvements Strategy working group. This would create the most efficient and productive arrangement by not duplicating work. Members of the Established Area working group who have a particular interest in this work are continuing their involvement through the Process Improvements Strategy working group.

To begin delivering on the priorities, Administration focused the discussion with the Established Area working group on infrastructure capacity, and how to support developers in making early-stage decisions on redevelopment opportunities. There was discussion around gaining better access to City infrastructure information, as well as understanding when analysis is undertaken and what inputs are required. The next step is for Administration to propose a work plan specific to this task for the Established Area working group to review.

There are meetings scheduled throughout May that will have a focus on strategic community investment, updates and opportunity for input into ongoing policy work, and potential Land Use Bylaw amendments to support implementation of Main Streets and Green Line SE policy work.

## Issues & Challenges

- The Established Area Strategy working group found it difficult to narrow the priorities to a single starting point as many of the actions are closely related and likely need to be linked to have successful outcomes. Given that this initiative is starting to address multiple complex issues from the outset, the timelines and deliverables will take continued and dedicated discussions to identify and refine.
- Gaining a clear understanding of the project scope has been challenging because of the linkages to much ongoing work. This challenge has been noted by both Administration and Industry, and next steps are to more firmly define the scope of this work program.
- There is recognition that Administration is in the best position to undertake some aspects of the work with Industry as a reviewer and advisor; meanwhile Industry can contribute more actively to other aspects of the work plan priorities.

## Next Steps (2016 June - December)

- Project scope, timelines and deliverables will be further refined for the overall established areas work plan.
- As discussed in Initiative #2: Phasing Growth/Land Supply, The City's Infrastructure Calgary work presents a significant opportunity to evaluate growth-related infrastructure investment options in all areas of the city including the established area. Work is underway to develop a suite of recommendations including projects in the established, greenfield and industrial areas in collaboration through the respective working groups of the Industry/City Work Plan (p. 8).
- Administration intends to propose a work plan, with detailed timelines, specific to providing more information about existing infrastructure and known capacity limitations within the established area.
- In relation to the analysis on infrastructure capacity, research into potential funding mechanisms to support public infrastructure improvements is needed including a review of the Centre City Levy program.
- Administration has a variety of ongoing policy work in the established area that will likely require some Industry feedback at key points in the process. It is expected that the Established Area working group can act in an advisory role on an ad hoc basis as those projects move forward.
- Administration will be collaborating with Industry on the Centre City Levy Update report for 2014-2015 that is currently scheduled to come forward by 2016 September.

## Initiative 4: Funding Growth Strategy

### Background

A collaborative approach with Industry was undertaken during the development of the Off-site Levy Bylaw 2M2016. Through this process, other issues were identified that were beyond the scope of the levy calculations. To address these issues, the Industry/City Work Plan was created. Some of the work identified as a priority included:

- mitigation of economic risk;
- alternate funding options;
- capital budget certainty;
- debt and debt servicing impact;
- cumulative operating cost impact; and
- accountability in reporting.

Addressing the above issues will help Industry develop their project plans which can be prepared in accordance with The City's investment timing. More certainty and detailed information in The City's 4-year budget and 10-year capital plan would be beneficial to Industry.

In some cases, Industry wants to explore funding models in addition to the capital budget. To facilitate this, options for funding and financing tools and mechanisms are required. These funding or financing options should be standardized for Industry use and analyzed to understand the cumulative impact on The City's debt and debt servicing limits, depending on the type of options used. This analysis should also include the cumulative impact on the operating budget. When development proceeds, Industry pays levies to help cover the cost of growth-related off-site infrastructure that is funded through The City's capital plan. The Municipal Government Act (MGA) requires annual reporting on the amount of money collected and spent as part of the Off-site Levy Bylaw. The City has been working on improving this reporting process.

### Membership

To address the Industry concerns and ensure their input is heard, a working group was created.

The members include:

- |   |  |
|---|--|
| • Guy Huntingford   CHBA-UDI   Calgary Region Association | • Marcello Chiacchia   Genstar                                   |
| • Grace Lui   Brookfield Residential                      | • Sarah Alexander   City of Calgary   Calgary Growth Strategies  |
| • Trevor Dickie   Dream Development                       | • Stephanie Gagnon   City of Calgary   Calgary Growth Strategies |
| • Brett Friesen   Hopewell Residential                    | • Denise Jakal   City of Calgary   Law                           |
| • Paul Derksen   NAIOP                                    | • Rick Masters   City of Calgary   Finance                       |
| • Collin Campbell   Mattamy                               |  |

The Funding Growth working group will collaborate with the Established Area working group, the Phasing Growth/Land Supply working group and the Industrial Areas Strategy to ensure broad input on tools and mechanisms for established, greenfield and industrial areas.

## Purpose / Description

The Funding Growth Strategy initiative was developed to specifically achieve the following:

**1. Establish principles that align with growth management overlay process.**

In many Area Structure Plans, there are growth management overlays in place to demonstrate that the required funding to provide the capital infrastructure is not currently identified or approved.

If a developer wants to use a mechanism other than The City's capital budget to remove the overlay they can submit a funding and financing proposal for review by The City. The requirements for a funding and financing proposal need to be standardized for both submission and review purposes.

**2. Explore funding arrangements and options for alternate financing with the Industry. Research best practices in other municipalities.**

Over the past few years, significant work has been done by both Administration and Industry on researching various funding and financing tools and mechanisms. This knowledge could be used to develop economically viable solutions to leverage public and private funds as part of alternate financing and funding options and arrangements.

**3. Gather information and analyze annual operating costs to better understand impacts on budget resulting from advancement of additional growth areas.**

The cumulative effect of new growth areas on the capital budget is understood; however, there isn't the same clarity for the operating budget. This understanding is required as it has the most significant impact on the long term financial sustainability of The City.

**4. Provide more detailed and timely capital plan information to Industry, with the intent to provide longer term certainty.**

The Development Industry is seeking more certainty and clarity about where The City is going to invest with both the four year budget and 10-year capital plan. This clarity will help developers to plan their investment strategy and will help The City to achieve its goal of being a leader in management, transparency and accountability.

**5. Continue to improve the annual levy reporting report and process.**

As part of the Municipal Government Act (MGA), the off-site levy is subject to annual reporting requirements. To ensure the ongoing collaborative relationship with Industry, The City has and will continue to improve these reports with the goal of making them more transparent and accountable

## Progress (2016 March - May)

1. Assembled an external working group. The team has met twice and the focus of the conversation was on tools and mechanisms to advance growth areas and the issues and challenges related to these from the developer perspective. There will be subsequent meetings with the other initiatives of the Work Plan as needed. The internal team and resources have been doing background work for the past few months.
2. Built inventory of existing funding and financing tools and mechanisms. Research is underway on how to apply these tools and mechanisms differently to reduce the impact on our debt servicing levels, to mitigate the investment risk by looking at best practices in other municipalities and seeing if our own interpretation of the legislation can be refined.

3. There is a matrix being developed that includes strengths, weaknesses, challenges and opportunities for priority tools and mechanisms that were identified with the project team. This information will be helpful for determining which tools and mechanisms should be used for relevant scenarios.
4. The 2015 Annual Off-site levy report is under development and will be completed by the end of June. An internal finance team has begun reconciling the information to align with the annual financial statements.

## Issues & Challenges

- Significant portions of the analysis required for the Funding Growth Strategy will be dependent on the information available through both the capital and operating budget, and the potential budget recast results. Additional work is planned to determine the most effective approach in conjunction with other City initiatives.
- Despite the knowledge that there are resources available for this work, the ability to draw upon these resources in a timely manner has been a challenge. Efforts are underway to alleviate this challenge.

## Next Steps (2016 June – December)

1. Align with the Phasing Growth/Land Supply Strategy by developing a standardized submission process or checklist that includes details for the requirements of a funding and financing proposal to remove growth management overlays.
2. Continue to build an approach of connecting growth-related capital and operating budgets to this work and to ensure that the information is in a form relevant to the Development Industry.
3. Develop outcomes for both operating and capital budget as they relate to growth areas. These outcomes should include a broader understanding of the cumulative effect of advancing growth areas for both the capital and operating budgets.
4. Continue to improve the annual levy tracking and reporting for 2016. This is ongoing work and each year has been an improvement on the last. The 2016 report will be based on the new Off-site Levy Bylaw and should include some significant changes from the previous reports.

## Initiative 5: Process Improvements Strategy

The Process Improvement Strategy 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 to address problems with governance, applicant relations, Final Acceptance Certificates and to aid in corporate decision making on land development issues.

### Membership

#### Initiative 5 - Advisory Committee

- **Darren Lockhart** | City of Calgary | Calgary Approvals Coordination - Chair
- **Guy Huntingford** | CHBA-UDI | Calgary Region Association
- **Bev Jarvis** | CHBA-UDI | Calgary Region Association
- **Kathy Oberg** | B&A Planning Group
- **Greg Brown** | B&A Planning Group
- **Ryan Boyd** | Brookfield
- **Josh White** | Dream
- **Michael Jacobson** | Homes By Avi
- **Ben Lee** | IBI
- **Collin Campbell** | Mattamy
- **Don Pasquini** | Pasquini & Associates
- **Jessica Karpat** | QuantumPlace
- **Mike Brander** | Remington
- **Reg Jans** | Stantec
- **Brenden Montgomery** | Wenzel Developments
- **Joel Armitage** | City of Calgary | Calgary Approvals Coordination
- **Amie Blanchette** | City of Calgary | Calgary Approvals Coordination
- **Deb Hamilton** | City of Calgary | Community Planning
- **David Lupton** | City of Calgary | Calgary Growth Strategies
- **Raymond Yuen** | City of Calgary | Calgary Building Services
- **Kent Morelli** | City of Calgary | Parks
- **Francois Bouchart** | City of Calgary | Water Resources
- **Elio Artuso** | City of Calgary | Water Resources
- **Kerensa Fromherz** | City of Calgary | Transportation Planning
- **Denise Jakal** | City of Calgary | Law
- **Jill Floen** | City of Calgary | Law

#### Working Groups – Members at Large:

- **Guy Huntingford** | CHBA-UDI | Calgary Region Association
- **Bev Jarvis** | CHBA-UDI | Calgary Region Association
- **Joel Armitage** | City of Calgary | Calgary Approvals Coordination
- **Darren Lockhart** | City of Calgary | Calgary Approvals Coordination
- **Amie Blanchette** | City of Calgary | Calgary Approvals Coordination
- **Denise Jakal** | City of Calgary | Law

#### Planning Working Group (Chair: **Martin Beck** | City of Calgary | Calgary Approvals Coordination):

- **Kathy Oberg** | B&A Planning Group
- **Ryan Boyd** | Brookfield
- **Josh White** | Dream
- **Jessica Karpat** | QuantumPlace
- **Trevor Sawatzky** | CANA Construction
- **Martin Beck** | City of Calgary | Calgary Approvals Coordination
- **Greg Harrison** | Calgary Approvals Coordination
- **Deb Hamilton** | City of Calgary | Community Planning
- **Travis Shaw** | City of Calgary | Parks
- **Kerensa Fromherz** | City of Calgary | Transportation Planning

Engineering / Infrastructure Construction Working Group (Chair: Michael Sydenham | City of Calgary | Calgary Approvals Coordination):

- Don Pasquini | Pasquini & Associates Coordination
- Reg Jans | Stantec
- Jim Grandan | Dream
- Michael Sydenham | City of Calgary | Calgary Approvals Coordination
- Ed Lem | City of Calgary | Calgary Approvals
- Elio Artuso | City of Calgary | Water Resources
- John Bolger | City of Calgary | Roads

Building Construction Working Group (Chair: Brent Kromm | City of Calgary | Calgary Approvals Coordination):

- Michael Jacobson | Homes By Avi
- Mike Brander | Remington
- Collin Campbell | Mattamy
- Joel Tiedemann | Sarina Homes
- Brent Kromm | City of Calgary | Calgary Approvals Coordination
- Raymond Yuen | City of Calgary | Calgary Building Services
- Gordon Yorke | City of Calgary | Calgary Building Services

Additional resources from both The City and Industry will be engaged as needed.

## Purpose / Description

The following was included in the Council approved Industry/City Work Plan:

1. **Procedure improvements:**
  - Work with Industry to address issues previously identified to The City manager.
  - Areas for improvement: approval process, specifications, inconsistency between policy, regulations & conflict resolution.
2. **Implement CPAG(Corporate Planning Applications Group now Process Improvements) improvements including:**
  - Governance
  - Applicant relations
  - Training
  - Continue to develop comprehensive training program for staff.
  - Improve application submission process
3. **Final Acceptance Certificates Process Improvements**
  - Identify issues
  - Develop solutions in collaboration with Industry
  - Implement recommended changes
4. **Address resourcing issues in business units.**

## Progress (2016 March - May)

### 1. Procedure Improvements

- The Initiative 5 - Advisory Committee was struck and have had 5 meetings so far.
- A framework for identifying and addressing the process issues was established.
- The following principles were agreed upon to guide the selection of projects and determine their priority:
  - a. Improves the investment climate for development in Calgary
    - Provides clarity and certainty in process, regulation and stakeholder relationships
    - Provides flexibility for innovation with an eye to short and long term sustainability
    - Reduces the costs associated with development
    - Appropriately allocates risk between the City and Development Industry
  - b. Simplifies the approval process in Calgary
    - Provides confidence and predictability in City application review timelines
    - Reduces resubmissions and rework
    - Allows for greater concurrency of applications
    - Eliminates or consolidates approval processes
    - Reduces resources required to navigate the approval process
  - c. Builds partnerships between The City of Calgary, the Development Industry, and the community
    - Enhances customer service for the Development Industry and/or the community
    - Clearly lays out a path for approval and dispute resolution
    - Provides mutual understanding of each other's imperatives
    - Fosters a culture of trust, collaboration, and respect
    - Achieves objectives of Council approved policy
- A wholesome review of the entire land development continuum was conducted with the Advisory Committee over several meetings. Over three hundred areas of interest and suggested improvements were identified.
- The suggested process improvements were combined into logical projects and the priority was ranked by the Initiative 5 - Advisory Committee.
- The projects were divided into working groups that generally coincided with the continuum workflow. Those are:
  - Planning
  - Engineering / Infrastructure Construction
  - Building Construction
- The overarching Work Plan City/Developer Advisory Committee agreed that process improvements for the Established Area (Initiative 3) should be brought into Initiative 5 as there was significant overlap in the work. Members of Industry active in established area development were included in the various working groups and will be assigned to projects as appropriate.
- The following projects within these working groups were chosen as highest priority and are currently being chartered by the working groups:

### Planning

- Planning Application Intake Process – The objectives of this project are to identify any required changes to the Explore (previously pre-application) service; identify application submission requirements (studies, reports, etc.); and review current application intake mechanisms.
- Planning Application Review Process – Identify efficiencies and improvements related to the preparation and delivery of Detailed Team Review (DTRs) documents. That includes: overall structure of the DTRs, quality of comments and communication between the CPAG and applicants during the application review.

### Engineering / Infrastructure Construction

- Engineering Construction Drawing – Improve for all stakeholders the process to receive construction permissions and release of building permits. Review the process for revisions to construction drawings to identify any potential efficiencies.
- Development Site Servicing Plan (DSSP) – Reduce timeline significantly. Reduce the conflicts with the DP causing resubmission. Determine if this process can be combined with other existing processes. Determine if intake should be directly to water resources.
- Final Acceptance Certificates (FAC) – This item is a priority for the working group and was required to be a project as it was mentioned specifically in the council report. Review the entire CCC/FAC process for Greenfield developments, and determine what efficiencies can be found within the process, which should result in more timely release of securities.
- Stripping and Grading Permit – Review the requirements and process for acquiring site grading approval to ensure that it is efficient.

### Building Construction

- Row Housing Permits – Look at ways to improve the row housing approval process. Determine if a DP and DSSP should be required.
- Development Permit to Occupancy Review – Review the building site approval process and related permits to simplify the process and ensure that there is no duplication of review or effort. Make the process easier for design revisions through a revised DP or revised plan. Address the issues that cause revisions.

### Established Area

- The established area team will bring a different skill set and perspective to the other teams. Specifically of high interest are the DTR, DSSP and DCP processes and servicing issues for mixed-use strata subdivision development as well as the public engagement process.

## **2. Implement CPAG improvements:**

- Significant changes to the governance of the approval process were implemented with the strategic alignment introduced by City Manager Jeff Fielding on January 17, 2016. The strategic alignment created a new business unit lead by Joel Armitage as the Managing Director of Calgary Approvals Coordination. The Managing Director is now the approvals process owner and the business unit was tasked with coordinating corporate decision making on land development applications. A number of new resources were put in place to support this effort.
- Shortly after the strategic alignment, a Partnership Services Manager was announced to improve the relationship between The City and Industry and better understand the business imperatives of applicants and proactively identify issues and opportunities.
- An overarching people and culture strategy for the approval process has been initiated to provide effective training, mentoring and support to staff in all areas of the approval process.
- A number of initiatives are under way to improve the application intake procedures including streamlining the information required and reducing duplication as well as increasing the number of digital submissions.

**3. Final Acceptance Certificates Process Improvements:**

- The Final Acceptance Certificate process has been identified as a high priority project under this initiative.
- A net new resource has been put in place with a mandate to review stalled development agreements, facilitate the resolution of outstanding issues and return the security to the Development Industry.
- A structural change has been made to bring the development agreement team together with the construction drawing team to better align construction permissions, inspections and security reductions.

**4. Address resourcing issues in business units:**

- New resources in Planning & Development are expected to support existing staff to drive better decisions on applications in a more effective way.
- These new resources are also expected to find efficiencies within the approval process to reduce the burden on existing staff in all approvals-related business units.

## Issues & Challenges

- The scale of the program has required additional project management resources. These are now in place.
- Communicating 'back of house' City improvements to the Industry working group could be more deliberate. This will be a regular topic of discussion going forward.
- High quality, efficient and effective public engagement remains an important issue for The City, Industry and the community. While this will be looked at through various improvement projects, a more wholesome approach may be required to fully address all stakeholder concerns.

## Next Steps (2016 June – December)

- Complete the chartering exercise and begin work on the various projects.
- Continue with the next priority projects once the initial priority projects are complete and resources are made available, charter and begin the next highest priority projects.
- Complete and implement the People and Culture strategy across the approval process.
- Measure the success of various improvements, projects and initiatives. Share results with Industry, and determine if resourcing in the various business units is still a concern.

## Initiative 6: Industrial Strategy

### Background

The Industrial Strategy stemmed primarily from an acknowledgement that there is a need to monitor the impacts of the off-site levy rates on industrial development and gather information to inform the next bylaw review. Additional activities were identified including having a better understanding of strategies to support industrial development and the impacts of policy.

The Industrial Strategy work will begin in Q3 2016. In advance of the project launching, background research is being prepared. The project will be initiated through a scoping workshop with internal and external stakeholders.

In early May, Administration met with Industrial stakeholders to discuss infrastructure investment opportunities where The City and private Industry could leverage investments in Industrial areas for economic stimulus (discussed on p. 8). Based on the draft principles and the inventory of industrial infrastructure opportunities, recommendations will be made in coordination with Infrastructure Calgary.