

SOUTHEAST 17 CORRIDOR IMPLEMENTATION STRATEGY UPDATE

EXECUTIVE SUMMARY

This report outlines the work completed to date and presents Administration's approach to the implementation of the Southeast 17 Corridor. Administration recommends that any further implementation action be undertaken using a comprehensive corporate project management approach, led by the Transportation Department and involving other City stakeholders, to ensure internal municipal alignment and efficient use of staff and financial resources.

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Land Use, Planning and Transportation recommends that Council direct Administration to report back to Council with a corporate implementation plan, including undertaking those initiatives outlined in this report, within 6 months of a decision on GreenTRIP funding for the Southeast 17 Corridor Transitway.

RECOMMENDATION OF THE SPC ON LAND USE, PLANNING AND TRANSPORTATION, DATED 2011 OCTOBER 12:

That the Administration Recommendation contained in Report LPT2011-94 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2011 May 09 Combined Meeting of Council, it was moved by Alderman Chabot, Seconded by Alderman Pootmans, that the SPC on Land Use, Planning and Transportation Recommendations contained in Report LPT2011-31 be adopted, as follows:

That Council:

1. Receive Report LPT2011-31 for information; and
2. Direct Administration to work with the International Avenue Innovation Project's consultant team on crafting the implementation strategy.

At the same meeting a motion arising, moved by Alderman Stevenson, Seconded by Alderman Macleod, that with respect to Report 2011-31, Administration was directed "to report back no later than the 2011 October 12 Regular Meeting of the SPC on Land Use, Planning and Transportation, with a status report on outlining the implementation approach to the long term strategy."

At the 2011 January 24 Regular Meeting of Council, the Recommendations contained in LPT2011-05 were adopted, as amended, as follows:

That Council:

1. File the recommendations in reports C2010-69 Southeast LRT GreenTRIP Proposal and LPT2010-58 Status Update on the Southeast LRT Project;
2. Receive report LPT2011-05 (including Attachments 1 & 2) for information;

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3. Submit a Phase I Green TRIP application in the amount of \$225.6 Million (\$150.4 Million of Provincial funding), in support of:
 - a) SE LRT/SE BRT (Transitway);
 - b) the purchase of LRV's;
 - c) 17 Avenue SE BRT and
 - d) TOD land use plan for the SE Transitway;
4. Direct Administration to reaffirm Council's commitment to a SE LRT by way of preparing a report detailing a plan of action to move forward on a SE Transitway that would be the precursor to a true SE LRT;
5. Direct Administration to reaffirm Council's commitment to 4 car trains, by preparing a report outlining a detailed plan to identify the number of LRV's needed to run reliable four car trains on the LRT lines as soon as practically possible; and
6. Direct that Administration report back to the 2011 March 16 SPC on Land Use, Planning and Transportation with timelines on the above."

At the 2010 July 26 Regular Meeting of Council, the recommendations contained in LPT2010-56 17 Avenue SE Transportation Study were adopted, as follows:

That Council:

1. Approve the preferred short and long term plans for 17 Avenue SE as shown in Attachment 1;
2. Approve the short term transit plan for 9 Avenue SE and long term plan for the transit corridor in Inglewood as shown in Attachment 1;
3. Direct Administration to prepare an amendment to revise the Road Rights-of-Way table of Land Use Bylaw 1P2007 to reflect the future roadway requirements of the corridor;
4. Direct Administration to evaluate and prioritize this project for inclusion in the next update of Transportation Infrastructure Investment Plan (TIIP), and examine all available funding sources, including Green TRIP;
5. Direct Administration to review the closure of 37 St SE South of 17 Ave SE (International Ave) and consider alternatives that would allow "Right In Only" or "Right In/Right Out" vehicle movements and bring a report back to the SPC on Land Use, Planning and Transportation no later than 2010 December;
6. Direct Administration to review the turning radii specifications off of 17 Ave SE to the adjacent North and South Streets East of Deerfoot Trail SE to ensure the corners along the urban corridor reflect a higher level of design detail and increase the urban corridor nature and pedestrian safety and comfort; and

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7. Direct Administration to identify the flexibility in the plan to allow for the addition of pedestrian crossings when/if needed in the future.

At the 2010 July 05 Combined Meeting of Council, the recommendations contained in CPC2010-098 Proposed Southeast 17 Corridor: Land Use and Urban Design Concept were adopted, as amended, as follows:

That Council:

1. ADOPT, by Resolution, the proposed Southeast 17 Corridor: Land Use and Urban Design in accordance with the Land Use Planning & Policy recommendation, as amended;
2. Direct Administration to prepare an Implementation Strategy for the Southeast 17 Corridor: Land Use and Urban Design Concept, as outlined in Attachment 1, and report back no later than first quarter 2011. The implementation strategy should address the market viability of the proposed heights to ensure they are not a constraint to developing mixed use buildings. The implementation strategy should also incorporate the use of a community revitalization levy and consider the extent and timing of City initiated redesignations; and
3. Direct Administration to have a market demand study completed for a thirty year horizon that:
 - a) Quantifies the demand for residential, retail and office space in this corridor;
 - b) That Water Resources use this information to assess the adequacy of the existing and downstream infrastructure including water supply, sanitary capacity and storm, and develop an estimate of the capital costs, benefiting areas, and appropriate levies; and
 - c) Their cost information be used in assisting in the modelling of the economic feasibility of the corridor concept.

BACKGROUND

The Southeast 17 Corridor: Land Use and Urban Design Concept and the 17 Avenue SE Transportation Planning Study were both adopted by Council in 2010 after extensive public consultation.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Following the approval of the Southeast 17 Corridor Concept and the Transportation Planning Study in 2010, Administration has been working on the several Council directions and pieces of work fundamental to proceeding with detailed implementation:

1) Market Viability Study

Coriolis Consulting Corp. has confirmed the heights and densities proposed in the Southeast 17 Concept Plan are an appropriate market response within this area. The proposed development scale and intensity is sufficient to allow for lands within the corridor to redevelop from a physical and financial point of view, and the type of development is appropriate for the local market.

2) Funding Sources - Community Revitalisation Levy

Administration was directed to consider all available funding sources for the area, including a Community Revitalization Levy (CRL). Discussions were held with the Office of Land Servicing

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and Housing (OLSH) regarding the applicability of a CRL for the Southeast 17 Corridor given their experience in preparing The Rivers District Community Revitalization Plan, Calgary's only CRL to date.

OLSH indicated that it would be prudent to prepare a high level quantitative and qualitative review of the main issues that would affect the applicability of a CRL. It was also suggested that prior to any major expenditure on such a task, The Province should be consulted to determine whether the appropriate agency would be amenable to consideration of a CRL for the Southeast 17 Corridor area. The information required for a CRL plan is established by the Province through a CRL Regulation. Preparation of the plan would require determining improvement costs, establishing baseline tax revenues, and projecting the high, medium and low tax increments. Preliminary design work would be required to enable preparation of the project cost estimates.

Should Council direct Administration to undergo a full CRL evaluation, OLSH indicated that sufficient resources would be required to evaluate such a proposal. The analysis of a CRL would cost between \$250,000 and \$500,000, in addition to staff time. The evaluation would require timely and current data inputs relative to project construction costs and income/assessment growth projections.

The appropriate time to evaluate the potential success of a CRL will be after the results of the GreenTRIP application are known (see below). It is possible that with a combination of GreenTRIP funding and the potential revenue stream associated with the proposed Development Charge for Redeveloping Communities, a CRL may not be required. Should those sources of funding be insufficient, then a CRL could be revisited.

3) Street/Median Busway

At Council's direction, Administration submitted the Southeast 17 Corridor project to Alberta Transportation for approval as one of The City of Calgary's GreenTRIP projects. The Southeast 17 Corridor and Southeast Transitway projects will be funded from the GreenTRIP program, contingent on obtaining additional matching funds from non-GreenTRIP sources. The Province's GreenTRIP program has a two-thirds to one-third cost sharing arrangement between the Province and The City. As a result of the deficiency in matching funds in the 2012-2014 timeframe, the Southeast 17 corridor project is outside the current 2012-2014 Transportation Capital Infrastructure Plan

A report will be submitted to the SPC on Land Use Planning and Transportation on the project extent and funding sources in 2012 Q2.

4) Road Right-of-Way

The existing road right-of-way for 17 Avenue SE is protected through Land Use Bylaw 1P2007. Amendments to the Land Use Bylaw are required to incorporate the future road right-of-way widening identified in the Transportation Planning Study.

The pre-work required to undertake amendments to the Land Use Bylaw setback table to accommodate the ultimate widening of the road has been completed, including preparing the

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detailed site plans for each affected parcel. However, given that the impacts of the Transportation Planning Study on area landowners were not subject to specific public consultation at the original time of the Transportation Planning Study, it is important to undertake comprehensive engagement with affected and indirectly affected landowners. This will ensure the affected landowners are aware of the implications of the widened right-of-way on properties and businesses along and adjacent to the Southeast 17 Corridor. Engagement with affected landowners would take place prior to the amendments to the setback table going forward to a Public Hearing of Council.

It is recommended that no amendments to the Land Use Bylaw be undertaken until:

- The detailed design stage of the corridor has been concluded;
- Consultation with affected property owners has occurred, and
- A budget has been allocated for land acquisition.

This will allow adjustments to be made to the ultimate land requirements based on final design considerations and the input of affected landowners, prior to establishing setback restrictions in the Land Use Bylaw. A confirmed land acquisition budget will also allow for possible acquisition and compensation to be discussed with individual landowners.

5) City-initiated Land Use Redesignations

Until the final corridor design and land requirements are solidified, Administration does not recommend proceeding with any City-initiated land use redesignations or ARP amendments. This is to ensure that final land use policies and specific bylaw rules are appropriate for the ultimate land parcel configuration. These details should be worked out concurrently with the detailed ultimate road design, not in advance. This approach was taken along the West LRT corridor. It reduces the risk of uncertainty through the development permit process as to what can and cannot be constructed on a particular parcel. It also reduces the need to amend the Land Use Bylaw to address changing designs.

6) Application Processing

The City will continue to process site-specific land use amendment and development permit applications using the Council approved Southeast 17 Corridor Concept and the Transportation Planning Study as the guiding documents. Until the Land Use Bylaw setback table is amended to revise the road right-of-way and an associated funding strategy is in place, building setbacks and site development plans to accommodate the ultimate right-of-way will continue to be negotiated through the development application process. As a result, The City, may be required to purchase additional right-of-way to protect for future Bus Rapid Transit.

7) Utility Servicing

Water Resources has assessed the impact of redevelopment on existing water supply and sanitary and storm sewer systems based on the redevelopment patterns and densities provided. The assessment to date has concluded the following:

- Water supply - The increase in population will require two new developer-funded watermains. These watermains will benefit only the plan area. Improvements to the

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local water system may also be required if there are deviations from provided redevelopment patterns or densities, and will be confirmed at the Land Use Redesignation or Development Permit stage.

- Sanitary sewer - The increase in population will not trigger any upgrades to the major public sanitary infrastructure. Evaluation of the local collection system is underway.
- Storm sewer - No major improvements to the storm sewer system have been identified. Restrictions on allowable stormwater discharges to the receiving water body prohibit any increase in runoff volumes from the redevelopment area. Low Impact Development (LID) and Complete Streets Program practices and designs should be used to control stormwater runoff.

The intent is that the growth-related portion of infrastructure investments to support re-development will be recovered in accordance with the methodology proposed in LPT 2011-87 Charges for Redeveloping Communities. This methodology has not yet been approved by Council.

8) International Avenue Innovation Project

The key stakeholders in this project have decided not to proceed further with the investigations into the CityCraft or EcoBank Model. This issue will be addressed in a forthcoming report.

Corporate Implementation Plan

If the Southeast 17 Corridor Concept and the Transportation Planning Study are to be realised, a coordinated and long term approach to the implementation of these conceptual plans is required. Administration intends to implement the Southeast 17 Corridor project using a comprehensive corporate project plan led by the Transportation Department. A similar approach was used on the West LRT project. In that project, the various corporate initiatives and actions including land acquisition; detailed design; Area Redevelopment Plan and Land Use Bylaw amendments; and construction were undertaken as one comprehensive project, under a common project brand, with a cohesive communication and engagement strategy.

This approach allows for implementation actions to be undertaken in a logical sequence, with the necessary staff and budgets aligned across various City departments. An overall communication and engagement strategy can then be developed to present a “one-window” view to the public and external stakeholders.

Administration now has most of the necessary information and Council direction for a comprehensive implementation plan to be developed. The key missing requirement is the capital funding for land acquisition and construction of the corridor. Until dollars are committed and the timing for these monies is clearly defined, Administration cannot prepare the detailed project implementation plan that would include specific timelines and detailed tasks.

Proceeding with individual implementation tasks (e.g., city-initiated land use bylaw amendments) in advance of funding commitments and a comprehensive implementation plan is not recommended for the following reasons:

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- Unforeseen complications could have a negative impact on the success of other project tasks (e.g., land acquisition program);
- Aligning and coordinating internal staff resources and maintaining a corporate view is more difficult; and,
- Piecemeal public engagement can be confusing to citizens and may, in the end, be more costly to The City than a comprehensive engagement plan.

Stakeholder Engagement, Research and Communication

Extensive public consultation took place on the Southeast 17 Corridor Concept and the Transportation Planning Study. Since this time discussions have continued to take place with the International Avenue BRZ. A coordinated communication and engagement strategy will be a key component of the detailed project plan upon finalization of project funding.

Strategic Alignment

This is one of the first projects to begin the implementation of the Municipal Development Plan and Calgary Transportation Plan. To ensure success, a corporate implementation plan is recommended to align internal departments to make the most efficient use of staff and financial resources.

Social, Environmental, Economic (External)

This status report has been reviewed against social, environmental and economic dimensions. While there are no specific issues associated with recommendation of this report, it is consistent with the principles and objectives of the Municipal Development Plan which is founded on a Triple Bottom Line (TBL) approach.

Financial Capacity

Current and Future Operating Budget:

A detailed corporate implementation plan will identify and budget for staff resources and any external consultant resources consistent with Council approved budgets and business plans.

Current and Future Capital Budget:

There is no capital funding in place to secure the necessary work to implement the long term vision. Potential funding sources have been identified including GreenTRIP, the proposed charges for Redeveloping Communities and, if necessary, a Community Revitalization Levy.

Risk Assessment

Administration has now taken the implementation of the Southeast 17 Corridor project as far as possible without having firm funding commitments and timelines in place. Proceeding with piecemeal action outside of a detailed corporate implementation plan, without an approved funding strategy, can result in misalignment of departmental action and resources. This may create unintended consequences or barriers to implementation in the future. It may also create confusion and uncertainty for local landowners, residents and other stakeholders. Further, current staff resources are fully committed to other projects and corporate priorities at this time and any work on the Southeast 17 Corridor will divert resources from these other obligations.

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To mitigate these risks, the Southeast 17 Corridor implementation requires a corporate approach to be developed under the leadership of the Transportation Department, following the finalization of project funding. Once funding is secured, Administration is fully prepared and ready to begin.

REASON(S) FOR RECOMMENDATION(S):

The Southeast 17 Corridor is an important Council priority to create a vision for the long term revitalisation of the corridor. A corporate implementation plan with funding earmarked for the project is necessary to move these conceptual studies to the implementation stage.

ATTACHMENT(S)

None