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Calgary Chamber Plan It Calgary Stakeholder Advisory Committee Presentation

**Prepared for
Calgary Real Estate Forum Panel Session C4:
Plan It Calgary and a Blueprint for Growth:
What Will the Future Look Like**

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Introduction

The Calgary Chamber of Commerce represents over 3,200 members of the business community. The Chamber seeks to raise the consciousness and quality of public discourse on key policy issues confronting its members and stakeholders, through informed discussion grounded in fact and reasoned analysis.

In a 2009 survey, Chamber members identified city expansion and growth management, transportation, and fiscal management as top municipal priorities impacting their businesses. Indeed, the affordability, urban form and quality of life offered in the City impacts our ability to attract new businesses and the next wave of young talent.

Chamber members recognize that planning choices made today affect transportation mobility, environmental impacts, housing affordability, and infrastructure cost competitiveness in the future. The Plan It Calgary initiative seeks to achieve a more sustainable form of urban development that offers a high quality of life through increased densification, a more efficient use of infrastructure, a focus on complete communities, increased mobility choice and environmental sustainability.

Chamber members generally support the key tenets of the Plan It Calgary initiative. In a 2008 Leger Marketing survey, members indicated a preference for higher density (76 per cent support), a mixed use of residential, commercial, and retail properties (67 per cent support), and an orientation towards public transit, cycling, and walking (77 per cent support).

Plan It Calgary is a complex initiative guided by eight key directions that serve as strategies to achieve its sustainability principles. While these key directions are generally fundamentally sound, from a business community perspective, to be successful Plan it Calgary must address a number of key challenges.

These challenges, which I will expand upon in my comments today, include:

1. Adopting lifecycle cost measurement to determine the true cost of growth;
2. Providing certainty of transit infrastructure and improved service levels outside of the downtown core;
3. Developing criteria to identify and support communities intended for intensification

4. Consistent application of Plan It Calgary policies by elected officials;
5. Working with industry to implement Plan It Calgary;
6. Adequate land supply to preserve housing affordability; and
7. Coordination with the Calgary Metropolitan Plan to prevent fringe development.

These seven components were developed and informed by the Chamber's participation on the Plan It Calgary Key Stakeholder Advisory Committee, our 2008 research report entitled *Municipal Land Development Policies and the Impact on Calgary's Housing Affordability*, our *Renaissance Calgary* strategy; and consultations with our membership.

1. Adopt lifecycle cost measurement to determine the true cost of growth

From a fiscal sustainability perspective, cities that attract businesses and young talent offer competitive tax rates and an unparalleled quality of life. Plan It Calgary's focus on higher density development around nodes and corridors, the creation of complete communities, and infrastructure optimization seeks to reduce infrastructure costs.

City estimates suggest that adopting Plan It Calgary will result in up to **\$10 billion** in infrastructure investment and maintenance savings compared to current growth patterns over the next 60 years. These estimated infrastructure cost reductions translate into lower taxes, which will help position Calgary as an attractive jurisdiction in which to do business.

However, the city has not historically collected and reported information about the lifecycle infrastructure costs associated with growth – which includes both the initial capital investment and long-term operating costs of roads, water systems and transit facilities. The core indicators identified in the Plan It Municipal Development Plan continue to exclude any meaningful indicators of infrastructure costs and benchmarks.

Fundamentally, what gets measured gets managed, and the collection of meaningful infrastructure cost data associated with various types of development (e.g. infrastructure and maintenance costs per unit – single family versus multi-family) improves the City's ability to make informed development decisions and direct resources efficiently.

The Chamber strongly encourages the City to consistently collect and report this infrastructure costing information regularly, in order to quantify the extent to which Plan It actually reduces infrastructure and operating costs over the long-term. This approach effectively quantifies the true costs of development, and assists municipal elected officials and consumers in making informed development decisions.

2. Certainty of transit infrastructure and improved service levels outside of the downtown core

Another key element of a world-leading city that attracts international business and talent is the efficient mobility of people and goods. Plan it Calgary seeks to encourage the development of major employment centres outside of the downtown core, and provide increased mobility choice to these centers. The provision of transportation networks that mobilize people and goods to and from these employment centres is critical.

While public transit service and ridership levels to the downtown core have proven to be highly successful in Calgary, service and ridership levels to employment and activity centres outside the core require improvement.

Currently, the City primarily collects and reports transit service and ridership statistics on a city-wide basis. However, to encourage and develop accessible employment centres outside the downtown core, the Chamber recommends that the City establish accessible transit service levels to each of these centres, and collect and report ridership and service level information as part of its suite of core indicators on an area-specific basis, as opposed to city-wide.

It is also important to offer high-quality transit service as communities are being built or intensified, not after the fact. This commitment to transit infrastructure and service levels provides certainty to developers when confronted with densification requirements, reducing their financial risk and spurring additional intensification.

3. Develop criteria to identify and support communities intended for intensification

Through its key directions Plan It Calgary seeks to achieve a balance of growth between established and greenfield communities, and to direct land use change within a framework of nodes and corridors at major activity centres.

Municipal planning, land use and development policies can have a significant impact on the form, structure, design, character and function of public spaces, communities and business operations within our city. The way we plan, develop and build our city not only determines the physical environment, but also the extent to which citizens and the business community are engaged in the development of our city and embrace and respond to growth and change – key ingredients to creating a world-class city.

Urban intensification can be a particularly complex and controversial process. Engaging local community organizations in the re-development of their communities is an integral component of the planning process. In order to provide certainty to industry and residents, and fully engage citizens in the process, the Chamber recommends that the City work with the business community, community associations and the public to develop and publish criteria and protocols under which existing communities would be selected as strategic growth areas for urban densification. It is also important that the City work with these stakeholders to develop and adopt a proactive and collaborative approach to the planning process – one that ensures community associations have sufficient planning capacity and that they and members of the public are positioned to anticipate and embrace urban densification

in their communities. Such an approach will encourage informed stakeholder support and collaboration in the development of Calgary communities by:

- Providing greater certainty and guidance to industry with respect to engaging city staff, elected officials, community groups and citizens on development proposals;
- Equipping community associations and citizens with the tools and capacity to plan for and embrace growth in their communities;
- Ensuring the city, the development industry and community groups adopt a collaborative and constructive approach to the development process; and
- Providing assurances to elected officials that land use and development applications are endorsed by community groups, citizens and industry – thereby reducing political risk in municipal decision-making.

It is on this note that the Chamber supports council's recent decision to conduct an independent review the City's land use bylaw, to ensure the redevelopment process is as streamlined as possible, and to reduce unnecessary appeals by ensuring stakeholders work out their issues through the process.

4. Consistent application of Plan It Calgary policies by elected officials

Political leadership is integral to the success of the Plan It Calgary initiative. Land use decisions affect the form and character of communities, creating both positive and negative externalities, and can largely determine the popularity of local elected officials.

Zoning applications that are particularly contentious, or are strongly opposed by community organizations, can take twice as long to be approved. Applicants are encouraged to undertake extensive consultation with the community association and the local alderman prior to submitting an application. Once land use decisions are made, development applications can face further delays in the administrative process if the project is politically contentious.

This process is detrimental to the overall functionality and quality of life of the city, and erodes the business climate by reducing certainty in the application process, delaying project timelines and ultimately reducing housing affordability.

For Plan It Calgary to succeed, local elected officials need to support its fundamental objectives, principles and key directions,

and apply them on a consistent basis. This means subscribing to published, binding protocols and criteria under which communities are selected as strategic growth areas for urban densification. This approach ensures developers, residents and elected officials all adhere to and apply the same high standards and principles in developing our city.

5. Work with industry to implement Plan It Calgary

The adoption of Plan It Calgary will have a significant impact on the building and development industries. Landowners in areas identified for intensive growth will automatically see demand and the values for their properties appreciate, whereas owners outside these growth areas will be competitively disadvantaged.

Plan It Calgary's focus on greater intensification will necessitate a significant adjustment on the part of the building and development industries. Consequently, it is imperative that the City continue to work with industry stakeholders to establish workable implementation timelines and intensification targets for Plan It Calgary.

The Chamber is pleased that the City and the development industry were able to come to an agreement regarding intensification targets for future Greenfield sites, and that these targets incorporate sufficient timelines for industry to adjust to the higher threshold requirements prescribed in Plan It.

However, for Plan It Calgary to achieve its intensification targets in existing areas, the first major projects undertaken as part of the new framework need to be successful. Consequently, the City needs to partner consistently and comprehensively with industry to share the risks and achieve innovative and high quality designs in the development of Plan It Calgary-consistent projects. A similar approach was adopted by the City in the development of the Mackenzie Towne and Garrison Woods projects, whereby the City committed resources to strategic infrastructure investments at the onset, and empowered staff to work with applicants to move projects through the process stages in a timely and cost-sensitive manner.

Moving forward, the City should review and incorporate the alternative design standards developed for projects that reflect the Plan It objectives, such as Garrison Woods and Mackenzie Towne, into the City's standard specification books. This approach will

streamline the approval process, and enable developers to bring Plan It Calgary-conducive projects online faster and more affordably. The City should also review and adopt appropriate alternative design standards applied in other jurisdictions to increase the variety of pre-approved alternative standards to provide greater diversity and choice for consumers.

6. Adequate land supply to preserve housing affordability

Land supply policies can have a significant impact on the cost of land. Local governments that limit land supply through growth boundaries create scarcity and risk driving up the price of land in the face of high demand. The City currently has a policy of maintaining a 30-year supply of all purpose developable land within its boundaries, including a 15-year supply of planned land and a five year supply of serviced land. This policy ensures there is adequate land supply to accommodate a growing population, and it is important that Plan It Calgary continue to build upon Calgary’s unique position as a “Unicity” and maintain its 30-year supply of all-purpose developable land to avoid erosion in Calgary’s housing affordability.

7. Coordination with the Calgary Metropolitan Plan to prevent fringe development

Finally, from a regional perspective, it is critical that the City coordinate the Plan It Calgary initiative with the Calgary Regional Partnership's Regional Land Use Plan. If Plan It Calgary comes into force in the absence of a corresponding and complimentary regional growth management plan, there is potential for lower density development to occur just outside Calgary's limits, straining city infrastructure, creating auto dependent sprawl and raising issues of free-ridership – the exact opposite outcome of the Plan It Calgary objectives.

Conclusion

To conclude, addressing these factors combined will improve the business climate and civic engagement in our city, encouraging a more sustainable form of urban development that offers a high quality of life –positioning the city to attract new businesses and young talent and, ultimately, achieving Chamber's Renaissance Calgary vision for the city.

Thank you for your time today. I would be pleased to respond to any questions that you may have.