

Development in Proximity to the Railway Corridor

June 8, 2016

Presentation SPC-PUD

Presentation on behalf of:

CHBA-UDI Calgary Region Association

NAIOP Calgary Chapter

BOMA Calgary



How did we get here?

- Fall and Winter discussions in-camera
- March Council & Administration **'Reset'**
- Council directed that key stakeholders be included in the discussion regarding Rail Policy:
 - Create a Terms of Reference - scope, deliverables, timelines - by 2016 Q2
 - Review and revise the Sensitive Use List.

Status as at today?

- Administration, including Kathy Dietrich, Kevin Griffiths and Brandy MacInnis, under the Direction of GM Dalglish, have put significant time and resources into this file.
- Administration has worked with Industry on a terms of reference for a new '**Rail Policy**'.
- In the interim, there is a '**Current Approach**' that informs development applications.
- Industry and City still need to review the **Sensitive Use List**.
- The goal for a new Rail Policy is targeted for 2017 Q1

SHARED GOALS / CHALLENGES

- **MDP** and **Centre City** policy targets for **densification**
 - Residential/commercial/retail **Mixed Use** development to create a vibrant community in the core
 - Create a **Livable City**
 - **Redevelopment** as a key to **Sustainable Growth**
 - Protect and grow City's potential **Tax Base**
 - Encourage **Private Sector Investment**
 - Increase **Investment Opportunity** on City-owned lands
 - Maximize **Transit Oriented Development** along the Greenline
- among others...

Concern - 1

- Risk that the ‘**Current Approach**’ regulating development remains inflexible and unchanged until a ‘fully baked’ new Rail Policy is completed and approved - needs instead to evolve based on findings.

Recommendation

- We support Administration’s Report to SPC-PUD 2016-0347 which states that ..
*The City will continue to review the current approach and process for development applications in proximity to the railway corridor. If, during the development of the Rail Policy, alternative solutions or approaches to deal with risk are identified, the **current approach may be amended.***

Concern - 2

- The new Rail Policy will use the current approach as its starting point (base).

Recommendation

- The new policy should start with a 'blank page' and work with Administration, using the terms-of-reference, to craft the new policy without any undue influence from existing policy.

Concern - 3

- The new Rail Policy will be unduly influenced by National concerns and proposed solutions.

Recommendation

- Ensure that the new Rail Policy is a **made-in-Calgary solution** and deals with our City's risk, impacts and preferred outcomes identified earlier as our 'shared goals'.

Concern - 4

- Restricting development, now or in the future, will off-load responsibility from rail to adjacent landowners, including the City itself.

Recommendation

- We support Administration's Report to SPC-PUD 2016-0347 which states in the 'Developing the Rail Policy' ...
Working with railway companies and regulators on issues related to their responsibilities for operational safety and the impacts of rail on nearby property;

Concern - 5

- Current Approach assumes a 30M setback should be a baseline applied for all uses as a blanket rule – and measured from the property line vs the rail line itself.

Recommendation

- Agree with Administration's Report to SPC-PUD 2016-0347 – *to exercise discretion for sensitive uses within 30M*
- Need to review whether 30M should even be applied considering degree of risk.
- Need to review whether setback could be measured from Rail line, not Property line – gives Rail opportunity to assume some responsibility & mitigate within its own

Impact: Example 1

How much residential development could be impacted by a new Rail Policy?

Area: 4.2km of track/Bow Trail (W) to Elbow River (E)/2 sides

- 30m setback per site / 4 FAR above grade (no res on main)
- average unit size 650 sf / 40% undeveloped land along length of corridor
- Estimated impact: 5,500 units @ 1.5 persons per unit

8,250 RESIDENTS LOST

**More than the Combined Population of
West Hillhurst & Sunnyside**

Impact: Example 2

Tax implications for loss of development in the Centre City?

Property Taxes per year - 9th Avenue or 10th Avenue Sites along Rail

- 1/2 Acre site on 9th Ave
- Developed to 12 FAR
- Res Rental/Condo: 261,360 (gfa) @ \$2.10 Tax Rate/gfa
\$510,000 Residential Tax Lost
- Commercial: 261,360 (gfa) @ \$10.73 Tax rate/gfa
\$2.8 Million Commercial Tax Lost

Impact: Example 3

Rail Policy could be potentially devastating to Land Values and Erode Investment in Land along Rail

Example: Development site on 10th Ave

Before Rail Policy: Land value based on development Potential

\$48/buildable ft (8FAR) = \$30 Million @ Market

Rail Uncertainty: Land value based only on Present Income Value - not future development potential

5% Yield on In-Place Income = \$13 Million

**Impact of Rail Policy Uncertainty: \$17 Million
not less**

Conclusion

- Appreciate discussions with the City
- **Current approach** must evolve with findings of the development of the new policy
- Must recognize rail responsibilities
- Needs to acknowledge levels of risk for three parties: City (CEMA) + stakeholders + rail
- Costs for all must be considered. Loss of revenues to the City / Industry + impact on the MDP

THANK YOU

