

Real Estate and Development Services Feasibility Assessment

In 2018 November at the *One Calgary* budget discussions, a Motion Arising directed Calgary Recreation to prepare a plan for a real estate and development assessment on all City-owned golf courses for the purposes of decommissioning, repurposing and/or divesting of land, for reinvestment back into sustaining the overall operations of Golf.

Recreation engaged Real Estate and Development Services (RE&DS) to assist with the formation of a real estate plan to complete this analysis. RE&DS responded by developing a two-stage plan to determine the development potential, limitations and risks at each municipal golf course. On 2019 May 27 Council approved the two-step work plan.

On 2019 October 08, a briefing note (PFC2019-1227) detailed the Stage 1 findings on four of the six sites identified for review: Richmond Green, Confederation Park, Lakeview and McCall Lake. Table 1: *Stage 1 Assessment findings presented 2019 October 08 in briefing note (PFC2019-1227)*, on the next page, provides a review of the previous report findings.

Stage 1 consisted of screening each course through a feasibility assessment matrix, to determine if and where land at each course could be considered for repurposing or disposition.

The feasibility matrix in Stage 1 was developed internally by RE&DS and consists of the following criteria:

- Historical and Background Information;
- Environmental and Development Encumbrances;
- Location;
- Regulatory and Policy Considerations;
- Planning Considerations;
- Servicing and Site Access Considerations;
- Mobility;
- Alignment with the Municipal Development Plan (MDP);
- Market Opportunity;
- Cost Risks; and
- Golf Course Operations.

This report provides the completion of Stage 1 findings for the remaining sites: Maple Ridge and Shaganappi Point, a summary of recommended next steps and an overview of the scope of work defined as Stage 2 Analysis.

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Table 1 – Stage 1 Assessment findings presented 2019 October 08 in briefing note (PFC2019-1227)

Golf Course	Constraints	Proceed to Stage 2
Richmond Green	<ul style="list-style-type: none"> Golf course lands encumbered by City infrastructure and future expansion of Water Services infrastructure 	Yes - Stage 2 Analysis subject to broadened scope to include adjacent City lands stewarded by Water Resources & Calgary Parks.
Confederation Park	<ul style="list-style-type: none"> Significant storm water constraints within Confederation Creek drainage Reserve Designation 	No
Lakeview	<ul style="list-style-type: none"> Extensive Environmental Reserve and slope stability setback from reservoir edge. Extensive above and below ground utilities 	No
McCall Lake	<ul style="list-style-type: none"> Excluded as per Council direction 	No

Stage 2 consists of a more comprehensive planning, engineering and environmental analysis of those lands identified in Stage 1 that may provide for opportunities other than golf. It is expected that Stage 2 will require external consultants and additional work by the Corporation to undertake field investigations, planning and design and public engagement.

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Maple Ridge - STAGE 1

The results of the Stage 1 feasibility assessment completed by Real Estate and Development Services (RE&DS) at Maple Ridge Golf Course concludes that there are multiple impacts on the site. The impacts identified would require additional investigation outside of scope for the Stage 1 assessment to be resolved.

RE&DS is unable to proceed with Stage 2 assessments due to the status of the transportation project for Deerfoot Trail. There are three concepts being explored to widen Deerfoot Trail and once a final concept plan has been identified a Stage 2 assessment of the site can be undertaken if the impacts to the site as a result of that project still indicate development potential.

Table 2 – Maple Ridge Golf Course Stage 1 Feasibility Impacts

Category	Score
Historical / Background	No Impact
Location	No Impact
Environmental and Development Encumbrances	Severe Impact (tied to Planning Considerations)
Alignment with Municipal Development Plan	Moderate Impact
Regulatory and Policy Considerations	Moderate Impact
Planning Considerations	Severe Impact
Servicing and Site Access Considerations	Moderate Impact
Mobility	Moderate to Severe Impact
Area Market Analysis	Moderate Impact
Cost Risks	Moderate to Severe Impact
Golf Operations	Moderate Impact

The site has severe impacts in multiple areas of the Stage 1 assessments specifically in Environmental and Development Encumbrances, Planning Considerations, Mobility and Cost Risks.

These areas of the Stage 1 assessment indicate moderate and severe impacts to the City and adjacent private land parcels.

- The Planning Considerations identified that the completion of the master plan for the Deerfoot Trail study being undertaken by Alberta Transportation and the City of Calgary's Transportation department should take precedence over any further real estate program that would make recommendations for repurposing or disposition of land. This transportation project has the most severe impacts to the site and causes uncertainty for other components making it difficult to provide final recommendations.
- The Environmental and Development Encumbrances were completed at the Stage 1 level. This assessment identified that further in-depth assessments would be required to gather more specific information for geotechnical, servicing and transportation considerations to provide current state information at this site.

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Shaganappi Point Golf Course - STAGE 1

The results of the Stage 1 feasibility assessment completed by Real Estate and Development Services (RE&DS) at Shaganappi Point Golf Course indicate that the 65.58 ha (162.05ac) of land illustrated in **Map 7** should be evaluated in a Stage 2 work program. While RE&DS does not expect a disposition of the entire golf course lands, the parking lots, clubhouse, driving range and maintenance facilities offer areas for potential reconfiguration and/or opportunities for redevelopment.

Table 3 – Shaganappi Point Golf Course Stage 1 Feasibility Impacts

Category	Score
Historical / Background	Moderate Impact
Location	No Impact
Environmental and Development Encumbrances	Moderate Impact
Alignment with Municipal Development Plan	Moderate Impact
Regulatory and Policy Considerations	Moderate Impact
Planning Considerations	Moderate Impact
Servicing and Site Access Considerations	Moderate Impact
Mobility	No Impact
Area Market Analysis	Moderate Impact
Cost Risks	Moderate Impact
Golf Operations	Moderate Impact

Reasons for recommendation:

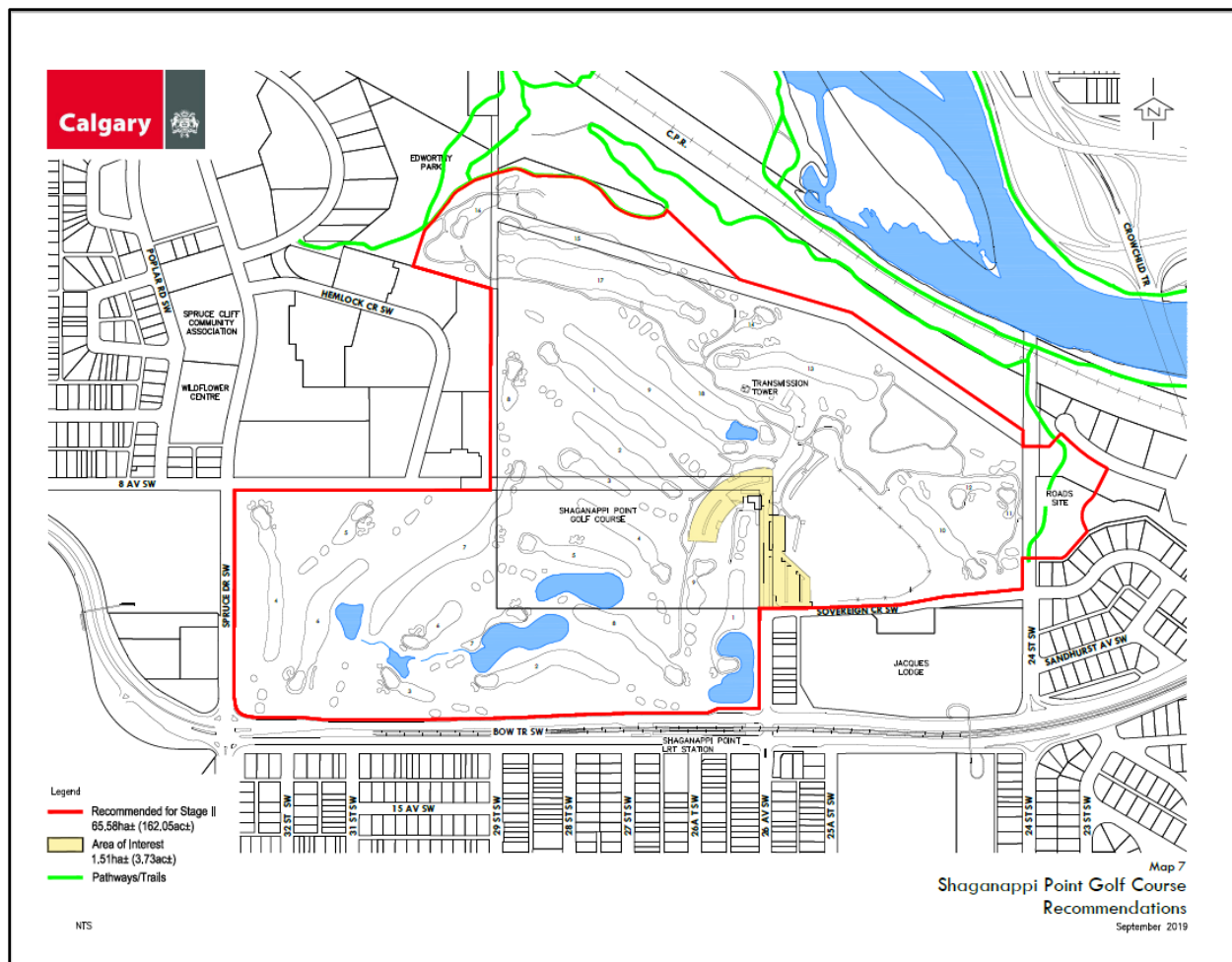
- Shaganappi Point Golf Course has real estate potential. It is an inner-city location, with close proximity to major employment and has views towards the Bow River, Rocky Mountains and downtown;
- Portions of Shaganappi Point Golf Course would be considered Transit Oriented Development (TOD) and development at the course could capitalize on the City's objectives to build more density around public transit infrastructure;
- The former Jacques Lodge site is adjacent to the lands and is slated for re-development. There may be an opportunity to partner on development objectives;
- A high-level look at the market surrounding the site shows potential for redevelopment given its location, amenities, housing stock and demographics. If the site were to be developed at present, there would be considerable competition from projects in planning stages, currently pre-selling, or selling. Since the downturn, multi-family projects, particularly high-rises, are struggling to achieve viable absorption rates. In response, some developers have shifted from condominium to rental to mitigate risk. An in-depth market analysis is required to determine market potential and expected returns once project timing is established;
- Calgary Recreation has undertaken preliminary work for a new clubhouse at Shaganappi Point Golf Course. A Stage 2 analysis presents an opportunity to further examine this endeavor in conjunction with land development; and

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- Repurposing work in Stage 2 could be evaluated to determine if the entire property could be reconfigured to modify or add additional uses to generate additional income for Golf.

Work will begin on Stage 2 at Shaganappi Point Golf Course in Q2 2020; with the ultimate intent to investigate repurposing, decommissioning and/or disposition.

Map 7 – Shaganappi Point Golf Course Area of Interest



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Completion of Stage 1 - Recommended Next Steps

RE&DS has identified development potential at two sites following Stage 1 assessments. RE&DS recommends more in-depth analysis for Richmond Green and Shaganappi Point Golf Course at this time.

Scope of work for Stage 2 Analysis –Richmond Green and Shaganappi Point

It is estimated that the Stage 2 work program could take 12 to 14 months for these two sites. The time would be used for securing external consultants, leveraging internal resources to assist with due diligence and completing the necessary field studies, design and planning required to determine what development is possible.

RE&DS will look to leverage internal resources to minimize the hiring of outside consultants, however RE&DS anticipates this work program will require a budget of up to \$750 thousand for Shaganappi Point and up to \$310 thousand for Richmond Green. RE&DS will utilize internal funds for this scope of work.

Stage 2 will consist of geotechnical analysis, environmental due diligence, planning, further market research and public engagement. RE&DS expects that Stage 2 can begin in Q2 2020. Upon completion, Administration will bring a report to Council for further consideration.

Stage 2 deliverables for both sites include, but may not be limited to:

- Confirming transportation capacity;
- Confirming servicing capacity (storm, sanitary and water);
- Determining Opinion of Probable Costs (OPC) for development options;
- Geotechnical and environmental reporting;
- Land valuations for development options;
- Public and stakeholder engagement events and feedback reports; and
- Administration's recommendations for repurposing and disposing of land.

Stage 2 deliverable specific to Richmond Green:

- Expand the area of analysis for Richmond Green to include the adjacent Calgary Parks and Water Resources lands inclusive of City lands founds between Sarcee Road, 33rd Avenue South West and Crowchild Trail.

Stage 2 deliverables specific to Shaganappi Point Golf Course:

- Development options including exploration of residential, commercial and banquet / clubhouse uses.
- Reconfiguring the driving range and selected golf holes to maximize space. This should include a cost benefit analysis on effects of enhancing or eliminating certain golf offerings.

Subject to Stage 2 outcomes, as stated in the original motion, any proceeds from a disposition of land at Shaganappi Point Golf Course and Richmond Green would be directed back to Calgary Recreation to support ongoing golf operations.