

# Applicant Submission

2021 February 02

On behalf of White Eagle Developments, O2 Planning & Design is proposing to redesignate the southern 0.57 hectares of the parcel located at 4815 88 Avenue NE to the Commercial – Neighbourhood 2 (C-N2) district. The proposed redesignation has become more necessary than ever given shifting economic conditions, new realities in the commercial space market arising from the fallout of Covid-19, and the sociocultural characteristics of households in the Saddle Ridge neighbourhood. For reasons outlined below C-N2 allows the site to better meet the needs of this emerging community while maintaining the overall goals and objectives of local area plans, providing an immediate and impactful addition to the area.

## ASP Compliance

Development of the subject site is regulated by the Saddle Ridge Area Structure Plan (ASP). The ASP situates the site within Cell D, intended to be predominantly residential with a minimum residential density of 20 units per hectare. Despite redesignating this site for commercial use, the area will still achieve a residential density of 22.5 units per hectare, exceeding the target established in the ASP. Further, neighbourhood-scale commercial and employment uses are supported by the ASP in strategic locations, including adjacent to parks and institutional sites, at community entrances, and along collector roads. The proposed C-N2 land use is well aligned with the ASP as it enables a form of neighbourhood commercial activity not currently provided in the area and will be located in an appropriate place. The development will serve residents of surrounding residential neighbourhoods, providing services and amenities in close proximity to where people live.

## Density

The average household size in Saddle Ridge is 4.1 residents per household compared to the City of Calgary's average household size of 2.6. While the Saddle Ridge ASP's target of 20 units per hectare is reasonable given the City's overall average household, the use of units per hectare as a metric leaves the plan unable to account for the sociocultural differences between Saddle Ridge and the broader City. Looking solely at lands designated R-G, the current west outline plan contemplates 160 single detached houses. Calgary's average household size would yield 416 residents in these 160 homes, while the average Saddle Ridge household would yield 656. These 240 additional residents represent almost 60% greater density than the City average.

Comparatively, the housing typology provided by the existing M-X2 lands would yield relatively few new residents. This form of housing does not reflect local demand for larger housing that can support multigenerational families, as it is predominantly provided as one-bedroom condos or apartments. Additionally, existing apartment-style developments in Saddle Ridge continue to offer substantial supply of this housing type, and in locations much closer to higher-order transit than can be afforded by the subject lands. Even generously assuming an average of 2 residents per household in M-X2 housing, the 59 units currently proposed for the west outline plan would yield *at most* 118 residents – less than half the increased density single-detached housing in Saddle Ridge provides over the City average.

Beyond the negligible impact on residential density, future residential development on other sites in the west and east outline plan areas will still achieve the overall units per hectare density anticipated by the Saddle Ridge ASP. The proposed land use amendment would reduce the minimum number of residential units in the west outline plan area by 34, from the 59 originally contemplated prior to redesignation to a new total of 25. This reduces the overall units per hectare of the west outline plan by 15%, and accounting for the west and east outline plan areas holistically represents a 7% reduction in the overall units per hectare of the outline plan areas. Importantly, the overall units per hectare for the west and east outline plan areas still remains well above the minimum 20 uph identified in the Saddle Ridge ASP. The cumulative overall density decreases by only 1.9 units per hectare, from 24.4 to 22.5.

While the proposed land use amendment represents a departure from the original outline plan's anticipated units per hectare density, the land use change in no way compromises the integrity of the Saddle Ridge ASP or the City's broader planning objectives. Accounting for the Saddle Ridge community's larger average household size, the west outline plan area far outperforms the City average for residential density even with the proposed land use change, and the overall units per hectare of the west and east outline plan areas remains in excess of the Saddle Ridge ASP's units per hectare target.

### Market Demand

The broader economic outlook for the Calgary region was challenging prior to the COVID-19 pandemic, and with continued market uncertainties for the foreseeable future a C-N2 designation is appropriate as opposed to the C-N1 designation as the former enables a broader range of land uses and allows the subject lands to retain greater development flexibility. Declining market conditions have resulted in a reduction of residential demand as demonstrated by the ongoing trend in down-zoning in this area. For instance, the 'Flights' Outline Plan located approximately 110 metres east of the subject site was originally approved in 2007 and assigned the MH-2 district to accommodate more than 1200 residential units. A series of redesignations have since applied lower density land uses, reducing anticipated unit count to less than 250. In addition, a recent application (LOC2020-0082) has been submitted by an adjacent landowner to redesignate from Multi-Residential – Medium Profile (M-2) to Residential – Low Density Mixed Housing (R-G).

This history of "right-sizing" zoning in Saddle Ridge is in keeping with the City of Calgary's own perspective on the residential housing market. Administration recently recommended Council reject 11 applications for new communities on the City's outskirts given current market conditions and diminished demand for new housing, and Council corroborated this position by not approving these developments at their November 3, 2020 meeting. This position is further supported by recent Canada Mortgage and Housing Corporation (CMHC) data confirming that Calgary's number of unsold homes is nearing a 19-year high. CMHC's Housing Market Assessment for the third quarter of 2020 remarked that Calgary is exhibiting signs of overbuilding as completed and unsold homes per 10,000 population is nearly at the City's historic high set in 2001.

All of these factors diminish the desirability and marketability of additional housing stock in Saddle Ridge, and the housing typology required by the MX-2 district further detracts from the desirability of building residential in this area. The MX-2 district requires apartment-style units that are in much lower demand compared to larger single-detached or townhome style housing better suited to house multigenerational families. Existing apartment-style developments in Saddle Ridge continue to offer substantial supply of this housing type, and in locations much closer to higher-order transit than the subject lands. At the time of submission, over 10 apartment-style units are available in the Indigo Sky development alone, while completed developments on Savannah Boulevard still have apartment-style units available for sale.

In a commercial context, there is currently over 100,000 square feet of CN-1 or CC-1 typology commercial space available for sale or lease in the immediate vicinity of the subject lands.

Address	Square Feet Available	Zoning
251 Red Embers Way NE	55,000	CC-1
8607 52 St NE; 8825 52 St NE	>50,000	DC (based on C-COR1)
30 Savanna Cr NE	15,000	C-COR2
402-9036 46 St NE	1,300	CN-1
59 Savanna Blvd NE	5,000	CN-1

This oversupply is compounded by the ongoing COVID-19 crisis, one that is causing many businesses across Calgary, the province, and all of Canada to shut down permanently. This hollowing out of the retail market will create a long-lasting glut of this form of commercial space. When contemplating the appropriateness of

the CN-2 designation within this context of oversupply, it is important to note that CN-2 is currently significantly under-supplied throughout Saddle Ridge. Figure 1 on the following page highlights how profound this under-supply is, particularly within the north-western portion of the community, where the subject lands are located. This map makes it clear that by allowing the proposed CN-2 designation the subject lands will be able to provide a broader range of land uses, including those not currently provided, or provided in limited supply, in Saddle Ridge and the surrounding area.

Given the surrounding commercial and residential market context, the proposed C-N2 is the most appropriate designation for this property as it retains flexibility of land use that allows White Eagle Developments to create neighbourhood commercial and employment opportunities responsive to market demand now rather than further oversaturating the MX-2 land use's commercial and residential market.

### **Design Impact**

Despite not being a land use consideration, the owner of the subject lands has retained the same architect engaged in developing the neighbouring worship centre and private school. It is the intention of the owner to ensure future development on the subject lands is complementary and respectful to the intended commercial gateway envisioned for this intersection, as well as the broader Neighbourhood Activity Centre objectives. The proposed land use enables alignment with and is capable of supporting these outcomes.

This alignment can be achieved through multiple means, including the use of complementary materials, the positioning of future development on the subject site in a manner that reinforces the gateway by locating close to the street edge, and ensuring glazing and façade treatments facing the gateway are active and add to the gateway's overall aesthetic in a positive manner. These issues will be addressed through Development Permit application.

### **Conclusion**

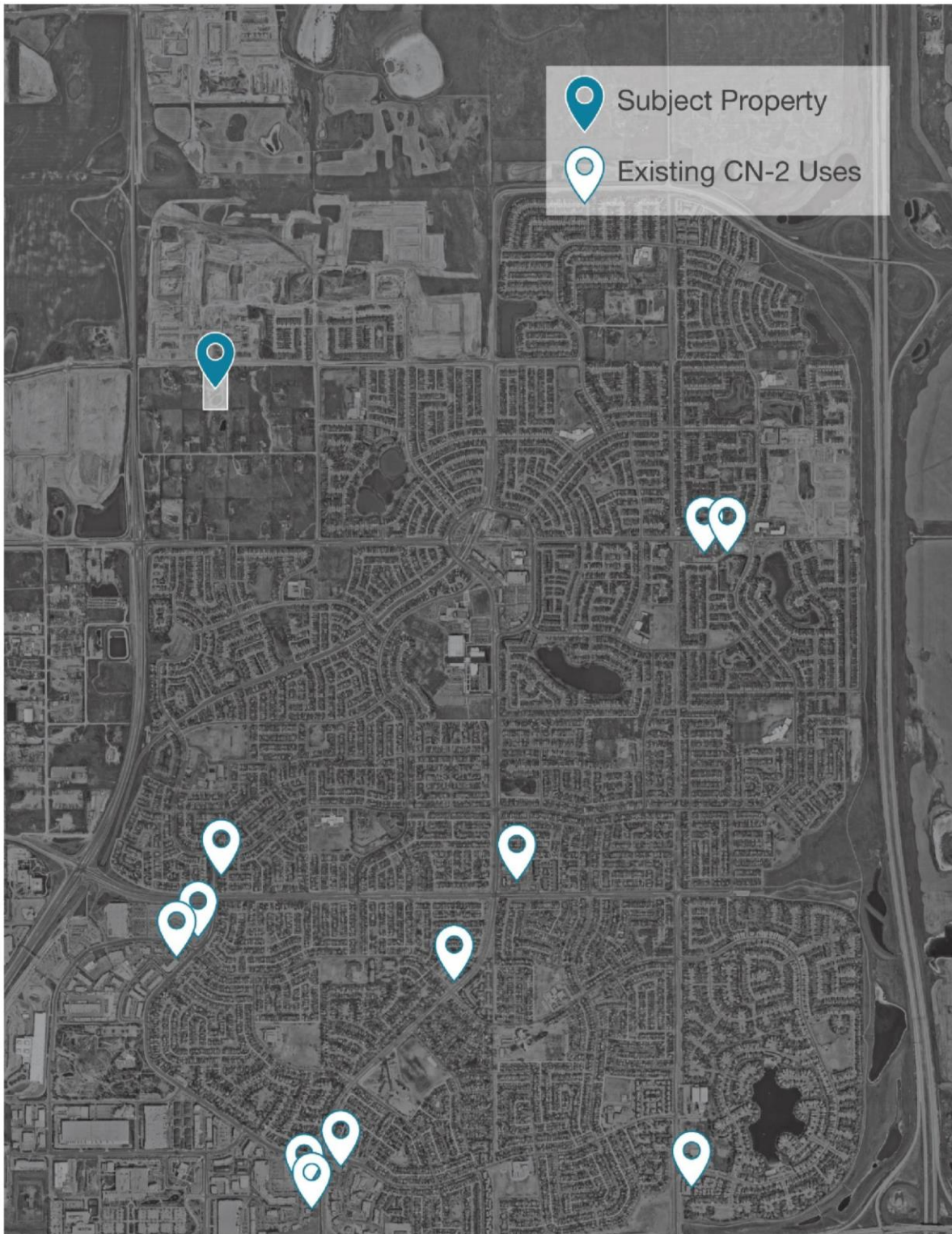
In summary, the proposed land use enables a development that will:

- Reposition this site to better meet the needs of the community.
- Support commercial economic recovery in the Saddle Ridge neighbourhood.
- Provide a neighbourhood commercial typology that is not accommodated for in the nearby vicinity.
- Place commercial uses adjacent to parks and institutional uses, a community entrance point, and along a collector road, as supported by the ASP.
- Increase employment opportunities near residential areas and major transportation corridors.



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*Fig. 1: CN-2 uses are few and far between in Saddle Ridge, with the majority of these uses located in the Castleridge community to the south. The subject lands are far removed from any other similar land uses.*