

## Enabling Construction of Calgary Catholic School District Rangeview High School

### RECOMMENDATION(S):

That the Priorities and Finance Committee recommend that Council:

1. Direct Administration to pursue option 2 in Attachment 2, table 2 and further develop the detailed elements of an Off-Site Levy late payment relief program in support of construction of the Rangeview high school site; and
2. Direct Administration to report back to Council with a formalized program by July 2021.

### RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, 2021 MARCH 16:

That Council:

1. Direct Administration to pursue option 2 in Attachment 2, table 2 and further develop the detailed elements of an Off-Site Levy late payment relief program in support of construction of the Rangeview high school site; and
2. Direct Administration to report back to Council with a formalized program by July 2021.

## HIGHLIGHTS

- Through a Notice of Motion on 2020 December 14 (PFC2020-1265), Administration was directed to explore options to support the early commencement of the Rangeview Catholic high school. Administration considered direction in the Notice of Motion, developed additional opportunities to consider and is recommending option 2 in Attachment 2, table 2.
- *What does this mean to Calgarians?* Schools are an important part of complete communities that support quality of life, foster vibrant public interaction and give residents a sense of place.
- *Why does this matter?* The timely development of schools to meet demands of growing areas of the city has a substantial impact on residents and the completeness of communities.
- The Catholic School Board Administration has indicated they would like to consider prioritizing construction of Rangeview high school due to growth and demographic factors in the area. To get prioritized, this site must meet Provincial site readiness criteria and must be serviced. Currently this site does not meet that criteria making it ineligible for prioritization.
- School site prioritization decisions are made by the Catholic School Board and funding decisions by the Province. For Rangeview, the Province must commit funding for this site for construction to occur, however the site cannot be prioritized without being transferred to the Catholic School Board first. For this to happen, Brookfield must submit a subdivision

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application and enter into a Development Agreement committing them to pay levies according to the levy payment schedule within the agreement.

- Brookfield has a strong desire to support the School Board and will subdivide and service the parcel to meet site readiness criteria including incurring servicing and subdivision costs. However, they are challenged with having to begin paying levies three years ahead of their planned phasing of the community. Brookfield would like to defer the start of levy payments until the Development Permit stage or when the Province makes a funding announcement.
- Population growth in the south/southeast sector of Calgary is such that the demand for high school space is exceeding capacity. While typically a school is developed along with or after the surrounding community, this is a unique situation where the school in Seton is needed sooner to address the demand from surrounding communities.
- Strategic Alignment to Council's Citizen Priorities: A city of safe and inspiring neighbourhoods
- Background and Previous Council Direction is included as Attachment 1.

### DISCUSSION

Referring to Attachment 1, the Notice of Motion (PFC2020-1265) directed Administration to explore five options to enable the commencement of the construction of the Rangeview high school. This report focuses on exploring item (a) deferring levies and item (e) other options deemed feasible. Items (b) through (d) can be addressed under Administration's existing processes.

The City does not play a direct role in the prioritization or funding of schools, however, can play a limited role to enable and support the process for a school site to be considered eligible for prioritization. Eventual funding needs to be granted by the Province and construction would occur in collaboration with the School Boards and area developer. Should Council direct Administration to support enabling site creation and potential prioritization, The City can consider options to reduce the impact of a late off-site levy payment in a manner similar to the Off-Site Levy Payment Relief Program (C2020-0775) in response to the COVID-19 pandemic and in place during the latter half of 2020.

In response to item (e) in the Notice of Motion, Administration evaluated several other feasible options as outlined in Attachment 2, table 2. If Brookfield submits a subdivision application for the parcel, the other options explored are to:

1. **Do nothing to support and allow the school site prioritization process to play out normally.** This would put the onus solely on Brookfield Residential and the Calgary Catholic School District, The City would not play a role in the prioritization process and would assume no financial risk.
2. **Utilize a program like the Off-Site Levy Payment Relief Program (C2020-0775) to reduce the impact of a late off-site levy payment on the school site portion of a subdivision.** This is the recommended option and would allow The City to share the risk if the school site is not funded for a period of time. To help mitigate this risk, the portion of the late payment fee collected is intended to cover potential interest costs related to timing differences. A maximum amount of time that off-site levies may be deferred at a reduced penalty would be stipulated in this situation once this mechanism is developed.

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- a. The developer would have to meet specific criteria and apply;
- b. Upon subdivision application and application of this mechanism, The City would work with the developer indicating their eligibility for relief in this specific circumstance; and
- c. A developer would be required to pay a reduced late payment penalty on the levy amount owing for the portion of an application that contains a school site. This amount would cover the interest payment on the debt-financed infrastructure that The City needs to carry until the off-site levy amount is paid in full by the developer.

The City is not expected to incur any unbudgeted capital costs due to development of the parcel and would only see Off-Site Levy payment on the lands if subdivision were to occur. If subdivision did not occur, The City would not see Off-Site Levy payments for the lands in question until the developer entered into a Development Agreement. The mechanism to support this scenario would only provide incentive for the development of a school site.

3. **Consider exemption or changes to the off-site levy payment schedule for school sites as part of the Off-Site Levy consultations.** This would allow for a thorough review of the risks and benefits of excluding or deferring levies on school sites on a larger scale. This is the most complex and time-consuming option, would be disruptive to the off-site levy bylaw work that is underway and does not assist The City with enabling construction of the Rangeview high school site.

### STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder or customer dialogue/relations were undertaken

In discussions with the Catholic School Board, their desire is to move the Rangeview high school site from year two of their three-year capital plan (refer to Attachment 3) to year one with physical construction of the site commencing in 2022, if provincial funding were approved. Enabling Rangeview to meet Provincial site readiness criteria could improve the chances of the site being a year one priority. To meet the Province's criteria, the school site must have the School Board on title. Alternatively, The City may be on title with a letter of intent to transfer to the School Board and the site must also be serviced.

The Trustees select which schools to prioritize for provincial funding while considering the Catholic Board's administrative recommendation. This site is a strong candidate for prioritization, but it is also subject to the Province's funding commitments which the Board cannot control. Therefore, there is no certainty that this site will be funded, even if it meets site readiness criteria.

The earliest the School Board believes this site will meet readiness criteria is Fall 2021 given the six-month timeline for subdivision and servicing approval. They indicated that they would more than likely recommend changes to their capital plan for the 2022 cycle if the site does meet the criteria by no later than 2022 April 01.

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In discussions with Brookfield, they have a strong desire to support the School Board and will subdivide and service the parcel but are challenged with levy payments at this time. Without certainty about Board prioritization and funding decisions by the Province, incurring all the cost and timing risk is an issue. Although Brookfield is willing to take on servicing cost risk, it is requesting that The City assist by utilizing a late payment mechanism for Off-Site Levy obligations until there is greater certainty about Provincial funding.

Brookfield has already begun the design exercise for subdivision and servicing of the parcel with approval timing likely being six months from initial submission. At Brookfield's pace of absorption in the area, these lands would not be subdivided and serviced for another three years under their current projections, if not for facilitating development of the school site.

### **IMPLICATIONS**

#### **Social**

The timely development of schools to meet demands of growing areas of the city has a substantial impact on residents and the completeness of communities.

#### **Environmental**

Not Applicable

#### **Economic**

Not Applicable

#### **Service and Financial Implications**

Other:

A late payment fee relief mechanism for school sites would incentivize their advancement in cases where developers are moving ahead of their regular development program. This would increase the total development area under Development Agreements that The City collects Off-Site Levies on in a year where the program is applied. The resources required to formalize and administer this mechanism would impact other work underway by Administration.

### **RISK**

The City does not play a direct role in the prioritization or funding of schools, however, to encourage complete communities, The City can play a limited role to enable and support the process for a school site to be considered eligible for prioritization. Eventual funding would have to be granted by the Province and construction would occur in collaboration with the School Boards and area developer. Refer to Attachment 2, table 2 for full details on associated risks.

### **ATTACHMENT(S)**

1. Previous Council Direction, Background
2. Response to Notice of Motion items and additional proposed options and risks
3. Calgary Catholic School District 2021-2024 Capital Plan
4. Letters of Support

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Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dalglish	Planning & Development	Approve