

Business Case Summaries

Contents

Purpose & Business Case Background.....	2
Municipal Development Plan (MDP) Goals	4
Business Case 1: Trico Parcel A.....	5
At-A-Glance.....	5
Review Factor 1 – Alignment to MDP/CTP	6
Review Factor 2 – Market Demand	7
Review Factor 3 – Financial Impact.....	8
Business Case 2: Truman East Belvedere	10
At-A-Glance.....	10
Review Factor 1 – Alignment to MDP/CTP	11
Review Factor 2 – Market Demand	12
Review Factor 3 – Financial Impact.....	13

Purpose & Business Case Background

Purpose

The purpose of this attachment is to summarize each business case in a consistent way, relying upon information collected from business cases themselves and from City Administration. Administration's review is organized by the three growth factors: Municipal Development Plan/Calgary Transportation Plan Alignment, Market Demand and Financial Impact.

Information Sources in this Attachment

1. *Information regarding "Factor 1: Alignment to MDP/CTP" and "Factor 2: Market Demand" has been provided by business case proponents and summarized by Administration.*
2. *Information regarding "Factor 3: Financial Impact", supply and demand projections, and the mapping information has been provided by City Administration.*

Business Case Background

The business cases are proposing to reallocate Growth Management Overlay removal from areas where it was previously removed to new areas. The effect is intended to be that growth capacity (Market Demand) and City capital and operating costs (Financial Impact) can be evaluated using a “net neutral” approach – that no new cost commitments or new land supply is introduced should the business cases be approved. Given the proposed reallocation, Administration agrees that the net change in Overlay removed areas (and associated costs) proposed is not material.

If the reallocations are approved by Council, the GMO on the proponents’ lands will be removed via an ASP amendment and, simultaneously, the GMO will be reapplied on the ‘donor’ land, achieving the reallocation. Both business case proponents, Trico and Truman, have identified willing GMO donor landowners and have demonstrated GMO donor landowner support (see Attachment 5 for landowner letters), but will be required to specify the lands in which the GMO will be changing before the GMO is removed from their lands (see Attachment 3 for reallocation mapping).

Two business cases were submitted and reviewed as part of this report: Trico Parcel A and Truman East Belvedere. For Truman’s business case, two options were provided by the applicant:

- 2A Truman “Proposed” - is a GMO reallocation of 16.2 ha between two parcels that Truman owns.
- 2B Truman “Potential” - an additional 15.2 ha Truman has discussed with other landowners in West Belvedere.

For Truman’s business case, the two options were considered together as one combined business case (2A+2B) unless it was important to draw a distinction for Administration’s analysis.

Table 1 summarizes the total area and number of units proposed by the applicants as part of these business cases.

Table 1: Business Case Unit Development Summary							
Business Case	Total Area (Ha)	Single/Semi Units		Multi Units		Total Units	
		By 2027	At Buildout	By 2027	At Buildout	By 2027	At Buildout
1 - Trico Parcel A	39.3	270	279	196	741	466	1,020
2A - Truman Proposed	16.2	130	130	200	285	330	415
2B - Truman Potential	15.2	70	70	100	315	170	385
TOTAL	70.8	470	479	496	1341	966	1,820

Municipal Development Plan (MDP) Goals

MDP Goal – Prosperous Economy

Planning for our economy's long-term sustainability ensures that current and future generations are resilient and adaptable to economic cycles and unanticipated changes.

MDP Goal – Compact City

A dispersed and spread out population creates some social, economic and environmental challenges. In a compact city, balancing growth between new and developed areas builds vibrant, thriving communities. A compact city is made up of complete communities that provide a broad range of housing choices and services, as well as high quality transit and transportation options.

MDP Goal – Great Communities

Great communities are flexible. They adapt to the needs of current and future residents by providing a variety of housing options and services so that people can meet their day-to-day needs within their own neighbourhood. Essentially, it is about creating communities where residents can live, work and play.

MDP Goal – Connecting the City

The design of the transportation system has a significant impact on how a city grows and how people get around. The Municipal Development Plan encourages more sustainable transportation options such as walking, cycling and transit to create a system that provides more choice. This means prioritizing investment to improve transit networks, designing streets to accommodate cycling and walking, plus improved connectivity.

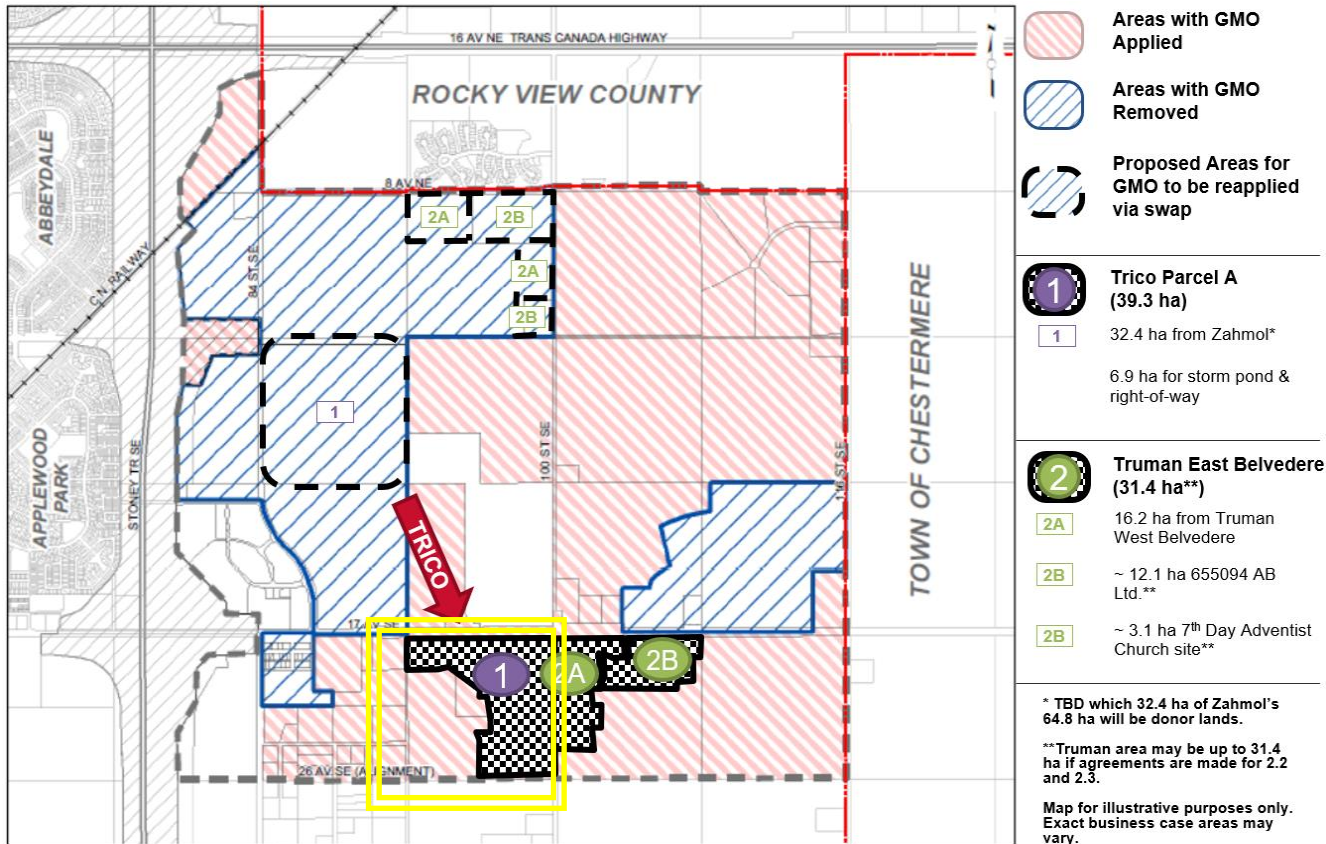
MDP Goal – Greening the City

Protecting environmentally sensitive areas and promoting renewable energy sources, energy efficiency, low-impact development for stormwater management, construction of green buildings, and encouraging cycling and walking all work together to make Calgary more environmentally friendly.

MDP Goal – Managing Growth and Change

Founded on the principles of sustainable development and guided by fiscal responsibility and managed growth, this goal will stimulate growth and change across the city of the next 60 years.

Business Case 1: Trico Parcel A



Trico's business case area is located along the south side of the 17 Ave SE corridor, west of 100 St SE. A total of 1,020 housing units are forecast by the proponent until completion beyond 2034. Trico intends to submit a business case for the remainder of the Parcel A lands in 2022.

Trico proposes a GMO reallocation of 32.4 ha from the Zahmol property. An additional 6.9 ha of GMO removal is proposed to accommodate storm pond and transportation right-of-way requirements – these lands will not host any population or jobs.

At-A-Glance

Market – East sector (2020-2024)

Single/semi supply expected by 2024

Approved supply	2,138 units
Projected demand	520 units
Difference	+1,618 units

Business case proposes 90 units by 2024

Multi-residential supply expected by 2024

Approved supply	3,398 units
Projected demand	270 units
Difference	+3,128 units

Business case proposes 76 units by 2024

Gross Developable Hectare

Business Case Area	39.3 hectares
--------------------	---------------

Estimated jobs

2,350 temporary
1,115 permanent

Proposed non-residential development

2.87 ha Mixed-Use Retail/Office

Proposed innovation

Entrepreneurial Centre
Diverse housing forms & walkability

12+ years to completion

Review Factor 1 – Alignment to MDP/CTP

MDP Goal – Prosperous Economy

Criteria: Supporting economic diversification

The business case will help develop a mixed-use commercial along 17 Avenue SE. In addition, the plan proposes an Entrepreneurial Centre, intended to provide opportunities and support services to facilitate start-up companies and entrepreneurs, especially for new immigrants, allowing them to transition into the Calgary market.

MDP Goal – Compact City

Criteria: Minimum intensity target of 60 people and jobs per gross developable hectare

The development anticipates 94 people and jobs per gross developable hectare.

MDP Goal – Great Communities

Criteria: Fitting into the greater community

- Closing the development gap between East Hills and Tristar developments to the west and Twin Hills Cyber City to the east Chestermere border
- Facilitates the extension of the 17 Avenue SE regional transit corridor to Chestermere

Criteria: Supporting existing non-residential facilities

- Located adjacent to the future library and recreation facility identified in Belvedere ASP
- Supports existing and future East Hills commercial development by providing additional residential base

Criteria: Integrating and leveraging Activity Centres

- Business case area is located on the 17 Avenue SE Urban Corridor and within a Transit Station Area.

- The business case area also includes a portion of the Neighbourhood Activity Centre (NAC), identified within the Belvedere ASP.

MDP Goal – Connecting the City

Criteria: Integration with the Primary Transit Network

- 17 Avenue SE as part of the Primary Transit Network east of 84 Street, dependent on supportive land uses. The business case area includes a transit station.
- Development will help facilitate the extension of the existing Max Purple transit line beyond East Hills, including regional transit service to Chestermere.
- Development will help support transit with ridership and contribute to the ultimate cross-section proposed in the approved 17 Avenue SE Corridor Study.
- The Calgary Metropolitan Region Growth Plan identifies 17 Avenue SE as a Preferred Growth Area due to regional significance of this transit corridor.

MDP Goal – Greening the City

Criteria: Quality public and open spaces

- Development proposes an expansive open space that will be programmed to include passive and active recreation opportunities, pathway connections and a sense of place.

MDP Goal – Managing Growth and Change

Criteria: Utilizing existing utilities, fire/emergency services, and transportation infrastructure

The business case proposes to utilize the following:

- Temporary Belvedere Fire Hall, anticipated in Q4 2022
- Water feeder mains and sanitary trunk extensions as part of the Open Gate development Construction Agreement

- Zero-discharge interim stormwater solution and support for the Cooperative Stormwater Management Initiative (CSMI) to integrate the ultimate servicing solution
- Stoney Trail, 16 Avenue NE, 17 Avenue SE Transit Corridor, existing MAX transit service to East Hills and future extensions

Review Factor 2 – Market Demand

MDP Goal – Managing Growth and Change

Criteria: Business Plan

The business case proposes the following schedule:

- Q3 2021 – Q3 2022 Outline Plan/Land Use Approvals
- Q3 2022 Stripping and Grading
- Q1 2023 Phase 1 Subdivision Approval
- Q2 2023 Construction Start
- Q4 2023 Phase 1 Occupancy

Criteria: Third Party Considerations

- Right of way requirements to build the water and sanitary sewers will be addressed through the Construction Agreement between Open Gate and The City.
- Trico has commenced discussions with The City to acquire the surplus lands along 17 Avenue SE right-of-way and will work with The City to secure the right-of-way for future road widening in the Belvedere ASP as needed.

Criteria: Possible Delays

- Business case is dependent on Open Gate Construction Agreement for water and sanitary sewers. Delays to this infrastructure may impact development timelines.
- Delay in Cooperative Stormwater Management Initiative (CSMI) may impact ultimate stormwater disposal. Trico has

indicated that developer will maintain zero-discharge storm pond facility until ultimate infrastructure is built.

- Typical market and absorption risk apply as for any development. Trico has proposed they can mitigate this risk with diverse housing products to offset fluctuating market strength in any particular market segment.

Criteria: Benefits to the city-wide serviced residential and/or non-residential growth capacity

- Provides residential development in the east sector of Calgary, where, until the approval of several new communities in 2018, there has been little new community residential supply in recent decades.
- Increased choice within Calgary's east sector will help address market share loss to Chestermere.

Criteria: Benefits to the local serviced residential and/or non-residential growth capacity

- Proposes mixed-use retail and office development along 17 Avenue SE will help establish continuity of development along the Primary Transit Network and a major regional transit corridor.
- Proposed residential development will support the retail and services existing in East Hills Shopping Centre.

Review Factor 3 – Financial Impact

MDP Goal – Managing Growth and Change

Criteria: City of Calgary Annual Operating Costs for the business case area over the lifetime of the development

OPERATING COST							
Operating (\$000s)	Total 2019-2022	2023	2024	2025	2026	Total 2023-2026	Final Year
Direct Incremental Operating Cost	0	0	422	437	976	1,835	1,193
Community-based Revenue Share	0	106	514	652	1,056	2,327	1,770
Revenue (Shortfall)	0	106	91	215	80	492	577
Required Tax Rate	0.00						0.00

Administration’s analysis estimates that there is no anticipated operating cost deficit until 2027 that would require an increase in property taxes.

Criteria: Anticipated total amount of levies to be contributed by the business case area

The business case is estimated to generate levies of \$20,330,295.

Criteria: Annual City portion of property tax revenue for the business case (2020 property tax rate)

None

Criteria: Required capital investment to develop business case area

As indicated in the 2020 new community business cases process, Administration’s position remains that additional GMO removal in Belvedere will require transportation investments. This business case is contingent on a GMO reallocation; therefore, the business cases propose no significant change in GMO removal area and has the business case review has indicated that it is unlikely to trigger net new capital requirements by itself.

Department comments:

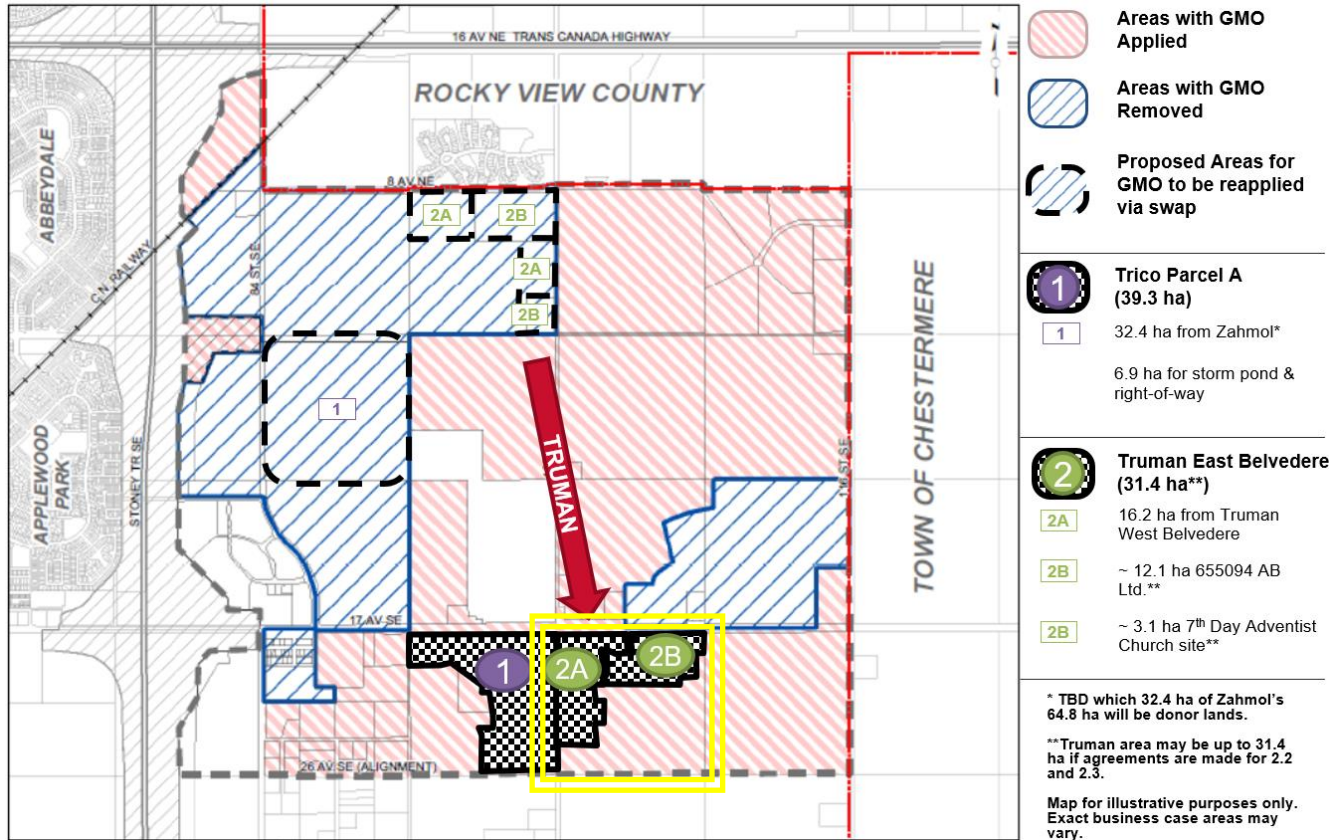
Water and Sanitary: no additional capital water or sanitary infrastructure are required to service the area. Leading infrastructure is dependent upon the servicing previously required by the Twin Hills Business Case, planned for 2019-2022 via an executed Construction Agreement. Detailed design is underway, with construction start anticipated in 2022. The completion date is yet to be determined due to Right of Way issues still to be resolved by Open Gate. In addition, a developer funded 400mm water main along 17 Avenue SE will be required to service the area.

Stormwater: the ultimate stormwater servicing for the area is yet to be determined and will be dependent on the recently approved CSMI agreement with our Regional partners as well as the Belvedere Master Drainage Plan (MDP) which commenced in Q1 2021. The Belvedere MDP will inform the ultimate stormwater servicing approach for the lands and is not expected to be completed until Q3 2022. Efforts are being made to have this study inform Capital investment for the upcoming 2023-2026 Business Plan and Budget. Interim stormwater management measures will be considered by Water Resources until the Ultimate Infrastructure is in place.

Transportation: While this business case does not trigger capital costs on its own as a result of the GMO reallocation, capital will likely be needed in Belvedere to support overall growth and previous growth decisions. There is opportunity for mode shift with investment in 17 Avenue SE Transit Corridor. Opportunity to defer Memorial Drive fly-over investment has not materialized due to increased planning application activity in West Belvedere.

Fire: This business case will not trigger additional capital infrastructure and will have adequate emergency response coverage.

Business Case 2: Truman East Belvedere



Truman's business case area is located on the south side of 17 Ave SE, east of 100 St SE. Truman intends to submit a business case for the remainder of their East Belvedere lands for consideration in 2022.

Truman has proposed two land options for their business case review:

- Proposed (2A): is a GMO reallocation of 16.2 ha between two parcels that Truman owns.
- Potential (2B): an additional 15.2 ha Truman has discussed with and other landowners in West Belvedere.

For the purpose of this review, both options were reviewed together as a combined business (2A + 2B). If a distinction between the options was required, the cases were identified separately .

At-A-Glance

Market – East sector (2020-2024)

Single/semi supply expected by 2024

Approved supply	2,138 units
Projected demand	520 units
Difference	+1,618 units

Business case proposes **80 (Option 2A) or 120 (Option 2B)** units by 2024

Multi-residential supply expected by 2024

Approved supply	3,398 units
Projected demand	270 units
Difference	+3,128 units

Business case proposes **80 units** by 2024.

Gross Developable Hectare

16.2 ha (2A)
15.2 ha (2B)
31.4 ha (2A + 2B)

Estimated jobs

600 – 1,535 temporary
255 - 730 permanent

Proposed non-residential development

1.5 ha retail/commercial (2A)
4.3 ha retail/commercial (2B)

Proposed innovation

Low Impact Design, sustainable practices
8 Years to completion (2A)
12+ Years to completion (2B)

Review Factor 1 – Alignment to MDP/CTP

MDP Goal – Prosperous Economy

Criteria: Supporting Economic Diversification

The business case area is centrally located in the Calgary region, providing good vehicle access to regional destinations and employment hubs along the east side of Calgary. The proposed development also provides access to nearby retail and employment hubs for a range of transportation options via the 17 Avenue SE transit corridor, such as East Hills Shopping Centre to the west and the Twin Hills Cyber City development to the east.

MDP Goal – Compact City

Criteria: Minimum intensity target of 60 people and jobs per gross developable hectare

The development anticipates 77 people and jobs per gross developable hectare.

MDP Goal – Great Communities

Criteria: Fitting into the Greater Community

- Proposes community facilities include a library, recreation facility and community centre to be located within future municipal reserve lands within the business case area.
- Proposes a green corridor and regional pathway network to connect residents to surrounding destinations and amenities.
- Access to a future MAX Purple transit line station to support high quality transit access to destinations along the corridor.

Criteria: Supporting Existing Non-Residential Facilities

The additional population proposed by the business case options will help support existing non-residential developments such as East Hills Shopping Centre, International Avenue

Business Revitalization Zone, and mixed-use retail/commercial developments as part of this business case

Criteria: Integrating and Leveraging Activity Centres

- Both business case options reviewed include a Neighbourhood Activity Centre and the Urban Corridor identified along 17 Avenue SE.
- The development vision intends to follow design principles that support the 17 Avenue Urban Corridor, including providing a mix of transit-supportive residential and non-residential uses that leverage proximity to the future MAX transit service
- Residential units within the business case area will help support the Cyber City development, identified as a Community Activity Centre

MDP Goal – Connecting the City

Criteria: Integration with the Primary Transit Network

- The portion of 17 Avenue SE within the business case area is part of the planned Primary Transit Network.
- The site is less than 1.5 km from the existing MAX Purple transit service at East Hills Shopping Centre
- There are two planned MAX Purple stations within the business case areas along 17 Avenue SE; 1 station in each of the 2A and 2B business case areas.

MDP Goal – Greening the City

Criteria: Quality Public and Open Spaces

- Proposes corridor and regional pathways within the business case areas will connect the subject site to planned adjacent neighbourhoods and destinations.
- A green corridor along 17 Avenue SE will connect the business case area to the East Hills Shopping Centre and the City Centre, while a north-south green corridor is planned along 100 Street SE.

- The business case area will provide a minimum of 10% of the gross developable area as municipal reserve for open space, recreation opportunities and amenities.
- Proposes naturalized stormwater ponds within the greater quarter-section of land in order to form an environmental open space amenity.

MDP Goal – Managing Growth and Change

Criteria: Utilizing existing utilities, fire/emergency services, and transportation infrastructure

The business case proposes to utilize the following:

- Temporary Belvedere Fire Hall, anticipated in Q4 2022
- Water feeder mains and sanitary trunk extensions as part of the Open Gate Construction Agreement
- Zero-discharge interim stormwater solution and support for the Cooperative Stormwater Management Initiative (CSMI) to integrate the ultimate servicing solution
- Stoney Trail, 16 Avenue NE, 17 Avenue SE Transit Corridor, existing MAX transit service to East Hills

Review Factor 2 – Market Demand

MDP Goal – Managing Growth and Change

Criteria: Business Plan

The business case proposes the following schedule:

- Q2/Q3 2021 Outline Plan/ Land Use Approvals
- Q1 2022 Stripping and Grading
- Q1 2023 Development Permit Approval
- Q1 2023 Construction Start
- Q4 2023 First Occupancy

Criteria: Third Party Considerations

- Development application will be subject to the standard circulation with Rocky View County as per the Rocky View County/City of Calgary Intermunicipal Development Plan.

- The site has utility rights of way for a water pipeline, an abandoned gas pipeline and an abandoned well. Future site planning will consider the maintenance of any setbacks required. Truman has indicated they will seek to coordinate with abandoned infrastructure owners through the Outline Plan process to remove any utility right of way encumbrances.

Criteria: Possible Delays

- Business case is dependent on Open Gate Construction Agreement for water and sanitary sewers. At time of this review, no impact to timelines is anticipated.
- Delay in Cooperative Stormwater Management Initiative (CSMI) may impact ultimate stormwater disposal. Truman has indicated that developer will maintain zero-discharge storm pond facility until ultimate infrastructure is built.
- Typical market and absorption risk apply as for any development.

Criteria: Benefits to the city-wide serviced residential and/or non-residential growth capacity

- Provides residential development in the east sector of Calgary, where, until the approval of several new communities in 2018, there has been little new community residential supply in recent decades.
- Increased choice within Calgary's east sector will help mitigate market share loss to Chestermere.

Criteria: Benefits to the local serviced residential and/or non-residential growth capacity

- The purpose of this business case is to reallocate some of the approved growth areas to the 17 Avenue SE corridor. This business case seeks to build on this existing growth, investment and development momentum to unlock additional lands along the 17 Avenue SE corridor.

Review Factor 3 – Financial Impact

MDP Goal – Managing Growth and Change

Criteria: City of Calgary Annual Operating Costs for the business case area over the lifetime of the development

Proposed (2A) and Potential (2B) options were considered individually and together. A summary of the combined operating cost model analysis is provided below.

OPERATING COST							
Operating (\$000s)	Total 2019-2022	2023	2024	2025	2026	Total 2023-2026	Final Year
Direct Incremental Operating Cost	0	0	434	437	962	1,832	1,219
Community-based Revenue Share	0	172	441	613	914	2,139	1,564
Revenue (Shortfall)	0	172	7	176	(48)	307	345
Required Tax Rate	0.00						0.00

Criteria: Anticipated total amount of levies to be contributed by the business case area

The combined Proposed and Potential business case is estimated to generate levies of \$16,264,236.

Criteria: Annual City portion of property tax revenue for the business case (2020 property tax rate)

Proposed (2A): Administration’s analysis indicates that Option 2A of the business case demonstrates negative operating cost until 2027.

Proposed (2A) & Potential (2B): Administration’s analysis shows negative property tax revenue in 2026. However, this is within the operating cost model margin of error and the overall business case demonstrates no tax support required.

For both options the business case is contingent on the GMO reallocation so can be assessed as a net-zero comparison to the current state. Administration considers the difference in current state and these business cases to be negligible.

Criteria: Required capital investment to develop business case area

As indicated in the 2020 new community business cases process, Administration’s position remains that additional GMO removal in Belvedere will require transportation investments. This business case is contingent on a GMO reallocation; therefore, the business cases propose no significant change in GMO removal area and has the business case review has indicated that it is unlikely to trigger net new capital requirements by itself.

Department comments:

Water and Sanitary: no additional capital water or sanitary infrastructure are required to service the area. Leading infrastructure is dependent upon the servicing previously required by the Twin Hills Business Case, planned for 2019-2022 via an executed Construction Agreement. Detailed design is underway, with construction start anticipated in 2022. The completion date is yet to be determined due to Right of Way issues still to be resolved by Open Gate. In addition, a developer funded 400mm water main along 17th Avenue SE will be required to service the area.

Stormwater: the ultimate stormwater servicing for the area is yet to be determined and will be dependent on the recently approved CSMI agreement with our Regional partners as well as the Belvedere Master Drainage Plan (MDP) which commenced in Q1 2021. The Belvedere MDP will inform the ultimate stormwater servicing approach for the lands and is not expected to be completed until Q3 2022. Efforts are being made to have this study inform Capital investment for the upcoming 2023-2026 Business Plan and Budget. Interim stormwater management measures will be considered by Water Resources until the Ultimate Infrastructure is in place.

Transportation: While the business case does not trigger capital costs on its own as a result of the GMO reallocation, capital investment will likely be needed in Belvedere to support overall growth and previous growth decisions. There is opportunity for mode shift with investment in 17 Avenue SE Transit Corridor. Opportunity to defer Memorial Drive fly-over investment has not materialized due to increased planning application activity in West Belvedere.

Fire: This business case will not trigger additional capital infrastructure and will have adequate emergency response coverage.