

**Citywide Growth Strategy: Strategic Growth in the Belvedere Area Structure Plan**

**RECOMMENDATION(S):**

Administration recommends that the Priorities and Finance Committee recommend that Council:

1. Approve the Growth Management Overlay reallocation proposal and business cases as described in Attachment 2; and
2. Direct Administration to prepare a bylaw and advertise for a proposed Area Structure Plan amendment to facilitate a Growth Management Overlay reallocation as described in Attachment 3 and bring this amendment directly to the 2021 September 13 Combined Meeting of Council for a public hearing.

**HIGHLIGHTS**

- Administration reviewed two business cases for new community growth that propose reallocating Growth Management Overlay approval areas in the Belvedere Area Structure Plan to the 17 Avenue SE MAX Purple Bus Rapid Transit Corridor (“the Corridor”), in response to direction from Council. Administration is recommending approval of these business cases.
- What does this mean to Calgarians? This means that expected new community growth would shift from areas in the western part of Belvedere to areas along the Corridor, offering housing choices, locations for business, and other amenities (Attachment 3).
- Why does this matter? The proposed sequence of new community development in Belvedere will better match developer readiness and support the development of an important transit corridor (Attachment 4).
- The Growth Management Overlay (GMO) is a policy tool used to align new community development with City infrastructure and service capacity. Lands where a GMO is applied do not yet have the approved City investment required to support transportation, water, sanitary, stormwater, emergency services and other City services required to initiate development.
- Two business cases were reviewed in this report using the 2020 New Community Growth Strategy criteria and the three growth decision-making factors: Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) Alignment, Market Demand, and Financial Impact (Attachment 2).
- The funding source for the direct administrative costs of the business case review was the business case proponents.
- Strategic Alignment to Council’s Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

**DISCUSSION**

In 2020, as part of the New Community Growth Strategy (NCGS) (PFC2020-0963), Administration received and evaluated 11 business cases for new community development within the framework of the three factors that guide growth decisions - Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) Alignment, Market Demand, and Financial Impact. Council’s decision was not to approve any business cases at that time. This was the second time the NCGS evaluation process had occurred, with the first being in 2018, when 14

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new communities were approved. At the same time as the 2020 decisions were made, Council provided direction for Administration to work with Belvedere landowners and consider options for adjustments/reallocation of existing Growth Management Overlays (GMOs) along the Corridor.

In alignment with Council's direction, two business cases were reviewed. The business cases were assessed using the same criteria and process used in the 2020 New Community Growth Strategy review. This include demonstration that there are no required operating costs in the current (2019-2022) budget or the next (2023-2026) budget cycle without a proposed mitigating solution, and no capital costs from The City of Calgary required to initiate development.

Unlike the 2020 evaluation process, these business cases contemplate the shift of GMO approvals between willing landowners, which achieves a goal of not increasing the overall GMO approval area in the plan area. This is important for achieving the aforementioned cost criteria.

Below is a summary of Administration's review of the business cases based on the three Citywide Growth Strategy growth decision-making factors:

### **1. Alignment to the Municipal Development Plan and Calgary Transportation Plan**

The two business cases align with applicable MDP/CTP policies. The business case areas propose mixed-use development along the Primary Transit Network and a priority growth corridor in 17 Avenue SE. The GMO reallocation to the Corridor is likely to help realize a higher intensity mixed use corridor of development, supported by transit sooner than if the reallocation does not occur. If developers are able to develop according to their anticipated timelines, it will accelerate the viability of the Corridor and may help advance future transit investment.

### **2. Market Demand**

The two business cases align with the Market Demand factor. While there is a healthy supply of citywide and sectoral new community development budgeted to be serviced, these business cases propose a nearly net zero change in overall supply. Through this proposed GMO reallocation, growth capacity is directed to transit-supportive areas increasing choice and sustainable development opportunities. The reallocation, at the consent of all parties, allows for a motivated developer to proceed further into development, which increases competition. Finally, the market for residential development, particularly single residential, has notably strengthened since 2020 November.

### **3. Financial Impact**

The two business cases, combined with the proposed GMO reallocation, have demonstrated to Administration that no net new capital or operating investment is required to initiate development, meeting the review requirements applied in the 2020 evaluation. Administration identified several servicing risks and conditions that must be addressed at the Outline Plan stage (Attachment 2).

### **Conclusions**

Based on assessment of the three factors, the 2020 business case criteria, and acknowledging the impact of the GMO reallocation, Administration's recommendation is that these business cases be approved.

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For the Belvedere area in general, Administration anticipates capital investment will be required for stormwater and transportation infrastructure in the upcoming 2023-2026 service plan and budget (Attachment 4). This investment is not triggered specifically by the proposed business cases; rather it is expected to be needed to support previously approved and future growth.

### **Next Steps**

If the report recommendations are approved, Administration would bring forward an amendment to the GMO map in the Belvedere Area Structure Plan. This amendment would remove the GMO from the business case areas and reapply it to the GMO lands in western Belvedere, as described in Attachment 3. Details on the specific areas are being finalized with landowners and will be confirmed prior to the Area Structure Plan amendment, anticipated for 2021 September.

Administration will be evaluating the requirements for Belvedere infrastructure as part of the citywide growth and change strategy and will bring any necessary recommendations as part of this work to the 2023-2026 service plan and budget process.

## **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

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

Administration worked closely with the business case proponents to review the business cases and GMO reallocation proposals. The proponents led the identification of reallocation through conversations with local landowners. Letters from proponents are provided in Attachment 5.

## **IMPLICATIONS**

### **Social**

Approving these business cases and proposed GMO reallocations encourages a more liveable and people-friendly development pattern where existing and new amenities are offered to citizens close to where they live and work. This work supports a balanced, citywide growth strategy through evaluating new growth opportunities using a holistic set of evaluation factors.

### **Environmental**

Approving these business cases provides an opportunity for growth along the Corridor with an urban form that may help reduce greenhouse gas emissions by providing better access to sustainable transportation options.

### **Economic**

Approving these business cases helps optimize growth capacity to proponents demonstrating interest in short-term land development, without increasing overall capacity for growth. This work also helps align growth with the evolution of the Corridor, in a business-friendly way, helping organize the next steps for private and public investment while realizing a more complete, transit-supportive development pattern.

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### Service and Financial Implications

#### No anticipated financial impact

This report has no immediate financial impacts from its recommendation. However, all growth requires funding and investment over time. Future capital and operating investments that benefit these lands will likely be required in future service plans and budgets.

### RISK

#### Future Capital and Operating Requirements

While the business cases demonstrated that no new capital and operating funding is required to begin development, this does not preclude the need for investment in the future. Growth and development from this and previous growth decisions will trigger the need for funding and investment throughout the Belvedere area as development occurs.

#### Municipal Development Plan/Calgary Transportation Plan Goals

The proposed business cases, GMO reallocations and 17 Avenue SE framework all are steps towards a more efficient and transit-supportive development pattern in Belvedere. While positive, this work does not address all the challenges in reaching balanced citywide growth that come from continued greenfield growth. Future decisions and strategic investments will be required to reach the vision outlined in the MDP and CTP.

#### 'Commodification' of the Growth Management Overlay

This is the first GMO reallocation in Calgary. This work may generate interest in other GMO reallocation from landowners elsewhere in the city. If applied too loosely, GMO reallocations risk undermining The City's strategic approach to investment decisions in new communities. If applied too strictly, GMO reallocations risk further commodifying the GMO among landowners. To mitigate this risk, the scope of work is being limited to Belvedere specifically. Future GMO reallocations may be considered in similar situations where willing landowners can demonstrate a net-zero impact across the review factors as a result of a reallocation proposal.

### ATTACHMENT(S)

1. Attachment 1: Background and Previous Council Direction
2. Attachment 2: Business Case Summaries
3. Attachment 3: Map of Belvedere ASP and Business Case Areas
4. Attachment 4: Framework for 17 Avenue SE MAX Purple Bus Rapid Transit Corridor
5. Attachment 5: Industry Letters

Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dalglish	Planning and Development	Approve
Doug Morgan	Transportation	Approve