

New Communities Summary

The purpose of this attachment is to provide detail on Administration's guidance for growth-related investment in previously approved and proposed new communities for 2023-2026 (Attachment 2). This attachment also provides greater detail on the rationale for this new community growth portfolio as part of the balanced Citywide Growth Strategy. The structure is as follows:

Process Background

Growth Portfolio Guidance for 2023-2026

- 1. Enabling Continued Growth in Previously Approved New Communities*
- 2. Enabling Growth in Proposed New Communities*

Growth Portfolio Development and Rationale

- 1. Municipal Development Plan and Calgary Transportation Plan Alignment*
- 2. Market Demand*
- 3. Financial Impact*

Conclusion

Alignment with Council's 2023-2026 Strategic Direction

Supplementary Information – Infrastructure Investment Details

Process Background

Administration conducts a biannual evaluation of proponent submitted business cases for growth in proposed new communities to help inform decisions on City-funded capital and operating investment. Summaries of the 19 new community business case proposals submitted in the 2022 evaluation round are provided in Attachment 6. Business Cases that are approved by Council will also have their Growth Management Overlays recommended for removal through a subsequent Area Structure Plan amendment process, anticipated for Q1 2023.

Administration's evaluation of business cases for growth in proposed new communities considers Municipal Development Plan/Calgary Transportation Plan Alignment, Market Demand, and Financial Impacts to arrive at a portfolio that, along with identified investments to support growth in previously approved new communities, will best position these areas for growth going forward.

The Growth Management Overlay is a tool that is critical to ensuring that land use and development approval decisions are connected with The City's financial capacity to support growth. Investing in new communities and removing Growth Management Overlays is a key milestone in new community development, as approvals mean developers can proceed with the land use approvals, subdivision, road, and utility construction that makes sites available for building and ultimately occupancy – this moves the area from "dirt" to "doors". Over the next 10-20 years, The City would follow with required investments, subject to funding availability, to help complete the community – from "doors" to "done".

Once a Growth Management Overlay removal is approved, the timeline for development and moving from serviced land to buildable lots and new home occupancy is largely the

responsibility of the developer, so it is a critical juncture for Council regarding guidance and investment in new community growth.

In developing a portfolio of supported business cases, Administration took the approach of accommodating the market and seeking opportunities while minimizing financial and technical risks associated with investment that enables growth. This set of business cases seek to balance market pressures noted by the development industry and in growth forecasts, acknowledges the existing supply of lands for new community development, and considers The City's financial capacity to support new growth investment. There are considerations for financial and climate resiliency in this portfolio, as well as a drive towards enabling active mobility infrastructure.

Growth in new communities plays an important role in Calgary's development. While the Municipal Development Plan sets targets for an increasing share of growth to occur through redevelopment in established communities, a substantial share will continue to be accommodated through new community development.

New communities are and will continue to be an important component of the city's housing supply, supporting affordability and providing opportunities for a diverse range of housing options to continue to be accommodated within the city, generating direct and indirect employment through construction and over the longer term, and allowing Calgarians a variety of choices in terms of housing type and location.

Growth Portfolio Guidance for 2023-2026

Identified investments and business cases for new communities (Attachment 2) fall into two categories:

1. **Enabling Continued Growth in Previously Approved New Communities:** Areas where The City has committed financially to deliver the required capital and service investments to initiate development. Business cases in these areas have already been approved and Growth Management Overlays have already been removed.

For 2023-2026, the identified capital investment in the portfolio is \$531.8M (with a further \$4,383.9M beyond 2027) and the identified operating investment is \$11.89M.

2. **Enabling Growth in Proposed New Communities:** Areas that have not yet been committed to by The City in terms of capital and service investments to initiate development and have Growth Management Overlays in place. All or portions thereof can be the subject of business cases submitted by proponents for Administration's evaluation and Council's consideration. Once approved and the Growth Management Overlays are removed, Proposed New Community lands become Approved New Communities.

For 2023-2026, Administration has identified eight business cases for further consideration, with a capital requirement of \$nil and estimated operating requirement of \$5.05M to initiate development. This includes supporting **five** business cases (with developer):

1. Keystone Hills Lewiston (Genesis);
2. Belvedere West (Truman);
3. Ricardo Ranch Seton Ridge (Brookfield);
4. Ricardo Ranch Logan Landing (Genesis)
5. Ricardo Ranch Nostalgia (Jayman Telsec)

In addition, there are **three** additional business cases that can be supported with acknowledgement or mitigation of associated risks, including servicing capacity:

6. Rangeview Trafford (WestCreek);
7. Glacier Ridge Community C (Qualico) - partial
8. Glacier Ridge Community D Cabana (Brookfield) – partial

1. Enabling Continued Growth in Previously Approved New Communities

There is substantial approved capacity for new community growth in Calgary from previous Council decisions. This includes the 14 new communities approved through Growth Management Overlay removal in 2018, but also 25 approved prior to that all in various stages of development – communities such as Legacy, Seton, Alpine Park, and Belvedere. These past decisions have committed Council to investment in the first infrastructure assets required to initiate growth, but also to future investment in capital and operating to provide the full range of City services needed for these communities to be considered complete.

The investments identified below also help to enable continued growth in proposed communities, though Administration advises that these investments proceed on the sole basis of supporting growth in previously approved communities. Continued absorption over the coming four years (to 2026) will reduce serviced land supply through absorption by 15,536 units, from 31,097 to 15,561 units.

The investments identified to ensure maintenance of the serviced land supply in previously approved new communities over the 2023-2026 budget cycle and 2027+ will increase by an additional 25,799 units.

Table 1: Total Investments Identified for Previously Approved New Communities

Infrastructure Grouping	Service Line	Cost (\$M)	
		2023-2026	2027+
Utilities	Water Treatment & Supply	125.1	403.7
	Wastewater Collection & Treatment	50.0	38.6
	Stormwater Management	59.0	0.0
Fire	Fire & Emergency Services	25.7	0.0
Transportation	Streets (Interchanges)	30.0	1,133.0
	Streets (Roads)	48.0	545.6
	Streets (Flyover)	0.0	95.0
	Public Transit	100.0	2,128.0
	Sidewalks & Pathways	0	40.0
	Design for 2027+ projects	94.0	0.0
Total		\$531.8	\$4,383.9

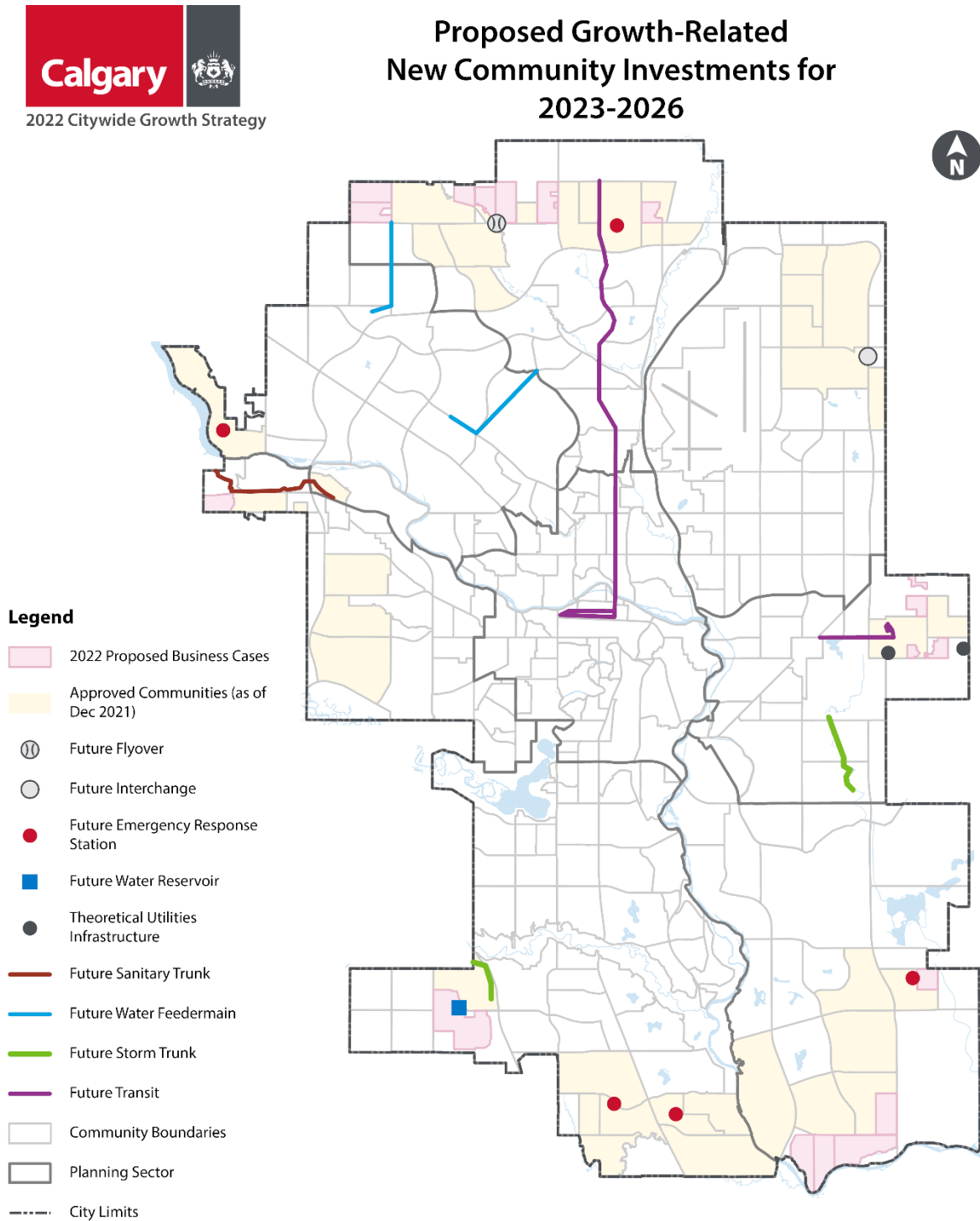
These investments in utility capacity, emergency response, interchanges and road widenings, transit, and pathways were identified through applicable local area planning processes leading

to the approval of and reviewed in light of contemporary policy (MDP/CTP) and Council priorities (economic, social, and climate resilience), guiding principles, and focus areas.

While this portfolio only outlines the costs related to five key growth-enabling infrastructure assets (transportation, utilities (water, sanitary, stormwater), and fire services), there are notable costs to service delivery and community services that accompany and follow growth. These costs will appear in other parts of the 2023-2026 business plan and budget (e.g., parks, libraries, recreation, police services, waste removal, roads facilities).

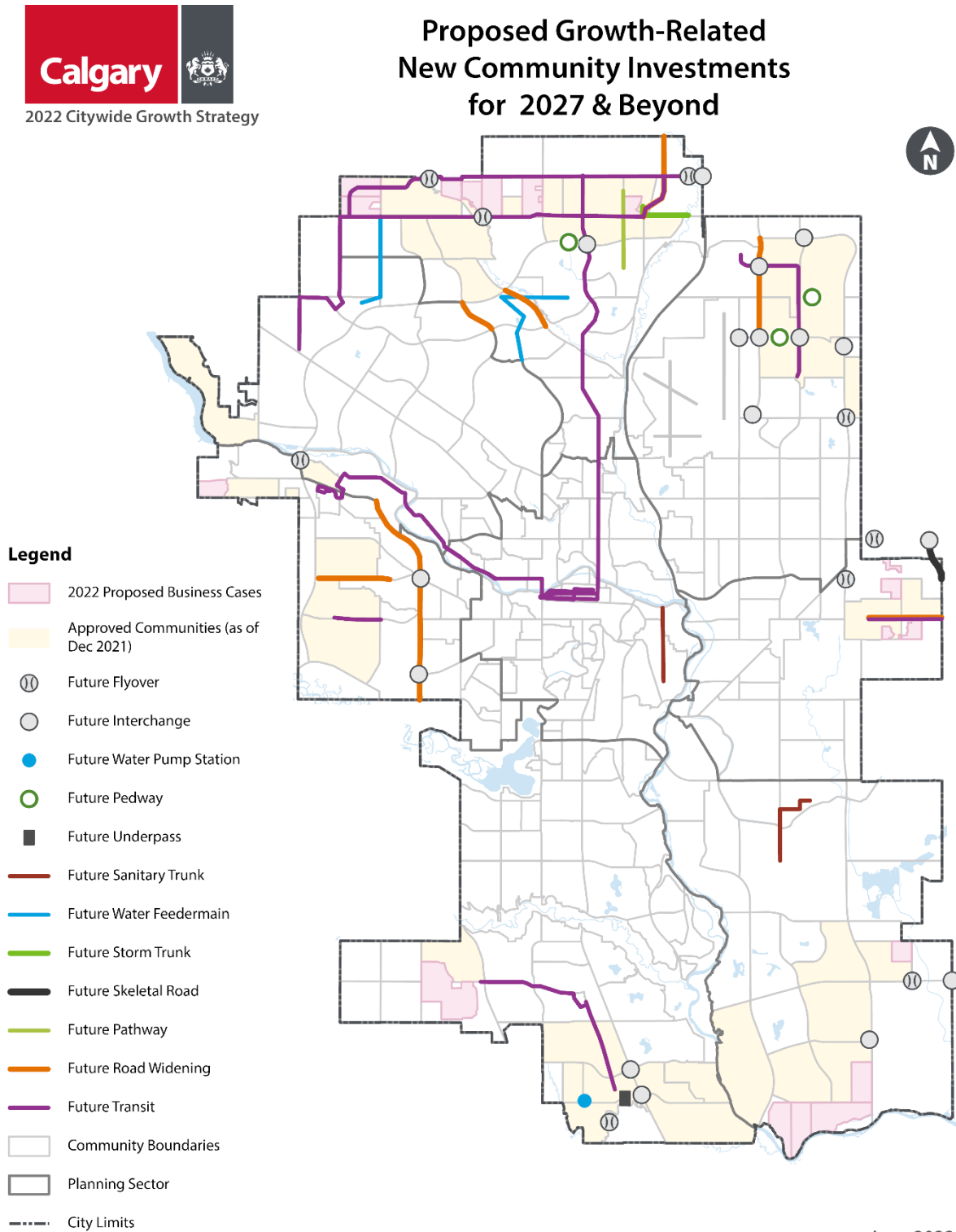
Please note that some of these investments in previously approved new communities are subject to, like many of the investments identified in this report, the corporate capital prioritization process being led by Infrastructure Calgary. This means that some these investments may not be included in the November budget, depending on funding levels, other City priorities, the actual timing of growth, and infrastructure delivery logistics.

Figure 1: Map 1: Investments to Support Continued Growth in Previously Approved New Communities (2023-2026)



June 2022

Figure 2: Map 2: Investments to Support Continued Growth in Previously Approved New Communities (2027 and beyond)



2. Enabling New Growth in Proposed New Communities

Administration evaluated 19 business cases for growth in proposed communities, that is, in areas where a Growth Management Overlay is in place.

As noted in Attachment 2, for continued consideration in the overall budget prioritization process for 2023-2026, Administration has identified **five** new community business cases that are supported:

1. Keystone Hills Lewiston (Genesis);
2. Belvedere West (Truman);
3. Ricardo Ranch Seton Ridge (Brookfield);
4. Ricardo Ranch Logan Landing (Genesis)
5. Ricardo Ranch Nostalgia (Jayman Telsec)

Three additional business cases are supported if associated risks, including servicing capacity, can be mitigated:

6. Rangeview Trafford (WestCreek);
7. Glacier Ridge Community C (Qualico) - partial
8. Glacier Ridge Community D Cabana (Brookfield) - partial

The resulting portfolio of business cases is aimed at accommodating the market and seeking opportunities while minimizing financial and technical risks associated with investment that enables growth, within the context of the Municipal Development Plan and Calgary Transportation Plan.

The following sections outline Administration's portfolio inclusions on a sector-by-sector basis, and outlines rationale for those business cases that are, and are not, included at this time. Table 4, at the end of this attachment, identifies capital investments that would be required should non-included business cases be added.

North Sector:

Three business cases (one in the Keystone Hills and two in the Glacier Ridge Area Structure Plans) are included in the north sector, complementing continued growth in previously approved new communities such as Livingston and Carrington:

1. Keystone Hills Lewiston (Genesis);
2. The southern portion of Glacier Ridge Community D (Brookfield Cabana), up to 2,000 people (approximately 650 units); and
3. The southern portion of Glacier Ridge Community C (Qualico), up to 2,000 population (approximately 650 units).

From a comprehensive perspective, these business cases are best connected to existing amenities and services south of 144 Avenue N, accommodate market demand and new supply in new communities, and minimize financial risk through the enabling of growth that does not require upfront capital investment to proceed.

No new capital investments are required in the 2023-2026 budget cycle to support these business cases, though they do rely on items included in the \$531.8M of unfunded investments advised to support continued growth in previously approved new communities, such as the Top

Hill Feedermain, the North Water Servicing Option, the Centre Street N BRT project, and 144 Avenue N completion across West Nose Creek.

Note that only a portion of the growth proposed in the Glacier Ridge Communities D (Brookfield Cabana) and C (Qualico) business cases can be supported until further major utilities infrastructure is required. Populations up to 2,000 (approximately 650 units) in each business case can be accommodated before further investments in water (Northridge Feedermain Phase 2 and West Leg and Northridge Reservoir) and transportation infrastructure (Mountain View Road West Nose Creek crossing) are required. A partial GMO removal focused on the southern portion of the business cases will enable development that can leverage transit service on 144 Avenue NW, mitigating operating cost risk. Administration will liaise with the proponents on solutions that work within these constraints.

Beyond the business cases identified above, Administration also evaluated the following proposals:

4. Glacier Ridge Community A North (Qualico);
5. Glacier Ridge Community A South (Partners Development Group*);
6. Glacier Ridge Community C (Shane Homes); and
7. Glacier Ridge Community C (Ronmor).
8. Glacier Ridge Community D Cabana Ivory Business Centre (Individual Landowner)

Further growth beyond the included business cases is not advised at this time due to challenges around proximity to existing amenities and services, risk of market saturation and impact on community completion, and upfront capital investments that would be required to enable growth beyond the above. Beyond investments identified to support continued growth in previously approved communities, further infrastructure investment to support these business cases includes water (Northridge Feedermain Phase 2 and West Leg and Northridge Reservoir), fire (Glacier Ridge emergency response station), and transportation (Mountain View Road West Nose Creek crossing).

From a sequencing perspective, until substantial further development occurs in previously approved new communities and the included business cases identified above, the non-included business cases should not proceed. This timing will result in easier and safer access to amenities and services and avoid the need for capital investment, largely in utility infrastructure. Timing of the Glacier Ridge Community D Cabana Ivory Business Centre (Individual Landowner) business case is contingent on progress in the remainder of Glacier Ridge Community D Cabana from the south and Carrington from the east in order to be able to connect to local servicing. Given the identification of partial growth management overlay removal for Glacier Ridge Community D Cabana, it is not advisable to proceed at this time.

East Sector:

One business case in the Belvedere Area Structure Plan is identified to proceed in the east sector, complementing continued growth in approved new communities:

1. Belvedere West (Truman).

From a comprehensive perspective, the included business case in this sector includes the only location that is viable from a servicing perspective at the present time. This business case is a relatively small inclusion of a previously approved business case. The area was involved in an

exchange of Growth Management Overlay removals in 2021 in order to enable further development in closer proximity to the 17 Avenue SE urban corridor and BRT line.

No new capital investments are required in the 2023-2026 budget cycle to support this business case, though it does rely on investments identified to support continued growth in approved new communities, such as the 17 Avenue SE BRT extension, the Memorial Drive flyover across Stoney Trail E, and Forest Lawn Creek drainage improvements.

Beyond the business cases identified above, Administration also evaluated the following proposals:

2. Belvedere East (Truman);
3. Belvedere North (Trico); and
4. Belvedere South (Trico).

Further growth beyond the included business cases is not advised at this time due to technical challenges in delivering key water and sanitary infrastructure that has not been delivered as anticipated through previous approvals in the sector. This infrastructure is required in order for development to continue in previously approved new communities and as such additional development in proposed new communities is not advised at this time.

Beyond water and sanitary, the feasibility of interim solutions for stormwater management has reached capacity and progress towards a permanent solution is required in order for additional development in proposed new communities to proceed at this time. Permanent solutions involving cooperative management involving Rocky View County and Chestermere; these solutions require extensive third-party cooperation and are not ready to support further development at this time.

Southeast Sector:

Three business cases in the Rangeview and Ricardo Ranch Area Structure Plans are identified to proceed in the southeast sector, complementing continued growth in previously approved new communities such as Cranston, Copperfield, Auburn Bay, Mahogany, Seton, Rangeview, and Hotchkiss. These include:

1. Ricardo Ranch Seton Ridge (Brookfield)
2. Ricardo Ranch Logan Landing (Genesis); and
3. Ricardo Ranch Nostalgia (Jayman Telsec).

A fourth business case can be supported if risks around operating costs and absorption can be mitigated with the proponent.

4. Rangeview Trafford (WestCreek);

From a comprehensive perspective, the identified business cases in this sector include the locations that are best connected to existing amenities and services in Seton, allow for efficient development on both sides of 212 Avenue SE, accommodating market demand through new developers in the sector, and minimizing financial risk by leveraging previous investment.

No new capital investments are required in the 2023-2026 budget cycle to support these business cases, though they do rely on items included in the \$531.8M of unfunded investments

identified to support continued growth in previously approved new communities, such as the 52 Street SE BRT extension.

Beyond the business cases identified above, Administration also evaluated the following proposal:

5. South Shepard Northeast Hotchkiss (Genesis);

Further growth beyond the included business cases is not advised at this time due to challenges around proximity to existing amenities and services, and risk of market saturation in the southeast sector and impact on community completion and net operating cost. While not identified for the 2023-2026 budget cycle, significant transportation investment will be required in future cycles.

South Sector:

One business case in the Providence Area Structure Plan was considered through the evaluation process. Administration advises not proceeding with the Providence business case at this time, due to capital costs related to utility infrastructure required to support growth beyond the previously approved portion of Providence. Ongoing investment in utility infrastructure in the South sector supports continued growth in Providence, as well as seven other previously approved new communities (Silverado, Yorkville, Belmont, Pine Creek, Walden, Legacy, and Wolf Willow) that are actively developing today.

West Sector:

One business case in the West View Area Structure Plan was considered through the evaluation process. Administration advises not proceeding with the West View business case at this time, due to capital costs related to utility infrastructure required to support growth beyond the near-complete portion of Crestmont.

Capital investments required include a partial interchange on the Trans Canada Highway at 133 Street NW, the Crestmont-Valley Ridge Feedermain Loop, upgrades to Valley Ridge Pump Station 41, upgrades to the Inglewood, Trans Canada and Shouldice Sanitary Trunks, twinning of the Valley Ridge and Bears paw Sanitary Trunks, and the Westview Storm Trunk. For the latter item, interim solutions for stormwater management are not advised in this area due to the proximity of the Bears paw Reservoir and resulting source drinking water protection concerns.

Summary

Taking the five and three business cases together, more than 700 hectares of developable land online will be made available, capable of accommodating 12,500 single- and semi-detached units and 3,500 multi-residential units with a potential population of nearly 45,000 people. This includes support for partial Growth Management Overlay removals in Glacier Ridge (Community C Qualico and Community D Cabana Brookfield), which allow for an additional population of 4,000 in approximately 1,300 homes, enabling continued incremental growth and maximizing the return on previous infrastructure investments without triggering significant new investments.

At a pace of new community growth similar to 2016-2020 (240 hectares, 5,500 units, and 17,000 people per year), the eight business cases represent an additional 2.5 years of capacity to be added to the supply of the previously approved new communities. Furthermore, through construction, these eight business cases are anticipated to generate approximately 24,000

person years of direct and indirect employment. At buildout, these eight business cases are estimated to host approximately 2,100 permanent jobs.

Growth Portfolio Development and Rationale

The 19 new growth business cases were evaluating using 24 criteria across the three growth factors, this is a same basis under which the evaluation was completed in 2018 and 2020:

1. Municipal Development Plan/Calgary Transportation Plan Alignment
2. Market Demand; and
3. Financial Impact.

The evaluations are rooted in the Citywide Growth Strategy, which aims to support growth in line with the objectives of the Municipal Development Plan across the Established Area, Industrial Area, and New Communities. In that context, the new community business case and identified infrastructure investments reflect an approach that embraces uncertainty while minimizing downside risk.

1. *Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP) Alignment*

Alignment with The City's long-term policies is important to ensure that growth decisions help realize the future city that is envisioned. The evaluation of new growth is done at two levels for this purpose. First, individual business cases are evaluated against policy to ensure proposed communities meet required standards. Secondly, a comprehensive look at new community and citywide growth is done in order that an appropriate balance of growth is recommended to help realize the goals of developed/developing areas population growth split, and a reasonable distribution of new community growth is available across sectors. Administration also acknowledges the spirit of contemporary policy and priority efforts that should not be set aside, including the Climate Resilience Strategy and the Social Wellbeing Policy.

Individual Evaluations

Each business case was evaluated on an individual basis with respect to alignment with key City policies of the Municipal Development Plan and Calgary Transportation Plan. Further, evaluation also considered proximity to existing and proposed amenities, services, and citywide networks such as primary transit, 5A pathway/bikeway, and open space and vegetated lands networks as a means to understanding how development in the business case area might contribute to creating a complete community or, conversely, direct growth to areas with poor accessibility. Evaluations also considered proponents' stated intentions with respect to reducing energy and emissions, incorporating climate resilience measures, and conservation of natural habitats, as well as innovation and quality in terms of urban design.

In general terms, all business cases individually comply with Municipal Development Plan/Calgary Transportation Plan policy such as the minimum intensity target of 60 people and/or jobs per hectare. Most business cases align with the relevant Area Structure Plan policies; however, several will require continued refinement through the outline plan process to achieve local area planning objectives. While all business cases demonstrated some degree of commitment to climate resilience, a handful included intentions to pursue more innovative measures in terms of infrastructure, urban design, and technology to reduce energy and emissions and create more resilient communities.

With respect to proximity to amenities, services, and citywide networks, there are distinctions between business cases driven largely by location attributes, with some areas benefitting from greater access to existing amenities and services, and others relying more on future and anticipated amenities and services. These distinctions were factored in as they inform sequencing logic from a policy objectives perspective in terms of directing growth in ways that achieve complete communities and access to amenities and services in the closest possible proximity.

Comprehensive Evaluation

Beyond evaluating each individual business case, Administration's review also considers the comprehensive impacts of the collective set of proposals on The City's objectives in terms of creating complete communities, managing financial risk and obligations, and balancing investments to support growth in established areas, previously approved new communities, and proposed new communities.

The City will be challenged to meet the developed/developing area growth split target by continuing to open up additional new growth areas. From a city building perspective, it will make it more difficult for The City to offer mobility options given past and continued investment in increasing roadway capacity and vehicle level of service. Providing transit service within a short walking distance to residents in new communities may require more financial investment and many communities are challenged by their distance to the Primary Transit and 5A Pathway and Bikeway networks. Active modes like walking and cycling can be difficult to use practically in some previously approved and proposed new communities, particularly for trips beyond the immediate neighbourhood.

Action 6.2 in the Climate Resilience Strategy directs The City to integrate Green House Gas (GHG) reduction potential into growth management decisions. While continuing to work with Municipal Development Plan policy that sets a long-term target of balancing growth across redevelopment in established areas and continued growth in new communities, Administration recognizes that there is uncertainty around the impact of additional serviced land supply in new communities. Climate impacts were specifically part of the business case evaluation in 2022 for the first time; a summary of findings is in Attachment 8.

The interaction between absorption in proposed new communities and the pace of development in previously approved new communities, redevelopment in established areas, regional growth beyond the city, and suppressed household formation is uncertain. Elements of the evaluation focused on leveraging relative proximity to existing amenities and services, reduced need for capital investment in servicing, and operating cost analysis together serve as a means of ensuring that the portfolio emphasizes business cases that are the best locations from an accessibility, financial, and climate perspective.

2. Market Demand

Supply and demand are important factors in terms of influencing housing availability, choice, and affordability. It is important to keep a longer-term view on housing supply so that growth can be enabled without an interruption of the market pace of development, but not so much that growth is dispersed so broadly that it becomes inefficient to service and slows the progression to complete communities. It is notable that new community growth takes approximately two to three years to realize homes following this stage of approval. Therefore, any new supply of homes ready for occupancy related to these 2022 decisions is unlikely to be realized before 2024-2025. Understanding more immediate market pressures, The City should continue to support and invest in the development of areas that already have growth approvals and are

much further towards having homes ready for occupancy. Accelerated build out of previously approved communities remains the best way to meet current demand and to achieve the critical mass of development that supports efficiency and amenities, acknowledging that competition and market access points can also help accelerate supply.

Administration tracks supply and demand within six suburban geographic planning sectors and reports annually through the Suburban Residential Growth and Citywide Growth Strategy Monitoring reports. This section outlines Administration’s understanding of market conditions (land supply and absorption) on a sector-by-sector basis.

Table 2.1 provides a citywide, single/semi and multi unit summary, while Table 2.2 gives a sectoral overview absorption using the single/semi-detached only. The paragraphs that follow outline the potential implications of these numbers.

For the purposes of this discussion, **Approved – Serviced** refers to land for which the City infrastructure required for development (transportation, sanitary, storm, water, and fire services) is *already in place and available*. This land is available for imminent housing development and has no Growth Management Overlays. **Approved – Yet to be Serviced** refers to land where The City has *committed to funding and delivering* the City infrastructure and services required to initiate development, and also has removed Growth Management Overlays, but the infrastructure and service capacity has not yet fully extended to the lands.

Table 2.1: Approved and Proposed Land Supply - Citywide

	Sing/Semi Units	Sing/Semi Years	Multi Units	Multi Years	Total Units	Total Years
Approved Supply						
<i>Serviced</i>	31,097	7 to 9	36,150	11 to 15	67,247	9 to 12
<i>Yet to be Serviced</i>	25,799	6 to 8	23,267	7 to 10	49,066	6 to 9
Total Approved Supply	56,896	13 to 17	59,417	18 to 25	116,313	15 to 21
Proposed Supply						
8 Business Cases	9,935	2 to 3	2,647	1	12,582	2 to 3
Total Approved and Proposed	66,832	15 to 20	62,064	19 to 26	128,895	17 to 24

Table 2.2: Approved and Proposed Land Supply, Single/Semi-detached, by Sector

	North	North east	East	South east	South	West	North west
Approved Supply							
<i>Serviced</i>	5,090	7,175	410	10,203	4,616	2,245	1,359
<i>Yet to be Serviced</i>	8,527	637	3,227	2,172	9,870	0	1,366
Total Approved Supply	13,617	7,812	3,637	12,375	14,486	2,245	2,725
Proposed Supply							
8 Business Cases	2,196	0	206	7,533	0	0	0
Total Approved and Proposed	15,813	7,812	3,843	19,908	14,486	2,245	2,275

In total, there are currently 31,097 units of approved single/semi serviced capacity available today, equivalent to 7 to 9 years of supply. There are currently 25,799 units of approved yet to be serviced single/semi capacity that will become serviced through the investments identified for previously approved communities over the next four years and beyond, equivalent to 6 to 8 years of additional supply. Together, this represents 56,896 units (or 13 to 17 years of supply) that The City has serviced and committed to service at the present time. If the eight business cases are included, it would add a further 9,935 single/semi units (2 to 3 years of supply).

Continued absorption over the coming four years (to 2026) will reduce serviced land supply for single/semis through absorption from 31,097 units by 15,536 units to 15,561 units. It will be replenished by investments that service the yet to be serviced and proposed supply.

Beyond the approved serviced and yet to be serviced supply in previously approved new communities, the eight business cases will bring more than 700 hectares of developable land online, capable of accommodating approximately 9,935 single- and semi-detached units and 2,647 multi-residential units, with a potential population of nearly 37,000 people. This includes support for two partial Growth Management Overlay removals in Glacier Ridge (Community C Qualico and Community D Cabana Brookfield), which allow for a population of 4,000 in approximately 1,300 units, enabling continued incremental growth and maximizing the return on previous infrastructure investments and ongoing investments to support continued growth in previously approved communities.

West Sector:

Given the unique nature of development in the west sector, supply can be slower to come online in many of the previously approved new communities. Additional supply in this sector is not anticipated to result in longer completion timeframes for new communities that are actively developing. Although supply is limited, substantial infrastructure investments are required to bring additional land online in the west sector.

North Sector:

The north sector currently demonstrates a high level of supply relative to absorption in the next four years with multiple previously approved communities. It is important to consider the impacts of approving all north business cases as this may result in a reduction of unit absorption per growing community which would lead to a longer timeline to achieve full buildout of existing communities. This may delay return on infrastructure investments, extend interim servicing arrangements and related operating costs, and extend the timeframe for creating complete communities with accessible amenities and services for the residents of each community.

East Sector:

Previously approved business cases in the east sector are beginning to see development growth with the city forecasting a larger market share as a result of depleting supply in the northeast sector. Furthermore, growth in the east sector will be impacted by future development in Chestermere. The demand in this part of the region will be captured by areas where capital servicing is in place.

Southeast Sector:

The southeast sector has a high level of supply, but fewer previously approved communities relative to other sectors. This is mainly due to historically large developer holdings becoming master planned communities. Approval of additional communities in this sector will bring on more competition through new developers but may also result in a reduction of average unit absorption for the current actively developing communities, further increasing timeline to achieve full buildout. This can raise operating cost efficiency issues or delays in services.

South Sector:

The south sector is well placed in terms of supply and demand capacities. The previously approved business case in the Providence Area Structure Plan is at the infancy of its development timeline and provides land supply that will sustain this sector past the next four years. Approval of additional land in the Providence Area Structure Plan would reduce the unit absorption in the previously approved business case along with the previously approved communities in this sector. This may delay return on infrastructure investments, extend interim servicing arrangements and related operating costs, and extend the timeframe for complete communities with accessible amenities and services for the residents of each community. There are seven previously approved communities in the sector.

Northeast Sector:

No business cases for new community development were submitted in the northeast sector. A number of approved new communities continue to grow in the area, including Cornerstone, Homestead, Skyview Ranch, Cityscape, Saddletowne, and Redstone. Given the strong market demand and historical growth, the sectors supply will continue to decline eventually losing overall market share in the city. As a result, it is forecasted that the north and east sectors will increase their market share and absorb some of the demand.

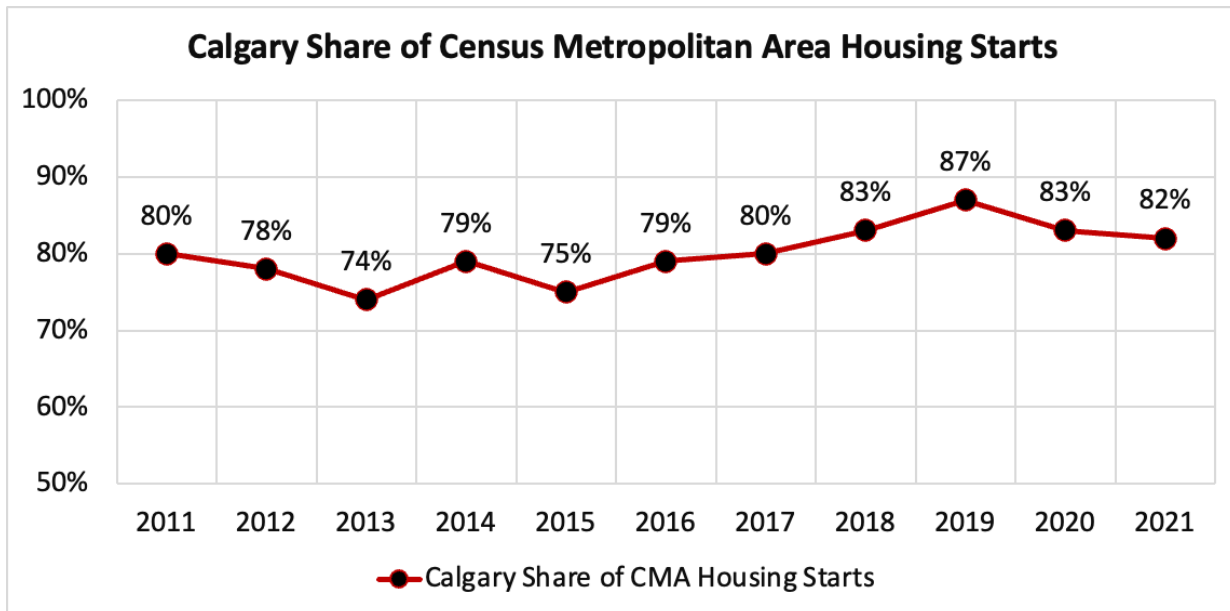
Northwest Sector:

The northwest sector has one previously approved community that is actively developing, Haskayne (Rockland Park), which is in early stages of development since its approval in 2018. Limited supply of land suitable for new community development in the northwest sector may influence demand in the western portion of the Glacier Ridge Area Structure Plan in the north sector, or West View Area Structure Plan in the west sector.

City and Region:

Beyond the sectoral analysis undertaken, Administration is also directed to consider the overall citywide and regional land supply and absorption. The Municipal Development Plan objective (Part 5.2.2) is to transition to a growth pattern that is increasingly focused on redevelopment and intensification in the established area and completion of approved and growing communities.

Adding new growth areas may delay the achievement of objectives, however supply constraints may also lead to a greater share of residential development occurring in the region. CMHC data indicates that as of 2021, the ten-year average share for the City of Calgary was 80 per cent of the growth in the region. This share has increased to 82 per cent for the City of Calgary in 2021. The impact of regional growth may, however, vary by sector.



Source: Canadian Mortgage and Housing Corporation

3. Financial Impact

This factor is key to evaluating the financial capacity of The City to meet its ongoing funding obligations to approved growth areas and consider the capacity for any new growth. This factor also considers the broader economic impact of new community growth, including the job creation and private investment that follows after approval. The 39 new communities approved by Council in 2018 and earlier require financial commitments through multiple budget cycles, and this information is important for Council to know when considering any new approvals.

Balanced and feasible growth investment is key to realizing the Calgary that long term policy envisions, while protecting the city’s financial sustainability. Thinking about growth decisions is more than just an approvals decision, it is The City acting as an investor in future growth. This financial analysis helps advise Council on the best portfolio of investment to make for the 2023-2026 period, with clear information about the future obligations created by decisions in 2022.

To understand and quantify financial impact, Administration considers:

- short and longer-term growth infrastructure and servicing that would be required to initiate and enable communities to begin developing;

- the related impacts on both capital and operating budgets;
- the return on that investment through property tax revenue and levy contributions; and
- the economic impact of jobs and private investment from Calgary's housing sector.

While not calculated for the purposes of this report, it is notable that there are significant additional longer-term investments required to complete communities with the required facilities and services needed to sustain any new areas of growth. These include libraries, police stations, recreation centres, parks, etc.

Capital requirements to support development in approved new and proposed new communities vary considerably by sector. The evaluation identified new investments required to support growth in proposed communities (business cases) over the 2023-2026 budget cycle and beyond. These infrastructure investments are listed in Table 4, at the end of this attachment and are categorized by:

1. Infrastructure type and service line required to initiate development; and
2. Budget cycle (investments required in the 2023-2026 and 2027-2030 and future budget cycles).

The portfolio focuses on leveraging investments approved during the 2019-2022 budget cycle. Doing so helps to finish the areas started in 2018, and more efficiently use existing and committed infrastructure capacity. The portfolio also leverages the investments required for 2023-2026 in the previously approved new communities (see Table 3 below for a detailed list). These business cases introduce no new capital commitments beyond this spending, to maximize The City's capacity for balancing investment across citywide growth including established and industrial areas, as well as community completing investments in services such as recreation and community services. Business cases requiring further capital spending beyond that required to continue supporting growth in approved new communities are not generally advised.

As a part of The City's process to evaluate new community growth business cases, Administration uses the business cases proponents' information, housing price, units and quantity submitted and inputs this into the New Community Model ("the model") to calculate and project total property tax revenues and incremental operating costs associated with a new community business case. The model looked at the measurement of the direct/indirect incremental operating cost impacts of development relative to the City's tax rates. The model includes not only the recognition of the additional operating costs of services demanded by new development, but also the additional maintenance and lifecycle costs associated with the incremental growth-related assets required to meet the service demands of future development.

For further detail on capital investment requirements and operating cost requirements, as well as anticipated off-site levy contributions and tax revenues for each of the business cases evaluated, please see the profiles in Attachment 6. For capital investment required to support business cases beyond Administration's included business cases, please see Table 5 at the end of this attachment.

Conclusion

To support growth in approved and proposed new communities, this report suggests the following for the Citywide Growth Strategy investment portfolio, subject to corporate prioritization through Infrastructure Calgary and the broader budget process later this year:

1. Identifying a capital requirement of \$531.8M (2023-26) and acknowledging \$4,383.9M (for 2027+) to continue supporting growth in Previously Approved New Communities;
2. Adding five new 2022 business cases to the Citywide Growth Strategy portfolio in Proposed New Communities (Ricardo Ranch Nostalgia – Jayman/Telsec, Ricardo Ranch Seton Ridge – Brookfield, Ricardo Ranch Logan Landing – Genesis, Keystone Lewiston – Genesis, Belvedere West – Truman); and
3. Evaluating approval (including partial approval) of three additional new 2022 business cases in Proposed New Communities (Glacier Ridge Community C – Qualico and Glacier Ridge Community D Cabana – Brookfield; Rangeview – Trafford WestCreek); subject to servicing and other risk determinations.

This portfolio reflects an approach that supports ongoing growth in previously approved communities while seeking to accommodate the market and taking advantage of opportunities in proposed communities in a way that minimizes downside financial and technical risks. It will bring more development opportunities into the Calgary market that will hopefully increase competition, which is related to affordability. The portfolio has acknowledged business cases that have suggested innovative ideas for urban form, lower impact servicing, and climate resilience.

As part of the Citywide Growth Strategy, this portfolio works together with companion investments in the established areas and industrial areas to help support growth that is in alignment with the vision, goals, and objectives of the Municipal Development Plan, Calgary Transportation Plan, and Council's priorities, fostering competitiveness and affordability and supporting innovation and resilience, including climate.

Beyond funded and serviced land in previously approved new communities, the eight business cases will bring more than 700 hectares of developable land online, capable of accommodating close to 10,000 single/semi-detached units and over 2,500 multi-residential units with a potential population of nearly 37,000 people.

Focusing growth in the areas that are best connected to existing amenities and services and least costly from a capital and operating perspective aligns with Council priorities with respect to fiscal and climate resilience. Accommodating market opportunities to bring on additional housing supply within that framework helps create a more robust and competitive market and aligns with Council priorities with respect to social and economic resilience, in terms of access to housing and sustaining employment opportunities.

Please note that the business case portfolio for proposed new communities is subject to, like all of the investments identified in this report, the corporate capital prioritization process being led by Infrastructure Calgary. This means that if some of the investments identified for previously approved new communities are not included in the November budget package, depending on funding levels, other City priorities, and infrastructure delivery logistics, it may not be possible to support the proposed new community portfolio, even if it doesn't directly trigger these investments.

Alignment with Council's 2023-2026 Strategic Direction

Economic Resilience: The growth enabled by these business cases will contribute to Calgary's economic resilience by maintaining development momentum and related economic activity while managing financial risks to The City. Balancing growth-enabling investment across Established Areas, Industrial Areas, and New Communities in line with the Citywide Growth Strategy means continuing to foster a variety of opportunities for economic development across the city in a strategic and targeted approach aimed at helping Calgary grow in line with Council's vision as set out in the Municipal Development Plan.

Social Resilience: Focusing on the best-connected opportunities means that Calgarians in new communities will have the excellent access to the amenities and services that they use on a day-to-day basis, whether public (such as transit, recreation centres, parks, and libraries) or private (such as retail or commercial services). Working to ensure communities develop a critical mass of neighbours to support such services, and offer opportunities accessible by foot, by bicycle, or by transit, helps foster a more socially resilient city. The portfolio also endeavours to support housing choice and affordability in the city.

Climate Resilience: The identified investments and approach help ensure that growth occurs in a way that is serviceable by transit and allows for the creation of walkable communities. Prioritizing investment in previously approved communities helps continue their development and support the viability of local services and transit, prior to further extension. The included new community business cases are those that most leverage their proximity to existing development and services and include several that feature innovative approaches to stormwater and natural areas. Though new community development carries many climate risks as the city expands outward and investments in previously approved communities continue to increase roadway capacity and vehicle level of service, contemporary new communities have evolved to offer many solid innovative technologies for buildings and have laid the groundwork for more sustainable mobility options.

Supplementary Information – Infrastructure Investment Details

The tables below include details of infrastructure investments identified to support new community growth.

Table 4 outlines investments needed to continue supporting growth in previously approved new communities. These investments are mapped in Maps 1 (2023-2026) and 2 (2027 and beyond). Table 5 outlines investments that would be required to support business cases for growth in proposed new communities that are not part of the portfolio. These investments are mapped at the end of this attachment, after Table 5.

Table 3: Investments to Support Continued Growth in Previously Approved New Communities

Capital Requirement	Service Line (+Type)	Capital Cost (\$M)	
		2023 - 2026	2027+
Design for 2027+ Transportation Projects	Transportation	94.0	
Haskayne Future Response Station	Fire & Emergency Response	5.0	
South Shepard Future Response Station	Fire & Emergency Response	1.0	
South Walden Permanent Response Station	Fire & Emergency Response	1.7	
Livingston Keystone Response Station Land	Fire & Emergency Response	4.0	
West MacLeod (Belmont/Yorkville/Pine Creek) Permanent Response Station and Land	Fire & Emergency Response	14.0	
162 Avenue SW transitway (LRT to Stoney)	Public Transit		55.0
17 Av SE transitway (52 Street to Stoney Trail)	Public Transit	50.0	
17 Av SE transitway (Stoney Trail to east city limit)	Public Transit		71.0
144 Avenue N BRT	Public Transit		42.0
160 Avenue N BRT	Public Transit		75.0
West BRT (Route 305)	Public Transit		30.0
Centre Street N BRT	Public Transit	50.0	50.0
162 Avenue Transitway (LRT to Stoney)	Public Transit	-	55.0
Blue Line NE LRT Extension (Saddletowne to 88 Avenue NE)	Public Transit		158.0
Blue Line NE LRT Extension (88 Avenue NE to 128 Avenue NE)	Public Transit		405.0
Blue Line NE LRT Extension (128 Avenue NE to Stonegate)	Public Transit		160.0
Blue Line SW LRT Extension (69 Street SW to 85 Street SW)	Public Transit		263.0

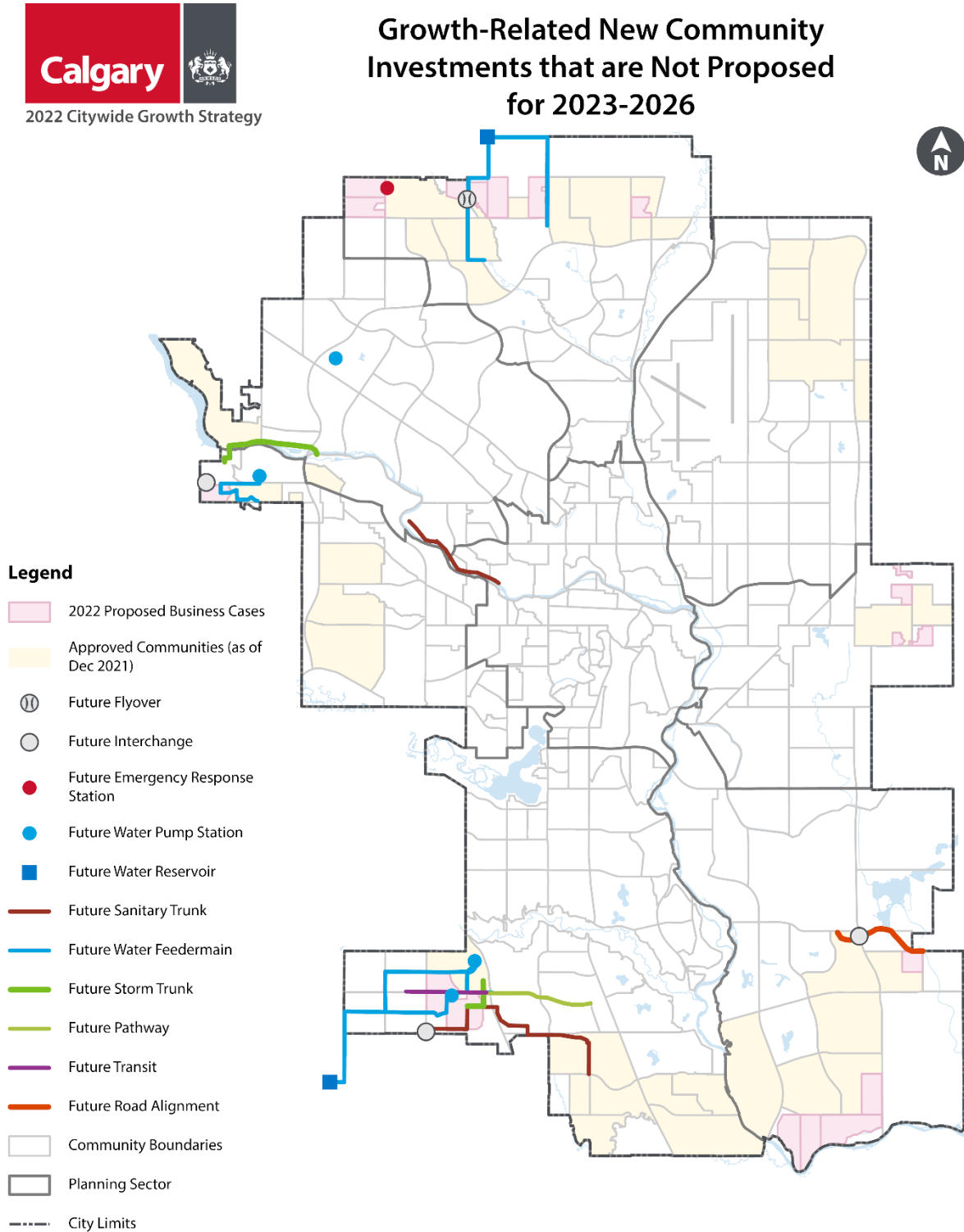
Red Line S LRT Extension (including LRVs and maintenance facility)	Public Transit		819.0
Coventry - Keystone ped overpass (5A)	Sidewalks & Pathways		12.0
Stoney Tr ped overpass between Centre and 14 Streets NW (Panorama - Evanston)	Sidewalks & Pathways		10.0
Airport Trail NE ped overpass between Cityscape and Savannah	Sidewalks & Pathways		10.0
Country Hills Boulevard NE ped overpass between North and South Cornerstone	Sidewalks & Pathways		8.0
Forest Lawn Creek Improvements	Stormwater Management	3.5	
East Belvedere ASP Storm Servicing - CSMI	Stormwater Management	23.3	
Belvedere ASP/MDP Storm Servicing	Stormwater Management	12.2	
Providence Storm Trunk Stage 2	Stormwater Management	20.0	
Memorial Drive E flyover across CN rail and Stoney Trail E	Streets (Flyover)		60.0
104 Street SE flyover across Stoney Trail SE	Streets (Flyover)		35.0
Valley Ridge-Greenwich flyover across Stoney Trail NW (Transit/Emergency/Active Modes)	Streets (Flyover)		TBD
Highway 1 at 116 Street NE interchange	Streets (Interchange)		50.0
160 Ave N Cross Iron interchange upgrades	Streets (Interchange)		35.0
Métis Tr and 128 Avenue NE Interchange	Streets (Interchange)		65.0
Northeast Stoney Crossing at 64 Ave NE	Streets (Interchange)		35.0
Sarcee Trail and Bow Trail SW interchange	Streets (Interchange)		145.0
Sarcee Trail and Richmond Road interchange	Streets (Interchange)		106.0
MacLeod Trail at 210 Avenue S interchange	Streets (Interchange)		80.0
MacLeod Trail at 194 Avenue S interchange	Streets (Interchange)		97.0
Stoney Trail at 60 Street NE interchange	Streets (Interchange)		30.0
Stoney Trail at Airport Trail NE interchange	Streets (Interchange)	30.0	30.0
Airport Trail at 60 Street NE interchange	Streets (Interchange)		90.0
Airport Trail at Metis Trail NE interchange	Streets (Interchange)		105.0
Airport Trail at 36 Street NE interchange	Streets (Interchange)		35.0
Métis Trail at 64 Avenue NE interchange	Streets (Interchange)		65.0
Highway 22X at 120 Street SE interchange	Streets (Interchange)		70.0

88 Street SE at 196 Avenue SE interchange	Streets (Interchange)		95.0
160 Ave NW West Nose Creek crossing	Streets (Road)		50.0
160 Ave NE rail and Nose Creek crossing	Streets (Road)		65.0
Highway 1 third westbound lane over rail crossing	Streets (Road)		25.0
144 Avenue NW West Nose Creek crossing	Streets (Road)	48.0	21.6
17 Avenue SE Widening (Stoney Trail to east city limit)	Streets (Road)		21.0
Beddington Trail NW widening (4-6 lanes, Country Hills Boulevard to Stoney Trail NW)	Streets (Road)		20.0
11 Street NE Widening (144 Avenue NE to Highway 566)	Streets (Road)		47.0
Shaganappi Trail NW Widening (4-6 lanes, Country Hills Boulevard to Stoney Trail NW)	Streets (Road)		6.0
Métis Trail NE widening (4-6 lanes, Airport Trail to Stoney Trail NE)	Streets (Road)		TBD
210 Avenue S grade separation across CP Rail	Streets (Road)		45.0
Pine Creek road crossing in South MacLeod	Streets (Road)		40.0
Bow Trail widening (4-6 lanes, 69 Street to Stoney Tr SW)	Streets (Road)		TBD
Sarcee Trail SW widening (4-6 lanes, Bow Trail to Glenmore Trail SW)	Streets (Road)		65.0
Sarcee Trail SW widening (4-6 lanes, Bow Trail to Highway 1)	Streets (Road)		130.0
116 ST E realignment to connect with Highway 1 interchange	Streets (Road)		10.0
144 Avenue N Sanitary Trunk Extension	Wastewater Collection & Treatment		6.7
Trans Canada Sanitary Trunk	Wastewater Collection & Treatment	50.0	31.9
North Water Servicing Option (NWSO)	Water Treatment & Supply	81.5	378.5
Top Hill Feedermain Phase 1	Water Treatment & Supply	22.5	
Top Hill Feedermain Phase 2	Water Treatment & Supply		25.2
Starlight Dual Zone Pump Station	Water Treatment & Supply	20.0	
Westview Reservoir Land Purchase	Water Treatment & Supply	1.1	
210 Avenue SW Pump Station	Water Treatment & Supply		
Total		\$531.8	\$4,383.9

Table 4: Investments Required for Business Cases Outside of Administration's Portfolio

Capital Requirement	Service Line	Capital Cost (\$M)	
		2023 - 2026	2027+
Crestmont/Valley Ridge Feedermain Loop	Water Treatment & Supply	-	24.0
Westview Feedermain (146 Ave Feedermain)	Water Treatment & Supply	3	17.0
Starlight Feedermain loop (completion)	Water Treatment & Supply	-	62.3
Starlight Feedermain loop (Phases 1 and 2)	Water Treatment & Supply	1.7	9.3
Starlight Reservoir (outside the City limits)	Water Treatment & Supply	-	15.0
Westview Reservoir Pump Station	Water Treatment & Supply	-	15.0
Valley Ridge Pump Station #41 Upgrades	Water Treatment & Supply	-	15.0
Westview Reservoir	Water Treatment & Supply	-	15
Starlight Dual Zone Pump Station	Water Treatment & Supply	20	-
Westview Reservoir Land Purchase	Water Treatment & Supply	1.1	-
West Pine Creek Sanitary Trunk Phase 3	Wastewater Collection & Treatment	-	55.2
Providence Storm Trunk Stage 2	Stormwater Management	20	-
Westview Storm Trunk	Stormwater Management	-	30.0
Providence Storm Trunk Stage 3 & 4	Stormwater Management	-	20.0
Glacier Ridge Temporary Response Station	Fire & Emergency Response	4.0	-
162 Ave Transitway (Stoney to Providence)	Public Transit	-	40.0
BRT Transit service (305)	Public Transit	-	30.0
162 Ave Pathway (5A network)	Sidewalks & Pathways	4.5	-
Stoney Trail at 130 Avenue SE interchange	Streets (Interchange)		40.0
Hwy 1 / 133 Street interchange	Streets (Interchange)	50.0	-
Stoney Tr. / 130th Avenue interchange	Streets (Interchange)	-	40.0
Hwy 22X / 53rd Street interchange	Streets (Interchange)	-	60.0
130 Avenue SE alignment as per ASP	Streets (Road)	-	20.0
130 Avenue SE completion (McIvor Boulevard to Stoney Trail SE)	Streets (Road)		6.0
Total		\$104.3	\$498.8

Figure 3: Map 3: Investments to Support Non-Identified Business Cases for Growth in Proposed New Communities (2023 and beyond)



June 2022