

Did You Know?

- The City's *Framework for Growth and Change* has nine criteria for judging the suitability of land to receive services from the City. They are
 - ✓ Two pre-development criteria: "Readiness to Proceed" and "Planning in Place"
 - ✓ Seven post-development criteria: "Access to Transit," "Capacity of Existing Infrastructure," "City-Funded Costs," "Employment Opportunities," "Community Services in Place," "Innovation," and "Contiguous Growth."
- For the purpose of growth management, the City divides communities into two categories
 - ✓ Developed Areas – communities in existence as of 2005
 - ✓ Developing Areas – post-2005 communities and new subdivisions.
- The City predicts that 2,232 hectares of land are needed to service new subdivisions from now until 2019. Based on existing trends, we estimate that between 1,241 and 1,599 hectares will be required. Land already serviced for new subdivisions totals 1,769 hectares. No additional serviced land is needed prior to 2019.
- Some landowners have made proposals to advance the timing of new subdivisions on their land. These proposals provide few benefits to the City, entail significant risks, and require the City to assume at least \$62 million more debt.
- Developers need ways to make proposed subdivisions competitive with existing communities. We found 15 different financial tools ranging from assessment sub-classes to Residents' Association contributions to tiered user fees that are available today for developers to use either on their own initiative or through agreement with the City.

How You Can Help

Join us to talk about Sensible Growth

Date: November 20, 2014
 Time: 1:00 p.m. & 7:00 p.m.
 Place: CommunityWise Resource Centre
 223- 12th Avenue SW

Tell us what you think

E-mail us at SensibleGrowth@shaw.ca.

Tell City Council what you think

Phone

Mayor Naheed Nenshi 403-268-5622
 City Councillors 403-268-2430

E-Mail

Mayor Naheed Nenshi themayor@calgary.ca
 City Councillors councillorsweb@calgary.ca

Mail

Mayor Naheed Nenshi
 Office of the Mayor
 P.O. Box 2100, Station M
 Calgary, AB T2P 2M5
 City Councillors
 Office of the Councillors (8001)
 P.O. Box 2100, Station M
 Calgary, AB T2P 2M5

Twitter

Mayor	Naheed Nenshi	@nenshi
Ward		
1	Ward Sutherland	@Ward4Ward1
2	Joe Magliocca	@Joe_Magliocca
3	Jim Stevenson	@StevensonWard3
4	Sean Chu	@seanchucalgary
5	Ray Jones	@RundleRay
6	Richard Pootmans	@YYCWard6
7	Druh Farrell	@DruhFarrell
8	Evan Woolley	@EWoolleyWard8
9	Gian-Carlo Carra	@gccarra
10	Andre Chabot	
11	Brian Pincott	@bpincott
12	Shane Keating	@CouncillorKeats
13	Diane Colley-Urquhart	@BigRedyyc
14	Peter Demong	@peterdemong

SENSIBLE BUDGET SENSIBLE GROWTH

Financially Sustainable
Growth for Calgary



Calgarians for Sensible Growth™
a project of the

Governance, Finance, and
Infrastructure Group

We are concerned citizens who evaluate information from the City of Calgary and others to help Calgarians decide how our city should be managed, the effect on taxes and communities, and the risks and rewards of government decisions.



Calgary's population is growing. That means Calgary needs more housing for new residents.

Where will that housing be provided? Will it be provided through dispersion, the new word for sprawl? Or will it happen in

existing communities, strengthening those communities by attracting individuals and families who support local businesses, schools, and community organizations?

City Council will answer those questions beginning this month when it finalizes the City's new budget. At stake is keeping taxes low and ensuring that new residents find a home they can afford.

In the past, most population growth in Calgary has been in new subdivisions. The City of Calgary has been a major player in financing those new subdivisions. We estimate that providing new subdivisions with roads, water and sewer lines, police stations, etc. currently costs taxpayers over \$80 million per year on average.

Initial analysis by the City indicates a typical subdivision takes 25 to 30 years to pay the subsidy back.¹ More detailed analysis by the City of Edmonton shows that most new subdivisions return only 71 cents



on the dollar over the same period.²

Providing City services for new subdivisions must be done in the most efficient way possible. Compared to existing communities, new

subdivisions cost more to service, generate less tax revenue, provide poorer access to jobs and transit, and support fewer community services. Out of 39 areas considered in the City's **Framework for Growth and Change**, no proposed subdivisions ranked



The City is facing a \$7 billion infrastructure funding shortfall by 2023, not including the cost of the 2013 flood and \$13 billion for Calgary Transit's *Route Ahead* program.

in the top ten based on post-development criteria. Only one made it into the top fifteen.³

Subsidies for new subdivisions are a luxury we can no longer afford. The City needs to focus on completing the communities that already exist and supporting community-compatible re-development. The capacity is already there⁴ – potentially enough to meet the City's growth target for 2039.⁵ Community-led studies sponsored by the Federation of Calgary Communities and University of Calgary have shown that people want to strengthen their communities and are receptive to considering community-compatible re-development, especially at activity centres and along urban corridors.⁶

The City's population target for 2039 in Developed Areas is 33% of city-wide growth.

Developers and builders are making headway in community-compatible re-development. City Council has also contributed through the **Framework for Growth and Change**, recognition of the tax implications of new subdivisions, encouragement of aging in place and living closer to work, and reducing the standard tax-supported subsidy for capital costs for new subdivisions.



The major obstacle to more sensible growth is the City budget. It needs revamping so our tax dollars are used to support our communities – old and new. The choice is between subsidizing more subdivisions or sustaining and strengthening the communities we already have. To that end, we recommend:

- By the end of 2017, eliminate all City financing and funding of infrastructure to service and accommodate new subdivisions.
- Provide sufficient funding to determine, by the end of 2015, the growth capacity of existing communities.
- Provide sufficient funding for a "Complete Communities Program" that, by the end of 2016, will allow each existing community, if it wishes, to develop its own growth management plan.
- Do not, at this time, approve or include in the budget financing or funding for proposals that advance the timing for new subdivisions in Developing Areas.
- In the future, evaluate each financing and funding proposal for a new subdivision in Developing Areas according to the criteria in the **Framework for Growth and Change** and approve the proposal only if doing so will not deny funding to or approval of development on land that ranks higher on a combined priority list for both Developed and Developing Areas.

Calgary needs a sensible budget for sensible growth. The benefits are huge. Getting it wrong will cost taxpayers millions for years to come. Help us convince City Council to approve a sensible budget for sensible growth.

If you are interested in our full report *Fiscally Responsible Funding for New Subdivisions*, e-mail us at SensibleGrowth@shaw.ca.

NOTES

¹ Calgary City Council, *Special Meeting, April 7, 2014*, 2.1.3, video, 1:51:03

² City of Edmonton, *"Costs and Revenues for New Areas"*

³ See City of Calgary, *Sequenced Lists for Prioritized Growth Areas*, 4.9, Attachment 1

⁴ *Sequenced Lists for Prioritized Growth Areas*, 4.9, Attachment 1 and City of Calgary, *Developed Areas Growth & Change 2010 & 2014* (draft)

⁵ The City's 2039 growth target for Developed Areas is 33% of total population growth or 192,000 people

⁶ Federation of Calgary Communities, *Urban Planning and Faculty of Environmental Design, Urban Lab*

NOV 24 2014

ITEM: Submission distributed
C2014-0863
CITY CLERK'S DEPARTMENT

Sensible Budget Sensible Growth

Submission
on Action Plan 2015-2018
Calgarians for Sensible Growth™
A project of the Governance, Finance, and Infrastructure Group

Sensible Budget, Sensible Growth

Our Recommendations

- a) By the end of 2017, eliminate all City financing and funding of infrastructure to service and accommodate new subdivisions

Sensible Budget, Sensible Growth

- > The Framework for Growth & Change has demonstrated that new subdivisions are not competitive with existing communities in terms of meeting the City's post-development objectives

Framework for Growth & Change
Ranking Based on Post-Development Criteria

	62	67	68	69	70
1. Location	1	1	1	1	1
2. Access	1	1	1	1	1
3. Density	1	1	1	1	1
4. Design	1	1	1	1	1
5. Diversity	1	1	1	1	1
6. Ecology	1	1	1	1	1
7. Economy	1	1	1	1	1
8. Equity	1	1	1	1	1
9. Heritage	1	1	1	1	1
10. Infrastructure	1	1	1	1	1
11. Land Use	1	1	1	1	1
12. Livability	1	1	1	1	1
13. Mobility	1	1	1	1	1
14. Noise	1	1	1	1	1
15. Open Space	1	1	1	1	1
16. Pollution	1	1	1	1	1
17. Safety	1	1	1	1	1
18. Services	1	1	1	1	1
19. Social	1	1	1	1	1
20. Sustainability	1	1	1	1	1
21. Visual Quality	1	1	1	1	1
22. Water	1	1	1	1	1
23. Wildlife	1	1	1	1	1
24. Air Quality	1	1	1	1	1
25. Climate Change	1	1	1	1	1
26. Cultural Resources	1	1	1	1	1
27. Cumulative Impacts	1	1	1	1	1
28. Employment	1	1	1	1	1
29. Environmental	1	1	1	1	1
30. Financial	1	1	1	1	1
31. Health	1	1	1	1	1
32. Housing	1	1	1	1	1
33. Land Use	1	1	1	1	1
34. Law Enforcement	1	1	1	1	1
35. Local Government	1	1	1	1	1
36. Major Roadways	1	1	1	1	1
37. Minor Roadways	1	1	1	1	1
38. Noise	1	1	1	1	1
39. Open Space	1	1	1	1	1
40. Pollution	1	1	1	1	1
41. Safety	1	1	1	1	1
42. Services	1	1	1	1	1
43. Social	1	1	1	1	1
44. Sustainability	1	1	1	1	1
45. Visual Quality	1	1	1	1	1
46. Water	1	1	1	1	1
47. Wildlife	1	1	1	1	1
48. Air Quality	1	1	1	1	1
49. Climate Change	1	1	1	1	1
50. Cultural Resources	1	1	1	1	1
51. Cumulative Impacts	1	1	1	1	1
52. Employment	1	1	1	1	1
53. Environmental	1	1	1	1	1
54. Financial	1	1	1	1	1
55. Health	1	1	1	1	1
56. Housing	1	1	1	1	1
57. Land Use	1	1	1	1	1
58. Law Enforcement	1	1	1	1	1
59. Local Government	1	1	1	1	1
60. Major Roadways	1	1	1	1	1
61. Minor Roadways	1	1	1	1	1
62. Noise	1	1	1	1	1
63. Open Space	1	1	1	1	1
64. Pollution	1	1	1	1	1
65. Safety	1	1	1	1	1
66. Services	1	1	1	1	1
67. Social	1	1	1	1	1
68. Sustainability	1	1	1	1	1
69. Visual Quality	1	1	1	1	1
70. Water	1	1	1	1	1
71. Wildlife	1	1	1	1	1
72. Air Quality	1	1	1	1	1
73. Climate Change	1	1	1	1	1
74. Cultural Resources	1	1	1	1	1
75. Cumulative Impacts	1	1	1	1	1
76. Employment	1	1	1	1	1
77. Environmental	1	1	1	1	1
78. Financial	1	1	1	1	1
79. Health	1	1	1	1	1
80. Housing	1	1	1	1	1
81. Land Use	1	1	1	1	1
82. Law Enforcement	1	1	1	1	1
83. Local Government	1	1	1	1	1
84. Major Roadways	1	1	1	1	1
85. Minor Roadways	1	1	1	1	1
86. Noise	1	1	1	1	1
87. Open Space	1	1	1	1	1
88. Pollution	1	1	1	1	1
89. Safety	1	1	1	1	1
90. Services	1	1	1	1	1
91. Social	1	1	1	1	1
92. Sustainability	1	1	1	1	1
93. Visual Quality	1	1	1	1	1
94. Water	1	1	1	1	1
95. Wildlife	1	1	1	1	1
96. Air Quality	1	1	1	1	1
97. Climate Change	1	1	1	1	1
98. Cultural Resources	1	1	1	1	1
99. Cumulative Impacts	1	1	1	1	1
100. Employment	1	1	1	1	1

Sensible Budget, Sensible Growth

- > Taxpayer support for more subdivisions will distort the housing market.
- > City funding for more subdivisions is no longer a sensible approach to managing growth.

Sensible Budget, Sensible Growth

- > We are not saying that no more subdivisions can be built in the future
- > Instead, those that are built should be fully funded in ways that do not require the costs and risks to be borne by existing taxpayers

Sensible Budget, Sensible Growth

Does Calgary need more serviced land for subdivisions prior to 2019?

- > The City's latest estimate: 2,232 hectares of serviced land are needed in the suburbs until 2019
- > Serviced land for more subdivisions is already at 1,769 hectares

Sensible Budget, Sensible Growth

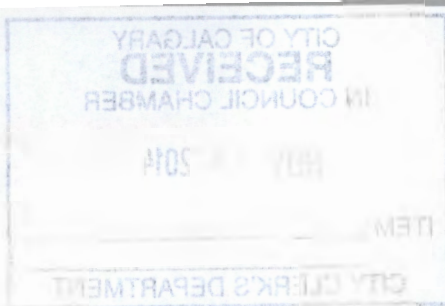
- > Based on existing trends, we estimate Calgary will instead need between 1,244 and 1,599 hectares of serviced land for more subdivisions
- > No additional serviced land for more subdivisions needs to be approved at this time. Certainly not the 1,400 hectares proposed for servicing in the budget.

Sensible Budget, Sensible Growth

- > There is no rush to have servicing for more subdivisions approved.
- > Re-assess the need for more subdivisions at the mid-cycle update in 2016

Sensible Budget, Sensible Growth

- > Construction & Financing Agreements are not needed and not a good deal for taxpayers
- > Funding for CFAs should not be included in the budget



2014-11-23

Sensible Budget, Sensible Growth

Our Recommendations

- b) Provide sufficient funding to determine by the end of 2015 the growth capacity of existing communities
- c) Provide sufficient funding for a "Complete Communities Program" that, by the end of 2016, will allow each existing community, if it wishes, to develop its own growth management plan

Sensible Budget, Sensible Growth

- > Council's ability to accurately assess the need for more subdivisions has been hampered by a lack of information on existing communities:
 - ✓ Growth capacity
 - ✓ Steps required to complete communities
 - ✓ Readiness for re-development

Sensible Budget, Sensible Growth

- > As Pricewaterhouse Cooper's latest report demonstrates, urban lifestyles are the new normal
- > Recent population growth in Calgary's existing communities confirms this.

Sensible Budget, Sensible Growth

- > Calgary's growth challenge
 - ✓ Successfully implementing the *Framework for Growth & Change*
 - ✓ Keeping the tax implications front and center
 - ✓ Eliminating subsidies for more subdivisions
 - ✓ Confirming the growth capacity in Developed Areas, not just "gaining a better understanding"
 - ✓ Building growth management plans

Sensible Budget, Sensible Growth

Our Recommendations

- d) Do not, at this time, approve or include in the budget financing or funding for proposals that advance the timing for new subdivisions in Developing Areas

Sensible Budget, Sensible Growth

Our Recommendations

- e) In the future, evaluate each financing and funding proposal for a new subdivision in Developing Areas according to the criteria in the *Framework for Growth and Change*