

SADDLE RIDGE CELL 'D' PROGRESS UPDATE

EXECUTIVE SUMMARY

This report provides an update on the servicing and costing study to develop a framework for the comprehensive redevelopment of Saddle Ridge Cell D. The report reviews options for redevelopment based on three different storm water pond configurations and provides an initial assessment of which might be best for Cell D. The report outlines the next steps to complete the servicing and costing study and a future work program to complete the corresponding amendment to the Saddle Ridge Area Structure Plan.

ADMINISTRATION RECOMMENDATIONS

That the SPC on Planning and Urban Development recommends that Council:

1. Receive this report for information; and
2. Direct Administration to complete the servicing report and recommend a preferred storm pond option.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2014 OCTOBER 31:

That Council:

1. Receive this report for information; and
2. Direct Administration to complete the servicing report and **approve Option 3 (the regional storm pond)** as the preferred storm pond option **for Cell D**.
3. **Direct Administration to:**
 - (a) **work with Triovest to finalize Cell D's share of the regional pond and infrastructure costs;**
 - (b) **identify the implications and risks of using the Office of Land Servicing and Housing (OLSH) Land Development Reserve to cover Cell D's costs and/or identify other potential sources of funding;**
 - (c) **define a preferred mechanism to recover those costs from Cell D landowners; and**
 - (d) **report back through the Land and Asset Strategy Committee no later than 2015 January.**

Opposition to Recommendations 3(b) and 3(c):

Opposed: D. Farrell

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PREVIOUS COUNCIL DIRECTION / POLICY

Council directed Administration at a combined meeting of Council held 2013 July 22 by:

Motion arising, as amended, Moved by Alderman Stevenson, Seconded by Alderman Jones, that with respect to Report CPC2013-080, the following be adopted, as amended:

Now therefore be it resolved that the Administration be instructed to provide a report to Council through the SPC on Planning and Urban Development by the end of 2014 Q2 that would provide a conceptual plan for Cell D, including potential amendments to Map 6, Land Use Plan, of the Saddle Ridge ASP, and a preliminary engineering assessment with cost estimates for an infrastructure work program, the first step of a “two part” work program, that will provide a framework for comprehensive redevelopment of Cell D.

And further be it resolved that Phase One work program costs in the amount of \$200,000 (Class 5 estimate), be included in a proposed budget request to the Proposed Adjustments to Business Plans and Budgets Meeting in 2013 November, such funds shall be subject to recovery from the benefiting landowners

At the 2013 November 27 budget adjustment meeting Council approved use of the Land Reserve as the source of funding for this study.

At the 2014 June 11 meeting Council directed Administration to:

provide a status update on Saddle Ridge Cell D, that includes the engineering study, the outcomes of the June Public Meeting with Saddle Ridge Land Owners and a Public Engagement Plan and Planning Process Plan for Developing a Comprehensive Land Use Plan for Cell D to no later than the 2014 October Regular Meeting of SPC on Planning and Urban Development to allow for further public engagement on this item.

BACKGROUND

Saddle Ridge Cell D Area (“Cell D”) is a quarter section of land subdivided in 1914 into 32 individual lots of 4.6-4.9 ac (1.9 ha) with an internal spine road (84 Avenue). The area was annexed by The City of Calgary in 1961. Over the years, the area has been developed for single family homes and various outbuildings.

The Saddle Ridge Area Structure Plan identifies this area as a green field neighbourhood with a mix of residential uses and densities. It identifies an on-site storm pond on Lots 29 and 30, with an outfall connection to an existing trunk in 80 Avenue at Martha’s Haven Way. Redevelopment of the area is challenged by the existing subdivision pattern, small parcel sizes with varying landowner aspirations, and coordination of infrastructure development. Developing the storm water pond is especially challenging in the location currently defined, as it negates the development of two privately owned lots, and the land first needs to be acquired for storm water pond development purposes.

In 2013 Water Resources commissioned a study that confirmed a surplus portion of road right-of-way west of Métis Trail could feasibly serve as an off-site storm pond location for Cell D. The

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study provided preliminary storage volumes and pond design parameters, as well as construction costs for the pond and in-flow and outflow infrastructure under Métis Trail. The study recommended that a more detailed grading plan should be undertaken to confirm the location could serve all of Cell D.

Administration has broken the work currently directed by Council into two areas of responsibility. The Office of Land Servicing & Housing (OLSH) has led on the servicing and cost review. Local Planning & Implementation (LPI) has led the landowner engagement components to date and will be the lead on future land use planning processes and Area Structure Plan (ASP) amendments, as required.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Servicing Study was scoped to provide a detailed servicing assessment by focussing on identifying the impacts of two different storm pond locations; one within the surplus road right-of-way, the other on-site in the location identified in the Saddle Ridge ASP. The Study had the following objectives:

- Provide an overall servicing framework for Cell D and estimate of development costs for both options.
- Develop a conceptual road and utility network for both options.
- Provide an itemized estimate of development costs for both options.
- Identify a landowners' proportionate share of costs, based on the gross and net developable areas.
- Provide an overview of development challenges and opportunities, for both options.
- Share this information with the landowners in Cell D as a means to promote awareness of development obligations, and to engage them on their aspirations for their land.
- Prepare a final report summarizing these servicing and cost findings and make it available to Cell D landowners.
- Provide a servicing framework to support a land use concept review and ASP policy review.

To complete the servicing assessment and provide a reasonable cost estimate, a number of assumptions were made and documented. Some of the key assumptions were:

- Cell D would develop out as a residential neighbourhood with a variety of low and medium housing densities and supporting commercial and institutional nodes.
- Developments that have received Land Use and Outline Plan approvals would be accommodated (The Flights and Almadinah Calgary Islamic Assembly Lot 31)
- The basic collector road network in the Area Structure Plan would be followed.
- A conceptual local road network would be designed to respect current homes and provide a flexible structure of blocks that could accommodate a variety of land use types.
- For the purpose of cost estimations, the study assumed the pond volumes, pond construction costs, and connection costs to tunnel under Métis Trail, developed in the Urban Systems (2013) study.
- A "best case" cost baseline would be provided by assuming a motivated and cooperative ownership structure that shares overall costs and resulting benefits, based on one's parcel size as a proportion of the total area.

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- A land cost component would be calculated for the surplus road area in Option 1.

Over the course of undertaking the review, a third option emerged based on storm water planning being investigated by the industrial developer, Triovest, who holds lands west of Métis Trail. A “regional pond option” where storm water from both Triovest and Cell D would be collected in one larger pond provided an opportunity for development synergies and cost savings for Cell D. For the purposes of this option, the following was assumed:

- The Cell D on-site costs would be kept the same as Option 1.
- The regional storm pond construction and downstream connecting infrastructure costs would be allocated to Cell D, based on a proportionate benefit. The cost to connect Cell D to the regional pond under Métis Trail would be at the full cost of Cell D.

These three development options present both opportunities and challenges to future development. By keeping a majority of the on-site assumptions and costs the same through the three options (collector and local roads, servicing networks, municipal reserve, etc.), the analysis of the options focuses on the storm pond location, connecting storm water infrastructure, land costs, and grading implications. A comparison of these options and summary of the opportunities, challenges and cost differences presented by each are provided in Attachment 2. The design, construction and funding one of these options is an obligation of the benefiting landowners.

Option 1 (off-site pond) benefits Cell D by allowing all landowners to participate in future redevelopment and provides 7 additional acres of land for development and cost sharing. It does require the landowners to organize to secure the surplus portion of roadway at the outset. It requires greater storm trunk connection lengths and greater costs to connect to the pond and then back via tunnelling processes. The greatest impact resulting from this option is the need for significant amounts of fill to be imported to maintain higher final road and lots grades within the southern half of Cell D, to allow storm water to drain via gravity to the pond then back to Martha's Haven. Coordinating large amounts of fill importation and storing it or placing it among many landowners with different development schedules will be extremely challenging.

Option 2 (the on-site option) provides the typical storm water servicing solution where the pond is excavated on-site in a local low area near the connection to the downstream trunk. Fill excavated when the pond is created is used to set final grades across the benefiting area. It requires the least infrastructure costs. However, in a fragmented ownership situation this is a difficult option to implement. It requires one or more ownership parcels to be acquired to support the pond, which is an expensive additional cost at the outset of a project. Alternatively, complex multi-owner agreements are required upfront that quantify a value of the land contributed for the pond and pay that owner back with serviced land elsewhere. It also requires coordination amongst the owners so that large scale grading can occur at the outset in conjunction with the excavation of the pond.

Option 3 (the regional pond) is part of a current application being assessed by Water Resources. Having a pond constructed by a major developer would be a major benefit for a group of small parcel owners in Cell D. Initial designs indicate that the pond bottom and inflow elevations are dropped 2m below the elevations assumed in Option 1. This would allow the

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final design grades in Cell D to be lowered by up to 2m, and eliminate the need for a significant amount of fill and associated issues as identified above. However, this also drops the outflow elevation by 2m and prevents the ability to tie back into the Martha's Haven connection. A new outfall route is being proposed in Métis Trail right-of-way, connecting to an existing storm trunk approximately 650m south of 80 Avenue. Another option being considered is to construct the outfall in the 40 Street alignment, through the un-serviced small lot areas in Saddle Ridge Industrial. Under current development rules at The City, the Cell D owners would pay that developer back as they develop and tie into the storm pond. Triovest has identified the uncertain cost recovery period as a significant risk and concern for them. As the approval process progresses, OLSH will continue to work with Triovest to finalize regional pond and infrastructure costs attributable to Cell D and provide a full cost comparison between the three options.

Once the three options can be fully compared, a final report will be produced by OLSH for the benefit of the landowners. It will be shared directly with them and posted on-line. The report will also provide the servicing framework to support the upcoming land use review. Ultimately the final pond location, outfall trunk routes and key on-site servicing networks for storm and sanitary should be included in the amended ASP, to serve as context for more detailed engineering required in future Outline Plans.

Stakeholder Engagement, Research and Communication

To date, communication and engagement with landowners has been focussed on the needs of sharing information at key points in the servicing and costing study. This included a project initiation meeting on 2013 December 9 to advise landowners about the study, gauge their interest in development, and to hear some of the planning challenges that have been facing them to date.

An information meeting was held on 2014 June 25. This session was used to inform landowners about the land development processes and their obligations as developers. Initial findings from the servicing and cost review were presented along with identified development opportunities and challenges. As a follow up to the session, Administration posted an on-line survey to gain further understanding of individual landowner's plans for their property, and their willingness to participate in broader planning and development activities going forward. OLSH also accommodated several individual inquiries or landowner groups who wanted to work together to progress development opportunities or improve development capacities, etc. To date 20 landowners out of 29 have participated in landowner meetings, responded to the survey or met as part of a landowner group.

Key findings from the engagement activities that are relevant to the servicing study and possible implementation strategies are:

- Most landowners have expressed an interest in developing their properties, or doing so when timing is right for them. No one has indicated they oppose redevelopment or wish to remain as a country residential property.
- Most landowners indicated they would participate in upfront planning processes for their land and allow development activities on their properties (easements, roadways, storage of fill) if it contributed to their ultimate redevelopment opportunities.

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- Most landowners would like to see The City participate financially in providing the front end infrastructure needed to promote redevelopment of Cell D and coordinate repayments as smaller landowners redevelop.
- It has been a challenge for motivated landowners to build a threshold of landowners to feasibly commence planning and infrastructure investment needed to commence development.
- There is a growing constituency of Cell D landowners and developers organizing to pursue redevelopment as a larger landowner group.

Attachment 3 outlines the major communication process steps for the Area Structure Plan amendment process. A more detailed communication and engagement has also been prepared. This will focus on the following points to help ensure a successful process for involvement of the Cell D landowner group in preparing a land use concept for the Cell D lands.

Strategic Alignment

Attachment 3 also provides an overview of the anticipated planning process and timelines to review the land use concept for Cell D and prepare amendments to the relevant sections of the Saddle Ridge Area Structure Plan. Anticipated Area Structure Plan amendments will be focused on the west quarter section of Cell D area. They are anticipated to include the following broad elements:

- Revision to maps and policy information to reflect revised servicing concept.
- Assessment and inclusion of additional density and intensity capacity for Cell D area, which will reflect existing approvals in area and capacities of servicing and road infrastructure.
- Inclusion of a new land use concept map (Map 6) which will also align with Municipal Development Plan policy.
- May include phasing strategy information needed in order to ensure comprehensive development pattern in Cell D policy area.

Social, Environmental, Economic (External)

Social

Completion of this servicing study and the Area Structure Plan amendments will provide a framework for local landowners to initiate development for their projects. It will contribute a better mix of land uses and intensity and the Cell D area becoming a complete community.

Environmental

Infilling of the Cell D area will support planning objectives to reduce outward expansion by focussing redevelopment into the current footprint.

Economic

Redevelopment of Cell D with its smaller parcels helps to provide an opportunity for smaller land development and homebuilding companies.

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Financial Capacity

Current and Future Operating Budget:

The Phase 1 engineering and costing work is being funded by OLSH (Program 697 - Land Development Reserve). Up to \$200,000 was approved by Council as part of its budget adjustments on 2013 November 27. OLSH and Local Area Planning and Implementation have included non-engineering/costing work within their ongoing work programs for 2014.

Current and Future Capital Budget:

The analysis project is currently within the approved budget. There is no impact of this recommendation on future capital budgets.

Risk Assessment

Given the complexities of fragmented ownership and the number of small holdings, completion of the overall servicing framework and ASP amendment does not guarantee imminent redevelopment in Cell D. However, providing a base of common information and promoting dialogue among landowners about the servicing realities and challenges will help to set expectations and promote the need for landowner cooperation in finding solutions. The servicing framework will also help the more motivated landowners to focus on strategic opportunities that could support development in logical phases, at scales that are economic to their development programs.

The preferred option at this time appears to be Option 3, the regional pond; however, all of the technical details have not been finalized. These include: concerns over recouping oversize costs with Triovest; and alignment of a new storm trunk main from the new pond location. Administration will continue to work with Triovest and the Cell D landowners to ensure those costs and issues are known to one another and facilitate a means for the two sides to come together to pursue developer to developer discussions.

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REASONS FOR RECOMMENDATIONS:

The update on the progress of the servicing study provides Council with understanding of the major opportunities and challenges ahead for Cell D redevelopment.

All servicing costs needed to bring on development in this area are now developer obligations. However, by completing the servicing and costing study and undertaking Area Structure Plan amendments, The City does provide a framework and source of information to help all landowners better understand the overall servicing program and their obligations. It also defines a common problem for landowners to self-organize and to help them deliver the servicing solutions that are needed to promote the comprehensive redevelopment of Cell D.

ATTACHMENTS

1. Maps - Storm pond Options
2. Review of Three Storm pond Options
3. Overall Area Structure Plan Amendment Process