

## **FRAMEWORK FOR GROWTH AND CHANGE: SEQUENCING OF PRIORITY GROWTH AREAS**

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### **EXECUTIVE SUMMARY**

This report presents the sequenced lists of priority growth areas. The prioritization order was based on a Municipal Development Plan (MDP) Alignment evaluation whereas the sequenced order includes considerations of land supply (reflecting market demand) building on common infrastructure between areas and funding constraints. These lists provide one source of information for Administration's recommendations on the growth related capital projects that will be included in the 2015 – 2018 Capital Budget and the 2015 – 2024 Capital Plan.

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Planning and Urban Development recommends that Council receive this report for information.

### **RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2013 DECEMBER 04:**

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That the Administration Recommendations contained in Report PUD2013-0770 be approved.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

On 2011 July 25, Council adopted Report LPT2011-55, in which the Principles of the Framework for Growth and Change were approved and Administration was directed to draft criteria for prioritizing and sequencing land supply, land use approvals, servicing and funding.

On 2012 May 07, Council adopted Report PUD2012-08, directing Administration to use the prioritization process and criteria weightings for the initial application of the framework.

On 2012 October 15, Council adopted Report PUD2012-0690, approving the prioritization process based on the nine Council-approved criteria.

On 2013 July 29 Council adopted PUD2013-0518, directing Administration to use the proposed Land Supply strategy in order to prepare the sequenced growth management priority list for consideration of future servicing.

### **BACKGROUND**

Council approved a new Municipal Development Plan (MDP) in 2009 in which Part 5 of the MDP established the Framework for Growth and Change. To support efficient infrastructure investment, Council requires a decision framework to determine when to commence planning, financing, and servicing in order to optimize processes and timing for development in new and existing growth areas.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

The Corporate Growth Management Project was established in response to Council's request in 2010 for strategic growth management and a decision framework to determine when to

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commence planning, servicing and development of new suburban communities and/or redevelopment projects. Council influences this timing directly through decisions on infrastructure funding, which services land, as well as through planning and regulation decisions. The project team has developed the framework for consistency across location based decisions. This framework attempts to show where the highest value areas for City investment are, in the context of The City's goals. The prioritization lists, based on the MDP Alignment evaluation criteria, were presented to Council in PUD2013-0635. The areas that have been evaluated are shown in Attachment 4.

Administration has considered the financial and land supply impacts of the initial ordering to determine whether revisions were required. This has included evaluation of the land supply implications of the lists and discussion between Transportation, Water Resources and Community Services & Protective Services to ensure alignment of the infrastructure investment priorities. The Council-directed, serviced land supply requirements citywide and the Land Supply Strategy of a north-south split to address spreading out the growth areas contribute to the order of sequencing.

This evaluation led to some reordering of the MDP Alignment List for Developing Areas:

- 1) Sequencing started with the top growth areas needing minimal infrastructure investment to continue building out. Skyview Ranch remains the first priority growth area.
- 2) Redstone was advanced with Skyview Ranch due to the commonality of infrastructure. This infrastructure also allows for all of Northeast Regional policy Plan ASP:A (Cornerstone) to be completed.
- 3) Four of the next five areas remained in the same order as the MDP Alignment List. The exception was Evanston which is now ranked after Keystone at 14. The continuation of Evanston requires the same sanitary trunk as Keystone. Interim servicing has been put in place in the north-eastern part of Evanston to not stall build out but the sanitary trunk will complete the ultimate servicing for Evanston when it is completed for Keystone.
- 4) Although Keystone ranked higher than East Silverado in the MDP Alignment List, East Silverado is advanced ahead of Keystone in order to address a deficiency of land in the south and meet the north/south land supply targets.
- 5) Commonality in the required sanitary and storm infrastructure for East Silverado advances West Macleod and the already developing Silverado community together with East Silverado.
- 6) Southeast ASP Cells C and D are advanced ahead of Keystone again in order to meet a deficiency of land in the south.
- 7) The next growth area in line is Keystone and with a deficiency of land in the north it goes ahead.
- 8) The completion of Springbank Hill follows in sequencing with the rest of the growth areas remaining in the same order as the MDP Alignment List.

The Developed Areas and Industrial Areas sequenced lists are identical to the MDP Alignment lists, as no reordering was found to be necessary. For Developed Areas in particular, Administration is unaware of any area that could not proceed with redevelopment due to

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infrastructure issues. As well, there has been no reordering based on land supply considerations. The Developed Areas sequenced list will be used in part to identify the priority areas for further study to better determine infrastructure needs.

The sequenced lists of priority growth areas are presented in Attachment 1. Contextual information for the growth areas is presented in Attachment 2. Fact sheets for each area are provided in Attachment 3 to allow a deeper understanding of the characteristics and scoring of the area.

Following the intent of the MDP chapter 5 Framework for Growth and Change, a decision framework has been developed to integrate the capital budget. Administration will use the sequenced lists in Attachment 1 as one source of information for the inclusion of growth related capital projects in the 2015-2018 Capital Budget and the 2015-2024 Capital Plan.

Further reports will be presented through the Business Plan and Budget Cycle (BPBC4) process. These will include the financing options for growth related infrastructure and indicate how many of the areas can be serviced within the four year budget and 10 year capital plan.

### **Stakeholder Engagement, Research and Communication**

Although sequencing has been an internal process, Administration has held extensive and ongoing engagement with key stakeholders who are affected by growth management decisions. The involvement of stakeholders was integral to the development of the prioritization process and the evaluation of individual areas and the Land Supply strategy on which the sequenced lists are based. A summary of the recent stakeholder engagement is included in Attachment 5.

The engagement plan included the following elements:

1. Website
2. One-on-one meetings with stakeholder groups
3. Larger stakeholder forums/working sessions.

Administration is committed to maintaining the engagement with the stakeholder groups as the work proceeds through the long term sustainment of the growth management processes. Stakeholders will continue to play a significant role in the ongoing work of the Framework for Growth and Change.

### **Strategic Alignment**

The Framework for Growth and Change allows for the prioritization and sequencing of growth areas to support the implementation of the MDP. A system of prioritization allows The City to establish the sequence of City investments necessary to facilitate growth in Developed, Developing and Industrial areas. It also recognizes The City's financial capacity while optimizing processes and timing for the development and completion of communities in consideration of market demand.

The development of the criteria and metrics for the Framework for Growth and Change involved a review of key policy documents, including the MDP, Calgary Transportation Plan, Calgary

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Metropolitan Plan, and the 2020 Sustainability Direction. These policy documents define the medium and long-term vision for Calgary. They also identify the strategic interests of The City and its citizens. The Triple Bottom Line Policy and Framework were also employed to ensure that social, environmental and economic factors were addressed in the formulation of the criteria. The Framework for Growth and Change will inform corporate land use planning and policy work program content, business plan and budget decisions, and contribute to corporate and department alignment and coordination.

### **Social, Environmental, Economic (External)**

The Triple Bottom Line Policy (TBL) and Framework analysis confirmed that the criteria of the Framework for Growth and Change are aligned to social, environmental and economic (external) outcomes. The criteria allow the merits of candidate growth areas to be measured against these social, environmental and economic outcomes.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

Preparation of the 2015-18 operating budget will be based on sequenced lists of prioritized areas presented in Attachment 1. Priorities for growth-related infrastructure will provide key guidance on the operational requirements and costs to accommodate the priority growth areas, including the operating costs of the capital infrastructure required to serve the priority areas.

Alignment of the priority areas across Business Units will enable better budget alignment with the potential of opening up more areas for development sooner as all infrastructure will be identified up front and resources will be applied in a holistic manner.

Operating budget alignment and potential efficiencies achieved by prioritizing growth areas will be achieved by using the integrated Framework for Growth and Change.

#### **Current and Future Capital Budget:**

There are no impacts to the 2012-2014 capital budget. Previous land use decisions and servicing commitments are guiding the capital investments for this business plan and budget cycle. Planning for the 2015-18 capital budget will be based on sequenced lists of prioritized areas presented in Attachment 1.

The growth priorities provide key guidance on the infrastructure requirements and costs to accommodate the priority growth areas, with the Land Supply strategy indicating the timing of the needs. Capital budget and Infrastructure Investment Plans (IIPs) will utilize the Framework for Growth and Change to better align infrastructure investments across The City. Alignment of the priority areas across Business Units will enable better budget alignment, with the potential of opening up areas for development, with all infrastructure identified up front and resources applied in a holistic manner. A more efficient pattern of growth can reduce the impact of future capital costs associated with growth and increase the financial sustainability of The City.

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### **Risk Assessment**

The analysis and mitigation of risks associated with the establishment of the Framework for Growth and Change remains ongoing. Any significant risks identified will be communicated to Council.

Some of the priority areas identified require significant land purchases. The funds to purchase the required land for infrastructure right-of-way may not be available; however delays in these land purchases may also lead to increased costs for the land.

The alignment of capital and operating budgets across the business units reduces the risk of misalignment of infrastructure priorities between departments that could result in inefficient development. Having Council direction on Corporate priorities also reduces the risk of ad hoc changes to capital investment plans that reduce certainty for the development industry.

This process reduces risk by providing transparency for evaluation of growth priorities and clear priorities for infrastructure investment. The framework establishes the rationale for growth decisions so that developers understand where their lands reside in the process. In addition to providing greater certainty, this knowledge may encourage innovation.

### **REASON(S) FOR RECOMMENDATION(S):**

This report responds to Council's direction for an interim report. The lists presented in this report are based on the Council approved process.

### **ATTACHMENT(S)**

1. Sequenced Lists of Prioritized Growth Areas
2. Contextual Information for Developing, Developed and Industrial Areas
3. Prioritizing Growth Areas: Comparative Evaluation and Fact Sheet Dec 2013
4. Candidate Area Map
5. Engagement Summary