

Planning & Development Services Report to
Infrastructure and Planning Committee
2024 May 15

ISC: UNRESTRICTED
IP2024-0565

2022 Open Business Cases in the Belvedere Area Structure Plan (Ward 9)

PURPOSE

This report brings forward two business cases that remained under review following the 2022 new community business case process as a single report. These Belvedere 2022 open business cases (formerly referred to separately as Belvedere East Truman and Belvedere South Trico) are located in the Belvedere Area Structure Plan. The purpose of this report is to provide Administration's recommendation that the capital infrastructure and operating investments required to initiate development in the application area should be considered for funding in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets in 2024 November, using a criteria-based evaluation that considered Municipal Development Plan/Calgary Transportation Plan alignment, market demand and financial impact.

PREVIOUS COUNCIL DIRECTION

On 2022 July 27, Council directed Administration to undertake further consideration and to work with proponents of the proposed business case areas of Belvedere East – Truman and Belvedere South – Trico, as identified in IP2022-0545, and that recommendations be developed that enable a strategic growth opportunity in Calgary's East Sector through partnership among Truman, Trico, other partners, and The City of Calgary to build the priority ultimate 17 AV SE transit corridor (MAX Purple BRT) and satisfy regional stormwater management requirements.

On 2023 July 26, Council endorsed a redesigned approach for how The City evaluates and enables growth opportunities to ensure that new community growth happens in the right place at the right time. This process was implemented starting 2023 August 1. These two business cases were still under review at the time that the redesigned process was initiated; this report brings final recommendations forward through the Growth Application process.

RECOMMENDATION:

That the Infrastructure and Planning Committee recommend that Council direct Administration to consider the capital infrastructure and operating investments needed to enable these Belvedere 2022 open business cases alongside other potential investments in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets.

CITY MANAGER/GENERAL MANAGER COMMENTS

General Manager Tim Keane concurs with this report. The City's updated approach to evaluating growth opportunities improves on our longstanding commitment to enabling growth in the right places at the right times. This approach advances environmental sustainability, financial responsibility and, critically, a high-quality of life for Calgarians.

HIGHLIGHTS

- After review, Administration recommends that it **is** the right time for capital infrastructure and operating investments required by the 2022 open business cases to be considered in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets.
- Enabling new communities in the right places at the right time ensures that homes are built close to amenities and services, and that supply is balanced with demand to support housing affordability and choice. It is also important that new investments are

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operating efficiently and balanced with existing financial commitments and that the environmental sustainability of the city is considered.

- Development in the open business cases requires capital infrastructure investment in the current budget cycle to enable development, and further capital infrastructure investment in future budget cycles to continue supporting growth. These investments, including the Memorial Drive E overpass across Stoney Trail E, extension of MAX Purple BRT infrastructure to 84 Street SE, and regional stormwater integration, are outlined in Service and Financial Implications section of this report and Attachment 2. Additionally, there is local developer provided infrastructure that is needed to support area growth.
- In addition to servicing the 2,619 homes proposed in these business cases and in the Liberty Growth Application (IP2024-0568), the investments will benefit a supply of 7,866 homes in previously approved areas, as well as benefitting future growth of 4,515 homes in the Area Structure Plan, for a total of approximately 15,000 homes.
- The subject lands are in close proximity to amenities and services at East Hills and are favourably located with respect to transit service and access to employment areas.

DISCUSSION

Evaluation Overview

Within a citywide context of strategic and sustainable growth and change, planning and investment in new communities continues to play a role in supporting The City's long-term vision and objectives. In this context, guidance for how Growth Applications are to be evaluated against established criteria is set out in section 5.2.2 of the Municipal Development Plan and section 4.3 of the New Community Planning Guidebook. The criteria focus on evaluating to what extent these applications enable complete communities where people live close to amenities and services, align with the pace of absorption of serviced land, and work within The City's financial capacity.

The evaluation approach (Attachment 4) involves an Administrative review of a developer submission, followed by a recommendation that identifies whether or not Council should direct Administration to consider the necessary investments to initiate development in the Mid-Cycle Adjustments. If Council approves the budget with the investments included, the Growth Application is approved, and the next steps towards development can proceed.

Growth Application Evaluation

The subject sites are within the Belvedere Area Structure Plan (see map in Attachment 2), east of Stoney Trail and adjacent to 17 Avenue SE, in the East new community sector. The business cases were received in 2021 and evaluated by a cross corporate team as part of the process to bring new community growth and investment recommendations forward in 2022 (IP2022-0545).

Municipal Development Plan/Calgary Transportation Plan alignment

- Favourably located to nearby transit hub, activity centre and employment centre.
- The Belvedere Area Structure Plan is in the closest new community sector to downtown.
- Located in close proximity to transit and accelerates the 7 Avenue SE transit corridor.

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Market Demand

- The East sector currently includes two new communities at various stages of development.
- The East sector accounted for 1 per cent of total new community housing growth between 2018 and 2022. Forecasts for 2023-2027 are estimating an increase to 5 per cent of the new community market share with an average of 298 homes per year.
- The East sector has 3-4 years of approved and serviced land available and 23-31 years of approved - not yet serviced land as of April 2023. While the *2024-2028 Suburban Residential Growth Report* has not yet been released, land supply levels are likely to fall given increased citywide absorption forecasts.

Financial Impact

- Favourable when comparing anticipated property tax and franchise fee revenue with estimated incremental direct and indirect operating costs.
- Administration has taken an Area Structure Plan wide approach with all Growth Applications in terms of mobility needs, based on the results of a Global Transportation Impact Assessment (TIA) conducted for the area. As determined by the study, existing mobility infrastructure is nearing capacity, with limited travel options to bring people to and from Belvedere. The recommended investment is required for full buildout of previously approved lands, while enabling growth in new areas including the subject application.
- This Growth Application requires additional investment in unfunded capital infrastructure, while also leveraging existing and/or funded infrastructure in the area. See Attachment 2 for more information.

In summary, the Belvedere open business cases represent an opportunity to enable growth and housing opportunities that extend to the entire sector. They are considered favourable in terms of land supply, as well as proximity to nearby services and amenities. The required capital infrastructure investments benefit areas beyond the individual Growth Application including lands previously approved for development.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|---|--|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

As new communities are planned and designed, public engagement occurs at the Area Structure Plan and Outline Plan/Land Use Amendment stages. These steps inform the Growth Application review. Any member of the public is also able to speak on individual Growth Applications at both the Infrastructure and Planning Committee step and as part of the public component that is held as part of Mid-Cycle Adjustments in November.

Administration uses www.calgary.ca/growthapplication to share information about this and other Growth Applications with regards to decision points. An applicant's statement (Attachment 5) and letters of support (Attachment 7) are also provided.

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IMPLICATIONS

Social

The City supports Calgary's market housing needs through investing in a balanced supply of serviced land in new community areas. This can increase housing choice and affordability, and if well located, increase access to public and private amenities.

This Growth Application enables contiguous and well-located growth with respect to some amenities and services, such as a nearby transit hub (BRT), as well as commercial and employment centres. Future transit options may be favourable in this area due to its relatively close proximity to employment areas including the downtown. Market data indicates that this sector has on average lower real estate prices when compared to other sectors in the city, suggesting that this sector may present relative affordability benefits.

Environmental

New community growth involves greater greenhouse gas emissions relative to redevelopment of established areas (particularly with respect to mobility), increases climate risk and removes natural assets. While the Growth Application process informs the sequencing of growth to prioritize access to amenities and services and efficient use of existing infrastructure, climate resilience considerations are best considered through policy and planning approvals from Outline Plan to Development and Building Permit stages. City development standards and design guidelines can have significant carbon reduction and resilience benefits when applied universally to all development through these processes.

Due to its proximity to a BRT stop, development here will enable transit and lower carbon mobility options, however it is still in unfavourable proximity to facilities such as recreation centres and schools, suggesting that the primary mode of transportation is likely to be by vehicle. This development may present opportunities, which the developers have mentioned in their business cases, to utilize more sustainable building materials, building practices and energy efficient appliances.

Economic

The Growth Application presents an opportunity to leverage some existing and funded infrastructure. It requires capital investment that, while significant, will enable benefits beyond the proposed area. Furthermore, analysis done using the New Community Incremental Operating Cost Model demonstrates that anticipated property tax, franchisee fee and transit revenues will support anticipated operating costs.

Service and Financial Implications

Other: New operating and capital funding request

This Growth Application requires unfunded capital infrastructure investment totalling \$176M (as detailed in Attachment 2). This includes investments in mobility (Memorial Drive E flyover across Stoney Trail NE and extension of the MAX Purple BRT to 84 Street SE) and utilities (onsite stormwater infrastructure as well as financial contributions and offsite infrastructure connections to the Cooperative Stormwater Management Initiative (CSMI)). Approximately 51 per cent of mobility and 100 per cent of water infrastructure is eligible to be funded through the Off-Site Levy, with the remainder to be funded through other City funding sources (such as property

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taxes and/or utility rates). A funding source for these investments has not yet been identified, however the investments may be strong candidates for recently announced housing-related infrastructure funding programs.

Additional base tax-supported operating funding of approximately \$0.7M per year, by the final year of buildout, would be required, based on analysis done using the New Community Incremental Operating Cost Model. Should this Growth Application proceed, this additional base tax-supported operating funding will be requested by the impacted services through their Service Plans and Budgets submissions as this area builds out and services are required.

The City budgets for additional revenues from redevelopment and new development, meaning the estimate of property taxes used in the model is not implied to be additional unbudgeted tax revenue. Rather, this indicates how much property tax could be generated by the anticipated units in the Growth Application (at current tax rates).

RISK

New community growth presents several risks, such as dispersion of services and infrastructure, affordability through planned land supply, financial impacts, funding expectations and environmental impacts. These risks are discussed in further detail in Attachment 6.

ATTACHMENTS

1. Background and Previous Council Direction
2. Application Overview Belvedere 2022 open business cases
3. Overview of New Community Land Supply
4. Process for Growth Applications
5. Applicant Submission
6. Risks
7. Letters
8. Presentation

Department Circulation

General Manager	Department	Approve/Consult/Inform
T Keane	Planning and Development Services	Approve
C Male	Corporate Planning and Financial Services	Consult
M Thompson	Infrastructure Services	Consult

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