

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

**ISC: UNRESTRICTED
IP2024-0462**

Growth Application in the West View Area Structure Plan (Ward 1), GA2023-006

PURPOSE

A Growth Application has been submitted for the West View Area Structure Plan, which proposes a primarily residential development. The purpose of this report is to provide Administration's recommendation on whether the capital infrastructure and operating investments required to initiate development should be considered for funding in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets in 2024 November.

For the West View Growth Application, Administration is recommending that the required capital and operating investment not be considered in the Mid-Cycle Adjustment, due to sanitary servicing capacity not being available until the end of 2026, the need for additional work to be completed to inform unfunded capital infrastructure investments needed (Attachment 2), including a storm feasibility study, water feedermain alignment feasibility and water pump station condition assessment. Further study to support the future interchange at the Trans-Canada Highway and 133 Street NW will provide greater certainty around alignment and design for enabling infrastructure.

PREVIOUS COUNCIL DIRECTION

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 on 2023 August 1.

RECOMMENDATION:

That the Infrastructure and Planning Committee recommend that Council direct Administration:

1. To continue working with the applicant on the planning for future stages of capital infrastructure, including optimal timing of funding and delivery, to ensure the ability for continuity of growth in the West View Area Structure Plan; and
2. Not to consider the capital and operating investments needed to enable this Growth Application (GA2023-006) 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 not the right time for the capital and operating investments required by this Growth Application 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, that supply is balanced with demand to support housing affordability and choice, that new investments are operating efficiently and

Growth Application in the West View Area Structure Plan (Ward 1), GA2023-006

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

- This Growth Application would enable ±1,800 homes in the West sector; at present it is unfavourably located to existing schools and transit, however future development in the area may improve this. This growth area can contribute to a sector that has limited master planned community supply.
- This Growth Application 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 are outlined in Service and Financial Implications section of this report and Attachment 2.

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 site is located in the West View Area Structure Plan (see map in Attachment 2), within the existing community of Crestmont, in the West sector.

The application was received 2023 December 8 and evaluated by a cross corporate team according to the criteria published at www.calgary.ca/growthapplication. The evaluation is summarized in Attachment 2.

Municipal Development Plan/Calgary Transportation Plan Alignment

- Is not in favourable proximity to schools, commercial or employment centres, public facilities, and transit hubs; however, this is a comparable situation for adjacent communities such as the existing Crestmont and Valley Ridge.
- Represents a contiguous development and would add an extension to the existing community of Crestmont.

Growth Application in the West View Area Structure Plan (Ward 1), GA2023-006

Market Demand

- The overall West Sector currently includes 6 new communities at various stages of development. As of May 2023, this sector has 17 to 23 years of vacant serviced land supply. Due to landowner structure in the West Sector, serviced land does not always reflect developer readiness or market demand. 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

- The Growth Application is favourable when comparing anticipated property tax and franchise fee revenue with estimated incremental direct and indirect operating costs for the proposed Growth Application area.
- This Growth Application requires additional investment in unfunded capital infrastructure, while also leveraging existing and/or funded infrastructure in the area. See the Service and Financial Implications section of this report and Attachment 2 for more information.

Overall, Administration found that this is not the right time to recommend approval of required investments for this Growth Application due to unknowns surrounding utility requirements and the capital investments required. Ongoing work with the developer is progressing to confirm utility servicing for this growth area, but more work is needed to understand storm feasibility, water feedermain alignment, and water pump station upgrades/replacement needs. Further beneficial studies such as a functional planning study for the anticipated Trans-Canada Highway interchange will help refine projected costs and support Provincial approvals.

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) is also provided.

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.

Growth Application in the West View Area Structure Plan (Ward 1), GA2023-006

This Growth Application presents an opportunity to provide an extension to the existing Crestmont community and proposes a neighbourhood activity centre, however at present is it located unfavourably to existing or funded schools, commercial centres, transit hubs, and public facilities. These challenges may be lessened as the community builds out and connections improve.

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.

The geographic location of the Growth Application will likely result in it being vehicle dependent, increasing greenhouse gas emissions. Opportunities exist to enable housing forms that are more sustainable or take advantage of more efficient building materials and appliances.

Economic

At the appropriate time, this Growth Application will present an opportunity to enable growth that leverages existing and funded infrastructure while creating jobs and economic activity; however, this Growth Application is currently dependent on design, costing and alignment work before additional City capital investments can be considered for approval.

Service and Financial Implications

New capital funding request

This Growth Application requires unfunded capital funding investment totalling ±\$160.3M (as detailed in Attachment 2). An estimated \$108.2M is eligible to be funded through the Off-Site Levy, with the remainder, approximately \$52.1M, to be funded through other City funding sources (such as property taxes and/or utility rates). These capital investments would benefit areas beyond this individual Growth Application. This area benefits from earlier capital investments already made.

Additional base tax-supported operating funding of approximately \$1.1M per year, by the time of buildout, would be required by this Growth Application, based on analysis done using the New Community Incremental Operating Cost Model (IP2023-0981). 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 over time.

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).

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

ISC: UNRESTRICTED
IP2024-0462

Growth Application in the West View Area Structure Plan (Ward 1), GA2023-006

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 GA2023-006: West View Crestmont
3. Overview of New Community Land Supply
4. Process for Growth Applications
5. Applicant Submission
6. Risk
7. 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

Author: Grayson Rathwell, City and Regional Planning