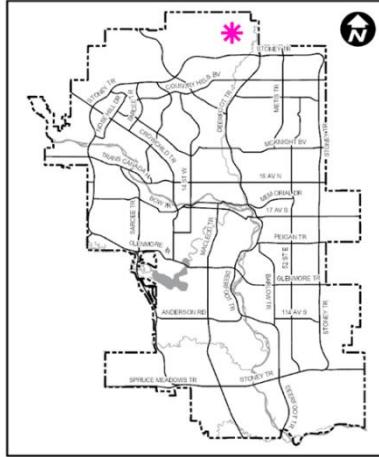


Application Overview GA2023-003: Prairiesong

This attachment summarizes information about this Growth Application and its evaluation by Administration according to defined criteria outlined at www.calgary.ca/growthapplications.



Growth Application At-a-Glance

Area Structure Plan: Keystone Hills

Community: Lewisburg (at present, but likely to change name to Prairiesong if development progresses)

Gross Developable Hectares: ±99ha

Proposed Homes: ±1449 Single/Semi homes; ±907 Multi-Residential homes

Municipal/Environmental Reserve: ±19.4ha

Anticipated First Occupancy: Q4 2026 and into 2027

Municipal Development Plan/Calgary Transportation Plan Alignment

- Within 2-5km of existing employment centre, activity centre and transit hub
- Completes the Keystone Hills Area Structure Plan

Market Demand

- The North sector has 9-12 years of serviced land and 8-11 years of approved but not yet serviced land.
- Provides supply to North sector ahead of the North Water Servicing Option project

Financial Impact

This Growth Application requires unfunded, short-term capital infrastructure investment totaling ±\$11.6M, with this entire amount being eligible to be funded through the Off-Site Levy. This Growth Application is serviced by the North Hill pressure zone and benefits from earlier capital investments already made. While not within a pressure zone directly impacted by the North Water Servicing Option (NWSO) project, a further \$378.5M investment will be required in future budget cycles to complete delivery of the NWSO which benefits the full North sector, including full build out of this Growth Application area. The NWSO is expected to be completed and operational in 2030 before there are expected impacts to the North Hill pressure zone. However, if the NWSO is significantly delayed, development restrictions in the North Hill pressure zone may be required.

Evaluation Criteria Introduction

Municipal Development Plan/Calgary Transportation Plan Alignment

Within a citywide context of strategic and sustainable growth and change, planning and investment in new communities plays 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 well established, empirical criteria as 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.

Market Demand

The Growth Application process identifies investments that strategically balance absorption with the provision of new supply. The City strives to maintain a balanced supply of land for housing in new communities, and as of 2023 May there is 10-13 years supply (for ~76,000 homes) of "approved – serviced" land. The serviced land supply is above the target of three to five years set out in section 5.2.3 of the Municipal Development Plan. Currently, there is additional "approved – not yet serviced" capacity for ~51,000 homes as of 2023 May. Significant City capital infrastructure investments will be required in upcoming budget cycles to service these lands. The criteria under Market Demand focus on the supply contribution of a Growth Application in relation to existing levels of supply in the relevant sector, and citywide.

Financial Impact

Assessing the financial impact of a new community Growth Application includes both the costs as well as revenues, and other benefits. While some infrastructure may be required initially to enable development to start, there is also additional infrastructure that will be needed as the community completes. New communities previously approved by Council that are not yet serviced still require significant City investment in infrastructure. Expansion in city infrastructure creates future financial obligations as that infrastructure will require maintenance and renewal over its lifecycle. The criteria under Financial Impact evaluate the impact on The City's financial position by analyzing the anticipated cost impacts (capital and operating) of the development proposed in the Growth Application, as well as the direct revenue impacts (property tax, franchise fees, transit).

Table 1 - Growth Application Criteria Evaluation Summary

Criteria Category	Result	Select Evaluation Criteria (full criteria available on Calgary.ca/growthapplications)	Administration Comments
Policy Alignment	Favourable	<ul style="list-style-type: none"> • Criterion 4 – Activity Centre, Main Streets, Employment Proximity • Criterion 5 – Employment Area Contribution • Criterion 7 – Transit Proximity • Criterion 8 – 5A Network Contribution 	<ul style="list-style-type: none"> • Within 2-5km of existing employment centre, activity centre and transit hub • Anticipated to provide a continuation of a proposed 5A network • Completes the Keystone Hills Area Structure Plan
Market Demand	Favourable and Unfavourable Aspects	<ul style="list-style-type: none"> • Criterion 10 – Land Use, Outline Plan, Subdivision Timing • Criterion 12 – Technical Studies Status • Criterion 13/14 – Citywide/Sectoral Land Supply 	<ul style="list-style-type: none"> • Additional study is required to confirm the delivery details for the required water infrastructure (meter chamber relocation and connection to the feedermain) and related capital investment. • Opportunities for alternative sanitary servicing arrangements may reduce capital investment needs. The City remains open to exploring alternative servicing options, which will require the developer to advance Outline Plan level grading and design to support exploration. • Requires commitments from adjacent area developers on the timing and extent of required developer-funded servicing. • Site plan concepts include consideration for land planning and connectivity to lands located within the Nose Creek Area Structure Plan, which are subject to a pending future amendment. Outline Plan, Land Use and subsequent Subdivision and infrastructure planning for the Growth Application area will need to consider dependencies with this other work. • As of May 2023, the North sector has 9-12 years of serviced land capacity and 8-11 years of approved-not yet serviced supply. This Growth Application represents an opportunity to increase supply in the north that is not initially impacted by the North Water Servicing Option project. • This sector currently has 10 new communities at varying stages of development
Financial Impact	Favourable	<ul style="list-style-type: none"> • Criterion 18 – Required Capital Investment 	<p>Capital Costs</p> <ul style="list-style-type: none"> • Capital investment is needed to both initiate and realize full buildout out of this growth area (Table 2)
	Favourable	<ul style="list-style-type: none"> • Criterion 16 – Incremental Operating Cost Assessment • Criterion 17 – Revenue Assessment 	<p>Operating Costs</p> <ul style="list-style-type: none"> • Favourable when comparing anticipated property tax and franchise fee revenue with estimated incremental direct and indirect operating costs for the proposed Growth Application area.

Table 2 - Capital Infrastructure Benefitting the Growth Application

Infrastructure	Total Estimated Cost (\$M)	Remaining Required Budget (\$M)	Funding Status	Planned in Service Date	Notes	In Off-Site Levy Bylaw (Y/N)	Maximum Levy Funding (\$M) (% OF TOTAL)	City Funded Amount (\$M)
North Water Servicing Option (NWSO)	460.0	378.5	Partially Funded	2029	Not required to commence development in the Growth Application area; however should there be significant delays in the delivery of this infrastructure, development restrictions may need to be applied. This Growth Application will benefit from this investment.	Y	102.5 (22%)	357.5
600 mm Feedermain Airdrie Meter Chamber Relocation	4.0	4.0	Unfunded	Future	Required to progress development in the Growth Application. Newly identified project. Will benefit growth in Nose Creek and Keystone ASPs. Development is dependent on both Capital infrastructure investments and completion of developer funded water networks both adjacent to and offside of the Growth Application area.	N	4.0 (100%)	-
East Keystone Sanitary Trunk	7.6	7.6	Unfunded	Future	Required to progress development in the Growth Application area. Development cannot proceed within the Growth Application area until this infrastructure is operational.	N	7.6 (100%)	-
144 Avenue NE Sanitary Trunk (East Keystone)	-	-	In Service	In Service	Completed at a cost of \$7.6M. In service.	Y	-	-
Nose Creek Sanitary Trunk Upgrades (Phase B, Contract 4)	33.5	-	Funded	2025	Not required to progress development in the Growth Application area, but growth in subject lands will contribute to this downstream upgrade that is required to service the overall sanitary trunk catchment. This Growth Application will benefit from this investment.	Y	14.3 (43%)	19.2

Infrastructure	Total Estimated Cost (\$M)	Remaining Required Budget (\$M)	Funding Status	Planned in Service Date	Notes	In Off-Site Levy Bylaw (Y/N)	Maximum Levy Funding (\$M) (% OF TOTAL)	City Funded Amount (\$M)
Inglewood Sanitary Trunk Upgrades Phase 2	33.2	-	Funded	2024	Not required to progress development in the Growth Application area, but growth in subject lands will contribute to this downstream upgrade that is required to service the overall sanitary trunk catchment. This Growth Application will benefit from this investment.	Y	6.9 (21%)	26.3
144 Avenue NE (East Keystone) Storm Trunk & Outfall	-	-	In Service	In Service	Completed at an estimated cost of \$20.3M. In service.	Y	-	-
Total Unfunded Upfront Investments	11.6	11.6					11.6	
Total	538.3	390.1					135.3	403.0

Note 1: Table 2 includes all capital infrastructure investments related to the full build out of the Growth Application. Rows shaded in blue identify unfunded investments that are needed upfront to enable development in the Growth Application. Unshaded rows identify infrastructure investments that are already funded or are required to support the full build out of the Growth Application but will be triggered and brought forward in future budget cycles. Note that all identified investments benefit areas beyond the Growth Application, including previously approved lands as well as the broader Keystone area.

Note 2: The total anticipated capital costs required to service this Growth Application reflected in this report and attachments are estimates only and are subject to change. The level of accuracy of project costs related to infrastructure delivery evolve throughout the stages of a project as design progresses, as construction methodologies are confirmed and as procurement strategies are developed. Infrastructure pricing is also influenced by availability of materials and contractors, and market demand.

Note 3: Administration has endeavoured to reflect the most current anticipated capital costs at the time of preparation of this report. As some of the infrastructure projects are still in conceptual and early planning stages, there is a high degree of variability. As costs are documented at a given point in time, they may also not align with infrastructure costs that are published in the annual Offsite Levy Report, as these two sources are developed at different timeframes.

Table 3 – Operating Cost Summary (\$000s)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Total Revenue	\$ -	\$ 156	\$ 376	\$ 848	\$ 1,068	\$ 1,255	\$ 1,475	\$ 1,694	\$ 1,994	\$ 2,212	\$ 2,421	\$ 2,623	\$ 2,722	\$ 2,759	\$ 2,765
Less: Total Operating Costs	\$ (7)	\$ (144)	\$ (209)	\$ (1,007)	\$ (1,072)	\$ (1,068)	\$ (1,107)	\$ (1,171)	\$ (1,437)	\$ (1,481)	\$ (1,516)	\$ (1,591)	\$ (1,618)	\$ (1,635)	\$ (1,652)
Net Balance	\$ (7)	\$ 12	\$ 167	\$ (159)	\$ (4)	\$ 187	\$ 367	\$ 523	\$ 557	\$ 731	\$ 905	\$ 1,031	\$ 1,104	\$ 1,124	\$ 1,113

Note 4: Total revenue reflects the anticipated City portion of property taxes, franchise fee and transit revenues to be generated by the Growth Application area only, at prevailing tax rates, and is not implied to be additional unbudgeted tax revenue. Total operating costs reflect anticipated incremental direct and indirect service level operating costs within the Growth Application area only, including Transit and Fire, and does not consider total citywide operating costs, operating costs of capital, nor costs beyond the 15-year timeframe. This analysis also does not consider that anticipated citywide growth could shift to this area from others (i.e., the growth cannot be assumed to necessarily be net new to Calgary).