

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

ISC: UNRESTRICTED
IP2024-0420

Growth Application in the Glacier Ridge Area Structure Plan (Ward 2), GA2023-005

PURPOSE

A Growth Application has been submitted within Community D (Moraine) of the Glacier Ridge Area Structure Plan, which proposes $\pm 1,500$ homes and ± 900 m² of commercial space. The purpose of this report is to provide Administration's recommendation on whether the capital and operating investments 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. The recommendation is based on a criteria-based evaluation that considered Municipal Development Plan/Calgary Transportation Plan alignment, market demand and financial impact.

Administration is recommending that the capital and operating investments required for this Growth Application not be considered in the Mid-Cycle Adjustments. Funding is already allocated to progress design and initial stages of the required North Water Servicing Option (NWSO). Design of the NWSO is underway and needs to be completed to inform more refined cost estimates and construction schedules. When sufficient design and cost estimate information is available, Administration can request the necessary budget to enable maximum flexibility for construction procurement in an effort to expedite delivery timing. Presently there is sufficient serviced land supply available in this sector to accommodate development while this preparatory work continues.

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 starting 2023 August 1.

RECOMMENDATION(S):

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 of continuity of growth in the Glacier Ridge Area Structure Plan; and
2. Not to consider the capital infrastructure and operating investments needed to enable this Growth Application (GA2023-005) in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The Chief Administrative Officer/General Manager concurs with this report.

HIGHLIGHTS

- After review, Administration recommends that it is **not** the right time for the capital infrastructure and operating investments required by this Growth Application to be considered in the Mid-Cycle Adjustment to the 2023-2026 Service Plans and Budgets.

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- 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 balanced with existing financial commitments, and that the environmental sustainability of the city is considered.
- This Growth Application is dependent on capital infrastructure investment in the current budget cycle, and further capital infrastructure investment in future budget cycles to initiate development. These investments are outlined in Service and Financial Implications section of this report and Attachment 2.
- Enabling growth in this area would complement and continue development of the community of Moraine, northward from the Ambleton neighbourhood alongside.
- This Growth Application is **not** considered feasible at this time as it is not immediately serviceable by existing water infrastructure capacity. Servicing of any new additional land in the broader North Sector is dependent on the detailed design, full funding, and construction of the North Water Servicing Option. Approval of this growth area would be premature until detailed design, full funding and procurement has progressed further to provide more certainty on the timing of availability of infrastructure capacity.

DISCUSSION

Evaluation Overview

Within a context of strategic and sustainable growth and change, 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 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 (see map in Attachment 2) is in the North Sector of Calgary. The application was received 2023 December 5 and evaluated by a cross corporate team according to the criteria published at www.calgary.ca/growthapplication.

Municipal Development Plan/Calgary Transportation Plan Alignment

- Favourably located in relation to services, amenities, and facilities including activity centres, employment areas, public schools, recreation facilities, libraries, and transit.
- Contiguous with existing development and, aside from some outstanding small parcels, would complete Community D (Moraine) in the Glacier Ridge Area Structure Plan.

Market Demand

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- The North Sector currently includes 10 new communities at various stages of development.
- As of 2023 May, the North Sector has 9 to 12 years of approved and serviced land capacity plus an additional 8 to 11 years of approved but not yet serviced land. This amount of supply allows for development to proceed while the water infrastructure design and delivery proceeds. 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 impact 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.

Enabling development beyond lands previously approved requires the completion of the North Water Service Option (NWSO), which is currently under design. The NWSO remains a high priority for Administration as it will provide additional water infrastructure capacity to enable the full build out of previously approved lands, and support additional new growth beyond 2030. Growth Applications dependent on NWSO should only be considered once the design work is completed, the infrastructure is fully funded and there is certainty on the timing of infrastructure capacity availability. In the meantime, previously approved communities in the sector remain well positioned to accommodate growth.

Administration will proactively engage with the applicant, and other landowners and developers in the catchment area, to keep them informed about NWSO progress in order to ensure development can be timed with delivery.

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.

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IMPLICATIONS

Social

The City supports 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.

Once servicing capacity is enabled, this Growth Application will present an opportunity for growth that is contiguous and well-located with respect to amenities and services (including the Shops at Carrington Green, Evanston Town Centre, Our Lady of Grace School, the Livingston Community Centre, the Sage Hill Library and the Sage Hill Primary Transit Hub).

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.

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, for this application to move forward, the detailed design and full funding of the North Water Servicing Option are first required.

Service and Financial Implications

Other: New Capital funding request; New Operating funding request

This Growth Application requires ±\$379M in unfunded capital infrastructure investment (Attachment 2). Approximately ±\$103M is eligible to be funded through the Off-Site Levy, with the remainder to be funded through other City funding sources. 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 ±\$0.9M per year 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).

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RISK

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

ATTACHMENT(S)

1. Background and Previous Council Direction
2. Application Overview GA2023-005: Glacier Ridge Community D
3. Overview of New Community Land Supply
4. Process for Growth Applications
5. Applicant Submission
6. Risks
7. Presentation

Department Circulation

General Manager/Director	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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