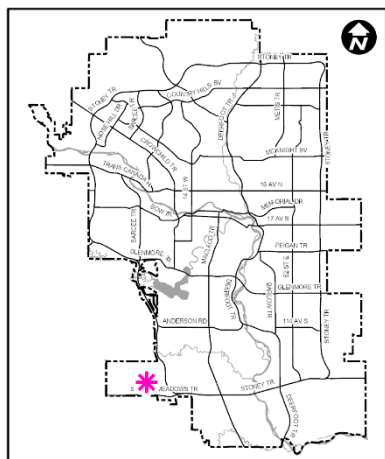


Application Overview GA2023-001: Providence

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



Growth Application At-a-Glance

Area Structure Plan: Providence

Community: Providence ASP Community A and B

Gross Developable Hectares: 445

Proposed Homes: 6,970 Single/Semi homes; 2,620 Multi-Residential homes

Municipal Development Plan/Calgary Transportation Plan Alignment

- Contiguous with existing development while completing Community A of the Area Structure Plan, and initiating incomplete development of Community B.
- Favourably located in relation to activity centres, employment areas, public schools, and recreation facilities. It is marginally unfavourably located in relation to existing libraries and transit.

Market Demand

- The South Sector has 7 to 10 years of serviced land and 7 to 10 years of approved but not yet serviced land across eight new communities. This will allow for a number of years of development to proceed before additional investments are required, which helps balance levy revenues and expenditures.
- Funded investments (\$24M completed, \$39M under construction) are increasing serviced land capacity from 900 (current) to 5,000 homes. This should enable short and medium-term growth.

Financial Impact

- ±\$96M in new capital infrastructure investment is required up front and an additional ±\$415M for full build-out, totalling ±\$511M. Approximately ±\$405M eligible to be funded by Off-Site Levies.

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 and Unfavourable Aspects	<ul style="list-style-type: none"> • Criterion 1 – Contiguous Area • Criterion 3 – Completing Community • Criterion 4 – Activity Centre, Main Streets, Employment Proximity • Criterion 6 – Civic Facility Proximity • Criterion 7 – Transit Proximity 	<ul style="list-style-type: none"> • Contiguous with existing development. • Provides completion of Community A of the Providence Area Structure Plan, while initiating incomplete development of Community B. • Favourably located in relation to activity centres, employment areas, public schools, and recreation facilities. It is marginally unfavourably located in relation to existing libraries and transit.
Market Demand	Unfavourable	<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"> • The vast majority of the Growth Application area is not the subject of an under review or approved Outline Plan. Developers have indicated that Outline Plans may be submitted in the short term. They also anticipate subdivision for 2025-2026, pending Growth Application decision. • As of May 2023, the South sector has 7 to 10 years of approved and serviced land; and an additional 7 to 10 years of approved but not yet serviced land. Funded investments (\$24M completed, and \$39M under construction in the current budget) are increasing capacity from 900 (current) to 5,000 homes.
Financial Impact	Unfavourable	<ul style="list-style-type: none"> • Criterion 18 – Required Capital Investment 	<p>Capital Costs (Table 2)</p> <ul style="list-style-type: none"> • Upfront infrastructure is triggered for stormwater and sanitary to enable development within the Growth Application area. Should a capital sized sanitary servicing solution be needed, The City will plan to initiate design in 2025. Additional water infrastructure will be triggered as development progresses and when population triggers of 20,000 and 40,000 in the catchment area are met. Depending on the pace of development and exact densities, the 20,000 population trigger may be reached by already approved lands or by the Growth Application area. The 40,000 population trigger may be reached at latter stages of the Growth Application area. • A Global Transportation Impact Assessment is required to identify mobility infrastructure triggers and phasing, specifically for the 53 St SW interchange.
	Favourable	<ul style="list-style-type: none"> • Criterion 16 – Incremental Operating Cost Assessment • Criterion 17 – Revenue Assessment 	<p>Operating Costs (Table 3)</p> <ul style="list-style-type: none"> • Base tax-supported operating funding is required by this Growth Application • Property tax and franchise fee revenue is anticipated to cover these costs.

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)
Providence Storm Trunk Stage 2	13.8	-	Funded	2024	N/A	Y	13.8 (100%)	-
Providence Storm Trunk Stage 3 & 4	20.0	20.0	Unfunded	Future	Required to progress development in the Growth Application area.	N	20.0 (100%)	-
Starlight PZ Pump Station Phase 1 & 2 (154th Avenue)	-	-	In Service	In Service	Completed at a cost of \$19.9M. In service.	Y	-	-
Starlight PZ Pump Station Phase 3 - Permanent Pump Station STN052, located at the Starlight Dual Zone Pump Station	21.6	-	Funded	2025	N/A	Y	21.6 (100%)	-
Starlight Feedermain Phase 1 (154th Ave, 800 m)	3.8	-	Funded	2024	Delivery underway via Construction Agreement.	Y	3.8 (100%)	-
Westview Reservoir Land Purchase	1.8	-	Funded	2024	Required when total population in Starlight Pressure Zone reaches 20,000 (see Note 5). Conceptual design has progressed in 2023-2024 to support planned land acquisition this budget cycle.	Y	1.8 (100%)	-
Westview Reservoir	35.6	35.6	Unfunded	Future	Required when total population within the Starlight PZ reaches 20,000 (see Note 5).	N	35.6 (100%)	-

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)
Starlight Pump Station STN049 located at the Westview Reservoir Site	31.8	31.8	Unfunded	Future	Required when total population within the starlight reservoir reaches 20,000 (see Note 5). Align with delivery of the Westview Reservoir.	N	31.8 (100%)	-
Westview Feedermain (TUC)	39.5	39.5	Unfunded	Future	Required when total population within the starlight reservoir reaches 20,000 (see Note 5). Align with delivery of the Westview Reservoir.	N	39.5 (100%)	-
Westview Feedermain (162nd Avenue)	9.5	9.5	Unfunded	Future	Required when total population within the starlight reservoir reaches 20,000 (see Note 5). Align with delivery of the Westview Reservoir.	N	9.5 (100%)	-
Westview Pump Station STN056, located at the Starlight Dual Zone PS	1.2	1.2	Unfunded	Future	Required when total population within the starlight reservoir reaches 20,000 (see Note 5). Align with delivery of the Westview Reservoir.	N	1.2 (100%)	-
Starlight Feedermain Phase 2 (37th Street to 53rd Street)	24.9	24.9	Unfunded	Future	Required when total population within the Starlight PZ reaches 40,000 (see Note 5). Align with the delivery of the Starlight Reservoir.	N	24.9 (100%)	-
Starlight Feedermain (Future Phases)	62.3	62.3	Unfunded	Future	Required when total population within the Starlight PZ reaches 40,000 (see Note 5). Align with the delivery of the Starlight Reservoir.	N	62.3 (100%)	-

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)
Starlight Reservoir Land Purchase	2.0	2.0	Unfunded	Future	Required when total population within the Starlight PZ reaches 40,000 (see Note 5). The City is advancing exploratory work to identify locations for the future Starlight Reservoir, which will likely require land acquisition outside of the Municipal boundary and coordination with regional partners. Planning for ultimate Capital water infrastructure to support the Growth Application build out will be dependent upon the location and success of land acquisition.	N	2.0 (100%)	-
Starlight Reservoir	30.0	30.0	Unfunded	Future	Required when total population within the Starlight PZ reaches 40,000. Planning for ultimate Capital water infrastructure to support the Growth Application build out will be dependent upon the location and success of land acquisition.	N	30.0 (100%)	-
West Pine Creek Sanitary Trunk Phase 3	46.2	46.2	Unfunded	Future	Required to progress development in the Growth Application area. Development cannot proceed within the Growth Application area until this infrastructure is operational. The City continues to work with the applicant to explore opportunities for a developer funded servicing solution. Should a capital sized pipe be confirmed, design will be undertaken in 2024-2026 to refine the capital investment required.	N	46.2 (100%)	-
Providence Sanitary Trunks	30.2	30.2	Unfunded	Future	Required to progress development in the Growth Application area. Development cannot proceed within the Growth Application area until this infrastructure is operational. The City continues to work with the applicant to explore opportunities for a developer funded servicing solution. Should a capital sized pipe be confirmed, design will be undertaken in 2024-2026 to refine the capital investment required.	N	30.2 (100%)	-

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)
Highway 22X/53 Street S.W. Interchange	66.0	66.0	Unfunded	2027+	Required for build out of the Growth Application area. A global TIA could be undertaken by the Applicant to determine a specific trigger for the interchange.	Y	33.6 (51%)	32.4
162 Avenue S.W. BRT from Shawnessy to S.W. Ring Road	65.0	65.0	Unfunded	2027+	This project completes the BRT on 162 Ave to connect to the LRT and is likely required to support the full development. A global TIA could be undertaken by the Applicant to determine a specific trigger for the BRT.	Y	13.9 (21%)	51.1
162 Avenue S.W. BRT from S.W. Ring Road to west side of Providence	47.0	47.0	Unfunded	2027+	Required for build out of the Growth Application area. A global TIA could be undertaken by the Applicant to determine a specific trigger for the BRT.	Y	23.9 (51%)	23.1
Total Unfunded Upfront Investments	96.4	96.4					96.4	-
Total	552.2	511.2					445.6	106.6

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 Providence 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	\$ 503	\$ 754	\$ 1,131	\$ 4,255	\$ 6,569	\$ 11,060	\$ 14,867	\$ 17,937	\$ 20,520	\$ 22,148	\$ 26,974	\$ 27,449	\$ 27,950	\$ 28,348	\$ 28,780
Less: Total Operating Costs	\$ (39)	\$ (74)	\$ (108)	\$ (356)	\$ (771)	\$ (3,172)	\$ (3,892)	\$ (5,049)	\$ (5,722)	\$ (6,163)	\$ (15,966)	\$ (16,105)	\$ (16,153)	\$ (16,305)	\$ (16,432)
Net Balance	\$ 463	\$ 680	\$ 1,023	\$ 3,899	\$ 5,799	\$ 7,888	\$ 10,976	\$ 12,888	\$ 14,798	\$ 15,984	\$ 11,008	\$ 11,343	11,797	12,042	12,348

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).

Note 5: Within the Providence Growth Application specifically, there remains a degree of uncertainty from the Applicant on housing, population, and land development numbers. While this uncertainty is not sufficient to have impacted the operating cost evaluation or upfront capital infrastructure investment needs, this uncertainty may lengthen timing to comprehensively complete engineering analysis (including alignment and design) for near-term and longer-range capital infrastructure investments. Collaborative work with the applicant to refine housing, population and land development numbers is ongoing.