

January 29, 2025

The City of Calgary
P.O. Box 2100, Station M
Calgary, AB T2P 2M5

Attention: Sonya Sharp, Chair, Infrastructure and Planning Committee

Dear Members of the Infrastructure and Planning Committee,

Re: Item 7.2 Growth Applications Lessons Learned, IP2025-0055

On behalf of BILD Calgary Region, we extend our gratitude for the opportunity to engage with The City of Calgary on the critical issue of planning for growth and infrastructure. As The City reflects on lessons learned from the growth application process, we would like to share key industry perspectives and recommendations to further support Calgary's growth and economic vitality.

Our goal is to ensure that Calgary's city-wide growth framework provides certainty, facilitates effective execution, and aligns with both market demands and long-term planning objectives. We recognize and appreciate Administration's ongoing efforts to improve this essential mechanism for evaluating new community growth opportunities and thank The City for its commitment to engaging with stakeholders to refine and enhance the process.

While not the intended focus of this letter, BILD's industry members have noted several references to "... the Costs of Growth ...," in IP2025-0055, Attachment 2." The recently concluded and rigorously developed Off-Site Levy Bylaw and previous Off-site Levy Bylaws were designed specifically to ensure that growth pays for its share of growth. Additionally, the operating cost model, which evaluates the incremental operating costs associated with city-wide growth, has been thoroughly discussed, reviewed, and presented to Council within the broader context of growth funding growth. This model has been endorsed by Council.

Some may assert short-term operating deficits occur when new communities are initiated; however, it is important to recognize that while new communities may operate at a modest deficit in their early years, newer communities, with latest technology in infrastructure materials are installed to specifications determined solely by The City and rigorously tested prior to acceptance by The City. The newer, latest technology and modern standard infrastructure should operate at lower-than-average operating costs, serving to balance the overall financial picture. Furthermore, while The City's analysis of incremental operating costs often highlights early-year deficits for new communities, this calculation does not fully account for the incremental property tax and other revenue generated when land transitions from farmland to developed land, even before services are provided. As such, we firmly believe that not only does growth pay for its share of growth, but it also likely contributes to a surplus that benefits all Calgarians.

As Calgary continues to grow and evolve, it is vital that the Growth Application process enables strategic, transparent, and adaptable decision-making. We commend The City for identifying opportunities for improvement and offer the following additional industry insights to align the process more closely with market needs and Calgary's long-term planning objectives.

1. Certainty in Planning for Growth

A key priority for industry is achieving greater certainty in the planning and infrastructure delivery process. Currently, The City's planning cycle provides limited clarity beyond the immediate four-year period, particularly for 2024-2025, leaving uncertainty regarding infrastructure delivery in years five, six, and beyond.

To address this, we recommend that each City department responsible for growth-related infrastructure prepare a **rolling 10-year city-wide Capital Infrastructure Plan**, updated annually, to affirm the actual operational performance of infrastructure against modelled performance assumptions and provide transparency on when infrastructure support is anticipated to accommodate both growth applications and redevelopment. Such a framework would allow industry stakeholders to understand that decisions to defer approvals do not equate to a rejection but rather a timeline for when infrastructure and growth support will be available.

Additionally, if an area is deemed to not require any capital funding, The City should approve these applications immediately to provide the certainty needed for industry to continue investing in the planning process. The City should not restrict or delay the approval of growth applications based on operating costs. As noted elsewhere in this letter, Council has already approved the operating cost model. Given the lower-than-average per-unit incremental operating costs for new infrastructure, combined with the accretive property tax and other municipal revenues, there is a net benefit to The City.

Furthermore, several additional steps, such as the execution of a Development Agreement, must take place well before The City incurs any significant incremental operating costs. This provides sufficient time for both the incremental operating costs and the associated accretive property tax and other municipal revenues to be forecast and incorporated into future service plan updates and business cycles.

2. Execution of Growth Infrastructure

Certainty must be matched by effective execution. Timely delivery of infrastructure is essential to align with market demand and approved growth applications. To enhance execution, we propose the following actions:

- **Capacity and Servicing Studies:** The City should conduct and maintain robust studies evaluating existing capacity across all service lines and infrastructure critical to growth. This includes maintaining servicing studies for current and future ASP/growth areas to ensure efficiency in system design and construction. These studies should be publicly accessible to provide transparency and support informed decision-making by stakeholders.
- **Advance Planning and Design:** Proactive planning and design are critical to ensuring that infrastructure can be constructed promptly once approved and budgeted. This requires:

- Developing a comprehensive list of planned infrastructure projects.
- Initiating advance design timelines that align with expected infrastructure needs.
- Tracking and communicating the limitations of advance designs where further developer input, such as Outline Plans and Land Use applications, is required.

This proactive approach will reduce delays and allow for seamless integration of infrastructure with new community development, ensuring The City is planning for growth rather than reacting to it.

Conclusion

These elements form the backbone of an improved New Community Growth process, independent of intake timelines or evaluation criteria. By aligning with lessons learned and enhancing transparency, planning, and execution, we respectfully request that The City adopt these processes moving forward.

We remain committed to working collaboratively with The City of Calgary to address growth challenges and build a sustainable and vibrant Calgary for future generations.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian R. Hahn", with a stylized flourish extending to the right.

Brian R. Hahn
CEO, BILD Calgary Region