

**Planning & Development Services Report to
Infrastructure and Planning Committee
2025 June 04**

**ISC: UNRESTRICTED
IP2025-0535**

Changing Approval Timelines for Operating Cost Only Growth Applications

PURPOSE

This report recommends a reconsideration regarding the new community Growth Application decision-making process that would provide the ability for Council to consider approving, at any time, Growth Applications that initially trigger only operating investments. The report also recommends that, if approved, this change be used to reconsider and then approve the five, plus one partial, operating cost only Growth Applications that were previously directed to be considered in the 2025 November Adjustments to the 2023-2026 Service Plans and Budgets.

PREVIOUS COUNCIL DIRECTION

In 2022 September, when establishing the Growth Application process (C2022-1057 and IP2023-0559) Council directed Administration to “bring any operating or capital cost requirements that emerge as a result of business case or ASP approvals to the annual budget planning cycle of Council”. See Attachment 1 for further details.

On 2025 March 18 and 2025 April 29, Council directed Administration to consider for prioritization in the 2025 November Adjustments the 2026 operating investments, if any, needed to enable five Growth Applications (IP2025-0195, IP2025-0196, IP2025-0197, IP2025-0198, IP2025-0335) and one partial Growth Application (IP2025-0334) that only required operating investment to initiate development. See Attachment 2 for a location map of these applications.

RECOMMENDATION(S):

That the Infrastructure and Planning Committee recommend that Council:

1. Reconsider its decision with respect to Recommendation 6 in Report C2022-1057 from the 2022 September 20 Strategic Meeting of Council: “Bring any operating or capital cost requirements that emerge as a result of business case or ASP approvals to the annual budget planning cycle of Council”;
2. File Recommendation 6 contained in Report C2022-1057 and replace with a new Recommendation 6, as follows: “Direct Administration to consider Growth Applications for approval at any time when no new capital investments in mobility, emergency services or utilities are required to initiate development, with the understanding that Growth Applications that require capital to initiate new development must be brought to the annual budget planning cycle of Council, and the understanding that significant future operating and capital investments will be required and will need to be approved as part of future budget cycles”;
3. Subject to the approval of Report Recommendations 1 and 2 by Council:
 - a. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0195 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2024-004) in the prioritization of investments for the 2025 November Adjustments";

**Planning & Development Services Report to
Infrastructure and Planning Committee
2025 June 04**

**ISC: UNRESTRICTED
IP2025-0535**

Changing Approval Timelines for Operating Cost Only Growth Applications

- b. File Recommendation 1 contained in Report IP2025-0195 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-004)";
 - c. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0196 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments needed to enable this Growth Application (GA2024-005) in the prioritization of investments for the 2025 November Adjustments";
 - d. File Recommendation 1 contained in Report IP2025-0196 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-005)";
 - e. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0197 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2023-005) in the prioritization of investments for the 2025 November Adjustments";
 - f. File Recommendation 1 contained in Report IP2025-0197 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2023-005)";
 - g. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0198 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments needed to enable this Growth Application (GA2024-006) in the prioritization of investments for the 2025 November Adjustments";
 - h. File Recommendation 1 contained in Report IP2025-0198 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-006)";
 - i. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0334 from the 2025 April 29 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable the East portion (Attachment 2, Map 2) of this Growth Application (GA2024-008) in the prioritization of investments for the 2025 November Adjustments";
 - j. File Recommendation 1 contained in Report IP2025-0334 and replace with a new Recommendation 1, as follows: "Approve the East portion (Attachment 2, Map 2) of Growth Application (GA2024-008)";
 - k. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0335 from the 2025 April 29 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2024-007) in the prioritization of investments for the 2025 November Adjustments";
 - l. File Recommendation 1 contained in Report IP2025-0335 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-007)";
4. Subject to the approval of Report Recommendation 3, approve an ongoing tax-supported budget increase of \$140,000 for Calgary Transit beginning in 2026.

Changing Approval Timelines for Operating Cost Only Growth Applications

RECOMMENDATION OF THE INFRASTRUCTURE AND PLANNING COMMITTEE, 2025 JUNE 4:

That Council:

1. Reconsider its decision with respect to Recommendation 6 in Report C2022-1057 from the 2022 September 20 Strategic Meeting of Council: "Bring any operating or capital cost requirements that emerge as a result of business case or ASP approvals to the annual budget planning cycle of Council";
2. File Recommendation 6 contained in Report C2022-1057 and replace with a new Recommendation 6, as follows: "Direct Administration to consider Growth Applications for approval at any time when no new capital investments in mobility, emergency services or utilities are required to initiate development, with the understanding that Growth Applications that require capital to initiate new development must be brought to the annual budget planning cycle of Council, and the understanding that significant future operating and capital investments will be required and will need to be approved as part of future budget cycles";
3. Subject to the approval of Report Recommendations 1 and 2 by Council:
 - a. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0195 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2024-004) in the prioritization of investments for the 2025 November Adjustments";
 - b. File Recommendation 1 contained in Report IP2025-0195 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-004)";
 - c. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0196 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments needed to enable this Growth Application (GA2024-005) in the prioritization of investments for the 2025 November Adjustments";
 - d. File Recommendation 1 contained in Report IP2025-0196 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-005)";
 - e. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0197 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2023-005) in the prioritization of investments for the 2025 November Adjustments";
 - f. File Recommendation 1 contained in Report IP2025-0197 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2023-005)";
 - g. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0198 from the 2025 March 18 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments needed to enable this Growth Application (GA2024-006) in the prioritization of investments for the 2025 November Adjustments";

**Planning & Development Services Report to
Infrastructure and Planning Committee
2025 June 04**

**ISC: UNRESTRICTED
IP2025-0535**

Changing Approval Timelines for Operating Cost Only Growth Applications

- h. File Recommendation 1 contained in Report IP2025-0198 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-006)";
 - i. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0334 from the 2025 April 29 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable the East portion (Attachment 2, Map 2) of this Growth Application (GA2024-008) in the prioritization of investments for the 2025 November Adjustments";
 - j. File Recommendation 1 contained in Report IP2025-0334 and replace with a new Recommendation 1, as follows: "Approve the East portion (Attachment 2, Map 2) of Growth Application (GA2024-008)";
 - k. Reconsider its decision with respect to Recommendation 1 in Report IP2025-0335 from the 2025 April 29 Regular Meeting of Council: "Direct Administration to consider the 2026 operating investments, if any, needed to enable this Growth Application (GA2024-007) in the prioritization of investments for the 2025 November Adjustments"; and
 - l. File Recommendation 1 contained in Report IP2025-0335 and replace with a new Recommendation 1, as follows: "Approve Growth Application (GA2024-007)"; and
4. Subject to the approval of Report Recommendation 3, approve an ongoing tax-supported budget increase of \$140,000 for Calgary Transit beginning in 2026.

Excerpt from the Minutes of the 2025 June 4 Regular Meeting of the Infrastructure and Planning Committee:

"A Public Submission was distributed with respect to Report IP2025-0535."

GENERAL MANAGER COMMENTS

General Manager Debra Hamilton concurs with the recommendations of this report. The recommendations will help accelerate housing supply by allowing the approval of operating cost only Growth Applications anytime, leveraging previous investments and being responsive to development timelines.

HIGHLIGHTS

- Growth Applications are how The City decides on funding the investments needed to enable new community growth.
- Introducing the ability to approve operating cost only Growth Applications anytime throughout the year ensures The City is accelerating housing supply and being responsive to development timelines. A Council reconsideration of previous direction is required to enable this change.
- Operating cost only Growth Applications leverage previous capital investments and are lower risk opportunities to increase new community housing supply in the near term. They do not trigger capital investments necessary to initiate growth. However, growth applications may have significant future operating and capital investments as a community develops and services are provided to future residents.

**Planning & Development Services Report to
Infrastructure and Planning Committee
2025 June 04**

**ISC: UNRESTRICTED
IP2025-0535**

Changing Approval Timelines for Operating Cost Only Growth Applications

- Currently all Growth Applications are approved through the annual budget process as outlined in IP2023-0559 and Council Policy (CFO004). This is intended to ensure that budgetary decisions are made with the full context of The City's financial capacity and investment priorities. However, exceptions have been made when priorities, such as housing, are paramount or the risk is manageable.
- This change is both a budget process and Growth Application process exception. The benefits of expedited housing timelines and process streamlining for this type of application was determined to outweigh the risks.
- Administration is recommending that this change be applied to the five, plus one partial, operating cost only Growth Applications that have come before Council in 2025. All of these Growth Applications were positively reviewed by Administration using the Growth Application criteria. If endorsed, the tax-supported operating base costs of \$140K for these six Growth Applications will be approved for use in 2026, and future operating and capital needs will be brought forward for inclusion in future budget cycles.

DISCUSSION

The new community Growth Application evaluation process (see background in Attachment 1) was designed around the principle that while the growth merits of individual applications can be considered at any point in the year, the financial capacity for enabling those opportunities should be considered only through the annual Service Plans and Budgets process. As such, the final decision on a Growth Application could only be made in November of any given year.

In approving a Growth Application, Council commits The City to the operating and capital costs required to initiate growth in the community, as well as the long term costs of completing the community with the full range of services, such as libraries and parks. Initial operating costs of new community growth are generally offset by revenues. However, if The City does not match increased spending with population growth and inflation then the cost and revenues become unbalanced. Lower service levels in existing and new communities may result.

Capital and Operating Costs in the Growth Application Review

Administration reviews Growth Applications to determine whether any new City mobility, utilities (water, sanitary and storm) or emergency services capital investment is required to initiate the development. If none is required, the Growth Application can be "operating cost only".

Since 2018, the New Community Incremental Operating Cost Model (IP2023-1253) has been used to estimate incremental operating costs and revenue generated over the first 15 years of new community development. The model only includes tax-supported services as this covers most direct incremental operating expenditures that result from new community growth. Lifecycle and maintenance of capital assets, as well as citywide growth costs, are not included.

In practice, operating costs are first incurred typically one to two years following Growth Application approval, when City maintenance of developer-constructed infrastructure begins. Transit, police, and other services follow, based on projected new service demands, new residential growth or needed expansion of existing services. It is imperative that Administration and Council understand the long-term operating and capital cost commitment being made. To do this, reporting includes analysis and disclosure of anticipated future operating costs at full community build out and to identify future capital investments required to enable full development of the community. This information is provided in part through reports on individual

Changing Approval Timelines for Operating Cost Only Growth Applications

Growth Applications as well as through the budget process. The shift recommended in this report does not change the rigor necessary to make strategic Growth Application decisions; it expands the ability to make these decisions throughout the year.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

Administration maintains a New Community Working Group which provides feedback on the Growth Application process. This issue was discussed as part of the Growth Applications Lessons Learned report (IP2025-0055). This topic was also raised through engagement associated with the Calgary Plan.

Industry members are strongly in favour of making decisions on operating cost only Growth Applications at any time. BILD Calgary Region has identified this as an issue of concern in public comments ahead of Growth Application reports at Infrastructure and Planning Committee on 2025 February 27 and 2025 April 2.

IMPLICATIONS

Social

The Growth Application process is key to the delivery of market housing supply in new communities, which is aligned with Outcome 1 of The City's Housing Strategy goal of enabling greater market housing supply. Strategically enabling growth in the right places at the right times, while identifying and funding the services that Calgarians in new communities rely on, also supports City objectives around equity in service delivery.

Environmental

Growth Applications prioritize favourable access to existing amenities and services, including transit, which can help to enable growth that is less carbon intensive.

Economic

Reviewing and approving Growth Applications leads to private development, which brings economic benefit to The City and the broader economy. The changes contemplated in this report are seen as helping accelerate the delivery of housing, reducing costs related to timeliness and increasing certainty of outcomes.

Service and Financial Implications

New operating funding request

Tax-funded base operating budget of \$140K will be required in 2026 for transit, along with further operating and capital investments beyond 2026 to enable the six operating cost only Growth Applications. Future estimated investment requirements for these six Growth Applications (including benefit to larger catchment areas) include, at full build out:

Planning & Development Services Report to
Infrastructure and Planning Committee
2025 June 04

ISC: UNRESTRICTED
IP2025-0535

Changing Approval Timelines for Operating Cost Only Growth Applications

- \$3M annually for base tax-supported operating investments for City services;
- \$609M of capital investment (\$189M tax-funded, \$109M off-site levies funded, \$311M utilities-funded to be repaid through off-site levies and/or user fees).

Operating costs reflect the estimated incremental direct and indirect service level operating costs within the Growth Application area only, including transit and fire, and do not consider total citywide operating costs and operating costs of capital (lifecycle and maintenance). Investment recommendations will be brought forward in future year Service Plans and Budgets as these communities develop.

RISK

1. **Reputation risk:** Not allowing for Council decisions on an operating cost only Growth Applications at any time timing risks slowing housing development and increases the perception that The City is delaying approvals.
2. **Unfunded future capital and operating expenses:** Approval of Growth Applications triggers future financial liabilities to fund City services. While the commitment is initially small, it grows rapidly with population and as new services are introduced and maintenance/lifecycle investments are required for aging infrastructure. This is mitigated by providing the full multi-year impact of approval when a Growth Application is brought to Infrastructure and Planning Committee.
3. **Financial process and system risk:** Decisions made without the full understanding of The City's overall financial capacity will limit the flexibility to fund other priorities at the subsequent November budget, and may encourage other out-of-budget requests. This could be mitigated by maintaining and communicating up-to-date financial information on the operating commitments of all new community growth.

ATTACHMENTS

1. Background and Previous Council Direction
2. Operating Cost Only Growth Applications Impacted by Recommended Process Change
3. Presentation
4. **Public Submission Received at Committee**

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
D. Hamilton	Planning & Development Services	Approve
L. Tochor	Corporate Planning & Financial Services	Approve
D. Morgan	Operational Services	Inform
M. Thompson	Infrastructure Service	Inform

Author: M. Sheldrake, City & Regional Planning

City Clerks: R. Derwantz / C. Doi