

**Planning & Development Services Report to
Infrastructure and Planning Committee
2026 April 15**

**ISC: UNRESTRICTED
IP2026-0337**

**Growth Application in the Saatohtsi Area Structure Plan (Ward 13), GA2026-002 -
IP2026-0337**

PURPOSE

The purpose of this report is to recommend that the capital and operating investments required for the “Saatohtsi Phase 1” Growth Application within the Saatohtsi Area Structure Plan (ASP) not be considered in the prioritization of investments for the 2027-2030 Business Plans and Budgets.

PREVIOUS COUNCIL DIRECTION

On 2023 July 26, Council endorsed a redesigned approach for how The City evaluates and enables growth opportunities to ensure new community growth happens in the right place at the right time (IP2023-0559). This process was implemented starting 2023 August 1 (Attachment 1).

RECOMMENDATION(S):

That the Infrastructure and Planning Committee recommends that Council:

1. Direct Administration to continue working with the applicant on the planning for future stages of capital infrastructure, including optimal timing of funding and delivery, required to enable this Growth Application (GA2026-002); and
2. Direct Administration to not consider the capital and operating investments needed to enable this Growth Application (GA2026-002) in the prioritization of investments for the 2027-2030 Business Plans and Budgets.

GENERAL MANAGER COMMENTS

General Manager Debra Hamilton concurs with the recommendations of this report. Taking additional time for Administration and the applicant to work collaboratively will allow for a more comprehensive application to be brought forward at a time when this area is better positioned for growth.

HIGHLIGHTS

- It is not the right time for the investments required to enable this Growth Application to be considered in the prioritization of investments for the 2027-2030 Business Plans and Budgets, as the application generally ranks unfavourably against Growth Application evaluation factors.
- This Growth Application would represent the first phase of development within the recently approved Saatohtsi ASP, beginning both an immediate and perpetual commitment by The City to build, operate and lifecycle the infrastructure necessary to support growth, in addition to providing ongoing services to future residents.
- This Growth Application would enable 2,000 homes in the South Sector of the city, an area with seven active new communities and six to eight years of serviced land supply.
- Enabling this Growth Application requires investment in storm and sanitary infrastructure, the costs and extent of which are still being determined.
- This Growth Application is generally unfavourably located and connected to existing amenities and services considered in the Growth Application criteria.

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- Mobility capacity for 2,000 homes can be achieved through developer-funded improvements. Development beyond 2,000 homes through a future Growth Application will require significant investments in mobility infrastructure.
- The sanitary solution proposed by the applicant for these 2,000 homes was originally intended for the full build out of the ASP and would be oversized for the proposed development. This would lead to operational challenges and additional maintenance costs. Additional work is required to determine a sanitary solution that aligns with proposed development staging and meets operational needs before Administration can confirm the capital investment required to enable this Growth Application.
- Given the above, Administration recommends continuing to work with the applicant to understand the design and timing of City investments necessary to support a thriving, multi-phase community, and to return in a future budget year for funding consideration.

DISCUSSION

Evaluation Overview

Investment in new communities continues to play an important role in supporting Calgary as an attractive and affordable place to live. Guidance for how Growth Applications are evaluated is set out in section 5.2.2 of the Municipal Development Plan (MDP) and section 4.3 of the New Community Planning Guidebook. New community growth decisions are made in consideration of both benefits and costs brought about by the development.

A full summary of all Growth Applications received since 2023 can be found in Attachment 2.

Growth Application Evaluation

The subject site is in Community A within the Saatohtsi Area Structure Plan. The initial applicant submission was received on 2025 December 22, with a complete application received on 2026 February 19. The application was evaluated by Administration according to the criteria published at www.Calgary.ca/GrowthApplication (an evaluation summary is available in Attachment 3).

Policy Alignment

- The site is located west of the community of Legacy and east of the community of Pine Creek. The site is separated from these areas by barriers such as waterways, grade changes, major roadways and railways.
- The Growth Application is unfavourably located and connected to schools, transit hubs and employment centres, while favourably located to the Legacy Community Activity Centre. When complete, it will be favourably located to the Belmont Recreation Centre.

Market Supply and Demand

- This Growth Application would increase approved - not yet serviced land supply in the South Sector by approximately one year.
- The South Sector currently includes seven new communities at various stages of development, supporting six to eight years of serviced land and three to five years of approved but not yet serviced land.

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- As of 2025 May, Calgary currently has seven to 10 years of serviced land supply. Serviced land supply is above the targets identified in the Growth Application land supply criteria as well as in the MDP. See Attachment 4 for more details.

Finances & Infrastructure

- Growth beyond the initial 2,000 homes will require significant mobility infrastructure investment of approximately \$313 million, which includes a half interchange at Macleod Trail S and Highway 552, a flyover of Pine Creek and two grade separated active mode crossings. The area will also benefit from the Macleod Trail S and 210 Avenue S interchange. Additional details are included in Attachment 3.
- This Growth Application will require investment of \$2.4 million for stormwater. Water servicing will be provided through developer funded infrastructure.
- Additional work is required to confirm the sanitary infrastructure investment needed to enable this Growth Application, which is currently estimated by the applicant at \$7.7 million. Collaboration with the applicant is required to confirm a sanitary servicing solution that aligns to the proposed developer phasing, meets design standards and supports operational needs.
- If this Growth Application were to move forward, this Growth Application is modeled to generate approximately \$6.8 million in annual revenue and \$44.8 million in levies at full build out (for all infrastructure types).
- The New Community Incremental Operating Cost Model (IP2023-0981) projects tax and fee revenue will exceed incremental direct and indirect operating costs in year one and throughout the build out period. Asset lifecycle costs are not included in the cost model.

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 |

Public engagement for the overall vision for development in this area occurred during the Saatohtsi Area Structure Plan process. Further engagement on specific projects then occurs at the land use and outline plan stages. Information on the Growth Application process, and on individual applications, is shared on www.Calgary.ca/GrowthApplication. See Attachment 5 for Applicant Submission.

IMPLICATIONS

Social

Supporting a reliable supply of serviced land for new community development means Calgary's growing population will continue to be well-served by a variety of housing options. Without this Growth Application, land supply levels remain sufficient to meet current and projected demand.

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Environmental

New community growth typically leads to higher greenhouse gas emissions, increased climate risk and greater loss of natural assets compared to redevelopment in established areas. Through the review of outline plan, land use and development permit applications, The City supports climate resilient development and buildings in alignment with citywide and Area Structure Plan policies. Given limited connectivity, travel for future residents may be reliant on motor vehicles. This corresponds with higher per household emissions. Future phases of growth within the ASP would improve pathway connectivity and the Red Line LRT extension to 210 Avenue South is a long-term (10-30 years) opportunity to improve mobility choices.

Economic

Enabling new community development creates jobs, boosts economic activity and can support housing affordability. Ensuring this growth matches up with The City's ability to reliably fund infrastructure and services reduces financial risks to The City and Calgarians. Given unresolved questions on sanitary servicing, there is higher financial uncertainty with this application.

Service and Financial Implications

New operating funding request

If Administration's recommendation is supported, there are no anticipated operating investment impacts to the 2027-2030 Business Plans and Budgets.

If this Growth Application were to be approved in budget, base tax-supported operating funding of approximately \$0.22 million would be required starting in 2028 and would require base tax-supported operating investment of \$3.4 million (Attachment 3) by full build out, based on analysis done using the New Community Incremental Operating Cost Model (IP2023-0981).

New capital funding request

Confirming the initial capital investment required to enable this Growth Application requires additional collaboration with the applicant. If approved, estimates by the applicant suggest a total capital investment of \$10.1 million required in the 2027-2030 Business Plans and Budget for enabling utilities infrastructure (Attachment 3). However, this value requires confirmation of a supportable sanitary servicing solution. An estimated \$338.2 million will be required in future Business Plans and Budgets for investments in mobility and emergency response infrastructure to support ongoing growth in the Saatohtsi ASP and the broader South Sector. A portion of this cost would be funded by levies, pending an update to the Off-site Levies Bylaw.

Future Investments

New communities previously approved by Council that are not yet serviced still require significant City investment in infrastructure and services. Since 2024 November, twelve Growth Applications with capacity for 15,400 homes have been approved that will require an estimated \$1.7 billion in unfunded capital investment in future years. Additional infrastructure investments by The City and Government of Alberta are required to complete new communities and are not included in this total, including recreation centres, libraries and schools. Expansion in City

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infrastructure also creates future financial obligations including maintenance and lifecycle investments not captured through the Growth Applications process.

RISK

There are several risks specific to this Growth Application:

This initial phase of 2,000 homes in an isolated area of the city, while the South Sector shows strong development activity across seven active communities. Given above target land supply levels, approval of this Growth Application would raise the risk of slower buildout across all new communities, making less efficient use of existing and planned infrastructure investments.

The risk of a development pause in the ASP is significant given the amount of capital funding required to develop beyond 2,000 homes and the reality of The City's unfunded capital needs. A pause would lead to less efficient use of infrastructure, alongside reduced quality of life for residents given limited local services and limited connections to surrounding amenities.

Moving forward and considering a Growth Application in budget prioritization without a supported sanitary solution creates a risk that future servicing requirements will change and capital costs will be higher than expected. The current proposed solution will result in challenges for operations and maintenance and may impact customer service levels. Administration is committed to working with the applicant to arrive at servicing and infrastructure solutions.

For additional information on broader risks for new community growth, see Attachment 6.

ATTACHMENT(S)

1. Background and Previous Council Direction
2. Summary of Growth Applications
3. Application Overview
4. Overview of New Community Land Supply
5. Applicant Submission
6. Risks Analysis for Growth Applications
7. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Debra Hamilton	Planning and Development Services	Approve
Les Tochor	Corporate Planning and Financial Services	Consult
Michael Thompson	Infrastructure Services	Inform
Doug Morgan	Operational Services	Inform
Katie Black	Community Services	Inform
Reid Hendry	Chief Housing Officer	Inform

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