

## **FRAMEWORK FOR GROWTH AND CHANGE: INVESTING IN GROWTH**

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### **EXECUTIVE SUMMARY**

The City of Calgary faces challenges to keep pace with growth while remaining within its financial capacity. As part of the 2015–2024 capital plan alignment of the infrastructure investment plans (IIPs) for the growth portion of the budget be prepared using the integrated approach as per Part 5 of the Municipal Development Plan (MDP). The report highlights the implications and risks identified during this process.

### **ADMINISTRATION RECOMMENDATION(S)**

That Council receive this report for information.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

In 2009 September, Council adopted the Municipal Development Plan that includes Part 5.2.5 Linking land use to municipal financial and infrastructure capacity:

“c. Align The City’s capital planning Programs, such as Transportation Infrastructure Investment Program, The Emergency Response Infrastructure Investment Plan, The Culture, Parks and Recreation Infrastructure Program, etc., to support the direction of the MDP and CTP.”

On 2013 December 16, Council adopted the PUD2013-0770 Framework for Growth and Change: Sequencing of Priority Growth Areas report for information. Council adopted the PUD2013-0772 Land Supply Strategy as amended:

“That Council:

1. Approve in principle, the Land Supply Strategy outlined in Attachment 1, for the purpose of development of a Terms of Reference for the Market Intelligence Group, and for the sequencing of the priority list and land supply monitoring”

### **BACKGROUND**

Following the direction of the MDP Part 5, Administration developed the integration process to manage investment of growth by aligning capital investment and local areas plans within the developed, developing and industrial areas to allow for growth. This required a coordinated investment in the following:

- Leading infrastructure to service new communities in the developing areas;
- Lagging infrastructure to facilitate additional services and create complete communities for those areas that have already begun to develop; and
- Redevelopment infrastructure in priority redevelopment areas, where intensification will required new or expanded infrastructure to meet the needs of a growing population.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Using both the sequenced list and the land supply strategy, the timing of investment for growth was determined as shown on Table 1. The servicing year aligns with when the infrastructure is required using the targets of the land supply strategy. These projects will be included in the growth portion of the Water Infrastructure Investment Plan (WIIP), Transportation Infrastructure Investment Plan (TIIP), Emergency Response Infrastructure Investment Plan (ERIIP), Culture, Parks and Recreation Infrastructure Investment Plan (CPRiIP) and Corporate Level Infrastructure Investment Plan (CLiIP).

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**Table 1: Growth Investment Timing**

<b>Servicing Year<sup>x</sup></b>	<b>Developing Areas</b>
Pre-Action Plan <sup>y</sup>	Evanston Walden Legacy
2014	Mahogany Springbank Hill Sage Hill
Action Plan 2015-2018	Cornerstone (NE RPP ASP: A) Savannah (Saddleridge ASP Cell E) Skyview Ranch Silverado Redstone West Macleod (including ASP amendment) East Silverado
Remainder of Capital Plan (2019 – 2024)	Rangeland (Southeast Planning Area RPP, Cell C)
	Rangeland (Southeast Planning Area RPP, Cell D)
	Keystone Hills ASP East (677 of 1037 ha)
	Southeast Planning Area RPP, Cell E
	West View ASP
<b>Servicing Year*</b>	<b>Developed Areas</b>
Investment timing to be determined (2015 – 2024)	Centre City Chinook Transit Oriented Development (TOD) Hillhurst/Sunnyside TOD Brentwood TOD Westbrook TOD Anderson TOD Banff Trail TOD (as part of the University of Calgary Major Activity Centre) Centre Street (from downtown to 78 Ave N) 17 Avenue SE (26 Street to Hubalta Rd)

<sup>x</sup> Year the land supply is required to achieve previously approved serviced land supply targets.

<sup>y</sup> Servicing for initial phases has already occurred. Investment is required to complete community development.

Council will determine specific timelines for investment through the capital budgeting process. The developed and developing areas will require significant investment throughout the 2015 – 2024 capital plan. The required operating costs to serve both the developing and developed areas will be included in Action Plan 2015 – 2018 and subsequent budgets as required. Once the capital budgets and plans have been approved, the timing of investment in the developed and developing areas will become more clear.

Various opportunities emerged during the integrated approach including investment efficiencies, certainty of location, and completing communities in both the developed and developing areas. The following were issues identified during both the sequencing process and the initial stages of the 2015-2024 IIPs development:

- Land supply targets: The developing areas as shown in Attachment 1 were sequenced based on the serviced land supply to meet the targets. However, bringing on the proposed areas triggered the need for significant infrastructure upgrades downstream of

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the development. Achieving the targets will be dependent on Council's approval of funds to pay for the new infrastructure and upgrades required for existing infrastructure.

- The north-south sector split land supply target: The purpose of this target was to have a balance of serviced land available in both of the north and south halves of the city. However, this target made possible the advancement of lower priority areas.
- Provincial Infrastructure: If growth areas require provincial infrastructure to serve their development, there is a risk that the infrastructure construction timing will not align with when the infrastructure is required. This affects growth areas adjacent to provincial highways including Stoney Trail, Deerfoot Trail and Glenmore Trail.
- Redevelopment and Industrial areas: Development of targets for redevelopment and industrial areas is necessary before sequencing can occur. Administration is working to refine the Land Supply Strategy further to include redevelopment and industrial areas, as per Council direction.

Throughout this process, integrating the land supply targets and budget process demonstrated that land use decisions have an impact on The City's ability to provide the required services and infrastructure in a financially sustainable manner. Moving forward, investment in growth will continue to require effective coordination across infrastructure owners with the focus being strategic financial decisions. The development of the 2015–2024 capital plans and 2015–2018 budgets will use these areas for growth investment while considering their level of service and budget impacts. Requests for investment to additional areas will directly affect the budget and could result in either:

- A delay in investment in the priority areas due to lack of service or infrastructure funding;
- Additional costs being incurred, along with the need to identify additional funding sources; or
- Decreases in levels of service due to the lack of the full range of services for communities.

### **Stakeholder Engagement, Research and Communication**

Throughout the development of the Framework, there has been ongoing engagement across the corporation and with stakeholders.

### **Strategic Alignment**

Alignment of the departmental capital plans helps to achieve the goal of Part 5 of the MDP using an integrated decision making process that links planning decisions to budget approvals, while considering social, environmental and economic impacts.

### **Social, Environmental, Economic (External)**

#### **Social**

Alignment of the capital plans allows for a cross-departmental approach to infrastructure and services investment that results in all of the essential services being in place for a complete community.

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### Environmental

The integrated approach ensures environmental considerations are included in the initial phases, prior to development, and that the manner of development uses land and materials efficiently.

### Economic (External)

Strategic alignment of the investment plans will ensure landowners have greater certainty as to when capital infrastructure will be in place and that services required for development will be available. This should help to facilitate development to take advantage of changes in the market.

### Financial Capacity

Investment in these growth areas will have a direct impact on current and future capital and operating budgets seen as part of the departmental capital plans and Action Plan 2015 – 2018.

### Risk Assessment

The City will be unable to meet the serviced land supply targets without approval of the investment required for the infrastructure to serve the priority areas. The investment required to meet these targets is significant when the when the water, sanitary, storm, transportation, fire, police and corporate level capital and operating costs are considered. This may be an acceptable rationale to revise the land supply targets.

### **REASON(S) FOR RECOMMENDATION(S):**

Council should consider this information and its significance during the 2015 – 2024 capital plans and 2015 – 2018 budgets approval process.

### **ATTACHMENT(S)**

Attachment 1 - Recommended Areas of Investment to Meet Land Supply Strategy (2015-2024 Capital Plans)