

New Community Growth Strategy – Growth Management Overlay Removals Arising from PFC2018-0678

EXECUTIVE SUMMARY

This report brings forward Area Structure Plan amendments to remove Growth Management Overlays associated with the New Community Growth Strategy: Investment Recommendations report (PFC2018-0678), as directed by the Priorities and Finance Committee on 2018 June 28. To enable development in the new communities identified in the first attachment of PFC2018-0678, the Growth Management Overlay must be resolved and identified capital infrastructure must be funded through an approved budget. Included in this supplementary report are proposed Growth Management Overlay removal amendments to the Belvedere Area Structure Plan, Rangeview Area Structure Plan, Providence Area Structure Plan, Haskayne Area Structure Plan, and Glacier Ridge Area Structure Plan that represent the eight areas (seven communities and one Community Activity Centre) that were identified in the first attachment of PFC2018-0678.

ADMINISTRATION RECOMMENDATIONS:

That Council:

1. (a) Hold a Public Hearing on Bylaw 54P2018 (Attachment 1, Belvedere ASP);
 (b) Give three readings to the proposed Bylaw 54P2018 in Attachment 1;
2. (a) Hold a Public Hearing on Bylaw 55P2018 (Attachment 2, Rangeview ASP);
 (b) Give three readings to the proposed Bylaw 55P2018 in Attachment 2;
3. (a) Hold a Public Hearing on Bylaw 56P2018 (Attachment 3, Providence ASP);
 (b) Give three readings to the proposed Bylaw 56P2018 in Attachment 3;
4. (a) Hold a Public Hearing on Bylaw 57P2018 (Attachment 4, Haskayne ASP);
 (b) Give three readings to the proposed Bylaw 57P2018 in Attachment 4; and
5. (a) Hold a Public Hearing on Bylaw 53P2018 (Attachment 5, Glacier Ridge ASP);
 (b) Give three readings to the proposed Bylaw 53P2018 in Attachment 5

PREVIOUS COUNCIL DIRECTION / POLICY

This supplementary report specifically addresses Recommendation 1(c) from 2018 June 28, PFC2018-0678.

On 2018 June 28, Priorities and Finance Committee:

1. Directed Administration to:
 - a) continue to refine the operating and capital budget impacts for all business cases, including the list of unresolved issues in consultation with the applicants;
 - b) upon completion of the refinement, determine if any communities in addition to those identified in Attachment 1 (PFC2018-0678), that meet the strategic alignment and market demand criteria, can be accommodated within the approved indicative tax rate range. If so, bring forward recommendations to approve these communities for growth

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- directly to 2018 July 30 Combined Meeting of Council with comprehensive rationale for all business cases; and
- c) prepare bylaws and advertise for proposed Area Structure Plan amendments to remove Growth Management Overlays for communities identified in Attachment 1 (PFC2018-0678), and bring these amendments to the 2018 July 30 Public Hearing and Meeting of Council for a public hearing.
2. Recommends that Council, for the communities identified in Attachment 1 (PFC2018-0678):
 - (a) approve, as part of One Calgary 2019-2022 four year service plan and budget, a property tax rate increase of up to 0.75% in 2019 to fund the capital and direct incremental operating budgets necessary to support development of these communities;
 - (b) approve, as part of One Calgary 2019-2022 four year service plan and budget, a water utility rate increase of up to 0.5% per year to fund the specific capital budget necessary to support development of these communities; and
 - (c) confirm Council's intention to provide, through 2023 and future years' capital and operating budgets, the necessary public infrastructure and services to serve and support these communities.
 3. Recommends that Council, for the communities identified in Attachment 1 (PFC2018-0678), direct Administration to:
 - (a) include the estimated capital and direct incremental operating investments identified in Attachment 1 (PFC2018-0678), including any changes to the estimates, in 2018 November as part of One Calgary 2019-2022 four year service plan and budget, subject to the required operating and capital funding being in place; and
 - (b) continue to refine the 2023 and future years' capital and operating budget estimates identified in Attachment 1 (PFC2018-0678), and when needed bring incremental additional budget requests to Council for the necessary public infrastructure and services to serve and support these communities.
 4. Recommends that Council hold a public hearing on 2018 July 30 meeting of Council to amend the applicable Area Structure Plans by removing the growth management overlays for the communities identified in Attachment 1 (PFC2018-0678).
 5. Directs that this Report proceed to the 2018 July 30 Combined Meeting of Council.
 6. Recommends that Council direct Administration to bring the next recommendations for new community growth and development approvals by no later than 2020 March, and in coordination with the One Calgary 2023-2026 four year service plan and budget process.

Previous Council direction on the entire New Community Growth Strategy can be found in PFC2018-0678.

BACKGROUND

This supplementary report is in response to Priorities and Finance Committee recommendations 1(c) and 4. This direction enabled the preparation and advertisement of bylaws to amend the following Area Structure Plans so that the bylaws are available to Council on 2018 July 30,

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should Council approve the eight new community areas and the associated capital and operating budgets through a dedicated property tax and utility rate approval.

- Belvedere ASP (one community)
- Rangeview ASP (two communities)
- Providence ASP (one community)
- Haskayne ASP (one community)
- Glacier Ridge ASP (two communities and one community activity centre)

Further background on the Administration's process to recommend these communities can be found in the cover report to PFC2018-0678, and a description of the eight communities as a portfolio can be found in the first attachment to that report.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

A Growth Management Overlay is in place where required City funded infrastructure or servicing has not been included in Council approved capital or operating budgets. A Growth Management Overlay is removed when Council approves a funding arrangement for the required infrastructure or servicing. This has historically been achieved through Council approval of multi-year service plans and budgets.

On 2018 June 18, at Strategic Meeting of Council, Council directed Administration to incorporate the proportionate share of the costs of off-site utility infrastructure attributable to new growth (which was to be included in PFC2018-0678, 2018 June 28) into the off-site levy rates through an amendment to the water, sanitary sewer and storm sewer levy rates, and report back no later than 2018 Q4. Then, on 2018 June 28, the Priorities and Finance Committee (PFC) recommended that Council direct Administration to include the estimated capital and direct incremental operating investments associated with the eight new community areas in the One Calgary 2019-2022 four year service plan and budget. PFC also recommended that Council approve increases to the property tax and to the water utility rate to act as a funding source for these investments. The information and analysis supporting this recommendation can be found in the 2018 June 28 report New Community Growth Strategy: Investment Recommendations, PFC2018-0678.

In accepting Recommendation 3(a), PFC has recommended that Council direct Administration to include the required capital and operating investments into One Calgary (2019-2022) service plan and budget, and has also identified funding sources for the costs. Should Council accept this recommendation, the associated Growth Management Overlays can be removed. Additionally, in Recommendation 3(b), PFC recommended that Council direction Administration to bring forward necessary public infrastructure and services to serve and support these communities beyond One Calgary (2023+).

Generally speaking, the Overlay removal areas indicated in the ASP amendments are aligned with the investments and servicing provision that will be proposed as part of One Calgary (2019-2022). However, through discussion, refinement, and future Outline Plan review processes, some areas in some ASPs may be determined to not be fully serviced to City standards. Resolution will include corresponding future capital and operating budget approvals through

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future budget cycles. This includes meeting Council's 2018 March 19 direction provided through report PUD2018-0173 Fire Service Provision in Growth Strategy. Land use must not be approved in these areas until the budget approvals are secured. The following notation has been added to each map amendment in order to reflect this:

A portion of the Growth Management Overlay removal area may not be fully serviced to City standards. Land use must not be approved with the area without resolution of all servicing requirements including corresponding capital and operating budget approval and including meeting Council's 2018 March 19 direction provided through report PUD2018-0173.

Specific notes on the individual amendments are as follows:

Belvedere ASP

The amendment to the Belvedere ASP shown as Attachment 1, includes the Growth Management Overlay removal for the Belvedere ASP – (Tristar/Truman/Landsdowne/Minto/Others) business case.

Rangeview ASP

The amendment to the Rangeview ASP shown as Attachment 2, includes the Growth Management Overlay removal for a portion of the Rangeview ASP – (Brookfield/Genstar/Section23/Others) business case. The Overlay removal area represents the portion of Rangeview that is expected to be serviced in Phase One of the implementation of the utilities investment in the One Calgary budget period (2019-2022).

Providence ASP

The amendment to the Providence ASP included as Attachment 3, includes the Growth Management Overlay removal for the Providence ASP – (Dream/Qualico) business case.

Haskayne ASP

The amendment to the Haskayne ASP included as Attachment 4, includes the Growth Management Overlay removal for the Haskayne ASP – (Brookfield/Marquis) business case.

Glacier Ridge ASP

The amendment to the Glacier Ridge ASP shown in Attachment 5, includes the Growth Management Overlay removal for the Glacier Ridge ASP – (Ronmor/Wenzel) and Glacier Ridge ASP – (Capexco Inc.: Symons Valley Ranch) business cases.

In some cases infrastructure servicing may be resolved for lands beyond the area indicated in the business case, due to servicing catchment boundaries or capacity increases that do not correspond to business case boundaries. For these lands, it is still expected that a Growth Management Analysis be completed via a business case submission, and reviewed by Administration. While it may be possible that capital considerations are resolved through One Calgary (2019-2022) investments, Administration should complete a Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) alignment evaluation, evaluate market demand conditions and operating cost impacts in order to ensure that a comprehensive growth planning decision can be made. This supports the integrity of the business case review framework allows

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for a consistent format to be presented to Council during the next cycle of business case decisions, expected in 2020 as part of the Mid Cycle Review for One Calgary (2019-2022).

The ASP amendments were advertised on 2018 July 12 and July 19 for the 2018 July 30 public hearing.

Administration did not advertise ASP amendments for Growth Management Overlay removal for the business cases/communities not included in the first attachment of PFC2018-0678. The PFC recommendation was specific to those identified in the attachment, and PFC directed that Administration complete further work to resolve cost and servicing discrepancies that may impact Council's final endorsement of the suite of communities for investment in One Calgary (2019-2022). Should Council add additional communities for investment in One Calgary, ASP amendments for Growth Management Overlay removal can be completed quickly after Council makes its final decision.

Stakeholder Engagement, Research and Communication

Business case proponents impacted by these map amendments were informed as part of this report. Changes in servicing assumptions made as a result of engagement with proponents will be brought forward to Council as part of supplementary report C2018-0900, which is in response to recommendation 1(a) and (b) from PFC2018-0678.

Strategic Alignment

The recommendations in this report build off the recommendations made through PFC on 2018 June 28. The bylaw amendments have been considered and prepared in accordance with the Overlay removal practice described in the New Community Planning Guidebook (Part 2 of the MDP). Removing Overlays on the foundation established in PFC2018-0678 will enable further progression towards development.

Social, Environmental, Economic (External)

Social, Environmental

There are no social or environmental impacts as a result of this report. The recommendations will enable creating neighbourhoods for people to live, work and play. This will facilitate planned communities that incorporate natural areas and features. The business cases recommended for approval align with the requirements of the MDP/CTP which aim to enable complete communities.

Economic (External)

The recommendations are anticipated to support the increased private investment within the city, as discussed in PFC2018-0678. This is expected to support associated jobs and economic activity, and provide capacity for new community growth for the 2019-2022 budget cycle, and 2023-2026 budget cycle, and beyond. Development proposals for lands where Overlays are removed can move forward in The City's planning applications review process, and should not face unresolved City funding questions at land use approval.

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Financial Capacity

Current and Future Operating Budget:

There are significant operating budget requirements for One Calgary 2019-2022 and in future budget cycles as a result of these Growth Management Overlay removals. These impacts are identified in detail in report PFC2018-0678 as well as in C2018-0900.

Current and Future Capital Budget:

There are significant capital budget requirements for One Calgary 2019-2022 and in future budget cycles as a result of these Growth Management Overlays. These impacts are identified in detail in report PFC2018-0678 as well as in C2018-0900.

Risk Assessment

The development proposed in these areas requires investments in City infrastructure and services in the eight areas identified in in the first attachment of PFC2018-0678. PFC recommended that Council approve, as part of the One Calgary process, a property tax rate increase and water utility rate increase to fund these investments and initiate these communities in 2019-2022 (PFC2018-0678, Recommendation 2(a) and 2(b)).

If Council does not ultimately approve the costs (infrastructure and servicing) through One Calgary, then a decision by Council to remove the Overlays through this report could result in areas with Overlays removed, but also unfunded infrastructure and services.

If Council does not ultimately approve the funding sources (property tax rate increase and water utility rate increase) for these areas, the funding and servicing issues would no longer be resolved, but the Overlays would already be removed. This would result in confusion among proponents and Administration involved in the planning approvals process as the statutory hurdles would be removed, but the required servicing would not be funded. If this occurs, Administration suggests that Overlays be reinstated in these ASPs, as this is consistent with the purpose of the Overlay – to show areas where unfunded capital and operating investments required for development exist, which would be the case if the investments were removed from the budget plan.

As a result of either of these scenarios, development would be put on hold. This risk is mitigated with the annotation reflected on the bylaw maps (Attachments 1-5).

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REASON(S) FOR RECOMMENDATION(S):

The proposed bylaws attached to this report support the direction provided by the Priorities and Finance Committee on 2018 June 28 following the approval of the eight areas identified for new community growth in the first attachment of PFC2018-0678. The bylaws allow Council to remove associated Growth Management Overlays at the same time as when Council considers approval of the new community areas in the first attachment of PFC2018-0678.

ATTACHMENT(S)

1. Attachment 1 – Proposed Bylaw 54P2018 (Belvedere ASP)
2. Attachment 2 – Proposed Bylaw 55P2018 (Rangeview ASP)
3. Attachment 3 – Proposed Bylaw 56P2018 (Providence ASP)
4. Attachment 4 – Proposed Bylaw 57P2018 (Haskayne ASP)
5. Attachment 5 – Proposed Bylaw 53P2018 (Glacier Ridge ASP)