Revised Recommended Portfolio of Communities for One Calgary (2019-2022)

The recommended portfolio that was presented to the Priorities and Finance Committee (PFC) on 2018 June 28 consisted of eight new community areas that met the three factors for the New Community Growth Strategy recommendations: MDP/CTP Alignment, Market Demand, and Financial Capacity. The recommendation aligned with the Council-approved indicative tax range and the utility rate ranges for new community growth in the One Calgary 2019-2022 budget.

PFC approved Administration's recommended eight communities, and directed Administration to refine operating and capital budget impacts for all business cases and determine if any additional communities could be accommodated within the Council approved indicative tax rate for new community growth of up to 0.75 per cent.

Since the PFC meeting, Administration has continued to work with business case proponents to review operating and capital costs for all business cases. Through the review, further refinements to infrastructure cost and timing were identified for several business cases which resulted in some infrastructure costs to be changed or deferred to future budgets outside of the 2019-2022 period. Although there were both increases and decreases of costs on individual business case projects, the review has resulted in changes that saw an overall decrease of the recommended portfolio costs from 0.65 per cent of the indicative tax rate to 0.48 per cent. This would allow for additions to the portfolio of up to 0.27 per cent on the tax rate, or approximately $4 million per year.

Further to the PFC direction, Administration has identified that the inclusion of the Southeast Keystone and East Stoney business cases would complement the original portfolio. With these additions, the Revised Recommended Portfolio would introduce a total of 11 communities across 8 business cases, and would remain within Council's recommendation of initiating growth in 6-12 communities in the next budget cycle within the indicative tax and utility rate ranges previously approved by Council. The identified communities in this attachment are:

ASP Area	Proponent(s)	# of Communities	City Sector
Glacier Ridge Area Structure Plan	Ronmor/Wenzel	2	North
Glacier Ridge Area Structure Plan – Symons Valley Ranch	Capexco Inc.	1* *note, this area is better defined as a Community Activity Centre*	North
Belvedere Area Structure Plan – West Belvedere	Tristar/Truman/ Lansdowne/Others	1	East
Rangeview Area Structure Plan	Brookfield/Genstar/ Section23/Others	2	Southeast
Providence Area Structure Plan	Dream/Qualico	1	South
Haskayne Area Structure Plan	Brookfield/Marquis	1	Northwest
Addition: East Stoney Area Structure Plan	Pacific	1	Northeast
Addition: Keystone Hills Area Structure Plan	Melcor/Genstar/Pacific	2 *(one residential, one commercial/industrial)*	North

Below is a series of tables that outlines the comprehensive rationale (including MDP/CTP Alignment, Market Demand, and Financial Capacity attributes) for the initial recommended portfolio of eight communities and the three additional communities recommended to be added should Council approve funding of up to 0.75 per cent for new community growth in One Calgary (2019-2022).

Rationale for the Recommended Portfolio

	Area Structure Plans: Glacier Ridge, Belvedere, Rangeview, Providence, Haskayne	**Proponents:** Many	**Communities:** 7 Residential Communities + 1 Community Activity Centre

MDP Alignment Rationale for Inclusion in the Recommended Portfolio

1. All communities are contiguous with existing development
2. Initiates development that will improve access to two significant natural amenities (West Nose Creek and Legacy Haskayne Park)
3. Initiates Community Activity Centres at the Symons Valley Ranch, in Providence, in Glacier Ridge, and leverages the existing Major Activity Centre in Seton and the existing amenities at East Hills in Belvedere
4. Initiates new urban design concepts in Providence
5. Introduces agricultural urbanism and linkages in Rangeview and Symons Valley Ranch
6. Introduces development in West Belvedere, the nearest Area Structure Plan to downtown Calgary
7. Three Primary Transit Network linkages with Rangeview (Green Line), West Belvedere (17 Ave SE) and Providence (long term BRT)
8. Leverage existing City and Provincial investments in Rangeview and Providence

Market Impacts of the Recommended Portfolio

1. Introduces significant single residential (single and semi-detached) capacity citywide, which has recently been highlighted as a possible constraint by end 2022 without additional investment.
2. Introduces new supply in two fast growing suburban market sectors (Southeast and North), maintain consumer choice and increasing competition
3. Introduces new supply in two suburban market sectors where no supply was previously available (Northwest and East), increasing consumer choice and competition.
4. Introduces significant non-residential development in Providence and Symons Valley Ranch

Single Residential Capacity added through Recommended Portfolio:

- 16,579 units (4.7 years)

Multi Residential Capacity added through Recommended Portfolio:

- 8,291 units (5.2 years)

Financial Impact of the Recommended Portfolio

($000s)	# of Communities	Direct Incremental Operating Costs[1]					
		One Calgary (2019-2022)					Final (n^th) Year[2] (2023+)
		2019	2020	2021	2022	As at 2022	
Costs (Portfolio)	8	$0	$0	$3,499	$815	$4,315	$56,550

($000s)	Capital Costs[1]					2019-2022 Tax Impact
	One Calgary (2019-2022)		2023+			
	City Share	Developer Share	City Share	Developer Share	Total	
Costs (Portfolio)	$35,039	$157,340	$59,219	$200,038	$451,636	0.48%[3]

[1] All costs in 2018 dollars.
[2] This analysis only includes direct incremental operating costs for the initiation of a new community. It does not include all the costs required for full build-out or ongoing operation of a community.
[3] The portfolio tax rate includes an allocation for construction of new traffic signals across the entire portfolio: in One Calgary (2019-2022), total capital budget of $5 million, developer share $3 million, and City share of $2 million. The City’s share is funded through property taxes.

Rationale for Adding Southeast Keystone and East Stoney to the Portfolio

	Area Structure Plans: Keystone Hills and East Stoney	**Proponents:** Pacific, Melcor, Genstar	**Communities:** 2 Residential Communities and 1 Commercial/ Industrial Community

MDP Alignment and Market Advantages of adding these business cases in the Revised Recommended Portfolio:

1. Communities within the business cases are contiguous with existing development
2. Initiates a Community Activity Centre in the Keystone Hills ASP, complementing the planned residential and existing residential in the north corridor.
3. Initiates a unique, affordable housing product in East Stoney Innovative infrastructure access solution for East Stoney – emergency response/ transit/pedestrian/bicycle access across Stoney Tr NE and into the activity centre and LRT station at Saddletowne Circle.
4. Leverages City and Federal investments in the road network along Airport Tr NE and generally in northeast Calgary.
5. The additions focus on matching jobs to housing, by introducing housing in proximity to employment areas around the airport, and by introducing commercial/industrial development nearby planned and existing residential lands in the north corridor. Introduces additional single residential and semi-detached capacity in North and Northeast sectors; two of three fastest growing suburban market sectors. This increases consumer choice and competition.
6. Introduces 165,000 square metres of commercial and industrial development in Southeast Keystone, and 30,000 in East Stoney. Industrial and particularly commercial/retail are not particularly prominent in the rest of the portfolio.
7. Introduces capacity for 2,000 single residential units and 1,100 multi-residential units across both Southeast Keystone and East Stoney.

MDP Alignment and Market Disadvantages of adding these business case in the Revised Recommended Portfolio:

1. Proposed light industrial development is expected to face competition as there are 600 ha of serviced industrial lands in the Northeast and 981 ha of serviced industrial lands city-wide. Competition is also expected for office park space as there is currently a vacancy rate of 20% in suburban office and 26% in downtown office.
2. Recommended portfolio meets or exceeds projected demand for single and multi-residential citywide; adding more may lead to less efficient absorption, longer build out time to complete communities, and slower returns on municipal investments.
3. Being across Stoney Tr NE with no adjacent communities to the north, east or south, East Stoney is geographically isolated even with the 80 Ave NE overpass.
4. The non-residential uses in Southeast Keystone may compete with the uses proposed at the Major Activity Centre in Carrington/Livingston.

Financial Impact of Including Southeast Keystone and East Stoney

($000s)	# of Communities	Direct Incremental Operating Costs[4]					
		One Calgary (2019-2022)					Final (nth) Year[5] (2023+)
		2019	2020	2021	2022	As at 2022	
Costs (Revised Portfolio)	11	$0	$0	$3,528	$856	$4,384	$62,179

($000s)	Capital Costs[4]					2019-2022 Tax Impact
	One Calgary (2019-2022)		2023+		Total	
	City Share	Developer Share	City Share	Developer Share		
Costs (Revised Portfolio)	$46,176	$184,603	$67,953	$213,304	$512,036	0.67%[6]

[4] All costs in 2018 dollars.
[5] This analysis only includes direct incremental operating costs for the initiation of a new community. It does not include all the costs required for full build-out or ongoing operation of a community.
[6] The portfolio tax rate includes an allocation for construction of new traffic signals across the entire portfolio: in One Calgary (2019-2022), total capital budget of $5 million, developer share $3 million, and City share of $2 million. The City's share is funded through property taxes.