

**Planning & Development Report to
Combined Meeting of Council
2018 September 10**

**ISC: UNRESTRICTED
C2018-0983
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New Community Growth Strategy 2018 – Growth Management Overlay Removals Arising from C2018-0900

EXECUTIVE SUMMARY

This report brings forward Area Structure Plan amendments to remove Growth Management Overlays associated with the New Community Growth Strategy 2018 – Further Review and Analysis directed through PFC2018-0678 report (C2018-0900), and as directed by Council on 2018 July 30. In order to remove a Growth Management Overlay and enable new community development, infrastructure requirements must be resolved and identified capital and operating requirements must be funded through an approved budget. For the communities identified in this report, this was achieved on 2018 July 30 through Council direction on report C2018-0900.

The proposed amendments include Growth Management Overlay removals in the Keystone Hills Area Structure Plan, East Stoney Area Structure Plan, Belvedere Area Structure Plan, South Shepard Area Structure Plan, and Glacier Ridge Area Structure Plan that represent the six communities (in five Area Structure Plans) that were added to the 2018 New Community Growth Strategy on 2018 July 30. These six communities are in addition to the eight communities that were recommended by the Priorities and Finance Committee on 2018 June 28 (through PFC2018-0678), and which were approved by Council (through C2018-0900) and had Growth Management Overlays removed on 2018 July 30 (through C2018-0858).

Collectively, these represent a total of 14 new communities approved for growth as part of the 2018 New Community Growth Strategy.

ADMINISTRATION RECOMMENDATION:

That Council:

1. (a) Hold a Public Hearing on Bylaw 68P2018 (Attachment 1, Keystone Hills ASP);
(b) Give three readings to the proposed Bylaw 68P2018 in Attachment 1;
2. (a) Hold a Public Hearing on Bylaw 69P2018 (Attachment 2, East Stoney ASP);
(b) Give three readings to the proposed Bylaw 69P2018 in Attachment 2;
3. (a) Hold a Public Hearing on Bylaw 70P2018 (Attachment 3, Belvedere ASP);
(b) Give three readings to the proposed Bylaw 70P2018 in Attachment 3;
4. (a) Hold a Public Hearing on Bylaw 38P2017 (Attachment 4, South Shepard ASP);
(b) Give three readings to the proposed Bylaw 38P2017 in Attachment 4;
5. (a) Hold a Public Hearing on Bylaw 71P2018 (Attachment 5, Glacier Ridge ASP);
(b) Give three readings to the proposed Bylaw 71P2018 in Attachment 5.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 July 30, Council approved a total of 14 new communities for the 2018 New Community Growth Strategy.

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Eight communities were recommended for approval by the Priorities and Finance Committee through PFC2018-0678, and the Priorities and Finance Committee also recommended that associated Growth Management Overlay removals be brought forward to Council on 2018 July 30 for a public hearing. Overlay removals were accomplished through C2018-0585 *New Community Growth Strategy – Growth Management Overlay Removals Arising from PFC2018-0678*.

An additional six new communities were added on 2018 July 30 through Council direction on supplemental report C2018-0900 *New Community Growth Strategy 2018 – Further Review and Analysis Directed through PFC2018-0678*. Council directed Administration, through Recommendation 3(c) of C2018-0900, that Growth Management Overlay removals for the six additional communities be brought forward to the 2018 September 10 Combined Meeting of Council for a public hearing.

This report responds specifically to Recommendation 3(c) from C2018-0900. The complete direction from C2018-0900 is below:

With respect to Report C2018-0900, the following be adopted, as amended:
 That Council:

1. Amend Attachment 4 to include the following communities:

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
• Belvedere-Twin Hills	OpenGate	1	East
• Glacier Ridge	Qualico	1	North
• South Shepard	Hopewell/Melcor	1	Southeast

2. For the fourteen communities identified in Attachment 4 (C2018-0900), as amended:
 - 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;

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- c) confirm its intention to provide, through 2023 and future years' capital and operating budgets, the necessary public infrastructure and services to serve and support these communities; and
 - d) In 2022, use the Fiscal Sustainability Reserve (FSR), to a maximum of \$4 Million, to fund the cost of capital for the New Community Growth Strategy included in the One Calgary 2019-2022 budget, if required; and
 - e) Use the capacity that is created from the use of the FSR to fund, on a one time basis, the shortfall in operating cost in 2022 attributable to South Shepard.
3. For the fourteen communities identified in Attachment 4 (C2018-0900), as amended, direct Administration to:
 - a) Include the estimated capital and direct incremental operating investments, 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;
 - b) Continue to refine the 2023 and future years' capital and operating budget estimates, and when needed, bring incremental additional budget requests to Council for the necessary public infrastructure and services to serve and support these communities;
 - c) Prepare bylaws and advertise for proposed Area Structure Plan amendments to remove Growth Management Overlays for the communities in Attachment 4 (C2018-0900), as amended, for a public hearing of Council, and bring these amendments directly to the 2018 September 10 Combined Meeting of Council for a public hearing;
 - d) Direct Administration, in consultation with stakeholders, to incorporate the proportionate share of the cost of off-site transportation infrastructure and any additional off-site utilities infrastructure attributable to new growth that provides servicing to new communities into the off-site levy rates, through a proposed amendment to the Off-site Levy Bylaw 2M2016, and report back to the Priorities and Finance Committee by no later than 2018 Q4.
 4. 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 2019-2022 four year service plan and budget mid-cycle adjustment process.
 5. File the Priorities and Finance Committee Recommendations 2, 3 and 6 of PFC2018-0678.

Previous Council direction specific to the South Shepard community:

On 2018 July 23, as part item 11.2.1 Request for Reconsideration – South Shepard Reports (C2018-0929), Council adopted the following recommendations:

1. File Recommendations 1 and 2 contained in Report C2018-0929;
2. Defer the South Shepard report, CPC2017-270 and CPC2017-276 to the 2018 September 10 Combined meeting of Council; and
3. Direct Administration to incorporate the decisions with respect to the New Community Growth Strategy: Investment Recommendation (report PFC2018-0678) in the reporting back on 2018 September 10 for CPC2017-270 and CPC2017-276.

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On 2018 January 31, Council deferred the South Shepard reports, CPC2017-270 and PFC2017-0445, to be brought to the Priorities and Finance Committee in 2018 Q2, as part of the analysis of all business cases related to Growth Management Overlay recommendations.

At the Combined Meeting of Council on 2017 July 31, Council directed that three reports be heard together, namely PFC2017-0445 Strategic Growth and Funding in the South Shepard Area Structure Plan, CPC2017-270 Policy Amendment, Road Closure and Land Use Amendment, Residual Sub-Area 12C (Ward 12), East of Stoney Trail SE and North of Highway 22X, Bylaws 45P2017, 10C2017 and 271D2017, and CPC2017-276, Proposed Community and Street Name, Residual Sub-Area 12C (Ward 12), 146 Avenue, 104 Street, Marquis of Lorne and Stoney Trail. Council heard a presentation on report PFC2017-0445 but did not open the public hearing on reports PFC2017-0445 or CPC2017-270. Council approved the following referral motion at that time:

Council refer Reports CPC2017-270 and PFC2017-0445, **as amended**, as follows:

- 1) To the Administration to be brought back no later than the Public Hearing in 2018 **March**, and direct Administration to:
 - a. Have the Fire Chief, in conjunction with Calgary Building Services and independent consulting, complete a review of the Calgary Fire Department's Service Level Response Time Target policy, including an assessment of the impacts of residential sprinklers in growth areas and report back to Council through the SPC on Planning and Urban Development no later than 2018 **March**;
 - b. Have the Director of Calgary Building Services, in consultation with the Fire Chief, complete an analysis of best practices, policies and performance objectives for Fire response times in other Canadian Municipalities and provide a comparison in relation to National and Provincial Building Code standards to inform the Service Level Response Time Target policy review, and report back to Council through the SPC on Planning and Urban Development no later than 2018 **March**;
 - c. Incorporate the results of 1a and 1b, above, to inform the process for strategic growth analysis and decisions and revise recommendations on PFC2017-0445 and CPC2017-270, as necessary.

- 2) Direct Administration to undertake a review of the Calgary Fire Department medical response business model including relationship with Alberta Health Services, and return to Council through the Intergovernmental Affairs Committee no later than 2018 Q2.

BACKGROUND

This report is in response to Recommendation 3(c) of C2018-0900. This direction enabled the preparation and advertisement of bylaws to amend the following Area Structure Plans to be aligned with Council's recommendation to include six additional new communities in the 2018 New Community Growth Strategy, and to direct that required investments should be added to

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the One Calgary (2019-2022) service plan and budget. These six communities are in addition to the eight new communities approved by Council on 2018 July 30. The six additional new communities are:

- Keystone Hills (two communities)
- East Stoney (one community)
- Belvedere (one community)
- South Shepard (one community)
- Glacier Ridge (one community)

Further background on the New Community Growth Strategy considerations, recommendations and process can be found in PFC2018-0678, and the further review and analysis directed by PFC2018-0678 can be found in report C2018-0900. Descriptions of all communities can be found in the Attachment 2, Updated Business Case Summaries, of the C2018-0900 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.

Financial Direction from 2018 July 30

On 2018 July 30, based on Recommendation 2(a) of C2018-0900, Council approved a property tax increase of up to 0.75 per cent in 2019 to fund the capital and direct incremental operating costs, and an increase of up to 0.5 per cent per year for the water utility rate to support new community growth. Council also added the option that in 2022, if required, up to \$4 million can be used from the Fiscal Sustainability Reserve (FSR) to fund the cost of capital and, provided the option to use capacity that is created from the use of the FSR to fund, on a one time basis, the shortfall in operating costs in 2022 attributable to the South Shepard community.

Council also directed Administration to incorporate the proportionate share of the cost of off-site transportation infrastructure and any additional off-site utilities infrastructure attributable to new growth that provides servicing to new communities into the off-site levy rates, through a proposed amendment to the Off-site Levy Bylaw, and to report back by Q4 2018.

Finally, Council directed Administration to include the estimated capital and direct incremental operating investments, including any changes to the estimates, in 2018 November as part of One Calgary 2019-2022 four year service plan and budget.

Overlay Removals

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. In order to reflect this, the following notation was added to the map amendments approved on 2018 July 30, and has been added to each map amendment in this report:

A portion of the Growth Management Overlay removal area may not be fully serviced to City standards. Land use must not be approved within 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:

Keystone Hills ASP

The amendment to the Keystone Hills ASP shown as Attachment 1, includes the Growth Management Overlay removal for the Keystone Hills ASP – (Melcor/Genstar/ Pacific) business case. It also removes notation on the map regarding a transportation capacity limit of 3,300 single residential equivalent units. This is because this issue is now captured by the inclusion of the notation mentioned above that requires the resolution of servicing requirements through capital and operating budget approvals prior to an area being considered fully serviced.

East Stoney ASP

The amendment to the East Stoney ASP shown as Attachment 2, includes the Growth Management Overlay removal for the East Stoney ASP – (Pacific) business case.

Belvedere ASP

The amendment to the Belvedere ASP shown as Attachment 3, includes the Growth Management Overlay removal for the Belvedere ASP – (OpenGate) business case. It also removes notation on the map regarding a transportation capacity limit of 2,000 single residential equivalent units. This is because this issue is now captured by the inclusion of the notation mentioned above that requires the resolution of servicing requirements through capital and operating budget approvals prior to an area being considered fully serviced.

South Shepard ASP

The amendment to the South Shepard ASP shown as Attachment 4, includes the Growth Management Overlay removal for the South Shepard ASP – (Hopewell/Melcor) business case. This amendment was originally brought forward in 2017 July through PFC2017-0445. Council referred the report back to Administration as part of the Fire Provision in Growth Strategy (PUD2018-0173) work. Subsequently, Council deferred the report to be brought forward as part of the 2018 New Community Growth Strategy. This bylaw was first advertised in 2017 July, and updates to the bylaw have now been made to reflect current Growth Management Overlay mapping practices and bylaw wording, but the Growth Management Overlay boundary has not changed since it was last advertised.

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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 – (Qualico) business case.

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 and allows 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).

Stakeholder Engagement, Research and Communication

The ASP amendments were advertised on 2018 August 23 and August 30 for the 2018 September 10 public hearing. Members of the public also have an opportunity to attend and comment on this topic at the public hearing. Business case proponents impacted by these map amendments were informed as part of this report.

Strategic Alignment

The recommendations in this report build on the recommendations approved by Council on 2018 July 30 regarding report C2018-0900. 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 C2018-0900 will enable further progression towards development.

Social, Environmental, Economic (External)

Social, Environmental

At this time, there are no social or environmental impacts as a result of this report. A review of social and environmental implications as a result of development in these communities will be carried out through the planning process. At build out, these communities are expected to incorporate natural areas and features, and create neighbourhoods for people to live, work and play.

Economic (External)

The recommendations are anticipated to support increased private investment within the city, as discussed in PFC2018-0678 and C2018-0900. This is expected to support associated jobs and economic activity, and provide capacity for new community growth for the 2019-2022 budget cycle, the 2023-2026 budget cycle, and beyond. Development proposals for lands where

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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.

Financial Capacity

Current and Future Operating Budget:

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

Risk Assessment

Development proposed in these areas requires investments in City infrastructure and services in six communities. Investments in these communities are in addition to the investments required for the eight new communities recommended in PFC2018-0678. Capital and operating cost summaries for all considered communities are included in Attachment 3 of C2018-0900.

In order to mitigate the risk of unfunded capital and operating requirements in the One Calgary (2019-2022) service plan and budget, Council has approved a property tax increase of up to 0.75 per cent in 2019 for capital and operating costs and, an increase of up to 0.5 per cent per year for the water utility rate to support new community growth. Lastly, Council added the option that in 2022, up to \$4 million can be used from the Fiscal Sustainability Reserve (FSR) to fund the cost of capital and for shortfall operating costs attributable to the South Shepard community.

All funding decisions need to be confirmed through the One Calgary (2019-2022) budget planning process. 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. 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.

If the required infrastructure and services are not approved, 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 respond to the direction provided by Council on 2018 July 30 following the approval of six additional new communities as part of the 2018 New Community Growth Strategy outlined in PFC2018-0678 and C2018-0900.

ATTACHMENT(S)

1. Attachment 1 – Proposed Bylaw 68P2018 (Keystone Hills ASP)
2. Attachment 2 – Proposed Bylaw 69P2018 (East Stoney ASP)
3. Attachment 3 – Proposed Bylaw 70P2018 (Belvedere ASP)
4. Attachment 4 – Proposed Bylaw 38P2017 (South Shepard ASP)
5. Attachment 5 – Proposed Bylaw 71P2018 (Glacier Ridge ASP)