Policy Amendments and Land Use Amendment in Sunalta (Ward 8) at 1510, 1514, 1516, 1518, 1530 and 1534 – 10 Avenue SW and 983 – 14 Street SW, LOC2018-0116

EXECUTIVE SUMMARY

This land-use redesignation and policy amendment was submitted by S2 Architecture on 2018 May 22 on behalf of the landowner, Interloq Capital Inc and The City of Calgary (Real Estate and Development Services). This application proposes a land use redesignation of six parcels of land (34.5 metres in depth by 90.0 metres in width) located on the north side of 10 Avenue SW, just west of 14 Street SW. The proposal is for a significant density increase, which supports the goals of intensification close to Light Rail Transit (LRT) stations, and Transit Oriented Development (TOD) policy. The City has made a significant investment in the LRT infrastructure of the West LRT line. This Sunalta location is seen as a pivotal, first-in-case, which will be a catalyst for redevelopment of the subject site and the future redevelopment of other lands in this area.

The subject site is directly adjacent to, and significantly influenced and impacted by:

- North edge: West LRT elevated guideway (Height above Grade: 14.7 metres to LRT track; 19.4 metres to LRT power lines on the west side of the site);
- North edge: Canadian Pacific Rail (CPR) freight corridor; and
- To the west: Site within 200 metres of the Sunalta LRT Station

According to the Sunalta Area Redevelopment Plan (ARP), the subject parcel is located in the Mixed-Use area which is designated for TOD intensification. This area extends four blocks in length from 14 Street SW to 19 Street SW. As a development area, this cell is characterized by historic, narrow, shallow lots. The subject application is significant, as it is the first case wherein the historic narrow, shallow lots (six parcels in total) have been consolidated into a larger holding for redevelopment. The resultant development footprint creates a wide and shallow parcel, which is, in effect, constrained between the LRT guideway/CPR Line and 10 Avenue SW, and the future public lane that will run east-west between the guideway columns and the north property line of the subject parcels. These constraints are effectively the major determinant in the development envelope of the building proposed for the site (Attachment 5 – Uses and Building Massing Schematic – Information Only). Due to the LRT guideway, there are unique constraints with this site not typically found elsewhere in the City, including:

- Building setback of 3.0 metres is required from the LRT guideway and 7.5 metres from the support columns for safety and maintenance of the guideway;
- To mitigate LRT impacts, the development proposal is to “start” the residential storeys above the LRT catenary (overhead wires), by building a parkade podium for this purpose.

In addition, adjacency to the CPR freight rail corridor requires that the maximum building width be no more than 121 metres (based on the residential/commercial uses proposed) as it is within 30 metres of the freight rail corridor and that noise mitigation be provided with any development permit application.

Approval(s): S. Lockwood concurs with this report. Author: C. Renne-Grivell
This application proposes a change from a DC Direct Control District based on the Centre City Mixed Use District (CC-X) to a new DC District, also based on the Centre City Mixed Use District (CC-X), with significant changes made to the site-specific regulations to accommodate:

- A higher maximum for Floor Area Ratio (FAR) to support the proposed introduction of TOD in this unique and constrained location:
  - Base FAR of 5.0
  - Base FAR increased to 9.0 for the provision of mixed-use residential and commercial uses
  - No height restrictions imposed

- Up to 3.0 FAR for low occupancy uses to mitigate the development constraints of the LRT elevated guideway, allowing the development to raise the residential towers above the geodetic elevation of the catenary of the LRT guideway

- Bonusable items and framework for bonus FAR of up to 3.0 to include:
  - Affordable housing
  - Accessible housing
  - Contribution to the Sunalta Community Investment Fund with the contribution of funds specifically targeted to the Sunalta community hub project

The proposed DC District proposes to increase the intensification potential of the subject lands identified within the Mixed-Use area of the Sunalta ARP with regards to height and density and to add to the bonus framework. Therefore, an amendment is required to the ARP as part of this application (Attachment 2).

The proposal conforms to the ARP as amended and aligns with applicable policies of the Municipal Development Plan (MDP).
Policy Amendments and Land Use Amendment in Sunalta (Ward 8) at 1510, 1514, 1516, 1518, 1530 and 1534 - 10 Avenue SW and 983 - 14 Street SW, LOC2018-0116

ADMINISTRATION RECOMMENDATION:

That Calgary Planning Commission recommend that Council hold a Public Hearing and

1. **ADOPT**, by bylaw, the proposed amendments to the Sunalta Area Redevelopment Plan (Attachment 2); and

2. Give three readings to the proposed bylaw.

3. **ADOPT**, by bylaw, the proposed redesignation of 0.32 hectares ± (0.79 acres ±) located at 1510, 1514, 1516, 1518, 1530 and 1534 - 10 Avenue SW (Plan 5380V, Block 208, Lots 25 to 36) and 0.04 hectares ± (0.1 acres ±) representing a portion of 983 - 14 Street SW (Portion of Plan 0913611, Area A) from DC Direct Control District to DC Direct Control District to accommodate a mixed-use development with at-grade retail uses and residential tower development above with guidelines (Attachment 3); and

4. Give three readings to the proposed bylaw.

5. **THAT** any density bonus contributions made through the development permit process for the subject site be directed toward the Sunalta Community Hub project.

PREVIOUS COUNCIL DIRECTION / POLICY

None.

BACKGROUND

This land-use redesignation and policy-amendment application has been submitted by S2 Architecture on 22 May, 2018, on behalf of the landowner Interloq Capital Inc. No development permit has been submitted at this time. However, as noted in the Applicant's Submission (Attachment 1), the applicant is intending to develop a mixed-use project including a podium with retail uses at-grade, three levels of above-grade parking (as well as three levels of below-grade parking) and two residential towers above the podium.

It should be noted that development of the 10th Avenue Main Street Streetscape Master Plan (the Plan) is currently underway. The Plan will provide a comprehensive vision in the short and long terms for the entire public road right of way (including the bylawed road right of way setback) from 14 Street SW to 19 Street SW. The objective of the Plan is to provide a streetscape enhancement that will reflect the unique character of the area, promote economic vitality by activating the street, and increase safety for pedestrians, cyclists, and transit users. A consultant will be retained in September 2018 with the expectation of completing the Plan in Q2, 2019.

Approval(s): S. Lockwood concurs with this report. Author: C. Renne-Grivell
Policy Amendments and Land Use Amendment in Sunalta (Ward 8) at 1510, 1514, 1516, 1518, 1530 and 1534 - 10 Avenue SW and 983 - 14 Street SW, LOC2018-0116

Location Maps

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Site Context

The subject site is located in the community of Sunalta and includes six parcels along the north side of 10 Avenue SW, one parcel to the west of the 14 Street SW intersection. This site is approximately 200 metres from the Sunalta LRT Station and is in close proximity to the downtown core. It is approximately 900 metres walking distance from the free-fare zone of the LRT. Surrounding development is characterized by low-scale, light industrial and commercial uses. The primary designation is two DC districts; 82D2009 and 64D2010. The Sunalta ARP was updated in 2009, after the approval of the West LRT line, and it implemented TOD policies in close proximity to the Sunalta LRT Station. The City then redesignated some parcels of land in this area to DC districts to reflect these changes to the ARP. Notwithstanding the construction of the LRT and station, updates to the ARP and re-designations, there has been no redevelopment in this area since that time. This application represents the first redevelopment proposal in this strategic location.

North: Directly north of the subject site is the CPR freight rail corridor and the elevated West LRT guideway approximately 15.0 metres above grade on the west side of the site, with a City-owned portion of land separating this infrastructure from the subject parcels.

West: To the west of these parcels is another City-owned lane and, further west, parcels with low scale, commercial and/or light-industrial uses.

South: To the south of the subject site is a multi-storey utility building owned by Telus Communications Inc. It is distinct in that it is, essentially, a windowless building.

East: To the east of the site, separating the subject parcels from 14 Street SW, is one lot with a one-storey commercial development located on it.

The subject site is approximately 3,202 square metres in size with approximate dimensions of 34.5 metres in depth by 90.0 metres in width. This also includes a strip of land that was purchased from the City of Calgary within the last year that is part of the parcel of land located at the rear (north) of the subject parcels and adjacent to the LRT guideway. Current development on this site includes single-storey, commercial uses, with access to these parcels off of 10 Avenue SW. The proposed access for any new development would be from the City-owned lane to the west of the subject site, with access points on the side (west) and rear (north) of the proposed podium to the underground and above-ground parkades. There would be a surface easement at the back of the subject parcels to allow for this access over City-owned lands.

As identified in Figure 1, the population within the community of Sunalta peaked in 2015. Since that time, there has been a slight decline in the number of residents living in Sunalta. This likely reflects the fact there has not been significant redevelopment within this community over the last few years, and changes in population numbers are indicative of natural migration of people in - and out of a community.
Planning Considerations

Impacts of the LRT Elevated Guideway:

This guideway borders the back of the lots along the north side of 10 Avenue SW through Sunalta and, at approximately 15.0 metres to top of track on the west side of the site, is substantially above the existing grade. It extends approximately from 14 Street SW to 19 Street SW. Because of its development, the depths of these parcels along this 10 Avenue SW corridor have been substantially decreased. The average lot depth on the north side of 10 Avenue SW and west of 14 Street SW is approximately 30 metres, as compared to approximately 50 metres for lots on the north side of 10 Avenue SW but east of 14 Street SW. In addition, there are setback rules for any proposed development adjacent to this guideway: three metres must be maintained from the guideway and seven-and-a-half metres from the support columns, further reducing the developable footprint of these lots. This is the only corridor, to date, within the City that has this guideway condition and its resultant limitations.

In addition, as part of the West LRT line, the City built a station in Sunalta just west of 16 Street SW, along 10 Avenue SW. However, since that time, there has been no significant redevelopment along this corridor. This is the first significant development proposal in this area since the completion of the LRT line in 2012. Another factor to consider is that there are smaller, fragmented parcels along this corridor that would require consolidation in order to acquire a large enough parcel to build to the TOD intensification as anticipated within the Sunalta ARP.
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Land Use

The subject site is currently designated a DC District with a base of Centre City Mixed Use District (CC-X). The maximum FAR allowed in this district is 5.0, with the option to bonus to 7.0 FAR using the bonusing options as listed in this DC. There is a stated height limit of 56 metres. The front setback requirement is a minimum of 1.0 metre and a maximum depth of 4.0 metres.

The proposed DC District also uses a base of Centre City Mixed Use District (CC-X), but increases the base FAR to 9.0 when residential mixed-use is proposed. In the subject application, this would be met by ground floor frontage for commercial uses. The ARP provides direction as to treatment of at-grade commercial uses, encouraging, for example, small unit sizes with frontages between 7.5 and 12.0 metres. Multi-residential units are proposed in a tower format above. The bonusing options include development of affordable units, accessible units and allows for a contribution to the Sunalta Community Investment Fund. There are no height restrictions within this DC. This DC also does not require a front setback, but sets the maximum depth for a front setback at 4.0 metres.

This application proposes a significant increase in density and height from what the existing DC District permits and the Sunalta ARP suggests. This application proposes no height restriction and an overall FAR of 15.0. The applicant has stated that, in order to make development feasible, given the site constraints in this area, this is the total FAR required. No height restriction provides flexibility for development options.

The proposed DC District would also allow for three levels of above-grade parking (in addition to three levels of below-grade parking). The applicant confirmed the main reason why these above-grade parking levels are required is to ensure the residential component of the project is able to start above the LRT guideway and catenary, recognizing the area below the guideway does not provide ideal conditions for residential living. This rationale is supported by the City commissioned study that GEC Architecture completed in September 2011 for the purpose of modeling different development scenarios adjacent to the guideway. No scenarios included residential below the guideway, and several included above-grade parking levels, or a mix of office space and parking, with the intent of raising residential above the guideway.

The ARP also supports above-grade parking levels when there are challenges locating it below grade and includes criteria that should be followed, such as limiting it to two levels, providing screening from public streets with active uses and/or architectural treatment that makes the parking indistinguishable from the rest of the building. This application does request three levels of above-grade parking, but Administration is willing to support this as three levels allows the residential development to be located above the guideway and catenary, whereas two levels would not achieve this same result.

Administration has considered this proposal in regards to this additional density, no height restrictions and above-grade parking, and has determined there is rationale to support it, as the lots in question do have significant constraints, as has been outlined above. In addition, there has been no redevelopment along 10 Avenue SW over the past nine years since the start of construction on the West LRT line, which is indicative that the current densities are not appropriate for this area. When the Sunalta ARP was revised in 2009, Administration expected

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that revisions to it would likely be required with any proposed redevelopment to reflect the reality of developing in this location.

This DC District also includes a change in the bonusing options available from what is currently included in the existing DC and ARP. The applicant has requested that development of affordable units, accessible units and a contribution to the Sunalta Community Investment Fund, specifically ear-marked for the “community hub” project within the community, be included as specific bonusing options for this development.

Affordable housing is currently a bonusing option within the Beltline and accessible unit development is an option within the Commercial Residential District (CR20-C20/R20) bonusing structure for the downtown core. Section 3.3.4 (2) provides for the establishment of a Community Investment Fund (CIF) that would be funded by developers through the density bonus provisions of the ARP. The ARP sets out a range of public realm improvements that would be eligible to be funded through the Community Investment Fund (CIF) such as upgraded pedestrian and bicycle infrastructure, upgraded public plazas and implementation of a heritage grants program. As no development has occurred that would trigger the density bonus provisions, the CIF has yet to be formally established. Since the ARP was amended in 2009, a new community project has been conceptualized to enhance the existing Community Association building into a “community hub” that includes the participation of the United Way and other community groups (Attachment 6). Administration, with the support of the Sunalta Community and the applicant, is recommending that any density bonus contributions made through the subject application be specifically directed toward the realization of the community hub project.

Administration is able to support these bonusing options as proposed, as these are viable options that would provide enduring benefit to the community by directly supporting a redevelopment project within the community and providing alternate housing options for community members and people who may be wishing to move into the community but who are unable to afford to.

Transportation Networks

Pedestrian access to the site will be from 10 Avenue SW. Vehicular access to the below-ground and above ground parkades will be from the lane to the west of the site which allows for access to the side and rear of the parcel. The area is served by Calgary Transit bus service, with a stop located directly in front of the subject site providing service to the downtown core. The subject site is also approximately 200 metres away from the West LRT line, specifically the Sunalta Station. This site is also within a short walking distance (approximately 900 metres) to the Downtown West - Kerby Station which is part of the free-fare LRT zone through the downtown.

On-street parking along 10 Avenue SW is restricted, with no parking allowed directly in front of the subject site, only a timed loading zone, with maximum two hour parking during peak hours further along the street.
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A Transportation Impact Assessment report will be required at the time of development permit application to confirm the intersection capacity and requirements for a left turn lane at the adjacent intersection.

Utilities and Servicing

Water, storm and sanitary sewer mains are available to service the subject site.

However, due to the increased density of the proposed development, the existing 150 millimetre watermain along 10 Avenue SW will be required to be upgraded to a 250 millimetre watermain at the expense of the developer.

The applicant will also be required to provide a Sanitary Servicing Study to determine the ultimate flows generated by the proposed development.

Stakeholder Engagement, Research and Communication

In keeping with Administration’s standard practices, this application was circulated to relevant stakeholders and notice posted on-site. Notification letters were sent to adjacent land owners and the application was advertised online.

Summary of Comments Received

The Sunalta Community Association was circulated on this application. However, no correspondence was received from them at the time of writing of the CPC report.

There was one letter of support received from a member of the public. This person supported this application, citing that revitalization and growth within Sunalta is essential.

Applicant-Led Engagement

The Applicant conducted their own communications and engagement program pre- and post-submission which included:

- Community Association meetings
- Meetings with adjacent landowners
- Flyer drop in the community
- Signage advertising Open House
- Email newsletter blast from Open House
- Open House at the Sunalta Community Association on 2018 June 19.

The Applicant’s Engagement Strategy is summarized in Attachment 4.
Planning & Development Report to
Calgary Planning Commission
2018 August 23

Policy Amendments and Land Use Amendment in Sunalta (Ward 8) at 1510, 1514, 1516, 1518, 1530 and 1534 - 10 Avenue SW and 983 - 14 Street SW, LOC2018-0116

Engagement Overview

The City-led engagement strategy was developed to facilitate multiple touch points and ensure inclusivity for all who wanted to provide input and learn about the project. Both in-person and online opportunities were offered for those who were interested in participating.

The Engage Spectrum level for this project was Listen & Learn which is defined as "We will listen to stakeholders and learn about their plans, views, issues, concerns, expectations and ideas." Feedback collected through the City-led engagement program was used to help inform Administration's detailed review of the application.

With other planning applications active in the area, the engage strategy included hosting a joint open house (with the applicant) for citizens to come and learn about two major land use and policy amendment applications in the Sunalta ARP area at the same time:

1. The subject application for Housing One LOC2018-0116; and
2. The application for mixed use development, by Arlington Street Investments, located at 14 Street and 17 Avenue SW.

Engagement results

- Open House held on June 26, 2018 at the Sunalta Community Association.
  - 59 people attended the Open House.
- Online survey at Calgary.ca/sunalta from 2018 June 25 – 2018 July 09.
- In total we received 20 comments and ideas.

What we heard

Citizens provided a diversity of comments and the main themes, ideas and concerns identified by citizens were as follows:

- Citizens were generally supportive of the application for the following reasons;
  - provides an opportunity for revitalization and to enhance 10 Avenue SW,
  - provides an opportunity for improved safety,
  - supportive of transit oriented development,
  - supportive of mixed-use/ ground floor commercial.
- Citizens shared concerns about potential of unlimited FAR and want to ensure there is appropriate community benefits in place through density bonusing.
- Citizens shared concerns about the potential impact of this development on traffic congestion in the area.

Approval(s): S. Lockwood concurs with this report. Author: C. Renne-Grivell
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What we did

Feedback collected through our engagement program was used by The City to inform the detailed review of the application. Recommendations were made by The City to the applicant as part of this review. The applicant and/or The City has provided a response to each of the issues identified, below.

<table>
<thead>
<tr>
<th>Issue identified</th>
<th>Response and/or changes made to application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens shared concerns about potential of increase in FAR and want to ensure there is appropriate community benefits in place through density bonusing.</td>
<td>The applicant has proposed density bonusing items that will directly benefit the Sunalta community</td>
</tr>
<tr>
<td>Citizens shared concerns about the potential impact of this development on traffic congestion in the area.</td>
<td>Transportation has requested that a Transportation Impact Assessment be provided at the development permit stage to confirm traffic flows in the area, intersection capacity and whether any changes will be required as a result of this development.</td>
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Communications overview

A communications plan was developed to inform the community about the project and the engagement opportunities. The tactics used to inform the public included:

- Project specific website (www.calgary.ca/sunalta) that shares information about the project and engagement opportunities.
- A project email newsletter, where interested parties can subscribe for project updates.

The following communications tactics were employed to promote participation in our various engagement opportunities:

- Facebook advertisement to area residents.
- Postcard mail outs to surrounding area residents and landowners.
- Road signs located at high-traffic intersections sharing event details.

Full engagement reports

The full engagement summary with verbatim comments can be found here:

- Final Engagement Summary

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Following Calgary Planning Commission, notifications for Public Hearing of Council will be posted on-site and mailed out to adjacent land owners. In addition, Commission's recommendation and the date of the Public Hearing will be advertised.

Strategic Alignment

South Saskatchewan Regional Plan (Statutory – 2014)

The site is located within the City, Town area as identified on Schedule C: South Saskatchewan Regional Plan Map in the South Saskatchewan Regional Plan (SSRP). While the SSRP makes no specific reference to this site, the proposal is consistent with policies on Land Use Patterns.

Municipal Development Plan (Statutory – 2009)

The site is located within the Residential, Developed: Inner City area as identified on Map 1: Urban Structure of the Municipal Development Plan (MDP). Although the MDP makes no specific reference to the subject site, the land use proposal is consistent with MDP policies regarding Developed Residential Areas, neighbourhood infill and redevelopment and housing diversity and choice.

Sunalta Area Redevelopment Plan (Statutory – 1983)

The subject site is located within the Mixed Use area as identified on Map 2: Land Use Policies within this ARP. Objectives for this area include the creation of a high quality transit oriented development, a Neighbourhood High Street that is retail oriented and pedestrian friendly and to provide for a variety of housing types to serve a range of populations and incomes. The ARP outlines that there is significant redevelopment potential within this area and that higher densities are suitable to take advantage of the close proximity to major transportation links (i.e. the West LRT).

This application aligns well with these objectives and intent within the ARP, as it proposes high density, mixed-use development that has commercial units at grade, activating the street-level.

Transit Oriented Development Policy Guidelines (Statutory – 2004)

These guidelines provide direction around development proposed within 600 metres of a Transit station. Key policy objectives for TOD areas include provision of transit supportive land uses, densification around transit stations, pedestrian-oriented design and planning for the context of the local community. This application aligns with these policy objectives, as high-density development, with at-grade retail uses is proposed.

Social, Environmental, Economic (External)

This proposed high-density development is in close proximity to the downtown core and will provide additional housing stock in an attractive and convenient location. Affordable housing has been included as a bonusing option for this project, and if the applicant wishes to pursue development of affordable housing at the development permit stage, this will provide housing for

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some who may otherwise be unable to live in this location close to the downtown core or could provide an option for current residents to continue to live in the community.

A Phase II Environmental Site Assessment was required for this application. The conclusions of the study provide a range of recommendations to consider at the development permit stage. For example, a “Soil Management Plan” will be required at the development permit stage to address soil impacts identified in this report.

Financial Capacity

Current and Future Operating Budget:

There are no known impacts to the current and future operating budgets at this time.

Current and Future Capital Budget:

The proposed amendment does not trigger capital investment infrastructure and, therefore, there are no growth management concerns at this time.

Risk Assessment

This is the first redevelopment proposal along the 10 Avenue SW corridor that has been submitted since the development of the West LRT line and Sunalta train station. This development fulfills the goals of this mixed-use TOD area as identified within the Sunalta ARP, and will likely trigger future growth and development in this area. Therefore, there is a potential risk to consider if support cannot be given to this application.

REASON(S) FOR RECOMMENDATION(S):

Administration supports this application, as the City has invested in this area with the development of the LRT and Sunalta Station, but subsequent redevelopment has not followed this investment. This is the first redevelopment proposal along this corridor, on a constrained site with limitations to development. This application supports the vision for the area as outlined within the Sunalta Area Redevelopment Plan as amended, for example, proposing high density, mixed-use development in very close proximity to the LRT station. This is a strategic site, ready for redevelopment, and an ideal location for this higher density development.

ATTACHMENT(S)

1. Applicant Submission
2. Proposed Amendments to the Sunalta Area Redevelopment Plan
3. Proposed DC Direct Control District
4. Applicant’s Engagement Strategy
5. Uses and Building Massing Schematic
6. Overview of Sunalta Community Hub Project