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ALBERTA'S BOOM

Challenges and opportunities
for sustainability planning

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ALBERTA'S BOOM:

Challenges and Opportunities for Sustainability Planning

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There is an increasing recognition of the need to develop strategies that can sustain their present needs into the future and maintain the quality of life that many Albertans have come to expect.

Alberta has seen its economic ups and downs over the years, but right now it's on what is perhaps the biggest "up" of its history. The recent dramatic increase in the world price for oil has brought great prosperity and growth to the province, but also great challenges.

The province is now starting to experience some of the traffic congestion, urban growth and infrastructure challenges that were previously seen as mostly problems of longer-settled eastern Canada. Soaring real estate markets and the difficulty of providing affordable housing add to these challenges. Up more than 50 percent in the past year, the average sale price for a single family home in Calgary is at an all time high of over \$400,000. The recognition of these and other challenges – and how communities are addressing them – may offer some lessons to municipalities in other parts of the country.

While attention has focused on the larger urban centres of Calgary and Edmonton, economic growth and corresponding development pressures are being felt throughout the region known to petroleum geologists as the Western Canadian Sedimentary Basin. The main activity extends from the Fort St. John area of British Columbia, to Fort McMurray on the edge of the oil sands, and throughout much of Alberta, into the oil-rich areas of Saskatchewan.

It is in these areas of Alberta that environmental chal-

lenges have also been identified as of paramount importance to municipalities in the current boom climate. For example, the Regional Municipality of Wood Buffalo has acknowledged in its 2005 municipal development plan that perhaps the most visible environmental issues relate to the continued development of the Athabasca Oil Sands.

The potential for cumulative environmental impacts of existing and future oil sands projects involving natural habitats, as well as air and water quality in the region, present major municipal concerns. The mitigation of these impacts, along with reclamation of oil sands mine sites and the determination of suitable end land use for these vast areas, will be key to realizing sustainable development over the long term in the region.

Land Shortage

One of the issues is the shortage of affordable land within a reasonable distance of city cores. Calgarians used to say that nothing in their city was ever more than 20 minutes away, but this is no longer true, as its population now exceeds one million. Smart growth and the containment of urban sprawl, higher density development, infill and brownfields redevelopment all present possible solutions to land shortages within existing city boundaries.

Although land shortages have resulted in smaller lot sizes within city boundaries, it has not led to significant change of land use in terms of more-dense development through extensive construction of condominiums and other forms of development density, as has occurred in the Greater Toronto Area (GTA). Albertans still seem to prefer the standard sin-

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gle-dwelling home with a front yard and a barbecue-friendly back yard. Until now, there has been enough land to allow this dream to become a reality for many.

There also appears to be less market acceptance of the kind of condominium towers that are helping to cope with urban sprawl pressures of the similarly land-challenged GTA. Alberta's planners and developers also see more push-back from residents of long-established, close-to-downtown neighbourhoods, who do not like having their yards cast into shadow by residential tower developments and increasing traffic.

Alberta's cities and towns seem destined to continue their horizontal spread. While the larger municipalities have invested substantially in light-rail and bus transit, the oil-rich province is also vehicle-rich, with some of the highest numbers of vehicles per person on the planet. This translates into the demand for land-gobbling expressways and parking lots, leading to the inefficiencies of residential sprawl in neighbouring municipalities. Some alternatives to urban sprawl are coming from groups such as Edmonton's smart growth initiative, promoting transit-oriented development, neigh-

a cost squeeze. This is making it difficult for municipalities to meet the needs of their growing populations.

The cost calculations that municipalities wrote into their budgets as little as three years ago no longer work due to a higher price tag on many inputs. While oil patch revenues have resulted in major royalties for the provincial treasury, costs appear to be still running ahead of provincial sharing mechanisms and municipal funding to meet them. Municipal roads, sewers and other infrastructure elements need to be in place before the residents of new developments can start paying property taxes.

One of the biggest cost challenges has to do with labour, particularly skilled labour. Private-sector employers, particularly in the cash-rich oil patch, can generally afford to out-bid municipalities in the competition for employees. The demand for labour often means that some trades and skill-sets are impossible to fill, at any price.

There is also a rise in the price of construction commodities such as steel and cement, and in some cases, long delivery times. The rising price of fuel has also affected municipalities and their contractors. Individually, the causes of the

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bourhood reinvestment and residential infill, including walkability. There are also some brownfield and infill developments in the larger urban centres, but again, this is more limited compared to some cities in eastern Canada.

The leapfrogging of Calgary's boundaries with the development of outlying communities like Bragg Creek, Elbow Valley and Rocky View are all examples of this kind of response to growth and the desire to maintain certain lifestyle and community attributes no longer available in the city. The sustainability of these attributes then comes into question. In the 2004 municipal development plan for Rocky View, for example, it is noted that the same features that make Rocky View attractive to residents – its rural setting, natural beauty, farmland and close proximity to the City of Calgary – can also present challenges, as more and more people are attracted to living in the area.

Concerns of these communities over the desire to maintain rural settings, impacts on water resources and protection of natural environments, and preservation of wildlife habitats then also become elements in the mix of planning toward sustainability for rural municipalities outside of larger urban centre boundaries.

Cost Squeeze

Another difficult reality facing municipal planners, as well as other levels of government and the private sector, is

cost squeeze are already significant; considered together, they compound to result in cumulative impacts that present serious challenges in responding to the current growth scenario in Alberta.

These issues are perhaps felt most keenly in the oil sands capital of Fort McMurray. There, shortages of labour, housing, medical facilities, schools, recreation opportunities and even serviced land make it difficult for the municipal government to offer the quality of life to residents it would like to provide. Most municipalities know that they cannot rely on high oil prices and corresponding royalties indefinitely. There is also an increasing recognition of the need to develop strategies that can sustain their present needs into the future and maintain the quality of life that many Albertans have come to expect.

How can municipalities deal with these issues? They need to continue to demonstrate to the provincial government the cost pressures and social needs they feel, so that the province can continue to support a high quality of life. This means pushing for the provincial government to provide adequate levels of funding, out of its leases on mineral rights and oil and gas royalties, to allow municipalities to compete for resources that can provide the much needed municipal services and infrastructure.

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Seeking out funding partners with provincial and federal agencies offers one opportunity to meet these needs. In this respect, urban and rural municipalities in Alberta should see an improvement and increase in their infrastructure as a result of a \$176 million investment announced in early May by the governments of Canada and Alberta. With matching municipal contributions, the fund is expected to reach a total value of \$264 million.

At the same time, there is an opportunity for municipalities to differentiate themselves from the boom and bust cycles associated with traditional, resource-based economies. In the labour market, some municipalities can offer what some industry employers dependent on non-renewable resources and world economies cannot – longer term employment stability. Long-time Albertans have memories of previous oil booms, and remember that each has been followed by a bust. Such times were marked by idle drilling rigs and the collapse of many junior oil companies. Further opportunities are presented through planning for sustainability and economic diversification in the long term.

Shortened Planning Horizon

Municipalities that, in the past, have taken a long-term view to planning and the delivery of municipal services and infrastructure may be finding that their planning horizon has shortened considerably. In some cases, three- to five-year planning is now considered long-term, in part because of the uncertainty about how long the current oil boom will continue, and because municipal needs change so quickly.

This may also mean incorporating flexibility into designs, such as providing multi-functional spaces that work for several uses. It also includes building municipal facilities on as small a footprint as possible, and doing it in a modular way, with some of the land unoccupied, so that future needs – unknown at present – can be met.

Community Sustainability Planning

Referred to as the “triple bottom line” of sustainable development, there remains the need for planning to recognize the linkages and relationships between the ecological, social and economic dimensions that define sustainable development for communities.

The Natural Step was developed as one model for planning sustainable development that embraces the triple bottom line and offers a practical strategic planning framework to help communities take steps toward sustainability. Along with Whistler, the Town of Canmore has also adopted the principles of the model to direct its future development. As a previous mining town, Canmore has more recently been transformed into a thriving, upscale residential and recreation community. Continuing this development, the town has just released a declaration of sustainability that will commit the community to creating the conditions necessary for a sustainable future.

Similarly, Strathcona County, a municipality located east of Edmonton, has undertaken a workshop on the planning framework and the development of a strategic plan to guide sustainability.

Although there has been considerable municipal interest in green building and climate change programs, smart growth, bike paths, renewable energy, and sustainability indicators, community sustainability planning has not until very recently received the same attention.

The introduction of community sustainability planning by the federal government presents another response to the current development scenario in the province, and an approach to measurable progress towards sustainability. To obtain funding under the federal gas tax program, municipalities are required to develop an integrated community sustainability plan – defined as “a long-term plan developed in consultation with community members that provides direction for the community to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity.”

Planning for sustainable communities in Alberta was further advanced with the President’s Summit on Community Sustainability in July 2005, organized by the Alberta Urban Municipalities Association. The concepts of sustainability planning, planning frameworks, and community sustainability were introduced to over 200 municipal leaders representing 100 communities in Alberta. The association, along with Alberta Municipal Affairs and Alberta Infrastructure and Transportation, is also working on the development of templates, form and content for integrated community sustainability plans.

Setting Municipal Priorities

To deal with these issues, municipalities need to acknowledge the reality that they may not, at least in the short term, be able to provide all the infrastructure and services they would like. This means setting priorities, based on what is most necessary to meet the needs of the community. For example, meeting the more immediate health-care and educational needs may take priority over social and municipal needs, such as infrastructure and recreation.

Priorities also need to be set regarding environmental aspects. While “green” construction may be an important value that embraces sustainability, it may be necessary to build municipal structures with conventional heating, ventilation and air conditioning systems at the start, and only later adding the green aspects such as solar-power panels on the roof.

Many municipal leaders would say that too-rapid growth is better than the opposite problem, which would be a stagnant or declining economy such as that faced by many less-fortunate resource-dependent municipalities. Still, growth brings its own challenges, which need to be met and planned for wisely with forethought and a longer-term view toward sustainability. MW