OPINION

Answers needed to freeway-based city

JIM DEWALD AND BEV SANDALACK
FOR THE CALGARY HERALD

During the past couple of years, the City of Calgary's planning department has been working very hard on the annexation and planning of thousands of acres of suburban land.

The huge migration of people into Calgary in 2006 caught most people by surprise, but despite the incredible demands, the development industry worked hand-in-hand with city planners to almost double the building capacity of the industry in just over a year. Amazing.

But more recently, this love between the industry and planning gatekeepers is fading as the city planning department recently announced its intent to pull back on its policy planning agenda for 2008.

Indeed, 2007 ended with many developers expressing their outrage by storming aldermanic offices and tying up a city council committee meeting for hours.

Jim Dewald

What is to be made of this odd turn of events?

Some will have you think that the city administration is trying to boost its budget, but as Mayor Dave Bronconnier said recently in the Herald: "This is not about paying for another $120,000 planner." (As if the average planner makes $120K, but we'll ignore that specific reference.)

Bev Sandalack

The point is that the proposed work plan is about much more than bureaucratic empire building and budget increases.

Let's try to understand what is motivating this move and countermove.

It might be more constructive to start from a neutral position, such as considering what the industry and city hall have in common.

Both understand that development is an outcome of population and job growth, which are encouraged by city hall and the development industry alike.

Further, both the development industry and city hall recognize that homebuyers have choices, including opportunities to purchase in nearby towns such as Cochrane, Airdrie, and Okotoks.

Members of the development industry who own property within the city limits want to encourage growth within the city boundaries, as does city hall.

Developers and city hall have both been pushing for higher densities and more mixed-use plans in new communities, partly in an effort to enhance affordable housing options (if half a million bucks is considered affordable).

Yes, there is much in common between city hall and the development industry, and it would seem like the past years' swath of planning approvals was indeed based on a firm and common grounding.

But how does one explain the polarization that has gripped development discussions over the past month?

How can two groups who seemingly share the same end-goals possibly have such diverse world views?

Maybe it is simply a misunderstanding?

One of the industry's main concerns is that city hall's new initiative, Plan It, was created without industry consultation.

To be sure, dialogue is the key to relationship building.

However, it is the city's right, if not duty, to demonstrate leadership and take full responsibility when it comes to city-wide conceptual and policy planning.

Still, there is clear logic in including the industry in developing such a groundbreaking initiative as it will be played out on their property.

Now that the scenarios have been developed and more general feedback is being sought, it is time for the industry to get involved in this groundbreaking initiative.

Indeed, one could easily argue that it makes sense that any developer would support the basic premise of Plan It, which is to find better planning solutions that provide for more density and mixed use opportunities in combination with lower cost and more efficient infrastructure planning. Lower costs and higher revenues are a great recipe for any business model.

The Urban Development Institute would likely state that this is much more than a communication problem, or someone having his or her nose out of joint due to an oversight.

But that is all water under the bridge, and now it is time to consider the real objectives of the 2008 work plan for the planning department.

The bottom line is that in pretty much every corner of City Hall, people recognize that we cannot sustain growth under our current model.

There is coming a time where not only the capital costs, but also the operating costs of our freeway-based city will be more than what the taxpayers will be able to cover.

The answers are simple:

■ Make someone else pay (such as the province or developers — which is to say, homebuyers in new neighbourhoods);

■ Change our growth patterns.

Since the 1970s, city planning has proposed various ways to accomplish the latter. Now it is time to be bold and show a new path forward — this is what Plan It is all about.

The saying goes that "if you keep doing what you've always done, you'll keep getting what you've always got," which in Calgary's case seems to be sprawl and traffic.

We are convinced that the current planning process by the city is a sincere attempt to try to find ways to change up our patterns of development in order to make Calgary more, not less, attractive to new immigrants and our own growing population.

And that includes making it more sustainable, livable and affordable.

Maybe a sharp shift like Plan It is the only way to achieve this combination — only time will tell.

But we all have a stake in the outcome and thus we have a stake in the process. Healthy dialogue will hopefully result in healthy outcomes.

JIM DEWALD, PHD, IS ASSISTANT PROFESSOR, STRATEGY AND GLOBAL MANAGEMENT AT THE HASKAYNE SCHOOL OF BUSINESS AT THE UNIVERSITY OF CALGARY, AND A PARTNER WITH PETERS-DEWALD LAND CO. BEV SANDALACK, PHD, IS CO-ORDINATOR OF THE URBAN DESIGN PROGRAM IN THE FACULTY OF ENVIRONMENTAL DESIGN AT THE UNIVERSITY OF CALGARY, MEMBER OF THE CALGARY URBAN DESIGN REVIEW PANEL, AND CO-AUTHOR OF THE CALGARY PROJECT, A BOOK ABOUT CALGARY'S URBAN DEVELOPMENT.

Ted Rhodes, Calgary Herald

Calgary needs to be made more sustainable, livable and affordable.

BY THE NUMBERS

Mortgage payment calculation chart

Monthly investment in a mortgage per $1,000

%		25 YEAR		15 YEAR
3.5	=	5.01	=	7.15
4.0	=	5.28	=	7.40
4.5	=	5.56	=	7.65
5.0	=	5.85	=	7.91
5.5	=	6.11	=	8.14
6.0	=	6.40	=	8.40
6.5	=	6.70	=	8.67
7.0	=	7.01	=	8.94
7.5	=	7.32	=	9.21
8.0	=	7.64	=	9.49
8.5	=	7.96	=	9.77
9.0	=	8.28	=	10.05
9.5	=	8.62	=	10.33
10.0	=	8.95	=	10.62
10.5	=	9.29	=	10.92

For example:
A $100,000 mortgage over 25 years at 3.5% is $5.01 x 100 = $501 monthly payment

Income, home price and down payment guide

This table gives you an idea of the maximum home price you can afford. These estimates take into account household income and the percentage down payment you have. They assume a mortgage interest rate of 8%, average tax and heating cost in Canada, and the mortgage an average Canadian would qualify for based on a 32% debt-service ratio.

Household Income	10% down payment	Maximum home price	25% down payment	Maximum home price
$25,000	$6,300	$63,000	$18,900	$75,600
$30,000	$8,200	$82,000	$24,700	$98,900
$35,000	$10,100	$101,000	$30,300	$121,000
$40,000	$12,000	$120,000	$36,000	$144,000
$45,000	$13,900	$139,000	$41,700	$166,800
$50,000	$15,800	$158,000	$47,400	$189,600
$60,000	$19,600	$196,000	$58,800	$235,200
$70,000	$23,400	$234,000	$70,100	$280,400
$80,000	$27,200	$272,000	$81,500	$326,000
$90,000	$31,000	$310,000	$92,800	$371,200
$100,000	$34,800	$348,000	$104,300	$417,200

Figures are rounded to the nearest $100 Source: CMHC

Mortgage rates

Effective Jan. 3, 2008. Rates expressed in per cent.

	Variable Rate	6 mo. open	6 mo. closed	1 year open	1 year closed	2 year closed	3 year closed	4 year closed	5 year closed
Chartered banks									
Bank of Montreal	c 5.547	8.900	7.100	9.500	7.350	7.550	7.550	7.540	7.540
Bank of Nova Scotia	c 5.500	8.900	7.050	9.450	7.400	7.550	7.550	7.550	7.590
Bridgewater Bank	c 5.550	-	-	-	6.700	6.200	6.150	-	6.030
CIBC Mortgages	c 5.630	8.750	6.750	9.600	7.450	7.550	7.550	7.550	7.540
Canadian Tire Bank	c 5.250	7.700	-	-	5.650	5.700	5.750	5.850	5.850
Canadian Western	c 5.500	8.750	7.050	9.500	7.400	7.550	7.550	7.550	7.550
Citizens Bank of Cda	c 5.650	6.950	6.100	6.950	6.100	6.100	6.100	6.050	6.040
HSBC Bank Canada	c 5.500	8.900	7.050	9.450	7.400	7.550	7.550	7.550	7.540
ICICI Bank Canada	c 5.750	-	-	-	5.700	5.750	5.800	5.850	5.750
ING Direct	c 5.500	-	-	-	6.000	6.100	6.100	5.950	5.990
Laurentian Bank	c 5.750	8.900	7.050	9.500	7.250	7.550	7.550	7.550	7.550
Manulife Bank	6.000	-	6.150	6.700	5.650	5.700	5.750	5.850	5.850
National Bank	c 6.000	8.900	7.100	9.500	7.350	7.550	7.550	7.550	7.550
Presdnt'sChoice Fin'l	5.550	-	7.120	-	6.690	6.200	6.100	6.100	6.200
Royal Bank	c 5.500	8.900	7.100	9.500	7.350	7.550	7.550	7.540	7.540
TD Canada Trust	c 5.750	-	7.050	9.500	7.400	7.550	7.550	7.550	7.590
Trust Companies									
Concentra Financial	-	8.900	7.100	9.500	7.350	7.550	7.550	7.550	7.590
Equitable Trust	-	8.900	-	9.500	7.450	7.550	7.550	7.550	7.540
FirstLine Mrtgs	c 5.625	-	7.800	-	7.200	6.600	6.450	6.350	6.490
Home Trust Co.	-	-	-	-	7.350	7.550	7.550	7.540	7.540
Investors Grp Trust	c 5.000	8.900	7.100	9.500	7.350	7.550	7.550	7.550	7.540
Peace Hills Trust	-	-	7.100	-	7.350	7.550	7.550	7.550	7.540
ResMor Trust	c 5.400	-	-	-	6.390	6.140	6.140	6.140	5.990
Other institutions									
AMA Financial	c 5.500	-	-	-	6.650	6.150	6.100	6.040	5.980
ATB Financial	c 5.400	8.900	7.050	9.500	7.350	7.550	7.550	7.550	6.480
CommonWealth Credit U	c 5.500	8.900	-	9.500	6.750	6.300	6.300	6.470	6.470
First Calgary Savings	-	8.900	7.050	9.500	7.400	7.550	7.550	7.550	7.540
First National Fin'l	c 5.500	-	7.050	-	6.000	6.100	6.100	5.950	5.990
Key Savings & Credit U	6.000	8.650	6.850	9.300	6.900	7.000	6.950	6.900	6.840
London Life	c 5.000	8.900	7.100	9.500	7.350	7.550	7.550	7.550	7.540
MCAP Mrtg Corp.	c 5.600	-	7.100	9.500	7.400	7.550	7.550	7.550	7.550

Variable rates are open unless indicated by a 'c.'

This table was prepared by CANNEX Financial Exchanges on Dec. 27, 2007. For current rates, please visit the CANNEX website at www.cannex.com. **All rates are for informational purposes only, and should be confirmed by the company quoted.**