

2013-22 Industrial Land Strategy:

For the development of City-owned lands

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- approved by City Council 2013 March 18

Message from Joel Armitage

Thank you for your interest in The City of Calgary’s Industrial Land Development Strategy, an important document that shapes our work for the next 10 years.

This document provides a framework for how The City will develop and service City-owned land with the goal of adding to our economy and making Calgary a great place in which to work and live. The strategy was written with a number of objectives in mind. We want to increase awareness of The City’s land development program, and to present our vision for the program and the principles that guide us, including specific actions that will direct future business planning. This strategy will help align City-initiated land development projects with corporate fiscal and sustainability objectives and ensure fairness and transparency for how The City will develop and sell serviced industrial land. These are lofty goals to be sure, but The City of Calgary and its Office of Land Servicing & Housing is committed to meeting each one.

This document highlights the work The City does, how that work impacts Calgary’s economy and contributes to the well-being of Calgarians, and what we have planned for the future.

The Strategy also highlights five Calgary companies that have worked with The City to acquire serviced land that helped achieve their business goals. We’re proud of this work and wanted to share these success stories as they emphasize the role The City can play in industrial land development. ■

Best regards,
Joel Armitage



Joel Armitage, Director
Office of Land Servicing & Housing

1.0 The City of Calgary and industrial land development

The City of Calgary has been an active leader in industrial land development for the past 50 years.

It has planned, serviced and sold City-owned land assets to ensure availability of industrial lots through strong and weak economies. The City of Calgary's involvement in industrial land development has:

- Resulted in approximately 5,000 acres being serviced and sold to 2,700 businesses, which currently employ more than 50,000 people.
- Maintained a self-sustaining development program (not mill rate supported) that finances future industrial development along with funding other corporate infrastructure (i.e. the Shepard Wetland).
- Enabled The City to achieve other policy objectives through its land ownership and development role.

Over time, The City's role has evolved in response to market and land based changes in Calgary and surrounding municipalities. Today, Calgary competes with global and major Canadian cities to attract business and industry. Initially, The City was one of few industrial developers and, in slow times, the only provider of serviced industrial land. Historically, it has been a challenge for private sector developers to withstand slow market periods and provide a steady supply of industrial land. In recent years, there has been growing participation by private developers in providing serviced lots with buildings (vertical development) for long-term leases to industrial tenants.

These developments play an important role by ensuring a variety of product options are available for businesses to locate and expand in Calgary. The City of Calgary complements this product by providing a steady supply of individual lots for businesses to purchase and own.

Recently there is also a significant new supply of industrial land available outside of Calgary in regional municipalities offering good access to major inter-modal hubs and regional highways. The emergence of a regional land supply provides new locational opportunities for businesses that require less proximity to urban amenities (e.g. transit, residential areas, City infrastructure, and clusters of existing industrial businesses), limited services, large lots, and lower lot pricing. These trends in the local industrial market have created a competitive region in Calgary and provide advantages on a national and international scale. A more diverse private and regional product offering enables The City's industrial land development program to become more strategic and collaborative, to focus efforts on gaps in the market. This strategy aims to ensure The City continues to develop and sell its land to support Calgary's long-term attractiveness for business and deliver sustainable, long-term benefits for all Calgarians. ■



Royal Vista Business Park:
includes a linked wetland and pedestrian system that create a walkable amenity for employees of the park.

1.1 Industrial land and the local economy

A vibrant and robust industrial sector is vital to the economic health of a community and the quality of life it offers its citizens.

Industrial parks provide areas for growth across multiple employment sectors and increased economic benefits for the community, including:

- Increased resiliency for the local economy through diversification of business and employment types.
- Employment generation in basic sectors (export oriented) that enable job creation spin-offs into other local sectors (population related).
- Businesses that provide higher-than-average wages in comparison to personal service and retail-oriented sectors.
- Broadening the non-residential tax base, which supports services and infrastructure across the greater community

Calgary is recognized as a global business centre and a place of vibrancy, energy and entrepreneurial spirit. The city and region benefit from a strong economy that is forecast to continue growing over the next 10 years.

There are a number of advantages to doing business in Calgary:

- Exposure and established leadership in the oil and gas sector.
- Calgary's role as a regional distribution centre, with highly integrated transportation and logistics infrastructure (e.g. international airport, rail inter-modal facilities and regional highways).
- Community and lifestyle attractive to a global workforce.
- World-renowned educational institutions and innovative and creative people supporting research and development, manufacturing, service and environmental technologies.
- Competitive industrial land prices relative to other major Canadian cities and metropolitan areas.

To support economic growth and maintain a good quality of life, it is important to have a strategy that builds upon these advantages to ensure the availability of industrial land for the short and long term. ■



**East Lake Industrial Park:
attractive business architecture
integrated with the central
stormwater wetland amenity area
and walking park.**

1.2 Calgary's evolving policy directions

In recent years, The City has adopted a progressive policy direction, pursuing greater sustainability objectives for The Corporation, and for Calgary as a whole.

Plan or Policy	Purpose and key direction
ImagineCALGARY (2006)	Provides a 100-year vision for a sustainable city and healthy economy in Calgary.
Municipal Development Plan (2009) Calgary Transportation Plan (2009)	Provides a 60-year strategy for a more sustainable urban form, and 30-year plan for managing growth and change, public investment and land use approvals. Key Policies: <ul style="list-style-type: none"> maintaining a prosperous local economy and building a city attractive to people and business. ensure the availability of competitively priced and easily serviceable industrial land. accommodate the transportation and logistics industry in the right locations. encourage eco-industrial development.
2020 Sustainability Direction (2011)	Provides a 10-year strategy for transformation that describes what must happen at The City to contribute towards the 100-year vision of imagineCALGARY.
Calgary Economic Development Strategy (2008)	Strategies: <ul style="list-style-type: none"> Provide adequate amounts of appropriately sized, shovel-ready industrial/employment land to meet business needs. Require all new large scale commercial and industrial developments to utilize more environmentally sensitive development forms.
Long-Range Financial Plan (2011)	Strategies: <ul style="list-style-type: none"> Ensuring The City has adequate sources of funding. Managing expenditures and increasing efficiencies in service delivery. Ensuring sufficient cash flows are in place to meet obligations.

Many of these plans and policies directly influence the way lands are planned and developed for the future, and are relevant inputs to the industrial land development program.

Consideration of these new policy directions and integrated approaches are important inputs to define The City's vision and to ensure its actions deliver on that vision. There are also recent planning and design policies and evolving technical standards that are applicable at the individual project level. It will be necessary for project managers to remain informed and current to ensure projects are appropriately aligned with corporate policy direction. ■



Many of The City's plans and policies directly influence the way lands are planned and developed.

2.0 Our vision

Lead in the creation of sustainable industrial parks that support economic development in Calgary and maximize long-term benefits for all Calgarians.

3.0 Guiding principles

The Strategy is developed around a series of guiding principles that support this vision.

The principles described below establish high-level directional values that lead each action to achieve desired results over the next 10 years.

Guiding Principle 1 – Support local economic development

Guiding Principle 2 – Achieve corporate objectives

Guiding Principle 3 – Operate within our financial capacities

Guiding Principle 4 – Foster a fair and transparent business environment

Guiding Principle 5 – Attract the right business



East Lake Industrial Park:
architectural controls were
used to create an attractive
industrial park.

Success for small business can be a double-edged sword: to continue to grow, the right space has to be available at the right time and price, with easy access for employees and clientele. Through The City's Corporate Industrial Land Strategy, burgeoning businesses can continue to thrive here, ensuring a competitive edge in a global market.



Big Rock Brewery

Since becoming Calgary's first craft micro-brewery in 1985, Big Rock Brewery has been winning over taste buds across the nation. Founded by Ed McNally and a dedicated contingent of eight employees, operations began in the Big Rock building, located on Barlow at 61 Avenue S.E.

As popularity grew, more space was needed, so Big Rock started acquiring additional, adjacent buildings until they had four brown buildings facing Barlow: Big Rock, Big Big Rock, Bigger Rock and Biggest Rock.

The need to consolidate was met in 1995 with an opportunity to purchase 14 acres in Great Plains 1 Industrial Park. By constructing its own specialized facility for brewing, bottling, packaging, receiving and shipping product across Canada, Big Rock was able to streamline operations and reduce costs.

The facility, completed in June 1996 and fully owned by Big Rock, was built on nine acres, providing another five for future needs. Big Rock Brewery was the first commercial business to occupy this industrial zone and is pleased with the proximity to the CP Intermodal yards and major roadways that skirt the city, avoiding urban congestion and reducing costs and emissions.

By constructing its own specialized facility for brewing, bottling, packaging, receiving and shipping product across Canada, Big Rock was able to streamline operations and reduce costs.



"By attaining this location, we have been able to keep our overhead costs in check while still providing our 121 employees with excellent public transportation accessibility. We look forward to many years of bringing our products to the world market from our home right here in Calgary."

FOUNDER, ED MCNALLY

3.1 Support local economic development

It is important that this Strategy is aligned with the objectives of Calgary Economic Development (CED).

The *Calgary Economic Development Strategy* (2008) and the “*Be Part of the Energy*” campaign build on Calgary’s strengths in the oil and gas sector, as well as the energy of its people.

The *CED Strategy* specifically recognizes the role of industrial land and targets a number of key industrial sectors (e.g. oil and gas, transportation and logistics, value-added manufacturing, and research and development) to support Calgary’s growth and economic diversification.

The CED Strategy identifies the long-term need for a more sustainable and affordable city form that promotes the development of smart infrastructure, integrated transportation systems and green business practices. The CED Strategy also encourages a ready supply of appropriately sized, shovel-ready industrial land parcels available at all times to attract business and support growth.

Supporting Calgary’s ability to attract businesses remains a primary reason for The City’s involvement in industrial land development. The evolution of industrial development has created a more competitive large-lot market (i.e. greater than 10 acres), both with the emergence of private land developer/builders and with limited service development in neighbouring municipalities.

With a finite land supply within Calgary boundaries and limits on municipal infrastructure funding needed to support growth, The City is well positioned to refocus its industrial land development program to complement market-driven activities with development that optimizes land and public infrastructure investments.

Market research and stakeholder input indicate that The City program could best support this role by maintaining a one-year supply of small and medium sized lots for sale (i.e. greater than 10 acres) to business owner/operators needing to control their own property and building. The City would still consider requests for lots larger than 10 acres where such development or lot consolidation would support economic development (i.e. inter-modal park) or help achieve corporate policy alignment (e.g. access to goods movement network, accommodating higher employment intensive industries).

There is need for The City’s program to build stronger relationships with CED, regional partners and key industrial development stakeholders. This will help The City better identify economic development opportunities and ensure it continues to meet annual supply targets with the right product. ■



Supporting Calgary’s ability to attract businesses remains a primary reason for The City’s involvement in industrial land development.

A municipality's economic stability relies heavily on the diversity of business sectors that it includes. One industry that is gaining importance to the Canadian economy is that of logistics, or goods distribution, and because of the availability of strategically situated property, Calgary is becoming a logistics location of choice.



Canadian Tire

Over the past 90 years, Canadian Tire has become one of Canada's most recognized and trusted brands by operating with heart, vision and innovation. Founded in 1922, this publicly traded corporation follows a business sustainability strategy that profitably grows the business without increasing the carbon footprint of the economy, which includes eliminating unnecessary packaging. In June 2012, Canadian Tire was recognized as one of Canada's most socially responsible companies, and later the same year, it celebrated a milestone of helping 500,000 children through the Jumpstart® program. Canadian Tire Money®, introduced in 1958 and frequently used as a fundraising tool, is now Canada's longest-running reward program.

Prior to Canadian Tire's 2001 land purchase in The City's Dufferin Industrial Park, stores in Western Canada received product through distribution centres (DCs) in Brampton, Ontario. The Calgary DC, which is operated by GENCO, a third-party logistics provider, employs over 400 people. Each year, approximately 16 million cubic feet of product moves through this DC to 140 Canadian Tire stores and 25 Part Source stores throughout the western provinces. The Calgary location is considered an integral part of Canadian Tire's strategy to serve its Western Canadian customers while reducing the cost and environmental impact of shipping from Ontario.

The Calgary location is considered an integral part of Canadian Tire's strategy to serve its Western Canadian customers while reducing the cost and environmental impact of shipping from Ontario.



"The City was supportive throughout the construction of a one-million square foot facility in two phases along with supporting infrastructure. The location in Calgary, with close proximity to west coast shipping ports and direct access to an intermodal rail facility allows Canadian Tire to move product efficiently and cost effectively from our suppliers to our stores and customers in western Canada while maximizing our sustainability efforts."

JOHN SALT,
SENIOR VICE-PRESIDENT
SUPPLY CHAIN
CANADIAN TIRE CORPORATION

3.2 Achieve corporate objectives

The City is committed to taking a triple bottom line (TBL) approach in its policy directions and actions to achieve short and long-term benefits for the corporation and Calgarians.

Industrial development provides significant economic benefits for the city. It provides employment opportunities for a broad spectrum of the population and supports other social benefits. Industrial development also has the opportunity to reduce its impacts on land and natural systems by pursuing eco-industrial approaches within its design and operations.

Balancing these objectives and corporate policy directions within a public or private land development project is a challenge. The financial bottom line and profit expectations make it particularly difficult for private developers to achieve these. The City should take a greater leadership role and deliver greater TBL results through the development of its own industrial lands. Opportunities include:

- Promoting business park development that supports more intensive, employee-focussed businesses that optimize land holdings and infrastructure investments, and broaden the tax base.
- Developing inter-modal parks in locations well supported by the local and regional goods movement networks.
- Minimizing impacts on the natural environment by pursuing eco-industrial development.
- Piloting new approaches and technologies in green infrastructure.
- Assuming the role of patient investor to ensure lots are available to achieve desired results.

A major emphasis is placed on scoping new projects from this corporate perspective. This will be completed through a feasibility analysis prior to project initiation. This analysis will include a full TBL evaluation to assess opportunities to achieve corporate objectives and the benefits and risks to the project and the program. A business case and work plan will then incorporate appropriate resources, design solutions and marketing/sales approaches integral to achieving the overall objectives for that project. ■



Aurora Business Park:
this development is planned as a business park that is integrated with the Nose Creek valley and provides higher employment densities close to the airport, existing communities and future rapid transit networks.

The demand for surface mail delivery is a long way from being eliminated, but Canada Post must adapt to evolving shipping patterns.



Canada Post Corporation

The technological revolution in communication methods is changing the way Canadians use Canada Post services. As traditional lettermail is declining, Canada Post is adapting to increased parcel volumes driven by e-commerce. The demand for surface mail delivery is a long way from being eliminated, but Canada Post must adapt to evolving shipping patterns. For over 160 years, Canada Post Corporation (CPC) has been providing personal and business delivery services through rain, snow, sleet or hail – that remains unchanged.

In Calgary, CPC has seven delivery facilities and distributes more than one million pieces of mail each day. There are more than 1,500 employees who pick up, sort, drive and deliver our parcels, letters and other mail items. Optimizing operations is critical to its business and capacity to be future-ready.

Following proprietary planning studies and forecasting models, CPC identified the need to establish a letter-carrier depot in the N.W. sector of Calgary to respond to the rapid population and housing growth. In 2008, with the help of a real-estate brokerage firm, four lots in Royal Vista Industrial Park were identified as the location of choice, and in 2010 a deal with The City of Calgary was finalized.

Approximately 225 permanent employees work in the new facility.

The corporation constructed a 41,000-square foot facility to support long-term delivery requirements and allow for any future expansion.



“This location provides Canada Post with an excellent opportunity to more efficiently align its transportation and delivery operations in the northwest sector of the city. We look forward to continuing to grow with Calgary and meet the needs of consumers and businesses everywhere.”

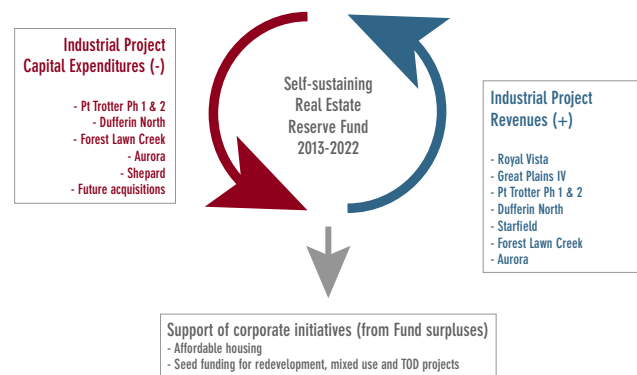
BILL DAVIDSON
SENIOR LEAD, POSTAL
TRANSFORMATION PROJECT

3.3 Operate within our financial capacities

The Industrial Land Development Program operates with a self-sustaining source of funding that is not mill rate supported.

The program funds capital expenditures for the planning, development and construction of new industrial development projects. Capital costs are recovered by revenues from the sale of serviced industrial lots. In turn, these revenues support future industrial and business park development, including the acquisition of new raw land holdings.

Diagram 1 - Self-supporting industrial development model



This model has generated sufficient returns and enabled the program to improve product quality and expand product type to support economic diversification. The program has also supported one-time funding of capital infrastructure projects, such as the Shepard Wetland, and continues to support non-industrial corporate initiatives, such as the on-going contributions to the Affordable Housing program.

This Strategy continues to operate under this self-funding financial model and within The City's legislated authority. One of the challenges will be to understand the financial impacts of incorporating broader corporate objectives within new

development projects. Such impacts could include higher development costs or increased approval timeframes from incorporating design innovation. There may also be revenue and cash flow implications from holding some parcels off the market for extended periods of time to attract the right type of user to an industrial or business park. Monitoring these impacts on the individual project and the financial sustainability of the program as a whole will be a priority action going forward.

Shepard Wetland

In 2006, the Real Estate Reserve Fund loaned \$32 million to Water Services to support the advancement of the Shepard Wetland diversion project. More importantly, the project removed a Provincial development moratorium in place since the 1980s, which had frozen most remaining industrial development in southeast Calgary. Completed in 2009, this infrastructure now allows private land developers and The City to bring on serviced industrial lots to support market needs in the quadrant. The Reserve Fund is in turn repaid its initial financial contribution in order to support future City industrial development projects. ■



The Shepard Wetland project: constructed the critical infrastructure needed to intercept stormwater flows from over 6,000 hectares of existing and future urban lands currently draining into the irrigation canal.

Location is a critical factor for charitable organizations that rely on volunteers to travel out to those in need of services. By ensuring fully serviced properties exist within easily accessible areas, The City helps those organizations maintain their volunteer base and serve the needs of the public.



Meals on Wheels

Calgary Meals on Wheels was established in 1965 in response to an official request by The City of Calgary to address a growing need for assistance by lone elders and convalescents without help during their recovery at home. Although their principal clients are seniors, the programs are open to all Calgarians, including the working homeless and vulnerable school children.

By 1982, demand for meal delivery was up to 380 per day and, after operating out of three progressively larger loaned or leased facilities, Calgary Meals on Wheels moved to its current home on Macleod Trail. By 2005, approximately 1,900 clients had been helped and demand continued to grow. The search for a new location began in 2007, but the challenge to find a property with room for a large facility, fleet and volunteer parking as well as access to major arteries seemed insurmountable.

When Janice Curtis, Executive Director of Calgary Meals on Wheels, saw the 1.79-acre lot available in the Great Plains IV Industrial Park on The City's website in 2011, she knew it was the answer. The land was purchased in May 2011 and construction of the new facility began later that year.

The new facility, slated to open in summer 2013, is expected to increase capacity from 1,700 to 5,000 meals per day.



“After looking at more than 50 different sites, we knew this location would allow for the significant increases in clientele, efficiency and partnerships with large community groups that we anticipate. It provides us with the space we need for volunteers, vehicles and a new 40,000-square foot facility, and enhances our ability to be a resource support to The City's Emergency Social Services.”

JANICE CURTIS
EXECUTIVE DIRECTOR
CALGARY MEALS ON WHEELS

3.4 Foster a fair and transparent business environment

The City of Calgary is committed to conducting business in an open, transparent and accountable manner.

Going forward, it is important that the program continues to reflect these corporate values. At the same time, fair treatment and confidentiality are expectations of business dealings in real estate matters with The City. There is need to ensure that the industrial program and its specific customer-oriented services are clearly defined and well communicated to stakeholders through this strategy.

A key need for the strategy is to define the land development and sales approaches that may be employed to achieve a project's specific objectives. **Appendix 1** outlines the different approaches for developing and servicing land. Each project will identify the appropriate land development approach within its business case prior to budget request. **Appendix 2** outlines the different land sales approaches. For each project, Administration will identify the appropriate approach through its Council-approved Method of Disposition. The strategy also establishes a commitment to on-going improvement and regular monitoring of the program's business operations to ensure it continues to provide a fair and transparent business and deliver excellent customer service. ■



There is a need to ensure the industrial program is clearly defined and well communicated.

3.5 Attract the right business

Historically, The City developed industrial lots for sale to any industrial buyer who met the asking price for the lot and performed the required building commitments.

This model worked well when the development and servicing of long-term lands could be easily accommodated, or new land acquired to continue supplying new lots. Today, with a finite land supply within city boundaries, increasing infrastructure costs and growth management priorities, it is important to optimize The City's remaining lands to support businesses that help deliver economic diversification and other long-term community benefits. This focus will require a more pro-active marketing approach to identify and target businesses that not only need land, but will support the strategic corporate objectives or specific performance expectations of new industrial parks through their use and operations.

The Strategy emphasizes building stronger working relationships with local economic development agencies to better align product development with Calgary's economic development needs. The actions also promote stronger relationships with local real estate and development industry stakeholders to ensure potential purchasers are aware of the City program, lot availability, and performance expectations of various industrial parks. In line with this, marketing and sales processes will need to clearly promote and identify criteria-based performance expectations to prospective purchasers. These would also establish a means for The City to decline an offer that does not achieve those expectations. ■



The Strategy emphasizes building stronger working relationships with local economic development agencies, to better align product development with Calgary's economic development needs.

Location is a critical element in establishing operational efficiencies and having the ability to build-to-own fit our long term financial plans.



Cascades Recovery Inc.

In Calgary, Cascades Recovery Inc. (previously Metro Waste Paper Recovery) began its operations in an older, leased facility on a small property and employed about 20 people. As demand for services increased from grocery stores, shopping malls and the printing industry, and with the distinct possibility of winning a 2006 Request for Proposal for household recycling services for The City of Calgary, management recognized the need to move.

Property prospects looked grim after an unsuccessful bid on a six-acre lot, but when a 10-acre lot came available through the subdivision of a larger property in the Eastlake Industrial Park in 2008, Cascades decided to move ahead. A new 100,000-square foot Material Recovery Facility (MRF) was constructed and opened in April 2009, and the company now employs over 100 Calgarians.

The facility, fully outfitted with the latest technologies for recycling, sorting and processing, is considered to be one of the most automated in North America. Operating at a little more than half capacity, an average of 12,000 tonnes of materials are processed here each month – the equivalent of 600 tractor trailer loads – and made into new, useful products. Through its work, Cascades Recovery Inc. is helping establish Calgary as a leader in waste diversion.

The facility, fully outfitted with the latest technologies for recycling, sorting and processing, is considered to be one of the most automated in North America.



“The opportunity to purchase this land through The City of Calgary was integral to our successful operations here. The Office of Land Servicing & Housing worked to ensure this property was set up to meet our needs and made the purchasing process as straightforward as possible. We are pleased to be part of what makes Calgary the vibrant and environmentally responsible city that it is!”

BILL STITT
VICE PRESIDENT
CASCADES RECOVERY INC

4.0 Implementing the strategy

This is the responsibility of the Office of Land Servicing & Housing (OLSH), a business unit that provides land development services for The City of Calgary.

OLSH provides a full service project office and an integrated team approach to developing and selling serviced industrial land. It carries out this role through the following services:

- Planning and developing raw land to deliver serviced industrial lots.
- Increasing market knowledge and facilitating real estate transactions.
- Managing the strategic and business needs of the program.

Table 1 identifies the actions to implement the program over the next 10 years. The actions are organized by project delivery service, in consideration of each of the guiding principles.

The actions will be enacted through the OLSH business plans and annual work programs. Some actions will also be implemented on a project-by-project basis and delivered through specific roles and responsibilities developed in the project plan. In many cases, the actions direct greater collaboration with outside organizations and internal business units, whose support, networks and knowledge will be integral to OLSH delivering on its vision over the next 10 years. ■



OLSH provides a full service project office and an integrated team approach to developing and selling serviced industrial land.

Table 1

1.0 Plan and Develop Land	2.0 Market and Sell Land	3.0 Operate a Successful Land Development Program
GUIDING PRINCIPLE – SUPPORT LOCAL ECONOMIC DEVELOPMENT		
<p>Actions</p> <p>1.1 Ensure a one-year supply of serviced industrial land is available to meet annual supply targets.</p> <p>1.2 Focus product delivery on providing small and medium sized lots (under 10 acres), with design flexibility to accommodate a variety of lot widths or parcel configurations.</p> <p>1.3 Consider requests for large lot development (10+ acres) or lot consolidations for strategic alignment with corporate policies, economic development objectives, and impact on serviced and raw land inventories.</p> <p>1.4 Identify the appropriate level of City participation that best achieves the development and business objectives of that project, as identified in the Land Development Approaches Table (Appendix 1).</p>	<p>Actions</p> <p>2.1 Work collaboratively with Calgary Economic Development (CED) to understand its economic development priorities and the short-term supply needs of emerging and expanding business sectors.</p> <p>2.2 Explore opportunities to participate with CED and Calgary Regional Partnership (CRP) to co-operatively market our land and promote the Calgary region.</p> <p>2.3 Assess opportunities to acquire land parcels that meet the strategic needs of the Industrial Land Development Program.</p> <p>2.4 Promote timely on-site development of City supplied lots by including building time commitments, with options for The City to repurchase lots from purchasers not meeting those commitments.</p>	<p>Actions</p> <p>3.1 Monitor and maintain current market data to inform the strategic direction of the Industrial Land Development Program.</p> <p>3.2 Align the development and timing of future projects with market need, infrastructure availability and optimization of land assets.</p> <p>3.3 Establish annual acreage and product targets through the business plans and one-year work programs of the Office of Land Servicing & Housing.</p> <p>3.4 Ensure the business plans and one-year work programs include necessary planning, pre-design steps and budgets that ensure the timely delivery of each development project.</p> <p>3.5 Support corporate initiatives relating to industrial land use policy change and broader economic development of Calgary, by providing an industrial development perspective.</p>
GUIDING PRINCIPLE – ACHIEVE CORPORATE OBJECTIVES		
<p>Actions</p> <p>1.5 Incorporate sustainable design solutions and environmental best practices into the public realm of each project.</p> <p>1.6 Establish clear architectural controls and minimum design performance standards for individual projects.</p>	<p>Actions</p> <p>2.5 Identify opportunities to develop City-owned lands for industrial purposes that achieve planning policy objectives, including:</p> <ul style="list-style-type: none"> a. Supporting the location of the transportation and logistics industry in proximity to major intermodal infrastructure and regional goods movement networks. b. Developing high-quality, employee-intensive business parks in locations close to population concentrations, community and natural amenities, and multi-modal accessibility. <p>2.6 Develop a means to encourage purchasers to incorporate sustainable design solutions and best practices that optimize use of land, mitigate negative impacts to the environment and reduce long-term operating and life cycle costs.</p>	<p>Actions</p> <p>3.6 Assess each industrial development project with the goals and objectives of the 2020 Sustainability Direction and report on the achievable corporate objectives, financial implications, risks and tradeoffs within the business case for each industrial development project.</p> <p>3.7 Increase awareness of the Industrial Land Development Program with other business units and investigate opportunities to cooperatively promote innovation, pilot emerging technologies, and new design and operating standards through The City's industrial projects.</p> <p>3.8 Redirect 5% of proceeds from gross industrial land sales to the Public Housing Reserve to support the provision of affordable workforce housing in Calgary</p>

1.0 Plan and Develop Land	2.0 Market and Sell Land	3.0 Operate a Successful Land Development Program
GUIDING PRINCIPLE – OPERATE WITHIN OUR FINANCIAL CAPACITIES		
<p>Actions</p> <p>1.7 Prepare a business case for each development project, which includes a complete project pro-forma identifying impacts on Program funding.</p> <p>1.8 Incorporate contract management best practices into the delivery of each project.</p> <p>1.9 Support the financial viability of each project by seeking alternative funding for non-typical infrastructure and operational costs that will deliver enhanced environmental, social or economic benefits to Calgary.</p>	<p>Actions</p> <p>2.7 Ensure land sale procedures are in accordance with the Real Property Bylaw and within the authority of the <i>Municipal Government Act</i>.</p>	<p>Actions</p> <p>3.9 Monitor the cumulative impacts of all development projects on the Program's ability to generate sustainable financial returns and continue to service future industrial projects.</p> <p>3.10 Build financial capacity within the program to fund future land acquisitions to ensure a long-term supply of developable land.</p> <p>3.11 Monitor the impacts of non-industrial projects funded by the Industrial Land Development Program on the Real Estate Reserve Fund's sustainability.</p> <p>3.12 Manage The City's land inventory by pursuing interim uses that demonstrate good land stewardship practices and protect the land's long-term developability for industrial purposes.</p>
GUIDING PRINCIPLE – FOSTER A FAIR AND TRANSPARENT BUSINESS ENVIRONMENT		
<p>Actions</p> <p>1.10 Demonstrate project management leadership by integrating The City's Project Management framework and best practices into each project.</p> <p>1.11 Pursue excellence and apply global best practices to the design and construction practices of each project.</p>	<p>Actions</p> <p>2.8 The Method of Disposition for each project will identify the approach that best achieves the development and business objectives of the project, as identified in the <i>Land Sales Continuum Table</i> (Appendix 2).</p> <p>2.9 Ensure that The City's marketing and sales information clearly identifies and outlines site development and building obligations to prospective purchasers.</p>	<p>Actions</p> <p>3.13 Monitor the Program's development and sales processes to seek improvements, efficiencies and competitiveness, as permitted within legislation and by corporate procedures.</p> <p>3.14 Complete a comprehensive review of this Strategy no later than January 2018.</p>
GUIDING PRINCIPLE – ATTRACT THE RIGHT BUSINESS		
<p>Actions</p> <p>1.12 Create products aimed at attracting businesses that support economic diversification, broaden the assessment base, provide intensive job creation and support Calgary's sustainability performance targets.</p>	<p>Actions</p> <p>2.10 Work with Calgary Economic Development and Council to build awareness and facilitate relationships with future end users of City lots.</p> <p>2.11 Strengthen The City's relationship with industry to increase awareness of the <i>Industrial Land Development Strategy</i>, current projects, targeted business sectors and lot availability.</p> <p>2.12 Pilot incentive programs for end users to incorporate site development and building improvements that achieve the objectives of an individual industrial park.</p>	<p>Actions</p> <p>3.15 Continually improve in-house knowledge on the needs of industry being attracted to Calgary and those businesses' best practices that align with corporate sustainability objectives.</p>

5.0 The City's industrial land holdings

The City maintains its industrial land portfolio by acquiring raw land at opportune times and planning and servicing the land as industrial demand warrants and infrastructure and services become available.

As industrial lots are sold, revenues are returned to the program to provide financing capacity for future development projects. Returns are also used to acquire additional land to support immediate or long-term supply needs. Long-term holdings are managed through good land stewardship practices that promote interim uses without jeopardizing its ultimate potential as industrial land.

The City schedules various development initiatives to ensure it is continually planning for and undertaking work needed to meet its current and future supply targets. Within the timeframe of this Strategy, there will be numerous development projects completed and new ones started. Projects initiated prior to 2013 that will be completed and sold out are listed below in **Table 2** and shown on **Map 1**. ■

Table 2 – Active development projects 2013

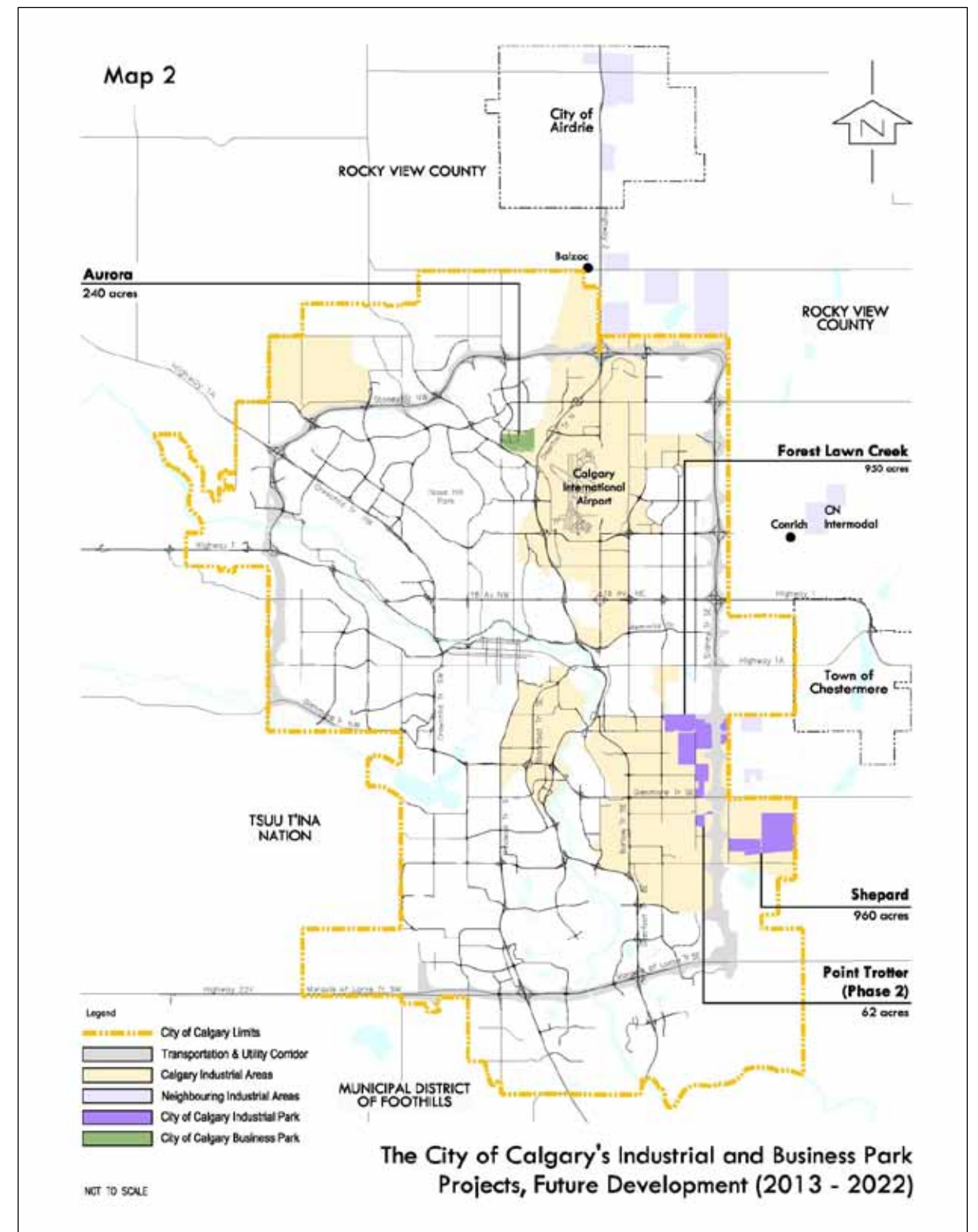
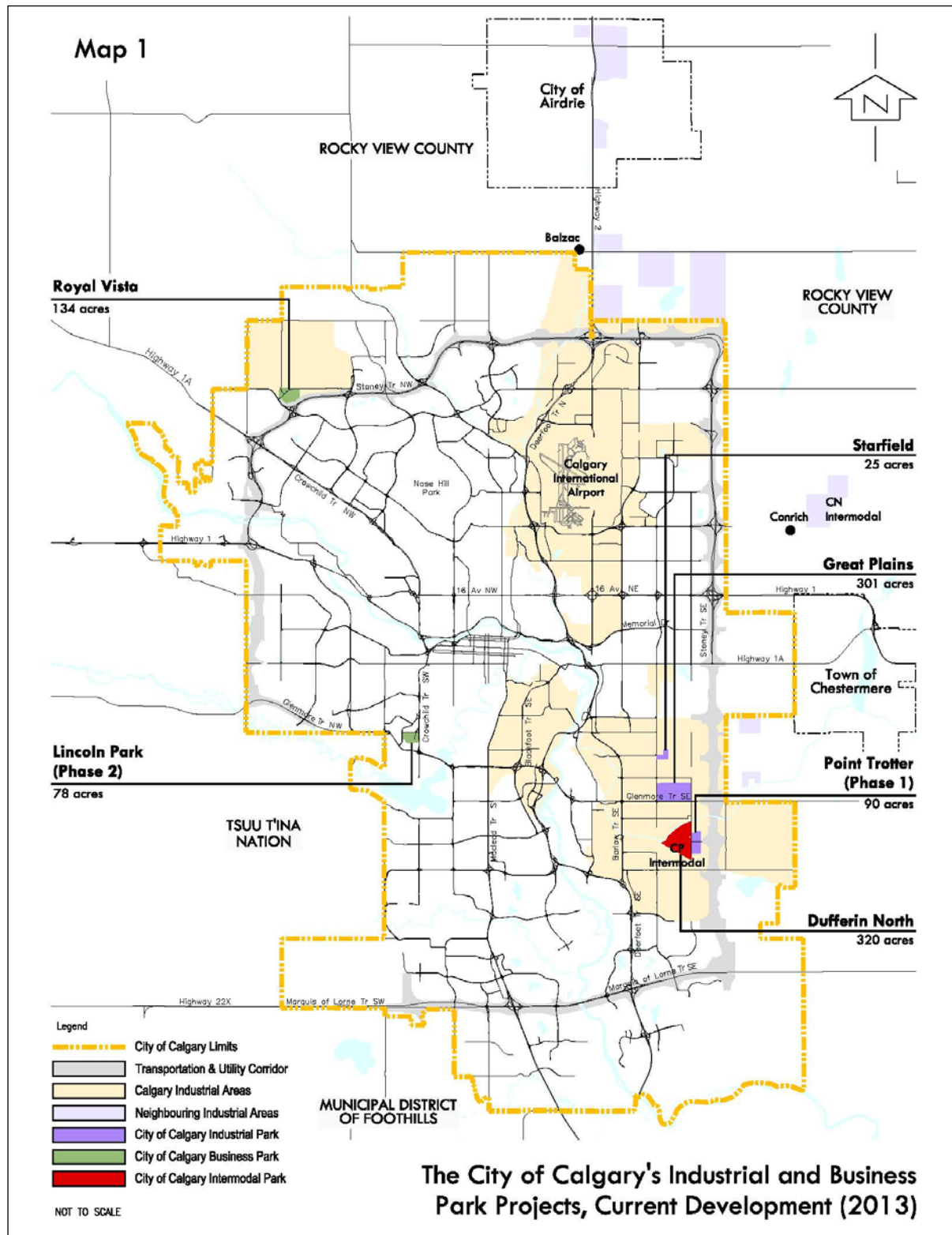
Active project	Remaining area (net saleable acres)	Remaining lots (#)	Anticipated sell out
Great Plains Industrial Park Ph 4	56	8	2017
Royal Vista Business Park	33	13	2016
Dufferin Inter-modal Park	204	3	2018
Lincoln Park Business Park	48	3	2015
Point Trotter Industrial Park Ph1	69	28	2014
Starfield Industrial	25	7	2016
TOTAL	435	62	

Looking forward, The City's raw land inventory of approximately 2,000 gross acres will be developed for four (4) future industrial parks. These parks are listed below in **Table 3** and shown on **Map 2**. This inventory may also be supplemented through a strategic acquisition, if land is required to meet short-term supply needs, or it presents a good long-term investment for The City. For any acquisition, a business case will be brought forward to Council for approval.

The detailed scheduling of each new project has not been confirmed, though it is anticipated development activity will commence within the next 10 years. Project priority and timing will be reviewed in light of the principles and actions of this Strategy. This includes the project's ability to meet market opportunities and land supply needs, availability of infrastructure, TBL feasibility analysis and business case. A project will only commence once it has been approved as part of OLSH's business plans. Defined development objectives, project plans, schedules and capital budgets will then be developed once a project is identified in the annual work program. ■

Table 3 – Raw land holdings for future projects

Project	Area - gross acres (estimated net saleable acres)
Point Trotter Industrial Park - Phase 2	62 gross acres (46 net acres)
Forest Lawn Creek Industrial Park	950 gross acres (350 - 440 net acres)
Aurora Business Park	240 gross acres (184 net acres)
Shepard Industrial Park	960 gross acres (650 net acres)



Appendix 1

Land development approaches for The City's industrial land inventory

Disposition of undeveloped land	Planning approvals and sale	Mutual development agreement	Direct development
THE CONCEPT:			
The City's asset management practices indicate a land holding is "non-strategic" and is recommended for sale to fund other strategic requirements.	Some or all levels of planning and development approvals are in place. Some or all of the land is sold prior to servicing completion.	The City participates in joint planning, development and/or cost sharing with a private land developer, who may be an adjacent landowner.	The City undertakes all planning, servicing, marketing and sale of the lands. This is the most common method on City-initiated projects.
WHEN APPROPRIATE:			
Where the land is no longer required for long- or short-term City needs and/or when land is not financially viable for The City to develop.	Where The City is not prepared to develop the land itself due to competing priorities for capital, resources. In cases where disposition would support economic development goals (i.e. business campus).	Where the financial and risk analyses indicate that The City would achieve a favourable business case or economic development outcome through a shared arrangement (i.e. time or cost savings).	Where there is adequate time to develop lots, capital funding and development expertise and all resources are available within The City.
CHARACTERISTICS:			
Original desired land use (e.g. business park, industrial development) cannot be developed in an appropriate time frame due to such things as servicing and transportation infrastructure constraints, or there are opportunities for more strategic locations.	The City's vision for development of the land is subject to the Land Use Bylaw.	The agreement is specific to a project, is short-term and ends when the development is completed.	Each development project is planned with a specific use envisioned. Construction and phasing are tailored to anticipated demand for lots and ensure a ready supply of lots.
THE ROLL-OUT:			
The Method of Disposition would be approved by Council.	Lands are sold to developers after some or all approvals have been obtained by The City. The Method of Disposition would be approved by Council.	The planning, development or cost sharing terms would be established within an agreement and approved by Council prior to commencement of any development.	The City plans, develops, markets and sells serviced lots. The Method of Disposition would be approved by Council.
RISK/REWARD:			
With exception of potential for environmental contamination, risk is low. Rewards are limited to the increased value of the land.	There is a risk that the purchaser could change the vision, which would limit the ability of achieving objectives for the land.	The City shares project risk with a private land developer. The project may achieve cost savings from economies of scale of a construction contract larger than The City's land.	Risks are related to The City assuming full development costs and ability to respond quickly to changing market conditions.
The future industrial use of the land is subject to public policy (e.g. Municipal Development Plan and Area Structure Plan). Limited ability to achieve municipal economic development goals. Potential short-term source of revenue for The City.	There is a reward if the purchaser proceeds with the vision established through the planning process.	The City achieves its vision for its land and is rewarded with fully serviced lots it can sell. Success is dependent upon the skills/abilities/financial stability of the private land developer.	This approach provides the highest potential to attract businesses to achieve economic development and municipal objectives.

Appendix 2

Land sales approaches for The City's industrial land inventory

Open market (standard terms)	Open market (with criteria for the right business)	Competitive bid	Unsolicited proposal
THE CONCEPT:			
Publicly market land for sale on a first-come, first-served basis through various methods (e.g. newspapers, website and social media).	Publicly market land for sale with defined criteria for performance objectives, in addition to meeting a minimum price and standard terms. One variation to this approach could be a competitive bid process with defined criteria.	Publicly list land for sale through a tender process.	Receive an unsolicited proposal to purchase lands not currently offered to the open marketplace.
WHEN APPROPRIATE:			
For general industrial parks and through all market periods, where all potential purchasers are encouraged to make an offer.	Where there is an economic development strategy to attract the right business to a particular industrial or business park. (i.e. cluster of specific businesses). Where there is a desire to achieve a specific performance objective or a high-profile development.	In periods of high market demand. Where interest will be high in the launch of a new project, or phase.	Where The City received an unsolicited proposal that is supported by a business case and approved by Council. It shall only be considered if one or more of the following circumstances apply: <ul style="list-style-type: none"> • Sale will attract and/or retain high employment businesses or support economic diversification. • Purchaser has previous investment on an adjacent property and is looking to expand. • Sale will support the relocation of uses to more appropriate industrial locations that implement other corporate policies and objectives. • Lot(s) have proven to be difficult to sell through other disposition approaches. • Wholly-owned subsidiaries.
CHARACTERISTICS:			
Sales process is conducted in a fair, open and transparent manner. Sale is based on price and subject to standard terms, such as building commitment, architectural controls and option to repurchase. Better ability to have a supply of land available to sell in strong and weak markets.	A targeted approach for specific outcomes, where those objectives are clearly defined through specific criteria.	Tenders are released to the market for a set period of time and awarded based on highest bid for price and standard terms.	Parcels that are outside of development plan, work plan and schedule or parcels from a previous industrial park development.
THE ROLL-OUT:			
Council-approved Method of Disposition.	Council-approved Method of Disposition. The performance criteria are clearly identified in architectural control guidelines and/or marketing and sales documents.	Council-approved Method of Disposition.	Sale is brought to Council for approval and/or a Method of Disposition is presented to Council with an option to direct sell without prior advertisement. External appraisal is required.
RISK/REWARD:			
Risks are limited to issues of a competitive industrial market. Obligations of the business plan are met.	There may be greater uncertainty of what The City is looking for, resulting in lack of interest from potential purchasers and a lower sales value. An onerous and costly process for The City and potential purchasers. It may be difficult to enforce compliance with the criteria after development commences. This approach can facilitate municipal uses and achieve long-term objectives.	Risks are limited to issues of a competitive industrial market. Limits flexibility to negotiate with the purchaser due to terms of tender. Terms identified in tender to level playing field for all purchasers. Provides all potential purchasers with consistent time to prepare bid.	Difficult to assess if the sale maximized highest and best use and/or financial return on the land without a public offering. Risk to reputation of The City. Potential for disposal and redevelopment of underutilized City-owned lands. Purchase may advance future development initiatives and reinvestment of an adjacent business. Enables flexibility to respond to purchaser interests and emerging economic development opportunities. Supports economic development needs by providing land for the right business.



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