

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

RECOMMENDATIONS:

That the Infrastructure and Planning Committee recommend that Council:

1. Refuse the proposed bylaw for the amendments to the Municipal Development Plan (Attachment 3); and
2. Refuse the proposed bylaw for the amendments to the Keystone Hills Area Structure Plan (Attachment 4).

RECOMMENDATIONS OF THE INFRASTRUCTURE AND PLANNING COMMITTEE, 2022 MARCH 31:

That Council:

1. Refuse **Proposed Bylaw 28P2022** for the amendments to the Municipal Development Plan (Attachment 3);
2. Refuse **Proposed Bylaw 29P2022** for the amendments to the Keystone Hills Area Structure Plan (Attachment 4);
3. Direct Administration to prepare a flexible land use policy approach that will provide a framework allowing both employment and residential land uses for the subject lands in a comprehensively-planned manner and report back to Council through Calgary Planning Commission with a concurrent recommendation for both a policy amendment, if required and the related outline plan and land use amendment application (LOC2021-0184). This flexible policy approach should consider:
 - a. providing appropriate mix of employment, residential and other complementary uses that maintains the employee-intensive industrial development vision for the subject lands;
 - b. providing appropriate transition from residential to non-residential uses;
 - c. alignment with the Citywide Growth Strategy: Industrial recommendations including the Industrial Action Plan;
 - d. engaging the school boards and other stakeholders to plan for a complete community and explore any school sites, open spaces, and/or community services future residents/users may require;
 - e. providing transportation and transit infrastructure and utility servicing that balances needs of both employment and residential land uses;
 - f. incorporating community design best practices such as designing for active transportation modes and safety, block-based and connected mobility network, and street-oriented and transit-supportive development; and
 - g. enabling development that addresses objectives of the Climate Resilience Strategy.

Opposition to Recommendations: Councillor Spencer and Councillor McLean

Planning & Development Report to
Infrastructure and Planning Committee
2022 March 31

ISC: UNRESTRICTED
IP2022-0340
Page 2 of 7

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

Excerpt from the Minutes of the Infrastructure and Planning Committee, dated 2022 March 31:

“**Moved by** Councillor Mian

That with respect to Report IP2022-0340, the following be approved, **after amendment:**

That the Infrastructure and Planning Committee forward this Report (IP2022-0340) to the 2022 May 10 Combined Meeting of Council; and

That the Infrastructure and Planning Committee recommend that Council:

1. Refuse the proposed bylaw for the amendments to the Municipal Development Plan (Attachment 3);
2. Refuse the proposed bylaw for the amendments to the Keystone Hills Area Structure Plan (Attachment 4);
3. **Direct Administration to prepare a flexible land use policy approach that will provide a framework allowing both employment and residential land uses for the subject lands in a comprehensively-planned manner and report back to Council through Calgary Planning Commission with a concurrent recommendation for both a policy amendment, if required and the related outline plan and land use amendment application (LOC2021-0184). This flexible policy approach should consider:**
 - a. **providing appropriate mix of employment, residential and other complementary uses that maintains the employee-intensive industrial development vision for the subject lands;**
 - b. **providing appropriate transition from residential to non-residential uses;**
 - c. **alignment with the Citywide Growth Strategy: Industrial recommendations including the Industrial Action Plan;**
 - d. **engaging the school boards and other stakeholders to plan for a complete community and explore any school sites, open spaces, and/or community services future residents/users may require;**
 - e. **providing transportation and transit infrastructure and utility servicing that balances needs of both employment and residential land uses;**
 - f. **incorporating community design best practices such as designing for active transportation modes and safety, block-based and connected mobility network, and street-oriented and transit-supportive development; and**
 - g. **enabling development that addresses objectives of the Climate Resilience Strategy.**

For: (4) Councillor Carra, Councillor Demong, Councillor Mian, and Councillor Chabot
Against: (2) Councillor Spencer, and Councillor McLean

MOTION CARRIED”

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

HIGHLIGHTS

- An applicant-initiated policy amendment application (LOC2021-0219) seeks to amend the *Municipal Development Plan (MDP)* and the *Keystone Hills Area Structure Plan (ASP)* to change 38 hectares (94 acres) of land (the subject lands) on the eastern portion of the community of Keystone Hills from an employee-intensive industrial area to a residential neighbourhood.
- After considering three recommendation options (Attachment 1), Administration recommends refusal as this proposal:
 - runs counter to The City's economic development efforts to attract and retain industrial development;
 - reduces planned employment opportunities supporting planned residential areas in proximity;
 - may create land use conflicts with adjacent developments;
 - does not plan for the necessary school site;
 - is premature, as it comes ahead a planned effort to build an evaluation process for such conversions through The City's Industrial Action Plan; and
 - does not align with the *MDP's* objective and policies to protect industrial lands from encroachment of non-industrial uses.
- What does this mean to Calgarians? A refusal of this proposal would allow the future communities in this area to have access to nearby employment opportunities, and it would protect to our industrial land supply.
- Why does this matter? It is important to protect existing industrial land supply in the *Keystone Hills ASP* area to provide employment opportunities serving the residential development envisioned in north Calgary.
- In 2021 August, *Calgary International Airport Vicinity Protection Area Regulation (AVPA)* was amended by the Province of Alberta in response to a joint request made by The City of Calgary and the Calgary Airport Authority. The purpose of the *AVPA Regulation* amendment was to modernize the Noise Exposure Forecast (NEF) contour areas to properly reflect the noise impacts that have changed through advancements in technology and airport operations and to support the continued development in Calgary through appropriate regulation. The NEF contours no longer prohibit residential development on the subject lands, except for a small triangular portion to the southeast (Attachment 5).
- An outline plan and land use amendment application (LOC2021-0184) has been submitted and was placed on hold to resolve the outstanding policy amendment questions first.
- If Council decides to approve this application, these policy amendments will need to advance to the Calgary Metropolitan Region Board (CMRB) for their approval.
- Council adopted the *MDP* in 2009 and updated it in 2020. Council approved the *Keystone Hills ASP* in 2012. In 2018, Council approved a business case, added associated investments to the 2019-2022 service plan and budget, and amended the *Keystone Hills ASP* to lift the Growth Management Overlay (GMO) for an area that includes the subject lands as future employment lands.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city.

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

DISCUSSION

The policy amendment application was submitted on 2021 December 16 by B&A Planning Group, on behalf of the landowners, Pacific Investments and Development Ltd. and Ozlo Industries Inc (the Applicant). An outline plan and land use amendment application (LOC2021-0184, Attachment 11) to allow for residential development was submitted on 2021 November 4 and was placed on hold in 2021 December to allow focus and resolution of the outstanding policy amendment questions first.

The subject lands have an approximate area of 38 hectares (94 acres) and are located within the developing community of Keystone Hills. The subject lands are bounded by 144 Avenue NE to the north, 15 Street NE to the west, Stoney Trail NE to the south and Canadian Pacific Railway Tracks to the east. In proximity to the west, [Stoney Trail / 11 Street NE interchange](#) is currently under construction with an expected Fall 2022 completion date. The funding for this interchange was approved in the 2019-2022 service plan and budget when Council approved a business case and removed the GMO for an area that included the subject lands.

As noted in the Applicant Submission (Attachment 2), this policy amendment application proposes to amend the [MDP](#) and [Keystone Hills ASP](#) to support their outline plan and land use amendment application and convert the subject employee-intensive industrial lands to residential development. On 2022 March 2, the Applicant proposed exploring an additional option - a flexible land use - that would consider both employment and residential uses within the subject lands.

A detailed planning evaluation of the application, alternative recommendations considered, location maps and site context, is provided in Attachment 1, Background and Planning Evaluation.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Applicant-Led Outreach

As part of the review of the proposed land use amendment application, the Applicant was encouraged to use the [Applicant Outreach Toolkit](#) to assess which level of outreach with public stakeholders was appropriate. The Applicant used this toolkit and decided that no outreach would be undertaken. Please refer to the Applicant Outreach Summary, Attachment 6, for rationale why outreach was not conducted.

City-Led Outreach

This application was circulated to stakeholders and notification letters were sent to adjacent landowners. No comments were received from adjacent landowners by the report submission date.

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

The Calgary Board of Education (CBE) and the Calgary Catholic School District (CCSD) provided a joint letter in opposition on 2022 January 12 (Attachment 7) identifying that the CBE and CCSD lack sufficient school sites within the *Keystone Hills ASP* area. The subject lands will require a new 4.8-hectare (12-acre) school site if developed as residential.

The Federation of Calgary Communities (FCC) provided a letter in opposition on 2022 January 25 (Attachment 8) identifying the lack of a community centre site for the subject lands and the need for new analysis for community centre sites for the entire *Keystone Hills ASP* area.

On 2022 February 24, Administration presented the policy amendment application to Calgary Planning Commission (CPC) for feedback through a closed workshop-style session. This workshop generated a wide range of conversation, questions, and comments directly on the proposal. Commission supported Administration's refusal recommendation. Commission members commented on the specifics of the proposal and cited concerns around: 1) impacts on the north Calgary population and employment numbers; 2) maintaining a long-term outlook opportunity for industrial lands; 3) interface issues with adjacent lands and features and orphaning of this proposed neighborhood; and 4) lack of innovative design elements from what is already in the area. Detailed CPC commentary on the proposed policy amendments has been included in (Attachment 9).

Following Infrastructure and Planning Committee, notifications for Public Hearing of Council will be mailed to adjacent landowners. In addition, Committee's recommendation and the date of the Public Hearing will be advertised.

IMPLICATIONS

Social

The proposed policy amendments defer examining: 1) locations of a future school site, 2) future connectivity, 3) convenient access to schools, and 4) open space to the outline plan and land use amendment stage. These details are important considerations in building complete communities. The subject lands may not have adequate Municipal Reserve allocation remaining to provide for a school site if it is needed.

Environmental

This policy amendment application does not include any specific actions that address objectives of the [Climate Resilience Strategy](#). Further opportunities to align development of the subject lands with applicable climate resilience strategies may be explored and encouraged at subsequent outline plan, land use amendment, and development permit approval stages.

Economic

The subject lands are close to highways and freight rail and offer excellent site selection criteria for future industrial development. Converting these lands from industrial to residential will reduce planned employment areas within the *Keystone Hills ASP* area requiring more residents to commute to other areas of the city / region for work.

While the proposed policy amendment application enables creation of residential tax base in the short-term, this conversion of industrial lands to residential diminishes the long-term non-residential tax base – having significant impact on the tax revenue for the City. The non-

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

residential tax rate is approximately 3.5 times higher than the residential tax rate per dollar of assessed value.

Service and Financial Implications

Other:

In 2018, Council approved a business case and amended the *Keystone Hills ASP* to lift the Growth Management Overlay (GMO) for an area that included the subject lands as future employment lands. The necessary infrastructure to fund the lands as they are currently approved (non-residential) have been included in the City's budget. It is likely there will be similar costs to service if the subject lands are transitioned to residential, except for the necessary school facilities requested for the area. Broadly, on a per hectare basis, industrial development will trigger a smaller operating cost burden than residential because of fewer lane kilometres and lower municipal reserve area. If this proposal is approved then Administration would determine if any operating cost changes are necessary and would include them for the next budget cycle.

RISK

By Q4 2022, as part of the *2022 Industrial Action Plan (IP2022-0080)*, The City intends to update and strengthen industrial policies in the *MDP* and develop evaluation criteria for policy exercises that impact industrial areas such as AVPA-related projects. Currently, there is no comprehensive planning or strategic approach to evaluate the conversion of industrial lands within the *Keystone Hills ASP* and the *Nose Creek ASP* or elsewhere that are no longer constrained with the NEF contours. While this is a single application for conversion that represents a small portion of the overall employment lands in north central Calgary, if this application is approved, it has the potential to put additional pressure on the conversion of other industrial lands to the north and west for non-industrial development, further eroding the future employment and non-residential tax base opportunities planned for the area.

ATTACHMENTS

1. Background and Planning Evaluation
2. Applicant Submission
3. **Proposed Bylaw 28P2022**
4. **Proposed Bylaw 29P2022**
5. Provincially approved changes to NEF Contours
6. Applicant Outreach Summary
7. Calgary Board of Education and Calgary Catholic School District Comments
8. Federation of Calgary Communities Comments
9. Calgary Planning Commission Comments
10. Existing Outline Plan and Land Use Amendment (LOC2014-0107) Approval
11. Proposed Outline Plan and Land Use Amendment (LOC2021-0184) Application

**Planning & Development Report to
Infrastructure and Planning Committee
2022 March 31**

**ISC: UNRESTRICTED
IP2022-0340
Page 7 of 7**

Policy Amendment in Keystone Hills (Ward 3), LOC2021-0219

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Stuart Dalgleish	Planning & Development Services	Approve