

# Background and Planning Evaluation

## Background and Site Context

The subject lands have an approximate area of 38 hectares (94 acres) and are within the developing community of Keystone Hills. This area is 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. The subject lands are strategically located at the corner of Stoney Trail NE and Deerfoot Trail NE junction, near key transportation and logistics networks including highways, freight rail and are in proximity to the airport. In proximity to the west, [Stoney Trail / 11 Street NE interchange](#) is currently under construction with an expected Fall 2022 completion date.

The subject lands have minor topographical variations, with one notable drainage channel cutting diagonally across from the north to the southeast where it eventually connects with the Nose Creek watershed. The subject lands slope down from 15 Street NE and 144 Avenue NE to the edges of the drainage channel by an approximate average of 3 percent. The subject lands and the surrounding area are currently undeveloped and have been used as grazing pasture and cultivated for agriculture. Across 15 Street NE to the west, an outline plan and land use amendment application (LOC2016-0234) was approved in 2019 to allow for industrial-commercial uses and a regional retail centre.

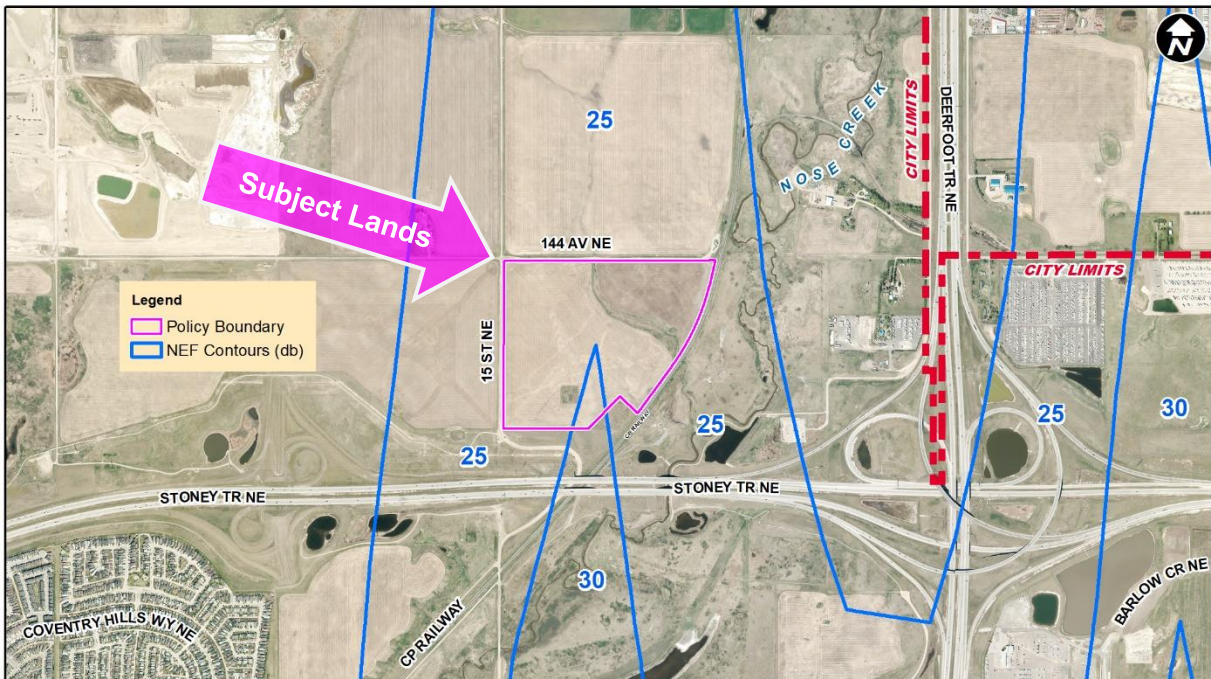
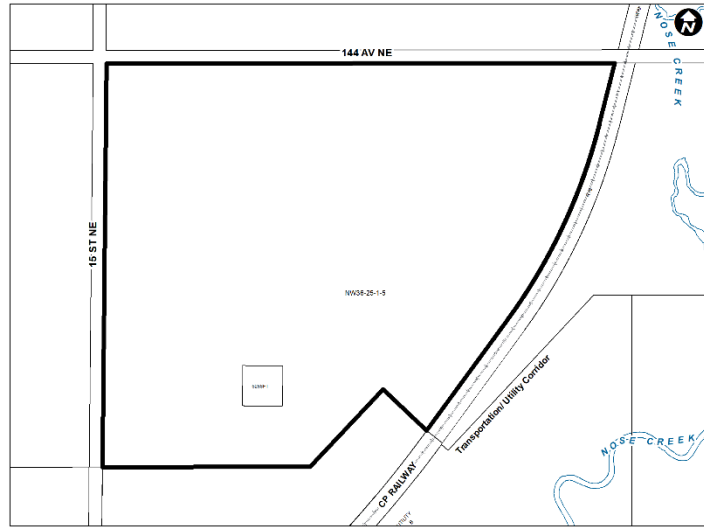
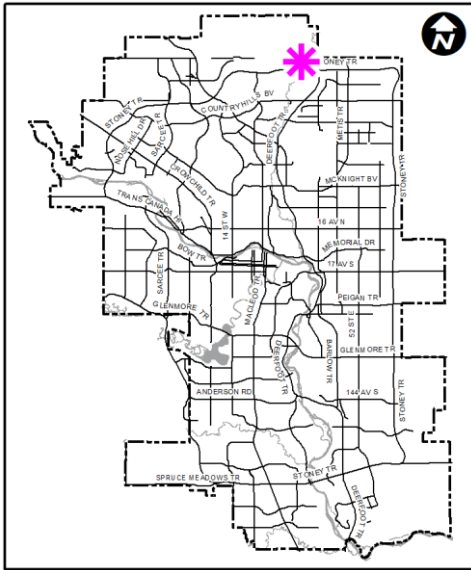
In 2018, Council approved a business case, approved associated City investments, and amended the *Keystone Hills Area Structure Plan (ASP)* to lift the Growth Management Overlay (GMO) for an area (73 hectares) that includes the subject lands. At that time, the business case envisioned a 'complete community' and proposed a mix of uses for the total land area subject to the GMO removal. The subject lands were intended to be developed industrially complementing the commercial and residential lands located to the west – to create this envisioned complete community. Council added associated investments to the 2019-2022 service plan and budget to fund the necessary infrastructure for the subject lands to be developed industrially. In 2019, an outline plan and land use amendment application were approved for the subject lands establishing non-residential, industrial land use districts (LOC2014-0107, Attachment 10). At that time, the Noise Exposure Forecast (NEF) Contours prohibited residential development on these lands.

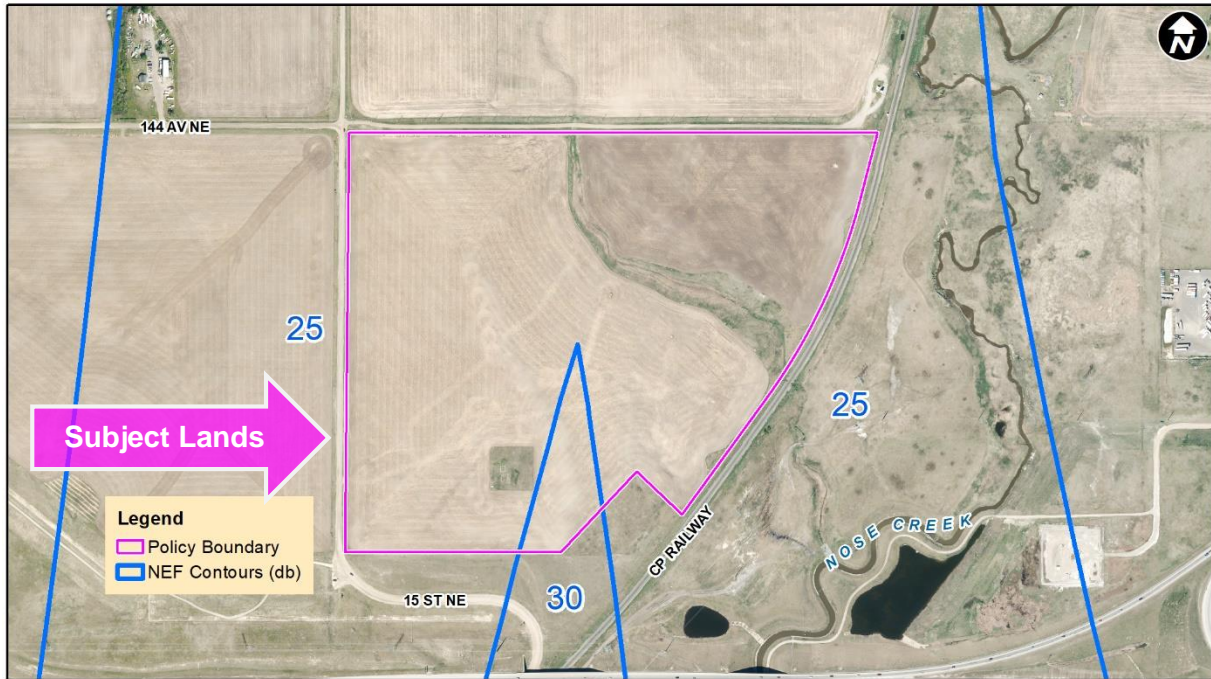
In 2021 August, *Calgary International Airport Vicinity Protection Area Regulation (AVPA)* was amended by the Province of Alberta in response to a joint request made by The City of Calgary and the Calgary Airport Authority. The purpose of the *AVPA Regulation* amendment was to modernize the NEF contour 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, Attachment 11) to allow for residential development was submitted on 2021 November 4 and was placed on hold in December 2021 to allow resolution of the outstanding policy questions first. If Council decides to approve this application, these policy amendments will be required to advance to the Calgary Metropolitan Region Board (CMRB) for their approval.

As Administration's standard practice, outline plan and land use amendment applications are combined with any associated policy amendment applications and are reviewed concurrently by

Calgary Planning Commission (CPC) for a recommendation. For the subject lands, Administration has preceded forward with reviewing the policy amendment application ahead of processing the outline plan and land use amendment application. This approach provided the quickest path to get the outstanding questions concerning policy compliance resolved first, while also best accommodated the Applicant's business needs.

# Location Maps





## Previous Council Direction

Council adopted the *MDP* in 2009 and updated it in 2020. Council approved the *Keystone Hills ASP* in 2012. In 2018, Council amended the *Keystone Hills ASP* to lift the Growth Management Overlay (GMO) for an area that included the subject lands as future employment lands.

## Planning Evaluation

### Options considered by Administration

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.

Administration considered and analyzed: 1) approval, 2) refusal, and 3) a flexible land use policy approach for this proposal. Administration did not recommend approval because this application does not advance the *MDP*'s objective and policies (see details below under reasons for refusal).

For the flexible land use policy approach option, there may be merits to exploring this approach which adds the flexibility to have some non-industrial uses. However, a comprehensive review of that proposal has not been completed due to the recency of this flexible land use policy approach. The Applicant did not want to postpone this policy amendment application to allow comprehensive review of their new flexible policy approach. There remain risks to this flexible policy approach as the Applicant desires the subject lands to be predominantly residential and the built outcome may differ from the expected policy outcome. Administration did not recommend this flexible land use policy approach option due to the lack of analysis. Should

Council want to pursue this option, it could be further explored and a comprehensive review could be conducted concurrent with the outline plan and land use amendment application.

Administration recommends refusal to this policy amendment application because the proposed amendments:

1. Do not advance the *MDP's* objective and policies to protect industrial lands from encroachment of non-industrial uses:
  - a. The *MDP* recommends protecting industrial lands in proximity to highways, freight rail, and the airport from encroachment of non-industrial uses. The subject lands meet these criteria and are strategically located in proximity to Stoney Trail NE, Alberta Provincial Highway No. 2, and Canadian Pacific Railway Tracks. With such locational advantage, the subject lands are an appropriate location for industrial development despite the NEF contour changes.
  - b. The [Calgary Goods Movement Strategy](#) recommends reserving lands around freight facilities for complementary land uses and avoid proposals for incompatible residential developments. The subject lands are in proximity to the Main and Supportive Goods Movement Corridors.
  - c. As part of the Citywide Growth Strategy: Industrial work, Council has approved [2022 Industrial Action Plan \(IP2022-0080\)](#). Action A.3 of this Industrial Action Plan is to “*Characterize and identify the importance of industrial development to internal and external stakeholders during policy exercises that impact industrial areas such as Airport Vicinity Protection Area (AVPA) related projects, and local area plans in support of Action A.1, A.2, and B.1.*” Action A.2 is to “*Update and strengthen industrial policies in the MDP to reinforce that industrial uses be the primary use within industrial areas.*” Actions A.3 and A.2 have anticipated report back dates of Q2 2022 and Q4 2022 respectively. Before the completion of Actions A.3 and A.2, there is no strategic or policy direction for conversion of subject lands to non-industrial uses in general. Administration believes any decision on this application in absence of the findings and recommendations of the Industrial Action Plan work is premature.
2. Reduce planned employment areas within the *Keystone Hills ASP* and may create land use conflicts and future implications on the transportation network:
  - a. The subject lands contribute to providing existing employee-intensive industrial land supply in the *Keystone Hills ASP* area and are intended to provide employment opportunities serving north Calgary. The proposed conversion to residential will reduce planned employment areas within the *Keystone Hills ASP* area, requiring more residents to commute to other areas of the city and region for work.
  - b. The proposed residential area on the subject lands will create land use conflicts with adjacently-planned industrial areas, particularly to the north where the proposed residential area abuts [Nose Creek Area Structure Plan](#) (ASP) industrial lands without any buffer. Any conversion of industrial lands requires a comprehensive review and analysis of both *ASPs*.
3. Does not contribute to creating a complete community providing services future residents require. The subject lands do not have adequate credit Municipal Reserve left to provide for a necessary school site should additional population be introduced in this area.

## **Policy Amendment Overview**

This policy amendment application proposes to amend the *Municipal Development Plan* (MDP) and the *Keystone Hills ASP* to change the future development vision for the subject lands from employee-intensive industrial area to residential area (Attachments 3 and 4).

### Proposed MDP Amendments

The proposed MDP amendments are included in Attachment 3. On *MDP* Map 1: Urban Structure, the existing land use typology for the subject lands is “Industrial – Employee Intensive” which is intended for manufacturing, warehousing and mixed industrial/office developments that have high labour concentrations and require access to the Primary Transit Network. The proposed land use typology for the subject lands is “Developing Residential - Planned Greenfield with Area Structure Plan (ASP).” Accordingly, all *MDP* maps referencing subject lands as “Industrial – Employee Intensive” are proposed to be amended. The proposed MDP amendments defer the detailed development vision for the subject lands to the *Keystone Hills ASP*.

The following housekeeping amendment would be required to amend the *MDP*:

- Map 6: Major Development Influences – the NEF Contours are updated to reflect changes to *AVPA Regulation* approved by the Province in April 2021.

### Proposed Keystone Hills ASP Amendments

For the *Keystone Hills ASP*, the proposed policy amendments (Attachment 4) consider residential areas within the east portion of Community D and propose a new neighbourhood (Neighbourhood D) for the subject lands reflected on Map 6: Community & Neighbourhood Concept. The proposed new Section 6.4.2 includes policies for Neighbourhood D size, composition, intensity, and an internal street and pathway network. On Map 5: Land Use Concept, the existing land use typology for the subject lands is “Industrial/Employment Area” which is intended to provide for a variety of office and industrial uses which will provide for non-retail jobs in the *Keystone Hills ASP* area. The proposed land use typology for the subject lands is “Neighbourhood Areas” which is to provide primarily residential uses. Accordingly, the existing boundary and size for the “Industrial/Employment Area” noted in Section 6.11 are proposed to be amended by limiting it to the west portion of Community D.

The following housekeeping amendment would be required to amend the *Keystone Hills ASP*:

- Map 3: Constraints – the NEF Contours are updated to reflect changes to *AVPA Regulation* approved by the Province in April 2021.
- Map 13: Transportation – the 144 Avenue NE and 15 Street NE alignments are updated to align with Road and Street Network shown in the MDP. Accordingly, all *Keystone Hills ASP* maps referencing 144 Avenue NE and 15 Street NE are updated.
- Map 14: Transit – the BRT Routes are updated to align with the Primary Transit Network shown in the MDP. Accordingly, all *Keystone Hills ASP* maps referencing BRT Routes are updated.

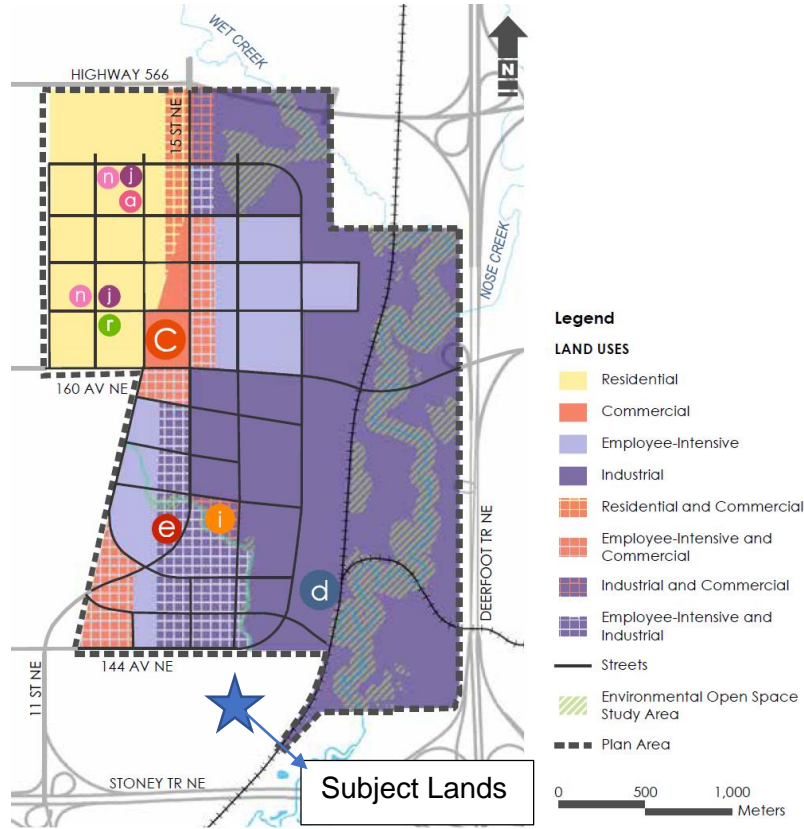
Amendments to both the *MDP* and *ASP* are limited to those directly resulting from the proposal.

## **Interface with the Nose Creek ASP**

The proposed policy amendments will potentially create land use conflicts between residential and industrial areas; particularly, to the north where there is no major roadway to buffer the

more-intensive industrial uses from the *Nose Creek ASP* from residential uses proposed within the *Keystone Hills ASP* (see *Nose Creek ASP Map 3: Land Use Concept*).

*Nose Creek ASP Map 3: Land Use Concept Map*



**Jobs/Population Balance and Land Supply Considerations**

An analysis of the jobs to population ratio shows that Calgary’s north planning sector, which is made up of the north central communities, has the lowest number of jobs when compared to the population than any other sector in Calgary.

Planning Sector	Jobs (2016)	Population (2019)	Job Population Ratio
Centre	297,265	202,097	147%
East	43,486	58,844	74%
North	20,119	164,437	12%
Northeast	116,777	188,618	62%
Northwest	53,745	175,736	31%
South	74,607	230,245	32%
Southeast	47,385	140,274	34%
West	31,644	125,460	25%

On 2022 February 15, Council accepted [2021 Citywide Growth Strategy Monitoring Report \(IP2021-1668\)](#). This report notes that Calgary’s north sector has 18 to 25 years of serviced and funded residential land supply (based on data from 2020). At a minimum, serviced and funded lands have their GMO removed and The City has committed to fund the required infrastructure. Calgary’s north sector’s residential serviced and funded land supply is the second highest among Calgary’s planning sectors, slightly less than Calgary’s northwest sector.

*Table 1: Sector Breakdown of Growth in 2020-2021 and Projected Land Supply*

Sector	Units Applied For in 2021 (to September)	Serviced and Funded Land Supply (Hectares)	Years of Serviced and Funded Land Supply
North	1,493	1,191	18 to 25
Northeast	1,415	612	9 to 14
East	75	202	8 to 9
Southeast	1,279	1,028	15 to 22
South	1,119	1,200	16 to 23
West	598	203	8 to 12
Northwest	118	106	19 to 27
<b>Total</b>	<b>6,097</b>	<b>4,542</b>	<b>15 to 20</b>

The subject lands contribute to providing existing industrial land supply in the area and are intended to provide employment opportunities serving the residential development envisioned to the west. This will allow for a more balanced population and employment growth in Calgary’s North sector, as seen in Calgary’s other sectors. If this application is approved, it has the potential to put pressure on the conversion of other industrial lands to the north and west for non-industrial development. The proposed conversion to residential will reduce planned employment areas within area requiring more residents to commute to other areas of the city and region for work.

While the proposed conversion of industrial land to non-industrial uses contemplated in this report has minimal impact on overall citywide vacant industrial land supply, the cumulative impact of multiple conversions in the north central area will have significant impact on the overall industrial land supply.

**Transportation**

One key mobility concept to consider when planning transportation networks is the origin and destination of travel. The type of travel that generates the largest demand on the mobility network is from residential to employment during the morning peak period, and to residential from employment during the afternoon peak period.

Establishment of employment lands, specifically in the lands north of Stoney Trail and west of Deerfoot Trail, facilitates a balanced travel demand on the area mobility network including the east-west regional roads within Keystone Hills, and at the interchanges with Stoney Trail and Deerfoot Trail. This balance is also vital to creating two-way demand for transit that contributes to The City’s ability to realize better fair-recovery and provide a higher quality and frequency of transit service.



If the subject lands are converted to residential, a further increase in the one-directional travel demand is expected. This magnifies the need for larger infrastructure along already burdened corridor and network elements including to/from Stoney Trail (largely via 144 Avenue) in the morning/afternoon and inbound/outbound Green Line in the morning/afternoon. This in turn reduces efficiency and utilization of infrastructure and services in the area. The pattern of land use that's being proposed is common in the city and in many urban areas across North America. By establishing additional residential lands in the *Keystone Hills ASP* and by reducing the amount of industrial and employment lands, this proposal will be contributing to auto-dependence, and reducing the viability of active and communal modes of travel.

Mobility requirements and traffic characteristics are a function of the lands they border and support. This is important to note for the segment of 144 Avenue between 11 Street (provides connection to Stoney Trail) and 160 Avenue (provides connection to Deerfoot Trail).

The traffic characteristics along the segment of the corridor east of 11 Street will reflect a network that services the industrial lands currently planned for the area. As a result, the mobility network that provides access and active connections for Community D will see a higher proportion of logistics-related users relative to Communities A, B, C.

The segment of 144 Avenue directly adjacent Neighbourhood D is identified as Industrial Arterial within the *MDP*. If introduction of a residential community in this location is pursued, the transition to the Industrial version of the roadway should be shifted to occur east of Neighbourhood D. The result of this change will be an extension of pathways along 144 Avenue across the entire length of Community D and the introduction of median-left turn bays which can provide some additional definition and refuge for residents from the logistics users anticipated to be more present along this segment of the corridor.

Overall, the subject lands are not suited to residential land use from a mobility perspective. Not only does the regional network adjacent the lands facilitate a different mobility function, but the community itself may become segregated based on the need to travel to the adjacent communities west of 11 Street to access the types of services and amenities normally provided directly within a residential environment.

### **Environmental Site Considerations**

A Phase I Environmental Site Assessment was completed and approved for the subject lands with the previous outline plan and land use amendment approval in 2019. An updated Phase I Environmental Site Assessment will be required with the outline plan and land use amendment application for residential development (LOC2021-0184).

A Biophysical Inventory Assessment (BIA) was submitted and approved as part of the previous outline plan and land use amendment approval in 2019. The conclusions of the approved BIA identified a vegetated draw with an ephemeral drainage course traveling through the subject lands in a north to southeast direction. The proposed policy amendments do not appear to impact the environmental open space study areas within the subject lands.

### **Historical Resources**

The subject lands are located near sites of First Nations activity, east of the Canadian Pacific Railway tracks, with the subject site being identified as potential areas for historic resources. A Historical Resource Impact Assessment (HRIA) was determined to be required by Alberta Culture and Tourism pursuant to the *Historical Resources Act*. This is provincially required ahead of any land surface disturbance activities.

### **Utilities and Servicing**

Water servicing will be provided by connecting to the existing water feedermain at 144 Avenue NE located on the east side of the plan area, and by extending the existing watermain through the adjacent lands to the west and across Stoney Trail NE. Sanitary servicing will be provided by connecting to the existing sanitary trunk within the Transportation and Utility Corridor at the south-east of the plan area. Stormwater will be managed through a proposed stormwater facility adjacent to the existing ravine, then through a controlled discharge into Nose Creek.

At this policy amendment stage, the preliminary review shows that the required utility servicing could be accommodated at the future outline plan and land use amendment stage. Furthermore, the proposed Neighbourhood D policies (new Section 6.4.2) allow utility servicing to be determined through the outline plan and land use amendment process.

## **Legislation and Policy**

### **South Saskatchewan Regional Plan (2014)**

The proposed policy amendments are in alignment with the policy direction of the [South Saskatchewan Regional Plan](#) which directs population growth in the region to Cities and Towns and promotes the efficient use of land.

### **Interim Growth Plan (2018)**

The proposed policy amendments align with the policy direction of the Calgary Metropolitan Region Board's [Interim Growth Plan](#) (IGP). These amendments build on the principles of the IGP by means of promoting efficient use of land, regional infrastructure, and establishing strong, sustainable communities. If Council decides to approve this application, these policy amendments will need to advance to the CMRB for their approval.

### **Calgary International Airport Vicinity Protection Area (2009)**

The [Calgary International Airport Vicinity Protection Area Regulation](#) (AVPA) identifies the subject lands as being located mostly within the 25–30 NEF Contour, except a southeast portion located within the 30–35 NEF Contour of the AVPA.

Should Council move forward with the policy amendment application, this application includes a housekeeping amendment to update NEF Contours on the *MDP* and the *Keystone Hills ASP* maps to reflect 2021 August amendment to the *AVPA regulation*. At the outline plan and land use amendment stage, location of residential land use districts could be further reviewed, in collaboration with Calgary Airport Authority, in the context of applicable *AVPA regulation* to ensure further compliance.

### **Rocky View County/City of Calgary Intermunicipal Development Plan (Statutory – 2012)**

The site is within the Policy Area on Map 1: Plan Area of the [Rocky View County/City of Calgary Intermunicipal Development Plan](#) (IDP). The proposal is consistent with the goals of the *Rocky View County/City of Calgary IDP*.

### **Municipal Development Plan (Statutory – 2009)**

The application is not consistent with the [Municipal Development Plan](#) (MDP). Map 1: Urban Structure of *MDP* includes the subject lands within the “Industrial – Employee Intensive” typology which is intended for manufacturing, warehousing and mixed industrial/office

developments that have high labour concentrations and require access to the Primary Transit Network.

The *MDP* city-wide policies under Section 2.1.2 highlight supporting industrial area and uses as the key drivers of the local economy. These policies suggest ensuring the availability of competitively priced, easily serviceable, and developable land for industrial purposes. Furthermore, the *MDP* industrial area policies under Section 3.7 recognize that industrial areas contribute to a strong and prosperous economy for Calgary and should be maintained as a major economic driver for the City. These industrial area policies suggest protecting industrial lands in proximity to highways, freight rail and the airport from encroachment of non-industrial uses.

In consideration of the policies and objectives outlined above, locating residential uses on the subject lands are not recognized by the *MDP* as strategic in the long-term. Therefore, the proposed policy amendments to convert the employee-intensive industrial area to a residential neighbourhood is not consistent with the *MDP*'s citywide policies and objectives.

#### **Climate Resilience Strategy (2018)**

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.

#### **Keystone Hills Area Structure Plan (Statutory – 2012)**

The subject lands are located within the area covered by the [Keystone Hills Area Structure Plan](#) (ASP). The proposed Neighbourhood D on subject lands will potentially create land use conflicts with adjacent planned industrial areas, particularly to the north where proposed Neighbourhood D residential area abuts within *Nose Creek ASP* industrial lands without any buffer.

#### **Citywide Growth Strategy: Industrial (Industrial Action Plan) (ongoing 2022)**

The purpose of the Industrial Action Plan is to increase Calgary's economic and business competitiveness and enable the development of Calgary's industrial areas.

In 2021 February, An [Industrial Area Growth Strategy Consulting Report](#) was prepared by Cushman & Wakefield to conduct a quantitative and qualitative analysis of the industrial lands and sector in Calgary. This report recommends resisting conversion requests for large industrial-designated sites, particularly those that offer superior access to arterials and highways. The subject lands are in the strategic growth corridor of the city and offer exceptional site selection criteria for future industrial development in the long-term. In 2021 March, Council approved the Industrial Action Plan that articulated specific actions that could help enable industrial growth and focused organizational efforts to implement them.

On 2022 February 15, Council approved an update to [Industrial Action Plan \(IP2022-0080\)](#). Action A.3 of this Industrial Action Plan is to "Characterize and identify the importance of industrial development to internal and external stakeholders during policy exercises that impact industrial areas such as Airport Vicinity Protection Area (AVPA) related projects, and local area plans in support of Action A.1, A.2, and B.1." Action A.2 is to "Update and strengthen industrial policies in the *MDP* to reinforce that industrial uses be the primary use within industrial areas."

Actions A.3 and A.2 have anticipated end dates of Q2 2022 and Q4 2022 respectively. Before the completion of Actions A.3 and A.2, there is no strategic or policy support for conversion of

subject lands to non-industrial uses. Administration believes any decision on this application in absence of the Industrial Action Plan work is premature.

#### **Development Next to Freight Rail Corridor Policy (Non-Statutory – 2018)**

The subject lands are subject to [Development next to Freight Rail Corridors Policy](#). This policy applies to Rail Proximity Envelope on parcels adjacent to freight rail corridors. Rail Proximity Envelope is the area within 30 metres of the freight rail corridor property line. This policy only applies to high density residential, commercial, and sensitive uses. The policy amendment application would enable residential areas adjacent to the freight rail corridor to the east. At the outline plan and land use amendment stage, land use districts could be further reviewed, in the context of *Development next to Freight Rail Corridors Policy* to ensure further alignment.

#### **Improving Calgary's Entraceways (Non-statutory – 2012)**

The subject lands are subject to the *Improving Calgary's Entraceways* policy. This policy applies to all roads designated as Entraceway and Entraceway Routes which include Stoney Trail and Deerfoot Trail, north of Stoney Trail to the city limits. The development envisioned adjacent or in areas immediately visible from entraceways need to provide for high quality designed sites and buildings. At the outline plan and land use amendment stage, land use districts could be further reviewed, in the context of *Improving Calgary's Entraceways* policy to ensure further alignment.

#### **The Calgary Goods Movement Strategy (2018)**

The [Calgary Goods Movement Strategy](#) recognizes the critical importance of goods movement to both Calgary's economy and quality of life. Appendix C, Recommended Goods Movement Network from the Calgary Goods Movement Strategy recognizes Stoney Trail NE, Alberta Provincial Highway No. 2, and eastern portion of future 160 Avenue NE as Main Goods Movement Corridors. It recognizes future 11 Street NE and 15 Street NE as Supportive Goods Movement Corridors.

The Calgary Goods Movement Strategy, Action 3.4 is to “develop freight-supportive land use planning guidelines that protect complementary land use near major freight hubs and corridors.” Within this action, this strategy recommends “reserving lands around freight facilities for complementary land uses and avoiding proposals for incompatible residential developments around critical freight facilities such as the airport, rail terminals or major activity hubs.” The policy amendment application is not in alignment with the Calgary Goods Movement Strategy as it does not protect industrial lands near Main and Supportive Goods Movement Corridors.