

Strengthening Calgary's Industrial Sector

RECOMMENDATIONS:

That Council:

1. Give three readings to Proposed Bylaw 36P2022 to amend the Municipal Development Plan (Attachment 2); and
2. Give three readings to Proposed Bylaw 44P2022 to amend Land Use Bylaw 1P2007 (Attachment 4).

HIGHLIGHTS

- The proposed amendments to update the industrial policies in the Municipal Development Plan (MDP) and the industrial districts of the Land Use Bylaw (the Bylaw) address key actions of the 2022 Industrial Action Plan to support sustainable industrial growth in Calgary.
- *What does this mean for Calgarians?* The amendments will solidify Calgary's competitive advantage as a regional distribution hub and reduce planning and development barriers to make it easier for businesses to open and operate in Calgary's industrial areas.
- *Why does it matter?* The amendments allow Calgary to serve emerging industrial trends, facilitate the complete build-out of vibrant industrial areas, and promote the industrial sector as a critical pillar of Calgary's resilient and diversified economy.
- This report recommends amendments to the MDP and the Bylaw to:
 - streamline and update regulations to allow for a wider variety of industrial and supportive land uses in industrial districts;
 - encourage the retention of large industrial parcels;
 - promote the development of more complete industrial areas; and
 - incorporate City and Provincial requirements in the Bylaw and promote clarity for applicants and the public.
- On 2022 February 15, Council approved the Citywide Growth Strategy: Industrial Action Plan Update (IP2022-0080) to guide the work of the Citywide Growth Strategy. This report addresses two key actions of the Industrial Action Plan: update and strengthen industrial policies in the MDP to reinforce that industrial uses be the primary use within industrial areas; and update the industrial districts of the Land Use Bylaw to address development barriers.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

This report follows up on report IP2022-0503 that was referred to Administration at the 2022 July 5 Combined Meeting of Council. This report is needed to present a new Proposed Bylaw 44P2022, which replaces the abandoned Bylaw 37P2022 and incorporates the missing amendments to the Land Use Bylaw needed to fully implement the scope of the recommendations of IP2022-0503. The following content of this cover report remains unchanged from IP2022-0503. Attachments 2 and 4 have been updated to include the two Proposed Bylaws advertised and approved by Administration. The original report IP2022-0503 has been included as Attachment 6, for easy reference. The letters from industry in Attachment

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8 were previously shared in support of IP2022-053 and remain relevant to this report, as they show external support for the full scope of the amendments to the Land Use Bylaw.

This report proposes targeted policy and regulation actions to address short-term challenges impacting the viability of Calgary's industrial sector. These amendments address priorities of industry members and Council and align with the MDP and the strategic goals of the Citywide Growth Strategy: Industrial. More comprehensive changes to the industrial policies and land use districts will be considered through work on the renewal of the Land Use Bylaw and the creation of the Calgary Plan, which will combine the MDP and Calgary Transportation Plan into a single, user-friendly document.

The targeted amendments of this report focus on the Cushman and Wakefield Industrial Area Growth Strategy Consulting Report's recommendations to harmonize and simplify land uses allowed across similar districts and remove redundant rules that act as barriers to development. Recommendations to consolidate land use districts and further simplify uses will be better addressed in the Calgary Plan and the Bylaw renewal.

Recommendations to amend the MDP include updates to policies that encourage the retention of large industrial parcels. Explanations of the context and benefits of each MDP amendment are provided in Attachment 3.

Recommended amendments to the Land Use Bylaw are as follows:

Better Regulations for Waste Management and Storage Uses

1. Reduce barriers for recycling facilities to operate in industrial areas.
2. Streamline regulations for storage uses by consolidating multiple compatible uses.

Streamlining Development Processes

3. Permit a wider range of appropriate uses along major streets and expressways in the general industrial district.
4. Allow changes of uses for permitted uses in the business industrial, commercial industrial and general industrial districts without the need for a development permit.
5. Eliminate the maximum building height rule for most parcels in the general industrial district to align with emerging industry trends and reduce the need for relaxations.

Expanding Range of Listed Uses

6. Add General Industrial – Light as a permitted use in the business industrial district to address the limited range of industrial uses in the district and reduce the need for Land Use Amendments.
7. Add Vehicle Rental - Minor as a discretionary use in the general industrial and industrial redevelopment districts to align with compatible uses.

Housekeeping Amendments

8. Remove the reference to the Payday Loan use in the façade rules of the general mixed-use district, to reflect that this use is not allowed in the district.
9. Eliminate the requirement for separation distances between Cannabis Stores and Child Care Services.
10. Update references to the "School Act" to the current "Education Act" legislation to align with current Provincial legislation.
11. Eliminate a rule that creates obsolete landscaping requirements.

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Explanations of the context and benefits for each amendment to the Bylaw are provided in Attachment 5.

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

Administration engaged and collaborated with the following external groups and stakeholders:

- BILD Calgary Region
- NAIOP Calgary Chapter
- Calgary Economic Development (CED)

The proposed amendments were developed through ongoing engagement with two external groups, the Industrial Strategy Working Group and the Industrial Strategy Technical Advisory Committee. Consultation with internal groups such as Law, Community Planning, and Business Licensing was also conducted. Feedback from the Business Advisory Committee and the Calgary Planning Commission was also used to develop the final amendments.

Administration worked with the Industrial Strategy Working Group to review the Municipal Development Plan and Bylaw and identify amendments to help align policy and regulations with current industry standards and address development challenges. This relationship led to the creation of a pilot direct control land use district template for use by prospective applicants on specific industrial parcels. This pilot enables compatible land uses in specific locations and appropriate rules to be applied as a hybrid of three existing industrial land use districts (I-G, I-B and I-C), and is currently being used by applicants.

IMPLICATIONS

Social

Not Applicable.

Environmental

Strengthening the retention polices for large industrial parcels will help to protect air quality by supporting more efficient movement of goods and reducing greenhouse gas emissions from transportation sources. Reducing planning and development barriers and providing more opportunities for certain types of recycling businesses to operate in industrial areas will help to reduce the amount of material going to landfills and help to advance The City's materials diversion goals.

Economic

Streamlining development processes and expanding the range of listed uses in districts will help to support business growth by reducing costs and time for applicants and by reducing the need for a variety of development permit applications and land use amendments. Reducing barriers

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and expanding industrial development opportunities to more types of land uses will promote the resiliency and diversification of Calgary's economy. The proposed Municipal Development Plan amendment will support economic resilience by ensuring industrial lands are able to meet current and future market trends.

Service and Financial Implications

No anticipated financial impact

Some of the proposed amendments, such as eliminating the need for development permits with certain change of use applications, will result in changes to applications and approvals processes. We will continue to coordinate with all partners in the planning and development continuum to ensure staff and applicants are implementing any updated processes correctly. Council's endorsement of the recommendations will not deprioritize other projects.

RISK

The amendments proposed in this report do not present significant risks. Through collaboration with internal groups and feedback from Calgary Planning Commission, concerns were raised related to how a general reduction in discretion or oversight would impact The City's ability to monitor servicing safety standards, and how consolidation of uses and relaxations of rules could contribute to unwanted impacts to neighbouring properties. We have continued to consult with groups on these issues and have indicated these concerns will be sufficiently managed by existing Bylaw regulations.

This work represents a commitment to the 2022 Industrial Action Plan and to stakeholders of Calgary's industrial sector. There is a reputational risk of not completing this work and not addressing City commitments on the Industrial Action Plan. Furthermore, by not addressing the challenges these amendments intend to relieve, The City will continue to suffer the undesired planning and development outcomes of poorly aligned regulation and policy.

ATTACHMENTS

1. Previous Council Direction, Background
2. Proposed Bylaw 36P2022
3. Rationale for Amendments to the Municipal Development Plan
4. Proposed Bylaw 44P2022
5. Rationale for Amendments to the Land Use Bylaw
6. Enabling Business in Calgary's Industrial Sector IP2022-0503
7. Presentation C2022-0896
8. Letters from Industry IP2022-0503

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Stuart Dalgleish	Planning and Development	Approve
Jill Floen	Law	Consult
Crystal Cote	Finance	Inform

**Planning and Development Services Report to
Combined Meeting of Council
2022 July 26**

**ISC: UNRESTRICTED
C2022-0896
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Michael Thompson	UEP	Inform
Doug Morgan	Transportation	Inform
Debra Hamilton	Community Planning	Consult