

## Summary of Central Industrial land Review Area Recommendations and Cost Benefit Analysis

<b>Recommendation 1 - The Establishment of an Implementation Team</b>
<p><b>Action Item 1</b> That The City establish an internal staff Implementation Team that is responsible for the enactment of the recommendations of this Report, and the subsequent review of future applications for the conversion of lands within the central industrial areas. The mandate of this team includes consultation with a full range of other City departments, affected internal and external agencies, and other key stakeholders.</p> <p><b>Cost Benefit Analysis</b> This action item is underway as per Council direction.</p>
<b>Recommendation 2 – An Amendment to the Municipal Development Plan</b>
<p><b>Action Item 2</b> The City should add an economic development imperative to the list of principles provided in Section 1.3.3 of the MDP. The new principle should read as follows:</p> <p><i>12. “Promote economic development to achieve diversified economic opportunities throughout the City and to provide a minimum of 1 job for every 1.7 Calgarians”.</i></p> <p><b>Cost Benefit Analysis</b> The MDP already contains policy direction for achieving the target of 1 job for every 1.7 Calgarians (population/jobs balance core indicator) in Part 5, figure 5-2. The suggested MDP amendment would have minimal effect on the activities and policies but would require complete review of the MDP and reengagement with stakeholders to ensure alignment. This would also potentially require review of all City Planning documentation to ensure alignment and compatibility. As the MDP was the reflection of a multi-year initiative it would require a significant portion of the land use planning resources and work plan activities.</p>
<p><b>Action Item 3</b> The City should amend Schedule 1 Urban Structure to identify areas currently designated “Standard Industrial” to be re-designated “Industrial - Employee Intensive”, where those lands about a built or planned “Primary Transit Hub”, as identified on Schedule 3 Primary Transit Network.</p> <p><b>Cost Benefit Analysis</b> This recommendation was previously incorporated in the MDP in the context of the overall city initiatives. This work would require a full analysis of the job and population growth within the city to ensure priority areas are able to get the transit infrastructure and other limited resources required to ensure viability. Furthermore, this action would likely affect the land use district assigned to the lands in question. Administration concluded that this action cannot be implemented without a comprehensive review of all industrial land use districts and the creation of tools for regulating employment thresholds in industrial areas.</p>
<p><b>Action Item 4</b> Amend the policies of Section 2.3.6 of the MDP by the addition of a new sub-section f., which shall read as follows:</p> <p><i>f) “Require that new greenfield communities plan for and accommodate the array and</i></p>

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*scale of community services and facilities needed to serve the planned population of the new community.”*

### **Cost Benefit Analysis**

This action would require a Public Hearing of Council and would be most appropriate under MDP.Section 3.6.2. As this is currently being addressed in the MDP policies on new community development, there is little benefit for implementation. Area Structure Plans and Regional Context Studies identify institutional, recreational and community uses these uses within them. When undertaking policy plans, Administration works closely with other public agencies to identify the needs for these uses within the plans. These uses are particularly important in our work as we look at a variety of opportunities for these uses to co-locate and be in close proximity to public transit.

### **Action Item 5**

The City should amend Section 3.7.1. The recommended section would read as follows:

#### *“3.7.1 Standard Industrial Area”*

*The Standard Industrial Area consists of existing planned industrial areas that contain a mix of industrial uses at varying intensities. These areas continue to offer a broad variety of industrial uses and as these areas redevelop, the industrial character shall be maintained.*

#### *Land Use Policies*

- a) *Encourage a productive and efficient use of industrial lands through infilling of vacant sites with new industrial uses, and the intensification of existing and future industrial uses on existing developed sites.*
- b) *Protect industrial lands from the destabilizing effects of conversion by ensuring that industrial uses shall continue to be the primary use.*
- c) *Require the development and retention of a broad range of industrial uses and a variety of industrial parcel sizes.*
- d) *Permit, on a temporary or semi-permanent basis, greenhouses and solar farms/wind farms.*
- e) *Promote the redevelopment of vacant and/or underutilized lands for eco-industrial development.*
- f) *Permit arts and cultural activity including artist studios, storage, set design and production, small scale administrative facilities, rehearsal space, dance studios and small scale educational uses.*
- g) *Permit accessory uses that are compatible with and support the industrial function of the area and cater to the day-to-day needs of areas businesses, their customers and employees.*
- h) *The following uses shall be specifically prohibited:*
  - *Residential uses of any kind, including any form of special needs or seniors housing;*
  - *Hospitality and gaming uses, such as hotels, motels and/or convention centres, and casinos;*
  - *Stand-alone major office buildings in excess of 2,500 square metres of gross floor area;*
  - *Community-scale or greater retail/commercial facilities or other retail/commercial uses of any scale that do not support the industrial function of this area; and/or,*

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- *Institutional uses including moderate and large scale facilities may be provided in industrial areas to meet the extensive land needs of city-wide recreation and sports programs. These facilities shall be designed and located to be accessible to transit routes, cycling routes and pathways.*
- i) *Regional or city-wide recreation and sports facilities may be provided in industrial areas to meet the extensive land needs of city-wide recreation and sports programs. These facilities shall be designed and located to be accessible to transit routes, cycling routes and pathways.*
- j) *Three specific areas that include land designated Standard Industrial Area have been identified for the preparation of an Area Redevelopment Plan, as shown on Maps 1, 2, and 3, and identified as:*

1. *Greenview Industrial Park*
2. *Inglewood/Ramsay/Alyth/Bonnybrook*
3. *Fairview Industrial/Manchester Industrial*

*These areas have been identified for further study, which may result in a change in function from Standard Industrial Area to some other mix of land uses, given their proximity to existing residential communities and/or the Primary Transit Network. Implementation of any land use change shall require the preparation of an Area Redevelopment Plan, or an amendment to this MDP.*

- k) *Certain other components of the existing Standard Industrial Area designation may be considered for conversion to non-industrial or mixed-residential business designations. Any proposal for such a change in land use designation will require an amendment to the relevant Area Redevelopment Plan or, if there is no Area Redevelopment Plan, an amendment to this MDP. The City shall require that any amendment to an Area Redevelopment Plan or this MDP that facilitates the conversion of lands within a Standard Industrial Area to any other land use designation be supported by a study where it has been demonstrated to the satisfaction of Council that:*
  - *The conversion will not adversely affect the overall viability of the industrial area, and achievement of intensification targets, density targets, and other policies of this MDP;*
  - *There is existing or planned infrastructure to accommodate the proposed conversion;*
  - *There are no issues of soil contamination that would obviate the conversion;*
  - *The site is located on the edge of the industrial area, and the proposed redevelopment plan will improve, rather than exacerbate, any existing interface conflict with abutting and adjacent land uses; and,*
  - *The proposed conversion includes site improvements that mitigate an existing interface conflict with abutting and adjacent land uses."*

### Cost Benefit Analysis

The recommended action would apply to the majority of the city's industrial land base and require a city wide industrial strategy to confirm costs, consequences and benefits. The proposed amendments are extensive and focused on the central industrial areas. Given the wide-spread impact these amendments would have, Administration recommends a comprehensive industrial strategy be undertaken prior to the consideration of major MDP, and subsequent LUB, amendments. There are a number of key questions that a broader citywide industrial strategy needs to address, including:

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- Are there tools and a process in place to ensure that the MDP's policy guidance and LUB districts are applied consistently and effectively to meet City objectives.
- What strategies and initiatives in place or planned to support and increase employment intensities in strategic locations.
- Where employment intensity is most appropriately located through plan and development regulation, with consideration given to the variety of industrial areas in Calgary and varied physical characteristics of these areas.
- What strategies and initiatives are in place or planned to accommodate new and emerging industrial uses (i.e. research, local creative and start up businesses and green industries).
- What are appropriate land uses along corridors or other transit oriented development areas, particularly existing or planned LRT station areas, within industrial areas.
- How can The City work more collaboratively with Regional partners to strategically plan for viable industrial areas and economic growth and success.

In the interim, Administration will pilot many of these recommendations as part of an evaluation tool for land use applications within industrial areas.

Administration concluded that enacting the noted policy and LUB amendments would have considerable staff resourcing implications. Other potential resulting unknowns, or associated risks, identified include:

- unintentionally making it more onerous for developers/ industrial land owners to develop or redevelop businesses or sites, even to meet desired City outcomes;
- discouraging future investment in these areas;
- resulting upfront costs related to utilities/ infrastructure capacity from ad hoc development not aligned to the overall City direction for industrial areas and activities, growth management and investment, and other planning initiatives.

### Recommendation 3 - An Outline for the Preparation of Area Redevelopment Plans

#### Action Item 6

The City shall initiate the preparation of the three identified ARPs to promote the appropriate transition of these areas from their central industrial area function to new, mixed use communities that are to evolve on the basis of Transit Oriented Development.

#### Cost Benefit Analysis

Preparing ARPs would require staff from a number of business units; which may have conflicting priorities. Given the analysis needed due to the industrial nature of the areas, additional resources would be required, including funding to hire qualified experts on existing and historical industrial uses.

The report recommended preparation of three ARPs: Greenview, Inglewood/Ramsay and Fairview/Manchester, Administration agrees that these areas warrant future planning work. However these areas will be studied as part of items identified on the Corporate Land Use Planning work program:

- Greenview will be examined during the second phase of planning for the North Central LRT (Greenline).
- Inglewood/Ramsay will be considered through Transit Oriented Development planning work being done in conjunction with Southeast Transitway (Greenline).
- Fairview/Manchester Industrial will be examined through the Corridor Program.

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### Recommendation 4 - Review of the Land Use Bylaw

#### Action Item 7

That the City continue to review its Land Use Bylaw to ensure that it recognizes and implements amendments to the Municipal Development Plan with consideration of the following key issues.

- The geographic application of the I-G and I-E zoning categories to ensure they are reflective of the appropriate interior and perimeter locations as identified in the Land Use Bylaw.
- The respective lists of permitted and conditional uses within the I-G and I-E zoning categories, and that those uses be refined to ensure that: (a) no residential uses of any kind are permitted in either category, (b) that the list of uses are more reflective of the intent of the Industrial General designation of the Municipal Development Plan, and (c) they are more inclusive and prescriptive about the nature, character and form of alternative land uses, including cultural uses, artists' studios administrative facilities, etc.; and,
- The application and intent of the Industrial – Redevelopment (I-R) District with the understanding that components of some of the central industrial areas are intended to be subject to an Area Redevelopment Plan, which may require rezoning out of the I-G, I-E and/or I-R categories.

#### Cost Benefit Analysis

Further policy development and LUB amendments would have considerable staff resourcing implications. As previously noted, other risks include:

- Unintentionally making it more onerous for developers/ industrial land owners to develop or redevelop businesses or sites, even to meet desired City outcomes;
- discouraging future investment in these areas; and
- unexpected costs related to utilities / infrastructure capacity from ad hoc development not aligned to the overall City direction for industrial areas and activities, growth management and investment, and other planning initiatives.

Many of the consultants' ideas and identified planning principles have been addressed with the industrial district framework of Land Use Bylaw 1P2007. The new districts, uses and rules provide greater planning control and seek to preserve core industrial areas for industrial uses and optimize the use of Calgary's road system by supporting higher intensity employment areas closer to transit and road corridors and nodes, and to ancillary commercial and retail uses in industrial areas along major roads. The Land Use Bylaw team will continue to monitor the effectiveness of the districts as part of the mandate of the sustainment team.

In response to the consultants' identified key issues for the proposed LUB amendments, Administration concluded the following:

Geographic Application of Districts - The purpose statements of industrial land use districts indicate that they are characteristic of parcels intended to fit a specific location or context. The purpose statement of the I-G district indicates that the I-G district is characterized by parcels typically located in internal locations. The purpose statement is not meant to be applied in a rigid way and there are many instances where I-G parcels are located on the periphery of industrial areas. The reasons for this are twofold:

- 1) these parcels may have typical I-G development that was approved before the

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adoption of Land Use Bylaw 1P2007 and was transitioned to the I-G district; and

- 2) sometimes it is appropriate to have I-G style development in the periphery where the flexibility and range of I-G uses is desired.

The purpose of the 'internal location' statement was a reflection that as The City moved to better planning of industrial areas, highly visible sites on the periphery of the area would likely be designated as either the I-C or I-B districts as these sites often want/need the visibility for commercial uses or the transportation access. The internal location statement was never meant to completely control the location of the I-G district. The purpose statement is accurate as the vast majority of parcels that are I-G are actually located in internal locations.

With respect to the lists of permitted and conditional uses within the I-G and I-E:

- (a) With the exception of 'Custodial Quarters', there are no residential uses currently allowed in I-G and I-E, and there has been no persuasive case that the I-G or I-E districts are not fulfilling their function.
- (b) There is nothing in the report or the proposed MDP amendments that suggests the current list of uses in the I-G district is inadequate. The conversion of industrial lands is happening through land use amendments and not the issuance of development permits under the land use bylaw (with the exception of 'places of worship'). The only issue is the perception that some users may not like heavy industry near them, but no changes to the Land Use Bylaw would alleviate that concern substantially since the land use conflict may be historic and with us for the long term.
- (c) 'Cultural uses' should be defined in order to have a clearer picture of what constitutes a cultural use. Further, there is no demonstrated desire to locate such uses in industrial areas at the present time.

### Action Item 8

That the City explore the enhancement of an industrial activity rating system that establishes minimum distance separation requirements. This classification system could then be utilized to create zoning standards that promote appropriate industrial location decisions based on suitable and secure interface conditions.

### Cost Benefit Analysis

Further policy development and LUB amendments would have considerable staff resourcing implications. Other risks have been noted.

Administration explored the potential of a rating system and minimum distance separation requirements in 2009 and abandoned the idea in favour of creating the light, medium, and heavy categories of general industrial uses to manage the intensity of industrial development in different contexts. At that time, Administration worked with the Fire department to determine if there were things that could be done to mitigate issues with the usage of chemicals or outdoor processes. A 250 metre separation requirement to residential uses, based on best practices for North American emergency response guidelines, was placed in the purpose statement of the Industrial – Heavy district. For the remaining industrial uses, a definition for light and medium industrial use was created based on whether activities occur entirely within a building and whether off-site impacts were felt. Enforcement officers receive very few complaints about development

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in industrial areas (industrial-industrial interface), with most of the complaints dealing with residential/industrial interface.

The Industrial – Edge district was developed to manage existing industrial/residential interfaces. The district contains standards to mitigate these issues (for new development over time) and also only allow light industrial uses (i.e., activities wholly contained within in a building). Administration will continue to monitor the Industrial Districts and bring forward recommendations to Council when necessary.

### **Recommendation 5 – Understanding the Interface Issue**

#### **Action Item 9**

The City should not use an existing interface issue to justify the conversion of any land use within the central industrial areas.

#### **Cost Benefit Analysis**

This is already being addressed through ongoing activities and policies. Administration will continue to review land use applications based on the planning merits of each application. Administration would not support Stand-alone Land Use Amendment applications to convert industrial land to other uses unless directed through Council approved policy or other such direction.

#### **Action Item 10**

The City should continue to utilize all of the tools available to it to ameliorate existing interface incompatibilities.

#### **Cost Benefit Analysis**

This is already being addressed through ongoing activities and policies. Administration will continue to balance the needs of industrial users with those of surrounding users by using all tools at its disposal. Administration will continue to utilize the Land Use Bylaw to properly manage interfaces between industrial and non-industrial uses, while attempting to minimize the intrusion of non-industrial uses into industrial areas.