

2022 Industrial Action Plan: Progress Update

To increase Calgary’s economic and business competitiveness and enable the development of Calgary’s industrial lands

This attachment outlines the progress of priority actions in the 2022 Industrial Action Plan since its approval by Council on 2022 February 15.

- Nine actions are complete;
- One action is on track for completion; and
- One action is ongoing.

	Action	Status	Achievements / Results
A. Development Enabling Regulatory Improvements	1. Streamlining Land Use Bylaw Industrial District. Prioritize the review and update of industrial districts (Part 8) of the Land Use Bylaw	Complete	<ul style="list-style-type: none"> • Removed maximum building height rule from General Industrial District (I-G) to align with emerging industry trends • Allowed a wide range of Permitted Uses along major streets and expressways in the General Industrial District (I-G) • Added General Industrial Light as a Permitted Use in the Business Industrial District • Added General Industrial Light as a Permitted Use in the Business Industrial District • Added Vehicle Rental – Minor as a Discretionary Use in I-G and industrial redevelopment district (I-R) • Allowed Development Permit exemptions for change-of-use development for certain uses in industrial Districts (I-G, I-B, and I-C) • Improved regulations for waster management, recycling, and storage uses <p>These changes removed planning barriers by streamlining development process and reducing the need for relaxation and redesignation.</p> <p>The amendments were approved by Council on 2022 July 26 (C2022-0896 item 8.2.1).</p>

<p>2. Update and strengthen industrial policies in the Municipal Development Plan to reinforce that industrial uses be the primary use within industrial areas</p>	<p>Complete</p>	<ul style="list-style-type: none"> Amended the Standard Industrial Area and Industrial-Employment Intensive Area land use polices to encourage the retention of large industrial parcels. <p>These amendments were approved by Council on 2022 July 26 (C2022-0896 item 8.2.1)</p>
<p>3. Characterize and identify the importance of industrial development to internal and external stakeholders during policy exercise 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</p>	<p>Complete</p>	<ul style="list-style-type: none"> In collaboration within Administration and with external partners, several criteria were developed to evaluate proposed land use redesignation applications in industrial areas. These criteria help Administration make informed decisions on proposed land use redesignations. Industrial land inventory work is expected to be complete in April 2023. This work will inform several city initiatives including responding to conversion requests in the Nose Creek, and other strategic industrial areas, and annexation work.
<p>4. Monitor industrial indicators to determine if industrial growth has been enabled and competitiveness increased. Indicators include, but are not limited to, industrial land absorption, available land supply, regional growth share, and economic diversification indices.</p>	<p>Complete</p>	<ul style="list-style-type: none"> A set of data indicators have been incorporated into the Citywide Growth Strategy Monitoring report to track industrial development.

B. Public Realm, Infrastructure and Servicing	<p>1. Identify and prioritize investments that enable growth and enhance regional goods movement as part of budget preparation and adjustments. Ensure investments that benefit industrial are considered as part of the 2023-2026 service plan and budget cycle, including as priorities are set early in the year, progressing to when final decisions are made in November 2022.</p>	<p>Complete</p>	<ul style="list-style-type: none"> • As part of the Citywide Growth Strategy report (IP2022-0545), several industrial growth investments were identified for budget considerations. • Two of the seven investment projects received funding from the 2023-2026 budget cycle: <ul style="list-style-type: none"> ○ Nose Creek Sanitary Trunk Upgrades from 64 Avenue NE to Beddington Trail NE ○ Inglewood Sanitary Trunk Upgrade North of Bow River <p>This report was discussed at Combined meeting of Council on 2022 July 26.</p>
C. Cost	<p>1. Identify and evaluate solutions for improving the competitiveness of Calgary’s non-residential tax rate for the industrial sector.</p>	<p>Complete</p>	<ul style="list-style-type: none"> • Administration, through the Financial Task Force, completed several reports and presented to Executive Committee on 2022 September 29: <ul style="list-style-type: none"> ○ Property Tax Policy Framework (EC2022-0649) Following substantial research and analysis, Administration has determined that the current approach to budget-based decision making and tax share, which allows Council to make phased and incremental changes in tax share between assessment classes over time to ensure it remains equitable among classes and mitigate risks associated with the property tax so that it continues to be a stable and reliable source of revenue for The City. ○ Non-Residential Assessment Subclasses Scoping Report (EC2022-0780) Although subclasses are not recommended to address market volatility, continued advocacy is recommended because expanded flexibility in non-residential subclasses could be useful in other circumstances to provide targeted tax relief or incentives in support of other public policy objectives which should be

			<p>considered on a case-by case basis with respect to the costs and benefits they may create.</p> <p>Legislative changes are required to provide expanded flexibility on on-residential subclasses.</p> <ul style="list-style-type: none"> ○ Assessment Smoothing Scoping Report (EC2022-1100) While assessment smoothing could be used as a strategy to mitigate sharp increases in assessment values by redistributing tax responsibilities to other non-residential properties, Administration is not recommending assessment smoothing for the following reasons: <ul style="list-style-type: none"> ▪ In the context of the drop in downtown assessed values and the pandemic, smoothing would have increased taxes for most non-residential property types including properties that experienced a decreased ability to pay; ▪ The assessment and tax system would become more complex, less transparent, and less equitable which may lead to greater confusion and dissatisfaction for non-residential taxpayers; and ▪ The City does not currently have the legislative authority to implement this tool and its potential for beneficial applied use in Calgary’s current context is unlikely. <p>Legislative changes to Municipal Government Act are required to enable changes.</p>
	<p>2. Ensure the cost and benefit to the industrial sector of the off-site levy calculations and process are considered in the Off-Site Levy Bylaw Review Work.</p>	<p>On Track</p>	<ul style="list-style-type: none"> ● Off-Site Levy Bylaw Review Work is scheduled for Q4 2023 Council. The Off-site Levy project team has communicated that industrial sector consideration is part of the Off-site Levy update work.

D. Public Lands	3. Evaluate development standards to determine changes that may enable more cost-effective industrial development.	Complete	<ul style="list-style-type: none"> • As of January 2023, Pre-servicing is allowed for industrial developers to install services earlier in the development process before the roads are paved. There are several benefit of this service improvement: <ul style="list-style-type: none"> ○ It reduces the number of cuts that are made into a freshly paved road, preserving its integrity. ○ It eliminates the extra permitting work, costs, and time associated with re-paving and warranting the road. ○ Developers can benefit from the significant efficiencies associated with having contractors already on site doing similar utility installation work, reducing the need to install single services connections later on. ○ It limits disruption to existing businesses due to utility related road work ○ Most importantly, this improves Calgary’s industrial sector competitiveness by lowering land development costs, and allowing prospective industries to open their doors sooner because the servicing is already in place. • Complete Street Policy work will be moved under The Public Space and Mobility Policy team.
	1. Real Estate and Development Services continues to monitor the industrial land market to assess how The City can position its lands to achieve the goal of enabling development.	Complete	<ul style="list-style-type: none"> • Real Estate and Development Services (RE&DS) is actively pursuing the development of over 300 hectares of land in the future Great Plains and Starfield Industrial areas with the Land-Use and Outline Plan approvals in 2022 and the development of the first phase to commence in 2023. This development will provide new supply to the constrained industrial land market in Southeast Calgary.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">E. Business Environment</p>	<p>1. Work with Calgary Economic Development (CED) and industrial stakeholders to increase Calgary's competitiveness and improve awareness of the city's advantages, including to help attract key industrial clusters and facilitate the incubation of new clusters.</p>	<p>Complete</p>	<ul style="list-style-type: none"> • Calgary.ca is updated with improved content and interactive map to promote industrial opportunities in Calgary by showing industrial parcels in the city that are available for development. This effort is intended to create an enabling business environment for existing business and attract new industrial investors. The web update also highlights Calgary's competitive advantages as a distribution hub for western Canada and the Pacific Northwest.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">F. Climate</p>	<p>1. Identify and evaluate opportunities to support industrial users in achieving their corporate commitment to sustainability and the city's climate mitigation and adaptation goals.</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> • In 2022, Climate & Environment identified, evaluated, and discussed with industrial developers opportunities to support industrial users in achieving their climate goals and advancing the City's climate goals such as: <ul style="list-style-type: none"> ○ Mitigation – Actions to reduce emission that cause climate change ○ Adaptation – Action to manage the risks of climate change impacts ○ Energy Benchmarking ○ Eco-Industrial Parks ○ Certification Incentives ○ Energy Retrofit Program ○ District Energy ○ Renewable Energy Certifications (RECs) • This effort will continue in 2023 and 2024 by developing and refining climate-lens tools for supporting industrial applications (including the Green Buildings).