

Prairie Economic Gateway Initiative Update

PURPOSE

The purpose of this report is to update Intergovernmental Affairs Committee on the work of the Annexation Negotiation Committee – Rocky View County. This includes approval of a Letter of Intent and Terms of Reference for the Prairie Economic Gateway initiative to continue the essential progress. This project has arisen out of a desire from The City of Calgary and Rocky View County to explore alternatives to annexation.

PREVIOUS COUNCIL DIRECTION

At the 2022 December 20 Council Meeting, Council approved a motion to “Recommend that Council direct The City’s team on City of Calgary – Rocky View County Annexation Negotiation Committee to widen their scope to explore and consider other options in addition to a land annexation from Rocky View County” (Attachment 1).

RECOMMENDATIONS:

That Intergovernmental Affairs Committee forward this report as a matter of urgent business to the 2023 July 25 Council Meeting; and

That Intergovernmental Affairs Committee recommend that Council:

- 1) Request that Mayor Gondek jointly sign the Letter of Intent (Attachment 2) with the Reeve of Rocky View County;
- 2) Approve the attached Terms of Reference (Attachment 3) for the Prairie Economic Gateway initiative;
- 3) Include the role of the Prairie Economic Gateway initiative – Elected Steering Committee as described in the Terms of Reference as part of the work of the Rocky View County – City of Calgary Annexation Negotiation Committee; and
- 4) Rename the Rocky View County – City of Calgary Annexation Negotiation Committee as the Prairie Economic Gateway Committee.

Prairie Economic Gateway Initiative Update

RECOMMENDATION OF THE INTERGOVERNMENTALS AFFAIRS COMMITTEE, 2023 JULY 24:

That Council:

- 1) Request that Mayor Gondek jointly sign the Letter of Intent (Attachment 2) with the Reeve of Rocky View County;
- 2) Approve the attached Terms of Reference (Attachment 3) for the Prairie Economic Gateway initiative;
- 3) Include the role of the Prairie Economic Gateway initiative – Elected Steering Committee as described in the Terms of Reference as part of the work of the Rocky View County – City of Calgary Annexation Negotiation Committee; and
- 4) Rename the Rocky View County – City of Calgary Annexation Negotiation Committee as the Prairie Economic Gateway Committee; and
- 5) Direct that the Closed Meeting discussions remain confidential pursuant to Section 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2028 July 24.

CITY MANAGER/GENERAL MANAGER COMMENTS

General Manager Dalglish concurs with this report and the importance of this work for Calgary's economy and future.

HIGHLIGHTS

- The Annexation Negotiation Committee – Rocky View County has agreed that The City's proposed annexation should be placed on hold to allow the municipalities to explore the opportunities for a joint economic development opportunity to be known as the Prairie Economic Gateway.
- The Prairie Economic Gateway initiative represents a significant economic development opportunity for the Calgary Region and an opportunity to demonstrate the many benefits of intermunicipal collaboration.
- In support of the Prairie Economic Gateway initiative, the Annexation Negotiation Committee is proposing a Terms of Reference and Letter of Intent be approved by both Rocky View County and City of Calgary Councils.
- The report also proposes to repurpose and rename the current Annexation Negotiation Committee to the Prairie Economic Gateway Committee.

DISCUSSION

On 2021 September 17, The City of Calgary initiated annexation of approximately 1676 hectares of land from Rocky View County. To enable annexation negotiations, The City of Calgary and Rocky View County established an Annexation Negotiation Committee ("Committee") and appointed members of Council to the Committee. Mayor Gondek, Councillor Chabot and Councillor Spencer currently represent The City of Calgary's members of Council on the Committee.

Prairie Economic Gateway Initiative Update

Following multiple meetings, and a City of Calgary Council direction in 2022 December 20 for Committee to widen the scope, the municipalities agreed to pursue an alternative joint economic development initiative for the lands and to place the annexation discussions on hold. The new project has been named the *Prairie Economic Gateway* initiative and has the full support of the Committee. The intent of the initiative is to collaboratively advance a major industrial/rail development in the Calgary region, supported through collaboratively investment and sharing of benefits. The proposed site represents a unique opportunity for the Calgary region to capitalize upon the synergies created through the recently approved merger of Canadian Pacific and Kansas City Southern.

At the 2023 June 26 meeting, the Committee reviewed and endorsed a Proposed Letter of Intent (Attachment 2) and Project Terms of Reference (Attachment 3). The Letter of Intent is intended to provide a commitment from both municipalities towards the project. The recommendations of this report include requesting that Mayor Gondek sign the Letter of Intent on behalf of The City.

The Terms of Reference is intended to guide the municipalities in undertaking the work. In particular, the Terms of Reference provides for 1) a review of background and goals, 2) project organization and governance, 3) cost-sharing and 4) dispute resolution.

The Terms of Reference also includes a proposed governance function. The Committee is to serve as the Prairie Economic Gateway initiative – Elected Steering Committee. The Elected Steering Committee will provide broad political direction from both municipalities to both administrations.

The Committee also requested that the name of the Committee be amended to reflect current priorities. It is proposed that the Committee be known by the name Prairie Economic Gateway Committee.

Rocky View County Council will be considering these items on 2023 July 18. To ensure that the project continues to progress in a timely manner it is requested that this item be brought forward to Council on 2023 July 25.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social

Not Applicable

Environmental

There are opportunities to make more efficient use of water, wastewater and stormwater infrastructure in support of the project and reducing the overall environmental impact by considering servicing from The City of Calgary. From a climate perspective, increasing the

Prairie Economic Gateway Initiative Update

capacity for rail transport of goods would be expected to reduce the reliance on more greenhouse gas intensive truck transport methods.

Economic

The opportunity to develop a new rail transload facility in the Calgary region is a significant opportunity for The City and Rocky View County. The proposed site represents a unique opportunity for the Calgary region to capitalize upon the synergies created through the recently approved merger of Canadian Pacific and Kansas City Southern. Calgary is now connected through a single rail line from east to west, through the eastern United States, and south through to Mexico ports. The proposed Prairie Economic Gateway will create new, higher paying, permanent jobs in the Calgary Region. Both direct jobs and indirect jobs will be created.

Service and Financial Implications

No anticipated financial impact.

Work is being undertaken under previously identified and allocated funds.

RISK

- 1) Should the collaborative efforts not succeed, it is expected The City will again consider annexation. This will have resulted in lost time and effort and extend the timeline for the annexation process.
- 2) By pursuing a solution that does not result in annexation, The City is forgoing opportunities to add additional industrial land to Calgary. The risk is mitigated by ensuring the collaborative solutions provide comparative benefits to the annexation of the lands.
- 3) Should the Prairie Economic Gateway initiative prove unsuccessful there is the potential for a negative impact on The City’s relationship with Rocky View County. The risk can be mitigated by ensuring that the initiative is given every opportunity to succeed and continues to have support from both Councils.

ATTACHMENTS

1. Previous Council Direction, Background
2. Proposed Letter of Intent
3. Proposed Terms of Reference

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
GM Dalglish	Planning & Development Services	Approve

**Planning and Development Services Report to
Intergovernmental Affairs Committee
2023 July 24**

**ISC: UNRESTRICTED
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Page 5 of 5**

Prairie Economic Gateway Initiative Update

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