



COUNCIL – AGENDA REPORT

Meeting Date: 6 April 2021

Subject: Bylaw No. B-33/2020: Airdrie City Plan Amendment and
Bylaw No. B-34/2020: South Airdrie CASP Amendment

Boards Routed Through: Municipal Planning Commission

Date: 15 October 2020

Issue:

Council is being asked to give First and Second Reading to Bylaw No. B-33/2020, being a bylaw to amend the Airdrie City Plan (Map 1 – Generalized Land Use Concept); and Bylaw No. B-34/2020, being a bylaw to amend the South Airdrie Area Community Area Structure Plan to redesignate approximately 247 acres of land from industrial to a combination of residential and commercial land use designations.

Background:

The subject area is comprised of the lands south of Hillcrest residential, east of 8th Street, north of 56th Avenue and west of Highway 2 (see Attachment 1). The lands are owned by All Canadian Properties Inc., Western Sky Development Corp. and Sierra Springs Development Inc., represented by B&A Planning Group (BAPG) for the applications presented to Council.

Under the Airdrie City Plan (Map 1 – Generalized Land Use Concept), the subject property has a land use designation of “Light Industrial / Mixed” (see Attachment 2). The South Airdrie Community Area Structure Plan (CASP) Development Plan (Figure 7) designates the subject property as “Light Industrial” (see Attachment 3).

The land ownership group desires to convert the existing industrial land use designations to a combination of residential and commercial land use designations.

Bylaws associated to this application (Bylaw No. B-33/2020 and Bylaw No. B-34/2020), are included as Attachments 4 and 5. A Red line copy of Bylaw No. B-34/2020 is Attachment 6.

Accordingly, under Bylaw No. B-33/2020, the applicants propose to amend Map 1 - Generalized Land Use Concept of the Airdrie City Plan (Municipal Development Plan (MDP)) to redesignate the subject lands from “Light Industrial/Mixed” to “Residential” (61% of total land area) and “Commercial/Mixed Business” (39% of land area). The applicants further

propose under Bylaw No. B-34/2020, to amend the South Airdrie CASP in keeping with the MDP amendment, converting the future land along the south, east and west boundaries to commercial and land along the north boundary and the centre of the plan to residential (see Attachments 7 and 8).

The amendments to the MDP and the South Airdrie CASP are prerequisites to a future Neighbourhood Structure Plan submission for the same amendment area. The purpose of this amendment is to allow for the natural progression of residential from Hillcrest and the adjacent residential portion of South Point, to similar residential and commercial land uses in the amendment area. The applicants suggest that this will facilitate development within the subject area in a logical and cost-effective manner. Additional rationale provided by the applicant to support the application can be found in Attachments 9 and 10.

Administration reviewed these applications under the policies adopted by Council, with a summary presented below:

Council Strategic Priorities

Council adopted a Strategic Priority for 2019-2022 to *Attract New Business/Industry and Grow Existing Businesses*. Part of the statement of success for this priority is to “increase the non-residential tax revenue, with a target tax base of 75% residential and 25% non-residential to balance the needs and wants of our community.” Presently, the assessment value ratio is approximately 85% residential and 15% non-residential.

As the applications to amend the MDP and the South Airdrie CASP propose to reduce the area for future industrial uses and add more residential areas, Administration requested additional information on the impact to the potential assessed value and employment base from the proposed redesignations.

Administration analyzed the proposed mix of residential, retail and business uses through an “assessment fiscal calculator”. The calculations show that while the proposal reduces the non-residential area, the proposed business and retail uses cause the proposed development to yield higher tax revenue than the “Light Industrial/Mixed Business” designation contemplated in the Airdrie City Plan:

Assessment Fiscal Calculator		
	<i>Current¹</i>	<i>Proposed²</i>
Land Use	Acres	Acres
Residential	0.00	81.98
Commercial	0.00	55.66
Industrial (IB-1)	161.98	0.00
Direct Control (DC)	2.89	2.81
No tax revenue	44.11	68.53
Total Area	208.98	208.98
<i>Total Assessment</i>	<i>\$281,711,990</i>	<i>\$414,434,160</i>
<i>Total Taxes (Muni Only)</i>	<i>\$2,830,667</i>	<i>\$3,167,679</i>

¹ Based on the Airdrie City Plan designation for the lands, with 100% as light industrial (IB-1).

² Based on the applicant’s proposal for a mix of residential (~82 ac) and commercial (~56 ac).

Annual Impact	\$337,012
5-year impact	\$1,685,058
10-year impact	\$3,370,116
25-year impact	\$8,425,289
50-year impact	\$16,850,579

The fiscal calculator describes the annual tax revenue increase from the land use concept adopted in the Airdrie City Plan. The difference in additional tax revenue at 5, 10, 25, and 50 years is also included in the table above. It should be noted that the assessment values are based on full build out of the subject area, that the tax estimate is on the municipal portion only and that the values are based on net developable acres. In this case, the applicants' proposed land use would yield \$337,012 in additional annual tax revenue than the current land use concept in the Airdrie City Plan.

Review of this fiscal impact analysis by Municipal Planning Commission (MPC) raised questions about the potential for a corresponding increase to infrastructure maintenance in order to achieve these assessment gains (see the "Boards Routed Through" section of this report for more information).

Accordingly, Administration reviewed the applicants' proposed land use concept against the land use concept from the MDP to determine the cost difference, if any, for the rehabilitation and maintenance of the road network over a 20-year horizon.

The applicants provided a generalized road network for the proposed land use designation and Administration developed a conceptual road network for the existing designation in the MDP. The road network for the current land use designation consists of approximately 3.6km of two-lane roadway. The road network contemplated with the applicants' proposal consists of approximately 8.2km of two-lane roadway, primarily due to the increase in residential areas.

Best practices capture the rehabilitation costs for a typical road on a 20-year life span. After 20 years, the entire road network needs repairs (milled, top lifted and concrete repairs). The total cost to repair the road network of the current land use designation and the proposed land use designation can be found in the table below:

Road Network Rehabilitation Costs (20-year intervals)

Road Type	Road Length (km)	Cost for repair two-lane road per km	Total lifecycle cost
Current land use designation in the Airdrie City Plan	3.6km	\$300,000	\$1,080,000
Proposed land use designation	8.2km	\$300,000	\$2,460,000

The analysis shows an estimated \$1,380,000 in additional rehabilitation costs for the road network every 20 years if Council adopts the proposed land use application.

Administration also contemplated the costs applied to annual road maintenance for the current land use designation and the proposed residential/commercial land use application. Road maintenance includes crack sealing, pothole repairs and/or resurfacing

asphalt. Administration calculates annual road maintenance cost at approximately \$25,000 per km of two-lane roadway per year.

The annual maintenance cost to maintain the current MDP land use designation of 3.6km of roads for the light industrial/mixed business is approximately \$90,000 per year. The annual maintenance to maintain the 8.2km of road network for the proposed residential/commercial land use designation is approximately \$205,000 per year.

Therefore, the City would be required to pay an additional cost towards the annual road maintenance of \$115,000 per year for the additional length of roadway to accommodate the proposed residential and commercial land use.

Annual Road Maintenance

Road type	Length of road (km)	Cost for maintenance of two-lane road per km	Maintain cost per year
Current land use designation in the Airdrie City Plan	3.6km	\$25,000	\$90,000
Proposed land use designation	8.2km	\$25,000	\$205,000

Combining the annual maintenance cost difference and 1/20th of the total cost to repair the additional road network associated with the applicants’ proposal, establishes an overall annual cost difference of \$184,000, which is less than the \$337,000 in additional annual assessment value at full build out.

Administration acknowledges this report speaks to road infrastructure in terms of capital, operating and lifecycle costs but silent on other costs such as deep utilities, park systems and recreation. These other costs are difficult to assess given the analysis involved would require a full-blown fiscal impact assessment which the City has not done. In other words, the cost associated to deep utilities, park systems or recreation is a cost the City currently cannot quantified specifically per neighbourhood.

Administration notes that part of Council’s aspiration to *Attract New Business/Industry and Grow Existing Businesses* is to provide an employment base for the community. In reviewing this application, Administration completed an Employment Density Report to look at employment on a city-wide level, as well as the employment potential within the South Airdrie CASP specifically. The Employment Density Report provided a potential range for employment in both industrial and commercial areas. The current land use designation proposes approximately 162ac of industrial land, while the amendment proposes approximately 57.5ac of commercial/retail land. The Employment Density Report estimates that 162ac of industrial land within the application area will accommodate between 1,296 and 1,782 jobs. It estimates that the 57.5ac of commercial lands within the application area could achieve between 1035 to 1150 total employment numbers. This results in somewhere between 261 and 632 fewer jobs when compared to the current land use designations.

In support of the proposed MDP and CASP amendments, the applicant investigated historical statistics on land absorption for Retail and Industrial in Airdrie (see Attachment 11). Administration concurs with the applicant’s analysis that there is a population base to support an increase in the total available square footage inventory in both the retail and office sector

in Airdrie. The conclusion is further supported by the *Dillon Growth Update Report (2018)*, the *Retail Gap Analysis (2019)* and the *Market Growth Study 2015, Tables 1-4* (see Attachment 12 for relevant sections).

Typical lot coverage for commercial developments in Airdrie would see approximately 9,000 square feet of development per acre. Therefore, converting 57.5ac of land for commercial purposes would add an additional 517,000 square feet of inventory to the market at time of full build out. The *Commercial Demand and Feasibility Study (2016)* and the *Demand and Feasibility Study (2019)* estimated a commercial demand of 45 square feet per capita within the geographic trade area for this application. The commercial area forming part of this application requires 11,500 new residents to support the proposed development build out. The total trade area, including the proposed residential forming part of this application, is anticipated to grow to 16,880 additional people by 2028. As such, there is adequate residential population to support the proposed 57.5 ac of commercial.

As additional review under Council's Strategic Priority of *Attract New Business/Industry and Grow Existing Businesses*, Administration conducted research on the competitive advantages for employment lands in Airdrie. This research identified Airdrie's population base as a strong value proposition for Airdrie. Conversely, it is noted that Rocky View County has the following advantages for industrial-based employment:

1. Current momentum
2. Lower development levies and charges
3. Less-stringent development standards on their industrial lands (per comparison of their Land Use Bylaw requirements)

Administration concludes that commercial development serves to leverage Airdrie's value proposition in a way that industrial development does not. Further, the proposed change from industrial to commercial land could help the City continue the focus on attracting industrial development towards the East Points Community Area Structure Plan. There are several benefits to focusing industrial development in East Points, as opposed to industrial in the South Airdrie:

- East Points is better positioned for industrial traffic, as it is adjacent to HWY 567 (Veterans Blvd);
- East Points can become a logistical center, with IB-1 land uses as a significant complement to IB-2 and IB-3 land uses; and,
- East Points can support expansion for existing industrial business in East Lake Industrial Park.

Airdrie City Plan Policy Review

Bylaw No. B-33/2020 presents an amendment to Map 1 of the Airdrie City Plan, with which it is not in conformity. However, the proposed amendment is in general conformity with several aspects guiding land use designations and fiscal sustainability:

1. Chapter 2: The City Development Strategy

The City Development Strategy in Chapter 2 of the Airdrie City Plan includes seven elements to guide policy and land use designations, including that of "Land Use Balance". The purpose of this element is to achieve a higher proportion of non-residential land uses

in strategic locations, like Council's Strategic Priority to *Attract New Business/Industry and Grow Existing Businesses*. Administration suggests that commercial development along the future alignment of 56th Avenue represents a strategic location, as it has been defined by the Transportation Master Plan as a full interchange location with Highway 2.

2. Section 4.2: Assessment Split

This policy requires development in pursuit of a 75:25 residential to non-residential assessment split. As per the review under Council Strategic Priorities above, the proposed land use designations actually increase the non-residential split compared to the existing designation in the Airdrie City Plan.

3. Section 4.3: Cost of Growth Monitoring

This policy identifies the need for the Municipality to monitor the rate, type and location of future growth to ensure good fiscal performance. Municipal Planning Commission had further requests in this regard and the analysis under the Council Strategic Priorities section above indicates a net overall benefit for the Municipality on comparison of the increased assessment values and the increased maintenance costs.

4. Section 5.6 and Section 5.7: Employment Lands

The policy in this section of the MDP lists several tasks for the Municipality to ensure that the relationship between employment lands and opportunities is appropriate. In particular, Section 5.6(c) lists the tracking of absorption rate trends as critical for making this determination. As per the review in the Council Priorities section above, land demand for commercial development provides an opportunity for Airdrie on the aggregate, with industrial employment opportunities more probable in northeast Airdrie. Under Section 5.7, Airdrie is to conduct a commercial opportunities study. Administration completed this study in 2016 and found a need for at least 45 square feet of commercial space per capita. Actual numbers per capita have fallen and this portion of Airdrie will have a trade area sufficient to accommodate the approximately 517,000 square feet of commercial development proposed under the land use designation application.

5. Section 5.18: Redesignation of Industrial Lands

This is perhaps the most important policy in the Airdrie City Plan for review of this application. This section indicates that the City can contemplate industrial areas for redesignation to other non-residential or mixed-employment and residential uses where the lands are adjacent to existing residential communities and transit corridors. The subject lands are adjacent to existing residential communities (Hillcrest and South Point) and the proposed land use designation includes non-residential (commercial) and mixed employment (office) uses. The location of the subject lands along 8th Street and the future 56th Avenue provides transit corridor access.

Administration notes that Council considered a similar proposal to that contained in Bylaw No. B-33/2020, during the public hearing for the Airdrie City Plan (2014). As part of that application, the landowners of the subject lands suggested that there was a limited market for non-residential development and that the land should be converted to residential. Council determined that the non-residential land uses within the subject lands would be maintained as non-residential until the City conducted a growth study, ultimately known as the 12

Thousand Acres Plan. This process left open the opportunity for Administration to return with a recommendation for redesignation, pending the outcome of the growth study.

12 Thousand Acres Plan Policy Review

The 12 Thousand Acres Plan (12K Acres) is a non-statutory plan providing general guidance for the land uses and sequencing in the lands annexed by the City of Airdrie from Rocky View County in 2012.

Council adopted 12K Acres in June 2018 with an overall land use concept for the annexation area that would achieve a 75/25 residential to non-residential assessment split within the 50-year horizon (see Attachment 13). The 12K Acres outlined a combination of residential and non-residential uses for the annexed lands, with some degree of flexibility in the divide between residential and non-residential uses in certain areas.

The subject lands are not included in 12K Acres and the analysis of this study did not provide enough direct information for Administration to come forward with a recommendation to amend the original land use concept in the Airdrie City Plan for this area. However, the subject lands lie directly to the east of an area that provides flexibility in the divide between residential and non-residential uses (see Attachment 14). The flexibility for delineation is intended to conform generally with the policies found in Section 5.18 of the Airdrie City Plan. Non-residential land uses do not have to be as large as described in 12K Acres, as long as the overall assessment and employment objectives are achieved for the general area and for the community as a whole.

As per the review under the Council Priorities section, the applicants' proposal does not substantively impact the non-residential assessment ratio and employment projections due to the increased value of commercial land per acre versus that of industrial. As such, the proposal allows for transition of the pre-annexation land use designations with the potential land use designations for the annexation area to the west.

South Airdrie Community Area Structure Plan Policy Review

Airdrie Council adopted the South Airdrie Community Area Structure Plan in 1991, designating the subject lands for industrial uses. Over time, previous amendments reduced the amount of industrial lands in favour of residential land uses. Such amendments created the current communities of Hillcrest and the residential portion of South Point, both just to the north of the subject properties.

Administration notes that the amendments offer residential land uses as an interface with the existing communities of Hillcrest and South Point while maintaining commercial/retail uses adjacent to 8th Street and 56th Avenue. This forms a logical community connection that provides the integration of similar uses without the impacts that can be associated with industrial uses. The adopted plan presents land use and traffic conflicts that may be better mitigated with an extension of the residential to the south and a gateway to Rocky View County to the south with commercial land uses, which may form part of its supporting trade area.

The amendment to the South Airdrie CASP contained in Bylaw No. B-34/2020 also aligns the location of the school site more appropriately in the context of the utility station developed since the adoption of the original plan and the existing/proposed residential areas (see comments from the Land Allocation Committee in the "Boards Routed Through" section).

Alignment with South Saskatchewan Regional Plan and AirdrieONE:

South Saskatchewan Regional Plan (SSRP)

The proposed amendments will retain the alignment of the Airdrie City Plan and the South Airdrie CASP with the SSRP, most specifically the amendments will stimulate and promote a healthy and stable economy – identified as a priority in the SSRP.

AirdrieONE

The AirdrieONE Sustainability Plan contains a pillar for “Economic Prosperity”. Two of the sustainability objectives under this pillar include:

1. Enhancing the fiscal sustainability of Airdrie by increasing the proportion of non-residential to residential development within the city.
2. Enhancing the social sustainability of the city by promoting more job opportunities and improving people’s access to workplaces.

Municipal actions under this pillar include:

1. Designating an adequate land base for industrial uses and employment nodes, particularly in areas that have good proximity to Highway #2 and other major corridors.

The proposed amendments to the Airdrie City Plan and the South Airdrie CASP provide a diversified and cumulatively equivalent, amount of employment opportunities and a slightly increased non-residential assessment value – even with increased infrastructure lifecycle and maintenance costs. Accordingly, these land use designations are in line with the overall intent of the AirdrieONE Sustainability Plan.

Boards Routed Through:

Land Allocation Committee

The Land Allocation Committee (LAC) provided comments in advance of the review at Municipal Planning Commission. As per Section 4.15 of the Reserve Agreement, LAC provided a recommended allocation for the school site to the Calgary Catholic Separate School Division (CSSD). LAC noted acceptance of the consolidation of the proposed Municipal School Reserve to create a cohesive school site within the amendment area.

Municipal Planning Commission

Administration presented this application to the Municipal Planning Commission (MPC) on October 15, 2020. MPC had the following concerns/questions:

- 1) MPC asked how the proposal will affect the non-residential land supply.
 - a. Administration informed the MPC the application is in keeping with the 12K Acres land supply projections.
- 2) MPC inquired if there would be a difference in employment potential between the proposal and the current land use.

- a. Administration agreed to seek further information on employment estimates for the amendment area because of comments from MPC.
- 3) MPC questioned the difference in infrastructure services costs between the current land use designation and that of the proposed amendments.
- a. Administration agreed to prepare further information on such costs prior to taking the amendment application to Council for decision.

MPC defeated the motion to support the application (*Alternative 1*) by a vote of 6 to 2.

Based on questions put forth by MPC and the further analysis provided in collaboration with the applicant in order to address MPC's concerns / questions, Administration is still in supportive of the application.

Alternatives/Implications:

Council has following three alternatives with respect to the proposed amendments:

1. Council could choose to give first and second reading to Bylaws No. B-33/2020 and B-34/2020, as presented.

If given second reading, the proposed amendment will be brought forward to the Calgary Metropolitan Region Board (CMRB) for review and comment prior to returning to Council for third reading.

2. Council could choose to table Bylaws No. B-33/2020 and B-34/2020 to allow Administration to provide additional information required for a decision or to follow direction from Council.

Choosing this option means that Council believes more information should be provided or that certain modifications to the proposed bylaws should be made prior to Council giving any readings to the bylaws.

3. Council could choose to defeat Bylaws No. B-33/2020 and B-34/2020.

Choosing this option means that Council is not supportive of the bylaws as presented.

Communications Plan:

Public Engagement

B&A Planning Group (BAPG) engaged the public by delivering post cards to residences in the surrounding area. As well, BAPG hosted a website specifically tailored to offer information on the application. Through the website, BAPG also conducted an online survey, where they heard from 100 participants who shared their questions, comments and concerns regarding the proposed amendments. BAPG transcribed and categorized the dialogue from the online surveys into several themes. Upon completion of the online survey, BAPG posted responses to the questions, comments and concerns received by the City on the website and made updates to the proposed amendment where applicable. The applicants Engagement Summary is included with this report as Attachment 15.

In keeping with *Municipal Government Act* requirements and the City of Airdrie Public Notification Bylaw, Administration provided notification of the Public Hearing via the “City Connection” section of the local newspaper for three consecutive weeks and the City’s website 21 days prior. Pursuant to sections 2.2.7(3)(a) and 2.2.7(2) of the Land Use Bylaw, adjacent landowners were notified by direct mail and signage erected on the property 14 days prior.

In accordance with the *Municipal Government Act*, Council will be required to forward the proposed amendments to the Calgary Metropolitan Region Board (CMRB) for approval between first and third reading of Bylaws No. B-33/2020 and B-34/2020.

Recommendation:

That Council gives First and Second Reading to:

1. Bylaw No. B-33 /2020, being a bylaw to amend Bylaw No. B-17/2014 the Airdrie City Plan by deleting the Map 1 - Generalized Land Use Concept in its entirety and replacing it with the attached Schedule “A”; and
2. Bylaw No. B- 34/2020, being a bylaw to amend Bylaw No. B-34/2012 by replacing Schedule “A” with the attached Schedule “A” to facilitate the conversion of approximately 247 acres of industrial land to a combination of residential and commercial land use designations.

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Planner II

Presenter:	Matthew Konowalchuk
Department:	Planning & Development
Reviewed by:	Jamal Ramjohn, Stephen Utz, Mark Locking
Attachments:	#1 – Location Maps #2 - Generalized Land Use Concept #3 - South Airdrie CASP Development Plan (Figure 7) #4 – Bylaw B-33/2020 City Plan (MDP) Map Amendment #5 – Bylaw B-34/2020 South Airdrie CASP (with Schedule A) #6 – Red Line Copy CASP #7 – Proposed Generalized Land Use Concept #8 – Proposed South Airdrie CASP Development Plan (Figure 7) #9 – Justification Report #10 – Applicant’s Summary and Rationale #11 – Historical Statistics on Land Absorption for Retail and Industrial #12 – Relevant Sections and Tables 1-4 #13 – 12K Acres Plan – Annexation Area #14 – Flexible Land Boundary #15 – Engagement Summary
Appointment:	N/A