

Calgary



2023-2026 City-owned Land Statement:

Industrial



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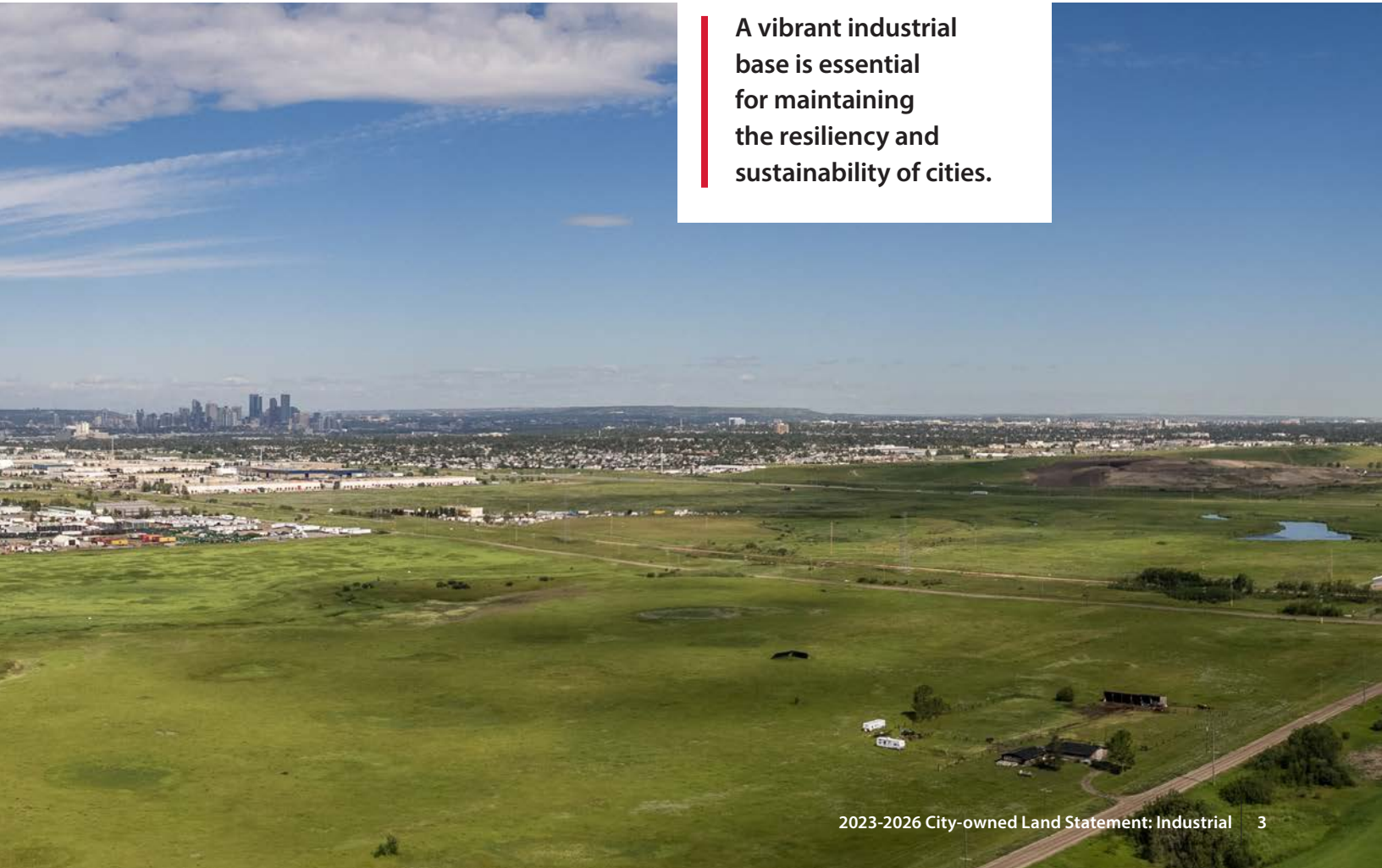
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About the *City-owned Land Statement: Industrial*

The purpose of this document is to provide a clear statement about how The City of Calgary (The City), through its Real Estate & Development Services Business Unit (RE&DS), manages and stewards City-owned industrial lands. Its purpose is to increase awareness of The City's Industrial Land Development Program, the decision-making principles, and the objectives we strive to achieve. Additionally, the statement outlines how managing the Corporation's industrial real estate portfolio aligns with corporate fiscal and Council objectives, while ensuring transparency and fairness in land development and sales.

We take pride in our work and strive to use industrial lands to benefit citizens and make Calgary a great place to live, work, grow and raise a family. This document provides a clear understanding of how we deliver these goals.



A vibrant industrial base is essential for maintaining the resiliency and sustainability of cities.



The City's vision is to attract and retain business investment and deliver long-term citizen benefits.

A Council-directed role

Council and citizens count on The City's Industrial Land Development Program to realize positive returns, while also delivering economic and social benefits by growing the non-residential tax base, generating employment opportunities, achieving City objectives and supporting economic resiliency. Five percent of industrial land sales goes to fund affordable housing within the city. The provision of affordable housing is an important part of the social and economic infrastructure of a healthy city. It's essential for attracting and maintaining a diverse workforce, which ensures economic development and vitality.

The City takes a leadership role in delivering positive outcomes for citizens, including:

More than **630 acres** of serviced industrial land sold

More than **8.9 million square feet** of new industrial space

With a 2022 assessment value of more than **\$1.1 billion**

Creating over **\$79 million** in cumulative tax revenue for the City of Calgary

Supporting more than **22,500 permanent jobs** in Calgary

RE&DS has contributed **\$23 million** to affordable housing

We achieve these goals by holding true to five guiding principles, which will be elaborated upon in the next section.

Citizen and Corporate benefits delivered by City-developed industrial land 2012 to 2023 (March)

Guiding principles

Real Estate & Development Services' work to plan, service and sell lots in City-owned industrial parks is underpinned by five guiding principles. The principles described below explain the decision-making process we use to ensure desired outcomes are achieved over the next four-year business cycle (2023 to 2026):

Guiding principle 1

Support economic resilience

Guiding principle 2

Deliver citizen and Corporate outcomes

Guiding principle 3

Run a sustainable self-funded program

Guiding principle 4

Respond to market and customer needs

Guiding principle 5

Work in an open, transparent, and accountable manner

Guiding principle 1

Support economic resilience

Industrial land provides employment, tax revenue, real estate stability and business diversity¹.

Industrial parks provide areas for growth across multiple employment sectors and increased economic benefits for the community, including:

- > Increased resiliency for the local economy through diversification of business and employment types.
- > Employment generation that enables job creation spin-offs into other sectors.
- > Businesses that provide higher-than-average wages in comparison to personal service and retail-oriented sectors.
- > Diversification of the non-residential tax base, which supports the provision of services and infrastructure across the greater community.

The City supports economic resilience by bringing on a wide variety of lot sizes that suit the needs of businesses, both large and small, so Calgary can seize opportunities for investment. The story of Dufferin North industrial park illustrates how The City can ensure lots are available to achieve desired citizen benefits, while also yielding the financial results necessary to run a sustainable municipal industrial development program. This City-developed Business Park is home to CPKC Rail's Dufferin Intermodal Facility. The presence of intermodal terminals (Calgary has two – CPKC and CN) underpins the region's role as a critical inland port for the Port of Vancouver and the

Port of Prince Rupert. The large lots in Dufferin North, adjacent to CPKC's terminal, provided the perfect location for The Home Depot's 1.2 million square foot rapid deployment center in 2015. Seven years later, Amazon came to Calgary looking for 125 acres to build two warehouses. The City's Dufferin North Business Park provided the perfect site and in 2023 the largest, and first multi-level warehouse in the city's history, is up and running with a total square footage of 2.6 million.

To generate citizen benefits (see Figure 2), The City sells its land at current market values to uphold the financial sustainability of its Industrial Land Development Program (see guiding principle 3 for more information). The City is motivated to secure large-scale projects to solidify our city on the competitive map for industrial development in Canada, and to illustrate a land sale and approvals process that was efficient and streamlined for other companies.

While The City welcomes large scale projects, small businesses are also a priority. City industrial parks include smaller, well located lots so business owners can create customized facilities that cannot be found in the existing stock, control their properties and build equity (see [Alberta Veterinary Laboratory's story](#)). This is an offering that is not typically found in other business parks in the Greater Calgary Area.

¹ Nancey Green Leigh & Nathanael Z. Hoelzel (2012) Smart Growth's Blind Side, Journal of the American Planning Association, 78:1, 87-103, DOI: [10.1080/01944363.2011.645274](https://doi.org/10.1080/01944363.2011.645274)





SUCCESS STORY:

Economic benefits of Amazon investment in Calgary

3.8 million sq ft
(about the area of a large shopping mall)



1,500 local trades
employed during construction



\$5.6 million in
building permit fees

\$81 million in
land sales proceeds



\$7.4 million annually
in tax revenue



~\$4 million
to support
affordable housing
development



(5% contribution of gross sales proceeds)
that in turn helps provide housing for
Calgary's workforce

“Panattoni has been very impressed with the City of Calgary team at every level. There were a lot of hurdles to overcome and every person on the team approached the project with a “how can we” attitude and have been clear in their requirements of the development team. We would like to pass along our sincere thanks to the City staff who worked on the project and look forward to continuing to help build the City of Calgary’s economy.”

Derek Sinclair, Director of Construction, Panattoni Development Company

Guiding
principle **2**

Deliver citizen and Corporate outcomes

Real Estate & Development Services stewards The City's industrial lands on behalf of the citizens of Calgary. It's a responsibility The City does not take lightly as we know our decisions have multi-generational impacts. We use a triple-bottom-line (TBL) approach that considers economic, climate and social outcomes – while also supporting profitability, financial self-sufficiency and customer needs.

This is done by completing a thorough feasibility analysis prior to project initiation. A full TBL evaluation assesses opportunities to deliver Corporate objectives, and the benefits and risks, to the project and the program. The process is designed so that the right decisions are made in consideration of Council directions, professional real estate analysis and best practices, feedback from industry experts, land data, technical feasibility and the financial sustainability of the program. The City is committed to ongoing improvement and regular monitoring of our program operations, and results measurement to ensure we deliver on our commitments.

Industrial development provides significant economic benefits for the city. It provides employment opportunities for a broad spectrum of the population and supports other social benefits. Industrial development also can reduce its impacts on land and natural systems by pursuing climate resiliency in design and operations. Balancing these objectives and corporate policy directions within a public or private land development project is a challenge.

When developing new projects, The City strives to:

- > Contribute funds from sales of City industrial parks to fund affordable housing.
- > Attract development that spurs significant employment opportunities and investment.
- > Promote development that makes the most of land holdings and infrastructure investments to broaden the tax base.
- > Develop parks in locations well supported by local and regional goods movement networks.
- > Balance development while preserving natural features that support storm water management and other ecological benefits.
- > Assume the role of patient investor to ensure lots are available to achieve desired results.
- > Lease industrial land for interim uses to support research and innovation.

To be sure City projects deliver triple bottom line goals, we regularly check program operations and track results. This ensures we deliver profitable projects and excellent customer service, while at the same time creating positive outcomes for citizens.

Making the most of City-owned land to ensure a positive return on municipal investments.



“Our relationship with the City’s staff has been positive from the start. The team was quick to understand our needs and work with us to meet mutual requirements. We’ve kept a collaborative relationship throughout this project and have been able to count on the expertise and support of team members as things moved along.”

Martin De Rome, Vice President, Operations, Sofina

SUCCESS STORY:

Sofina Foods sale delivers business and citizen benefits

Sofina Foods moved out of their old, outdated facility in the inner-city neighbourhood of Ramsay into a new ultramodern², 304,000-square-foot facility on 30 acres in Dufferin North industrial park. The new facility addresses many of the issues the old one faced. After decades of operating in Calgary’s inner-city, with proximity to residential homes, The City bought the Ramsay site to make way for the Green Line LRT. Sofina’s new home provides the perfect location with roads designed for heavy truck traffic and industrial neighbours. The new facility is a massive upgrade compared to the original building in Ramsay and is designed to

handle higher production levels. By staying in Calgary, the city kept 500 jobs and the company plans to hire more workers as production increases. It’s a win for the neighbourhood, the company and citizens. According to Martin De Rome, Vice President, Operations, it was important for the company to stay in Calgary because “it’s ideal for the more than 100 farmers that supply us across the province. The products that come out of this facility are sold to customers across Canada and internationally, and the new site is easily accessible because it’s close to major transportation networks.”

²

Sofina’s new plant is equipped with significant technology to support a state-of-the-art production process.

Wastewater reduction: An on-site water treatment facility treats all process water to municipal specifications before discharging. The new equipment reduces water consumption, even with a 50 per cent increase in plant capacity. Process water is collected and reused whenever possible to further reduce use.

Noise reduction: The entire process takes place inside the facility, which insulates any sounds. And all rooftop ventilation equipment is designed to decrease noise.

Waste management: All waste collection and material storage are enclosed and managed with the help of a specialized, licensed third-party company.

Guiding principle 3

Run a sustainable self-funded program

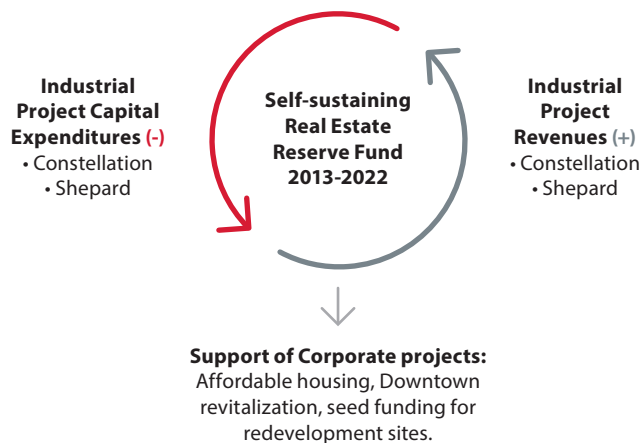
The Industrial Land Development Program has a self-sustaining source of funding that is not tax supported. The program funds capital expenditures for the planning, development and construction of new industrial development projects. Capital costs are recovered by revenues from the sale of serviced industrial lots within our parks. These revenues in turn support future industrial and business park development (see diagram 1).

One of the major challenges is to understand the financial impacts of incorporating broader corporate aims within new development projects. Such impacts could include higher development costs or increased approval timeframes from incorporating design innovation. There may also be revenue and cash flow implications from holding some parcels off the market for extended periods of time to ensure we are maximizing citizen benefits. Therefore, monitoring these impacts on individual projects and the financial sustainability of the program is a top priority.

Despite these challenges, the Real Estate Reserve (Reserve) has generated returns and enabled the program to improve product quality and expand product types to support business investment and economic resiliency. However, ensuring the viability of the Reserve is crucial as it also supports funding of capital infrastructure projects such as Shepard wetlands and storm ponds in Saddleridge. Both projects facilitate storm water management, which is crucial for the well-being of the community.

Further, the Reserve must also have the financial sustainability to support non-industrial municipal initiatives, such as the on-going contributions to affordable housing. Between 2012 and 2022, the Industrial Land Development Program contributed \$23 million to the Public Housing Reserve, and the provision of \$40 million to fund the conversion of office space into housing for downtown revitalization. This sustained financial support has been instrumental in ensuring affordable housing for low-income families.

While we fund various corporate projects, Administration watches the cumulative impacts of these expenditures to ensure The City's Industrial Park Program can generate sustainable financial returns, while continuing to service upcoming industrial projects. In essence, Administration aims to maintain a balance between funding non-industrial initiatives and ensuring financial viability for future industrial projects.





SUCCESS STORY:

Point Trotter and Dufferin North industrial parks pave the way for The City's newest park

In 2015, The City launched Point Trotter and Dufferin North industrial parks. Since that time, these parks have not only sold out but have become thriving hubs of industrial activity. Spanning 600 acres, with 40 lots sold, The City's Real Estate & Development Services staff designed the parks to capitalize on their prime location within the bustling southeast industrial sector. Their adjacency to key transportation routes and swift access to CPKC's and CN's intermodal terminals have fueled the efficient movement, warehousing, and distribution of products and services.

Yet, success didn't come without its fair share of challenges. Over time, the demand for industrial land fluctuated in response to ever-evolving market conditions and global supply chain dynamics. To ensure the continued marketability of the parks and the sustainability of the Real Estate Reserve, which funds operations and development projects, The City collaborated closely with market professionals. This collaborative approach enabled City staff to be agile, adapting the original vision of the developments to align with the market's lot sizing and development requirements.

A prime example of this adaptability is Point Trotter, where the first phase catered to small users with lots ranging from less than one acre to five acres. However, in 2021, the demand for large, development-ready industrial lots surged. In response, staff swiftly initiated a revised vision for phase two to accommodate the evolving demand.

This phase sold quickly to Panattoni and is now under construction by them as a massive logistics hub offering a staggering 1.2 million square feet of space.

Dufferin North and Point Trotter have evolved into the new homes for some of Canada's largest and most successful companies, transportation, distribution and warehousing companies including industry leaders like The Home Depot, Amazon, Sofina Foods, CSA Transportation, Galaxy Freight Line, and Trailcon. The City has played a pivotal role in finding these businesses the perfect location for their operations.

Building on the success of these parks, The City's newest endeavor, Constellation Industrial Park, is already taking shape. Balancing the Real Estate Reserve in the face of shifting market conditions and evolving industrial needs has been a formidable challenge. However, The City manages this fund with precision, recognizing its role in bolstering the non-residential tax base, fostering economic diversity, expanding the employment base and contributing timely financial support to municipal affordable housing initiatives.

The City's track record in funding municipal land developments is a testament to resilience, adaptability and an unwavering commitment to economic growth. Through challenges and successes alike, the Industrial Land Development Program is stewarded to help build Calgary's future.

Guiding principle **4**

Respond to market and customer needs

The City's focus is to meet market and business needs. Administration's approach is to be open and flexible to new ideas, so The City contributes to ensuring that Calgary is Canada's most business-friendly city. It is only by working closely with industry members, businesses and interested parties that The City can plan industrial parks and structure transactions for maximum responsiveness and flexibility.

To support economic resilience and be responsive to market needs, the program provides opportunities for:

- > Businesses to purchase sites without services or at different levels of servicing
- > Bulk purchases
- > Lot consolidation
- > Land leases in City industrial parks
- > Leasehold land for alternate uses

These decisions are made based on market conditions, timing, alignment with City policies, economic development goals, and impact on serviced and raw land inventories.

As The City's real estate experts, the Real Estate & Development Services Business Unit strives to help its clients find the best real estate solutions. Business owners, brokers, site selectors and developers who need comprehensive information on The City's properties and the local market can contact members of our sales

or leasing teams. Post-transaction, we guide our clients through the approvals process, driveway installation and service connections. Administration is dedicated to helping businesses succeed while creating lasting benefits for citizens.

We understand that time and money are valuable resources for businesses, which is why we are committed to streamlining transactions and speeding up decision-making. Our recent delegation structure changes mean that properties transacting at market values can now be approved within Administration, providing greater certainty in timing and enabling businesses to start and expand their facilities with ease.

Real Estate & Development Services' sales agents are motivated to provide the best possible service to our clients. We are committed to fostering innovation, collaboration and responsiveness to ensure that businesses can invest with confidence and thrive in Calgary.



SUCCESS STORY:

Supporting home-grown business success

In the heart of southern Alberta, where 70% of Canadian beef is raised, there lies a unique business that's making waves in the veterinary pharmaceutical industry. Alberta Veterinary Laboratories, also known as AVL. This remarkable company began its journey in 2009 with just two employees. Fast forward to 2023, and it has grown to a workforce of more than 100. AVL's story is intrinsically linked to the local livestock industry, with 80% of their products staying within 200 kilometers of their facility. It's a testament to their commitment to supporting the farming in the region.

Dr. Merle Olson, one of the visionaries behind AVL, emphasized that "Choosing to establish and expand our operations in Point Trotter was a well-thought-out strategy. The benefits that Calgary offers are critical to both our operations and our ability to attract talented people."

The company's mission goes beyond mere business. Animal welfare is at the heart of AVL's purpose, a crucial step in ensuring the health and well-being of animals. They're also a mission to reduce antibiotic use in the livestock industry,

To continue growing and tapping into new markets, AVL needed more manufacturing and warehouse space by 2025. They wanted to stay in Point Trotter because they valued the top-notch infrastructure offered within the city, such as water supply, reliable bus services, and access to

a skilled labor force. Had they chosen a different location, such as Rocky View County, hiring would have been a considerable hurdle.

They also wanted to continue their valuable partnership with The City of Calgary's Fire Department, considering the flammable ingredients used in some of their products. Once the strategic decision was made, the company knew they faced a long approval process from Health Canada given the specialized design required for pharmaceutical manufacturing. To overcome this hurdle, AVL purchased the adjacent lot to expand its current facility in Point Trotter, and trusted City sales agents structured a transaction that gave AVL a longer-than-usual building commitment date.

When the new facilities are up and running, AVL will employ more than 200 highly qualified scientists, chemists, engineers, accountants, pharmacists, and veterinarians. The company is committed to hiring from universities and colleges in the Calgary region, providing up to two years of on-site training opportunities for new graduates to meet the strict requirements demanded by Health Canada. This helps create highly paid-jobs and develops the city's talent ecosystem. The City is committed to helping innovative companies like AVL succeed because they support economic diversification.

Guiding
principle **5**

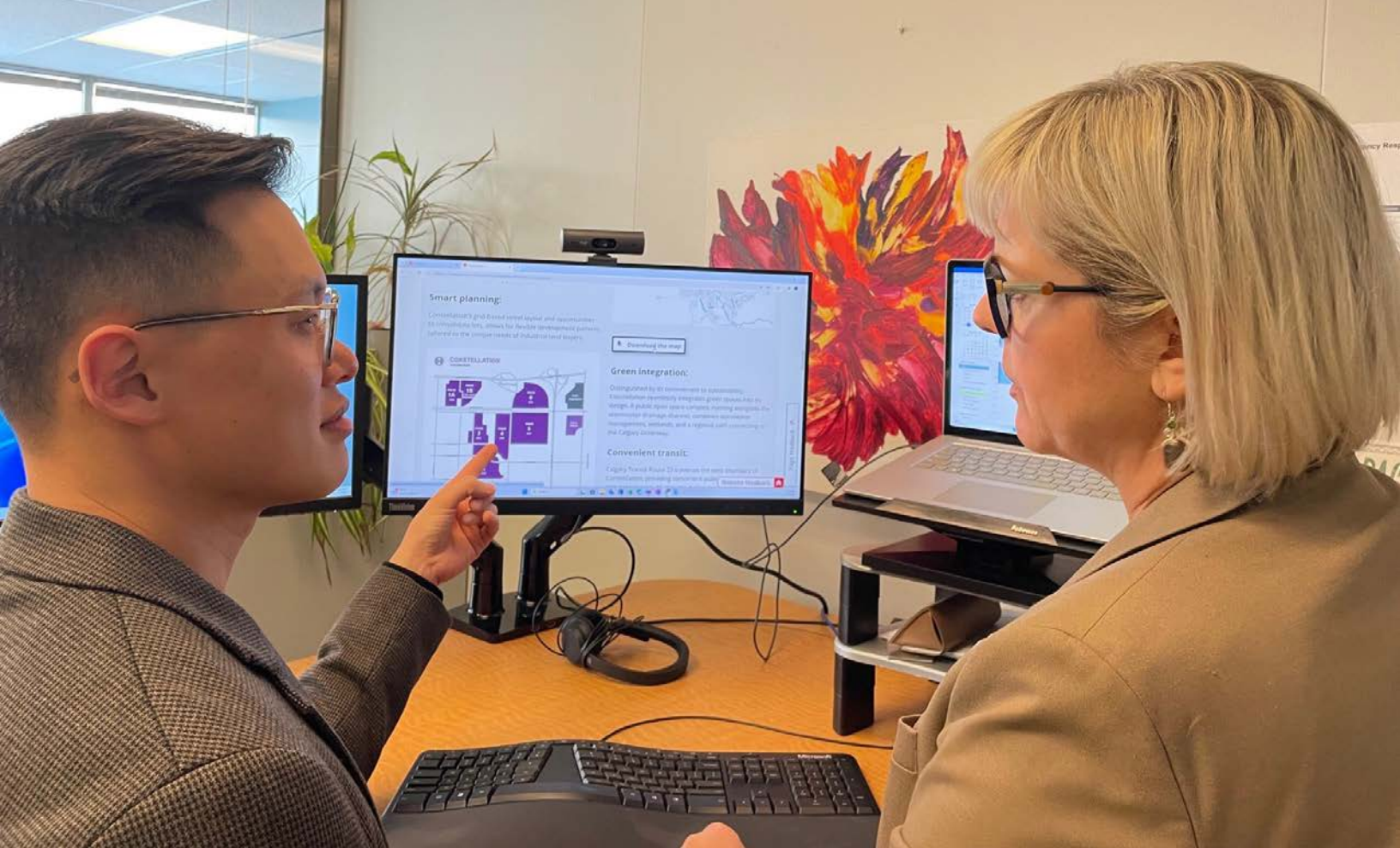
Work in an open, transparent, and accountable manner

It is important that The City's industrial land development program reflect corporate values. At the same time, fair treatment and confidentiality are expectations of business dealings in real estate matters with The City.

We take several steps to ensure equal access to information about City real estate opportunities. The City's marketing and sales channels (website, social media and newsletters) provide transparency of information by clearly identifying and outlining site development and building obligations to prospective purchasers. The City's website has information on industrial projects, including site plans, up-to-date available lot inventory and the sales procedures that apply to all bidders. Through these channels, we share news about upcoming land availability and project progress. Sales agents are available to answer any questions about sites and sales procedures.

This statement outlines the land development and sales approaches that may be employed to achieve a project's specific goals. Appendix 1 outlines the different approaches for developing and servicing land. City Administration decides on the right land development approach within the business case for the project prior to the budget request. Appendix 2 outlines the different land sales approaches. For each project, Administration carefully evaluates and finds the right approach.

We are committed to ongoing improvement and regular monitoring of the program's business operations to ensure it continues to be fair and transparent for businesses, while delivering excellent customer service.



Constellation is the latest project in The City of Calgary's industrial land development program. It is expected to attract local and global businesses, create jobs, and boost Calgary's economy and competitiveness.



The guiding principles in action

To provide interested parties with a clear understanding of The City’s policies and procedures, and greater clarification on how and when parks will be developed, sold and marketed, this table outlines the actions we take under each guiding principle.

Table 1 shows the actions to implement through the program over the next four years. The actions are organized by the work we undertake, in consideration of each of the guiding principles. The actions will be enacted through business plans and annual work programs. Some actions will also be implemented on a project-by-project basis and delivered through specific roles and responsibilities developed in the project plan. In many cases, the actions direct greater collaboration with outside organizations and internal business units, whose support, networks, and knowledge are integral to The City delivering on its vision over the next four years.

Table 1: Industrial Development Program action tables

1.0 Plan and Develop Land	2.0 Market and Sell Land	3.0 Operate a Successful Program
GUIDING PRINCIPLE 1: SUPPORT ECONOMIC RESILIENCE		
<p>1.1 Create developments aimed at attracting businesses that support economic diversification, broaden the assessment base, support job creation and underpin resiliency targets.</p> <p>1.2 Ensure a supply of serviced industrial land is available so Calgary can seize on opportunities for private investment.</p> <p>1.3 Focus product delivery on supplying a wide variety of lot sizes to accommodate companies working in a variety of sectors.</p> <p>1.4 Identify the appropriate level of City participation that best achieves the development and business objectives of each project, as identified in the Land Development Approaches Table (appendix 1).</p>	<p>2.1 Work collaboratively with industry, community leaders and economic development organizations to understand the long-term and short-term supply needs of emerging and expanding business sectors and build awareness about industrial real estate offerings in Calgary.</p> <p>2.2 Assess opportunities to acquire land parcels that meet the strategic needs of the Industrial Land Development Program.</p> <p>2.3 Strengthen The City’s relationship with industry to increase awareness of current City projects, targeted business sectors and lot availability.</p>	<p>3.1 Track outcomes delivered through the program, including gains in the industrial tax base, building permit values, square footage of new construction, site coverages, estimate of new jobs and investment levels.</p> <p>3.2 Align the development and timing of future projects with market need, infrastructure availability and optimization of land assets.</p> <p>3.3 Confirm business plans and work programs include necessary planning, pre-design steps and budgets to ensure the timely delivery of each City development project.</p> <p>3.4 Support corporate initiatives relating to industrial land use policy change, and the broader economic development of Calgary, by providing an industrial development perspective.</p>

1.0 Plan and Develop Land	2.0 Market and Sell Land	3.0 Operate a Successful Program
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GUIDING PRINCIPLE 2: DELIVER CITIZEN AND CORPORATE OUTCOMES		
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<p>1.5 Incorporate environmental best practices into the public realm of each project.</p> <p>1.6 Where appropriate, establish clear architectural controls and minimum design performance standards for individual projects.</p> <p>1.7 Partner with City business units to provide or make land available to deliver economic, climate and social resiliency objectives.</p> <p>1.8 Align the development and timing of future projects with market need, infrastructure availability and optimization of land assets.</p>	<p>2.4 Where appropriate, promote timely on-site development of City supplied lots by including building commitments, with options for The City to repurchase lots from purchasers not meeting those commitments.</p> <p>2.5 Identify opportunities to develop City-owned lands for industrial purposes that achieve planning policy objectives, including:</p> <ul style="list-style-type: none"> a. Supporting the location of the transportation and logistics industry in proximity to critical goods movement networks (air, rail and road). b. Developing high quality industrial parks and multi-modal accessibility. <p>2.6 Develop a means to encourage purchasers to incorporate sustainable design solutions and best practices that optimize use of land, mitigate negative impacts to the environment, and reduce long-term operating and life cycle costs.</p>	<p>3.5 Assess each City industrial development project to ensure alignment with desired goals. Then report on the achievable Corporate objectives, financial implications, risks and trade offs within the business case for each project.</p> <p>3.6 Increase awareness of the Industrial Land Development Program with other business units, and investigate opportunities to cooperatively promote innovation, pilot emerging technologies, and new design and operating standards through The City's industrial projects.</p> <p>3.7 Redirect five per cent of proceeds from industrial land sales to support the provision of affordable housing in Calgary.</p>
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GUIDING PRINCIPLE 3: RUN A SUSTAINABLE SELF-FUNDED PROGRAM		
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<p>1.9 Proformas for industrial projects include a five per cent expense line to support The City's provision of affordable housing.</p> <p>1.10 Prepare a business case for each development project, which includes a complete project pro-forma identifying impacts on the Real Estate Reserve.</p> <p>1.11 Use The City's contract management policies and best practices in the delivery of each project.</p> <p>1.12 Support the financial viability of each project by seeking alternative funding sources for non-typical infrastructure and operational costs that will deliver enhanced environmental, social or economic benefits to Calgary.</p>	<p>2.7 Ensure land sale procedures are in accordance with the Real Property Bylaw and the Municipal Government Act.</p>	<p>3.8 Monitor the cumulative impacts of all development projects on the Program's ability to generate sustainable financial returns and continue to service future industrial projects.</p> <p>3.9 The City is not actively looking to acquire land in the 2023 to 2026 cycle and any purchases will be on an opportunity basis.</p> <p>3.10 Monitor the impacts of non-industrial projects funded by the Industrial Land Development Program on the Real Estate Reserve's sustainability.</p> <p>3.11 Manage The City's land inventory by pursuing interim uses that demonstrate good land stewardship practices and protect the land's long-term developability for industrial purposes.</p> <p>3.12 Demonstrate project management leadership by integrating The City's Project Management Framework and best practices into each project.</p>
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1.0 Plan and Develop Land	2.0 Market and Sell Land	3.0 Operate a Successful Program
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GUIDING PRINCIPLE 4: RESPOND TO MARKET AND CUSTOMER NEEDS		
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<p>1.13 Focus product delivery on providing a wide variety of lot sizes to accommodate market demand.</p> <p>1.14 Support clients by providing pre- and post-sale advice on development and planning.</p>	<p>2.8 Delegate authority to approve and complete transactions within Administration and reduce Council time on many approvals; and ensure flexibility to manage, accommodate changes and complete transactions quicker.</p> <p>2.9 Consider land lease or lease-to-own in City industrial parks, and offer leases for approved alternative uses on undeveloped industrial land.</p> <p>2.10 Consider requests for large lot sales, lot consolidations, bulk sales and unserviced land sales for strategic alignment with Corporate policies and economic development objectives, accounting for impact on serviced and raw land inventories.</p> <p>2.11 Publicly market industrial projects and lot availability, and provide updates on the progress of upcoming projects.</p>	<p>3.13 Monitor the program’s development and sales processes to seek improvements, efficiencies and competitiveness as permitted within legislation and by Corporate procedures.</p> <p>3.14 On-going scanning to understand the needs of businesses and to promote development.</p>
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GUIDING PRINCIPLE 5: WORK IN AN OPEN, TRANSPARENT, ACCOUNTABLE MANNER		
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<p>1.15 Demonstrate project management leadership by integrating The City’s Corporate Project Management Framework and best practices into each project.</p> <p>1.16 Pursue excellence and apply global best practices to the design and construction of each project.</p>	<p>2.12 Use marketing and communication channels to ensure transparent access to information about City real estate opportunities.</p> <p>2.13 For each project, a sales approach will be developed that aligns with the Real Property Bylaw. This approach will identify how to best achieve the development and business objectives of the project as identified in the Land Sales Approaches for The City’s Industrial Land Inventory (appendix 2).</p> <p>2.14 Ensure that The City’s marketing and sales information clearly identifies and outlines site development and building obligations to prospective purchasers.</p>	<p>3.15 Monitor and optimize marketing and communications for City projects to ensure maximum reach to potential purchasers.</p>
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Appendix 1: Land development approaches for The City’s industrial land inventory

Disposition of undeveloped land	Planning approvals and sale	Mutual development agreement	Direct development
THE CONCEPT:			
<ul style="list-style-type: none"> The City’s asset management practices indicate a land holding is “non-strategic” and is recommended for sale to fund other strategic requirements. 	<ul style="list-style-type: none"> Some or all levels of planning and development approvals are in place. Some or all the land is sold prior to servicing completion. 	<ul style="list-style-type: none"> The City participates in joint planning, development and/ or cost sharing with a private land developer, who may be an adjacent landowner. 	<ul style="list-style-type: none"> The City undertakes all planning, servicing, marketing and sale of the lands.
WHEN APPROPRIATE:			
<ul style="list-style-type: none"> Where the land is no longer required for long- or short-term City needs and/or when land is not financially viable for The City to develop, or when a specific market need for undeveloped land arises. 	<ul style="list-style-type: none"> Where The City is not prepared to develop the land itself due to competing priorities for capital, resources. In cases where disposition would support economic development goals. 	<ul style="list-style-type: none"> Where the financial and risk analyses indicate that The City would achieve a favourable business case or economic development outcome through a shared arrangement (i.e., time or cost savings). 	<ul style="list-style-type: none"> Where there is adequate time to develop lots, capital funding and development expertise, and all resources are available within The City.
CHARACTERISTICS:			
<ul style="list-style-type: none"> Original desired land use (e.g., business park, industrial development) cannot be developed in an appropriate time due to such things as servicing and transportation infrastructure constraints, or there are opportunities for more strategic locations. 	<ul style="list-style-type: none"> The City’s vision for the development of the land is subject to the Land Use Bylaw. 	<ul style="list-style-type: none"> The agreement is specific to a project, is short-term and ends when the development is completed. 	<ul style="list-style-type: none"> Each development project is planned with a specific use envisioned. Construction and phasing are tailored to anticipated demand for lots and ensure a ready supply of lots.
THE ROLL-OUT:			
<ul style="list-style-type: none"> Corporate approvals required. 	<ul style="list-style-type: none"> Lands are sold to developers after some, or all approvals have been obtained by The City. Purchasers are responsible for completing all outstanding approvals. 	<ul style="list-style-type: none"> The planning, development or cost sharing terms would be established within an agreement and approved by Council prior to commencement of any development. 	<ul style="list-style-type: none"> The City plans, develops, markets and sells serviced lots.
RISK/REWARD:			
<ul style="list-style-type: none"> Except for potential for environmental contamination, the risk is low. Rewards are limited to the increased value of the land. The future industrial use of the land is subject to public policy (e.g., Municipal Development Plan and Area Structure Plan). Limited ability to achieve municipal economic development goals. Potential short-term source of revenue for The City. 	<ul style="list-style-type: none"> There is a risk that the purchaser could change the vision, which would limit the ability of achieving objectives for the land. There is a reward if the purchaser proceeds with the vision established through the planning process. 	<ul style="list-style-type: none"> The City shares project risk with a private land developer. The project may achieve cost savings from economies of scale of a construction contract larger than The City’s land. The City achieves its vision for its land and fully serviced lots. Success is dependent upon the skills/abilities/financial stability of the private land developer. 	<ul style="list-style-type: none"> Risks are related to The City assuming full development costs and ability to respond quickly to changing market conditions. This approach provides the highest potential to attract businesses to achieve economic development and municipal objectives. This is the method by which The City realizes the highest value for its land.

Appendix 2: Land sales approaches for The City's industrial land inventory

THE CONCEPT:	
Competitive bid	Publicly market land for sale with a specified period in which we will accept submissions.
Open market	Publicly market land for sale on a first-come, first-served basis through various methods (e.g., website and social media). Generally, sales begin as a competitive bid, and become open market after the passing of the submission period for all lots that remain unsold.
Open market with economic objectives	Publicly market land for sale with defined criteria for performance objectives, in addition to meeting a minimum price and standard terms.
Unsolicited proposal	Receive an unsolicited proposal to purchase lands not currently offered to the open marketplace
Leases	The City may consider ground leases in its industrial parks where appropriate.
WHEN APPROPRIATE:	
Competitive bid	In periods of high market demand, where interest will be high in the launch of a new project or phase.
Open market	For general industrial parks and through all market periods, where all potential purchasers are encouraged to make an offer.
Open market with economic objectives	Where there is an economic development strategy to attract a specific sector or business to a particular industrial or business park (i.e., cluster of specific businesses). Where there is a desire to achieve a specific performance objective or a high-profile development.
Unsolicited proposal	Where The City received an unsolicited proposal that is supported by a business case and approved by Council. It shall only be considered if one or more of the following circumstances apply: <ul style="list-style-type: none"> • Sale will attract and/or retain high employment/ investment businesses and/or support (significant) economic growth or diversification. • Purchaser has previous investment on an adjacent property and is looking to expand. • Sale will support the relocation of uses to more appropriate industrial locations that implement other corporate policies and objectives. • Wholly owned subsidiaries
Leases	For companies in the early stage of their development during all market conditions.
CHARACTERISTICS:	
Competitive bid	Applications received during the submission period will be evaluated and ranked, and negotiations may occur with the highest ranked submission, typically based on price and standard terms.
Open market	Sales process is conducted in a fair, open and transparent manner. Sale is based on price (with the potential inclusion of additional criteria) and subject to standard terms, such as building commitment, architectural controls and option to repurchase. Better ability to have a supply of land available to sell in strong and weak markets.
Open market with economic objectives	A targeted approach for specific outcomes, where those objectives are clearly defined through specific criteria.
Unsolicited proposal	Parcels that are outside of development plan, work plan and schedule.
Leases	Term to be agreed upon. Could include built-in extension periods with pre-negotiated changes in the lease payment amount. Lease must be transferable to other buyers (or can revert to the lender in the event of default). A clear formula/approach to increasing lease payments; a clear process for environmental monitoring and remediation and a standard approach to zoning and land use.

THE ROLL-OUT:

Competitive bid	Corporate approvals required.
Open market	Corporate approvals required.
Open market with economic objectives	Corporate approvals required. The performance criteria are clearly identified in marketing and sales documents.
Unsolicited proposal	Sale is brought to Council for approval and/or a method of disposition is presented to Council with an option to direct sell without prior advertisement. External appraisal is required.
Leases	Corporate approvals required.

RISK/REWARD:

Competitive bid	<p>Risks are limited to issues of a competitive industrial market.</p> <p>May limit flexibility to negotiate with the purchaser due to terms of tender.</p> <p>Terms identified in tender to level playing field for all purchasers.</p> <p>Provides all potential purchasers with consistent time to prepare bid.</p>
Open market	<p>Risks are limited to issues of a competitive industrial market.</p> <p>Obligations of the business plan are met.</p>
Open market with economic objectives	<p>There may be a limited number of potential purchasers and a lower sales value depending on the requirements.</p> <p>An onerous and costly process for both The City and purchasers.</p> <p>It may be difficult to enforce compliance with the criteria after development commences.</p> <p>This approach can facilitate municipal uses and realize long-term objectives</p>
Unsolicited proposal	<p>Difficult to assess if the sale maximized highest and best use and/or financial return on the land without a public offering.</p> <p>Risk to reputation of The City.</p> <p>Potential for disposal and redevelopment of underutilized City owned lands.</p> <p>Purchase may advance future development initiatives and reinvestment of an adjacent business.</p> <p>Enables flexibility to respond to purchaser interests and emerging economic development opportunities.</p> <p>Supports economic development needs by providing land.</p>
Leases	<p>Environmental contamination from lessee's activities.</p> <p>City left with empty or partially finished buildings.</p>