



COUNCIL REPORT

Prairie Gateway Area Structure Plan

Electoral Division: 6

File: 1014-532

Date:	September 11, 2024
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Department:	Intergovernmental Services and Regional Planning

REPORT SUMMARY

The Prairie Gateway Area Structure Plan (ASP) is a collaborative effort between the County, The City, and Shepard Development Corporation (the Developer). The ASP facilitates a large-scale rail served industrial centre benefiting from access and proximity to the railway through radiating spur lines south of Township Road 232. The provision of utility services to the Plan area and stormwater management will be a collaborative effort between the County, The City, and developer(s).

The ASP supports a unique industrial development opportunity, with regional benefits that is unique from existing employment areas. The connectivity provided by the CANAMEX trade corridor supports regional economic diversification and competitiveness, aligns with federal and provincial initiatives, and opens funding opportunities.

Should Council grant first and second reading to the Prairie Gateway ASP Bylaw, it would require referral to the Calgary Metropolitan Region Board (CMRB) for approval. To support the implementation of the Prairie Gateway ASP, the County and The City are preparing a Deal Agreement that will guide capital investment, levy structures, and revenue sharing for the build out of the area. Administration is targeting November 2024 to bring the Deal Agreement to both Councils for their consideration.

ADMINISTRATION’S RECOMMENDATION

THAT Bylaw C-8563-2024 be given first reading.

THAT Bylaw C-8563-2024 be given second reading.

THAT Bylaw C-8563-2024 be referred to the Calgary Metropolitan Region Board for approval.

BACKGROUND

Plan Location

The Plan area (Attachment A, page 9 of Schedule A) is situated in a prime development location connected to the region’s major infrastructure and assets and is bordered on the west by the city of Calgary, approximately 1.5 kilometres east of Stoney Trail.

Collaboration

The County and The City agreed it is advantageous to explore mutually beneficial joint planning and infrastructure arrangements to enable a rail served industrial centre located along the recently completed CANAMEX trade corridor. By shifting from competition to collaboration, the unique strengths of each municipality can be leveraged to achieve a regional benefit. In 2023, to investigate economic opportunities and cost and revenue sharing, the parties formed the Gateway initiative. The Gateway initiative focuses on three workstreams:



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- 1) The shared investment-shared benefit framework that includes a Deal Agreement;
- 2) Joint planning through an ASP; and
- 3) An infrastructure funding framework, implemented through the Deal Agreement.

Overall, the Gateway initiative includes a model for continued collaboration between the parties to ensure long-term sustainability and operation. The Prairie Gateway ASP represents a collaborative effort between the County, The City, and Shepard Development Corporation. Collaboration on the ASP included co-writing policies, technical assessment, triparty workshops, and coordinating of engagement activities. Technical and servicing considerations were understood through the creation of the ASP, and the ASP policies will implement the overall vision.

The initiative was presented to The City of Calgary's Planning Committee on February 22, 2024, and Infrastructure and Planning Committee July 29, 2024.

History

On July 28, 2020, in response to a development opportunity, County Council approved a Terms of Reference for an applicant-led ASP for the Shepard Industrial Area. During discussions, The City expressed concern that the proposed development fell within their future growth area as identified in the IDP. On June 29, 2021, Council held a public hearing for the proposed ASP and a motion was passed directing additional engagement with The City pertaining to joint planning and cost/revenue sharing options. On September 17, 2021, the County was formally notified that The City proposed to annex lands that included the proposed Plan area.

Through good-faith discussions from September 2022 to June 2023, the annexation was paused as the parties agreed to exploring mutually beneficial joint planning and infrastructure arrangements to spur economic development with a shared investment-shared benefit framework. This initiative builds upon the opportunity provided by the acquisition of Kansas City Southern by Canadian Pacific that occurred in April 2023 and the development opportunity brought forth by Shepard Development Corporation. The acquisition of the two rail operators has created a unique transnational railway connecting Canada, the U.S.A., and Mexico, strengthening the Canada-Mexico (CANAMEX) trade corridor. The Gateway initiative project officially began in June of 2023 when both Councils approved the project Terms of Reference (Attachment C).

Support

To support the ASP, the Rocky View/City of Calgary Intermunicipal Development Plan (IDP) is being amended to identify the area as a Southeast Railway Corridor and a Collaborative Planning Project. Additionally, The City is amending their Municipal Development Plan and Calgary Transportation Plan.

City and County Administrations will present to The City of Calgary's Council on September 10, 2024, for consideration of a letter of support for the Prairie Gateway ASP. The Gateway initiative deal agreement will be brought to both Councils for their consideration tentatively in Q4 2024.

ANALYSIS

Area Structure Plan Overview

The Prairie Gateway ASP (Attachment A) creation was led by the County in collaboration with The City and Shepard Development Corporation and supports a unique development opportunity that does not compete with existing employment areas and facilitates regional benefits. The connectivity provided by the CANAMEX trade corridor supports regional economic growth, aligns with federal and provincial transportation initiatives, and opens funding opportunities. Rail served opportunities will improve the region's economic diversification and competitiveness, increase employment opportunities, and result in spin-off economic benefits for the supply chain. Efficient use of the regional transportation network

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lowers transportation costs for business across the region. Adjacent land and developments in both municipalities can benefit from providing servicing to the Plan area.

The purpose of the ASP is to facilitate a large-scale industrial, business, and employment hub that will evolve into a logistics centre located along the CANAMEX trade corridor. A variety of industrial development is expected; however, large-scale Rail Served Developments benefiting from access and proximity to the railway through radiating spur lines are expected to develop south of Township Road 232.

Land Use

The Prairie Gateway ASP commits to promoting and maximizing Rail Served Development opportunities, which will occur in the Rail Served Policy Area beginning south of Township Road 232. Rail Served Development is industrial development which contains rail infrastructure, such as a spur line, within the parcel and directly utilizes the rail infrastructure, as depicted in Attachment B. Rail Served Developments are critical for logistics and distribution centres, offering streamlined operations for receiving raw materials and shipping finished products. To achieve the ASP's vision and goals, Rail Served Development opportunities are protected through mechanisms such as minimum requirements, a Rail Design Shadow Plan, and Local Plan preparation.

In the Rail Served Policy Area (Attachment A, page 23), there may be opportunities for other types of industrial and commercial development where they do not adversely affect Rail Served Development or operations. Further, the Railway Lands included along the southern boundary of the Rail Served Policy Area are owned by CPKC. In the future, CPKC lands may be under federal jurisdiction versus County. Lands north of Township Road 232 will not include Rail Served Development. Rather, these lands will progress into a more typical industrial development with warehousing, logistics, and other rail supportive industrial and commercial uses.

Technical Support

A critical component of plan preparation included the development of supporting technical studies to examine infrastructure and environmental considerations. The following technical studies were prepared:

- Traffic Impact Assessment, ISL, March 2024
- Environmental Screening Addendum, Stantec, May 2024
- Master Drainage Plan, Stantec, May 2024
- Waterbody Permanence Assessment, Stantec, February 2024
- Water and Wastewater Memo, Stantec, May 2024

The servicing, stormwater, and transportation policies ensure appropriate technical design and implementation of infrastructure as development proceeds. Within the Plan area, required infrastructure and servicing acquisition, construction, and upgrades would be the responsibility of the developer, in addition to all applicable infrastructure levies.

Utility Servicing

The provision of utility services to the Plan area will be a collaborative effort between the County, The City, and developer(s). Water and wastewater servicing will be provided by The City, subject to the approval of City Council.

Stormwater

The Prairie Gateway Master Drainage Plan has identified three main stormwater catchments. Each catchment has a proposed stormwater management facility (SWMF) that will safely treat and convey the catchments runoff to where it connects to the existing Shepard Ditch south of the Shepard Wetland within the city of Calgary.

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Transportation

The ASP promotes a regional transportation network to support efficient goods movements. The Traffic Impact Assessment (TIA) examined the required upgrades to provide connections to the regional highway system. There are two regional routes, each requiring upgrades as development proceeds:

- Range Road 283 to Highway 560 (Glenmore Trail) and Township Road 232 (114 Avenue SE) west to Stoney Trail; and
- 114 Avenue (Township Road 232) will be realigned with a grade separated rail crossing to create a continuous traffic flow at the rail crossing, increasing safety, and reducing traffic disturbance.

Transportation policies seek to minimize external impacts and direct traffic efficiently and safely, while minimizing interactions between vehicles and rail infrastructure. Further studies are required at the next stages of planning to confirm upgrades and determine timing.

Implementation

Through the Gateway initiative, the municipalities are jointly creating a Deal Agreement that establishes a shared investment-shared benefit framework. Additionally, the Gateway initiative builds off the IDP's intermunicipal cooperation policies by facilitating an intermunicipal collaboration team to successfully implement the opportunity. In alignment with the IDP, Deal Agreement, and the policies of the ASP, the County will continue to collaborate with The City on planning matters regarding development in the Plan area to achieve a cooperative and coordinated outcome.

Next Steps

Should Council grant first and second reading of the Bylaw, the Bylaw would require referral to the Calgary Metropolitan Region Board (CMRB) for approval. The Gateway initiative cost and revenue sharing Deal Agreement is targeted for both Councils for their consideration at the end of November 2024.

Policy Review

The key policy direction for the Prairie Gateway ASP is provided in the CMRB Growth Plan, Intermunicipal Development Plan, and County Plan.

CMRB Growth Plan

The ASP was evaluated in accordance with the Growth Plan, which provides a policy framework for regional growth. The Growth Plan identifies Preferred Growth Areas that are appropriate for growth because of their location in the path of development and capacity for efficient infrastructure and servicing. While the ASP is not within an identified Preferred Growth Area, it does meet the intent of the Growth Plan. In addition, Growth Plan policy 3.1.3.4 allows Employment Areas to be considered outside of Preferred Growth Areas where the listed criteria are met. As this proposal is regarding a unique development opportunity due to proximity to the CANAMEX trade corridor, which was completed in April 2023, it is Administration's assessment that the ASP is in alignment with the Growth Plan and meets policy 3.1.3.4.

As per the Regional Evaluation Framework (4.1 (c)) and the definition of regionally significant (2.1), the Bylaw is required to be referred to the CMRB following second reading.

Rocky View/City of Calgary Intermunicipal Development Plan (IDP)

The ASP is not currently identified on the IDP's Map 2: Key Focus Areas and Map 4: Growth Corridors/ Areas. The County and The City have proposed IDP amendments to support the ASP, which are being brought forward for Council's consideration following the ASP. The amendments provide support to the ASP and ensure its alignment to the IDP by:

- acknowledging the collaborative opportunity through map amendments;
- incorporating collaborative planning policies between the two municipalities;

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- fostering relationships that drive economic development; and
- creating sustainable business growth for the benefit of both municipalities and the region.

Municipal Development Plan (County Plan)

The County Plan identifies areas, such as regional business centres, where the majority of commercial and industrial development should be located. By focusing development in these locations, the County provides for orderly growth and economic efficiencies in the development of its transportation and infrastructure systems. The purpose of a regional business centre is to provide regional and national business services, and local and regional employment opportunities.

The ASP was principally reviewed against Map 1: Managing Growth. On Map 1, the Plan area is located within a Future Urban Growth Area in alignment with the IDP, however, not identified as a regional business centre. Section 14 Business Development provides traits of identified regional business centres and, through policy 14.7, criteria for the development of new regional business centres. The proposed ASP aligns with these traits, criteria, and intent. The County Plan is currently being updated and, should the ASP be approved, it would be identified in the new *Municipal Development Plan*.

COMMUNICATIONS / ENGAGEMENT

Communication and engagement methods on the Prairie Gateway ASP included mailouts, a project webpage, email updates to the project subscription list, two surveys, and two open houses. Through multiple rounds of engagement, revisions to the ASP sought to address concerns. Overall, the results show respondents felt many concerns were addressed through the ASP revisions and are supportive of the draft ASP. Three engagement summaries analyzed the results of each phase of engagement and can be found in Attachment G.

The ASP was circulated to agencies from May 16, 2024, to June 6, 2024, and responses can be found in Attachment D. Furthermore, landowners within and adjacent to the Plan area were notified of the public hearing on September 11, 2024. Submissions can be found in Attachment F.

IMPLICATIONS

Financial

Financial implications primarily result from the Gateway initiative cost and revenue sharing Deal Agreement which will be brought to both Councils for their consideration targeting the end of November 2024. Significant analysis was conducted, and the projected revenue is expected to offset costs.

The unique development opportunity resulting from the ASP does not compete with existing employment areas and facilitates regional benefits. The proposal aligns with federal and provincial transportation initiatives and opens funding opportunities. Rail served opportunities will improve the region's economic diversification and competitiveness, increase employment opportunities, and result in spin-off economic benefits for the supply chain.

STRATEGIC ALIGNMENT

Key Performance Indicators		Strategic Alignment
Effective Service Delivery	SD1: Services levels are clearly defined, communicated and transparent to citizens	SD1.1: Services with defined service levels
		Joint servicing with The City of Calgary supports efficient servicing through defined service levels from water, wastewater, stormwater, and transportation for

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Key Performance Indicators		Strategic Alignment
		the ASP area and mechanisms identified to deliver services.
Effective Service Delivery	SD2: Services are resourced and delivered to specific groups as intended, and citizens are satisfied with the outcomes	SD2.1: Citizens satisfied with the range of County services available/delivered Joint servicing with The City of Calgary provides a new servicing option through regional partnership.
Effective Service Delivery	SD3: Citizens are satisfied with Public Engagement opportunities and availability of information	SD3.1: Citizens satisfied with the information provided by the County (newspaper, website, social media) Several rounds of engagement through various methods provided the public with information and asked for feedback.
		SD3.2: Citizens satisfied with the public engagement opportunities provided by the County In-person and online engagement opportunities were provided.
Financial Prosperity	FP1: Successfully planning and managing tax revenues between residential and non-residential landowners	FP1.1: Residential/Non-Residential Assessment Split Ratio as set out in the Assessment Diversification Policy The ASP establishes a large-scale industrial, business, and employment hub that facilitates rail served development and business that benefit from rail, thus increasing our economic competitiveness and diversification and supporting the County's Residential/Non-Residential Assessment Split Ratio.
Thoughtful Growth	TG1: Clearly defining land use policies and objectives for the County –including types, growth rates, locations, and servicing strategies	TG1.2: Complete Area Structure Plans (ASPs) in alignment with the Regional Growth Plan and Council priorities The ASP is in alignment with the Regional Growth Plan and Council priorities.

ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

- Attachment A: Bylaw C-8563-2024 and Schedule "A"
- Attachment B: Rail Served Development Graphic
- Attachment C: Prairie Economic Gateway Initiative Terms of Reference
- Attachment D: Agency Referral
- Attachment E: Landowner Circulation Map

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Attachment F: Public Submissions
Attachment G: Engagement Summaries

APPROVALS

Manager:	Devin LaFleche, Regional Planning Manager
Executive Director/Director:	Amy Zaluski, Director of Intergovernmental Services and Regional Planning
Chief Administrative Officer:	Byron Riemann, Interim Chief Administrative Officer

