

Land Development & Sales

Led by: Director of Real Estate & Development Services

Service Description

Our core service develops and sells industrial land to attract business investment and promote economic diversification and growth for Calgary.

Responding to a range of complex corporate land needs, Land Development and Sales also offers planning expertise to lead and identify strategic redevelopment opportunities.

Optimizing the value and maximizing the financial return on City-owned land under our stewardship, we offer The Corporation a long-term source of reoccurring property tax revenue.

Service Updates

Key Service Results

Throughout 2023, significant progress was made on several projects to maximize The City's financial return on City-owned lands and to help advance Council's priorities. These projects include:

Constellation is the newest industrial park that will launch in Q2 2024. Constellation will offer a variety of light and medium general industrial uses. It will include a public space complex that incorporates stormwater management, wetlands, public parks, and pathways.

Midfield Heights is a mixed-use City-owned transit-oriented development which will offer development ready parcels for sale for both market and non-market homes and will feature parks and open spaces, a retail promenade, and upgrades to Calgary's pathway and bikeway network (5A Network).

The Aurora Business Park is being re-planned from a non-residential business park to a residential mixed-use community in consideration of the Green Line and affordable housing opportunities.

Work continues to progress the South Macleod project along Macleod Trail between 194th and 210th Avenue. Interchange design work is underway with a concept design to follow that will result in developable lands for mixed-use development.

Service Challenges

Market volatility such as, high inflation and supply chain issues have impacted material pricing, and labor costs. Other challenges facing Land Development & Sales include a more favorable tax environment, lower development fees, and levies offered by competing markets. Strategies to mitigate include ensuring subdivision plans are flexible to accommodate a range of business opportunities and identifying growth opportunities within emerging industries.

There has been a slower pace of growth within the industrial sector due to a lack of City-wide capital investment in critical infrastructure to support industrial growth. Future industrial land development cannot advance without supporting infrastructure, increasing the risk of less job diversity, less off-site levy revenue and ultimately a decrease in the non-residential tax base for The City.

Trends & Potential Uncertainties

With inflation and supply chain issues expected to continue, competition with the private sector for contractors and materials will be an added challenge further contributing to strain on pricing and procurement.

Land Development & Sales is continuously monitoring the health of the Land Servicing Reserve. With increasing development costs, supply chain issues, and affordable housing contributions, we must ensure we have sufficient funds to address our own project commitments.



Measuring Our Performance

Legend

— Actuals

■ Expected Future Performance

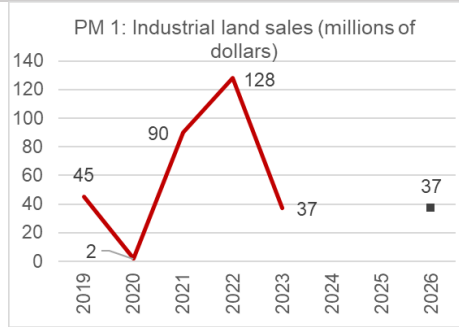
➔ Progressing as planned

⊖ Not progressing as planned

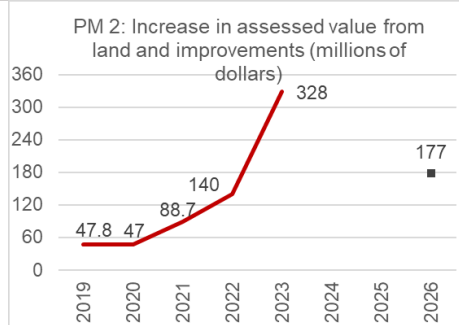
Performance Measures

Story behind the numbers

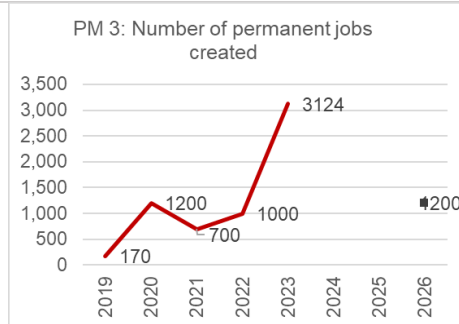
Status



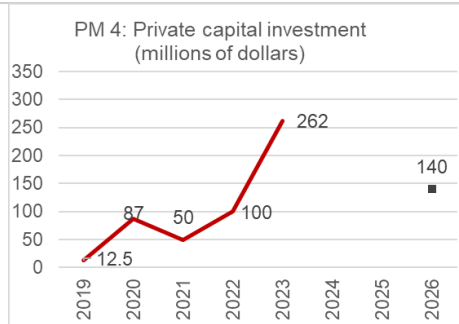
Increasing demand for industrial land in 2023 contributed to total sales exceeding \$37M. There were 6 transactions negotiated; including one significant sale amounting to \$26.5M for 38 acres in East Lake.



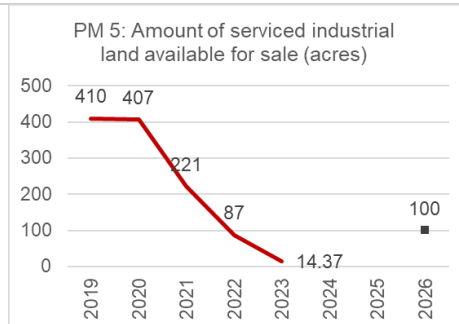
The Land Development & Sales team estimates that industrial sales targeted for development by third parties will see an increase in assessed value in the range of \$328M, which will contribute to an increase in overall non-residential tax revenue.



With every industrial parcel sold, it creates an opportunity for a new business development and job creation. Typically, from the time a parcel is sold it can take up to several years before the new business is up and running and new permanent jobs are created. Currently there is an estimated amount of 3,124 new permanent jobs that have been generated for 2023. Based on sales activity since the pandemic, Land Development & Sales anticipates job numbers to steadily increase over the coming years.



The private capital investments indicator is a figure based on investors' confidence in Calgary's industrial parcels. Land Development & Sales estimates roughly \$262M in private investment in 2023 related to industrial parcels. Industrial sales have been on the rise since the end of the pandemic which will contribute to increased private investment over the next few years.



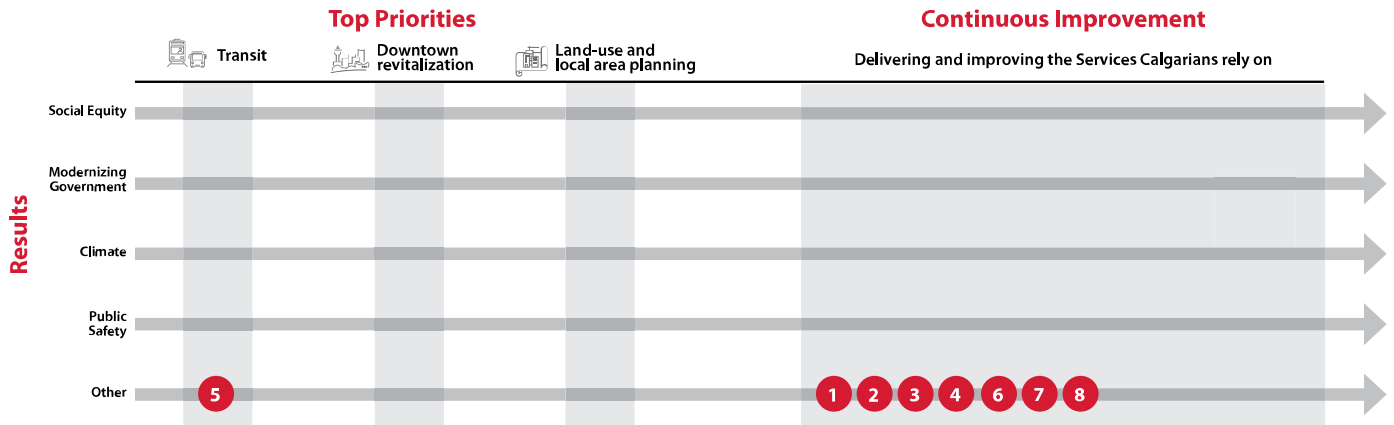
Due to an exceptional year of industrial lands sales in 2022 (300 acres sold), a limited amount of inventory was remaining. In 2023, 50 acres of serviced industrial land was sold, with 14.37 acres remaining in inventory. There are plans to replenish the supply with the launch of Constellation Industrial Park anticipated for Q2 2024 with an anticipated addition of 48 acres of land in Phase 1.






Progress on Service Delivery

Alignment with Council Refined Priorities and Result Areas



- Legend**
- Completed
 - Progressing as planned
 - Not progressing as planned
 - Not started
 - Initiative number

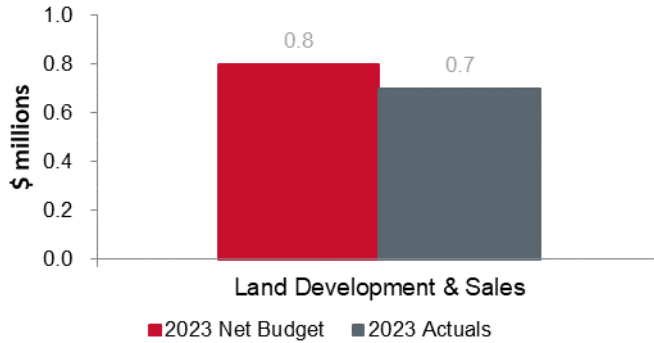
Initiative	Initiative Update	Status
1 Enable businesses to start, grow and invest in our city and support Calgary's economic resilience. We will accomplish this through the development and sale of serviced land opportunities located in Great Plains Starfield Phase 1.	Great Plains Starfield Phase 1 (renamed to Constellation) civil construction started in May 2023 and the project team has now completed all deep utility installations and some surface work components. Remaining surface work, landscaping and shallow utility installation are scheduled for 2024. Phase 1 is anticipated to launch in Q2 2024, while the planning and design work continues for future phases.	
2 Promote economic diversification and growth for Calgary by supporting new business investment through the sale of serviced industrial land in Point Trotter Industrial Park Phase 1.	There have been ongoing efforts to continue promoting economic diversification and growth in Point Trotter Industrial Park. In 2023, five lots in Point Trotter were sold, with only one remaining lot available for sale in Phase 1.	
3 Attract new business investment and promote economic diversification and growth for Calgary through the sale of serviced industrial land in East Lake Industrial Park.	Land Development & Sales closed on the sale of land in East Lake Industrial Park in December 2023 for a sale price of \$26.5M which included over 38 acres of land.	
4 Improve the quality of life for Calgarians by offering more housing and commercial options through the sale of lands in Aurora.	Work on a new vision for the Aurora lands will be captured by an updated Area Structure Plan and concept plan that will be followed by an Outline Plan & Land Use Redesignation application.	
5 Create great places to live, work and play for Calgarians through the redevelopment and sale of lands from our Midfield Heights urban village site.	Development activity is progressing in Midfield Heights. This mixed-use transit-oriented development will provide development-ready parcels that will be available for purchase in 2024.	
6 Create great places to live for Calgarians through the marketing and sale of lands at Richmond Green.	Land Development & Sales was able to reflect on learnings from an initial release of 3420 Sarcee RD SW (a portion of Richmond Green) and use this experience to develop an updated public market offering to dispose of additional lands. The team is actively negotiating with the successful proponent with an expected closing date in late 2024.	
7 Remove barriers to business investment and offer more housing options for Calgarians through the planning and feasibility analysis of the former RB Bennett school site.	Planning is underway on the former RB Bennett school site in Bowness. This site presents an opportunity to introduce affordable housing into the established area as well as upgraded parks for the community. The Outline Plan/Land Use Redesignations application was submitted in Q3 2023.	

Initiative	Initiative Update	Status
8 Attract new business investment and promote economic diversification and growth for Calgary through the redevelopment of lands at South Hill.	Now known as the Riverbend transit-oriented development project due to its proximity to a future Green Line LRT station, efforts to redevelop 15 acres of brownfield lands in east Riverbend to support future transit-oriented development business opportunities have been delayed. Land Development & Sales is currently assessing the status of the project to move it forward.	



Service Updates on Financial Performance

Net Operating Budget and Actuals as of December 31, 2023

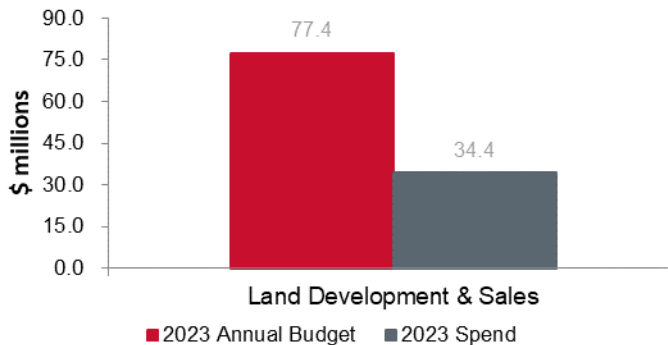


Operating Budget Updates - 2023 net operating budget vs actuals:

Land Development & Sales has a favourable operating variance of \$0.1 million.

Land Development & Sales closed 6 transactions totaling \$37M and collected \$1.4M in service connection fees as part of a value-add service offered to purchasers.

Capital Budget and Spend as of December 31, 2023



Capital Budget Updates - 2023 total capital budget vs 2023 spend:

Land Development & Sales had a spend rate of 51.0 per cent of the approved capital budget for 2023. Key projects such as Constellation, are seeing a healthy spend rate of roughly 98.0 per cent, while others such as Midfield Heights experienced delays obtaining development approvals, which lowered the overall spend rate for 2023.