

Report to Council



Date: February 28, 2022
To: Council
From: City Manager
Subject: Arab/Appaloosa Road Area Development - Update and Recommendations
Department: Development Planning

Recommendation:

THAT Council receives, for information, the report from the Development Planning Department dated February 28, 2022, with respect to the Arab/Appaloosa Road Area Development Update;

AND THAT Council endorses to the Arab/Appaloosa Road area engineering plan and project process as outlined in the report from the Development Planning Department dated February 28, 2022;

AND FURTHER THAT Council directs staff to renew bylaw enforcement for the Arab/Appaloosa Road area as outlined in the report from the Development Planning Department dated February 28, 2022.

Purpose:

To provide Council with an update on the Arab/Appaloosa Road area, proposed engineering plan, and project status and process.

Background:

The Arab/Appaloosa Road area (subject area; the neighbourhood) has a long-standing and complex planning history. Key historical project milestones, outcomes and directions are outlined below and previous Council resolutions for the subject area is provided in Appendix A.

2012:

- The subject area was designated for future Industrial – Limited use development in the 2030 Official Community Plan (OCP).
- I6 - Low Impact Transitional Industrial zone was added to the City's Zoning Bylaw 8000, to allow for a range of low-impact industrial land uses that are intended to act as a transition between the general industrial areas to the south and east and the rural residential areas to the north and west of the Arab/Appaloosa Road area.
- Many of the properties were being used for light industrial and storage uses, not conforming to zoning restrictions of the day.
- Properties designated Industrial – Limited are permitted to apply to re-zone to the I6 – Low Impact Transitional Industrial

- During rezoning application review process, it was determined that the design and installation of industrial services was both cost prohibitive for individual property owners and difficult due to fragmented ownership.
- Council directed staff not to accept rezoning applications until the servicing issues had been resolved. Staff explored options that would allow a reduced servicing standard; however, the proposed options were not supported by the neighbourhood.

2013:

- Council reaffirmed direction to staff not to accept rezoning applications, and directed staff explore a Local Area Service program (LAS) to achieve the needed upgrades.
- Between 2014 and 2017 staff worked on a LAS program but was not fully supported and accepted by the neighbourhood.

2017:

- Following an April 2017 Public Hearing, Council:
 - i. indicated that they were no longer supportive of the LAS process which would place unwanted costs on some of the residents in the subject area;
 - ii. chose not to re-designate many of the properties in the subject area as Resource Protection area; and,
 - iii. instructed the area property owners to work together on a comprehensive servicing area plan. This plan would see interested parties front end the consulting costs and ultimately, the servicing costs, with the ability to latecomer future developments.
- Council denied two applications for temporary use permit and instructed the applicants to work towards a permanent servicing solution.

2017-2019:

Since Council's 2017 decision, staff have been working on and off with a group of area property owners and a civil engineer to create a comprehensive neighborhood engineering and servicing plan. To move forward with the 2017 outcome, the City suggested the following steps to the area residents:

- i. Hire professional engineering consulting team;
- ii. Consult with City staff to set terms of reference and establish the scope of work to be completed;
- iii. Staff to check-in with the consulting team at critical milestones identified in the terms of reference; and,
- iv. Once the study is completed and endorsed by staff, it will be forwarded to Council for approval through the appropriate processes.

In June 2019, staff met with the civil engineer and several neighbourhood residents to discuss and set the terms of reference and the project scope of work. As per Council, staff informed the area residents that no-one could move forward a rezoning application until an area servicing plan had been created, approved, and bonded for by each applicant.

Current Status:

The property owners in the area intend to pursue a neighbourhood-led land use and servicing plan. This is to facilitate the option for the area residents to submit a collaborated group application to rezone their parcels to I6 - Low Impact Transitional Industrial zone.

Throughout 2020 and 2021, number of property owners in the area formed a neighbourhood group, continued to collaborate with the civil engineer and the City towards a comprehensive servicing solution that meets the City's servicing regulations for industrial development. In August 2021, an area-

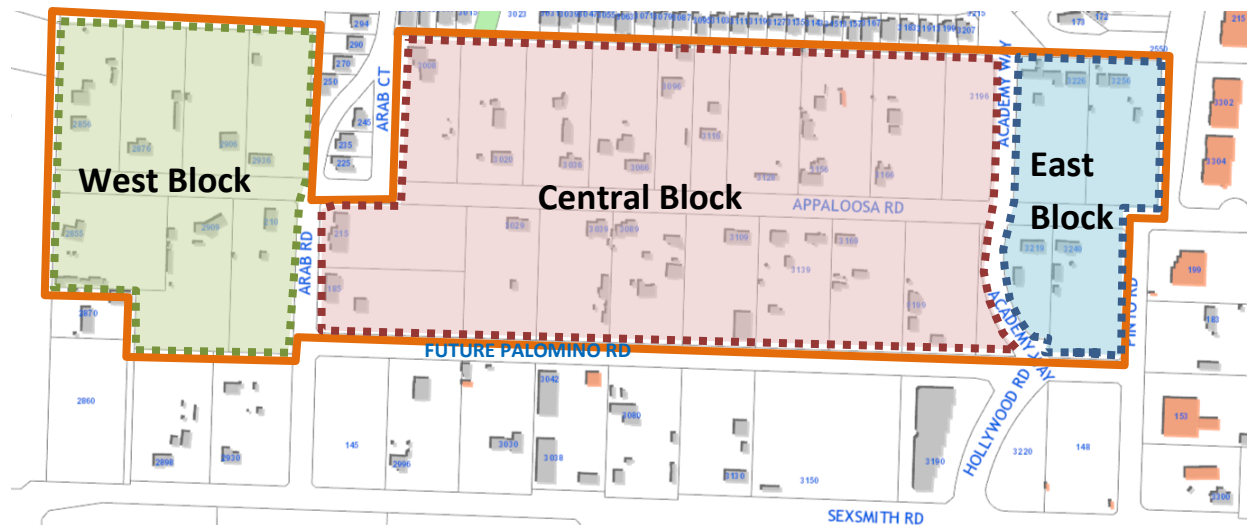
wide engineering and servicing plan was submitted to the City by the consultant which was approved by staff. At the time of this report, the Issued for Construction (IFC) design package submission to the City was pending.

Additionally, members of the neighbourhood group formed a numbered company to facilitate and administer the bonding for the off-site works. A memorandum submitted by the civil engineer (Attachment A) provides a list summary of the properties making up the neighbourhood group who are initiating the servicing agreement for the off-site works, as well a summary of the engineering works that are required for the area. On December 21, 2021, members of the neighbourhood group listed in the memorandum with an instream rezoning application entered a development servicing agreement with the City and bonded for the off-site works.

Project Details and Process:

The subject area is located within the Highway 97 City Sector within the permanent growth boundary. The subject area is bound by Pinto Rd to the east, future Palomino Rd to the south, agriculture lands to the west and residential development to the north, as illustrated by the orange outline in Figure 1.

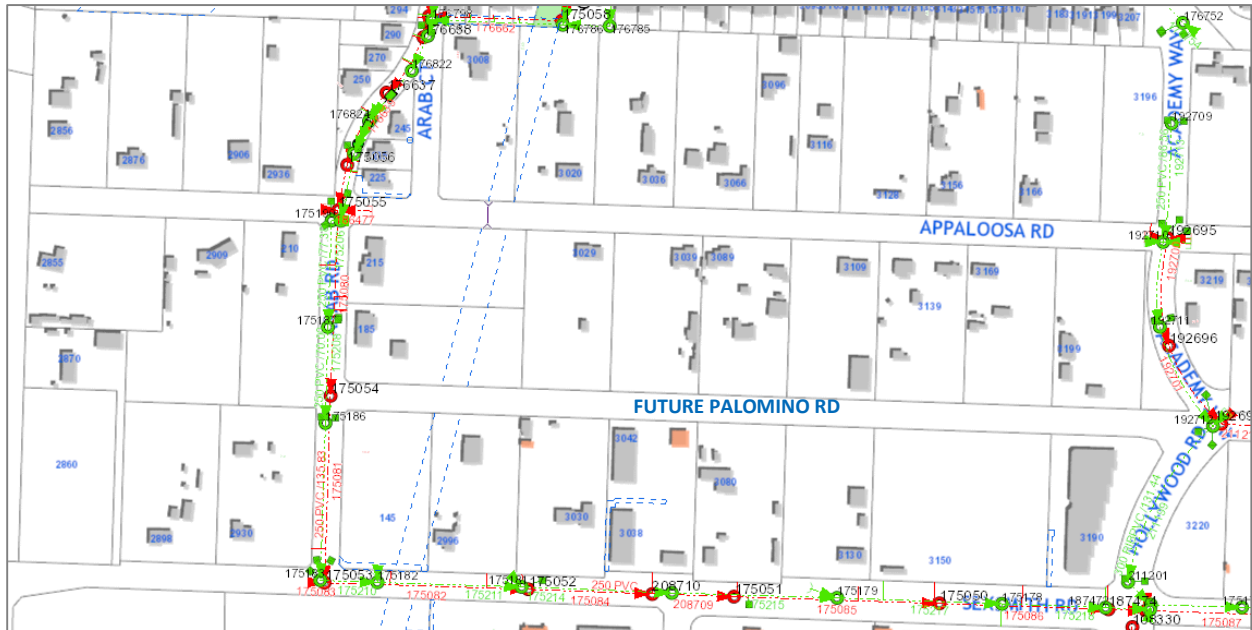
Figure 1: The comprehensive Arab/Appaloosa neighbourhood is illustrated with the orange outline. Note future Palomino Rd located north of Sexsmith Rd, between Arab Rd to the west and Academy Rd to the east. The servicing area breakout structure is illustrated in green (west block), pink (central block) and blue (east block).



The proposed servicing and engineering solution is a comprehensive area-wide design. Due to cost, level of existing and future servicing needs for the area, as well as logistics, the subject area is broken into three servicing blocks – central, east and west blocks as illustrated in Figure 1 in pink, blue and green polygons, respectively. There are sewer and water main connections located at the Arab Rd and Appaloosa Rd intersection, as well as at Academy Way and Appaloosa Rd intersection (Figure 2). As such sewer and water service lines may be extended to any one of the three blocks and the off-site upgrades can be initiated at each block independent of each other. Even though each servicing block

can proceed with off-site upgrades independently, a comprehensive engineering, servicing and costing solution is nonetheless required for a successful outcome of the project.

Figure 2: Existing sewer and water main connections located at Arab Rd and Appaloosa Rd intersection and Academy Way and Appaloosa Rd intersection.



The area has road and utility challenges that necessitates a coordinated solution lead by the area residents. In order to rezone the area from Agriculture to Industrial, the road network in the area requires comprehensive upgrades, and community water and sewer is required to service the new industrial lands.

The cost for off-site requirements for the area properties is estimated to be in excess of three million dollars, which is more than one property owner is likely to be able to manage. The off-site requirements include underground and surface infrastructure for Appaloosa Road and Palomino Road, which need to be completed concurrently. All these works will only be achievable through a comprehensive, area-wide engineering and serving implementation, and a neighbourhood financial solution in the form of cost-sharing so that the entire neighbourhood may proceed. All of this cannot be achieved on a lot-by-lot basis unless the individual lot in the area that is first to submit a rezoning application agrees to take on the entire off-site needs and cost associated with off-site improvements for the area, at that time, then the individual lot may come in alone. Otherwise, approval of one-off rezoning proposal would erode the likelihood of a neighbourhood solution.

To achieve the neighbourhood financial solution, the neighbourhood group is also providing bonding for the frontage improvements of the adjacent properties located between Arab Rd and Academy Way (Central Block) that have not applied for rezoning at this time. Those properties will be subject to late comer fees for the frontage improvements that will be payable to the neighbourhood group upon rezoning. As previously mentioned, on December 21, 2021, members of the neighbourhood group with an instream rezoning application entered a development servicing agreement with the City and bonded

for the off-site works. As such, the active rezoning applications can now be moved forward into the Council process under a coordinated servicing strategy.

Proposed Bylaw Enforcement Strategy:

The neighbourhood is made up of agriculturally zoned lots where many of the properties have historically and currently continue to use the lands for light industrial and storage uses, not conforming to existing zoning regulations. Few property owners in the recent months have altered their parcel from Agriculture to Industrial use without a permit and prior to approval of a rezoning application.

The intent of the Industrial – Limited designation was to recognize the character of the neighborhood and give owners a path to conformity by allowing properties to be re-zoned for transitional industrial use. Given the non-conforming land use and bylaw enforcement history of this area, as well, in order for the area-wide servicing strategy to be successful, staff recommend a bylaw enforcement strategy to be implemented concurrently with the servicing strategy, as following:

- i. Staff will provide a notification letter to the affected residents of the City’s intent to enforce its bylaws. The notification will provide information regarding permitted uses and requirements under the existing A1 Zone, permitted uses and requirements under the I6 Zone (should an application for rezoning be successful), current infractions, the rezoning process, and potential penalties for non-compliance. The intent of this information package is to assist residents to become compliant with the City’s current bylaws.
- ii. Area residents will have 30 days from the date of notification letter issuance to indicate whether they wish to:
 - a. pursue rezoning, or,
 - b. bring the parcel into current land use compliance, or,
 - c. pursue the relocation of their business.
- iii. Area residents who do not reply or indicate that they wish to pursue either rezoning, land use compliance, or relocation, will have 60-days from the date of notification letter issuance prior to progressive enforcement actions will be implemented.
- iv. Area residents who do respond to the notification letter and indicate that they wish to pursue rezoning, come into land use compliance or to relocate their business will have three-months from the date of the notification letter issuance to comply by their decision prior to progressive enforcement actions will be implemented.

Report prepared by:	Barbara B. Crawford, Planner II
Reviewed by:	Dean Strachan, Community Planning & Development Manager
Reviewed by:	Terry Barton, Development Planning Department Manager
Approved for Inclusion:	Ryan Smith, Divisional Director, Planning & Development Services

Attachments:

Attachment A: Arab/Appaloosa Group - CTQ Memo

Appendix A: Previous Council Resolutions