

# **Report to City Council**

## **Economic Development Advisory Committee**

### **Recommendations – Industrial Land Strategy**

## Introduction

The Spruce Grove Economic Development Advisory Committee (EDAC) is pleased to present the following report to City Council. The purpose of this report is to provide City Council advice on the recommendations set out in Spruce Grove's Industrial Land Strategy (the Strategy).

## Background

### Economic Development Advisory Committee

EDAC is a Committee of Council which has an advisory role by making recommendations and providing strategic advice to Council on economic and business development matters in Spruce Grove. As per the EDAC bylaw, the committee is required to develop an annual work plan and may provide reports to Council which include recommendations on matters related to the mandate and annual work plan.

### Industrial Land Strategy

To address the declining supply of serviced industrial land in Spruce Grove, the City retained Altus Group to develop an Industrial Land Strategy, which was presented to Council on January 18, 2021. The purpose of the Strategy is to determine ways to increase the supply of serviced industrial land in Spruce Grove and raise the City's industrial profile. The Strategy set out a series of recommendations which were categorized into the following two broad approaches:

- Incentivize investment by existing & new land developers to enhance the business case for developing industrial lands; and
- The City takes a more direct role in the acquisition and development of industrial land.

The City worked with EDAC to help prioritize the recommendations and discuss how best to move forward with implementation. To support the review process, a sub-committee was formed and, based on Spruce Grove's current competitive and economic position, identified a number of recommendations EDAC believes are important for the City to pursue. These recommendations are presented in the following section.

## Recommendations

### **1. Develop the City-Owned 18 Acre Industrial Site**

The lack of serviced industrial lots, specifically those 5 acres or larger in size, is impacting the City's ability to attract and retain industrial investment. The City should continue its engagement with existing and potential land developers to encourage industrial land development. There may be opportunities to incentivize new investment where appropriate.

However, it is also recommended that Spruce Grove develop and bring to market the City-owned 18 acre industrial site located south on Century Road in the Public Works Quarter. This

should start with the preparation of a concept plan and business case. This would allow new industrial land to be brought on stream in 2022 and provide the City with a pilot venture which may be useful in considering future options for expanding the supply of industrial land. This would not preclude partnering with a development company if there were strategic advantages in doing so.

## **2. Establish a High-Load Corridor in Spruce Grove**

There are a number of companies in Spruce Grove that specialize in oversize-overweight (OSOW) loads. The lack of a dedicated high-load corridor in the City is not only impacting the retention and expansion plans of these companies, but constrains the City in the attraction of similar companies.

The City retained Al-Terra to develop an OSOW Feasibility Study which set out options for Spruce Grove to establish a high-load corridor. Although the preferred option is for the City to support the Province in the improvements to HWY 628 as a high-load corridor, it is anticipated that this is still 8 to 10 years out.

As it is not in the City's best interest to wait, it is recommended that the City move forward with the improvements to Jennifer Heil Way (JHW), north to HWY 16 to accommodate OSOW loads in the interim, while at the same time advocate the Province to accelerate the timing of HWY 628 improvements. Doing so will ensure our companies have access to the infrastructure they need to operate efficiently and to expand into new markets, as well as allow the City to compete for investment opportunities that may require highload access.

## **3. Separate Industrial Land Use Districts**

Spruce Grove currently has a single industrial land use district, M1 – General Industrial, that permits both light and medium industrial uses. This does not allow for separation between businesses considered true industrial (industrial fabrication, transportation & logistics) and those that are more commercial, office style (retail & professional services, administration).

Separate districts may help attract higher density commercial office style developments that support growth in professional and technical service jobs and cluster compatible and complementary land uses, while separating uses that are not compatible. Additional benefits may also include more efficient permit approval processes, concession for separate development standards, and ensure that as more industrial land is brought on, there is a balance of parcel sizes to accommodate different uses.

There was also discussion about overall safety and accessibility in the industrial area, particularly for those who walk or bike. As two land use districts will allow for separate development standards, requirements of pathways and sidewalks could form part of the business park (light) zoning. With more businesses, such as Ravenwolf Microbrewery and Barbacoa restaurant, starting to appear in the industrial area, resolving the lack of safe and accessible walkability has potential to foster growth.

The majority of municipalities in the Edmonton Metropolitan Region have at minimum two industrial land use districts, which indicates that it could be a preferred structure. Spruce Grove

should explore how this structure could potentially support more efficient growth of the City's industrial areas.

#### **4. Fibre-optics as an Engineering Standard**

Spruce Grove's industrial area is underserved in terms of adequate high-speed fibre-optic internet connectivity. It is recommended that the City introduce fibre optic connectivity as an engineering standard for new development in the industrial and commercial areas, and perhaps the broader community. Having access to a fibre optic network has become a key competitive factor in retaining and attracting investment and creating quality employment opportunities. The RFP recently initiated by the City to partner with an ISP provider is a good first step towards building out a municipal network.

#### **5. CN Rail Line**

The Industrial Land Strategy identifies the CN Rail line as problem, and EDAC agrees with these findings. Spruce Grove's recent annexation of lands will result in residential and industrial development taking place south of the tracks, while at the same time, the number and length of trains will continue to increase. The rail line is a factor that deters investment and affects the integration of the municipality.

It is recommended that the City look at options for a future separated grade crossing. While recognizing this would be a costly project to construct, it may be worthwhile to look at engaging the Alberta Government and CN Rail for discussions about how to address rail traffic through Spruce Grove in the future. In particular, the City should undertake planning around potential rights of way should a future separated grade crossing be constructed. This process could be initiated through the development of a feasibility study or business case which investigates the potential of establishing a separated grade crossing.

The recommendations by EDAC set out in this report are for consideration by Council. EDAC would appreciate any feedback and is open to exploring any of the recommendations in more detail.