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Item No. 12.1.1
Community Planning & Economic Development
May 17, 2018

TO: Chair and Members of Community Planning and Economic Development

Original Signed

SUBMITTED BY:

Jerry Blackwood, Acting Director, Finance & Asset Management/CFO

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: January 30, 2018

SUBJECT: Ragged Lake Industrial Park – Background Planning Studies

ORIGIN

This report originates with:

1. Regional Plan, Chapter 5 Economy and Finance, Section 5.3. Business and Industrial Parks;
2. Regional Council's Approval-in-principle of Part I and Part II of the Business Parks Development Functional Plan in 2008 and 2009 respectively;
3. The October 23, 2014 CAO Award – Request for Proposal No. 14-304, Engineering Services for the Ragged Lake Concept Plan, West Region; and
4. Regional Council's December 6, 2016 approval of the 17/18 Recommended Multi-year Priority Outcomes; Supply of Industrial, Commercial and Institutional Lands - Ensure that there are sufficient industrial, commercial and institutional lands available to provide economic opportunities.

LEGISLATIVE AUTHORITY

The recommended action complies with Charter Sections; 61 (5)(b), 64, 71(1) and 79 and 233 (2) which state:

Powers of Municipality regarding property

Business and industrial development

RECOMMENDATION ON NEXT PAGE

71(1) The Municipality may:

- (a) solicit and encourage the establishment and development of new, and the establishment, development and expansion of existing institutions, industries and businesses in and around the Municipality;
- (b) publicize the advantages of the Municipality or any part of the Municipality and the surrounding areas as a location for the establishment and expansion of institutions, industries and businesses;
- (c) pay grants to a body corporate for the purpose of promoting the Municipality or any part of the Municipality and the surrounding areas as a location for institutions, industries and businesses;
- (d) prepare and disseminate information about the Municipality or any part of the Municipality and the surrounding areas for the assistance of institutions, industries and businesses intending locate or expand in the Municipality or the surrounding area.

Power to expend money

79(1) The Council may expend money required by the Municipality for...

- (m) promotion and attraction of institutions, industries and businesses, the stabilization and expansion of employment opportunities and the economic development of the Municipality;
- (ap) industrial parks, incubator malls and land and other facilities for the encouragement of economic development;

233(1) The Municipality may...

- (a) acquire and assemble land for the purpose of carrying out a development consistent with the municipal planning strategy, whether the development is to be undertaken by the Municipality or not; or
- (2) The Municipality may subdivide, rearrange and deal with lands described in clause (1)(a) as if it were a private owner and may sell the lands subject to any building restrictions or easements that the Council requires to ensure the development is consistent with the municipal planning strategy.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development Standing Committee recommend that Regional Council direct staff to develop terms of reference to guide the background studies needed to inform a future secondary planning process for the proposed Ragged Lake Industrial Park.

BACKGROUND

Executive Summary

In conjunction with the Regional Plan, Council has adopted an Economic Development Strategy designed to lead the region towards vibrant, sustainable economic growth. A key objective is that there are sufficient lands available around Halifax Harbour and in business parks to provide economic opportunities.

The Business Parks Functional Plan (2008) undertook a strategic review of HRM's role in business park development and a rationalization of uses and development standards. One of the key recommendations

is that HRM should focus its future business park development on industrial uses and leave office and commercial development to the private sector.

From the Regional Plan (Policy EC-5) where HRM has identified lands that may be suitable for industrial uses, amendments to secondary planning strategies and land use by-laws shall be initiated to allow for the intended uses and to ensure that these lands remain available while minimizing conflicts with existing or future incompatible uses in the vicinity.

The Ragged Lake Industrial Park is located along Highway 103 and Prospect Road near the Halifax Exhibition Centre. It was developed by the former City of Halifax Industrial Commission in the late 1980's. It is a mixed use, commercial/business area of approximately 84 acres of serviced lands zoned I-3 (General Industrial). The remaining 1,350 acres at Ragged Lake have been identified and are intended for future build out to support HRM's Economic Strategy. These lands are currently zoned UR (Urban Reserve) to help ensure that a supply of land is available for serviced development over a longer-term horizon.

The recommendations herein, are to provide for long term options for industrial/employment land for HRM. The subject lands would remain in HRM's ownership and stewardship until individual lots are sold and developed over time as needed.

The study area for the purposes of this report is approximately 2,000 acres (including lakes) as illustrated on Attachment 1. The Ragged Lake Lands are adjacent to the Western Commons. As a result, the study area includes an area of the Western Commons owing to the critical importance of ensuring the collective lands are managed and planned in a mutually sustainable way including sufficient buffers, environmental measures as well as opportunities for trail access to the Western Commons through the future developed portion of Ragged lake.

The planning for the industrial/employment lands at Ragged Lake and how it relates and integrates with the Western Commons will provide HRM with a leading opportunity to comprehensively plan for employment lands that incorporate open space, active transportation, trail head, parkland access and connectivity, and environmentally sustainable development.

The industrial parks of HRM contribute significantly to the economy of the region and the commercial tax base. Greater Burnside alone is assessed at \$1.255 billion and provides 23% of HRM's employment, 18% of HRM's Gross Domestic Product, and 16% of the HRM's commercial assessment.

The recommendation within this report supports the planning and designation of Ragged Lake as strategic industrial/employment lands to ensure long-term economic growth options are available for the Municipality over the long term.

The Challenge/Need

Suitable land for industrial use is in limited supply. In 2017, and for the better part of the past decade, HRM has relied on one industrial park (Burnside) with land available for immediate industrial development. Compared to residential, office or retail uses, industrial land uses have tighter constraints on where they can locate. Proximity to local markets, employees and transportation links (highways, rail, harbour and airport) are vitally important. Industrial users are also more sensitive to land costs. With higher returns for developers on retail, residential and office development, there is little incentive for the private sector to develop industrial lands at prices competitive for HRM to attract the regional, national and international market.

Equally as important as the quantity of available industrial land is the quality and range of the lands to meet the requirements of the wide variety of sector requirements to attract investment and the economic development. This can range in terms of desired lot sizes, clustering of related businesses, access to transportation networks, the port or airport, and proximity to customers and employees.

Supply of industrial land on the Halifax mainland is in limited supply with demand exceeding supply. New industrial lot inventory at Ragged Lake will meet demand and bring balance to the market.

As illustrated in the table below, CBRE's latest "Halifax Industrial MarketView Q4 2017" report provides its industrial distribution statistics which indicate that 80% of industrial inventory is located within the Dartmouth submarket with the Halifax submarket a distant second at 12%.

Submarket	Rentable Area (SF)	Percent of Market
Dartmouth	9,839,489	80%
Halifax	1,525,148	12%
Bedford	871,489	7%
Sackville	138,079	1%

Source: CBRE Halifax Industrial MarketView Q4 2017

Planning Considerations

The development considerations for Ragged Lake have followed through a number of planning processes over the years to arrive at the current recommendations contained within this report and, are outlined in more detail as follows.

The 2006 Regional Plan called for the preparation of a Business Parks Development Functional Plan to investigate various topics important to the long-term development and sustainability of the region's industrial parks. Two of the major outcomes the Functional Plan study were to consider:

1. establishing a system to monitor availability of land for commercial, industrial and institutional uses and determine whether supply is meeting demand, in order that sufficient lands are appropriately designated to accommodate anticipated business growth.
2. land banking to ensure an adequate long-term supply of land.

The HRM Business Parks Functional Plan – Part 1 ("BPFP") was approved in principle by Regional Council in 2008. A significant component of the BPFP provided an analysis and feasibility of potential new lands for future industrial park development to ensure the Municipality would be prepared for long-term economic opportunities and growth.

The BPFP's resulting industrial land suitability map provided a pattern suggesting that existing industrial parks, including Ragged Lake, were well located. The report found that notable areas of good to high suitability included:

1. The remaining lands of Burnside Industrial Park and lands to the north of Burnside (since acquired by HRM in 2015)
2. **Lands within the Ragged Lake Industrial Park (subject of this report)**
3. Lands at Shearwater (since retained by the Federal Government)

As observed by the BPFP Consultant, "The analysis suggests that there are areas with good suitability for future business park uses. However, these areas do not appear to be in great abundance, so there is some urgency about securing the potential for future business park uses in these areas."

The BPFP – Part II focussed in more detail on Bayers Lake and Ragged Lake Industrial Parks and was approved-in-principle by Regional Council in June 2009. Major recommendations of the BPFP – Part II included:

- Changes to the MPS: Consider re-designating the lands identified in this study (BFPF) for industrial uses at Ragged Lake from Urban Reserve to Urban Settlement as part of the five-year review of the Regional Plan, to enable serviced development over the shorter term.
- Provincially owned land near the northern section of Ragged Lake Park should be acquired by HRM, re-designated as Business Park and incorporated into the light industrial area of Ragged Lake Park.
- Re-brand and introduce new signage to Ragged Lake Park.
- Wetland areas within the Ragged Lake Boundary should be assessed before final development plans are established.

One of the findings of the BFPF - Part II is that the Ragged Lake area is well located to provide a supply of light industrial land over the long term, as supported by the land suitability analysis. Ragged Lake remains the last significant location on the western side of HRM close to the central core for small, locally owned industries, such as service industries, manufacturers and distributors.

Relevant Policies

Policy EC-5 of the 2014 Regional Plan is as follows:

Where HRM has identified lands that may be suitable for industrial uses, amendments to secondary planning strategies and land use by-laws shall be initiated to allow for the intended uses and to ensure that these lands remain available while minimizing conflicts with existing or future incompatible uses in the vicinity.

Regional Council approved the 17/18 Recommended Multi-year Priority Outcomes on December 6, 2016. The Economic Development Priority Outcomes section includes the supply of industrial, commercial and institutional lands to ensure that there are sufficient industrial, commercial and institutional lands available to provide economic opportunities, and growth

DISCUSSION

The Proposed Land Use

The terms “industrial park” and “business park” are broad or general terms which can vary in their application. In HRM’s experience, the term “business park” has become intermixed in some instances amongst very different land use contexts. This can be seen by some that perceive Burnside being a business park like Dartmouth Crossing or Bedford Commons, which it is not.

The recommendation of this report for Ragged Lake as an industrial park are for a range of uses generally characterized as traditional industrial/light industrial commercial uses, such as the following:

- Manufacturing;
- Distribution;
- Warehousing;
- Research and Development;
- Commercial and institutional uses;
- Office uses that are associated with manufacturing, warehousing, wholesaling, construction, science and technology; trade; distribution, or industrial/commercial related services;
- Industrial/commercial retail uses (commercial tool or equipment sales/leasing is considered retail, as an example);
- Accessory retail uses (for example, a manufacturer may also desire an accessory retail component to sell the goods it manufactures)

- Retail uses and accessory retail uses required to support an employment area. (examples such as coffee shops, restaurants, pharmacy, etc. that would normally be expected within an employment area)

Specific permitted uses will be subject to further planning reviews and public consultation.

Key Principles and Drivers

1. Integration with the adjacent Western Commons

The existing Ragged Lake Business Park is adjacent to the Western Common Wilderness Park. As a result, the study area for the proposed secondary planning process would need to encompass a portion of the area approved for the Western Common Wilderness Park, as outlined in Attachment 2, in order to determine the appropriate relationship between the two areas. The proposed plan for the Ragged Lake Industrial Park is expected to orient itself in a relatively narrow strip along the existing Highway 103 stretching from Prospect Road to Exit 3 at Otter Lake. The boundary is also naturally delineated by the existing Hwy 103 to the north, Prospect Road to the east, the private land ownership and existing heavier industrial uses along Evergreen Place and Mills Drive to the south, and the Otter Lake interchange and Landfill to the west. The final boundary would be determined through the secondary planning process.

Ragged Lake has several environmentally sensitive areas and assets which are to be fully accommodated within the concept plan. The intent will be to maximize the available net land for development and achieve marketable land pricing while enhancing and/or minimizing negative impacts to the natural environment. The design must make efficient use of resources, contain proven innovation, offer a consistent high degree of environmental protection and be cost effective to construct, operate and maintain.

The construction of streets and trails will also provide day park type access for both residents and employees of the park as well as a trailhead location for more intense access to the vast Western Commons Wilderness Conservation (WCWC) acreage beyond Ragged Lake. The trail from Ragged Lake would provide a buffered transition to the natural state of the Western Commons.

The Western Common is further protected by over 40,000 acres of Municipal and Provincially owned land offering additional wilderness experiences and wildlife habitat.

2. Economic

The industrial parks of HRM contribute significantly to the economy of the region and the commercial tax base. In a 2015 Economic Impact Assessment of the Burnside/City of Lakes, it was estimated the two parks were assessed at \$1.255 billion. The consultant estimated that the total economic impact of Burnside/City of Lakes represents:

- 23% of HRM's employment;
- 18% of HRM's Gross Domestic Product, and
- 15.8% of the region's commercial assessment.

The construction and business operations in the two parks in 2014 generated in total:

- \$2,035.9 million in household income;
- 55,343 person years of employment, and
- \$3,160.9 million in provincial gross domestic product.

In current dollars, the scope of direct economic impact of development for Ragged Lake would be in the \$2 billion range at full build out of the park.

3. Employment Centre and Live Work Play

A regional employment/industrial land location on the Halifax mainland will help diversify the location options of regional employment allowing residents a greater opportunity to live close to where they work. Likewise, companies will have a greater ability to locate in closer proximity to their customers/services areas.

Not all industrial or employment lands are desired or needed to be in Burnside. Currently, the majority of the pressure to accommodate the industrial market is being placed on Burnside whether or not this is the first choice for companies, and their employee. The result is this tends to force people to either travel long distances to work or to relocate.

4. Transportation

Ragged Lake is well located along established major transportation infrastructure and in close proximity to the urban core. This will allow HRM to reduce duplicating major infrastructure elsewhere in the Region and instead invest in the existing infrastructure for maximum benefit.

Providing employees and businesses the option to work closer to where they live or where their customers are located will reduce the load on the existing transportation infrastructure and increase options for active transportation and transit alternatives.

The proposed transportation improvements/additional access points to and from the Highway 103 and Bayers Lake, would also benefit the immediate community which currently commutes through the single access point of Prospect Road at St. Margaret's Bay Road.

5. Transit and Active Transportation

The ability for residents to work closer to where they live increases the feasibility of transit and active transportation options. Being able to plan and design a complete employment centre from the outset would provide the opportunity to maximize the potential for effective transit and active transportation connections as opposed to a phase by phase approach.

Industrial land areas are primarily land extensive uses with significant walking distances which create challenges for Transit and Active Transportation (AT). Higher density land uses can be planned to be in clustered locations incorporating supporting services/amenities in the same area such as restaurants, coffee shops etc. that typically support large employment areas and which generate significant traffic.

A multi-use AT route throughout the site could connect several key locations and contribute to establishing a strong active transportation network within the Municipality. An AT network within Ragged Lake Industrial Park that would provide a comfortable multi-use trail separated from the roadway. Proposed pedestrian connections could also potentially connect to the Brunello Estates area and the Beechville community park.

Ragged Lake Preliminary Concept Plan and Feasibility

In October 2014, HRM awarded the Request for Proposal No. 14-304, Engineering Services for the Ragged Lake Concept Plan, West Region. The goal of this study was for HRM to determine the feasibility of an expansion of, or further investment in, the Ragged Lake Industrial Park.

The concept plan/study area, prepared for this project contemplated approximately 504 ha (1,246 acres) of net developable land, while largely preserving the site's sensitive environmental areas. These lands are adjacent to the WCWC Area and consideration has been given to the objectives contained in the study completed by Environmental Design and Management Limited dated May 2010, titled "Western Commons Wilderness Common Master Plan – Final Report". The proposed alignment of Ragged Lake as outlined in

this report is generally in keeping with the concept as included in the Western Common Wilderness Common Master Plan included as Attachment 2 of this report.

Based on the findings of this study, the proposed expansion of Ragged Lake is financially feasible in terms of achieving full cost recovery to the Municipality. The study included a traffic impact analysis for full build-out of the site.

The existing portion of the Ragged Lake Industrial Park is serviced with a sanitary sewer that drains to the Fairview Cove (Halifax) system through the large diameter gravity trunk sewer recently installed along the Chain of Lakes Trail. The wastewater system has limited capacity and would require future infrastructure upgrades with the eventual re-routing to Herring Cove. This again provides the opportunity to build upon and invest in existing infrastructure.

Further detailed planning and discussions, beyond the scope of this study, will be required with Halifax Water to determine the full provision of wastewater and water servicing for the expanded park.

Recommendation

The recommendation of this report, if approved by Regional Council, will allow for further in-depth studies as required and for the development of amendments to the secondary planning strategies and land use by-laws as provided for in Policy EC-5 of the Regional Plan.

In order to inform a future secondary planning process, staff will develop detailed terms of reference to guide the major project work. Items expected to be discussed within the terms of reference include:

- the secondary planning study area and relationship to other planning initiatives in the area;
- Land Suitability Assessment (review of environment and cultural landscape features);
- Infrastructure studies;
- Public Engagement;
- Relationship to the Western Common Wilderness Master Plan;
- Review Process;
- Budget & Resource implications; and
- Target Timelines.

This is a long-term land strategy and a full build out of the proposed industrial park lands could easily extend beyond 25 years, providing ample timing for HRM to monitor the development and market demands over time. It is important to highlight that the recommended action will keep the subject lands under the ownership and stewardship of the Municipality until such time as new lot inventory may be created and sold on an individual lot by lot basis.

Following the completion of the background studies, staff will return to Council to seek direction to initiate the subsequent secondary planning process for the lands.

FINANCIAL IMPLICATIONS

Future recommended studies or land assembly are to be funded from the Opportunity Reserve - Business/Industrial Parks Expansion Reserve Account Q616, Project Account CQ000006 Ragged Lake Development and will follow the transaction approval authorities and procurement processes in place.

RISK CONSIDERATION

Risk (moderate) of not having sufficient lands to meet the Municipality's economic objectives or economic opportunities as they arise.

COMMUNITY ENGAGEMENT

Community engagement to date has been undertaken through the Regional Plan, Business Parks Functional Plan Part I and II and RP processes. Based on the approval of the recommendation in this report, additional formal community engagement will be outlined in the Terms of Reference and public participation program for the proposed master planning project.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications identified.

ALTERNATIVES

The Community Planning & Economic Development Committee may recommend that Regional Council not approve the recommendations to direct staff to develop terms of reference to inform the future secondary planning process for the proposed Ragged Lake Industrial Park.

The Community Planning & Economic Development Committee may instruct staff to seek alternate locations for an industrial park and return to Community Planning & Economic Development Committee with a supplemental staff report. This is not recommended on the basis that staff and its consultants have sought suitable locations through this planning process and there are no close second options at this time.

ATTACHMENTS

Attachment 1 – Study Boundary

Attachment 2 - Western Common Wilderness Common Master Plan

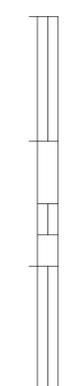
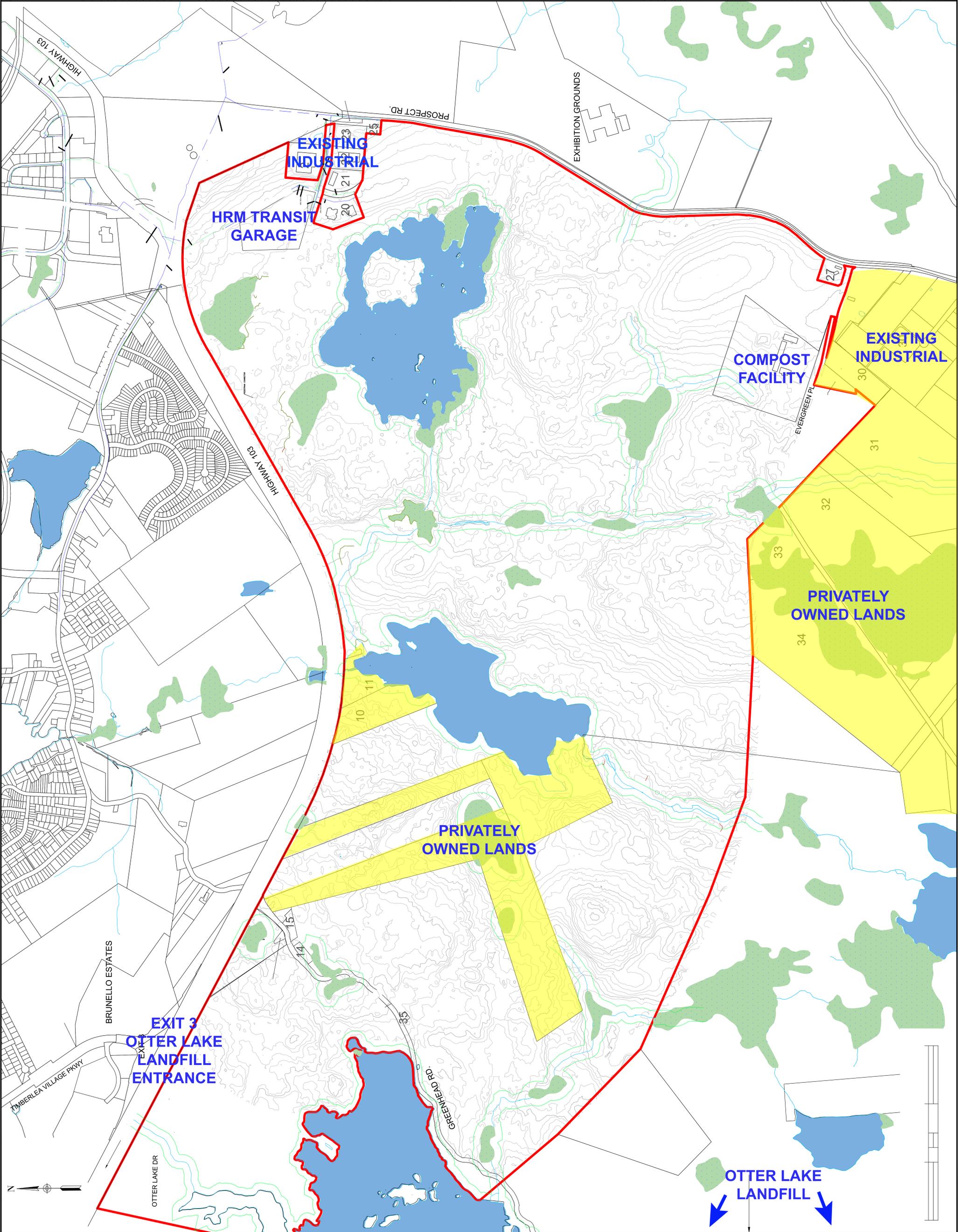
A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Michael Wile, Business Parks Manager, Corporate Real Estate, Finance & Asset Management, 902.490.5521

ATTACHMENT 1 - Study Area



HALIF



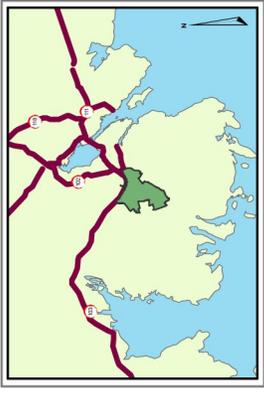
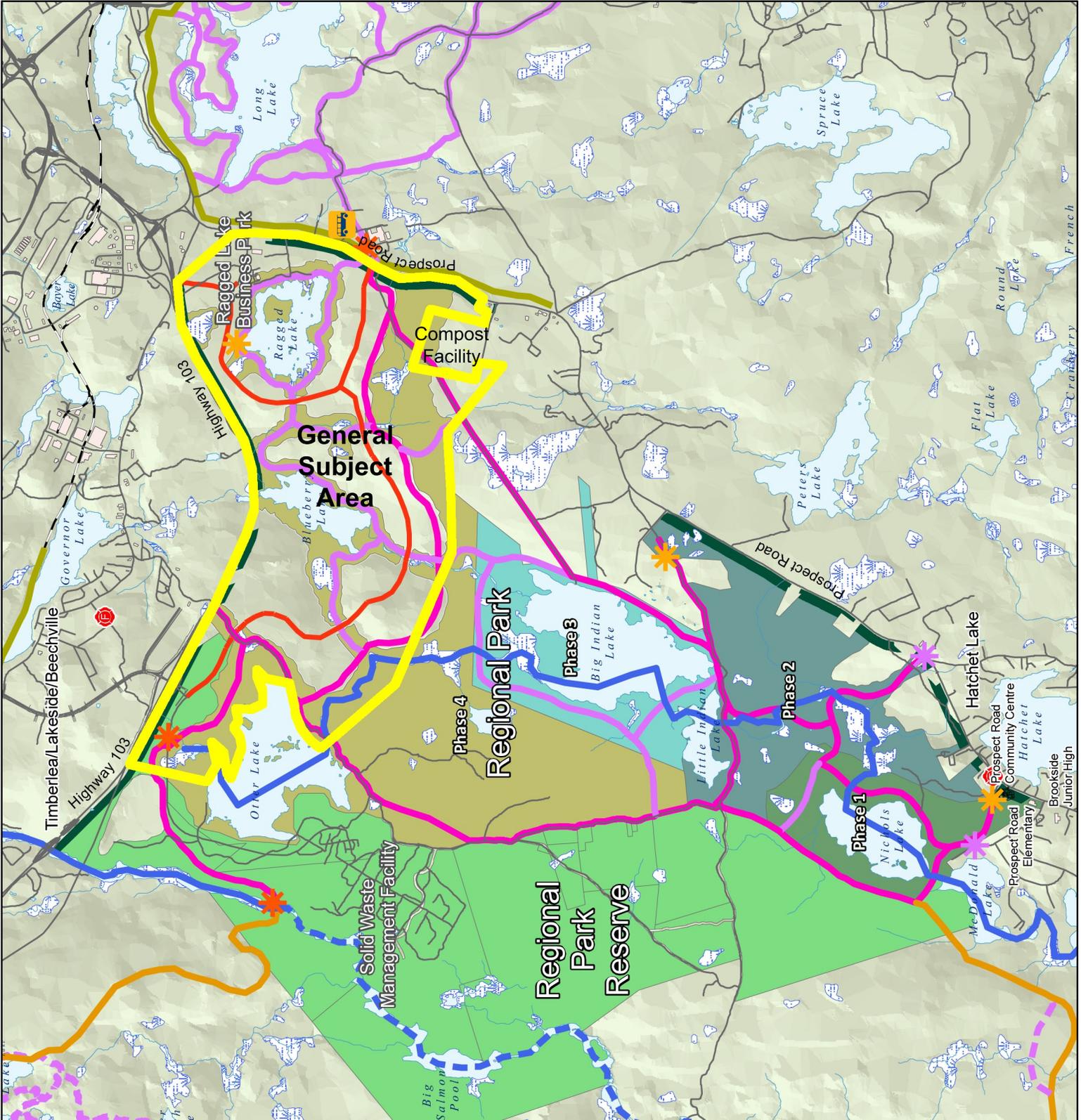


Figure 23
Phasing Strategy

- Trail Access Nodes**
 - Regional (Large orange star)
 - Community (Medium orange star)
 - Neighborhood (Small purple star)
- Metro Transit Park & Ride** (Bus icon)
- Fire Station** (Fire icon)
- Present Water Routes and Trails**
 - Open Water Route (Blue line)
 - Limited Use Route (Light blue line)
- Proposed Trail System**
 - Collector Road Reserve (Red line)
 - HRM Active Transportation Rails to Trails (Yellow line)
 - Shared Use Trails (Orange line)
 - Barrier Free Trail (Pink line)
 - Back Country Hiking Trails (Light purple line)
 - Limited Use Walking (Dark purple line)
 - Forested Buffer (Green line)
- Master Plan Phasing**
 - Regional Park - Phase 1 (Dark green)
 - Regional Park - Phase 2 (Medium green)
 - Regional Park - Phase 3 (Light green)
 - Regional Park - Phase 4 (Very light green)
 - Regional Park - Phase 5 (White)



Data Source: EDM, HRM, SMATY, Gordon Ruralife, SSMAR, WMEFC, Debra Soudak, Professional Services, Zone 5, Professional Services, Zone 5

This drawing is a preliminary representation and should not be used for construction or other purposes without the written consent of the City of Edmonton. The City of Edmonton does not warrant the accuracy of this document. June 2009.

Prepared by **EDM** (Edmonton Development Management) and **HALIFAX BUSINESS UNIVERSITY**

Prepared for **EDM**

Scale: 0.5 0.25 0 0.5 1 1.5

**WESTERN COMMON
WILDERNESS COMMON
MASTER PLAN**