

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

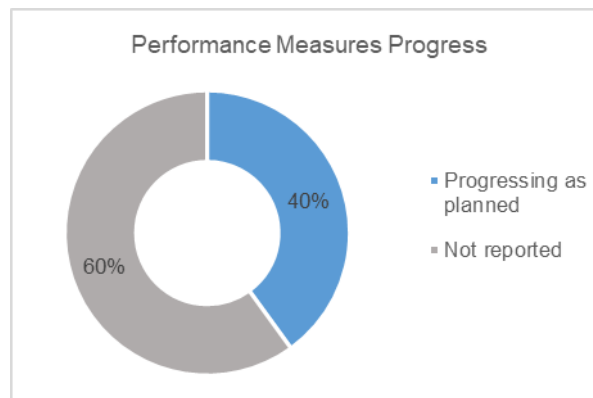
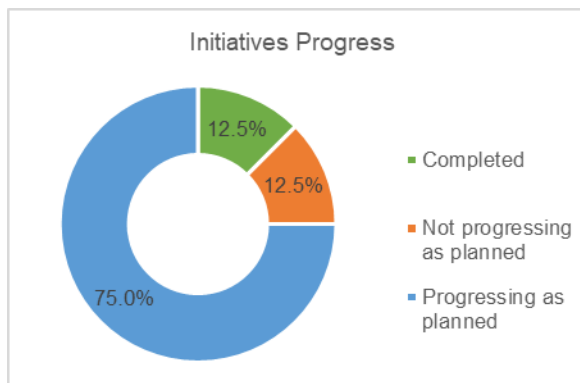
Key service results

Throughout the first half of 2024, considerable progress was made on several projects, as follows:

- Fully serviced lots were released for sale to developers and end-users with the launch of Phase 1A of Constellation Industrial Park in April 2024. The successful launch resulted in eight pending lot sales all expected to close in 2025. Design work has commenced for future Constellation Phases 2, 3 and 4, with Construction Completion Certification expected to be obtained by 2024 Q3.
- Fully serviced lots at Midfield Heights were offered for sale to mixed-use and multi-family developers, with all offers expected to be received by July 9, 2024. Midfield Heights will offer market and non-market housing, retail space, parks and pathways.
- Aurora Business Park is being re-planned from a non-residential business park to a residential mixed-use community.

Land Development & Sales continues to monitor the Land Servicing Reserve's viability. Other factors affecting Land Development & Sales include a more favorable tax environment and lower development fees offered by competing markets.

Progress summary



Risk(s) impacting the progress

The Impact of Market Volatility on Sales Targets
Rising Development Costs



Measuring Our Performance

Legend

Actuals

Expected Future Performance

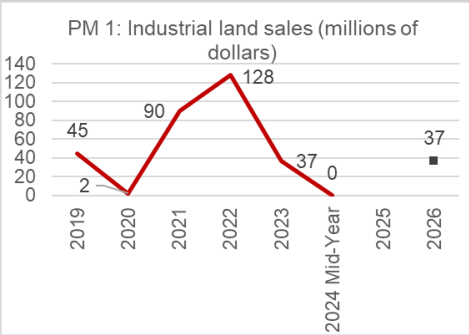
Progressing as planned

Not progressing as planned

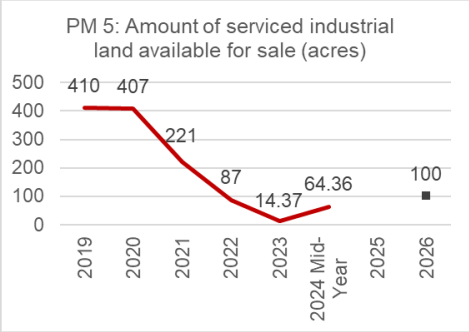
Performance Measures

Story behind the numbers

Status



Constellation Industrial Park commenced sales on April 15, 2024. With approximately 48 acres of land available for sale in Phase 1A, negotiations with potential purchasers are advancing as planned. In addition, fully serviced lots were made available for sale at Midfield Heights in June 2024.



With the sales launch of Constellation Industrial Park's Phase 1A in April 2024, the supply of serviced industrial land available has been replenished by an additional 48.98 acres, with just over 64 acres of fully serviced industrial land available for sale or conditionally sold as of June 2024. The supply of serviced industrial land available for sale will continue to increase as development at Constellation progresses with future planned Phases.





Progress on Service Delivery

PROGRESS STATUS



Completed



Progressing as planned



Not progressing as planned



Not started

FUNDING TYPE



Capital



Operating

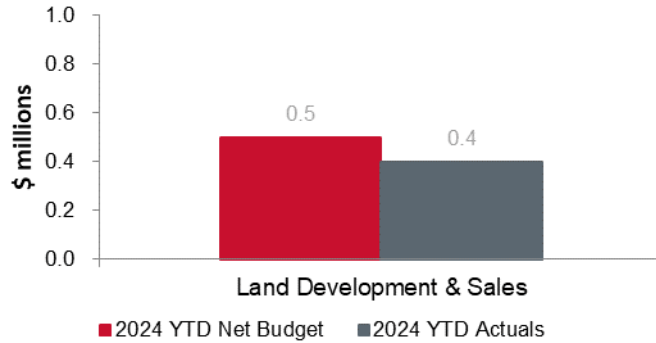
Initiative 1		Impact Area: Ward 9	Funding Type:
Enable businesses to start, grow and invest in our city and support Calgary's economic resilience. We will accomplish this through the development and sale of serviced land opportunities located in Great Plains Starfield Phase 1.			
UPDATE 	The successful launch of Phase 1A Constellation Industrial Park (formerly Great Plains Starfield) in 2024 Q2 has resulted in eight pending lot sales all expected to close in 2025. Due to high market interest in larger lot inventory, the team is also expediting the release of Phase 1B by approximately 12 months, for an anticipated release of September 2024.		
Initiative 2		Impact Area: Ward 12	Funding Type:
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.			
UPDATE 	Private capital investment is continuing at Point Trotter Industrial Park due to sales that have occurred in previous years. Two of the three remaining lots at Point Trotter are currently under negotiation and are expected to close later in 2024.		
Initiative 3		Impact Area: Ward 12	Funding Type:
Attract new business investment and promote economic diversification and growth for Calgary through the sale of serviced industrial land in East Lake Industrial Park.			
UPDATE 	Private capital investment is continuing at East Lake Industrial Park due to sales that have occurred in previous years. With the closing of the 38-acre lot at the end of 2023, and the sale of the final lot in East Lake (expected to close in September 2024), all lots in East Lake have now been sold.		
Initiative 4		Impact Area: Ward 3	Funding Type:
Improve the quality of life for Calgarians by offering more housing and commercial options through the sale of lands in Aurora.			
UPDATE 	The Aurora Business Park is being re-planned from a non-residential business park to a residential mixed-use community which will offer a variety of housing and commercial options.		
Initiative 5		Impact Area: Ward 3	Funding Type:
Create great places to live, work and play for Calgarians through the redevelopment and sale of lands from our Midfield Heights urban village site.			
UPDATE	Fully serviced, shovel ready multi-family lots were made available for sale to mixed-use and multi-family developers at Midfield Heights in June 2024. The submission period for prospective purchasers closed on July 9, 2024.		

		
Initiative 6	Impact Area: Ward 8	Funding Type: 
Create great places to live for Calgarians through the marketing and sale of lands at Richmond Green.		
UPDATE 	A conditional sale for 5.5 acres of land at Richmond Green is pending and is expected to close later in 2024. The anticipated revenues from this sale will support future enhancements to Richmond Green Park.	
Initiative 7	Impact Area: Ward 1	Funding Type: 
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.		
UPDATE 	A land use and outline plan for the former RB Bennett school site in Bowness are currently under review with Planning. An open house held in June 2024 provided the public with an opportunity to review materials and provide feedback to City representatives.	
Initiative 8	Impact Area: Ward 12	Funding Type: 
Attract new business investment and promote economic diversification and growth for Calgary through the redevelopment of lands at South Hill.		
UPDATE 	The South Hill project aims to redevelop 15 acres of brownfield lands in east Riverbend to support future transit-oriented development. Due to outcomes from the review by the Calgary Planning Commission, the project's schedule was extended by one year. Despite the timeline change, the South Hill project continues to move forward.	



Service Updates on Financial Performance

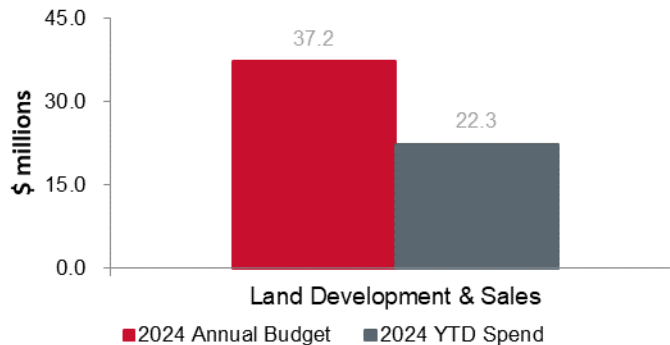
Net Operating Budget and Actuals as of June 30, 2024



Operating Budget Updates - 2024 YTD net operating budget vs actuals:

Land Development & Sales has had a favorable operating variance of approximately \$0.1 million (approximately 20 per cent of the allocated operating budget amount). This variance is due to the timing differences between the allocated budget amount and actual costs of certain internal services not yet charged to the service line's budgets. Although revenues from industrial land sales are below our budgeted sales as of the end of June, 2024, there are several significant transactions targeted to close later in the year which will enable an improved alignment with the sales budgets.

Capital Budget and Spend as of June 30, 2024



Capital Budget Updates - 2024 total capital budget vs 2024 YTD spend:

Land Development & Sales has spent 60 per cent of its 2024 approved capital budget. In 2024, capital expenditures have been used to develop fully serviced lots in preparation for the sale of Phase 1A at Constellation Industrial Park. Further capital expenditures were used to develop lots at Midfield Heights, which will offer both market and non-market housing. Investment is ongoing a South Hill which aims to support future transit-oriented development in east Riverbend.

Land Development & Sales is on track to meet the approved capital budget amount in 2024.