



INDUSTRIAL STRATEGY

September 2015



PURPOSE OF THE STRATEGY

This strategy is designed to communicate the actions the Town of Innisfail is prepared to take to promote industrial growth and investment in the town. Its primary purpose is to encourage the subdivision and development of lands planned for industrial use.

WHY DOES INNISFAIL NEED AN INDUSTRIAL STRATEGY?

The Town of Innisfail is growing. Over the past ten years numerous industrial businesses have moved to our town bringing jobs and residents while filling previously vacant lots. The Town has now filled its easily serviceable industrial areas and future development will require significant investment to create parcels to accommodate further industrial growth. The expansion of industry, if developed efficiently, will make Innisfail a better place to live and will support the Town in replacing its aging infrastructure, improving its downtown core, and continuing the provision of excellent public services.

Innisfail's approved land use planning documents identify three areas (see Figure 1: Strategic Development Areas, on page 9) as being appropriate for new industrial development: the Southwest Infill Area; the North Area; and the Northeast Area. Each of these areas could accommodate significant industrial development,

but each one comes with challenges that, under present circumstances, may dissuade the private sector from investing in land development. This strategy, along with the Town's existing planning documents and standards, provides guidance to both the public and private sector to achieve the goal of continued industrial growth and development in Innisfail.



GOALS & OBJECTIVES

Industries have played a crucial role in the growth and character of Innisfail and the Town understands the importance of continuing this strong industrial tradition. With this in mind, one goal of Innisfail's Industrial Strategy is to signal to the community, as well as outside parties and prospective investors, that the Town is prepared to accommodate industrial development. The second goal is to explain how Innisfail is ready to support said development.

Objectives of the Innisfail Industrial Strategy include:

Respond proactively to Alberta's changing economic conditions by ensuring that development in Innisfail is feasible and competitive

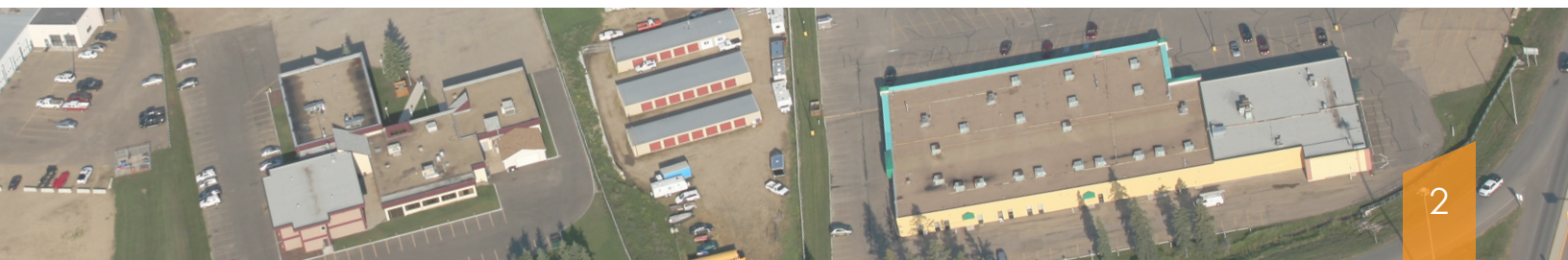
Promote compatible development within the town and reduce land use conflicts by guiding industrial development to appropriate locations

Develop a complete community that includes opportunities for residents to live, work, and play in one place

Attract well-paying jobs that will ensure Innisfail remains a viable place to raise a family

Communicate the Town's long-term vision to land owners and the development community

Expand Innisfail's tax base to support key municipal services and projects



INNISFAIL CONTEXT

Alberta is, and will remain, Canada's energy capital. Industrial development provides the goods and services required to power Alberta's economy well into the 21st century. Local industrial development is a key factor in determining how our community can support and prosper from provincial natural resources.

Traditionally, much of Alberta's industrial development has been located in its two largest cities, Calgary and Edmonton. However, recent increases of land value in and surrounding these cities has led to many businesses exploring other options. Central Alberta provides a viable, affordable alternative for those businesses serving the provincial and Western U.S./Canada market and wishing to access a trained pool of labour. The Town of Innisfail is well positioned to continue its industrial growth and play an expanding role in the development of the region.

Over the past 10 years, Innisfail has seen the development of 25 acres of industrial land that is now filled with productive businesses. In total, Innisfail contains 212 acres of industrial land with a total improvement value (structures, buildings, etc.) of \$128 million, and a total land value of \$18 million; the jobs and tax base represented by these totals are important in sustaining the town's high quality of life.

Innisfail's industrial development is guided by the Town's statutory plans, namely the Municipal Development Plan, Intermunicipal Development Plan, and Area Structure Plans. The plans, developed with public input, provide initial direction for where certain types of development are appropriate in and around the town. These plans provided the basis for considering where development could

take place in Innisfail while the Town's Land Use Bylaw and development standards play a role in determining what form new development will take. All of the planning documents can be amended by Council in order to alter the location or standard of development to make Innisfail a more appealing location.

Development is being considered in three primary areas: the Southwest Infill Area; the North Area; and the Northeast Area. The areas are identified as Strategic Development Areas in Figure 1, located on page 9. Each of these areas brings certain advantages but also certain constraints that must be understood and addressed before development is likely to occur. The Southwest Infill Area's primary constraint relates to its current use as the Town's wastewater management facility; the pond must be remediated and filled before any development may occur. The North Area is primarily constrained by the expense of a lift station to remove wastewater from the area and sufficient capacity in the downstream sanitary sewer mains. The Northeast Area, separated from the town by Highway 2A, faces significant servicing costs for both water and wastewater.



STRATEGIC DIRECTIONS

In order to compete in the Central Alberta land development and industrial marketplace, a community requires a bold vision combined with progressive policy. The following section provides a description and desired outcome for each of Innisfail's selected strategic options.

The following directions are meant to provide guidance to Town Council and Administration when undertaking discussions and negotiations with prospective industrial tenants and land developers, when developing new Town policy, and broadly when making decisions concerning Innisfail's development. The strategic directions are intended to spark conversation and represent what the Town is willing to consider rather than a guarantee of support for either Town or external ventures; decisions will continue to be made on a case-by-case basis with the vetting of Town staff and approval of Town Council.

With these strategic directions in hand, and with the Town's goals and objectives in mind, the Town looks forward to fruitful discussion with interested parties to collaborate on the development of Innisfail's industrial areas.

1. REGIONAL PARTNERSHIP

The Town of Innisfail will continue its tradition of partnership with its rural neighbours to ensure that Central Alberta as a whole is a thriving place to do business. Using policy such as the Town's Joint Economic Area Plan with Red Deer County as a template, Innisfail will continue to explore collaborative opportunities to support appropriate

development in proximity to Innisfail. Generally these agreements will include the extension of urban services to predetermined areas on the edge of town in return for a portion of the yearly property taxes, but alternative partnerships may also be explored.

When Central Alberta is doing well, Innisfail is doing well. By creating agreements that allow the Town to contribute to, and be compensated for, the growth and development of its rural neighbours, we become stronger, more cohesive, and more competitive as a region.

2. FINANCIAL INCENTIVE PROGRAM

In order to reduce the cost of establishing or expanding a business, the Town is willing to develop an industrial financial incentive program. A financial incentive may include the reduction or elimination of certain municipal taxes and fees until such a time as the new or expanding business has become established. On a case-by-case basis, issues that will be considered during incentive discussions include, but are not limited to:

- Incentive eligibility and valuation criteria such as: size of new structures; assessment value created; new jobs generated; expansion



compared to relocation

- Form of incentive (e.g. tax deferral, fee deferral)
- Value and duration of the incentive

Establishing or expanding your business can be an expensive proposition. The Town of Innisfail recognizes that new and growing industries bring new jobs and new opportunities. The financial incentive program will be used to support businesses in their initial growth or expansion phase – often the time when businesses require the most support – and would be contingent on construction being completed within a reasonable time-frame. The support would lower the risk of start-up or expansion and make Innisfail a more attractive location for business.

3. SEWAGE LAGOON REMEDIATION AND DEVELOPMENT

The required decommissioning and reclamation of the Town's sewage lagoon presents an opportunity to continue development in a proven industrial area. The Town is planning to fill portions of the lagoon and sell portions to interested buyers. The intent is to use land sales from redevelopment of the lagoon to fund the reclamation of the lagoon over the next three to 10 years.

By staging the development of the lagoon over three to 10 years, the Town could reduce upfront costs of remediation and development while still bringing valuable land to market. The Town's existing Southwest Industrial Park has proven to be an effective area for industrial businesses, and this policy aims to maximize that area's development potential while minimizing the accrual of debt all while reducing a significant environmental liability.



4. PRIVATE OR PARTIAL MUNICIPAL SERVICING

Part of the difficulty in expanding industrial development in Innisfail relates to significant infrastructure costs associated with urban standards of water and wastewater servicing. The Town is exploring policy that allows the use of private water and wastewater systems for specific areas within the municipality that are facing severe servicing constraints. One key area for this approach is the Northeast Area. These new forms of servicing could include any number of private water (e.g. well, cistern) and wastewater (e.g. holding tank, septic tank) systems as determined appropriate through policy research.

Developing policy options (and implementing associated changes to relevant bylaws) targeted to particular areas will provide the development community with greater flexibility to bring industrial land to market. Partial or private servicing will reduce the cost of infrastructure development and make the development and sale of lots more financially attractive and feasible; however it may restrict the types of businesses that can use those particular lots.

5. TARGETED INFRASTRUCTURE INVESTMENT

The Town may be willing to contribute funds towards the cost of necessary infrastructure such as lift stations, roads and water lines, with the funds being made available when development is imminent. The Town will work with land developers on a project-to-project basis to determine what infrastructure investment may be necessary to achieve development. The Town's contribution will vary depending on a project's required infrastructure investment.

The Targeted Infrastructure Investment policy is designed to relieve some of the burden associated with the development of lands used for agriculture into industrial parcels. Opening up new areas requires significant upfront investment and this policy supports the creation of new industrial subdivisions by reducing the land developer's costs towards crucial infrastructure.

6. SECURING UTILITY RIGHTS-OF-WAY

Utility rights-of-way for key infrastructure extensions are critical to connect prospective development areas to the Town's existing utilities and infrastructure, and to ensure that development can proceed in a logical and orderly fashion. However, the process of acquiring utility rights-of-way can be time consuming, or even contentious. The Town is willing to use its own time and resources to acquire necessary rights-of-way in advance of development. Funds invested into acquiring utility rights-of-way will likely be recoverable as development is realized.

By securing utility rights-of-way, Innisfail is removing barriers that may dissuade potential developers from investing in the town. This policy should smooth the development process and reduce the number of unknowns for potential investors, making Innisfail a more attractive location for development.

7. LAND BANK

A land bank refers to the process of strategically acquiring land to assemble and subsequently sell that land to interested land developers. In favourable circumstances, the Town is willing to buy, hold, and, when the time is right, sell land in



order to facilitate the development of industrial parcels. The Town would invest in strategic properties, expecting to recoup that investment at the time of sale.

By developing a land bank, the Town will facilitate future development. A land bank will regulate land value and help to reduce speculation by ensuring that some portion of land is always available for appropriate and desired development; additional deterrents to speculation can be placed by caveat on title to ensure development happens in a timely manner.

8. POTENTIAL SUBDIVISION LAYOUT

The Town and its staff are able to share their expertise with interested property owners to assess or help develop detailed subdivision layouts. Staff time is available for those parties interested in finding ways of developing their property and supporting the Town's goals.

By developing preliminary lot and infrastructure layouts with interested parties, we may spark interest and inspire the community to find ways of developing their parcels that they had not previously considered.

9. MARKETING STRATEGY

Part of attracting people and businesses to Innisfail will include ensuring that they know who we are and what we have to offer. The Town's Industrial Strategy is also a marketing strategy that will present the benefits of locating their industrial business within the town. Innisfail intends to:

- Develop an online presence directed towards



developers and industries

- Have a presence at industry and land development conventions
- Use broad-spectrum marketing, such as in business or industry magazines, to advertise the Town
- Identify and directly contact preferred industrial tenants inside and outside of Central Alberta
- Approach existing town businesses concerning the possibility of expansion

A comprehensive marketing strategy will ensure that Innisfail is a part of the discussion when industries are considering where to locate their operations. Marketing will work hand in hand with the other policies described in this document to show preferred industries why locating in Innisfail is the right decision.

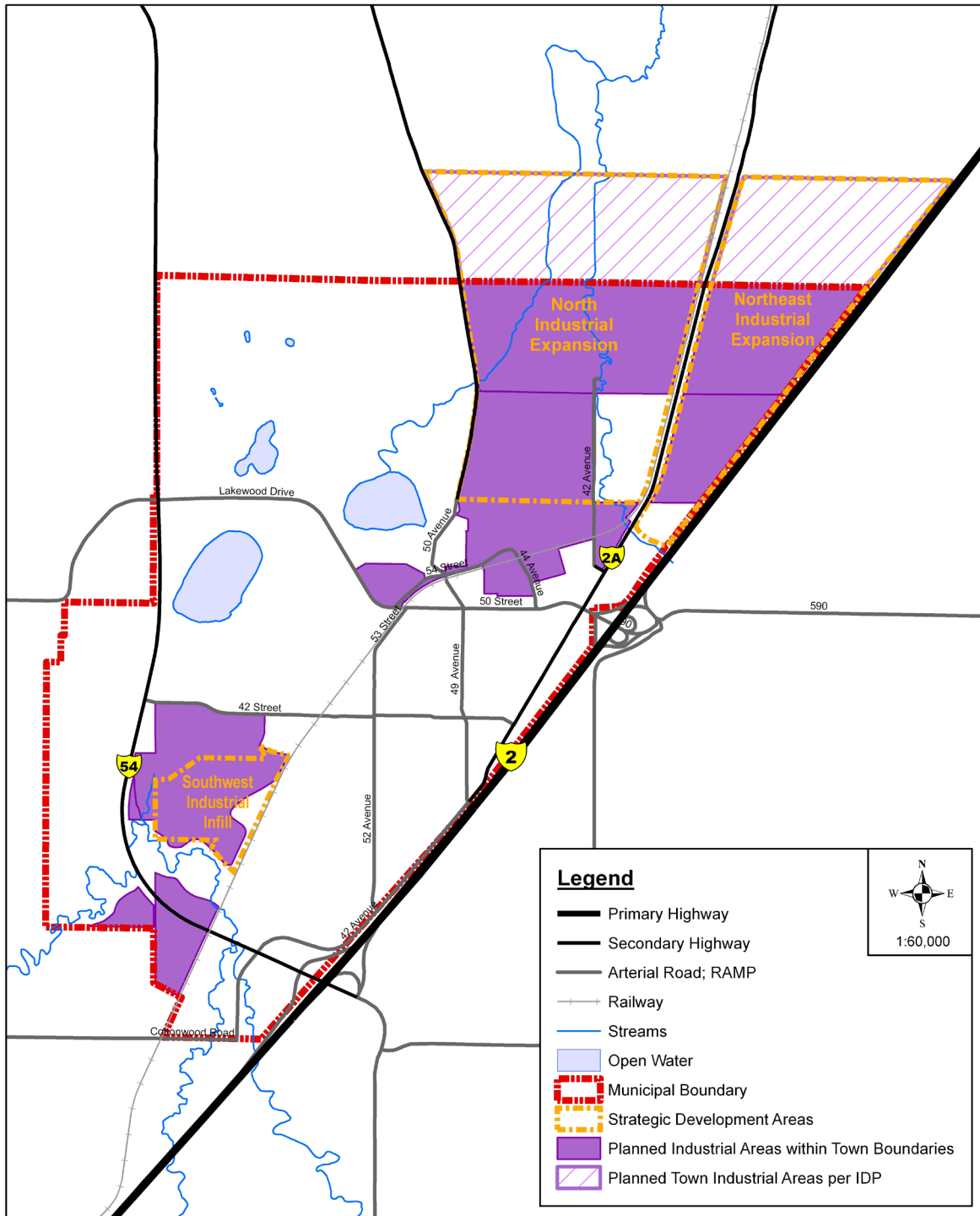


10. JOINT VENTURES

Joint ventures offer the potential opportunity for the Town of Innisfail to work in partnership with a landowner and/or land developer. A joint venture is a type of business agreement in which two or more parties work together to develop new assets; each party would share expenses, revenues, and assets. Joint ventures are complex arrangements that require significant consideration and collaboration. The Town is willing to entertain potential joint ventures on a case-by-case basis.

Joint ventures, while complex, offer potential win-win opportunities for both the public and the private sector. By declaring the Town's willingness to participate in joint ventures, where appropriate, we are making sure that these potential opportunities are not missed. The Town's significant land development experience may be of value in a collaborative arrangement.





INNISFAIL INDUSTRIAL STRATEGY

Figure 1: Strategic Development Areas

