



2025-2030

Land and Real Estate Strategy

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Introduction

The City of Medicine Hat's ("City") land portfolio consists of more than 5,000 acres and 200 unique properties comprising agricultural, community use, and other leases; current and future subdivisions; residential lots, multi-family parcels, mixed-use parcels, commercial parcels; and former facilities. Through effective land and real estate portfolio management, the City seeks to maximize the economic, social, and environmental benefits of this land asset.

Land and Real Estate ("LRE") is the City department that manages the land bank on behalf of the organization. LRE also manages, identifies, designs, builds, markets, and sells residential, commercial, and industrial subdivisions of City-owned lands to generate income and realize Council's strategic objectives as articulated within the broader policy framework.

The Land and Real Estate Strategy ("strategy") outlines a comprehensive plan to support management of the land portfolio to accommodate anticipated demands for residential, commercial, and industrial growth and community needs.

	Priorities		
	Leverage the land and real estate portfolio to create value.	Be adaptable to land development opportunities.	Lead with proactive marketing and sales.
Strategies	Optimize the value of the leased land portfolio.	Revisit the business case to advance development of the Ranchlands Subdivision.	Update the marketing and sales plan for existing inventory at YXH Gateway.
	Acquire and dispose of land and real estate to realize City objectives.	Explore the opportunity for commercial land in the North Employment Sector.	Update the marketing and sales plan for existing multi-family inventory.
	Develop an asset management plan and a data-driven land and real estate portfolio management framework.	Work with utility departments and economic development to attract industrial customers to the North Employment Sector.	Identify additional underutilized lands and infill opportunities to support incremental increased density in the City Centre Sector.
		Prepare a comprehensive project plan for the Arena site.	

The strategy is aligned with City policy directions such as Council's Strategic Priorities, the Tri-Area Intermunicipal Development Plan, the myMH Master Plan Municipal Development Plan, and other plans and reports. It is built upon significant background research and analysis including a Real Estate Gap Analysis and an Underutilized Land Analysis. Also, it has been developed in collaboration with internal and external stakeholders.

The strategy outlines principles to guide the management, acquisition, and disposition of the City's land portfolio. It articulates strategic priorities and suggests actions that will be implemented in the coming years. Financial requirements will be considered through the LRE operating budget and realignment of the LRE capital budget.

In certain cases, special projects will require Council direction, and a budget amendment as warranted. These items are identified in the strategy to indicate that under certain circumstances future decision making will need to be at the Council level and will commence only once due diligence has been completed and a business case has been approved.

It is anticipated that diverse audience members will use the strategy to guide and influence their own thinking and decision making:

- **Residents** – The strategy will provide an overview of land management practices as well as insight into future land development plans.
- **Developers and builders** – The strategy will provide internal and external stakeholders with insight into departmental operations and future plans.
- **City Administration and City Council** – The strategy will facilitate collaboration toward shared goals and will guide interdepartmental interactions. The strategy will inform and guide strategic planning while enabling reporting on financial performance and other performance metrics.

Given the dynamic nature of the land and real estate sector, new opportunities will always be presented to Council for consideration. As such, the strategy is meant to be a living, principles-based document that enables flexibility to inform strategic decision making over the five-year period and beyond. By focusing on principles, new opportunities can be studied and filtered to ensure that only those proposals that are aligned with the strategy are pursued.

Methodology

Completion of the strategy included the following components:

- **Inventory Analysis** – LRE completed an inventory review and analysis to inform the Real Estate Gap and Underutilized Land Analysis and Strategy that followed.
- **Real Estate Gap Analysis and Underutilized Land Assessment** – LRE worked with a third-party consultant to complete a document review, a demographic analysis, population forecasting, a real estate supply and demand analysis, and an underutilized land analysis. This deep dive provided a robust foundation for identifying potential strategies and actions.
- **Market Sounding** – LRE worked with a third-party consultant to complete a market sounding. Industry professionals from municipalities across Western Canada were engaged to provide their insights on market conditions, opportunities, challenges, and strategies for consideration.
- **Stakeholder Engagement** – LRE presented key findings from the background analysis to community stakeholders to discuss challenges and opportunities and to pinpoint strategic priorities.
- **Interviews and Workshops** – LRE conducted one-on-one interviews with subject matter experts and hosted workshops with senior leaders to refine the strategic priorities and actions.

Policy Context

The Land and Real Estate Strategy was created within the context of existing policies and regulations and with recognition of developing themes and emerging opportunities.

Medicine Hat City Council Strategic Plan

The 2023-2026 Strategic Plan outlines Council's strategic priorities and is intended to communicate Council's vision and goals. The updated 2024-2026 Strategic Plan outlines a more focussed set of priorities. The Land and Real Estate Strategy is aligned with both documents, as it is data-driven, innovative, and will contribute to continued resiliency and financial sustainability.

Tri-Area Intermunicipal Development Plan

The Tri-Area IDP is an overarching plan to align goals for economic and residential growth in Cypress County, the Town of Redcliff, and the City of Medicine Hat. The Land and Real Estate Strategy is broadly aligned with the vision, priorities, and policies of the IDP.

myMH Municipal Development Plan

The myMH Municipal Development Plan is a comprehensive strategy that outlines how and where residential and employment growth will occur. It introduces the concept of an urban transect and characterizes eight development typologies that can be used to determine the built environment that is best suited to any given area.

The MDP identifies the City Centre Sector and various urban villages and corridors as areas for increased density. It notes the need to grow non-residential land uses and identifies the North Employment Sector as a critical employment area. The Land and Real Estate Strategy is broadly aligned with the five goals of the Municipal Development Plan and addresses numerous priorities and policies contained within the document.

Area Structure Plans and Area Redevelopment Plans

The Land and Real Estate Strategy considers existing statutory documents. This includes Area Structure Plans such as the River Flats ARP, the Northwest Industrial ASP, the Ranchlands ASP, the Medicine Hat Regional Airport ASP and the Downtown Redevelopment Plan. The strategy is broadly aligned with key goals and priorities contained within this body of work including maintaining business and investment readiness to support employment growth, pursuing densification and intensification of land use, and expanding and enhancing the Medicine Hat Regional Airport.

Other Strategies, Plans, and Reports

The Land and Real Estate Strategy considers other strategies and plans such as the Southeast Alberta Economic Opportunity Strategy, the Environmental Framework, Facilities for the Future, and the Medicine Hat Housing Strategy.



Background Analysis

LRE worked with a third-party consultant to complete a comprehensive background analysis to inform development of the strategy. The resulting Real Estate Gap Analysis and Underutilized Land Assessment presented key findings and recommended actions for consideration.

Demographics

Compared to Alberta over the past 10 years, Medicine Hat has experienced a more rapidly aging population, less immigration, lower average household income, a higher percentage of residents trained in trades and technical programs, and generally higher unemployment rates. Medicine Hat's population growth is below the provincial average.

Population Forecasting

In alignment with the Municipal Development Plan and consistent with federal and provincial population estimates, population growth of 0.5% per year is thought to be a realistic population growth scenario. Under this scenario, the City's population is expected to grow to ~71,500 by 2046; the workforce would increase by ~5,100 and the number of retirees would increase by ~1,700.

Analysis of current market conditions supports recent federal and provincial population estimates suggesting a higher rate of population growth occurred in 2023 and 2024. This higher rate of population growth is expected to modulate based on recent changes to federal immigration policy. The population forecast will be updated upon publication of the next federal census, and by monitoring and analyzing federal and provincial population estimates and local market data.

Residential Gap Analysis

Currently, there are approximately 27,000 total dwellings in Medicine Hat. Sixty-three percent of these are single-detached homes, and most were built between 1961 and 1980. Rental supply has remained relatively unchanged over the past decade. Based on development permit data available at time of writing, it is assumed that ~70 new units will be introduced over the next three years, noting that this is a snapshot in time and is dependent on actual development projects.

Residential demand modelling indicates there will be demand for 30,453 total residential units by 2046. It is expected that residential demand will remain highest for single-detached housing. However, consumer trends may change over time.

There will be an estimated gap of 880 housing units by 2046. Assuming the preference for single-detached homes remains consistent, the gap can be accommodated on ~70 acres of saleable residential land. This demand can be sufficiently met by the current supply of land already zoned for residential uses. As additional land is developed for sale, it will be crucial to carefully consider where and how this modest gap can be filled to advance the City's policy objectives while recognizing market conditions.

Retail Gap Analysis

Currently, there is an estimated 4.3 million square feet of retail floorspace, which includes all retail sub-categories and restaurants. The retail vacancy rate is estimated to be approximately 10%.

Medicine Hat's primary and secondary trade area has a combined expenditure potential of approximately \$1.13 billion annually, translating to 3.7 million square feet of warranted retail space. Therefore, there is an estimated oversupply of approximately 550,000 square feet.

Retail demand modelling indicates potential demand for 5.6 million square feet of total retail space by 2046, based on a total expenditure potential of \$1.69 billion per year.

While currently vacant space will be able to absorb near term demand, there will be an estimated gap of ~1.3 million square feet of new retail space by 2046. Depending on the density of retail space, this equates to demand for approximately 200-300 acres of land, which can be met by existing vacant space and currently zoned commercial lands. As additional land is developed for sale, it will be crucial to carefully consider where and how this modest gap can be filled to advance the City's policy objectives while recognizing market conditions.

Office Gap Analysis

Currently, there is an estimated 2.5 million square feet of office space that is highly dispersed throughout the community. Demographic analysis suggests there are approximately 11,600 employees in roles that traditionally occupy office space, resulting in 1.7 million square feet of warranted space. Therefore, there is an estimated oversupply of approximately 734,000 square feet.

Office space demand modelling indicates potential demand for 1.6 million square feet of office space by 2046. As a result of changing demographic and market dynamics, such as working from home, this is less space than what is currently warranted. Therefore, the current oversupply of office space is expected to persist. Additional land should not be designated for office uses or developed for sale.

Industrial Gap Analysis

Currently, there is an estimated 4,000 acres of land that is designated for industrial uses, with only 3% of this land developed with buildings. The industrial vacancy rate is estimated to be approximately 3%. Demographic analysis indicates there are approximately 6,700 employees in roles that generally occupy industrial land, warranting 2,179 acres of land.

Industrial demand modelling indicates potential demand for approximately 3,200 acres of total industrial land by 2046, with the total number of employees working in industrial roles forecast to grow to approximately 9,800. While near term demand can be met by currently

available industrial land, demand modelling indicates there is potential for long-term growth in the industrial land sector.

Vacant and Underutilized Land Analysis

In total, 3,860 acres of underutilized land were identified across the City. Much of this land was zoned for future urban development, followed by heavy and general industrial. Most large, underutilized parcels are in the North Employment Sector, while smaller parcels are concentrated in the City Centre Sector, the South Residential Sector, and the South Employment Sector.

Three nodes were identified for further consideration as the City considers strategies to attract development. A commercial expansion node was identified along Highway One, near Brier Park and Box Springs. This node contains large parcels of vacant land along the Highway, which is highly desirable for retailers and other commercial use. A downtown infill node was identified as an opportunity for mixed-use densification opportunities that can address future projected demand for higher density typologies and retail space. Finally, an industrial buildout node was identified at existing business parks and is expected to build out slowly as business expands and is established in Medicine Hat.

Market Sounding – What We Heard

Opportunities associated with the local market include marketing quality of life factors to Alberta and BC retirees and immigrants and pursuing development of the Highway 3 agri-food corridor. Key challenges that were cited include Medicine Hat's distance from major markets, low absorption and high vacancy of retail and office space, approvals and permitting processes, and demographic profile. It was also noted that rental rates and sales prices are being outpaced by rising costs.

Opportunities associated with underutilized lands such as brownfield and infill development include leveraging existing infrastructure, increasing the value of surrounding sites, and realizing environmental and community benefits. It was noted that financial

incentives can help catalyze brownfield and infill development. Key challenges that were cited include burdensome regulatory requirements, high costs and economic conditions that impact financial feasibility, and site-specific challenges relative to greenfield development opportunities.



Principles

A principles-based approach to land and real estate portfolio management will allow LRE to interpret and implement policies, processes, and procedures which will guide all land and real estate transactions and ensure they are conducted in a fair and transparent manner. The following principles will help guide decision making.

Guiding Principles

The following principles will guide how the department operates:

- **Data Driven Decision Making** – LRE will collect and analyze data gathered from customer feedback, market trends and financial data to help make informed decisions that are aligned with this strategy and with broader policy objectives and market conditions.
- **Collaboration and Strategic Focus** – LRE will engage with internal and external stakeholders to foster open communication. The department will participate with working groups and committees to ensure decisions balance financial sustainability with community need.
- **Economic, Environmental and Social Factors** – LRE will prioritize financial sustainability to ensure a return on investment to the organization. When making financial decisions, LRE will consider social and environmental factors.
- **Customer Service and Operational Excellence** – LRE will be responsive to customer enquiries and will work with internal and external stakeholders to find win-win solutions while meeting all legislative and regulatory requirements.

Strategic Plan

The strategic priorities identified in this document are based on an analysis of the overarching policy framework, demographics, population projections, the real estate gap, the availability of underutilized land, and considering past practices and land and real estate decisions.

As a department-level document, the proposed strategies and actions will guide day-to-day operational activities leading to long-term outcomes. The strategy will inform City budget and governance decisions and will guide a reevaluation of the LRE capital budget.

The strategies are narrow in scope to ensure that efforts are highly focused, manageable, and achievable, all within the context of day-to-day management of the 5,000-acre land portfolio. The strategies are measurable and will enable goal setting and tracking over time. Measuring the performance of the strategy is important to ensure that resources and time are well spent.

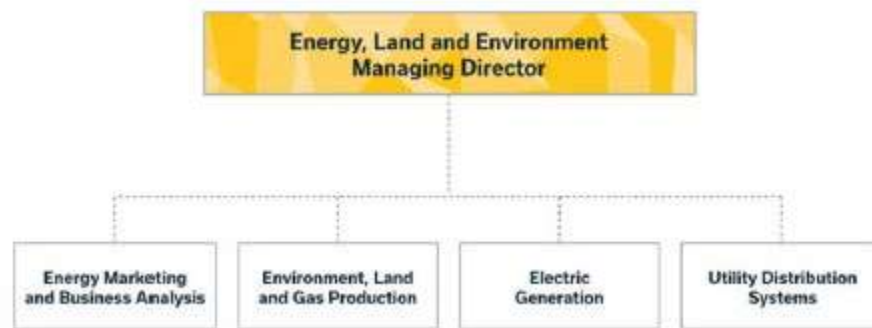
Mission, Vision, and Values

- **Mission** – A modern approach to municipal land and real estate portfolio management that balances economic, social, and environmental considerations.
- **Vision** – Forward thinking land acquisition, disposition, and management.
- **Values** – Knowledgeable, Trustworthy, Responsive, Collaborative, Adaptable, and Compliant.

Mandate and Structure

Reporting to the Managing Director of Energy, Land and Environment, LRE has a dual mandate. First, LRE is responsible for delivering property management services for City-owned land not assigned to individual department portfolios as well as providing internal

expertise to the organization. Second, LRE is responsible for land development, land management, and land ownership.



Strategic Priorities and Goals

LRE will focus on three strategic priorities over the next five years. These priorities will help LRE achieve its vision, mission, and goals by guiding strategic decisions and aligning actions with values. Each of the three strategic priorities has a number of corresponding actions that were identified. The priorities and goals were refined with support from senior leadership and are presented as follows.

1. Leverage the land and real estate portfolio to create value.

Land and real estate portfolio management is the ongoing process of aligning holdings with strategic priorities and forward-looking program requirements to create value. Effective land and real estate portfolio management considers relevant risks and resource constraints and overcomes functional silos through oversight of the land portfolio and related investments. Implementing land and real estate portfolio management will enable the City to meet its strategic objectives and will create value.

As the department with responsibility for all City-owned land not assigned to department portfolios for civic or business purposes, such as parks and utility rights-of-way, LRE will work towards achieving the following goals:

- Develop, maintain, and analyze a database of all residential, commercial, and industrial land inventory.

- Complete due diligence and make recommendations to Council on opportunities to purchase land, use land, sell raw land, lease land, and/or subsidize land for civic or community purposes.
- Act as lead department on the acquisition, disposition, and leasing of land and real estate on behalf of the City.
- Conduct ongoing market research to inform marketing plans, future land development requirements, and to maximize the value of the land portfolio.
- Establish and build relationships with local, provincial, and national builders, developers, and industry associations.
- Provide internal subject matter expertise to other City departments and protect the City's interest in all land and real estate matters.
- Balance financial recovery and return on City leases and licensing.

2. Be adaptable to land development opportunities.

Effective and adaptable land development considers the social, environmental, financial, and administrative aspects of land development to promote orderly development and to help realize the highest and best use of the land. According to the Appraisal Institute of Canada, the criteria to consider in highest and best use analysis include an initial test of legal permissibility and physical possibility. If the proposed development is legally permissible and physically possible, a test of financial feasibility must be supported by an analysis of market demand for the proposed land use. If the net revenue is deemed to be sufficient to satisfy the required market return on investment and provide a requisite return on the land, the use is financially feasible and should be considered.

As the City business unit responsible for the development of City-owned land into marketable lots, LRE will work toward the following goals:

- Ensure a sufficient supply of serviced and un-serviced residential, commercial, and industrial land is available to meet market demand and to play a balanced role in the market.
- Prepare a feasibility analysis and business case prior to initiating any major expenditures.
- Create, deliver, and capture value in a socially and environmentally sustainable manner.
- Consider re-zoning or further subdividing/assembling lots that have languished on market and where difficulty in successful divestment has been experienced.
- Play an active role in monitoring and analyzing potential infill opportunities.
- Target adequately resourcing and prioritizing opportunities to seek a return on investment while supporting community needs and strategic priorities as they arise.

3. Lead with proactive marketing and sales.

Upon completion of land development activities, LRE is responsible for marketing and sales of residential, commercial, and industrial parcels. Marketing and sales will be considered early in the land development process and will contribute to driving responsive land development. By leading marketing and sales on behalf of the City, LRE will proactively generate, qualify, and nurture new leads until they are ready to buy. Once a lead is ready to buy, LRE will guide the lead through the sales process until they are ready to make a purchase. This strategy will allow LRE to build a prospect list and personalize marketing efforts for greater long-term results.

As the City business unit responsible for marketing and sales of City-owned land and real estate, LRE will work toward the following goals:

- Consider the optimal marketing and sales approach early in the land development process.

- Update and maintain the City's land webpage, social media accounts, email marketing, and other marketing tools.
- Develop a database of potential customers drawn from the local, provincial, and national development community.
- Attend land and real estate networking events, conferences, and trade shows to connect with other people in the industry and to build long-term relationships.
- Guide customers through the sales process until they make a purchase.

Summary

	Priorities		
	Leverage the land and real estate portfolio to create value.	Be adaptable to land development opportunities.	Lead with proactive marketing and sales.
Strategies	Optimize the value of the leased land portfolio.	Revisit the business case to advance development of the Ranchlands Subdivision.	Update the marketing and sales plan for existing inventory at YXH Gateway.
	Acquire and dispose of land and real estate to realize City objectives.	Explore the opportunity for commercial land in the North Employment Sector.	Update the marketing and sales plan for existing multi-family infill inventory.
	Develop an asset management plan and a data-driven land and real estate portfolio management framework.	Work with utility departments and Economic Development to attract industrial customers to the North Employment Area.	Identify opportunities from the land bank with potential to support increased density in the City Centre Sector.
		Prepare a comprehensive project plan for the Arena site.	

Action Plan 2025-2030

The following action plan will allow LRE to achieve its strategic objectives and goals.

This action plan will serve as a roadmap to guide the department over the short, medium, and longer-term.

Strategic Priority 1: Leverage the land and real estate portfolio to create value.

Land and real estate portfolio management is a process of aligning the land and real estate portfolio with market supply and demand, forward-looking program requirements, and corporate strategic priorities, while considering risks and resource constraints. Through ongoing research and analysis, real property portfolio management will support identification of short, medium, and long-term needs, and will develop a written management plan to meet those needs. Implementing real property portfolio management principles will maximize the value and the performance of the land and real estate portfolio.

1.1	Optimize the value of the leased land portfolio. Leased land benefits a variety of commercial, civic, and community users who can realize a greater benefit of the land, while offsetting ongoing costs associated with operations and maintenance. LRE will manage leased land as an interim use and as a source of revenue to offset the cost of maintaining the land bank.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
1.1.1	Achieve fair market value lease rates on all new agreements.	Increased lease revenue to offset cost of maintaining the land bank.	No change to existing operating budget. Increase to revenue.	Ongoing
1.1.2	Monitor and de-risk existing leasehold improvements in order to enable future land development opportunities.	Identification of future land development opportunities.	No change to existing operation budget. Capital budget to be determined case-by-case.	Ongoing
1.1.3	Complete review of historical leases for compliance and refresh outdated agreements.	Increased lease revenue to offset cost of maintaining the land bank.	No change to existing operating budget.	< 1 year
1.1.4	Review and update the lease and licensing policy.	Updated lease and licensing policy.	No change to existing operating budget.	< 1 year
1.1.5	Consolidate organizational lease negotiations within LRE and negotiate leases on behalf of other City departments.	Centralize land and real estate lease negotiation function.	No change to existing operating budget.	1-2 years

1.2	Manage acquisition and disposition of land and real estate to realize City objectives. Acquisition, disposition and management of City-owned land and real estate are municipal tools that can be leveraged to meet a variety of community needs such as affordable housing,			
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	food security, and recreation services. Where a positive financial return cannot be realized, LRE will support project-specific decisions that strive to balance the social, cultural, recreational, economic, and environmental values that are established through Council-approved corporate and community plans.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
1.2.2	Meet annually with City departments to develop and update acquisitions and dispositions plan.	Develop and update City-wide acquisitions and dispositions plan.	No change to existing operating budget.	Annual
1.2.3	Review and update the acquisition and sales policy to consider land donation requests.	Updated acquisition and sales policy.	No change to existing operating budget.	< 1 year
1.2.4	Identify and prioritize underutilized City-owned lands that may be used to subsidize community needs.	Working list of priority sites for potential land donation.	Anticipated loss on inventory, opportunity cost, etc.	1-2 years
1.2.6	Analyze long-range planning documents to evaluate acquisition and disposition of land in alignment with the long-term growth requirements of the City.	Potential land acquisition and/or disposition.	Anticipate future revenues or expenditures.	3-5 years

1.3	Develop a data-driven land and real estate portfolio management framework. Land and real estate portfolio management is a structured process that allows for internal input and discussion to inform planning and decision-making. Working with relevant City departments, LRE will develop a land and real estate portfolio management framework and an asset management plan to optimize the performance of the portfolio over the long term.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
1.3.1	Monitor and review the policy landscape for best practices in municipal land portfolio management.	Environmental scan.	No change to existing operating budget.	Ongoing
1.3.2	Integrate the LRE inventory and land bank with City GIS systems and that can be used to understand the current state, analyze segments, and understand requirements.	Increased ability to analyze the land and real estate portfolio.	Internal resources, no budget impacts.	1 year
1.3.3	Update the real estate gap analysis upon publication of 2026 federal census data.	Update real estate gap analysis.	To be captured in next budget cycle through operating.	2 years
1.3.4	Work with other departments to develop an integrated land and real estate asset management plan.	Phased, long-term development plan including priority parcels and nodes.	Internal resources, no budget impacts.	2-3 years

Strategic Priority 2: Be adaptable to land development opportunities.

Land development is a long-term, capital-intensive process that involves identifying opportunities, completing planning and design work, and servicing land for marketing and sale. In an environment where limited municipal funding sources are available, municipal land development provides an opportunity to support economic growth while generating a financial return. Using a stage-gate approach to residential, commercial land development will ensure that LRE can be adaptable to changes in market demand.

2.1	Revisit the business case to advance development of the Ranchlands Subdivision. Assuming construction patterns continue as they are today, there will be a projected gap of approximately 880 dwelling units by 2046. This modest gap, combined with other factors such as current inventory availability, suggests a potential medium-term opportunity to proceed with development of the Ranchlands Subdivision. LRE will revisit the business case to advance development Ranchlands 3C, which would add up to 170 dwelling units through multiple phases, comprised of single and multi-family lots, to current inventory.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
2.1.1	Monitor and analyze residential lot inventory and broader market conditions.	Quarterly market update.	Internal resources, no budget impacts.	Ongoing.
2.1.2	Complete current state assessment of existing ASP and technical investment readiness.	Updated development options and feasibility information.	Capital reallocation for consultant support.	< 1 year
2.1.3	Develop business case options for potential development, marketing, and sales of Ranchlands 3C.	Business case.	Capital requirements for potential options to be determined pending completion of business case.	< 1 year

2.2	Explore the opportunity for commercial land in the North Residential Sector. Planning and conceptual design work is complete for Brier Run, a future complete community in the North end of the City with potential to accommodate up to 500 dwelling units. While current market conditions do not necessarily support full-scale development of Brier Run in the near term, commercial gap analysis suggests that there is a potential for additional retail offerings in North Medicine Hat. In alignment with the ASP and in collaboration with relevant City department and the private sector, LRE will explore the opportunity to develop flexible commercial parcels to anchor further buildout of the North Residential Sector.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
2.2.1	Monitor and analyze demand for serviced commercial land in North Medicine Hat.	Market assessment.	No impact to existing operating budget.	Ongoing
2.2.2	Complete current state assessment of existing ASP and technical investment readiness.	Updated technical coordinating committee report.	Internal resources, no budget impacts.	<1 year

2.2.2	Establish internal working group to advance ASP concept development.	Development concept.	No impact to existing operating budget.	1-2 years
2.2.3	Complete business case options for flexible commercial parcels at Brier Run as part of an adaptable approach to development of a complete community.	Business case analysis and options.	Capital reallocation for third-party support.	1-2 years
2.2.4	Pending business case, proceed with actions to advance development	Development actions may include updated ASP, FSR, Conceptual Schemes, and design for eventual marketing and sales plan	Capital reallocation for third-party support.	2-4 years

2.3	Work with utility departments and economic development to attract heavy industrial customers to the North Employment Area. Medicine Hat's industrial market is expected to see ongoing demand for new space, with potential for heavy industrial to spur additional economic development. While near term industrial demand can be accommodated by existing underutilized and greenfield land inventory, there is an opportunity to attract heavy industrial customers to the Northwest Industrial Area. Working with utilities departments and economic development, LRE will work to attract heavy industrial opportunities to the North Employment Sector.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
2.3.1	Support economic development investment readiness by maintaining a land bank and capital budget for heavy industrial development of varying scales and intensities.	Heavy industrial land bank	Maintain and reallocate capital budget to ensure investment readiness.	Ongoing
2.3.2	Establish an internal working group to explore heavy industrial opportunities in alignment with investment attraction strategies and investigate an integrated industrial zone to support investment readiness.	Working group established.	No impact to existing operating budget.	< 1 year
2.3.3	Advance investment readiness of the Northwest Industrial area, such as by exploring options to expand utilities including existing agreements with adjacent developers; and rail services to the Northwest	Reduced barriers to heavy industrial development, such as right of way studies, joint advocacy initiatives.	Maintain and reallocate capital budget to ensure investment readiness.	1-5 years

	Industrial Area, completing a constraints analysis, and completing required studies to advance development.			
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2.4	<p>Prepare a comprehensive project plan for the Arena site. Following closure of the Arena in 2016, the City issued a request for expressions of interest to redevelop the site and subsequently entered into negotiations with an interested party. In 2023, the City and the interested party agreed to discontinue negotiations. Since then, City administration has continued to study options at the Arena site:</p> <ul style="list-style-type: none"> • In August 2023, City Council accepted the <i>Facilities for the Future</i> report. The report concluded that a consolidated recreation facility at the arena / curling rink area is not considered to be the highest and best use for the site. • In March 2024, a third-party consultant completed a financial feasibility assessment, indicating that development of the Arena is not financially viable in current market conditions, and that integrating demolition and remediation into a new development further negatively impact the financial viability of the site. It was noted that programs such as preferential financing, funding grants, fee waivers, and pre-development querying with potential households could potentially allow for a catalytic project to be undertaken. • Administration reviewed and analyzed available data for hazardous building material inventory and abatement costs and concluded that an updated assessment is required based on regulatory changes. <p>To continue to advance redevelopment of the Arena site, a new project plan must be created and will be presented to Council for approval.</p>			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
2.4.1	Complete an updated current state review of the Arena site including a hazardous materials assessment, demolition and disposition cost estimate, and an updated value cost analysis.	Updates assessment and analysis.	Reallocation of capital budget for third party support.	< 1 year
2.4.2	Explore financial and tools to reduce barriers to redevelopment.	Review funding opportunities such as the Community Revitalization Levy and grant programs.	Internal resources, no budget impacts.	1-2 years
2.4.3	Prepare business case options for disposition of the Arena site including scope of work, an exploration of financial tools and incentives available to the municipality.	Business case options for consideration.	No impact.	1-2 years
2.4.4	Pending business case options, prepare and present a project plan for the Arena site.	Comprehensive project plan for the Arena Site.	Maintain and reallocate capital budget to advance redevelopment.	1-2 years

Strategic Priority 3: Lead with proactive marketing and sales.

Proactive marketing is a forward-thinking approach. It involves market research and analysis to identify trends and opportunities, active effort to identify and seek out new leads, and a long-term approach to building relationships with potential customers. This proactive approach helps to inform land development opportunities, priorities, and projects. As LRE continues to implement existing marketing and sales plans, the additional strategies will help to advance new opportunities for economic growth and urban renewal.

3.1	Update the marketing and sales plan for existing groundside inventory at YXH Gateway. The City adopted the Area Structure Plan for the Medicine Hat Regional Airport in 2011, with a vision to leverage the regional airport's potential to serve as a catalyst for regional growth. The City completed groundside development of the North Node in 2020, branded as YXH Gateway. Given market conditions for commercial real estate have changed since the pandemic, the development-ready parcels require an updated marketing and sales plan to secure an anchor development. LRE will advance a commercial reset of existing inventory and prepare an updated marketing and sales plan.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
3.1.1	Monitor market drivers for commercial airside and groundside lands required to support development of remaining nodes.	Updated market analysis.	No impact	Ongoing
3.1.2	Review and analyze pricing, marketing and sales strategy required to secure an anchor tenant in alignment with the Airport Master Plan.	Updated pricing and sales plan.	Updated information will potentially impact financial return.	1-2 years
3.1.3	Execute the approved marketing and sales strategy	Increased land sales and tax assessment associated with new development.	Capital reallocation for third-party support.	1-5 years

3.2	Update the marketing and sales plans for existing multi-family inventory. LRE continues to field expressions of interest from developers seeking to purchase multi-family parcels, such as 352 Primrose Drive SE and 48 Ranchlands Boulevard NE. Owing to the complexity of multi-family development, changing market conditions, policy considerations, neighborhood concerns, and other factors, these listings have been on the market for more than five years. LRE will therefore complete a commercial reset for these properties and an updated marketing and sales strategy will be brought forward.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
3.2.1	Review and analyze pricing, marketing and sales strategies at Box Springs Interchange, Oxford Avenue, Primrose Drive and 1064 First Street.	Updated pricing, promotional, and marketing strategies.	No impact	1-2 years

3.2.2	Execute the approved marketing and sales strategy.	Increased land sales, residential housing units, and tax assessment associated with new development.	Capital reallocation for third-party support.	1-5 years
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3.3	Identify infill development opportunities to support increased density in the City Centre Sector. The underutilized land inventory analysis identified 259 infill parcels that pose the opportunity to be developed or redeveloped based on their similarity to greenfield land. Across the City, the City Centre Sector has the highest number of identified parcels, which are mostly smaller parcels with infill development potential. Continued development of the City Centre Sector node can address future projected residential and commercial demand. These parcels may still pose barriers to redevelopment but can be evaluated to determine value add to the community and is strongly aligned with the policies and recommendations within the Municipal Development Plan.			
	<i>Proposed Actions</i>	<i>Anticipated Deliverables</i>	<i>Financial Considerations</i>	<i>Timeline</i>
3.3.1	Identify and analyze infill development opportunities that could contribute to policy objectives for increased density in the City Centre Sector.	Long-term land development plan.	Longer term redevelopment could drive substantial value over and above land value.	Ongoing
3.3.2	Prepare business case analysis for strategic City parcels to reduce barriers and align with future City initiatives and objectives	Business case.	Net positive projects will advance to marketing and sales, contributing to dividend and tax base.	1-5 years
3.3.3	Prepare marketing and sales plans for each identified parcel.	Marketing and sales plan.	Capital reallocation for third-party support.	2-5 years

Conclusion

The 2025-2030 Land and Real Estate Strategy provides the City of Medicine Hat with guidelines to manage its land portfolio, fulfill legislative and community obligations, and ensure a sufficient supply of greenfield and developed land to meet forecasted demands.

It provides guiding principles which will underpin land and real estate acquisition, disposition, and management and identifies key priorities that will be updated on an ongoing basis to inform budget and resourcing requirements associated with land and real estate management.

As a living document developed in collaboration with other City departments, the Land and Real Estate Strategy will be reviewed and updated on an ongoing basis, with major items identified within the strategy to be brought to Council for decision.

In time, implementation of the Land and Real Estate Strategy will result in development of a phased, long-term land development plan that is in alignment with the Municipal Development Plan and that is adaptable to market demand. A gradual build up will ensure that the market is not overwhelmed with new options and will support private sector land developers, builders, and investors.