Report

TITLE: BYLAW 07/26 AMENDING LAND USE BYLAW 01/23

Meeting: Council Meeting **Meeting Date: October 21, 2026**

Recommendation

THAT Council gives first reading to Bylaw 07/26 to amend Land Use Bylaw 01/23 by removing Data Processing Facilities as a discretionary use from the Agricultural (A) District.

Alternatives/Options

1. THAT Council gives first reading to Bylaw 07/26 to amend Land Use Bylaw 01/23 by removing Data Processing Facilities as a discretionary use from the Agricultural (A) District.

2. THAT Council directs administration to take other action deemed appropriate by Council.

Background

The proposed amendment is not intended to determine the future of Data Processing Facilities and associated Power Generation Facilities in Flagstaff County. Instead, it is intended to create an opportunity for further review, additional public input, and a more comprehensive discussion about how these developments should be regulated in the County before future decisions are made.

Although Data Processing Facilities and Power Generation Facilities may be co-dependent, they are separate uses which are regulated differently. Data Processing Facilities are regulated by the municipality in which the development is proposed. The municipality can determine where Data Processing Facilities can be located, what information is required for an application and what conditions can be imposed on the development. Depending on the specific proposal, a Data Processing Facility may also require provincial permits or authorizations, proof of which may be required as part of the municipal development application. Power Generation Facilities are regulated by the province and the municipality in which the development is proposed. Depending on the development, Power Generation Facilities may require approval from the Alberta Utilities Commission (AUC), the Alberta Energy Regulator (AER), the Alberta Electric System Operator (AESO) and Alberta Environment. If a Power Generation Facility is provincially approved, the municipality cannot refuse to issue a development permit, but the municipality can still regulate certain aspects of the development.

Given municipalities have the full authority to regulate Data Processing Facilities, it is important that the County's planning documents provide clear policy direction and regulations about Data Processing Facilities. The County's Municipal Development Plan (MDP) and Land Use Bylaw (LUB) should, among other things, outline:

- preferred and restricted locations taking into consideration: land use compatibility, agriculture land preservation, infrastructure requirements, noise, traffic and other potential impacts that are deemed important by the community and Council;
- setbacks, buffers and landscaping requirements;
- regulations to mitigate offsite impacts such as noise, traffic, construction and decommissioning; and
- regulations to minimize or manage increased service or other costs to the County.

Additionally, given municipalities may have some ability to regulate Power Generation Facilities, it is also important that the County consider and adopt appropriate regulations for Power Generation Facilities.

The proposed amendment is the first step in a broader review process. The proposed amendment removes Data Processing Facilities as a discretionary use from the Agricultural (A) District. The amendment does not alter the existing definition of Data Processing Facilities or the associated regulations contained in Section 8.7A of the LUB. However, it effectively limits Data Processing Facility development until such time as the County completes a review and determines an appropriate regulatory framework.

As part of developing an appropriate regulatory framework, Administration proposes that in 2027, following a robust public engagement program, Administration will develop amendments to the MDP and LUB to address Data Processing Facilities and associated Power Generation Facilities for Council to consider. Developing and adopting clear policy direction and regulations will enable the County to manage potential risks associated with Data Processing Facilities and associated Power Generation Facilities in the event that an application is submitted to the County for consideration or the County receives a referral from a provincial approving authority.

TIMELINE:

- First Reading of Bylaw 07/26: October 21, 2026
- Advertise a Public Hearing regarding Bylaw 07/26 November 18th and November 25th and December 2nd
- Statutory Public Hearing for Bylaw 07/26 - December 9, 2026
- Second and possible Third Reading of Bylaw 07/26 - December 9, 2026, immediately following the Public Hearing, if deemed appropriate by Council.