
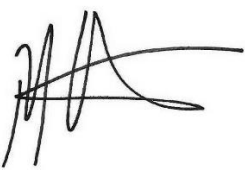



Request for Decision

Title	North West Redwater Sturgeon Refinery (NWR) Partnership Taxes Prepayment Agreement
Proposed Motion	That Council authorize the CAO to sign the Amended Prepayment of Taxes Agreement with North West Redwater Partnership Sturgeon Refinery (NWR).
Administrative Recommendation	Sturgeon County has a positive business environment that supports a strong economic foundation.
Previous Council Direction	<p>November 8, 2016 – Motion 400/16 That Council authorize the CAO to sign the Amended Prepayment of Taxes Agreement with North West Redwater Partnership Sturgeon Refinery (NWR).</p> <p>December 13, 2011 - Motion 503/11 That Council approves signing the Prepayment of Taxes Agreement with NWR Partnership.</p> <p>February 3, 2010 – Motion 068/10 That County Council approves amending the Road Improvement Agreement with North West Upgrading (NWU) by deferring the date of the prepayment of municipal taxes to Sturgeon County to on or before March 15, 2011 and that all dates referred to in the original agreement be extended by two years, and that the road infrastructure upgrades be amended to include other municipal improvements necessary to support the development of the Industrial Heartland</p>
Report	<p><u>Background Information</u></p> <p>On August 24, 2012, the County entered an agreement with North West Redwater Partnership (NWR) for the property taxes prepayment of \$5,588,000 taxes in respect of Sturgeon Refinery. The prepayment was received by the County on December 21, 2012.</p> <p>The agreement provides for 5 equal annual credits of \$1,117,600 towards taxes on the Sturgeon Refinery from June 30, 2017 to June 30, 2021.</p> <p>This agreement was amended on November 8, 2016, to align the tax credits to years the County was most likely to receive taxes from the refinery.</p>

	<p>The Sturgeon Refinery is now expected to be operational in the second quarter of 2018. To reflect the spirit of the agreement, the proposed amendment will adjust the tax credit start date from June 30, 2018 to June 30, 2019. It will also extend the tax credit end date by one year to June 30, 2023.</p> <p>This amendment will allow NWR Partnership to redeem the \$5,588,000 within a 5-year window starting in 2019, if the refinery becomes operational in 2018 as now anticipated.</p> <p>NWR Partnership agrees to the proposed amendment.</p> <p><u>External Communication</u></p> <p>None.</p> <p><u>Relevant Policy/Legislation/Practices:</u></p> <p>None.</p>
Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Planned Growth and Prosperity – Working with NWR Partnership to amend the agreement in a way that is consistent with the spirit of the original agreement and is consistent with Goal 2.1 (Sturgeon County has a positive business environment that supports a strong economic foundation).</p> <p>Providing ongoing support for the NWR Partnership has been identified as a key corporate initiative under the 2016 – 2018 Corporate Plan.</p> <p>Strong Local Governance and Regional Leadership – The recommendation demonstrates the County commitments to work effectively and efficiently with the development community – which in the long run contributes to financial stability of the County.</p> <p><u>Organizational:</u></p> <p>County staff worked with County’s lawyers and NWR Partnership to make amendment to the agreement. Both parties are amicable to the proposed amendments.</p> <p><u>Financial:</u></p> <p>The recommendation will not have any direct significant impact on the County’s budget as the credit will not be applied until property taxes are recieved. Amending the agreement postpones the recording of the deferred revenue until 2019 instead of 2018. There is no impact on the 2018 budget.</p>
Alternatives Considered	<p>That Council does not make any changes to the agreement.</p>

Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> The alternative above may not aligned with Council’s priorities outlined in the Strategic Plan. Goal 2.1 (Sturgeon County has a positive business environment that supports a strong economic foundation). <p><u>Organizational:</u></p> <ul style="list-style-type: none"> No impact. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Recording of the deferred revenue will take place in 2018 causing the revenue to not align with the period the new taxes are collected in 2019.
Follow up Action	<ol style="list-style-type: none"> Administration will work with NWR Partnership to amend agreement and sign the new agreement.
Attachment(s)	<ol style="list-style-type: none"> Amended Tax Prepayment Agreement with NWR Partnership Redlined Tax Prepayment Agreement with NWR Partnership 2016 Amending Agreement with NWR Partnership 2012 Tax Prepayment Agreement with NWR Partnership
Report Reviewed by:	<div data-bbox="532 867 987 982">  </div> <p data-bbox="532 1024 1040 1056">Ed Kaemingh, Manager Financial Services</p> <div data-bbox="565 1098 808 1266">  </div> <p data-bbox="532 1276 1159 1308">Rick Wojtkiw, General Manager Corporate Support</p> <div data-bbox="557 1350 816 1455">  </div> <p data-bbox="532 1455 1101 1486">Peter Tarnawsky, County Commissioner - CAO</p>

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Consistent with neighborhood role (see MDP), master plans, policies 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Has a positive impact on regional and sub-regional cooperation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Compliance with Provincial and Federal regulations and/or legislation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Ensure effective environmental risk management 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Enhances service provision through community partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports Sturgeon County's cultural history 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers cumulative costs and long-term funding implications 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Targets growth around current or planned infrastructure 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Positive impact on residents' quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports and promotes volunteer efforts 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides programs and services that are accessible to all residents 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Staff have the knowledge, skills and capability to perform their jobs 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Streamlines operational processes and policies 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Promotes engagement and professional interaction with stakeholders 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>