



## Request for Decision

<b>Title</b>	<b>Significant Tax Revenue Growth Policy Amendment</b>
<b>Proposed Motion</b>	That Council direct Administration to report on the impact to Priority Areas 2 and 3 of allocating \$2 million (7%) annually for five years to a new Priority Area 8, at the November 27, 2018 Regular Council Meeting.
<b>Administrative Recommendation</b>	Administration recommends that Council approve the amended Significant Tax Revenue Growth Policy to add Off-site Infrastructure (Priority Area 8), focused on investment in off-site infrastructure that will prepare Sturgeon County for development opportunities.
<b>Previous Council Direction</b>	<p>July 10, 2017 – Motion 338/17 That Council direct Administration to adhere to the principles and target ratios as outlined in the approved Significant Tax Revenue Growth Policy when developing the four-stage road infrastructure capital plan.</p> <p>March 28, 2017 – Motion 131/17 That Council approve the Significant Tax Revenue Growth Policy.</p>
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>• The Significant Tax Revenue Growth Policy establishes priority areas for significant growth in tax revenues from industrial development.</li> <li>• The policy integrates with the fiscal framework approved by Council and is intended to enhance accountability and transparency and to guide strategic investments that improve quality of life for residents. It helps to minimize the risk associated with significant tax inflows from industrial development.</li> <li>• Tax revenue projected under the significant tax revenue is about \$30 million per year. This amount is fully allocated to the seven (7) priority areas under the Significant Tax Revenue Growth Policy, for the next 5 years.</li> <li>• In a competitive market, off-site infrastructure can be useful to spurring development and attracting developers.</li> <li>• Under the <i>Municipal Government Act</i>, the County can recover the cost of providing off-site infrastructure from developers through offsite levies.</li> </ul>

	<ul style="list-style-type: none"> <li>• However, where off-site infrastructure benefits existing developments, the County bears a portion of the infrastructure cost proportional to the benefit attributable to existing developments. The County's portion is not recoverable from developers.</li> <li>• Under the proposed Priority Area 8 – off-site infrastructure – a significant tax revenue growth of \$2 million per year (within a five-year period) is allocated to funding the County's share of off-site infrastructure cost.</li> <li>• The allocation to Priority Area 8 will be funded from Priority Area 2 and 3 – Road Network Infrastructure. Priority 8 is consistent with infrastructure investment.</li> <li>• Priority Area 8 may also be used to augment debenture funding for front-end offsite infrastructure projects. Under the MGA, the County is entitled to charge interest on any amount front ended on off-site infrastructure.</li> <li>• As per the Significant Tax Revenue Growth Policy, projects identified under Priority Area 8 are subject to Council's approval.</li> <li>• Sturgeon County's preference will be to utilize debenture funding for off-site infrastructure when front ending developers' share.</li> <li>• The County has received \$8.4 million of off-site levies from Sturgeon Industrial Park (SIP) and \$5.2 million from Sturgeon Valley Area (SV) from 2012 to 2018. The County's investment in SIP and SV yet to be recovered are \$7.5 million and \$3.6 million respectively.</li> </ul> <p><u>External Communication</u></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> <li>• Summary of Fiscal Principles, Practices and Policies</li> <li>• Significant Tax Revenue Growth</li> <li>• Debt Policy</li> <li>• <i>Municipal Government Act</i>, section 648 provides for the recovery of front-ending of off-site infrastructure projects from developers. It also allows for recovery of interest on amounts front ended using debt on off-site infrastructure.</li> </ul>
<p><b>Implication of Administrative Recommendation</b></p>	<p><u>Strategic Alignment:</u></p> <p><b>Planned Growth and Prosperity</b> – The proposed amendments demonstrate the County's commitment to creating a thriving business environment that supports a strong economic foundation.</p> <p><u>Organizational:</u></p> <p>Finance and Engineering will identify the impact of this amendment on the proposed Capital Plan.</p>

	<p>Projects funded through the significant tax growth policy have been identified, timing of the projects will need to be adjusted to reflect the revised funding formula.</p> <p>Administration will also identify appropriate offsite infrastructure projects that fit in the proposed Priority Area 8.</p> <p><u>Financial:</u></p> <p>Current allocations to Priority Area 2 and 3 (Road Infrastructure Network) will be reduced by \$10 million over the 5-year window.</p> <p>However, the investment in specific infrastructure related to growth may be unavoidable and should be funded to ensure structure growth.</p>
<b>Alternatives Considered</b>	Do not amend the Significant Tax Revenue Growth Policy.
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> <li>This option does not align very well with the County's strategic focus.</li> </ul> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>No new impact on the organization. Administration will proceed on the implementation of the Significant Tax Revenue Growth Policy as planned.</li> </ul> <p><u>Financial:</u></p> <ul style="list-style-type: none"> <li>Allocation to the Priority Areas remains the same as the policy. This option does not contribute positively the County's commitment to building a thriving business environment.</li> </ul>
<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>Engineering to bring forward offsite infrastructure projects that fit the criteria for the proposed Priority Area 8.</li> <li>Engineering to revise the Capital Plan the reallocation of funding to Priority 8.</li> <li>Finance to work with Engineering to identify the appropriate funding options for funding offsite infrastructure.</li> <li>Administration will explore developers that might be interested to partner the County on funding offsite infrastructure costs.</li> </ol>

<b>Attachment(s)</b>	<ol style="list-style-type: none"> <li>1. Significant Tax Revenue Growth Policy – Amended</li> <li>2. Significant Tax Revenue Growth Policy – Current</li> <li>3. Debt Policy</li> <li>4. Summary of Fiscal Principles, Practices and Policies</li> </ol>
<b>Report Reviewed by:</b>	<div data-bbox="532 289 977 394" data-label="Text">  </div> <div data-bbox="532 401 1040 436" data-label="Caption"> <p>Ed Kaemingh, Manager Financial Services</p> </div> <div data-bbox="526 472 776 604" data-label="Text">  </div> <div data-bbox="532 611 990 646" data-label="Caption"> <p>Rick Wojtkiw, GM Corporate Support</p> </div>

## 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
<b>Planned Growth and Prosperity</b>			
<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 and MDP pg. 36)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Supports a strong thriving business environment to strengthen our economic foundation</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Plans for responsible growth through the MDP and regional growth plan.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Manages growth for current and future developments through:                             <ul style="list-style-type: none"> <li>transparent bylaws, policies and processes to enable responsible land development</li> <li>targeting growth around existing and identified future growth areas</li> </ul> </li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Maintain and Enhance Strong Communities</b>			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Provides access to programs and services that have a positive impact on residents' quality of life</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Provides access to safe and reliable infrastructure assets</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Supports the safety of people and property</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Strong Local and Regional Governance</b>			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Considers fiscal stability and sustainability</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Fosters collaborative intergovernmental partnerships</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Community Identity &amp; Spirit</b>			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Promotes and/or enhances residents' identification with Sturgeon County</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Support and/or collaborate with voluntary organizations in the region</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Environmental Stewardship</b>			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Plans and partnerships that minimize environmental impact on natural areas</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Provides awareness of environmental issues impacting the County</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>