

2014 and 2015 Capital Budget Amendment – North of Yellowhead Infrastructure**Report Purpose**

To amend the 2014 and 2015 Capital Budgets to cancel North of Yellowhead water, wastewater, roadway, and land infrastructure projects that have not started.

Recommendation

THAT an amendment to the 2014 and 2015 Capital Budgets to cancel the North of Yellowhead water, wastewater, roadway, and land infrastructure projects that have not started as set out in Enclosure 1 of the June 19, 2018 Infrastructure and Planning Services report in the total amount of \$53,065,641, and the release of the funding commitments of \$44,351,453 to Developer Levies, \$2,949,188 to the Gas Tax Fund, \$2,675,000 of Developer Contribution, and \$3,090,000 to the R4 Municipal Projects Reserve, be approved.

Council History

December 9, 2014 - Council approved: THAT the 2015 Consolidated Capital Budget for Municipal, Utility and Library Operations (Enclosure IV) be approved.

December 10, 2013 - Council approved: THAT Council approve the 2014 Consolidated Capital Budget for Municipal, Utility and Library Operations (Enclosure III).

Strategic Plan Priority Areas

Economy: The cancellation of projects that have not started due to a slower pace of development and absence of third party funding contributes to effective and efficient municipal infrastructure.

Governance: n/a

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: FIN-001-024: Financial Reserves; FIN-001-027: Tangible Capital Assets Financial Reporting.

Legislative/Legal: n/a

Interdepartmental: Transportation Planning and Engineering, Utilities, Planning and Development Services, Strathcona County Emergency Services, Corporate Finance, Corporate Planning.

Summary

North of Yellowhead infrastructure projects (Enclosure 1) were approved in 2014 and 2015 in response to Strathcona County's growth demands and developers' interest in North of Yellowhead (Cambrian) land development.

The projects were approved in principle subject to securing developer funding, which was expected to be the primary source of funding for these projects. Strathcona County has been working with developers on funding strategies for the off-site development infrastructure. However, market conditions resulted in a slowdown of development and lack of developer

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funding, and as a result, the construction of the approved North of Yellowhead Infrastructure projects have not yet been started.

These projects were approved several years ago, therefore some of the original assumptions are no longer valid and the approved budget is no longer representative of the current land and infrastructure costs. Strathcona County will continue to work with the development community and other stakeholders to further understand North of Yellowhead development and project timing and financial requirements. Several approved projects for design, planning and land are in progress and will remain open. When development interest arises in the future, infrastructure projects with updated cost estimates and defined funding sources will be presented for Council's consideration.

Enclosure

1 North of Yellowhead infrastructure projects summary