

2015 and 2016 Capital Budget Amendment – Strathcona County Industrial Heartland Area Capital Infrastructure**Report Purpose**

To amend the 2015 and 2016 Capital Budgets to cancel the Strathcona County Industrial Heartland Area roadway design, utilities, and land infrastructure projects that have not started.

Recommendation

THAT the 2015 and 2016 Capital Budgets be amended by cancelling the Strathcona County Industrial Heartland Area roadway design, utilities, and land infrastructure projects in the amount of \$5,026,325, and releasing the Developer Contributions funding commitments.

Council History

December 8, 2015 - Council approved the 2016 Consolidated Capital Budget for Municipal, Utility, and Library Operations.

December 9, 2014 - Council approved the 2015 Consolidated Capital Budget for Municipal, Utility, and Library Operations.

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 that contribute to effective and efficient municipal infrastructure.

Governance: n/a

Social: n/a

Culture: n/a

Environment: n/a

Other Impacts

Policy: SER-008-023: Capital Cost Recovery for Heartland Roads

Legislative/Legal: n/a

Interdepartmental: Planning and Development Services, Corporate Finance

Summary

Strathcona County Industrial Heartland Area (SCIHA) roadway projects were approved in 2015 (Twp Rd 554 from Rge Rd 220 to Rge Rd 214_DLU) and 2016 (South East Heartland Access Roads_DLU) to support anticipated development in the area (see Enclosures 1). These projects were expected to be funded by developer contributions and were approved subject to securing developer funding. Recent economic conditions have resulted in a slowdown of industrial development in the SCIHA. Therefore, these approved Heartland Infrastructure projects have not been started.

When the South East Heartland Access Roads project was approved, as part of the 2016 Capital Budget, the business case stated that this project could not start until third-party funding was received and that the project would be cancelled if third-party funding was not received within two years. Development has not progressed as expected and the approved infrastructure projects have not commenced. Since these infrastructure projects were approved a few years ago, some of the original assumptions are no longer valid and the approved budget is no longer

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representative of the current costs. Economic Development and Tourism has been consulted and verified that there is no development interest coming forward in these areas in the near future. When development interest arises, relevant infrastructure projects with updated cost estimates will be presented for Council's consideration.

Enclosure

1 Strathcona County Industrial Heartland Area Projects Summary