

**Bylaw 29-2021 Amendment to Industrial Heartland Incentive Tax Exemption
Bylaw 62-2020****Report Purpose**

To provide information to Council for three readings of Bylaw 29-2021, a bylaw that proposes to amend Bylaw 62-2020 Industrial Heartland Incentive Tax Exemption Bylaw.

Recommendations

1. THAT Bylaw 29-2021, a bylaw that amends Bylaw 62-2020, be given first reading.
2. THAT Bylaw 29-2021 be given second reading.
3. THAT Bylaw 29-2021 be considered for third reading.
4. THAT Bylaw 29-2021 be given third reading.

Our Prioritized Strategic Goals

Goal 3 - Cultivate economic diversification, within the petro-chemical industry and beyond, through a business-friendly environment

Goal 5 - Foster collaboration through regional, community and governmental partnerships

Report

On December 8, 2020, Strathcona County Council passed Bylaw 62-2020, Industrial Heartland Incentive Tax Exemption Bylaw. This bylaw provides for tax exemptions for property in the non-residential and machinery and equipment assessment classes that meet certain criteria. Administration has prepared a bylaw to amend one of the criteria for a tax exemption. The proposed bylaw is provided as Enclosure 1 of this report.

Under the current Bylaw 62-2020, one of the criteria for a tax exemption is that the new project or expansion project must employ, on an annual basis, over 250 personnel, including contract and subcontract labour, during the construction period; or employ on the Property on an ongoing basis after construction is complete, the equivalent of more than 15 full-time positions that qualify as skilled jobs.

The proposed amendment would revise the requirement to employ over 250 personnel on an annual basis during the construction period to a requirement to employ over 250 personnel over the course of the construction. The current and proposed provisions are as follows:

Current:

- 5 (1) To be eligible for an Exemption, the following eligibility criteria must be met:
 - (a) Requirements for a New Project or an Expansion Project:
 - (iii) employ, on an annual basis, over 250 personnel, including contract and subcontract labour, during the construction period; or employ on the Property on an ongoing basis after construction is complete, the equivalent of more than 15 Full Time Positions that qualify as Skilled Jobs.

Proposed:

- 5 (1) To be eligible for an Exemption, the following eligibility criteria must be met:
- (a) Requirements for a New Project or an Expansion Project:
- (iv) employ over 250 personnel, including contract and subcontract labour, over the course of the construction period; or employ on the Property on an ongoing basis after construction is complete, the equivalent of more than 15 Full Time Positions that qualify as Skilled Jobs.

With this change, Bylaw 62-2020 would more closely align with typical employment patterns for large construction projects, with Albert Industrial Heartland Association policy, and with the criteria of the proposed Bylaw 20-2021 Strathcona Industrial Area Incentive Tax Exemption Bylaw. This amendment would not affect any tax exemptions already granted under Bylaw 62-2020.

Council and Committee History

- December 8, 2020 Council gave three readings to the Industrial Heartland Tax Exemption Bylaw (Bylaw 62-2020) and passed "THAT Enclosure 2 be created and added to item 3.7, Heartland Common Policy and Bylaw, and THAT administration take the steps as set out in Enclosure 2."
- July 21, 2020 Council received an update on the Heartland Industrial Policy work.
- May 26, 2020 Council received information on Bill 7 and Bill 9 and from Alberta's Industrial Heartland Association and passed the following motion: "THAT Enclosure 2 be created and added to item 4.2; THAT the Mayor take the steps set out in enclosure 2; and THAT Enclosure 2 remain private pursuant to sections 21 and 25 of FOIP."

Other Impacts

Policy: 2013 – 2030 Strathcona County Strategic Plan

Legislative/Legal: Section 364.2 of the *Municipal Government Act* authorizes a council to provide for full or partial exemptions from taxation for property in certain assessment classes that meet criteria set out by bylaw.

Interdepartmental: Legislative and Legal Services, Economic Development and Tourism, Assessment and Taxation; Intergovernmental Affairs

Master Plan/Framework: N/A

Enclosure

- 1 Bylaw 29-2021 Industrial Heartland Incentive Amending Bylaw