

Bylaw 3-2022 Industrial Heartland Incentive Tax Exemption (Amends Bylaw 62-2020)**Report Purpose**

To seek Council's approval of an amendment to Bylaw 62-2020 Industrial Heartland Incentive Tax Exemption.

Recommendations

1. THAT Bylaw 3-2022, a bylaw that amends Bylaw 62-2020 Industrial Heartland Incentive Tax Exemption, be given first reading.
2. THAT Bylaw 3-2022 be given second reading.
3. THAT Bylaw 3-2022 be considered for third reading.
4. THAT Bylaw 3-2022 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

Report

In 2020 and 2021, Strathcona County passed two incentive bylaws to support development of new industrial facilities in the Industrial Heartland and Strathcona Industrial areas, enabling eligible new projects to receive tax exemptions that are equivalent to 1% of their capital cost.

There has been approximately \$20 billion in new facilities announced for the region. Most have not yet achieved final investment decision, and many have not yet confirmed their site location. Among these projects are hydrogen facilities, methane plants, ethane crackers, natural gas processing units, and others.

A review of Strathcona County's investment readiness and ability to update existing investment attraction tools will help inform Council and facilitate debate about the state of Strathcona County's current investment attraction competitiveness and potential enhancements or modifications to existing municipal legislation.

Administration is recommending that the following amendments be made:

- Increase the total incentive amount from "1.0% of capital costs" to "2.0% of capital costs"
- Increase the maximum annual exemption from "25%" to "80%"
- The amendments made pursuant to this bylaw do not apply to any exemption granted under Bylaw 62-2020 prior to the coming into force of this bylaw

Council and Committee History

June 15, 2021 Council gave three readings to the Strathcona Industrial Area Incentive Tax Exemption Bylaw (Bylaw 20-2021)

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."

Other Impacts

Policy: 2013 – 2030 Strathcona County Strategic Plan

Legislative/Legal: N/A

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

Master Plan/Framework: N/A

Enclosures

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| 1 | Heartland Incentive Bylaw Amendment Presentation |
| 2 | Bylaw 3-2022 Industrial Heartland Incentive Tax Exemption Bylaw 62-2020 Amending Bylaw No. 2 |