



Meeting Date: July 10, 2024

Subject: Bylaw No. 24/016 - Natural Resource Extraction Support Project Tax Incentive Bylaw No. 24.009 Amendment

Approvals: Susan Trylinski

Director

Henry Hunter

Chief Administrative Officer

Recommendation(s):

1. THAT Bylaw No. 24/016, being an amendment to the Natural Resources Extraction Support Project Bylaw No. 24/009, be read a second time.
2. THAT Bylaw No. 24/016 be read a third and final time.

Summary | Background:

On May 28, 2024, Council passed Bylaw No. 24/009 to Provide Non-Residential Property Tax Incentives for Natural Resource Extraction Support Projects (the "Tax Incentive Bylaw"). Since then, Administration has received significant interest from potential applicants that would not otherwise qualify under the current Tax Incentive Bylaw. Administration recommends certain changes to the Tax Incentive Bylaw that would expand the type of qualifying projects to include these potential applicants.

Alternatives:

Council may decide not to amend the Bylaw and these potential applicants would not be eligible for the tax incentive.

Budget | Financial Considerations:

The potential municipal tax revenue for the duration of the exemption period could be \$200,000 to \$300,000, and over a million dollars after the exemption term is completed and the property becomes fully taxable.

Strategic Plan Alignment | Impact:

This bylaw aligns with Council's Strategic Plan areas of Fiscal Management and Local Economy. Increasing business development in the Region enforces the Municipality's fiscal resiliency. While the Tax Incentive Bylaw offers a short-term tax exemption, the long-term impacts of introducing new industries to the Region will help weather the ebbs



and flows of global oil economy. The Tax Incentive Bylaw also aligns with Council's mandate to deliver a pro-business environment.

Rationale for Recommendation(s):

The Tax Incentive Bylaw currently does not allow for Designated Industrial Properties (“DIP”) to be eligible for tax incentives. However, in light of recent discussions with potential applicants, Administration recommends that small scale DIP facilities be eligible for tax incentives. Administration also recommends that the application period be shortened from the end of 2025 to the end of 2024. There has been significant interest in this incentive and shortening the application period will ensure that Administration is able to handle the volume of work associated with this Tax Incentive Bylaw.

Attachment(s):

1. Bylaw No. 24/016 - Natural Resource Extraction Support Project Tax Incentive Bylaw No. 24/009 Amendment.
2. Natural Resource Extraction Support Project Tax Incentive Bylaw No. 24/009 redlined version.

