



Council Meeting

Jubilee Centre Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, October 09, 2012
6:00 p.m.

Agenda

Call To Order

Opening Prayer

Adoption of Agenda

1. Adoption of October 9, 2012 Council Agenda

Minutes of Previous Meetings

2. Regular Meeting - September 11, 2012

Delegations

Those individuals in attendance at the meeting will be provided with an opportunity to address Council regarding an item on the agenda, with the exception of those items for which a Public Hearing is required or has been held. Consistent with all delegations, each presentation will be allowed a maximum of five minutes.

Bylaws

3. Bylaw No. 12/020 – Road Closure and Authorization to Sell
- 2nd and 3rd readings

4. Bylaw No. 12/039 – Land Use Bylaw Amendment – Special Events – Lots 5 and 6, Plan 992 0950 (Dunvegan Gardens)
- 1st reading
5. Bylaw No. 12/040 – Land Use Bylaw Amendment – MacDonald Island Park – Lots 1-3, Block 1, Plan 1897 TR
- 1st reading

Reports

6. AAMDC Resolution – Creation of a New Property Assessment Class

Reporting - Boards and Committees

Adjournment

7. Adjournment of October 9, 2012 Council Meeting

Unapproved Minutes of a Meeting of the Council of the Regional Municipality of Wood Buffalo held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, September 11, 2012, commencing at 6:00 p.m.

Present: M. Blake, Mayor
L. Flett, Councillor
S. Germain, Councillor
D. Kirschner, Councillor
P. Meagher, Councillor
J. Stroud, Councillor
C. Tatum, Councillor
R. Thomas, Councillor
A. Vinni, Councillor

Absent: D. Blair, Councillor
C. Burton, Councillor

Administration: G. Laubenstein, Chief Administrative Officer
S. Kanzig, Chief Legislative Officer
S. Soutter, Legislative Coordinator

Call To Order

Mayor Blake called the meeting to order at 6:01 p.m.

Opening Prayer

Mayor Blake invited those so inclined to join her in prayer.

Adoption of Agenda

Moved by Councillor P. Meagher that the Agenda be adopted as presented.

CARRIED UNANIMOUSLY

Minutes of Previous Meeting

1. Regular Meeting - August 28, 2012

Moved by Councillor R. Thomas that the Minutes of the Council Meeting held on August 28, 2012 be approved as presented.

CARRIED UNANIMOUSLY

Delegations

2. Sandy Bowman, Chad Rice and Andrew Yurmanov, Fort McMurray Martial Arts Association re: Council Approval for Use of Municipal Facilities

Members of the Fort McMurray Martial Arts Association provided an overview of the history of the Association and past events that have been held in the Municipality. They are seeking Council's approval to hold and sanction martial arts events in municipal facilities.

Moved by Councillor R. Thomas that the presentation made by the Fort McMurray Martial Arts Association be accepted as information and referred back to Administration.

CARRIED UNANIMOUSLY

Public Hearings and Related Reports

3. Bylaw No. 12/026 - Land Use Bylaw Amendment (Quarry Ridge Golf Course)

Moved by Councillor P. Meagher that the Public Hearing for Bylaw No. 12/026 be opened.

CARRIED UNANIMOUSLY

Tracey Tester, Planner, Community Development Planning provided Council with an overview of the proposed Land Use Bylaw Amendment (Quarry Ridge Golf Course). This amendment, which is supported by administration, will allow for a 40-acre mixed use development to be located at the southern entranceway of the urban service area on the Quarry Ridge Golf Course site.

Michael Gourley, Planning Manager, Scheffer Andrew, on behalf of Camgill Enterprises provided an opening statement.

Moved by Councillor P. Meagher that the Public Hearing be closed.

CARRIED UNANIMOUSLY

The Public Hearing for Bylaw No. 12/026 was held between 6:21 p.m. and 6:29 p.m.

Moved by Councillor R. Thomas that Bylaw No. 12/026, being a Land Use Bylaw amendment, be read a second time.

CARRIED UNANIMOUSLY

Moved by Councillor P. Meagher that Bylaw No. 12/026 be read a third and final time.

CARRIED UNANIMOUSLY

Reporting - Boards and Committees

- September 11th Fire Fighters' Memorial Service (Councillor Meagher)
- Official Ground-breaking MacDonald Island Park Expansion Project (Councillor Germain)
- Eagle Ridge Joint School Site and Community Centre Ground-Breaking / Fort McMurray Public School District 100th Anniversary Gala / Meeting with Energy Minister Ken Hughes/ Alberta Care Recycling Conference / 2012 Artists in Residency Program / United Way Campaign Kickoff / Oil Sands Trade Show and Conference (Mayor Blake)

Adjournment

Moved by Councillor D. Kirschner that the meeting be adjourned.
CARRIED UNANIMOUSLY

The meeting adjourned at 6:41 p.m.

Mayor

Chief Legislative Officer

Subject: Bylaw No. 12/020 – Road Closure and Authorization to Sell**APPROVALS:**

Marcel Ulliac, Director
Brian Makey, Deputy Chief Administrative Officer
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendations:

1. THAT Bylaw No. 12/020, being a bylaw to close a road allowance, be read a second time.
2. THAT Bylaw No. 12/020 be read a third and final time.

Summary:

The Municipality received an unsolicited offer. The offer is to purchase a portion of the undeveloped government road allowance located adjacent to the property legally described as Plan 1125198, Block 1, Lot 4 (Attachment 3: Subject Area Map); this road allowance will be consolidated with the adjacent land and the potential purchaser advises that it is intended to be used as a laydown area.

To create a title and facilitate the sale of the undeveloped government road allowance, the subject road allowance must first be closed by a bylaw. In accordance with the *Municipal Government Act* (the “Act”), a road closure must be effected by a bylaw which requires Council approval.

A public hearing must also be held after the bylaw is given first reading in order to provide an opportunity for individuals who may be affected by the road closure to be heard by Council.

Background:

The subject property is a portion of undeveloped government road allowance with a total area of 0.14 Ha (0.35 Ac). The applicant acquired the adjacent property from Alberta Sustainable Resource Development (ASRD) in 2010. The subject road allowance was not included in the initial acquisition from ASRD because jurisdiction lies with the Municipality.

Section 18 of the Act states that the Municipality has direction, control and management of all roads in the Rural Service Area, but ownership lies with the Crown. Upon closure of the road, the land will be transferred to the Municipality for sale and transfer. This will allow for property consolidation with the adjacent property, resulting in the consolidated properties becoming one contiguous parcel. As the subject area is located outside of the Municipality’s Urban Service Area boundaries, the Minister of Transportation will be required to approve the road closure subsequent to the Public Hearing and prior to the second reading of the Road Closure Bylaw. Bylaw 12/020 has been reviewed by Alberta Land Titles to ensure the legal descriptions are accurate.

The proposed road closure has been duly circulated to internal municipal departments, Alberta Transportation, ASRD, and franchise and utility agencies. No objections or concerns were raised regarding the proposed road closure. The road closure will have no impact on municipal operations in the area.

Budget/Financial Implications:

To establish the sale price an independent appraisal was performed to determine the current market value for the portion of undeveloped government road allowance.

Rationale for Recommendation(s):

Administration supports the road closure, subsequent sale, and consolidation of the subject undeveloped government road allowance because it is undeveloped and does not provide physical access to public utilities nor serve as public access to any of the adjacent lands. Legal and physical access to the newly consolidated parcel will be provided from Highway 69.

A public hearing regarding Bylaw No. 12/020 was held on July 10, 2012. As the road allowance lies within the rural service area, it required the approval of the Minister of Transportation prior to second reading occurring. The Minister has now approved the proposed road closure and the bylaw may be considered for second and third readings.

Attachments:

1. Bylaw No. 12/020
2. Summary – Land Sale Terms and Conditions (dated April 12, 2012)
3. Subject Area Map

BYLAW NO. 12/020

**BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO FOR
THE PURPOSE OF CLOSING AND CREATING TITLE TO UNDEVELOPED
GOVERNMENT ROAD ALLOWANCES**

WHEREAS application has been made to the Council of the Regional Municipality of Wood Buffalo to close an undeveloped government road allowance pursuant to the requirements of section 22 of the Municipal Government Act, c.M-26, RSA 2000, as amended;

WHEREAS the Council of the Regional Municipality of Wood Buffalo deems it expedient to provide for the purpose of closing certain roads, or portions thereof, situated in the said municipality, and thereafter disposing of same;

WHEREAS, notice of the intention of Council to pass a bylaw has been given in accordance with Section 606 of the Municipal Government Act; and

WHEREAS, Council was not petitioned for an opportunity to be heard by any person claiming to be prejudicially affected by the bylaw,

NOW THEREFORE BE IT RESOLVED that the Council of the Regional Municipality of Wood Buffalo in the Province of Alberta hereby enact as follows:

1. The following described road allowance is hereby closed for the purpose of creating title subject to the right of access granted by other legislation:

MERIDIAN 4 RANGE 8 TOWNSHIP 88
ALL THAT PORTION OF ORIGINAL GOVERNMENT ROAD ALLOWANCE
ADJOINING THE WEST BOUNDARY OF THE NW ¼ OF SECTION 20 WHICH
LIES NORTH OF PLAN 1125198 AND SOUTH OF A LINE DRAWN AT RIGHT
ANGLES TO THE WEST LIMIT OF SAID ROAD ALLOWANCE FROM THE
INTERSECTION OF SAID ROAD ALLOWANCE WITH THE NORTH EAST
CORNER OF PLAN 1125197
Excepting thereout all mines and minerals

2. This Bylaw shall become effective when it has received third and final reading and has been signed by the Mayor and Chief Legislative Officer.

READ a first time this 26th day of June, 2012.

Mayor

Chief Legislative Officer

APPROVED this _____ day of _____, 2012.

Minister, Alberta Transportation

READ a second time this _____ day of _____, 2012.

READ a third and final time this _____ day of _____, 2012.

SIGNED and PASSED this _____ day of _____, 2012.

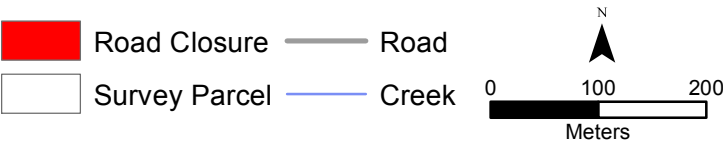
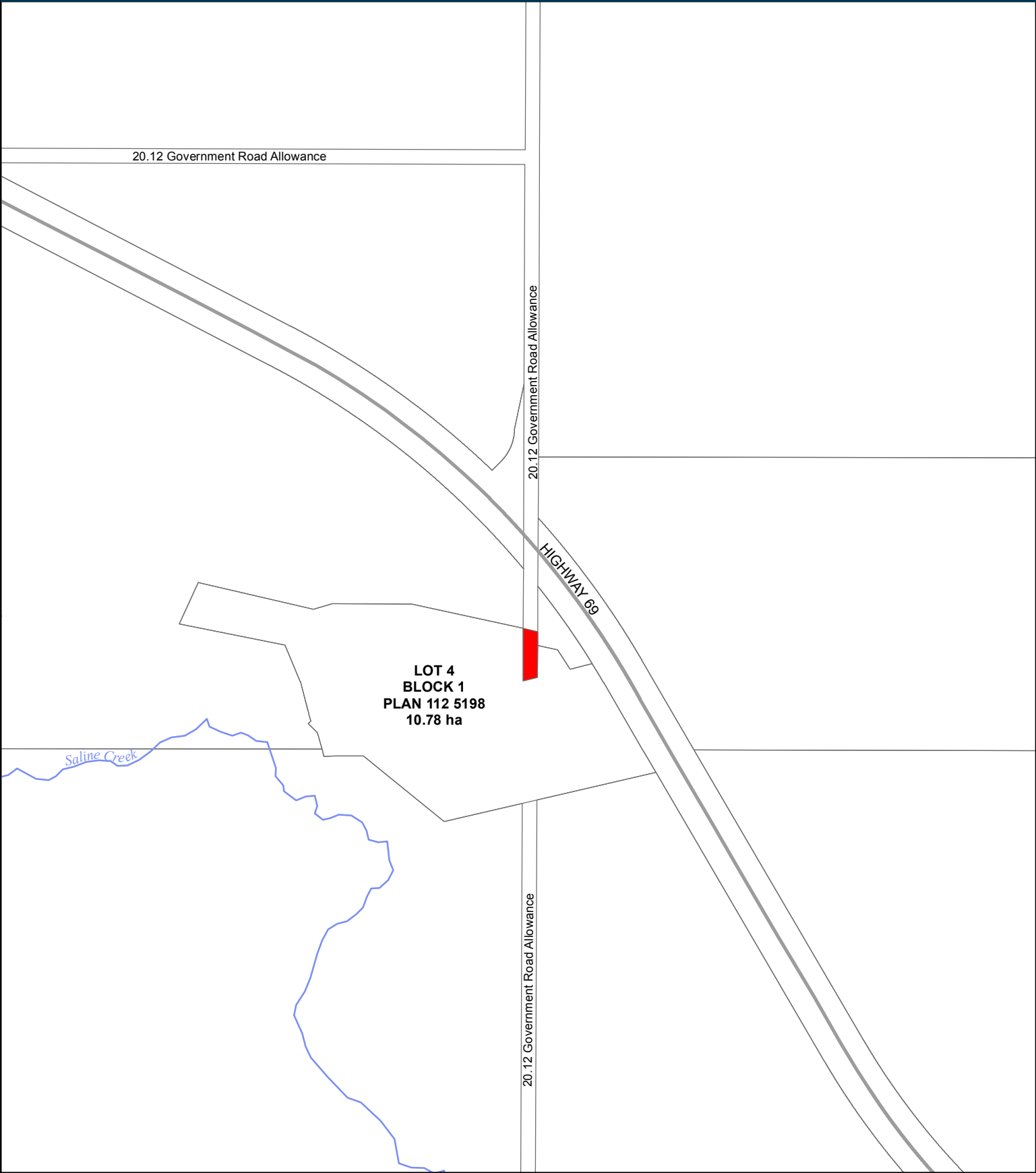
Mayor

Chief Legislative Officer

**Summary
Land Sale – Terms and Conditions**

Legal Description:	<p>Meridian 4 Range 8 Township 88 All that portion of original government road allowance adjoining the west boundary of the NW 1/4 of Section 20 which lies north of Plan 1125198 and south of a line drawn at right angles to the west limit of said road allowance from the intersection of said road allowance with the north east corner of Plan 1125197.</p>
Sale Price:	<p>Sale of the closed road allowance lands is based on an independent market value appraisal that was conducted on January 27, 2012: \$105,000.00 plus G.S.T.</p>
Environmental Considerations:	<p>The subject lands will be sold on an “as is – where is” basis.</p>
Survey and Consolidation:	<p>The purchaser(s) shall be responsible for preparation of a legal survey plan that will consolidate those portions of the closed road allowance with their respective lots.</p> <p>The purchaser(s) shall be responsible for applying and submitting the consolidation plan to the Municipality for subdivision approval.</p> <p>Upon approval, the Subdivision Approval Authority shall submit the plan(s) to Alberta Land Titles Office for registration.</p>
Fees and Disbursements:	<p>The purchaser(s) shall be responsible for all legal and registration fees associated with the transactions.</p>

ATTACHMENT 3



PROPOSED ROAD CLOSURE



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Subject: Bylaw No. 12/039 – Land Use Bylaw Amendment – Special Events – Lots 5 and 6, Plan 992 0950 (Dunvegan Gardens)**APPROVALS:**

Samuel Alatorre, Director
Carol Theberge, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation:

THAT Bylaw No. 12/039, being a Land Use Bylaw amendment specific to Lots 5 and 6, Plan 992 0950, be read a first time.

Summary:

An application has been received to amend the Land Use Bylaw to permit special events on a permitted basis on lands described as Lots 5 and 6, Plan 992 0950 (Attachment 2). The authority to amend the Land Use Bylaw is vested with Council under the Municipal Government Act.

Background:

The current Land Use Bylaw does not contain a separate definition for special events. A review of historical practices indicates that a more formal approach should be taken in relation to special events; although the use may be temporary, during the time that the use is in operation, there may be an effect on use of adjacent lands in particular. The proposed new approach operates under the principle that all changes in intensity of land use, whether temporary or permanent, constitute a development and would generally require a development permit. As a result, temporary uses such as special events should be regulated through the development permit process.

The Planning and Development department, together with the Legal Services department, is undertaking a comprehensive review of this particular issue, and in the interim, recommends consideration of a site specific amendment (respecting only the subject property) to allow the landowners to facilitate a special events use this fall as to the application received.

Administration will report to Council in a more comprehensive manner in the future.

The proposed amendment to the Land Use Bylaw includes a definition of “special event” under Section 10, adds “special event” as a permitted use under the Small Holdings District (Section 120.2) and specific provisions for “special events” under Additional Provisions (Section 120.6).

Rationale for Recommendation:

The landowners of the subject properties have asked for an amendment to the Land Use Bylaw to accommodate a special events use. Given that the comprehensive review will take some time, and the proposed event is scheduled for this fall, Planning and Development recommends that Council give due consideration to the amendment in the interim. The proposed bylaw amendment will provide the owners of the subject property the ability to apply for a development permit to hold a special event on their land. This permit will be issued by Planning and Development and will facilitate adequate municipal monitoring of health and safety regulations.

The proposed bylaw amendment will also provide clarity for the proper consideration by Administration for special events proposed on the subject property. Implementing a development permit, specifically for special events on the subject property, will provide benefits to all stakeholders: (1) individual(s) operating the special event will gain certainty that they have permission to do so; and (2) the Municipality gains the ability to ensure that any applicable health and safety requirements are in compliance.

Although generally Administration endeavours to avoid site specific Land Use Bylaw amendments, in this instance, it is recommended to accommodate issuance of a special events development permit pending a more comprehensive review of this issue.

The Municipality aims to encourage events that celebrate culture and engage citizens. Certainly, policies within the Municipal Development Plan's goals to achieve Home and Belonging, Vibrant Culture, and Working Together are designed to improve accessibility to events in the community.

Administration supports the proposed amendment to the Land Use Bylaw, as it will provide clarity in consideration of proposed special events on the subject property.

Attachments:

1. Bylaw No. 12/039
2. Subject Area Map: Land Use Bylaw Amendment

BYLAW NO. 12/039

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059

WHEREAS Section 639 of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the *Municipal Government Act*, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, in open meeting hereby enacts as follows:

1. Bylaw No. 99/059 is hereby amended by:

(a) adding the following to Section 10 under Definitions:

“**SPECIAL EVENT** means a temporary activity that is not part of an existing use of a site.”

(b) adding the following to Section 120.2 Permitted Uses:

“Special Event, only on Lots 5 & 6, Plan 992 0950.”

(c) adding the following to Section 120.6 under Additional Provisions:

“Special Events on Lots 5 & 6, Plan 992 0950:

(e) Each special event shall:

(i) not exceed the following durations:

- a) each special event shall be a maximum of ten (10) consecutive calendar days in duration, excluding the time required to erect and dismantle the event;
- b) each special event shall commence at least thirty (30) days after a prior special event on either lot, excluding the time required to erect and dismantle the event;
- c) the total special events on both lots shall not exceed thirty (30) cumulative days in one calendar year, excluding the time required to erect and dismantle the event; and
- d) all special events shall expire on or before October 31,

2012, excluding the time required to dismantle the event.

- (ii) be subject to conditions as determined appropriate by the Development Authority to mitigate the impact on Lots 5 and 6, the use of neighbouring lands and municipal infrastructure. Without restricting the generality of other regulatory provisions in this Bylaw, these conditions may relate to noise, dust, setbacks, screening, configuration of the special event uses and facilities within the site, hours of operation, maximum number of participants, parking, and matters addressed in the *Municipal Government Act* s. 650. The conditions may require that confirmation of compliance with conditions occur prior to the special event commencing.”

2. The Chief Administrative Officer is authorized to consolidate this bylaw.
3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, A.D. 2012.

READ a second time this _____ day of _____, A.D. 2012.

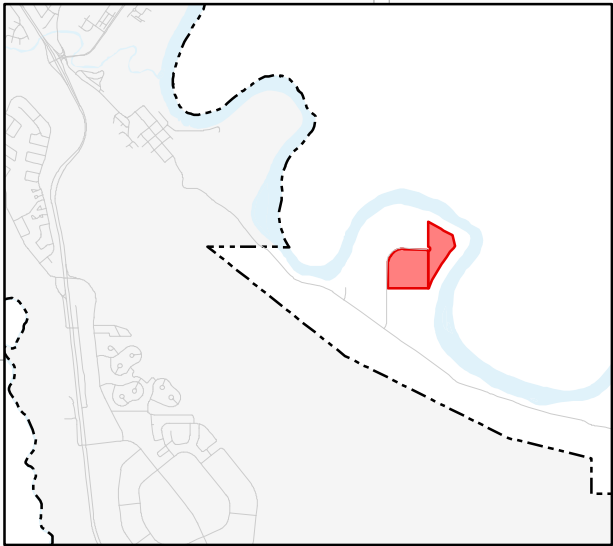
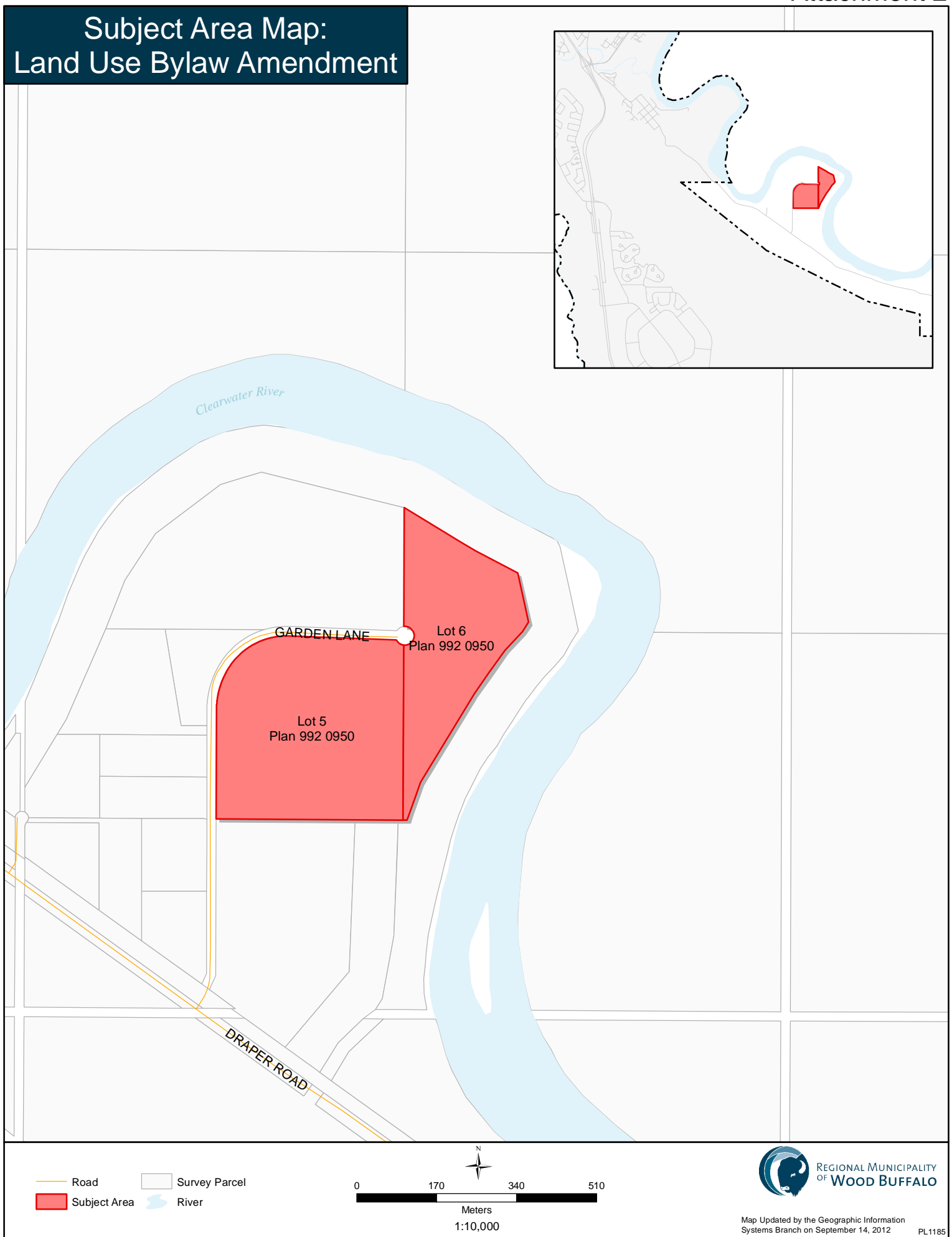
READ a third and final time this _____ day of _____, A.D. 2012.

SIGNED and PASSED this _____ day of _____, A.D. 2012.

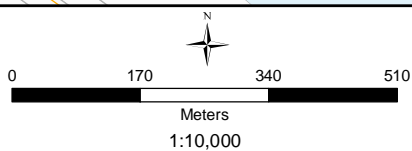
Mayor

Chief Legislative Officer

Subject Area Map: Land Use Bylaw Amendment



- Road
- Survey Parcel
- Subject Area
- River





**Subject: Bylaw No. 12/040 – Land Use Bylaw Amendment –
MacDonald Island Park – Lots 1-3, Block 1, Plan 1897 TR**

APPROVALS:

Samuel Alatorre, Director
Carol Theberge, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation(s):

THAT Bylaw No. 12/040, being a Land Use Bylaw Amendment for Lots 1-3, Block 1, Plan 1897 TR (MacDonald Island Park), be read a first time.

Summary:

An application has been received to amend the Land Use Bylaw to redesignate Lots 1-3, Block 1, Plan 1897 TR from Parks and Recreation District (PR) to Direct Control MacDonald Island District (DC-MI). The authority to amend the Land Use Bylaw is vested with Council under the Municipal Government Act.

Background:

MacDonald Island Park (the Park) is the primary recreational facility in Fort McMurray. Following extensive renovations, the Park reopened in phases throughout 2009 and 2010, making it the largest community recreational facility in Canada.

The 1999 Land Use Bylaw (99/059) designated MacDonald Island as Parks and Recreation District (PR). In 2011, the site was designated as Major Recreation District in the Municipal Development Plan (MDP) (No. 11/027), which stated that the area was to be the region's premier recreation destination. In 2012, the site was designated as the MacDonald Island District within the Recreation Zone in the City Centre Area Redevelopment Plan. The purpose of this was to encourage the development of large-scale recreational and sports facilities.

Currently, MacDonald Island Park is in the planning stages of a proposed outdoor expansion. Based on community input, the proposed expansion will include an outdoor performance stadium, a shared space community facility, and a baseball/softball stadium, among other features.

Rationale for Recommendation(s):

By establishing the subject property as Direct Control MacDonald Island District (DC-MI), Council will have control over the use and future development of the site. Under the new designation, MacDonald Island Park will be able to enhance and expand sport, recreational,

event, leisure, and cultural facilities and services at the Park, and provide better services to a growing residential population.

It is recommended that the development officer have authority to approve small scale development permits, as well as minor changes to plans approved by Council, when required. Changes to plans may be required because of construction error and/or physical limitations on the site.

Designating Council as the development authority for the subject property will allow greater flexibility for future developments at MacDonald Island Park. The continued expansion and development of MacDonald Island Park will provide the community with enhanced recreational amenities, as identified in the Municipal Development Plan (MDP). Specifically, the Park's proposed developments will contribute to achieving the following MDP directions: 4.1 create complete, livable communities; 4.4 build caring communities that support wellness; 5.2 support vibrant arts and culture; and 5.3 promote a culture of the outdoors.

Administration supports the proposed amendment to the Land Use Bylaw, as it will allow Council to facilitate developments planned for MacDonald Island Park.

Attachments:

1. Bylaw No. 12/040

BYLAW NO. 12/040

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO AMEND LAND USE BYLAW NO. 99/059

WHEREAS Section 639 of the Municipal Government Act, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to enact a bylaw adopting a Land Use Bylaw.

AND WHEREAS Section 191(1) of the Municipal Government Act, R.S.A., 2000, c.M-26 and amendments thereto authorizes Council to adopt a bylaw to amend a Land Use Bylaw.

NOW THEREFORE, the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, in open meeting hereby enacts as follows:

1. Land Use Bylaw No. 99/059 is hereby amended by:
 - (a) Redesignating Lots 1-3, Block 1, Plan 1897 TR (MacDonald Island Park) from Parks and Recreation District (PR) to Direct Control MacDonald Island (DC-MI), as depicted in Schedule A.
 - (b) Inserting the attached Schedule B Direct Control MacDonald Island District (DC-MI) as Section 211.
2. The Chief Administrative Officer is authorized to consolidate this bylaw.
3. This bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, A.D 2012.

READ a second time this _____ day of _____, A.D. 2012.

READ a third and final time this _____ day of _____, A.D. 2012.

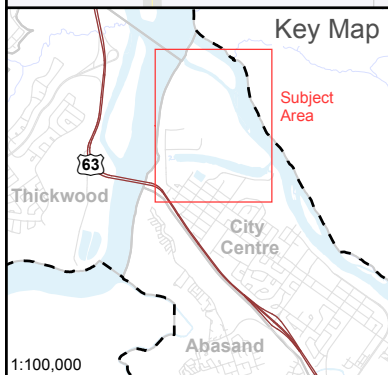
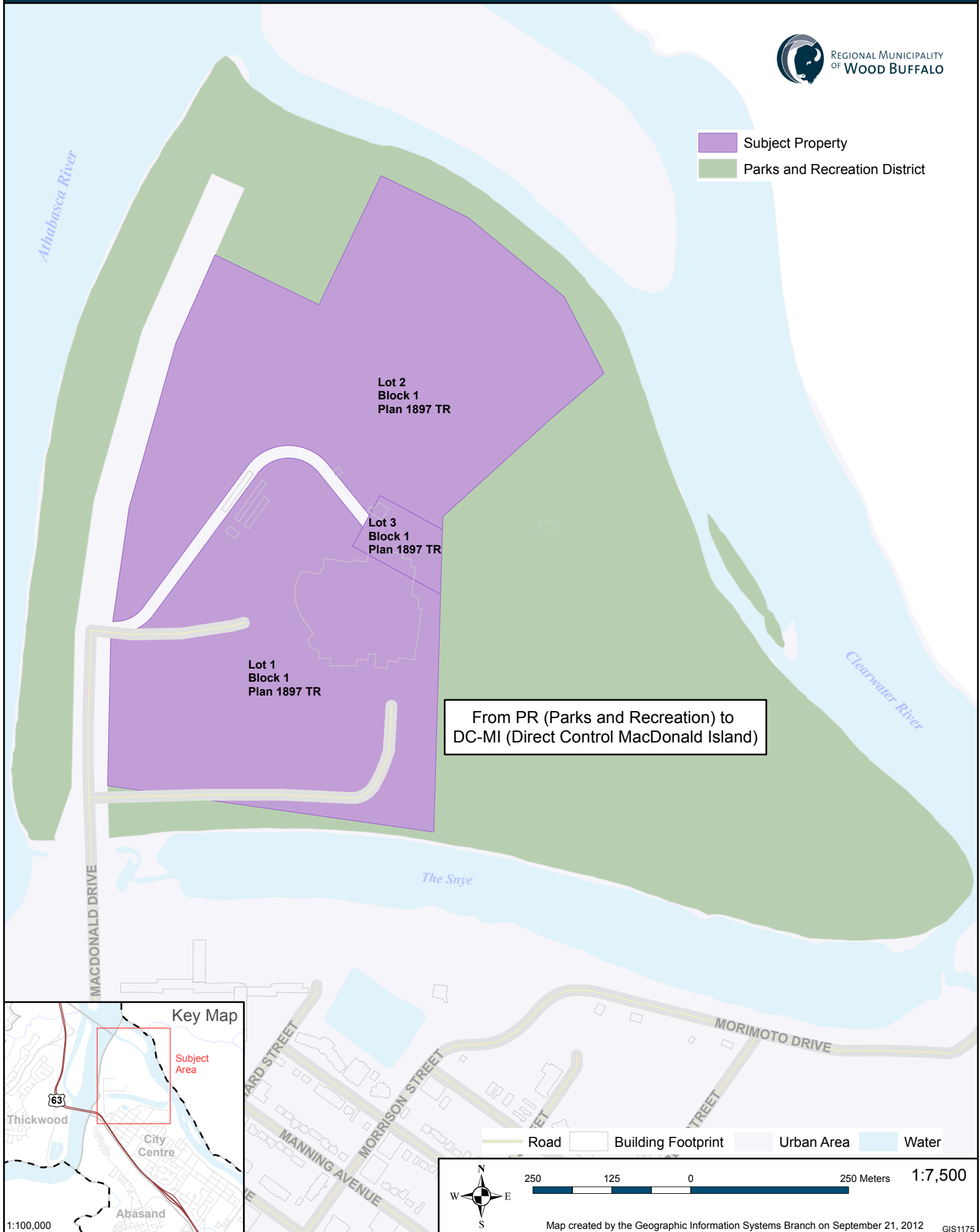
SIGNED and PASSED this _____ day of _____, A.D. 2012.

Mayor

Chief Legislative Officer



- Subject Property
- Parks and Recreation District



250 125 0 250 Meters

1:7,500

211. DC-MI Direct Control MacDonald Island District

211.1 Purpose

The purpose of this District is to establish special land use and development regulations to accommodate the development of MacDonald Island Park. The district is intended to provide the Municipality with the necessary control over the nature and location, site design and appearance of development on the site. As a Direct Control District, Council may approve any development for any use on any terms and conditions it considers appropriate.

211.2 Permitted Uses- Development Officer

The following are developments that may be approved by the Development Officer (without specific approval by Council):

Accessory Building or Use

Park

Parking Lot/Structure

Public Utility/Use

Developments (namely new developments or changes to existing or proposed developments) where referenced in a development permit issued by Council

211.3 Discretionary Uses - Council

*Council may approve additional developments at their discretion, where those developments, in Council's view, are compatible with or enhance the existing or proposed developments for the lands within the District.

Child Care Facility

Commercial Entertainment Facility

Commercial School

Community Recreation Facility

Community Service Facility

Drinking Lounge, Minor

Educational Service Facility

Food Service, Major

Hotel

Outdoor Recreation Facility

Personal Service Facility

Recyclable Materials Drop-Off Centre

Resort Facility

Retail Store, General

Spectator Sport Facility

211.4 Site Provisions

In addition to the General Regulations contained in Part 5, the following standards shall apply to every development in this district. The Development Authority may require a higher standard than those contained in Part 5 or the standards contained in this District to achieve the vision of the City Centre Area Redevelopment Plan and to address the unique character and limitations of the area.

(a) Front Yard (minimum):	6.0 m
(b) Side Yard (minimum):	6.0m
(c) Rear Yard (minimum):	6.0m
(e) Building Height (maximum):	12.2m maximum or at the discretion of Regional Council
(f) Landscaping:	As per Section 72 of Part 5
(g) Parking:	Parking shall be provided in accordance with Part 7 of this Bylaw or at the discretion of Council.

211.5 Additional Provisions

(a) Development Officer Authority:	<p>The development officer may approve additions, or changes that constitute less than 5% of the total Gross Floor area of all buildings on the Site.</p> <p>The development officer may approve revisions to fencing, screening, landscaping, and lighting.</p>
(b) Development not requiring a Development Permit	A Development Permit is not required for Special Events.

Subject: AAMDC Resolution – Creation of a New Property Assessment Class**APPROVALS:**

Surekha Kanzig, Director
Brian Makey, Deputy Chief Administrative Officer
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation(s):

THAT the Resolution entitled Creation of a New Property Assessment Class be forwarded to the Alberta Association of Municipal Districts and Counties (AAMDC) for consideration at the 2012 Fall Convention; and

THAT the Mayor send a letter to the MLAs for the Fort McMurray-Conklin and Fort McMurray-Wood Buffalo ridings, with a copy to the Minister of Municipal Affairs, asking for their support of the resolution.

Summary:

An additional property assessment class is required for rural non-residential properties in order for all small businesses to be taxed equitably in both the urban and rural service areas of the Municipality. Council support is required prior to submission of a resolution for consideration at the November 2012 AAMDC Convention.

Background:

The oil sands industry is located within the Regional Municipality of Wood Buffalo, specifically within the rural service area of the Municipality, and is assessed and taxed as rural non-residential property. The rural non-residential tax category also includes small businesses operating within the rural service area, which means that all businesses in the rural service area, regardless of size or impact, are taxed at the same rate.

Significant growth in the area has placed considerable strain on municipal services and infrastructure. As a result, incremental tax increases were implemented in the rural non-residential tax category to fund the cost of the needed improvements and new projects to accommodate the increasing population. With small businesses falling in the same tax category as the oil sands industry, they have had to accommodate significant taxation increases, which can be financially crippling to small businesses.

The Municipal Government Act allows a municipal council to create sub-classes for Class 1 residential properties but not for Class 2 non-residential properties, in respect of which the Act expressly stipulates only two permissible sub-classes (vacant non-residential and improved non-residential). This means that small businesses operating in the rural service area get assessed and taxed the same way as the oil sands industry, so their taxes have increased significantly, while businesses residing in the urban service area have benefitted from relatively stable taxation. For example, in 2002, the urban non-residential and rural non-residential tax rates were on par, at 0.0800 and 0.0800, respectively. In 2012, the same rates were 0.0053058 and 0.0183209, respectively, meaning that the rural non-residential rate is now three times higher than the urban non-residential rate.

Initially, the higher mill rate was not a hardship to small businesses in the rural area due to the low property value and subsequent low assessment. With the increased industrial activity, the value of land in the rural area has increased dramatically, which has translated into an increase in property taxes. Accordingly, taxes on improved commercial properties in the rural service area can be 60% higher than similar properties in the urban service area. This has placed rural small businesses at a serious disadvantage in comparison to small businesses in the urban area.

Rationale for Recommendation(s):

At the present time, the tax rate for small businesses located in the rural service area is three times that of small businesses in the urban service area. The Municipal Government Act does not permit municipalities to create assessment sub-classes in the non-residential category. Accordingly it is recommended that a resolution be brought before the AAMDC Membership at the 2012 Fall Convention. The resolution would specifically ask that the Province either amend the Municipal Government Act or create a regulation which would enable the creation of sub-classes within the rural non-residential tax category or create a special category to deal specifically with small businesses, or create additional/unique urban service areas around hamlets within municipalities or some other legislation that would allow a different assessment class or sub-class for small businesses in rural areas of a municipality. If passed, the proposed resolution would support the Municipality's objective of bringing taxation for non-industrial businesses operating in the rural service area back in line with urban businesses.

Attachment:

1. Resolution – Creation of a New Property Assessment Class

Creation of a New Property Assessment Class

Regional Municipality of Wood Buffalo

WHEREAS Section 297(1) of the Municipal Government Act (MGA), identifies assessment classes to be assigned to properties when preparing an assessment; and

WHEREAS the MGA authorizes municipalities to divide the residential assessment class into sub-classes on any basis that it considers appropriate and to assign a different tax rate for each residential sub-class; and

WHEREAS the MGA only authorizes a municipality to divide the non-residential assessment class into vacant or improved sub-classes; and

WHEREAS some municipalities currently have non-residential classes for both the urban service area and the rural service area; and

WHEREAS in some cases there is an inequity between taxation against similar properties located in the rural service area versus the urban service area; and

WHEREAS municipalities do not presently have the legislative authority to create a new assessment subclass of rural non-residential property;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties urge the provincial government to expedite an amendment to the Municipal Government Act so that municipalities are authorized to assign a new assessment class to be levied on rural small business properties, or to expedite the creation of a regulation which would enable municipalities to create sub-classes within the rural non-residential tax category or create a special category to deal specifically with small businesses or create additional/unique urban service areas around hamlets within municipalities or any other legislation that would allow a different property assessment class or sub-class for small businesses in the rural areas of a municipality.

Background:

The Regional Municipality of Wood Buffalo is a specialized municipality established in 1995 by the Government of Alberta. Recognizing the uniqueness of the region, the establishing Order In Council provided the Municipality with the ability to create separate taxation rates for the rural and urban service areas.

The oil sands industry is located within the Regional Municipality of Wood Buffalo, specifically within the Municipality's rural service area. This industry is assessed and taxed as rural non-residential property; however, that tax class also includes small businesses operating within the rural service area, which means that all businesses in the rural service area, regardless of size or impact, are taxed at the same rate.

Significant growth within the Municipality has placed considerable strain on municipal services and infrastructure. As a result, incremental tax increases were implemented in the rural non-residential tax category to fund the cost of the needed improvements and new projects required to accommodate the increasing population. With small businesses falling in the same tax category as industry, they have had to accommodate significant taxation increases, which can be financially crippling to small businesses.

The Municipal Government Act allows for the creation of assessment sub-classes for residential properties (class 1) on any basis that Council considers appropriate. Legislation does not grant the same degree of flexibility in establishing assessment sub-classes when dealing with non-residential (class 2) properties, and limits the extent of sub-class creation to built-upon and vacant properties. Assessment legislation varies from province to province, with varying degrees of flexibility. For example, Ontario offers seven standard property classes (residential; multi-residential; commercial; industrial; pipeline; farmland; and managed forests) and an additional five optional classes have been prescribed by regulation. Under Saskatchewan's legislation, one uniform mill rate is established for municipal taxes, which may be adjusted by mill rate factors which are created by municipal councils as they see fit.

The restriction in Alberta's legislation has resulted in significant tax increases for rural small businesses, while businesses residing in the urban service area have benefitted from relatively stable taxation. For example, in 2002, the urban non-residential and rural non-residential tax rates were on par, at 0.0800 and 0.0800, respectively. In 2012, the same rates were 0.0053058 and 0.0183209, respectively which translates to the rural non-residential rate being three times higher than the urban non-residential rate.

The Municipality has no means to separate small businesses from industry for taxation purposes. A resolution of the Alberta Association of Municipal Districts and Counties, supporting the creation of an additional tax category for the Regional Municipality of Wood Buffalo is critical to the continued economic viability of rural small businesses in the Regional Municipality of Wood Buffalo.