

Subject: Urban Service Area Boundary Amendment**APPROVALS:**

Henry Hunter, Executive Director
Glen Laubenstein, Chief Administrative Officer

Administrative Recommendation:

THAT the Government of Alberta be requested to amend Order in Council 817/94 by changing the boundaries of the Urban Service Area (Ward 1) to include the privately held non-residential parcels located within the boundaries of the Urban Development Sub-Region.

Summary:

To stimulate and facilitate commercial and industrial development on privately held parcels within the Urban Development Sub-Region (UDSR), these parcels should be included in the Urban Service Area (USA). Council has passed two resolutions requesting expansion of the USA. The first resolution (Attachment 3) requested the alignment of the USA with the UDSR. The second resolution (Attachment 4) requested the Pacific Investment lands be included inside the USA. To date there has been no action from the Province of Alberta.

Background:

On July 25, 2013 the Government of Alberta announced the UDSR that consists of more than 55,000 acres of Crown land for the urban expansion of Fort McMurray. Within this area, there are multiple parcels that are zoned for non-residential uses and are not held in ownership by the Crown (see Attachment 1, UDSR Private Lands). On September 10, 2013, Council considered a similar action to this to align the boundary of the USA with the UDSR lands announced by the Government of Alberta. Since then, Administration has been informed by representatives from the Government of Alberta that they have not completed sufficient review and assessment of the aforementioned UDSR Crown lands to consider such an amendment of the USA. As non-residential (commercial and industrial) land is privately held and requires no consultation, a request to the Provincial Government to have these lands included in the USA would be an interim solution for providing much needed commercial and industrial expansion in the region.

Budget/Financial Implications:

This action will expand the area to which the USA mill rate structure is applied, which will affect tax revenues, beginning with Tax Year 2015. The municipality will experience a short term reduction in revenues from these properties of approximately \$2 million. Administration feels that this action will lead to the faster development of these lands resulting in tax growth and employment opportunities (Attachment 2, UDSR Land Taxation).

Rationale for Recommendation:

There are still several steps and processes that the Government of Alberta is undertaking before the provincially owned lands inside the UDSR are available to be included inside the USA. There are parcels of land that fall within this UDSR boundary that are not held in ownership by the Crown, and could be ready for development activities much more quickly. To facilitate development on these parcels, inclusion within the USA will ensure a competitive mill rate for these land owners, and will allow for the provision of Municipal services to the parcels. Further, by including all non-residential lands within the UDSR in this proposed designation, the RMWB is ensuring that all land owners and/or developers are being treated consistently, and thus neither gaining nor losing an advantage over each other. Finally, given that the previous requested boundary amendment has yet to be processed by the Government of Alberta, there should be no difficulty in adding these parcels to the boundary amendment.

Attachments:

1. Urban Development Sub-Region Private Lands Maps
2. Urban Development Sub-Region Land Taxation Comparison
3. Urban Service Area Boundary Amendment – Urban Development Sub-Region Alignment (September 10, 2013 Council Meeting Minutes)
4. Request for Tax Forgiveness – Pacific Investments GP Ltd. (November 12, 2013 Council Meeting Minutes)