



Council Policy

Industrial Infrastructure Cost Sharing

Program Impacted	Economic Development <i>Edmonton has a diverse and prosperous economy that thrives locally and globally.</i> Land Development <i>Edmonton is developed so that it supports growth and social, cultural, economic and environmental well-being.</i>
Number	C592A
Date of Approval	TBD
Approval History	June 27, 2017

Statement

Industrial Infrastructure Cost Sharing is designed to assist in financing large municipal infrastructure in industrial areas, and to ultimately encourage the servicing and development of industrial land which provides an increased tax assessment base, employment, and other economic spinoffs.

The purpose of this policy is to:

- Provide a sustainable system for financing municipal infrastructure that is customized to the unique characteristics of industrial development in Edmonton,
- Encourage economic development in industrial areas through financial incentives,
- Improve the City's longer term economic sustainability through shorter term investments and
- Address limitations of other existing funding models.

Program Principles

1. Front End Developers are entitled to recover their over-expenditures from:
 - a. up to one hundred percent (100%) of the yearly Incremental Tax Revenue that directly results from their construction of Cost Shareable Infrastructure; and
 - b. Development Levies collected within the Benefiting Area,

following the terms of this Policy and the Procedure.

2. For any Incremental Tax Revenue that the City contributes to a Front End Developer in excess of twenty five percent (25%) of their Cost Sharable Infrastructure costs in the Benefiting Area, an equal amount will:
 - a. become the City's over-expenditure;
 - b. be recovered by the City through Development Levies collected within the Benefiting Area; and
 - c. as those funds are recovered, be transferred into the City's general revenues.
3. Where the City contributes Incremental Tax Revenue towards Cost Shareable Infrastructure, the Development Levy for the Benefiting Area can be reduced by up to twenty five percent (25%) due to the City's contribution.
4. A Front End Developer is entitled to receive Incremental Tax Revenue towards their over-expenditures until the earlier of:
 - a. recovery of their full over-expenditures; or
 - b. twenty five (25) years after execution of the Servicing Agreement, provided that they have recovered 50 per cent (50%) of their total over-expenditures.

If, after twenty five (25) years, the Front End Developer has not recovered 50 per cent (50%) of their total over-expenditures, then they will be entitled to continue receiving Incremental Tax Revenue until they have recovered 50 per cent (50%).

5. Following implementation of the program, City Administration will prepare a report annually for the City's Executive Committee, providing an update on the status of the program.