

CITY OF FORT SASKATCHEWAN

Deferral of Off-Site Levy Payments for Fort Industrial Estates Stage 6

Motion:

That Council approve the deferral of Off-Site Levy payments for Stage 6 of the Fort Industrial Estates subdivision for the development area identified in Schedule "A" of Development Agreement DA-2009-02.

Purpose:

For Council to consider extending deferred levy payments in Fort Industrial Estates Stage 6 until December 31, 2018.

Background:

Development Agreement DA-2009-02 covers the Light Industrial Development Area in Fort Saskatchewan that is currently being development by TAG formerly Trans America Group. The area is located south of Highway 15, bounded in the east by East Gate Business Park, and west by Strathcona County. The Development Agreement was first endorsed on September 2, 2009 with six subsequent addendums.

In 2010, the Developer began preparing the Stage 3 Development Agreement addendum. At the time, Off-Site Levy Bylaw C33-07 required that all levy payments were required in two installments; the first payment of 50% was due upon signing, and the second 50% installment was due one year later. The Developer submitted a request to Council that the Off-Site Levy Bylaw be amended to include a clause that levy payments be deferred until the time of lot sale. This request was approved by Council on May 11, 2010.

In July 2010, Council approved a deferral request for Fort Industrial Estates Stage 3 (DA-2008-02; Addendum 2), allowing 100% of the levy payment to be deferred until the time of lot sale.

In June 2014, Council approved a second deferral request allowing 100% of the levy payments to be deferred until the time of lot sale or the date of December 31, 2016.

On March 21, 2017 TAG Developments submitted a letter asking to extend the deferred levy payment until the time of lot sale or December 31, 2018. The extension will give TAG the opportunity to market the lots and construct show suites. This will allow them to showcase office spaces to new businesses and potential purchasers.

Plans/Standards/Legislation:

TAG's request is in line with current Off-Site Levy Bylaw C1-14. The Bylaw contains the following clauses on the application of the levy:

3(h)(iii) the deferred portion of the Off-Site Levy shall be a maximum of FIFTY (50%) PERCENT of the Off-Site Levy payable, and the maximum period for deferral shall be one (1) year from the date of entry into the Development Agreement; or

3(h)(iv) any other form of payment deferral for the Light/Medium Industrial Development Area as approved by Council.

Financial Implications:

Deferral of payment to the Industrial Levy may result in the Levy not having enough funds accumulated at the time that identified levy projects are triggered for construction. The result would be the developers fronting levy projects and receiving credit when additional development occurs. Alternately, the City would need to fund required levy projects from reserves which may affect the City's borrowing limits. Ultimately, the funds would be paid back from the Industrial Levy once enough funds were collected from developers triggered by the sale of industrial lots.

Recommendation:

That Council approve the deferral of Off-Site Levy payments for the development area identified in Schedule "A" of Development Agreement DA-2009-02.

Attachments:

1. Appendix A - Letter from Trans America Group Ltd. requesting deferral of Levy payments
2. Appendix B - DA-2009-02 Schedule "A" – Development Area
3. Appendix C - Aerial Map

File No.: Deferral of Levy payments in Fort Industrial Estates Stage 6 Development

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Approved by:	Dean McCartney Acting Director, Planning & Development	Date: May 1, 2017
Reviewed by:	Troy Fleming Acting City Manager	Date: May 3, 2017
Submitted to:	City Council	Date: May 9, 2017