

Natural Resource Extraction Support Project Tax Incentive Bylaw

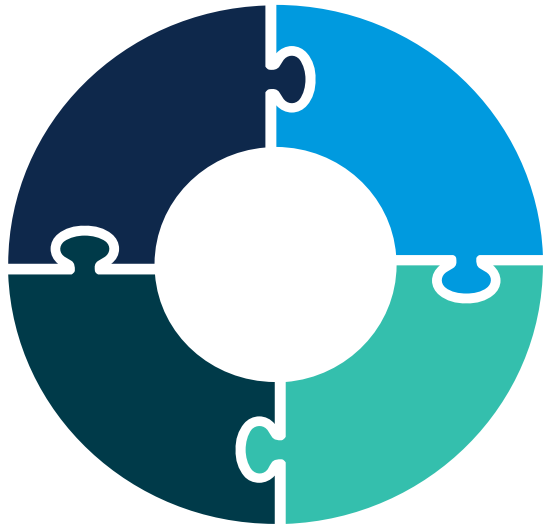
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Meeting Date: May 28, 2024



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OF WOOD BUFFALO

Strategic Plan Connections



- Fiscal Management
 - Adds to our tax rolls
 - Diversifies our economic base
- Local Economy
 - Attracts new development to the RMWB
 - Creates new jobs in new industries
 - Increases population



Basic Information

- Applies to Non-Residential and Machinery & Equipment classes only
- Applies to Municipal taxes only
- Maximum of 15 years as per the MGA
 - Administration recommends 10 years for large projects, less for smaller projects
 - Clock starts when the approval is granted



Local workforce

Limit the location of the new Project to a 60-minute commuter zone

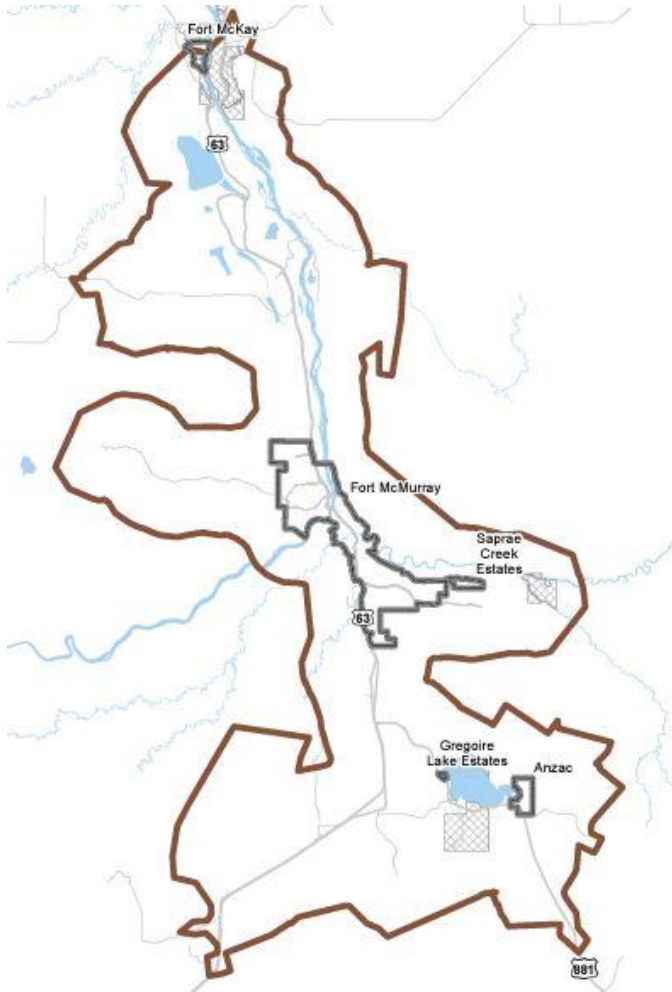
Increase the maximum tax exemption to 1.5% for an Employer-Assisted Housing Benefit program

Specifically excludes work camps as an eligible Project

Requirement of at least 15 Full Time Equivalent Skilled Jobs.



Tax Incentive Zone



- Approximately 1 hour commute radius from the Urban Service Area.
- Possibility of expanding the coverage area in future Bylaw amendments.



Other Municipalities

Strathcona County

- Energy Value Chain industry only
- Maximum tax exemption equal to 1% of Eligible Capital Costs
- 25% exemption on incremental increase
- 10 years

Sturgeon County

- Energy Value Chain industry only
- Maximum tax exemption equal to 1.5% of Eligible Capital Costs
- 2.5% if there is an Environmental, Social, and Governance policy
- 80% exemption on incremental increases
- 10 years



Our Draft Bylaw includes:

- Natural Resources Extraction Support Industry
- New construction or expansion projects
- Minimum amount of Eligible Capital Costs is \$25 million
- 250 employees during construction or 15 in operation
- Maximum tax exemption = 1% of Eligible Capital Costs
 - 1.5% if there is an Employer-Assisted Housing Benefit program
- 80% exemption
- Over 10 years if \$50 M, 5 years if \$25 M, or until maximum is reached



Wood Pellet Plant

- \$85 M in Eligible Capital Costs
 - 1.5% = \$1.275 M
 - 1% = \$850k
- \$17 M in Assessed Value, 1% Tax rate
 - 80% exemption = \$136k/yr (\$34k collected)
- Reaches the maximum tax exemption in 6 years at 1% or 9 years at 1.5%



Parts Manufacturing Facility



- \$50 M in Eligible Capital Costs
 - 1.5% = \$750k
 - 1% = \$500k
- \$10 M in Assessed Value, 1% Tax rate
 - 80% exemption = \$80k/yr (\$20k collected)
- Reaches the maximum tax exemption in 6 years at 1% or 9 years at 1.5%



Research & Development Hub

- \$25 M in Eligible Capital Costs
 - 1.5% = \$375k
 - 1% = \$250k
- \$5 M in Assessed Value, 1% Tax rate
 - 80% exemption = \$40k/yr (\$10k collected)
- 5-year window for smaller projects
- Will reach the maximum tax exemption in 6 years at 1% or 9 years at 1.5%



Thank You



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