



# City of Prince Albert

**RPT 2024-283**

**TITLE:** Tax Increment Financing Bylaw - Yard District

**DATE:** September 10, 2024

**TO:** City Council

**PUBLIC:** X

**INCAMERA:**

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## **RECOMMENDATION:**

That Bylaw No. 10 of 2024, a Bylaw of the City of Prince Albert, to develop a tax increment financing program for the municipal taxes on properties in The Yard District be introduced and given three readings.

## **EXECUTIVE SUMMARY:**

City Council has approved crediting the annual taxation revenue generated from the properties within the Yard District to a newly created Recreation Centre Reserve. The Recreation Centre Reserve is established to fund the annual debt financing for the payments for the borrowing of funds for the Aquatic & Arenas Recreation Centre.

A tax increment financing bylaw formalizes Council's approval as contemplated in the City's Act, Section 282.1 whereby all incremental municipal portion of taxes charged to properties in the Yard District when collected shall be directed to the Recreation Centre Reserve.

The Bylaw is specific to annual municipal taxes for those properties in the Yard District and does not contemplate that there would be any additional or special tax for those properties.

## **BACKGROUND:**

City Council at its December 11, 2023 meeting approved the following motion:

*"That a Recreation Centre Reserve be established for the funding of the Prince Albert Recreation Centre Project."*

As outlined during Budget Committee, the Reserve is:

- to be credited with the following each year:
  - Annual revenue collected from the Civic Facilities Levy;
  - Building Permit revenue generated annually from The Yard District;
  - **Applicable Taxation revenue generated annually from The Yard District;**
  - Development Levy revenue generated annually from The Yard District; and,
  - All Fundraising revenue collected for the Prince Albert Recreation Centre Project;
- to fund:
  - **the annual debt financing payments for the borrowing related to the Aquatic & Arenas Recreation Centre;** and,
  - all approved capital expenditures relating to the Prince Albert Recreation Centre.

### **PROPOSED APPROACH AND RATIONALE:**

The motion approved by City Council on December 11, 2023 should implement the Reserve formalized whereby all of the incremental municipal portion of taxes charged to properties in the Yard District when collected be directed to the Recreation Centre Reserve.

The intent of the Bylaw is specific to have annual regular municipal taxation transferred, and does not contemplate any additional or special taxation for properties in The Yard District.

The “Yard District” in the City is a commercial development comprised of approximately 160 acres within which The City is pursuing the development and construction of an Aquatics & Arenas Recreation Centre and a Convention & Cultural Event Centre, which projects are motivating numerous business properties to be developed and enhanced within the Yard District. The attached Bylaw includes a map of the designated commercial development area.

The recommendation is made in that section 282.1 of *The Cities Act* contemplates that paragraph (c) of the Budget Motion passed on November 18, 2023, insofar as it deals with annual property taxes for properties within the Yard District development, can be supported by a tax increment financing bylaw. The recommendation supports paragraph (c) of that Motion in the manner contemplated in section 281.1.

### **CONSULTATIONS:**

Finance Administration has consulted with the City Manager, City Solicitor, and the Director of Community Development in regards to a tax increment financing program for the Yard District.

**COMMUNICATION AND/OR ANNOUNCEMENT PLAN:**

Upon Council approval of the proposed Bylaw, the annual taxation revenue generated from properties in the Yard District will continue to be credited to the Recreation Centre Reserve, and will be directed to repayment and debt servicing of the City's construction borrowing.

The approved Bylaw will be posted on the City's Website.

**BUDGET/FINANCIAL IMPLICATIONS:**

As approved by the 2023 Motion, annual revenue collected from the Civic Facilities Levy, building permit revenue, development levy revenue and fundraising revenue is to be credited to the Recreation Centre Reserve in addition to taxation collected from the Yard District properties.

The Bylaw is specific that all of the incremental municipal portion of taxes charged to properties located in the Yard District when collected shall be directed and paid into a specified municipal reserve fund to be known and administered by The City of Prince Albert as the "Recreation Centre Reserve".

The taxation from properties in the Yard District paid to the Recreation Centre Reserve pursuant to the proposed Bylaw would be used in benefit to the Yard District by its application exclusively to the repayment and servicing of The City's borrowing and debt financing payments associated with its construction of the Aquatic & Arenas Recreation Centre.

**OTHER CONSIDERATIONS/IMPLICATIONS:**

City Council Motion of December 11, 2023 approved the creation of the Recreation Centre Reserve for the funding of the Prince Albert Recreation Centre.

**OPTIONS TO RECOMMENDATION:**

There are no options to the Recommendation.

**STRATEGIC PLAN:**

The Bylaw supports the strategic plan relating to economic diversity and stability by support equitable tax structure to promote community growth.

**OFFICIAL COMMUNITY PLAN:**

Section 9 of the Official Community Plan details several goals and policies that supports the development and funding of a recreational facility such as what is being developed in Prince Albert. Specifically related to funding, the OCP states that the City shall evaluate revenue streams from development levies, subdivisions, and other land use actions in order to develop an approach to funding allocations and prioritization. Tax incremental financing supports this approach as it aims to help fund this facility as a result of the taxes generated in the yard district.

**PUBLIC NOTICE:**

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

**ATTACHMENT:**

1. Bylaw No. 10 of 2024.

**Written by:** Melodie Boulet, Finance Manager

**Approved by:** City Solicitor, Director of Financial Services, Director of Community Development and City Manager