



CITY POLICY

POLICY NUMBER: C533A

REFERENCE:

City Bylaw 14380, Arterial Roads for Development
City Policy C507, Arterial Roads for Development
City Council 2009 06 17

ADOPTED BY:

City Council

SUPERSEDES:

C533

PREPARED BY: Sustainable Development

DATE: 03 March 2015

TITLE: **Revolving Industrial Servicing Fund**

Policy Statement:

The City of Edmonton supports industrial activity as an important sector of our local economy. The purpose of this policy is to encourage industrial development through financial incentives.

1. The Revolving Industrial Servicing Fund (RIS Fund) is a revolving assistance fund designed to provide development incentives to encourage end user developments. “End User Developments” are those that have a functioning facility on the serviced land that provides a developed taxable property assessment to the City.
2. A RIS Fund Rebate will be available to Front End Developers that meet the following criteria:
 - a) Undertaking eligible front-end construction of Cost Shareable Infrastructure servicing.
 - b) Agreeing to construct an “End-User Development” project with an Increased Taxable Property Assessment (excluding machinery and equipment) exceeding \$10 million.
 - c) Entering into a Servicing Agreement with the City of Edmonton.
 - d) Scheduling to complete the project within 36 months from the execution date of the Servicing Agreement.
3. The maximum expenditure of the RIS Fund, including amounts that have been allocated but not yet paid to Front End Developers, is \$26 million. The RIS Fund would issue rebates to Front End Developers, provided that the Front End Developer has met the criteria outlined in this Policy and the attached City Procedure, and provided that they have not received their full Normal Developer

This policy is subject to any specific provisions of the Municipal Government Act or other relevant legislation or Union Agreement.



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Rebates from Subsequent Developers.

4. After a RIS Fund Rebate has been paid to a Front End Developer, recoveries from Subsequent Developers will be allocated proportionately to the City and the Front End Developer based on: (i) the amount of the RIS Fund Rebate and (ii) the amount of remaining Normal Developer Rebates that the Front End Developer is yet to receive. The City's portion will be used firstly to repay any outstanding principal and interest costs, and secondly to build the RIS Fund to the \$26 million limit.
5. Repayment of any amounts advanced as RIS Fund Rebates by the City will come from:
 - a. Subsequent Developers; and
 - b. An amount equivalent to 50% of the Total Incremental Tax Revenue for the Development Lands.
6. When the City has recovered all RIS Fund Rebates, any further recoveries shall be deposited into an interest bearing reserve account for future RIS Fund Rebates until the RIS Fund reserve account reaches a maximum limit of \$26 million.



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1. DEFINITIONS

- 1.01 ARA: is an arterial roadway assessment by the City of Edmonton in accordance with Bylaw 14380 as amended.
- 1.02 Boundary Costs: are approved costs for infrastructure which is constructed to benefit the Front End Developer's lands and adjacent lands identified in the Servicing Agreement. Boundary Costs must be valid boundary costs approved by the City's Sustainable Development Department.
- 1.03 CCC: is the Construction Completion Certificate as referred to in the City's standard Servicing Agreement.
- 1.04 City Assessor: is the City Assessor or their delegate as defined under the Municipal Government Act.
- 1.05 Cost Shareable Infrastructure: is infrastructure constructed by a developer that provides excess capacity for subsequent developments. Cost Shareable Infrastructure is cost shared proportionately by all developers in a determined benefiting area.
- 1.06 Development Lands: are all of the Front End Developer's lands being serviced under the Servicing Agreement. The Development Lands contain not only:
- a) the lot(s) on which the End User Development is located; and
 - b) any additional lands being serviced that qualify for additional RIS Fund Rebates under the Additional Land Servicing Incentive outlined in Article 9;
- but also include any other lands being serviced under the Servicing Agreement that do not qualify for RIS Fund Rebates.
- 1.07 End User Development: is a development project that has a functional facility on the serviced land that provides a developed property tax assessment to the City. End User Development can mean more than one facility, provided that they are all constructed under the terms of the same Servicing Agreement.



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- 1.08 Engineer: means a Development Engineer within the City's Sustainable Development Department.
- 1.09 Excess Expenditures: means that portion of costs of Cost Shareable Infrastructure which exceeds a developer's proportionate share of the infrastructure costs. In the absence of the RIS Fund, Excess Expenditure costs for Cost Shareable Infrastructure are recovered from Subsequent Developers through charges to Subsequent Developers as conditions of their subdivisions or development permits.
- 1.10 FAC: is the Final Acceptance Certificate as referred to in the City's standard Servicing Agreement.
- 1.11 Final RIS Fund Rebate: is the final rebate amount calculated to be paid to a Developer in lieu of Normal Developer Rebates as calculated in Table 1, based on the actual Increased Taxable Property Assessment after construction.
- 1.12 Front End Developer: is the party who enters into a Servicing Agreement with the City of Edmonton which provides for Normal Developer Rebates and RIS Fund Rebates, and who bears the initial cost of the Cost Shareable Infrastructure.
- 1.13 General Manager: is General Manager of the City's Sustainable Development Department.
- 1.14 Increased Taxable Property Assessment: is the difference between (i) the Initial Taxable Property Assessment and (ii) the Post Development Taxable Property Assessment, excluding machinery and equipment. Each lot within the Development Lands will have its own Increased Taxable Property Assessment.
- 1.15 Incremental Tax Revenue: is change in tax revenue that the City receives due to the servicing of the Front End Developer's lands and/or the construction of the End User Development. Each lot within the Development Lands will have its own Incremental Tax Revenue.
- 1.16 Initial Taxable Property Assessment: is the City Assessor's Taxable Property Assessment of the unserviced land at the time the Servicing



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Agreement is executed. Each lot within the Development Lands will have its own Initial Taxable Property Assessment.

- 1.17 Maximum Total Expenditure Limit: shall be \$26 million less whatever amounts have been allocated or advanced to Front End Developers through Servicing Agreements.
- 1.18 Normal Developer Rebates: are rebates for Cost Shareable Infrastructure which, without the RIS Fund Rebate, would normally be rebated back to a developer from Subsequent Developers over time, according to the terms of the City's standard Servicing Agreement.
- 1.19 Outstanding Normal Developer Rebates: are the remaining Normal Developer Rebates still to be recovered by the Front End Developer after receiving any Paid Normal Developer Rebates.
- 1.20 Paid Normal Developer Rebates: are Normal Developer Rebates that the Front End Developer receives from Subsequent Developers prior to the City paying the RIS Fund Rebate.
- 1.21 PAC: is the City's Permanent Area Contribution area based assessment for a developer's proportionate share of cost shareable storm and sanitary infrastructure, as defined in the City's standard Servicing Agreement.
- 1.22 Post Development Taxable Property Assessment: means the Taxable Property Assessment, as determined by the City Assessor, upon completion of the servicing of the Development Lands and/or the completion of the End User Development, whichever is applicable. Each lot within the Development Lands will have its own Post Development Taxable Property Assessment.
- 1.23 RIS Fund: is the revolving industrial servicing reserve fund with a Maximum Total Expenditure Limit of \$26 million dollars.
- 1.24 RIS Fund Rebate: is the revolving industrial servicing fund rebate that is estimated to be paid to a Front End Developer in lieu of Normal Developer Rebates in accordance with the rebate provisions of a Servicing Agreement.



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- 1.25 Servicing Agreement: shall mean a servicing agreement entered into by the Front End Developer who will be servicing industrial land in the City of Edmonton, and which contains the requirement to construct Cost Shareable Infrastructure.
- 1.26 Shareable Arterial Roadway Construction Costs: are costs which exceed the developer's ARA requirement for the lands included in the Servicing Agreement. The arterial roadway construction excess expenditure costs are those which are identified for normal ARA rebates in the Servicing Agreement.
- 1.27 Shareable Drainage Trunk Infrastructure Costs: are costs which exceed the developer's PAC requirements for the lands included in the Servicing Agreement. Drainage Trunk Infrastructure includes storm and sanitary trunk sewers, and associated Cost Shareable Infrastructure such as pumping stations, storm water management ponds and appurtenances.
- 1.28 Subsequent Developer: means a developer who enters into a Servicing Agreement after the Front End Developer. The Subsequent Developer may be required to pay back some shareable infrastructure costs to the Front End Developer through the subsequent Servicing Agreement.
- 1.29 Taxable Property Assessment: the City Assessor's property assessment valuation of the subject lands.
- 1.30 Tax Assessment Evaluation Form: is a form produced by the City's Sustainable Development Department listing the elements of a proposed industrial project, such as detailed construction information on size and materials, that will enable the City Assessor to estimate the Initial Taxable Property Assessment and the Final Taxable Property Assessment of the project for the purposes of calculating the allowable RIS Fund Rebate.
- 1.31 Total Incremental Tax Revenue: is the combined total Incremental Tax Revenue when considering all lands within the Development Lands. For example, if a project contains two lots each with an Incremental Tax Revenue of \$250,000, then the Total Incremental Tax Revenue would be \$500,000. On the other hand, if one lot has an Incremental Tax Revenue of \$250,000, while the other lot's tax revenue decreased by \$50,000, the Total Incremental Tax Revenue would be \$200,000.



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2. AREA OF APPLICATION AND EFFECTIVE DATE

- 2.01.1 This policy applies to any land within the corporate limits of the City of Edmonton that has Industrial Zoning as described in Article 3.01.7, excluding any areas located within a Community Revitalization Levy boundary, subject to recommendations from the City Administration and any conditions of this policy.
- 2.01.2 This policy applies to Servicing Agreements that were executed within the calendar year that City Council approves this policy and any subsequent executed.
- 2.01.3 The City will pay RIS Fund Rebates in accordance with this policy.
- 2.01.4 The City will recover amounts advanced as RIS Fund Rebates as follows:
- a) by collecting recoveries from Subsequent Developers in accordance with normal recovery practices set out in the Servicing Agreement; and
 - b) by allocating fifty percent (50%) of the Total Incremental Tax Revenue from the Development Lands.
- 2.01.5 This policy requires that Total Incremental Tax Revenues being transferred into the RIS Fund be identified through the annual budget process.
- 2.01.6 The amounts to be transferred into the reserve are Fifty Percent (50%) of the Total Incremental Tax Revenue from the Development Lands that the City receives in the following tax year, after the Servicing Agreement is executed.
- 2.01.7 Fifty Percent (50%) of the Total Incremental Tax Revenue will be used as follows:
- a) First, repay any outstanding principal and interest costs on debt incurred to provide RIS Fund Rebates.
 - b) Second, transferred into the RIS Fund reserve until the fund balance reaches \$26 million.
- 2.01.8 The remaining Fifty percent (50%) of the Total Incremental Tax Revenue will be added to the general tax revenues.



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2.01.9 When the RIS Fund reaches the \$26 million limit, 100% of the Total Incremental Tax Revenue will be transferred into general tax revenues.

2.01.10 The RIS Fund will earn interest at the City's Short Term Weighted Average Investment rate until it reaches the \$26 million limit.

3. DEVELOPER REQUIREMENTS

3.01. The Front End Developer applicant must meet the following minimum requirements to be eligible to apply for an RIS Fund Rebate under this policy.

3.01.1 The Front End Developer must enter into a Servicing Agreement with the City of Edmonton.

3.01.2 The Front End Developer must construct Cost Shareable Infrastructure such that the Front End Developer incurs Excess Expenditures and becomes eligible for Normal Developer Rebates within the Servicing Agreement.

3.01.3 The Front End Developer must construct or have an End User Development constructed on the serviced lands within 36 months from the date of execution of the Servicing Agreement. The End User Development shall be constructed within the prescribed time limits to a state of completion to allow for an inspection for Post Development Taxable Property Assessment by the City.

3.01.4 If the End User Development is not complete after 36 months from the date of execution of the Servicing Agreement, but is more than 50% complete as verified by the City, the City may grant an additional 12 month extension for completion upon receiving a written request from the Front End Developer.

3.01.5 The proposed End User Development must be a building or facility constructed on serviced land and used for a primarily industrial purpose. Some limited discretion may be exercised at the discretion of the General Manager in extending program eligibility to commercial, institutional and non-industrial uses adjacent to industrial activity which are consistent with the intent and effect of this policy.



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- 3.01.6 In order to be eligible for an RIS Fund rebate, the Increased Taxable Property Assessment value from the End User Development must be equal to or greater than ten million dollars (\$10 million), excluding the incremental value of machinery and equipment.
- 3.01.7 The proposed End User Development must be on lands zoned under the City's Land Use Bylaw, as (IB) Industrial Business Zone, (IL) Light Industrial Zone, (IM) Medium Industrial Zone, (IH) Heavy Industrial Zone, (EIB) Ellerslie Industrial Business Zone, (EIM) Ellerslie Medium Industrial Zone, (EETB) Edmonton Energy and Technology Park Business Park Zone, (EETC) Edmonton Energy and Technology Park Chemical Cluster Zone, (EETL) Edmonton Energy and Technology Park Logistics Zone, (EETM) Edmonton Energy and Technology Park Manufacturing Zone, or a Direct Control (DC) Zoning, or comparable as determined by the Engineer, with industrial or industrial/commercial uses.
- 3.01.8 The proposed End User Development must be referenced to a building that can be defined by a separate municipal building address.
- 3.01.9 The Front End Developer must complete a property Tax Assessment Evaluation Form and provide all information required by the City Assessor prior to execution of the Servicing Agreement.
- 3.01.10 The Tax Assessment Evaluation Form will be reviewed by the City Assessor to determine the Increased Taxable Property Assessment.
- 3.01.11 The Front End Developer must sign a written statement agreeing to the Post Development Taxable Property Assessment.
- 3.01.12 In order for the Front End Developer to receive a RIS Fund Rebate:
- (a) all taxes imposed pursuant to part 10 of the *Municipal Government Act*, R.S.A. 2000 c. M-26, have been paid for any property located in the City of Edmonton that is owned by the Front End Developer; and
 - (b) all assessment complaints and appeals for the Development Lands are concluded and the Post Development Taxable



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Property Assessment of the Development Lands has been determined.

- 3.01.13 Subject to availability of funds and the overall \$26 million limit of the RIS Fund, the City shall consider applications for RIS Fund Rebates before a Servicing Agreement is executed. Applications will also be considered to amend a Servicing Agreement to include RIS Fund Rebates if an End User Development can be identified within 12 months of the initial execution date of the Servicing Agreement. If funds are available, and the Front End Developer meets the other eligibility requirements set out herein, the City may amend the Servicing Agreement with the applicable provisions to allow the developer to qualify for RIS Fund Rebates.
- 3.01.14 A Front End Developer can be eligible for RIS Fund Rebates under no more than two (2) Servicing Agreements and any one time. A developer can only become eligible for RIS Fund Rebates under a third Servicing Agreement when the Normal Developer Rebates that have been assigned to the City (which equals the RIS Fund Rebate) for at least one (1) of the previous two (2) Servicing Agreements have been recovered by the City from Subsequent Developers in accordance with the normal recovery method set out within the City's standard Servicing Agreement.

4. ELIGIBLE COSTS

- 4.01 Infrastructure costs that are eligible for RIS Fund Rebates within the terms of a Servicing Agreement shall include the following shareable infrastructure costs:
- a) Boundary Costs;
 - b) Shareable Arterial Roadway Construction Costs, and
 - c) Shareable Drainage Trunk Infrastructure Costs.
- 4.02 The only costs in a Front End Developer's Servicing Agreement eligible for an RIS Fund Rebate will be Excess Expenditure costs resulting from the Front End Developer's construction of Cost Shareable Infrastructure, and for which the Front End Developer would be eligible for Normal Developer Rebates. Rebate costs



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which are not for the Front End Developer's construction of Cost Shareable Infrastructure, such as rebates for costs paid towards a previous developer's Excess Expenditure costs, are not eligible for RIS Fund Rebates.

5. NORMAL DEVELOPER REBATES

5.01 The RIS Fund is intended to rebate Front End Developers in lieu of the Normal Developer Rebates providing they have constructed Cost Shareable Infrastructure and have completed an eligible End User Development, but not yet received all of their Normal Developer Rebates from Subsequent Developers.

5.02 In the event that:

- a) the Front End Developer receives Paid Normal Developer Rebates; and
- b) after receiving the Paid Normal Developer Rebates, the Outstanding Normal Developer Rebates are less than the RIS Fund Rebate identified in the Servicing Agreement,

then the RIS Fund Rebate shall be reduced to the amount of the Outstanding Normal Developer Rebates. For example, if a Front End Developer incurs Excess Expenditures under a Servicing Agreement in the amount of \$3 million, and as a result they qualify for a RIS Fund Rebate in the amount of \$3 million, but they receive Paid Normal Developer Rebates in the amount of \$1 Million prior to receiving the RIS Fund Rebate, then the RIS Fund Rebate shall be reduced to \$2 million, which is the value of the Outstanding Normal Developer Rebates.

5.03 Normal Developer Rebates shall be considered to be Paid Normal Developer Rebates for the portion of funds where the City has already received payments from the Subsequent Developers but has yet to disburse the rebates within the allowable time limits prescribed within the Servicing Agreement.

5.04 When a Front End Developer is eligible for Normal Developer Rebates within an Servicing Agreement, and has qualified for RIS Fund Rebates to be paid upon completion of an End User Development, the City will continue to process and disburse any Normal Developer Rebates up to the full amount of rebates identified in the Servicing Agreement until one of the following occurs:

- a) the End User Development is complete and has been assessed and any



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remaining eligible portion of the RIS Fund Rebate is paid; or

- b) the Front End Developer has received all of their Normal Developer Rebates.

6. **ASSIGNMENT OF NORMAL DEVELOPER REBATES**

- 6.01 Upon payment by the City of the RIS Fund Rebate to the Front End Developer, the portion of the Front End Developer's Normal Developer Rebates in the amount of the RIS Fund Rebate shall be assigned to the City.
- 6.02 Recoveries from a Subsequent Developers are calculated based on the Excess Expenditure in accordance with the normal method set out within the Servicing Agreement.
- 6.03 Recoveries from Subsequent Developers will be allocated respectively to both the City and the Front End Developer based on the proportionate values of:
 - a) the RIS Fund Rebate issue by the City; and
 - b) the remaining Normal Developer Rebates, if any, that the Front End Developer is still entitled to receive from Subsequent Developers after the RIS Fund Rebate has been paid.

For example, in the event that:

- c) a Front End Developer incurred Excess Expenditures under a Servicing Agreement in the amount of \$8 million;
- d) the Front End Developer qualified under the Servicing Agreement for a RIS Fund Rebate in the amount of \$3 million;
- e) the Front End Developer received Paid Normal Developer Rebates in the amount of \$4 Million prior to receiving the RIS Fund Rebate, and therefore, the Front End Developer's Outstanding Normal Developer Rebates became \$4 million (*\$8 million - \$4 million*);
- f) the RIS Fund Rebate in the amount of \$3 million was subsequently paid to



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the Front End Developer, and therefore, the remaining Normal Developer Rebates that the Front End Developer is still entitled to receive from Subsequent Developers became \$1 million (*\$4 million - \$3 million*); and

- g) a Subsequent Developer pays a recovery in the amount of \$1 million towards the Cost Shareable Infrastructure that the Front End Developer constructed under the Servicing Agreement,

then \$750,000 of the \$1 million received would be allocated to the City (*calculated as $3/4 \times \$1 \text{ million}$*), and \$250,000 of the \$1 million received would be allocated to the Front End Developer (*calculated as $1/4 \times \$1 \text{ million}$*).

- 6.04 In cases where the Subsequent Developer is also the Front End Developer, Normal Developer Rebates must be paid to the City for allocation as per Article 6.03, and cannot be offset.

7. AMOUNT OF THE RIS FUND REBATE

- 7.01 Funds shall be allocated on a first come first served basis in accordance with this policy, to a maximum of \$4 million per Servicing Agreement. The total amount of rebates issued or committed to Front End Developers at any one time may not exceed the \$26 million limit of the RIS Fund.

- 7.02 The RIS Fund Rebate for a Servicing Agreement shall be the lesser of:

- a) the Excess Expenditures resulting from the Front End Developer's construction of Cost Shareable Infrastructure, as outlined in Article 4.02;
- b) the Maximum Allowable RIS Fund Rebate calculated at the time the Servicing Agreement is executed in accordance with Table 1 in Article 7.05;
- c) \$4 million; or
- d) the Maximum Total Expenditure Limit, as outlined in Article 7.08.

- 7.03 When the City agrees to provide an RIS Fund Rebate to a Front End Developer in a Servicing Agreement, the funds will be considered allocated to that Front End Developer once the Servicing Agreement is executed, and the amount of the RIS Fund Rebate shall be deducted from the Maximum Total Expenditure Limit.



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- 7.04 If a Front End Developer's RIS Fund Rebate is reduced in accordance with Article 5.02 as a result of receiving Paid Normal Developer Rebates, then the Maximum Total Expenditure Limit of the RIS Fund shall be increased by the amount that the RIS Fund Rebate was reduced by.
- 7.05 The amount of the RIS Fund Rebate allocated to a Front End Developer within a Servicing Agreement shall be based on the net Increased Taxable Property Assessment value for the End User Development as shown in Table 1:

Table 1		
Increased Taxable Property Assessment	RIS Fund Rebate Rate	RIS Fund Rebate
\$10,000,000 to \$14,999,999	8%	\$800,000 to \$1,200,000
\$15,000,000 to \$19,999,999	10%	\$1,500,000 to \$2,000,000
\$20,000,000 or greater	12%	\$ 2,400,000 to \$4,000,000
Additional Rebate for servicing of additional land as per Section 9.01	5% of the Increased Taxable Property Assessment of additional land, up to 8.0 ha*.	*can be used to provide additional rebate up to maximum total rebate of \$4,000,000

For example, a Front End Developer who commits to:

- a) construct an End User Development with an Increased Taxable Property Assessment of \$16 million; and
- b) service an additional 6 hectares of land in accordance with Article 9, resulting in an Increased Taxable Property Assessment of \$5 million,

would be qualify for a RIS Fund Rebate calculated as follows:



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$$\text{RIS Fund Rebate} = (\$16 \text{ million} \times 10\%) + (\$5 \text{ million} \times 5\%) = \$1.85 \text{ million}$$

7.06 A Front End Developer shall not receive a RIS Fund Rebate greater than \$4 million in any one Servicing Agreement unless:

- a) an exception to exceed \$4 million has been specifically approved by the City's Executive Committee;
- b) the RIS Fund Rebate amount is twelve percent (12%) or less of the Increased Taxable Property_Assessment value for the End User Development;
- c) the RIS Fund Rebate amount does not exceed \$8 million; and
- d) the City has available funding within the RIS Fund, and therefore is not required to incur debt to provide the portion of the RIS Fund Rebate above \$4 million.

7.07 A Developer who qualifies for a RIS Fund Rebate with a commitment for an End User Development with an Incremental Property Tax Assessment value in excess of \$10 million must complete the End User Development such that the Increased Taxable Property Assessment as determined by the City Assessor is equal to or greater than \$10 million. If the Increased Taxable Property Assessment is less than \$10 million, RIS Fund Rebates shall be given at the sole discretion of the General Manager.

7.08 The total amount of City funding potentially available for the RIS Fund Rebate for any one Servicing Agreement may also be limited by the Maximum Total Expenditure Limit of the RIS Fund. For example, if a Front End Developer would normally be eligible for an RIS Fund Rebate of \$3.5 million, but \$24 million of the RIS Fund amount of \$26 million has been already allocated to other Front End Developers in other Servicing Agreements, then the maximum amount of the RIS Fund available within the next Servicing Agreement would be \$2 million.

7.09 An RIS Fund Rebate shall be the lesser of:

- a) the RIS Fund Rebate amount identified in the Servicing Agreement; or
- b) the Final RIS Fund Rebate.



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7.10 In order to ensure adequate, consistent review and evaluation, the Engineer shall submit all necessary documentation including the Tax Assessment Evaluation Form regarding the End User Development to the City Assessor.

7.11 No interest shall be applied to RIS Fund Rebates. Interest will be applied to all Normal Developer Rebates at the prescribed rates and in the manner set out in the Servicing Agreement.

8. MULTIPLE END USER DEVELOPMENTS

8.01 A Front End Developer may combine the value of End User Developments identified within the Servicing Agreement such that the total Taxable Property Assessment value increase for the combined developments will be considered. For example, an End User Taxable Property Assessment of \$8 million on one lot, combined with an End User Development on another lot with an End User Taxable Property Assessment of \$9 million, all within a single development area serviced under the same Servicing Agreement, can be considered to have a total End User Development with an increased Taxable Property Assessment of \$17 million.

9. ADDITIONAL LAND SERVICING INCENTIVE

9.01 A Front End Developer who qualifies for an RIS Fund Rebate with a commitment for an End User Development with an Increased Taxable Property Assessment value in excess of \$10 million, may qualify for additional RIS Fund Rebates based on the value of additional serviced land over and above the Increased Taxable Property Assessment value of the lot containing the End User Development as follows:

9.01.1 The Front End Developer may include the value of the Incremental Taxable Property Assessment for up to eight (8) addition hectares (ha.) of serviced land over and above the lot(s) used for the End User Developments.

9.01.3 Additional RIS Fund Rebates will be provided based on five percent (5%) of the Incremental Taxable Property Assessment value for the additional serviced land.

9.01.3 The total RIS Fund Rebate shall not exceed \$4 million for a single



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Servicing Agreement.

10. TIMING

10.01 No RIS Fund Rebates shall be paid towards Cost Shareable Infrastructure unless:

- (a) the Cost Shareable Infrastructure has been constructed and a FAC has been issued for the improvements;
- (b) the City Assessor has confirmed the Post Development Taxable Property Assessment of the End User Development; and
- (c) The Front End Developer meets all requirements outlined in Article 3.

10.02 RIS Fund Rebates shall be paid to the Front End Developer no earlier than twelve (12) months from the execution date of the Servicing Agreement.

10.03 The Front End Developer shall notify the City in writing within 36 months of execution of the Servicing Agreement, of the completion of the End User Development and will allow the City to inspect and verify its completion in order that the City Assessor may determine the Post Development Taxable Property Assessment. The time period may be extended to 48 months if an extension is granted as outlined in Article 3.01.4.

10.04 Subject to the funding availability, the City shall, within 60 days of receiving the request for RIS Fund Rebates, inspect and verify the Increased Taxable Property Assessment valuation of the End User Development and pay the RIS Fund Rebates, provided that the Front End Developer has met the requirements of this policy.

10.05 For the purposes of this policy, an End User Development can be considered complete when the End User Development is substantially complete and in a state where the components identified in the Taxable Property Assessment Estimate are complete such as finished walls and floors and the facility is ready for use by the end user. No RIS Fund Rebates will be paid on incomplete End User Developments.

10.06 The completion or non-completion of the End User Development will not affect Normal Developer Rebates from Subsequent Developers under normal terms of



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the Servicing Agreement.

10.07 Notwithstanding any other provisions within this Procedure, the City shall be allowed up to one (1) year to pay the RIS Fund Rebate after a Front End Developer has completed all the requirements and becomes eligible to receive the RIS Fund Rebate.

11. PAYMENT OF RIS FUND REBATES

11.01 When the End User Developments are completed, the Front End Developer shall request the Engineer to arrange an inspection by the City Assessor to verify completion of the End User Development and to confirm the Post Development Taxable Property Assessment value of the End User Development.

11.02 Once the value of the End User Development has been confirmed by the City, and once an FAC has been issued for the Cost Shareable Infrastructure, the City shall pay to the Front End Developer the appropriate RIS Fund Rebate which shall:

- a) be the lesser of either the RIS Fund Rebate amount identified in the Servicing Agreement or the Final RIS Fund Rebate amount calculated in accordance with Table 1;
- b) not exceed the Normal Developer Rebate amount for Cost Shareable Infrastructure in the Servicing Agreement;
- c) be up to a maximum amount of \$4 million;
- d) be limited to the tendered costs of materials for the Cost Shareable Infrastructure and installation costs plus 15% for engineering and testing; and
- e) not allow interest to accrue on any unpaid RIS Fund Rebates.

11.03 Normal interest provisions shall apply to Normal Developer Rebates in accordance with the normal interest provisions in the City's Standard Servicing Agreement in effect in the year that the Servicing Agreement is executed.



CITY PROCEDURE

POLICY NUMBER: C533A

AUTHORITY: City Council

EFFECTIVE DATE: 03 March 2015

TITLE: **Revolving Industrial Servicing Fund**

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12. SPECIAL CONSIDERATIONS

12.01 The General Manager may make minor exceptions to program guidelines.

12.02 This policy shall be reviewed every three years.

12.03 City Administration shall prepare a report no less than once per year for the City's Executive Committee, providing an update on the status of the program.