

Sturgeon County Economic Development Strategy & Major Investment Incentives Program Design

November 29, 2022



Sturgeon
COUNTY

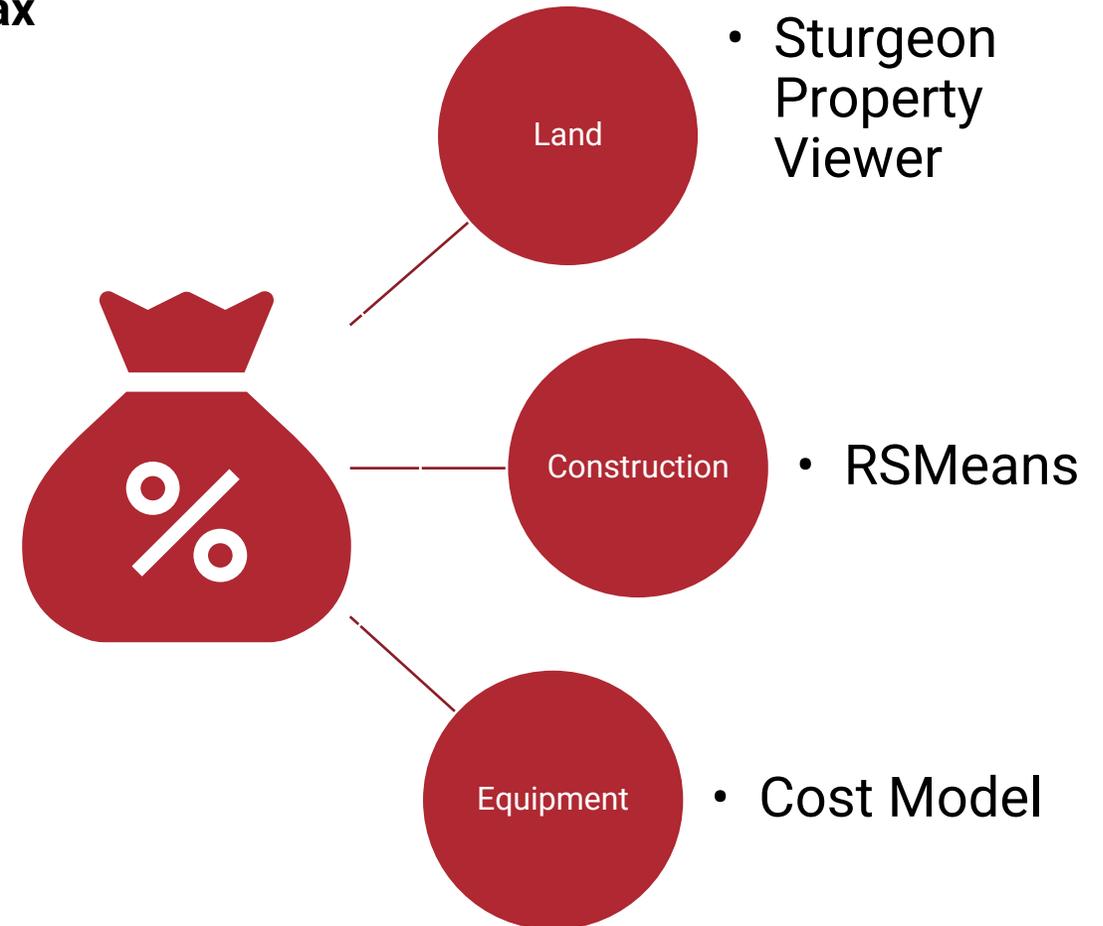
EBP 

- Corporate expansion/investment is a global game; companies have many jurisdictions to choose from
- Administration increasingly hears that while incentives aren't the most important factor, they do matter
 - Incentives will not make a bad location or investment good, but they do have the potential to tip the balance in our favour
- Sturgeon's tax rates are not cited as a major deterrent, though are not the lowest amongst competitors
- Alberta's capital, labour and transportation costs are higher vs many national and international sites
- The MGA precludes municipal grants therefore the main financial tools are tax exemptions
- Opportunity to advocate and align to other government incentive programs
- Complementary to the Heartland Incentive Program and Bylaw

- **Economic Development Strategy**
 - ✓ Project Planning, Coordination, and Communications
 - ✓ Review of Existing Regional Information
 - ✓ Stakeholder Engagement
 - ✓ Marketplace/Competition
 - ✓ Regional Analysis
 - ✓ Sturgeon County Physical Asset Assessment
 - ✓ Strengths, Weaknesses, Opportunities, and Threats
 - ✓ Changing Market Realities and Regional Competitive Advantage
 - Metric Identification
- **Major Investment Incentives Program Design**
 - ✓ Research and Competitive Gap Identification
 - ✓ Policy Development
 - ✓ Implementation and Bylaw Development
 - ✓ Draft Bylaw

- **Estimate Municipal Revenue Share for Property Tax**
- **Estimate Potential Incentives (As Share of Capital Cost)**
 - Meaning Construction + Equipment
- **Examine how many years of foregone revenue till hitting threshold**
 - Using minimum 20% normal tax revenue collection

**Market Value of Land
+ Improvements
- Depreciation
Value of Property**



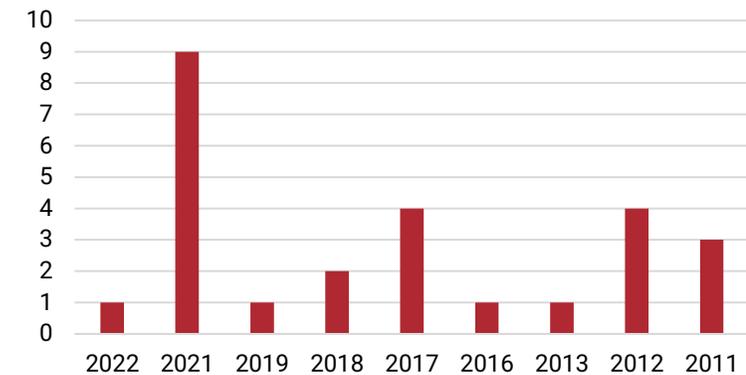
Project date	Investing company	Source country	Destination state	Sub-sector	Cluster	Jobs created	Capital investment
Jan 2022	Scoular Canada	United States	Saskatchewan	Grains & oilseed	Agribusiness	69	41.2
Jul 2021	Infarm	Germany	Manitoba	Crop production	Agribusiness	20	17.6
Jul 2021	Infarm	Germany	Ontario	Crop production	Agribusiness	20	17.6
Jul 2021	Infarm	Germany	Alberta	Crop production	Agribusiness	20	17.6
Jul 2021	Infarm	Germany	Nova Scotia	Crop production	Agribusiness	20	17.6
May 2021	JustKitchen	Taiwan	Not Specified	Food services	Agribusiness	69	41.2
Apr 2021	Cargill	United States	Alberta	Grains & oilseed	Agribusiness	69	41.2
Apr 2021	Cargill	United States	Saskatchewan	Grains & oilseed	Agribusiness	69	41.2
Apr 2021	Cargill	United States	Saskatchewan	Grains & oilseed	Agribusiness	397	350
Mar 2021	The Meatless Farm	United Kingdom	Alberta	Other (Food & Beverages)	Agribusiness	14	11.91
Aug 2019	Ingredion	United States	Saskatchewan	Other (Food & Beverages)	Agribusiness	69	41.2
Nov 2018	Dnata	UAE	British Columbia	Food services	Agribusiness	6	5.3
Jul 2018	Famille Michaud Apiculteurs	France	Quebec	Other (Food & Beverages)	Agribusiness	37	26.96
Nov 2017	Hain Celestial Canada	United States	Ontario	Other (Food & Beverages)	Agribusiness	26	8.5
Mar 2017	Bunge Lodgers Croklaan (IOI Lodgers Croklaan)	Malaysia	Ontario	Grains & oilseed	Agribusiness	69	41.2
Mar 2017	Grain Millers	United States	Saskatchewan	Grains & oilseed	Agribusiness	25	100
Mar 2017	United Greeneries Holdings	Australia	British Columbia	Crop production	Agribusiness	69	41.2
Jun 2016	Bayer	Germany	Saskatchewan	Crop production	Agribusiness	17	15
Apr 2013	Louis Dreyfus Commodities	France	Saskatchewan	Grains & oilseed	Agribusiness	69	41.2
Nov 2012	DuPont Pioneer	United States	Ontario	Grains & oilseed	Agribusiness	17	15
Oct 2012	Cargill	United States	Alberta	Grains & oilseed	Agribusiness	60	52.9
Sep 2012	Cargill	United States	Saskatchewan	Grains & oilseed	Agribusiness	30	26.5
Feb 2012	Weetabix Food Company	United Kingdom	Ontario	Grains & oilseed	Agribusiness	79	41.5
Dec 2011	Horizon Milling	United States	Ontario	Grains & oilseed	Agribusiness	17	15.4
Sep 2011	Bunge North America	United States	Alberta	Grains & oilseed	Agribusiness	79	41.5
Jun 2011	Cargill AgHorizons	United States	Alberta	Grains & oilseed	Agribusiness	79	41.5

Investment Statistics

Average Investment (\$M): 55.38

Average Jobs / \$M: 1.15

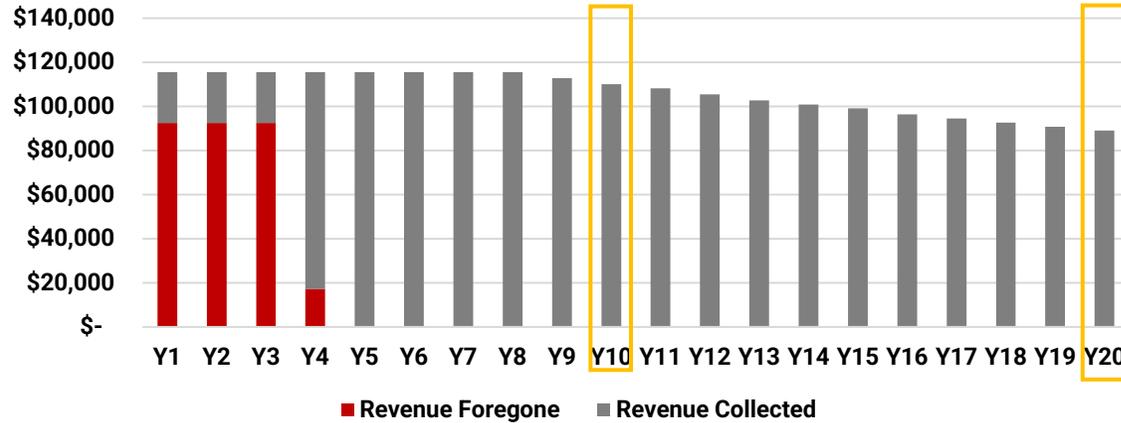
Canadian Agribusiness FDI Projects Per Year



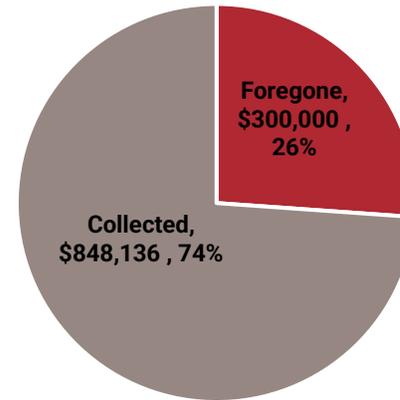
Dollars valued in USD
(Converted to CAD using Average Rate of 1.25)

Value-Added Agriculture Incentive – Based on \$20M CAPEX

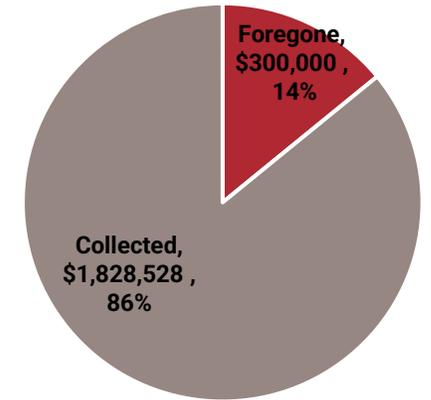
Agribusiness Incentive Impact on Municipal Revenue
(1.5% CAPEX, 20% Minimum Tax)



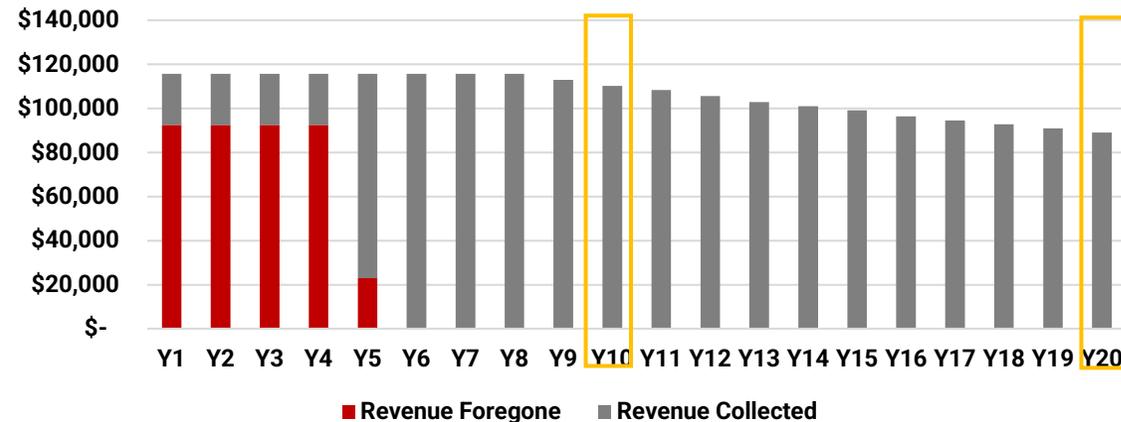
Cumulative Impact on 10-Year Municipal Revenue
(1.5% Incentive for Agribusiness)



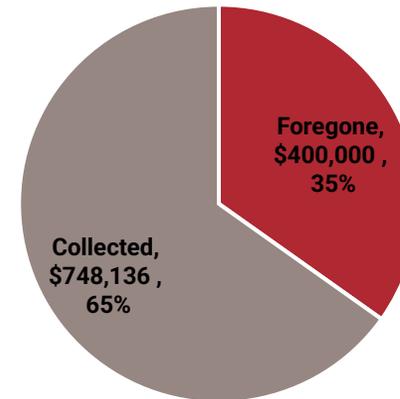
Cumulative Impact on 20-Year Municipal Revenue
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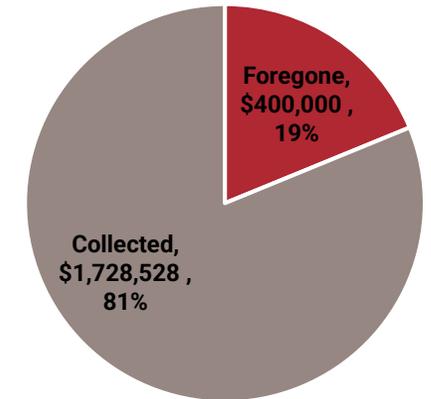
Agribusiness Incentive Impact on Municipal Revenue
(2% CAPEX, 20% Minimum Tax)



Cumulative Impact on 10-Year Municipal Revenue
(2% Incentive for Agribusiness)



Cumulative Impact on 20-Year Municipal Revenue
(2% Incentive for Agribusiness)



FDI Market Analysis: Solar Power Generation

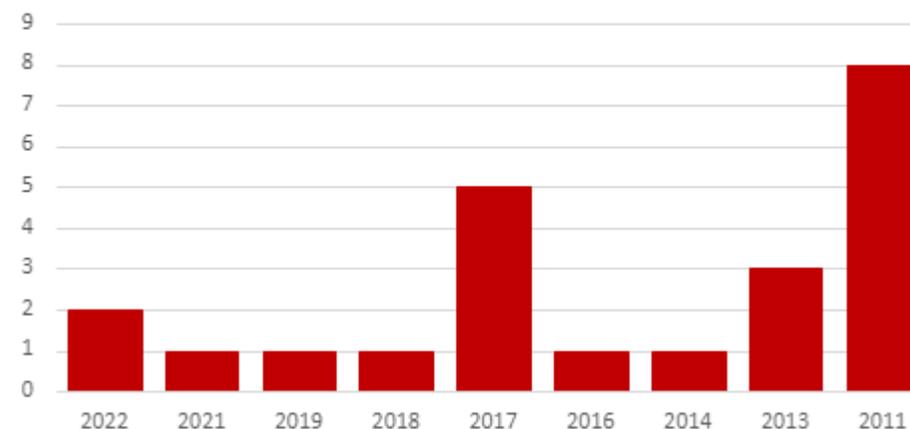
Project date	Investing company	Source country	Destination state	Sub-sector	Activity	Jobs created	Capital Investment
Jul-22	Proteus Power	United States	Alberta	Solar electric power	Electricity	11	192.5
Jul-22	Elawan Energy	Japan	Texas	Solar electric power	Electricity	36	272.125
May-22	Naturgy Energy Group (Gas Natural Fenosa)	Spain	Texas	Solar electric power	Electricity	22	346.425
Oct-21	Lightsource BP (Lightsource Renewable Energy)	United Kingdom	Colorado	Solar electric power	Electricity	37	271.25
Oct-21	Primergy	United Kingdom	Colorado	Solar electric power	Electricity	36	272.875
Oct-21	Grasshopper Energy	Canada	New York	Solar electric power	Electricity	37	271.25
Aug-21	Orsted (Dong Energy)	Denmark	Texas	Solar electric power	Electricity	32	500
Aug-21	SB Energy Corp	Japan	Texas	Solar electric power	Electricity	37	271.25
Jul-21	Avangrid Renewables(Iberdrola Renewables)	Spain	Ohio	Solar electric power	Electricity	12	187.5
Jul-21	Fox Squirrel Solar	France	Ohio	Solar electric power	Electricity	37	271.25
Jul-21	Greenalia	Spain	Texas	Solar electric power	Electricity	28	448.6625
Jun-21	ACCIONA Energia	Spain	Texas	Solar electric power	Electricity	22	350
Apr-21	Amazon.com	United States	Alberta	Solar electric power	Electricity	11	192.5
Apr-21	174 Power Global	South Korea	Colorado	Solar electric power	Electricity	16	250
Apr-21	BayWa Re Solar Projects	Germany	Texas	Solar electric power	Electricity	37	271.25
Apr-21	Samsung C&T Corporation	South Korea	Texas	Solar electric power	Electricity	53	841.25
Oct-20	EDP Renewables North America (Horizon Wind Energy)	Portugal	Ohio	Solar electric power	Electricity	37	271.25
Jun-20	National Grid Renewables (Geronimo Energy)	United Kingdom	Michigan	Solar electric power	Electricity	37	271.25
Mar-20	Boralex	Canada	New York	Solar electric power	Electricity	37	271.25
Feb-20	Avangrid Renewables (Iberdrola Renewables)	Spain	Oregon	Solar electric power	Electricity	37	271.25
Feb-20	KOMIPO America	South Korea	Texas	Solar electric power	Electricity	37	271.25
Jan-20	Nexamp	Japan	New York	Solar electric power	Electricity	37	271.25
Oct-19	Innergex Renewable Energy	Canada	Ohio	Solar electric power	Electricity	37	271.25
Oct-19	Silicon Ranch Corporation	Netherlands	Texas	Solar electric power	Electricity	3	46.875
Sep-19	Lightsource BP (Lightsource Renewable Energy)	United Kingdom	Colorado	Solar electric power	Electricity	20	312.5
Jun-19	Recurrent Energy	Canada	Texas	Solar electric power	Electricity	37	271.25
Feb-19	RWE Innogy	Germany	Alberta	Solar electric power	Electricity	11	192.5
Jan-19	Juwi Solar	Germany	Colorado	Solar electric power	Electricity	37	271.25
Jan-19	E.ON	Germany	Texas	Solar electric power	Electricity	37	271.25
Aug-18	Vesper Energy	Australia	Texas	Solar electric power	Electricity	13	212.5
Aug-18	Copenhagen Infrastructure Partners	Denmark	Texas	Solar electric power	Electricity	37	271.25
Feb-17	Soventix Canada	Germany	Alberta	Solar electric power	Electricity	11	192.5
Feb-17	Sunpower	France	Oregon	Solar electric power	Electricity	37	271.25
Jan-17	Alterra Power Corporation	Canada	Michigan	Solar electric power	Electricity	37	271.25
Jun-16	ReneSola	China	Minnesota	Solar electric power	Electricity	37	271.25
Apr-16	RES Distributed	United Kingdom	Texas	Solar electric power	Electricity	37	271.25
Oct-15	Hanwha Q Cells	South Korea	Texas	Solar electric power	Electricity	37	271.25
Feb-14	Newman Solar	Germany	Texas	Solar electric power	Electricity	37	271.25

Investment Statistics

Average Investment (\$M): \$234.2

Average Jobs / \$M: 0.18

Canadian Solar Electric Power FDI Projects Per Year

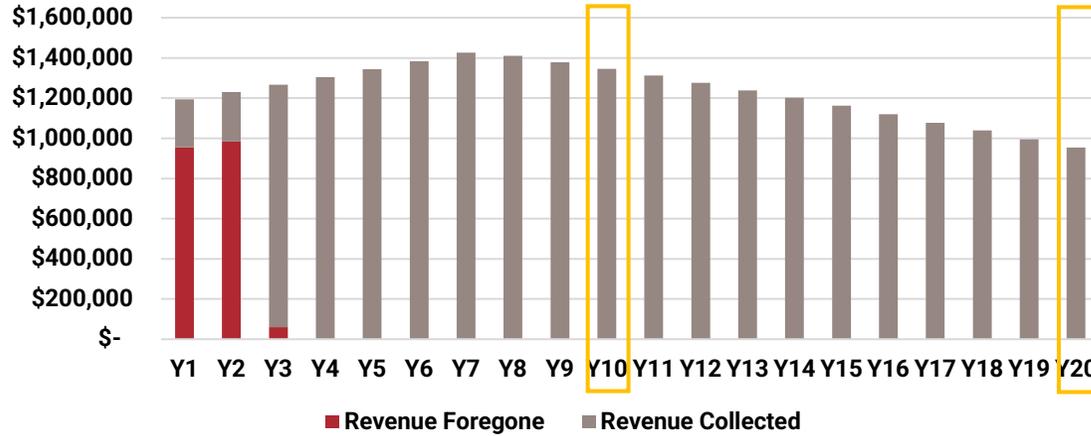


Dollars originally valued in USD
(Converted to CAD using Average Rate of 1.25)

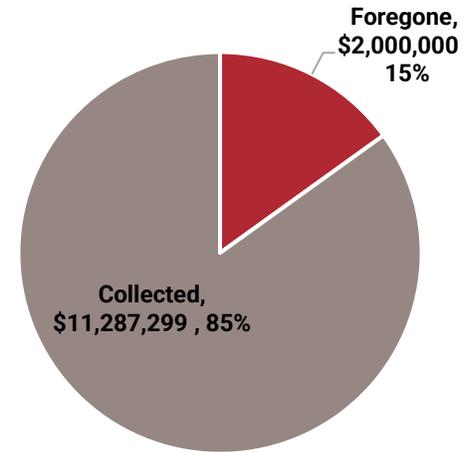
Solar Power Production Incentive – Based on \$200M CAPEX



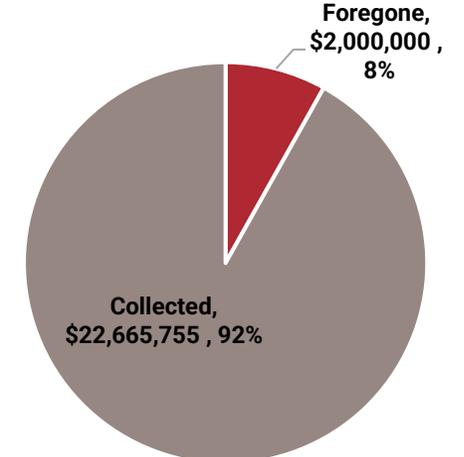
Solar Incentive Impact on Municipal Revenue
(1% CAPEX, 20% Minimum Tax)



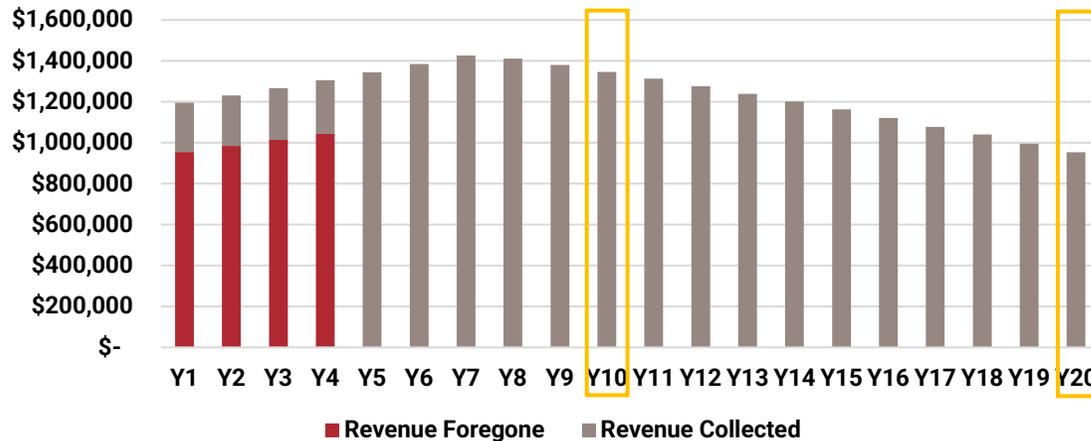
Cumulative Impact on 10-Year Municipal Revenue
(1% Incentive for Solar)



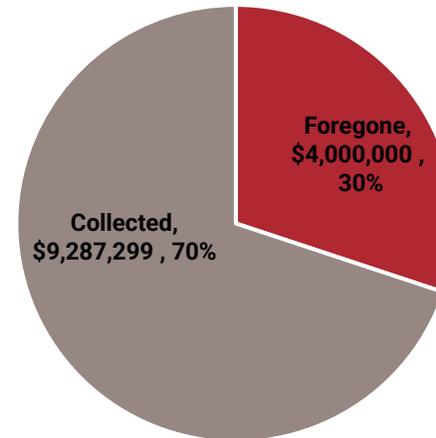
Cumulative Impact on 20-Year Municipal Revenue
(1% Incentive for Solar)



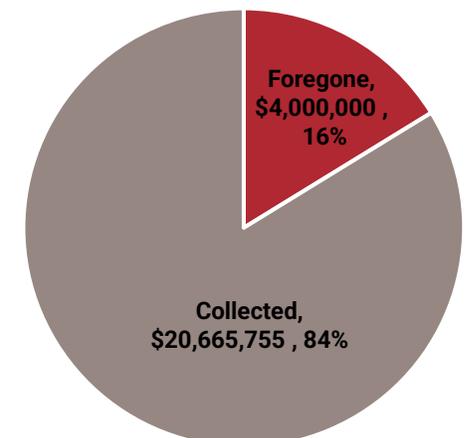
Solar Municipal Revenue Incentive Impact
(2% CAPEX, 20% Minimum Tax)



Cumulative Impact on 10-Year Municipal Revenue
(2% Incentive For Solar)



Cumulative Impact on 20-Year Municipal Revenue
(2% Incentive For Solar)



Value-Added Agriculture

- Strong case to be made that incentives can make an impact to location decisions for agricultural processing investments, especially as these are significantly locationally independent (not tied to a market or area by their nature).
- Incent to a maximum of 1.5% of total capital expenditure or 2% if project-level ESG criteria is met.

Solar Power Production

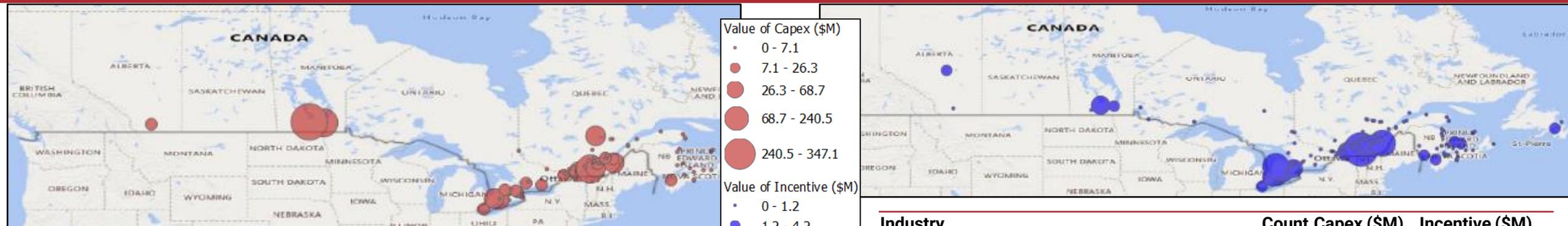
- Solar and related energy activities are largely location dependent and therefore less dependent on, or affected by municipal incentive policies
- Regardless, Sturgeon County's Strategic Plan emphasizes support for a long-term transition to a low-carbon economy, prioritizes clean energy production and sustainable development
- Incent to a maximum of 1% of total capital expenditure, geographically limited to Sturgeon's portion of Alberta's Industrial Heartland

- Major Investment Incentives Bylaw, First Reading – **November 29th**
- Major Investment Incentives Bylaw, Second and Third Reading – **December 13th**
- Review of additional industries, geographies and methodologies – **Q1, 2023**
- Council consideration of Economic Development Strategy – **Q1, 2023**



Supporting Materials

Incentives Flows Data: Agribusiness



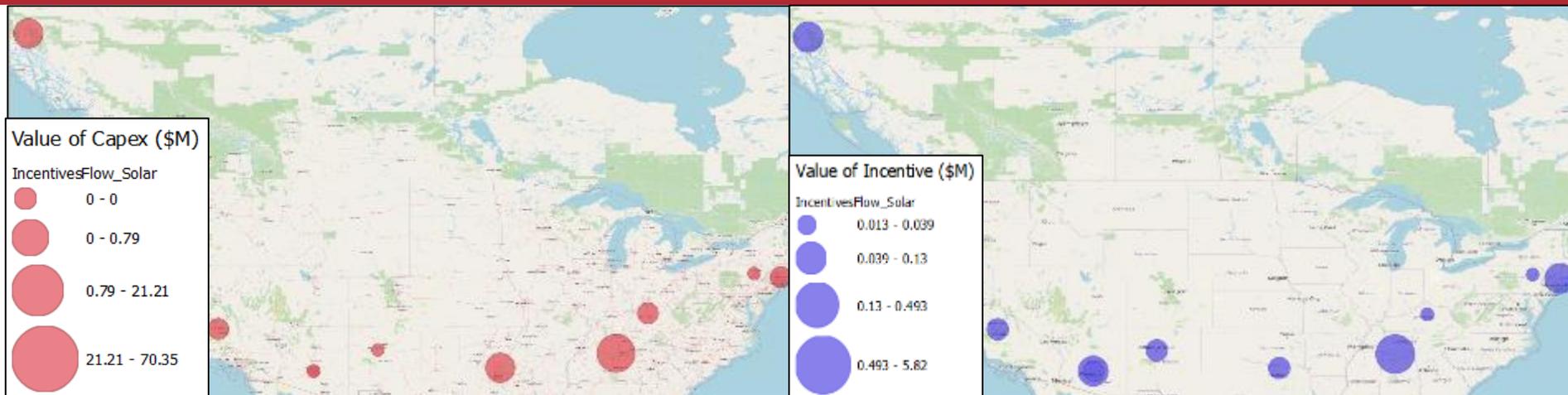
Province	Count	Capex (\$M)	Incentive (\$M)
Alberta	5	\$ 693.3	\$ 35.5
British Columbia	1	\$ -	\$ 1.4
Manitoba	6	\$ 717.3	\$ 21.7
New Brunswick	17	\$ 35.4	\$ 31.0
Newfoundland and Labrador	4	\$ 23.9	\$ 8.3
Northwest Territories	1	\$ 0.3	\$ 0.1
Nova Scotia	23	\$ 73.7	\$ 22.9
Ontario	75	\$ 1,354.8	\$ 212.6
Prince Edward Island	10	\$ 1.4	\$ 10.2
Quebec	102	\$ 1,305.0	\$ 496.3

Industry	Count	Capex (\$M)	Incentive (\$M)
Animal food manufacturing	11	\$ 91.8	\$ 21.6
Animal production	8	\$ 47.3	\$ 12.2
Animal slaughtering & processing	18	\$ 1,180.6	\$ 237.2
Bakeries & tortilla manufacturing	28	\$ 207.9	\$ 62.7
Breweries & distilleries	51	\$ 78.9	\$ 22.9
Crop production	25	\$ 611.4	\$ 133.2
Dairy product manufacturing	32	\$ 508.9	\$ 123.5
Fishing, hunting & trapping	13	\$ 31.0	\$ 15.5
Forestry & logging	7	\$ 200.0	\$ 53.3
Fruit & vegetable & specialist food manufacturing	22	\$ 674.6	\$ 84.2
Grain & oilseed milling	8	\$ 52.9	\$ 15.8
Other food manufacturing	21	\$ 499.2	\$ 47.2
Seafood product preparation and packaging	6	\$ 20.7	\$ 10.6

Deal date	Company	Destination	Capex (CAD m)	amount (CAD m)	Incentive programs	NAICS Sub-sector
2017-09-01	JD Irving	Alberta	\$ 339.6	\$ 22.3	Canada Growing Forward 2, Alberta Community and Regional Economic Support Program, Canada Clean Water and Wastewater Fund (CWWF)	Crop production
2012-08-01	Millar Western Industries	Alberta	\$ 112.5	\$ 8.4	Canada Investments in Forest Industry Transformation (IFIT)	Forestry & logging
2021-04-01	BioNeutra	Alberta	\$ -	\$ 2.8	Canada REGI Business Scale-Up and Productivity Program	Grain & oilseed milling
2022-05-01	Phyto Organix Foods	Alberta	\$ 221.5	\$ 1.0	Canadian Agricultural Partnership Program	Other food manufacturing
2022-05-01	PIP International	Alberta	\$ 19.7	\$ 1.0	Canadian Agricultural Partnership Program	Other food manufacturing

Incentives Flows Data: Solar

Solar and renewables investment is generally incentivized by broader provincial or federal programs



Project ID	Deal date	Investing Company	Destination State	Capex (CAD m)	amount (CAD m)	Incentive programs	NAICS Sub-sector
107749	2022-08-01	Paradise Power Company (PPC Solar)	New Mexico	-	\$ 0.1	New Mexico Job Training Incentive Program (JTIP)	Solar electric power generation
98031	2022-02-01	Athenian Sky Solar	Alabama	\$ 70.3	\$ 5.8	Unspecified (local)	Solar electric power generation
96943	2022-01-01	Doral	Indiana	\$ 1,918.5	\$ 51.2	Unspecified (local)	Solar electric power generation
96947	2022-01-01	NextEra Energy Resources	Indiana	\$ 255.8	\$ 12.8	Unspecified (local)	Solar electric power generation
94055	2021-11-01	Infinity Energy	California	\$ 13.9	\$ 3.1	California Competes Tax Credit	Solar electric power generation
80662	2020-10-01	Paradise Power Company (PPC Solar)	New Mexico	-	\$ 0.0	New Mexico Job Training Incentive Program (JTIP)	Solar electric power generation
98581	2020-10-01	PM&M Electric (Titan Solar Power)	Arizona	-	\$ 0.2	Arizona Job Training Grants Program	Solar electric power generation
77560	2020-07-01	Solvest	Yukon	\$ 2.1	\$ 0.3	Unspecified (state)	Solar electric power generation
78125	2020-02-01	Wild Springs Solar	South Dakota	-	\$ 3.8	South Dakota Reinvestment Payment Program	Solar electric power generation
67596	2019-11-01	Lone Star Solar	Texas	\$ 1.9	\$ 0.0	Unspecified (local)	Solar electric power generation
53012	2018-12-01	Solar Energy Solutions	Kentucky	\$ 0.1	\$ 0.0	Kentucky Small Business Tax Credit (KSBTC)	Solar electric power generation
54630	2018-12-01	Fall River Solar	South Dakota	\$ -	\$ 1.4	South Dakota Reinvestment Payment Program	Solar electric power generation
51709	2018-11-01	Jaza Energy	New Brunswick	-	\$ 0.7	Canada Business Development Program, Canada NRC Industrial Research Assistance Program	Solar electric power generation
83055	2018-09-01	PM&M Electric (Titan Solar Power)	Arizona	-	\$ 0.1	Arizona Job Training Grants Program	Solar electric power generation
43169	2018-03-01	Keystone Energy Solar Services	Pennsylvania	-	\$ 0.0	Pennsylvania KIZ Tax Credit Program	Solar electric power generation
39739	2017-10-01	Skyview Ventures	Connecticut	\$ 0.8	\$ 0.5	Connecticut Small Business Express Program (EXP)	Solar electric power generation
31608	2017-06-01	CenCal Solar	California	\$ 0.1	\$ 0.1	California Competes Tax Credit	Solar electric power generation
41045	2017-05-01	SD Sun	South Dakota	-	\$ 1.0	South Dakota Reinvestment Payment Program	Solar electric power generation
44435	2016-03-01	Cypress Creek Renewables	Texas	\$ 21.2	\$ 0.1	Unspecified (local)	Solar electric power generation