

Request for Decision

Title	Land and Property Rights Tribunal Intervenor Status Authorization – Roll Numbers 282000, 494000, and 443000
Proposed Motion	That Council authorize Sturgeon County to become an intervenor in 2023 assessment complaint hearings filed for roll numbers 282000, 494000, and 443000 before the Land and Property Rights Tribunal.
Administrative Recommendation	Administration recommends that Council authorize Sturgeon County to become an intervenor on the 2023 assessment complaints filed with the Land and Property Rights Tribunal (LPRT) for roll numbers 282000, 494000, and 443000.
Previous Council / Committee Direction	<u>June 14, 2022 Regular Council Meeting</u> Motion 228/22: That Council authorize Sturgeon County to become an intervenor on the 2022 complaints for roll number 282000 and 494000 before the Land and Property Rights Tribunal.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • Annual designated industrial property assessments were mailed out on February 28, 2023, with a complaint deadline of May 8, 2023. • The Land and Property Rights Tribunal (LPRT) has advised Administration that assessment complaints were filed for three properties (rolls 282000, 494000, and 443000) by the May 8, 2023 complaint deadline. • The complainant on roll 282000 is requesting additional depreciation allowance of -10% under Schedule-D be applied to Machinery and Equipment; and that additional depreciation be applied on all buildings for locational disadvantages, economic conditions, and excess operating costs. The potential assessment impact is approximately -\$334 million in assessment. • The complainant on roll 494000 is requesting that the Provincial Assessor recognize non-assessable costs under the Construction cost reporting guide on their 2022 assessment. The potential assessment impact is approximately -\$42 million in assessment. • The complainant on roll 443000 is requesting that two propane storage tanks be reclassified as Machinery and Equipment. The potential assessment impact is approximately -\$650,000 in assessment.

- The specific details supporting the complaints on rolls 282000, 494000, and 443000 have not been disclosed by the complainants.
- The cumulative 2022 DIP assessment under complaint for these three properties is approximately \$377 million.
- The cumulative 2023 revenue impact if these complaints are successful is approximately \$3,770,000.
- Defending assessment complaints on designated industrial properties is the responsibility of the Provincial Assessor.
- Becoming an intervenor in the LPRT complaint process protects Sturgeon County’s rights to ensure an accurate assessment and to be kept apprised of developments with respect to these complaints or provide input to defend the assessment.
- Timely information on the status and potential assessment changes that could be triggered by these complaints allows Administration to manage potential impacts on current and future budgets.
- During the finalization of the 2023 Tax Rate Bylaw, the County’s tax rate was reduced by 1%, but a portion of the projected favourable assessment variance was consciously set aside, awaiting the finalization of the complaint period. Considering the substantial complaints filed against the assessments prepared by the Provincial Assessor, the prudent approach of retaining the assessment variance has supported continuity of operations for the 2023 year, and the County’s overall financial sustainability.

External Communication

- None required at this time.

Relevant Policy/Legislation/Practices

- Section 508(1) of the *Municipal Government Act* states, “When the council of a municipality considers that the interests of the public in the municipality or in a major part of the municipality are sufficiently concerned, the council may authorize the municipality to become a complainant or intervenor in a hearing before the Tribunal.”

Implication of Administrative Recommendation

Strategic Alignment

Operational Excellence

- The properties under complaint, rolls 282000, 494000, and 443000 form a significant part (33.2%) of the assessment base for Sturgeon County. Intervenor status in the LPRT complaint process protects Sturgeon County’s ability to be kept apprised of developments and to manage any potential assessment impacts that could affect current and future budgets.
- Administration considers participation in the complaint process to be in the public interest as referenced in section 508(1) of the *Municipal Government Act*.

	<ul style="list-style-type: none"> Acute awareness of developments for these assessment complaints will help Administration monitor and manage potential impacts on current and future budgets. <p><u>Organizational</u></p> <ul style="list-style-type: none"> Defending assessment complaints on designated industrial properties is primarily the responsibility of the Provincial Assessor. However, Administration’s time will be required to participate in discussions of any issues pertaining to these complaints. <p><u>Financial</u></p> <ul style="list-style-type: none"> The recently filed complaints on the 2022 assessment affect approximately \$377 million of the County’s regulated assessment. As the retention of this assessment is not known until these matters are resolved, the related revenue equivalent to approximately \$3.77 million cannot be recognized in 2023. The County will have a contingent asset pending the outcome of the complaints. Designated Industrial Property complaints can be difficult and lengthy to process because they deal with complex technical regulated assessment issues and interpretation of corresponding regulations. Consequently, additional funding resources for legal services may be needed if these complaints proceed to lengthy Land and Property Rights Tribunal hearings that require a deeper involvement from Sturgeon County.
<p>Alternatives Considered</p>	<ol style="list-style-type: none"> Council could decide that Sturgeon County will not participate in the Land and Property Rights Tribunal process as an intervenor. Council could decide that Sturgeon County will participate as an observer in the process. However, there are no formal rights for observers to receive copies of all materials with respect to a complaint. As a result, adopting this approach would limit Administration’s ability to monitor and manage potential impacts on current and future budgets.
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment</u></p> <p>A significant part of Sturgeon County’s assessment base would be at risk of being reduced until the matter is resolved. Additionally, information pertaining to discussions of any issues on these complaints could be delayed and/or decisions taken in absence of Sturgeon County as a stakeholder.</p> <p><u>Organizational</u></p> <p>Inability to monitor and manage potential changes to the assessment base could limit or delay funding for future projects.</p> <p><u>Financial</u></p> <p>The County would have reduced legal and administrative costs associated with this matter.</p>

Follow up Action	<ol style="list-style-type: none"> 1. File a formal application with the Land and Property Rights Tribunal for Sturgeon County to become an intervenor in the 2023 assessment complaints for roll 282000, 494000, and 443000 (Assessment Services, June 2023). 2. Participate in the complaint process and update Council as needed on any developments for these complaints (Assessment Services, ongoing for duration of complaint process).
Attachment(s)	None.
Report Reviewed by:	<p>Luis Delgado, Manager, Assessment Services</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>