



Request for Decision

Title	Advancing Major Investment Infrastructure in the Industrial Heartland
Summary	Administration recommends the adoption of the two motions to support both new and existing industrial development in the Industrial Heartland. Note that while Council budget approval for the related infrastructure upgrades is sought, there is no financial impact to the County.
Recommended Motion	<ol style="list-style-type: none"> 1. That funding in the amount of \$75 million be approved for infrastructure improvements in the Industrial Heartland, with any expenditures being subject to funds being secured by industry partners through a Cost Contribution Agreement. 2. That the Chief Administrative Officer be authorized to enter into Cost Contribution Agreements for infrastructure development in the Industrial Heartland to facilitate completion of these infrastructure improvements.
Previous Council Direction	<p><u>October 8, 2025 Special Council Meeting</u></p> <p>Motion 304/25: That Council approve expenditures of up to \$500,000 for infrastructure related studies, and design work to support development in the Industrial Heartland subject to entering into an agreement securing external funding for the stated work.</p> <p>Motion 303/25: That Council authorize the Chief Administrative Officer to negotiate and enter into cost contribution agreements for design and construction of municipal infrastructure in Sturgeon County that would otherwise be required by a developer to undertake pursuant to a condition of subdivision approval or development permit approval (Section 650(1) or Section 655(1) of the Municipal Government Act), provided that the following conditions are met:</p> <ul style="list-style-type: none"> • The Industry partner funds the entirety of the design, construction, and project management (including the County’s administrative costs) of the municipal infrastructure project; • The municipal infrastructure project would be awarded in accordance with the County’s public procurement policies and requirements; • That cost overruns on design, project management, or construction work are born by the industry partner and secured through securities; • That no penalties shall be imposed on the County should design or construction timelines not be met; and • That the municipal infrastructure project would ultimately be considered for Council capital budget approval or approval by Council as per regular approval process for expenditures.

**Background
Context**

- Sturgeon County has positioned itself strategically to attract large scale industry investment by establishing Alberta’s Industrial Heartland Area Structure Plan Bylaw 1118/07, the Land Use Bylaw that supports heavy industrial development, a Heartland Incentive Bylaw, and involvement with provincial initiatives to streamline development, such as the Designated Industrial Zone.
- The scale of the potential investment in the Heartland area has been, and is, in the billions of dollars.
- Within Attachment 1 of this Request for Decision is an overall map of all infrastructure improvements to be completed within the Industrial Heartland.
- The County’s approach to development across development types has been that “growth pays for growth”. This principle is generally achieved by the County entering into a development agreement with a third party, often referred to as a “developer”, that funds and constructs the required infrastructure improvements that will be turned over to the County. In some instances, developers have approached the County to request a cost contribution agreement (CCA) under which the developer would provide funding to the County, and the County would construct the necessary infrastructure.
- There are five infrastructure assets currently being considered as cost contribution agreement projects for 2026. These projects total approximately \$75 million (including a 25% contingency) and are set out in Attachment 2 to this Request for Decision.
- In addition to these cost contribution agreement projects, another nine infrastructure improvements have been identified to be constructed through the traditional Development Agreement method. These are listed in Attachment 3 and total approximately \$33 million (including a 25% contingency).
- There are a variety of reasons why the County could be asked to enter into a cost contribution agreement:
 - The developer/industry partner may take the view that municipal infrastructure is not their area of expertise and that the County is in a better position to secure the necessary contractors to carry out the work.
 - The capital project may be of a size that could be incorporated into the County’s overall capital project and deliver either economies of scale, better integration of infrastructure projects, increased interest from contractors, or better timelines for delivery.
 - The County is in control of the schedule and can ensure the timely completion of the infrastructure to benefit multiple parties, including both future and existing industry.
- The County has entered into cost contribution agreements in the past and would ensure that any cost contribution agreement includes language that protects the

	<p>County from cost-overrun or from the introduction of penalties to the County for not meeting construction timelines.</p> <ul style="list-style-type: none"> • The cost contribution agreement would also include language that reduces risk through the inclusion of securities to address potential cost overruns or other unanticipated issues. • The County can negotiate project management, legal, and related administrative fees to be included in a cost contribution agreement to ensure that the County is not incurring costs in managing these infrastructure projects. • While infrastructure under cost contributions agreements is funded by third parties, and not taxpayers, a Council resolution is still required for Administration to expend the funds in constructing the infrastructure. • The County undertaking additional capital projects for industry partners would not impact the County’s ability to deliver on Council’s capital project priorities, as additional resources could be engaged to project manage third-party infrastructure through the provision of the cost contribution agreement.
<p>Financial Implications of Recommended Motion</p>	<ul style="list-style-type: none"> • There are no financial impacts to the County. Approval of up to \$75 million in expenditure for infrastructure construction will only be undertaken once an agreement securing the funds has been entered into with the developer/industry partner. • The timing of the projects and the related cash flows will be refined as they progress. Budget amendments will be brought forward to ensure the timing of planned spending for these projects is accurate, supporting proper reporting and accountability for delivery. • Additional staffing resources above what is typically provided by the County to support development, such as project management support to the developer/industry partner, if applicable, will be negotiated for potential inclusion in the cost contribution agreement.
<p>Other Implications of Recommended Motion</p>	<p><u>Bylaw, Policy, Master Plan, and Legislative Alignments</u></p> <ul style="list-style-type: none"> • Section 248(1) of the <i>Municipal Government Act</i> requires that all expenditures be included in the operating budget, interim operating budget or capital budget or be otherwise authorized by Council (by way of a resolution). <p><u>Council’s Strategic Direction</u></p> <ul style="list-style-type: none"> • Operational Excellence – The resolutions showcase future focused thinking to proactively respond to emerging opportunities and challenges. • Planned Growth – The resolutions ensure that the County can respond to industry inquiries at the speed of business and provides parameters within which County Administration can negotiate. Additionally, the resolutions provide clarity to

industry of the process for seeking Council approval for situations in which industry is willing to fund municipal infrastructure.

- **Thriving Communities** – Supporting industry in advancing development can contribute to generating tax revenue that can help fund services that enhance the community's quality of life.

Organizational Initiatives, Capacity, and Process Impacts Yes No

- Approval of the resolutions provides clarity to Administration on a policy direction relating to cost contribution agreements.
- Once a funding resolution has been passed by Council, Administration will take steps to carry out the infrastructure project in alignment with Council policies and procedures.
- Administration would ensure that the County is resourced sufficiently to undertake both the County's capital projects and any industry partners' capital project requirements.

Public or Internal Service Level Impacts Maintain Increase Decrease

- Off-site infrastructure benefits the entire Industrial Heartland for future growth.
- Existing Sturgeon County Water customers will benefit from being connected to a reservoir that has sufficient storage capacity to ensure industry service levels are not impacted by Commission line downtimes.

External Stakeholder Impacts Yes No

- There will be no impact on existing customers. Service levels will only be increased from current state.

Risk or Legal Considerations Yes No

- Administration has reviewed the CCA Agreement with legal counsel to ensure the County's interests are protected, and wind-down provisions are outlined in the event the industry partners delay or cancel their proposed development.

Communication Measures

Legislated requirements? Yes No

- There are no plans to communicate this decision beyond industry partners who approach the County requesting consideration of a cost-contribution agreement.

Completed communications or engagement

- None.

Future communications or engagement planned? Yes No

Next Step(s) If Recommended Motion Supported

1. Enter into a cost contribution agreement within the parameters set out by Council with the industry partner requesting a cost contribution agreement (Development and Economic Services, Q1 2026).

	2. Construct the offsite infrastructure listed within Attachment 2 (Infrastructure and Operational Services, Q4 2028).
Alternatives and Implications	<p>1. Council may direct Administration to enter into Development Agreements with the proposed developer to complete the municipal infrastructure projects listed within Attachment 2 resulting in:</p> <ul style="list-style-type: none"> a. Less control by the County over the infrastructure construction would mean that if the lead developer delayed or choose not to advance the construction, other developers in the area relying on the infrastructure could be delayed. b. Through a cost contribution agreement, the County would have direct control over the construction, which could be preferable in some instances due to the scope and complexity of the project. While development agreements allow the County oversight and comment at specific stages of construction, control of the project remains with the developer.
Attachment(s)	<ul style="list-style-type: none"> 1. Attachment 1 – Industrial Heartland Infrastructure Map 2. Attachment 2 – Industrial Heartland CCA Projects 3. Attachment 3 – Industrial Heartland DA Projects
Administrative Review	<p>Chris Pullen, Senior Industrial Engineer, Development Engineering and Land Services</p> <p>Milad Asdaghi, General Manager, Development and Economic Services</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Jesse Sopko, Manager, Legislative and Legal Services</p> <p>Travis Peter, Chief Administrative Officer (CAO)</p>