



Tax Incentive Bylaw for Renewable Power Generation on Brownfield Sites

Report # EC2024-0641

Attachment #5



Previous Council Direction

- On 2022 July 5, Council adopted by resolution the Calgary Climate Strategy – Pathways to 2050, which provided Administration direction to implement the Strategy
- On 2023 February 14, Council directed Administration through a Notice of Motion (EC2023-0131) to explore the ATCO Solar Farms located on brownfield sites as a pilot for future incentive programs on similar brownfield sites and return to Council with recommendations, next steps, and lessons learned as a part of a larger program by Q4 2023.
- On 2023 October 17, Administration returned to Council with recommendation to adopt a proposed Council Policy to incentivize renewable power generation developments on brownfield sites, and as next steps for Administration, to return with a Bylaw if an application was made under the Policy. ATCO applied with their Deerfoot site on 2023 October 18.



That Executive Committee:

- Forward this report to the 2024 June 18 Regular Meeting of Council; and
- Recommend that Council:
 - Give three readings to Proposed Bylaw in Attachment 2 to create and administer a non-residential tax incentive program for renewable electricity development on brownfield sites; and
 - Rescind the Tax Incentives for Renewable Power Generation Developments on Brownfield Sites Council Policy CP2023-04.

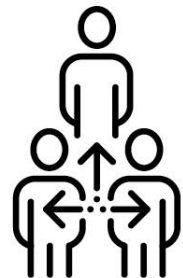


What are we trying to accomplish?



Support new utility scale renewable developments on brownfield sites within city boundaries

Reduce GHG emissions in line with the Calgary Climate Strategy – Pathways to 2050



Generate investment and economic growth in Calgary



What is the Bylaw?

- Establishes a tax incentive of 50 per cent of the municipal property taxes on the new linear property assessment related to new renewable development for five years, supporting renewable development on brownfield sites.
- New sites or expansions of existing sites that will have a total combined capacity of greater than 5 megawatts and are not yet operational when an application is made will be eligible
- Additional eligibility requirements:
 - The subject property is a brownfield site
 - Must be wind, solar, or other renewable energy source
 - Applicant must not have ongoing litigation with The City, and must not be in property tax arrears
 - Applicant must have all required permits in place for operation of the facility

Why Municipal Tax Incentives?

- Attracting new development results in an increase in the non-residential tax base
- Significantly influential on financial business case for developers
- Municipal tax incentives are used in other jurisdictions to attract development
- Part of a larger financial toolkit available to The City to incentivize climate-related outcomes
- The proposed Bylaw is aligned to “The City of Calgary Approach to Property Tax Incentives Pursuant to Bill 7”



That Executive Committee:

- Forward this report to the 2024 June 18 Regular Meeting of Council; and
- Recommend that Council:
 - Give three readings to Proposed Bylaw in Attachment 2 to create and administer a non-residential tax incentive program for renewable electricity development on brownfield sites; and
 - Rescind the Tax Incentives for Renewable Power Generation Developments on Brownfield Sites Council Policy CP2023-04.