






Subject: **Request from Badlands Recreation Development Corp.**
 Meeting Date: Tuesday, April 23, 2024
 Prepared By: Barb Hazelton, Manager of Planning & Development
 Presented By: Barb Hazelton, Manager of Planning & Development

RECOMMENDED MOTION:

That Council authorize the Reeve to send a letter to Minister Devin Dreeshen of Transportation and Economic Corridors confirming the funding opportunity and that there will be no impact to the Municipality's ability to obtain grant funding through the normal grant application process for future municipal infrastructure projects.

STRATEGIC PLAN ALIGNMENT: (Check all that apply)

	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
High Quality Infrastructure		Economic Resilience		Quality of Life		Effective Leadership		Level of Service	

RELEVANT LEGISLATION:

Provincial (cite)- Municipal Government Act

Council Bylaw/Policy (cite)- Badlands Motorsport Resort Area Structure Plan

BACKGROUND/PROPOSAL:

James Zelazo has been working very hard to move this project forward. The proposed project is within an approved Area Structure Plan. As per his subdivision application and his Development Agreement, he is required to build and pave 5.88 miles of the access road from Highway 9 to the site. He has found it challenging to raise investor funds for the construction of the road as well as the security required since it is an asset that they won't own, so he has been in contact with different ministers to see what funding may be available to help facilitate this portion of the project.

DISCUSSION/OPTIONS/BENEFITS/DISADVANTAGES/OTHER CONSIDERATIONS:

Several provincial ministries have mandate letters that require them to encourage economic development and there are several funding streams available for this purpose. Minister Devin Dreeshen of Transportation and Economic Corridors arranged a meeting between the Assistant Deputy Minister Tom Loo and BMR in July of 2023. The perception obtained from this meeting was that the STIP – LMI (Local Municipal Initiatives) stream would be the appropriate program for funding of this magnitude and scope. Mr. Loo advised that the LMI program eligible project costs for park access roads are funded as a grant of 75% province and 25% municipal and suggested the Developer could make an arrangement with the Municipality to pay the Municipality's 25% share. These conversations noted a potential cost of \$15,000,000 for this road project, so the Ministers were aware of the prospective level of commitment on the table.

The Developer met with the County to share the outcome of this meeting. Further clarification regarding the potential amount of funding was requested by the Municipality. On January 16, 2024, a virtual Team meeting was held between Minister Dreeshen representing Alberta Transportation, James Zelazo (Developer) and Marshall Chalmers (representing the Developer). From this meeting the Developer



understood that the Province is agreeable to grant the funding requested and recommended the Developer work with the Municipality to submit the funding application as required.

It should be noted that there are no deadlines to apply for funding under this program, however, in order to move this project forward, the Developer would like the Municipality to submit an application on their behalf in the near future. This will allow them to proceed with the next steps regarding the road which includes obtaining some of the required geotechnical and engineering work. The proposed funding breakdown would be as follows:

Total estimated project cost of \$15,000,000 (The Developer would pay for any construction costs exceeding this amount)

- The Province would provide a grant in the amount of \$11.25M (75%)
- Badlands Recreation Development Corp. agrees to provide \$3.75M to meet the 25% share
- The Municipality agrees to submit an application for this funding on behalf of Badlands.

Administration was of the opinion that a letter from the Reeve to Minister Dreeshen confirming this potential funding source as well as assurance that it will not impact the municipality's ability to obtain grant funding through the normal process for municipal projects would be in order.

Administration believes that facilitating this process for an approved development is consistent with Council's Economic Development goals contained in the Strategic Plan. It is also a process that could be replicated with other developers if the opportunity arose. This belief is contingent on the County being able to participate with limited risk and no costs to the County beyond staff time.

FINANCIAL & STAFFING IMPLICATIONS:

There are no staffing implications currently as this falls under the normal operations for our department. There could be significant financial implications in the form of tax revenue once this site is developed.

RECOMMENDED ENGAGEMENT:

Directive Decision (Information Sharing, One-Way Communication)

Tools:	Individual Notification	Other:	
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ATTACHMENTS:

Proposed letter for the Reeve to send.

COUNCIL OPTIONS:

1. That Council recommend the Reeve send a letter to Minister Devin Dreeshen of Transportation and Economic Corridors confirming the funding opportunity and that there will be no impact to the Municipality's ability to obtain grant funding through the normal grant process for future municipal infrastructure projects.
2. That Council recommend an alternative action.
3. That Council accepts as information.

FOLLOW-UP ACTIONS:

Administration will ensure we communicate with the Developer regarding the action Council wishes to take. We will also ensure that funding is applied for if those are the wishes of Council.

APPROVAL(S):



Mike Haugen, Chief Administrative Officer

Approved-

