

### INSIDE THIS ISSUE

1. Upcoming Meetings/Events
2. More on Starbucks
3. Your Taxes and Industrial Land
4. Rapid Growth Next Door
5. Activity on the Heritage Front
6. Latest on Funding for RGD Phase 3

#### 1. Upcoming Meetings/Events

August 23, 2011 SATA Monthly Meeting & Barbeque

Join us on Tuesday, August 23 at 7 pm (note early start!), to hear Councillor Cam MacKay speak on up-coming Council issues. At the same time enjoy a hamburger with fixin's, and use the opportunity to ask Cam questions.

SATA monthly meetings are held at the St. Albert Community League Hall, 17 Perron Street.

#### 2. More on Starbucks

Following Council's decision to open a Starbucks coffee shop at Servus Place, on July 12<sup>th</sup> the Canadian Federation of Independent Business (CFIB) sent a letter to the Mayor and Council on behalf of small business owners in St. Albert, voicing its concern that the City should not be investing public funds in a business that will be competing against small businesses paying property taxes to the City. As of August 17<sup>th</sup>, CFIB had still not received a reply from St. Albert's Mayor and Council.

And speaking of dropping the ball, St. Albert's Chamber of Commerce - an organization claiming to represent the interests of St. Albert's business community - didn't make its position on this issue known until almost 3 weeks after Council made the now infamous decision! Chamber chair, Charlene Zoltenko who attended the July 4<sup>th</sup> Council meeting, could have used that opportunity to address Council on behalf of Chamber members, but did not do so.

#### 3. Your Taxes and Industrial Land

Industrial land developments cost nine cents to service for every dollar they generate in revenue (Red Deer County Statistics). The City of Spruce Grove's new study estimated the costs at \$0.20 to \$0.60, but they bundled more costly commercial developments in with industrial development. Whatever the number, it means the excess revenues could be directed to offset the tax burden of St. Albert's residential taxpayers who now pay 85% of city property taxes. Another benefit would be that every dollar spent to operate a business is multiplied several times over in the local economy. In short, St. Albert gets a much bigger bang for its buck with industrial development.

But we're a long way from actually designating any newly annexed lands as light industrial. At the August 15<sup>th</sup> meeting, Council decided how much land would be referred to a location study. In the discussion, Councillor Brodhead quite clearly stated his preference to keep St. Albert as a high tax residential community. Councillor Lemieux and Mayor Crouse thought the estimate of industrial land was too high. Councillor Heron successfully decreased the amount to be studied. She and others on Council emphasized this reference to a study is only a first step... it doesn't mean land will be designated. Our conclusion: the retreat of this Council, just as prior retreats by other Councils, from designating land as industrial seems to be underway. In spite of this, some issues were clarified. Administration was pressed on whether the benefits of industrial development would be used to offset the residential tax bill. The answer: Yes.

But we are a long way from seeing industrial development. Not until after the location study comes to Council by Dec. 31, 2011 will Council decide how much land should be designated, and where in the annexed lands it should go. Then, St. Albert needs to turn around its reputation as an unfriendly place to do business in the manner recommended in the Future Industrial Land Requirements Study (FILRS). Only then, perhaps St. Albert will be put back into the data banks of

industrial developers as a **potential** place to locate. And, as a final step to benefits actually accruing to the taxpayer, Administration needs to be held accountable for using the new revenue to actually offset property taxes.

The moral of the story: Don't hold your breath waiting for St. Albert to actually do something to lessen the burden on the residential taxpayer. We hope we are wrong and encourage each of you to make your thoughts known to Council **prior to** the next step.

#### **4. Rapid Growth Next Door**

In case some of you missed it, the Gazette recently reported that over the last two years the population of Morinville increased by a whopping 11.4%! Since 2006, the town's population has risen by 20%, or approximately 3.7% per year.

Between 1976 and the late 1990's, St. Albert was consistently one of the fastest growing municipalities in the Province. Since 2001 St. Albert's annual population growth rate has been steadily declining. During the period from 2006 to 2010, St. Albert's population has grown at average annual rate of 1.0%. This compares to growth rates of 8.2% in Leduc, 6.0% in Spruce Grove, 5.7% in Fort Saskatchewan and 1.7% in Edmonton. While St. Albert's slow pace of population growth can be attributed to several factors, has anyone ever considered the impact of St. Albert's high cost of living on its ability to attract new residents?

One way to make our City sustainable, and help ease the future property tax burden on St. Albert's residential property taxpayers, is to attract more commercial and light industrial development to the newly annexed lands. However, judging by recent comments by some Council members (see article above), few are ready to embrace the recommendations contained in the recent FILRS, and few appear serious about attracting more light industrial businesses to St. Albert.

It's no coincidence that all the municipalities in the Capital Region, in addition to experiencing more rapid growth, also enjoy much lower residential property taxes.

With slow population growth and slow growth in assessments comes slow growth in City revenues. That raises an important question. If St. Albert continues down the road of limited non-residential development and stagnant population growth, who will cover the cost of Administration's spending addiction? You guessed it! It will be you and I.

That said, if Council and Administration continue down the path of burdening residential taxpayers with large property tax increases, they should not be surprised as residents become more vocal and outspoken about the City's future spending plans.

#### **5. Activity on the Heritage Front**

During last year's municipal election, you might remember the controversy that erupted around the large scale \$14+ million heritage park that Council wanted to build. Public opinion was pretty negative to the idea, especially when we were already spending so much money on other things. In 2009 when the concept and restoration of the grain elevators (stage one of the Park) was approved, residents ranked heritage sites as the least important city service in the City's Satisfaction survey.

Now, we've been seeing articles in the *St. Albert Gazette* about the rebuilding of Juneau House and Chevigny House. Council also has authorized the purchase of River Lot 23. All of these are part of the Heritage Park concept. Why are these expenditures being discussed and approved now? Is Council and Administration hoping to get the large-scale park built under the public's radar by doing it one piece at a time? Are they hoping to build public support for the idea by getting positive coverage in the Gazette? Or, are these buildings simply being renovated as a precautionary maintenance measure? Some more clarity on the issue from the City would be appreciated.

#### **6. Latest on Funding for RGD Phase 3**

And finally, during the August 15<sup>th</sup> Council meeting, Mayor Crouse confirmed that there is no agreement by the Province to reimburse St. Albert for the construction of Phase 3 of Ray Gibbon Drive.