

## **Incentive Application – Vital Metals Canada Ltd.**

### **ISSUE**

City Council approval is required for a five-year tax abatement on the incremental portions of taxes at the Vital Metals Canada Ltd. development at 2950 Miners Avenue.

### **RECOMMENDATION**

That the Standing Policy Committee on Finance recommend to City Council:

1. That the application from Vital Metals Canada Ltd. for a five-year tax abatement on the incremental portion of taxes at 2950 Miners Avenue, as a result of its development in 2022, be approved as follows:
  - a. 100% in Year 1
  - b. 80% in Year 2
  - c. 70% in Year 3
  - d. 60% in Year 4
  - e. 50% in Year 5
2. That the City Solicitor be instructed to prepare the appropriate agreements.

### **BACKGROUND**

Council Policy C09-014, Business Development Incentives, outlines the criteria for which businesses could qualify for tax abatement incentives. The purpose of the policy for business is to:

- Encourage them to locate or expand their operations in Saskatoon in order to create long-term, skilled or semi-skilled jobs;
- Provide tax relief that will flow to companies creating new jobs;
- Place Saskatoon in a competitive position to attract businesses that it would not otherwise occupy;
- Increase the long-term viability of a project; or
- Demonstrate the City of Saskatoon's commitment to a business or industry.

In accordance with this Policy, Saskatoon Regional Economic Development Authority (SREDA) Board of Directors, through a sub-committee, reviews the applications and brings forward a recommendation to City Council.

### **DISCUSSION/ANALYSIS**

Appendix 1 is a report from Cam Broten, Chair, SREDA Board of Directors, which describes how the Vital Metals Canada Ltd expansion satisfies the requirements of Council Policy No. C09-014. The highlights include a \$20 million investment in their

new facility, as well as the creation of a minimum of sixty new full-time equivalent positions.

### **FINANCIAL IMPLICATIONS**

If approved, the abatement for the first year is estimated to be \$61,182. The total estimated value of the five-year abatement, using 2022 rates, would be \$220,255. It should be noted that the incremental increase, due to the expansion, fully funds the abatement amounts. In fact, after the first year of the incentive agreement, the City will see a permanent increase in revenue for this property.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

If the abatement is approved, an annual compliance audit will be undertaken by SREDA.

### **APPENDICES**

1. Letter from Cam Broten, Chair, SREDA Board of Directors – July 18, 2022

### **REPORT APPROVAL**

Written by: Mike Voth, Director of Corporate Revenue  
Approved by: Clae Hack, Chief Financial Officer