

Bylaw No. 1066-2020
CLEAN ENERGY IMPROVEMENT PROGRAM BYLAW

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**A BYLAW OF THE CITY OF LEDUC IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE
CLEAN ENERGY IMPROVEMENT PROGRAM**

WHEREAS:

- i. a clean energy improvement program is a financing program that facilitates the construction and installation of qualified clean energy improvements to eligible properties;
- ii. pursuant to section 390.3 of the Act, a municipality may pass a clean energy improvement program bylaw to establish a clean energy improvement program;
- iii. a clean energy improvement program bylaw authorizes a municipality to make a borrowing for the purpose of financing clean energy improvements and authorizes Council to impose, with respect of each qualified clean energy improvement, a clean energy improvement tax to raise revenue to pay the amount borrowed by the municipality to fund the improvements;
- iv. the Minister of Municipal Affairs has designated a Program Administrator; and
- v. the Program Administrator has developed a Property Assessed Clean Energy program to support municipalities' efforts to establish clean energy improvement programs;

NOW THEREFORE, the Council of the City of Leduc in the Province of Alberta duly assembled, hereby enacts as follows:

PART I: BYLAW TITLE

1. This Bylaw shall be known as the "Clean Energy Improvement Program" Bylaw.

PART II: DEFINITIONS

2. The following definitions apply under this Bylaw:
 - i. "Act" means the *Municipal Government Act*, R.S.A. 2000, Chapter M-26, as amended;
 - ii. "Agreement" means, as drafted in accordance with section 390.4 of the Act, a Clean Energy Improvement Agreement executed between

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the City and the Owner whereby the Owner agrees to pay an amount required to cover the costs of financing each Eligible Clean Energy Improvement approved by the Program Administrator;

- iii. "Bylaw" means this Clean Energy Improvement Program Bylaw;
- iv. "City" means the Municipal Corporation of the City of Leduc or, as the context may imply, the physical area within the jurisdictional boundary of the City of Leduc;
- v. "City Manager" means the Chief Administrative Officer of the City, as appointed pursuant to the Act;
- vi. "Clean Energy Improvement Tax" means a tax levied against an Eligible Property pursuant to an Agreement;
- vii. "Council" means the City's duly-elected municipal council;
- viii. "Eligible Clean Energy Improvement" is an improvement that the Program Administrator qualifies as such and includes in a publication required under the Regulation;
- ix. "Eligible Property" means a property, situated within the City, that qualifies as eligible under section 390.2 of the Act and is:
 - classified as a low-rise residential property, i.e. detached or semi-detached home, row housing or town house, or multi-unit residential buildings having four stories or fewer; and
 - lawfully occupied as a residence at the time of Program application, and through the review and approval process;
- x. "Owner" means, collectively, the registered owners of a property;
- xi. "Program" means a clean energy improvement program as described in the Act and Regulation;
- xii. "Program Administrator" means the Alberta Municipal Services Corporation;
- xiii. "Regulation" means the *Clean Energy Improvements Regulation* A.R. 212/2018; and
- xiv. "Section" means a section of this Bylaw.

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PART III: APPLICATION

3. Pursuant to the Program, an Owner of Eligible Property may apply to the Program Administrator to finance an Eligible Clean Energy Improvement. The Program Administrator may charge a fee in relation to any such application, pursuant to the Regulation.
4. An Owner may submit one (1) Program application per year. A property's tax-exempt status shall have no effect on eligibility to participate in the Program or any obligation under an Agreement to make required principal and interest payments through tax recovery or otherwise.
5. The City may enter into an Agreement with an Owner on a discretionary basis but subject at all times to the requirements, conditions and limitations set out in sections 10(1) of the Regulation including, but not limited to, the Program Administrator's approval of the application referenced in Section 3.
6. Where the City has entered into an Agreement with an Owner, and at any time following the signing of that Agreement, a Clean Energy Improvement Tax will be imposed on the applicable property pursuant to that Agreement.
7. For the purposes of imposing a Clean Energy Improvement Tax, the period over which the cost of each Eligible Clean Energy Improvement will be spread may vary, but in no case will such period exceed the probable lifetime of the applicable improvement. In the case of multiple upgrades to a single Eligible Property, a weighted average of the probable lifetimes of each upgrade will be utilized.
8. Over the course of up to a four (4) year period, and in the form of a line of credit or other loan instrument, the City will borrow funds totaling up to four million dollars (\$4,000,000) from a financial institution and/or the Green Municipal Fund, a program delivered by the Federation of Canadian Municipalities and funded by the Government of Canada, in order to finance approved Eligible Clean Energy Improvements.
9. The annual borrowed amount will have a maximum rate of interest of five percent (5%), a maximum term of twenty-five (25) years, and repayment terms including principal and interest, plus other fees or charges applicable to the borrowing.
10. The principal and interest owing under the borrowing will be paid using the proceeds from the Clean Energy Improvement Tax and other payments

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that may be made by the Owners with respect to the applicable Eligible Clean Energy Improvements.

11. The annual maximum financing amounts to be allocated to the Program, in the City Manager's sole discretion, are as follows:
 - \$1,000,000 in the first year of the Program;
 - \$1,000,000 in the second year, plus unallocated amounts from the first year of the Program;
 - \$1,000,000 in the third year, plus cumulative unallocated amounts from the first and second years of the Program; and
 - \$1,000,000 in the fourth year, plus cumulative unallocated amounts from the first, second and third years of the Program;
12. If an Owner wishes to make early, full repayment of an amount financed by a Clean Energy Improvement Tax, the amount owing will be calculated at the time of the request, based on the principal and interest remaining and the terms of the financing.
13. Any project(s) that has been approved under the Program must be completed within the time limit as set out under the Agreement.
14. If any clause in this bylaw is found to be invalid, it shall be deemed severed from the remainder of this Bylaw and shall not invalidate the remainder.

READ A FIRST TIME IN COUNCIL THIS 11TH DAY OF JANUARY, 2021.

READ A SECOND TIME IN COUNCIL THIS 12TH DAY OF APRIL, 2021.

READ A THIRD TIME IN COUNCIL THIS 12TH DAY OF APRIL, 2021.

"Original Signed"

Bob Young
MAYOR

"Original Signed"

Macarena Hormazabal
DEPUTY CITY CLERK

April 12, 2021

Date Signed