



Town of Hinton  
STANDING COMMITTEE MEETING  
Agenda  
March 14, 2017 - 4:00 PM  
Committee Room, Hinton Government Centre

**TOWN COUNCIL MISSION**  
*Council serves the interests of our citizens  
to enable our community to reach full  
potential.*

Page

**ORDER**

1. Call to Order

**ADOPTION OF AGENDA**

1. Standing Committee Agenda - March 14, 2017

**DELEGATIONS AND PRESENTATIONS**

1. Habitat for Humanity - Presented by Bill Bulger & Laszlo Bajzar

**CITIZENS "MINUTE WITH COUNCIL"**

**ACTION AND DISCUSSION ITEMS**

- |         |  |
|---------|--|
| 2 - 7   | 1. Affordable Housing Proposal - Presented by Wendy Jones  |
| 8 - 12  | 2. Hinton Pulp. a Division of West Fraser Mills Property, Request for Municipal Property Tax Phase-In on Lignin Plant - Presented by Denise Parent |
| 13 - 14 | 3. Automated Traffic Enforcement Discussion - Presented by Mike Schwirtz   |

**ADDITIONAL INFORMATION**

1. Urgent Matters from Council
2. Chief Administrative Officer Status Report
3. Legislative and Executive Assistant Logistics Information

**ADJOURNMENT**

1. Adjournment



# TOWN OF HINTON DIRECTION REQUEST

**DATE:** March 8, 2017

**TO:** **STANDING COMMITTEE MEETING OF March 14, 2017**

**FROM:** Wendy Jones, Director of Planning and Development

**APPROVED BY:** Mike Schwirtz, Chief Administrative Officer

**RE: Affordable Housing – Happy Creek Estates Proposal**

## Purpose

This item is before Council to seek direction as per consensus and direction of Council at the Standing Committee Meeting of February 28, 2017 stating that the Happy Creek Estates proposal dated January 23, 2017 be part of the next Council Info package and be brought to the next Standing Committee.

## Issue

Happy Creek Estates has a total of 45 affordable apartments for rent. These apartments have been in high demand since July 1, 2010, the day the apartments were ready for occupancy. Happy Creek Estates' proposal offers to make an additional twelve (12) apartments available for rent to eligible tenants at an affordable rental rate. The apartments are located at 240 Pembina Avenue, Hinton, Alberta; in a building called "Mountainview Apartments".

## Administration Comments on Situation / Options

The Happy Creek Estate proposal identifies that Mountainview Apartments has 18 apartments (11 – 2 bedrooms and 7 – 1 bedroom apartments). The 12 apartments would be available to qualified applicants at the following rental rates:

	Current/market rent level	Reduced/subsidized rent level
One Bedroom:	\$800.00 /month	\$625.00 /month
Two Bedroom:	\$900.00 /month	\$730.00 /month

Qualifying individuals that would be eligible for these 12 apartments would follow the same criteria as currently used for Happy Creek Estates.

To implement the proposal immediately requests that the existing Rent Increasing Share Agreement between Happy Creek Estates Ltd. and the Town of Hinton be rescinded. The intent of the Rent Sharing Agreement and the annual payments (\$7,200 per year) made to the Town was that this money would be spent in a way that "creates, enhances, improves, or facilitates affordable housing or access to affordable housing within the Town of Hinton." The funds received from Happy Creek Estates and held in the Town

reserves to date totals \$21,564. Happy Creek Estates is requesting that these funds to be returned to them to financially support the immediate implementation of the additional 12 apartments. Happy Creek Estates will take steps to subsidize the 12 apartments for an approximate cost of \$24,000/year and agree to maintain the rent subsidy for a 10-year period.

### **Administration's Conclusion / Proposed Direction**

Happy Creek Estates has been a successful affordable housing model that supports our community. This proposal provides the opportunity for 12 additional apartments to be made available immediately.

Utilizing the requested funds and ensuring transparency of this proposal to the community-at-large is important to all. The funds being requested have been acquired through the income of Happy Creek Estates and will be used to subsidize 12 additional units.

The availability of affordable housing and having same in our community is important today and the years to come. An investment of \$21,564 with the offer to maintain a rent subsidy for 10 years for these additional 12 apartments provides Hinton with the opportunity to continue meeting the requests of many housing needs.

### **CAO Comments**

Happy Creek Estates can and will do this on their own but it will take them approximately 1.5 years to complete the transition without Council's support for this proposal. This gives Council the opportunity to expand a very good community partnership and add 12 more affordable housing units with a guaranteed rental formula for 10 years.

The Town could take the \$21k from the reserve and spend it elsewhere but the question would be would it give us such immediate and positive impact as this proposal?

Happy Creek Estate is a for profit business but they also have very strong ties to this community.

### **Attachment(s)**

1. Happy Creek Estates Ltd. – January 23, 2017 Proposal

**HAPPY CREEK ESTATES LTD.**

**102 - 135 Mountain Street,  
Hinton AB T7V 0B5**

**Telephone (780) 817-1915**

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January 23, 2017

Town of Hinton  
Government Centre  
2nd Floor, 131 Civic Centre Road  
Hinton AB T7V 2E5

Attention: Mayor Rob Mackin and Town Council

**Re: Mountainview Apartments  
Affordable Housing Application**

We own and operate Happy Creek Estates, the affordable housing complex located at 135 Mountain Street, Hinton, Alberta. We have one bedroom, two bedroom and three bedroom apartments that we rent at reduced rental rates to persons and families whose incomes fall below the Core Needs Income Threshold (CNIT). CNIT is an income level below which people experience economic hardship when paying full market rent.

Happy Creek Estates has a total of 45 affordable apartments for rent. These apartments have been in high demand since July 1, 2010, the day the apartments were ready for occupancy.

We have decided to make an additional **twelve (12)** apartments available for rent to eligible tenants at an affordable rental rate. These apartments are located at 240 Pembina Avenue, Hinton, Alberta; in a building we call "Mountainview Apartments".

Mountainview Apartments are owned by a related company. These apartments are presently rented at full market rates. There are eighteen apartments in the building:

- a. 11 two bedroom apartments; and
- b. 7 one bedroom apartments.

With minor variations, the two bedroom apartments currently rent for \$900 per month. The one bedroom apartments currently rent for \$800 per month.

We propose to make **twelve (12)** of these apartments available for rent at the following rates to qualified people:

	<b>Current/market rent level</b>	<b>Reduced/subsidized rent level</b>
<b>One Bedroom:</b>	<b>\$800.00/month</b>	<b>\$625.00/month</b>
<b>Two Bedroom:</b>	<b>\$900.00/month</b>	<b>\$730.00/month</b>

#### **Additional Details**

We do not propose to make rents at Mountainview Apartments and Happy Creek Estates the same. That would become too expensive. The subsidized Mountainview rents will be exactly \$100 per month higher than the rate charged at Happy Creek Estates. That is still very affordable, as it is roughly 20% below market rents.

Furthermore, we do not pretend that the Mountainview apartments are equal to those at Happy Creek Estates. Mountainview apartments are quite nice and we are very proud of them. However, the building is old. The walls are thinner resulting in increased sound transmission. The bedrooms are smaller and the overall apartment size is slightly smaller. There is less storage. And laundry is provided by way of coin operated machines in a separate laundry room.

Obviously, people would far rather live at Happy Creek Estates. To control resentment, we propose to allow low income tenants to move into Mountainview Apartments, realize an immediate reduction in their housing costs, and still remain on the waiting list for Happy Creek Estates. Providing the tenants continue to qualify, they could move into Happy Creek Estates when there was a vacancy. After moving, they would enjoy even lower rent and a larger apartment in a newer building.

#### **What about families with small children?**

Mountainview Apartments are not suitable for small children. We have no outdoor play facilities and the noise created by very small children easily becomes a nuisance

for other tenants. We do not allow families with preteenaged children to move into Mountainview Apartments. Families with young children will be moved directly into Happy Creek Estates once a suitable apartment became available for them.

**What about mobility suites?**

Likewise, Mountainview Apartments are not suitable for people with mobility issues. There is no way to access any Mountainview apartment without climbing stairs. For that reason, we would continue to maintain a waiting list for the Happy Creek barrier free suites. We would fill vacancies in our barrier free suites from that waiting list.

**How will we pay for the program?**

It will cost \$2,000.00/year/apartment to implement this program. Accordingly, the program will cost \$24,000/year to implement.

On November 4, 2012, Happy Creek Estates reached an understanding with the Town of Hinton. Since that time, we have given the Town of Hinton \$7,188.00 per year, on the understanding that this money be spent in a way that "creates, enhances, improves, or facilitates affordable housing or access to affordable housing within the Town of Hinton."

**Step 1: We would invite the Town of Hinton to rescind the "Rent Increase Sharing Agreement Dated as of November 5, 2012".**

Once Happy Creek Estates has freed itself of its commitment to pay \$7,200 per year toward other yet unidentified affordable housing initiatives, it will be able to direct that amount toward the initiative at hand.

**Step 2: We would invite the Town of Hinton to return to Happy Creek Estates the \$21,564.00 that Happy Creek Estates Ltd. has to date given to the Town of Hinton - in trust - pursuant to the "Rent Increase Sharing Agreement Dated as of November 5, 2012".**

Accordingly, \$7,200.00 of the annual program cost will be paid using revenue made available by the rescission of the Rent Increase Sharing Agreement. Happy Creek Estates is prepared to underwrite the remaining \$16,800.00 annual program cost from its own resources. However, without the return of the \$21,564.00, we would only be able to partially implement the program in 2017. Without the lump sum, the program would take between 1 and 2 years to fully implement. However, if the town were to return to us the \$21,564.00, then we would be able to fully implement the program immediately.

Furthermore, if the Town of Hinton is prepared to cooperate with us in this program, Happy Creek Estates Ltd. will agree to maintain the program for a minimum **ten (10)** year period of time.

**Proposal Summary:**

1. Happy Creek Estates Ltd. and the Town of Hinton will jointly agree to rescind the Rent Increase Sharing Agreement;
2. The Town of Hinton will return to Happy Creek Estates Ltd. the sum of **\$21,564.00** given to the Town to help fund affordable housing initiatives;
3. Happy Creek Estates Ltd. will immediately take steps to subsidize **twelve (12)** apartments for the approximate cost of **\$24,000.00/year**;
4. Happy Creek Estates Ltd. will agree to maintain the said **twelve (12)** apartment rent subsidy for a **ten (10)** year period of time.

We respectfully submit this proposal for consideration.

Happy Creek Estates Ltd.

Per: Harry Arnesen



# TOWN OF HINTON DIRECTION REQUEST

**DATE:** March 8, 2017

**TO:** Standing MEETING OF COUNCIL OF March 14, 2017

**FROM:** Denise Parent, Director of Corporate Services

**APPROVED BY:** Mike Schwirtz, Chief Administrative Officer

**RE:** Hinton Pulp, a Division of West Fraser Mills Property, request for municipal Tax Phase-In on Lignin Plant

**Purpose:**

Hinton Pulp has approached the Town for consideration of a property tax phase-in for the Lignin Recovery Plant in order to establish their market and business with this new product.

**Conformance of recommendation to existing laws and Hinton Council plans**

Conforms with:	Yes/No/Partial	Comments
<b>Municipal and Provincial Laws</b>	Yes	MGA section 347 (2) – a council may phase in a tax increase or decrease resulting from the preparation of any new assessment.
<b>Community Sustainability Plan</b>	Yes	5.16 Endeavour to minimize our ecological footprint through waste reduction 5.19 Practice and promote energy conservation and alternate green energy development and use within all infrastructure systems to minimize our ecological footprint.
<b>Council’s Strategic Plan</b>	Yes	Business Readiness: Welcoming community with the resources to support business set-up and growth.
<b>Long Term Capital Plan or Adopted budget</b>	Yes	The impact of loss property tax revenue from the new Lignin Plant over the duration of the proposed agreement is approximately \$271,000

**Background / Introduction**

Hinton Pulp, a Division of West Fraser Mills has requested from the Town a property tax phase-in of 20% per year (2017-2020) in regards to the new construction of the Lignin Recovery Plant. The tax phase-in request is a reduction of 80% in 2017, 60% in 2018, 40% in 2019 and 20% in 2020.

The Lignin Plant was completed in September 2016 and is the first mill in Canada to extract lignin from its black liquor recovery stream using a new process called LignoForce.

The Town has previously entered into similar agreements with the Pulp and Sawmill operation as follows:

Date of Agreement	Project Description	Estimated value of capital supported	Years phased in
November 28, 1988	Pulp Mill Refurbishment	\$266 Million	1991-1995
December 31, 1991	Saw Mill conversion from Stud Mill	\$24 Million	1992-1996
July 20, 2010	West Fraser Pulp Mill Green Transformation Fund Investments	\$52 Million	2011-2015
March 15, 2011	West Fraser Saw Mill upgrades	\$39 Million	2012-2016

Considerations to support the request:

- The capital investment has very little impact on the municipal costs to deliver services in the Town, so the tax revenue foregone over the proposed period of time would not have been required to pay for extra costs directly
- Supports an innovative approach to use the technology to expand their product line and potentially reduce CO2 emissions.

Considerations to not support the request:

- The loss of future revenue places a greater burden on all other property taxpayers for any increase in property tax revenue to cover expenditures.
- This equipment falls under the machinery and equipment assessment category which some would argue already receives favorable treatment in the current Alberta property tax and assessment system.

### **Options for consideration**

1. Approve the phase-in tax request
2. Defer the report and decision to allow for community feedback
3. Provide direction to explore a different approach
4. Reject entering into an agreement

### **Chief Administrative Officer Comments**

This is an excellent example of innovation and environmental responsibility in our community. This does not reduce the amount of taxes currently paid by West Fraser but rather it phases in the increases they will have to pay as a result of this capital investment.

Administration recommends this property tax phase-in proposal for the Lignin Recovery Plant.

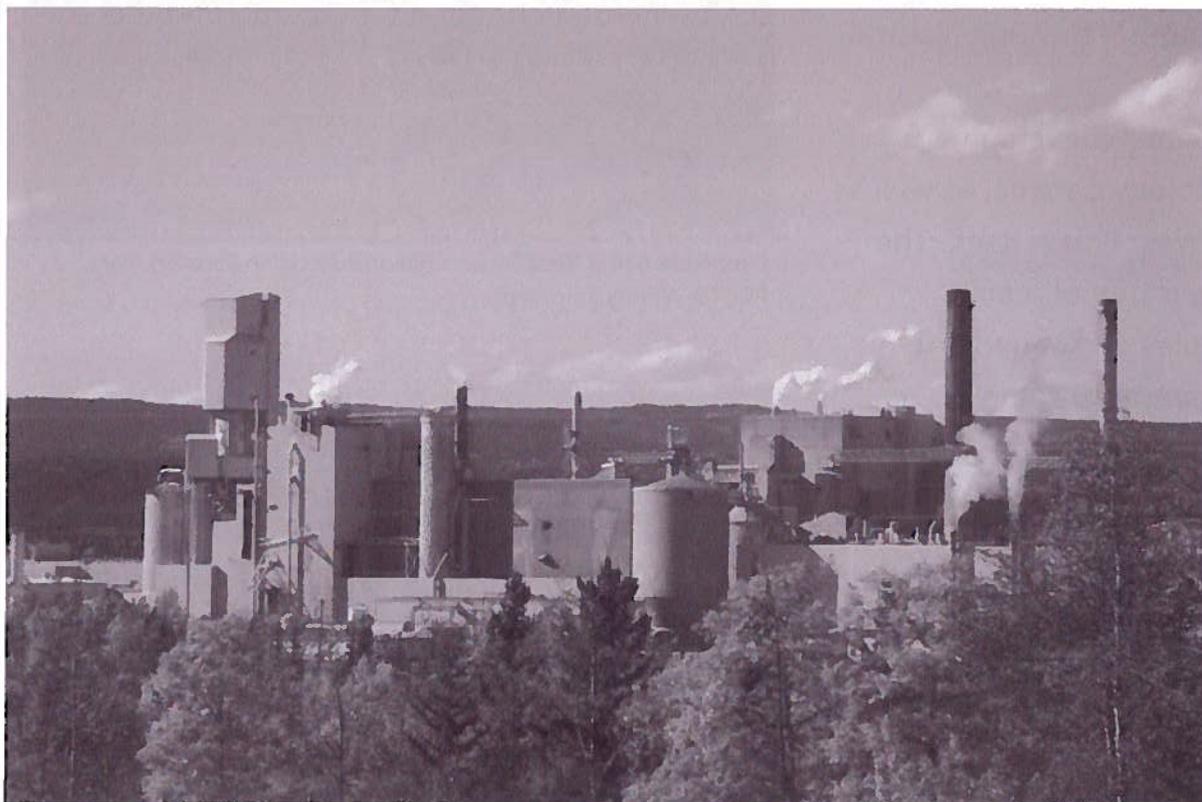
### **Attachment(s)**

1. Article from Canadian Manufacturing – West Fraser opens \$30M lignin recovery plant in Hinton, Alta.

Canadian  
**MANUFACTURING**

# West Fraser opens \$30M lignin recovery plant in Hinton, Alta.

The first commercial-scale plant of its kind in Canada, facility will extract lignin from trees for use in sustainable value-added products



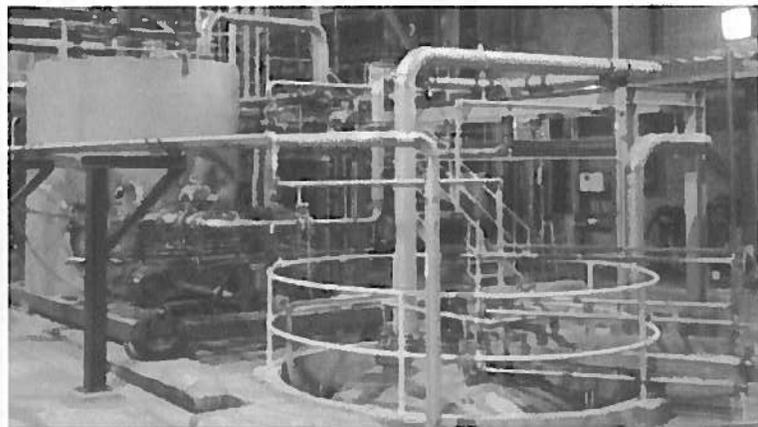
West Fraser's pulp mill in the central Alberta town of Hinton. PHOTO: Alberta Innovates

EDMONTON—The West Fraser Timber Co.'s pulp mill in central Alberta has begun making more than just wood pulp for paper.

The forest products company has completed work on Canada's first commercial-scale lignin recovery plant, which is designed to extract a natural wood byproduct called lignin and repurpose it for use in a range of new value-added products.

"Foresters have long been searching for ways to put lignin to better use," Steve Price, CEO of one of the project's funders, Alberta Innovates Bio Solutions, said. "The ability to recover lignin and transform it into green bioproducts will add more value to an abundant Alberta biomass and contribute to the provincial economy in a sustainable way,"

Along with a \$3 million contribution from AI Bio, the \$30 million plant received funding from the federal government through Natural Resources Canada and Sustainable Development Technology Canada, as well as from West Fraser itself. The facility is one of many examples of a Canadian company leveraging a sustainable material to create products that reduce the overall economy's reliance on coal, crude oil and natural gas.



Interior section of West Fraser's Hinton Pulp Lignin Recovery Plant.  
PHOTO: Alberta Innovates

Having begun lignin production at the new facility in March, West Fraser plans to use the byproduct as a renewable substitute for a number of synthetic resin components currently derived from fossil fuels. Other potential applications include green chemicals, thermoplastic composites and packaging.

As West Fraser ramps up lignin production in Hinton, the company's president and CEO, Ted Seraphim, said all of Canada's pulp mills could potential use the technology to produce new products.

"Lignin is an opportunity to expand our product line and recover the maximum value from our fibre and our manufacturing process," he said. "In addition, it is a sustainable choice. Every tonne of lignin substituted in phenol-formaldehyde resin prevents a tonne of CO2 emissions from entering the atmosphere."

## Related Posts from the network

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## TOWN OF HINTON DIRECTION REQUEST

**DATE:** March 9, 2016  
**TO:** **STANDING COMMITTEE MEETING OF MARCH 14, 2017**  
**FROM:** Mike Schwirtz, Chief Administrative Officer  
**RE:** **Automated Traffic Enforcement**

### Purpose

The Hinton Automated Traffic Enforcement Oversight Committee is seeking Council direction on the management of the ATE program in Hinton.

### Issue

The ATE Oversight Committee would like Council's direction on at least three areas of ATE:

1. Does Council wish to continue with the ATE Program?
2. Does Council wish to continue enforcing Stop Sign violations?
3. Would Council like to provide any specific direction for speed zone enforcement?

### Administration Comments on Situation / Options

In August of 2016 the ATE Oversight committee was created to manage the ATE program in Hinton. The Oversight Committee consists of the Protective Services Manager, Todd Martens, the RCMP Staff Sergeant Mark Fitzgerald, RCMP Sergeant Todd Gray and the Chief Administrative officer Mike Schwirtz.

Principles that have been applied to this program to date include: the ATE program must enhance traffic safety, be fair and consistent and support local traffic safety programs.

As outlined in the Alberta ATE Technology Guidelines (Alberta Justice and Solicitor General – revised September 2014):

*Traffic Safety criteria must be used to determine where automated traffic technology will be used. These criteria include but are not restricted to, high risk, high frequency, high collision and high pedestrian volume locations.*

- **High-risk locations** are those where the safety of citizens or police officers would be at risk through conventional enforcement methods.
- **High-frequency locations** are those where data indicates motorists are ignoring or breaking traffic laws on an ongoing basis.
- **High-collision locations** are those where data indicates a greater frequency of property damage, injury or fatal collisions.

- ***High-pedestrian volume locations*** are those where data indicates a high volume of pedestrian traffic.

In August of 2016 the oversight committee began reviewing the current ATE locations in Hinton, assessing them with the principles and criteria stated above and then providing the operating contractor, Global Traffic with direction on which sites would be activated for how many hours each week and in some cases certain locations have been suspended pending further review and direction.

Conventional enforcement has also been increased in areas where reduced ATE enforcement has occurred.

### **Administration's Conclusion / Proposed Direction**

The Hinton ATE program is being managed with an increased degree of oversight but requires Council direction to ensure that future decisions made by the oversight committee are aligned with Council's vision for this program.

The Photo Radar and now ATE program has been in place in Hinton since 2006 with significant funds being reinvested into safety programs and community initiatives. The program has been successfully audited twice by the Alberta Justice and Solicitor General's office and has a third audit scheduled for March 15, 2017.

With increased oversight comes the need to confirm direction from Council. The oversight committee is seeking Council direction on whether they first of all, want to continue with the ATE program and then if we continue we are seeking direction on stop sign enforcement and on speed zone enforcement.