

Topic: 2025 Off-Site Levy Annual Report- Overview

Introduction:

Administration recommends that the 2025 Off-Site Levies Annual Report Overview be accepted for information, as presented.

Facts (Background Information):Legislative Framework

The Municipal Government Act (MGA) authorizes municipalities to set and collect off-site levies. Council approved Off-Site Levy Bylaw 2015-07 on April 28, 2015, enabling levy collection for off-site water, sanitary, road, and stormwater infrastructure in the Acheson, Big Lake, and Fifth Meridian areas. Under the MGA, off-site levies can only be collected once for each type of off-site infrastructure, and funds collected must be used for that same infrastructure type.

Definitions

On-site and off-site infrastructure is required to support development in the Acheson and Big Lake areas:

- **On-site infrastructure** is fully funded by the developer (or property owner); and
- **Off-site infrastructure** costs are distributed based on proportional benefit and then recovered through off-site levies.

Off-Site Levy Program Background

Parkland County's Off-Site Levy program is an effective tool for allocating infrastructure costs fairly among benefitting areas/landowners. Off-site levies are reviewed on an annual basis, ensuring that they remain up to date and reflective of current market cost estimates. The practice of reviewing and updating the off-site levies annually enables developers and businesses to make informed decisions based on accurate cost projections and mitigates the risk of outdated levies. This ensures developers and businesses can rely on up-to-date off-site levies to plan their projects effectively, manage costs and ensure financial viability, leading to increased confidence and investment in the area.

The guiding principle behind off-site levies is "development pays for development", so that ratepayers within Parkland County do not bear the costs of growth triggered by private development. The County's off-site levy program follows this principle by ensuring new developments contribute to the cost of off-site infrastructure that is required to support that new development either by construction of cost sharable infrastructure and/or paying the applicable off-site levies. The off-site levy program allows

Parkland County to allocate the costs of off-site leviable infrastructure amongst benefitting areas in a fair, predictable and equitable manner.

The basic methodology for determining off-site levy rates is dividing the infrastructure costs by the net benefitting area to calculate a dollar per hectare value.

$$\text{Offsite Levy Rate } (\$/ha) = \frac{\text{Total Infrastructure Costs to Service the Land}(\$)}{\text{Size of Net Benefitting Area } (ha)}$$

New Off-site Levies Model

In 2025, Administration developed a new off-site levies model that is simplified and more transparent than the previous consultant-based model used in previous years. The new model provides full transparency and the ability for others to replicate the off-site levy rates. The methodology of the new model is efficient, meets all legislative requirements, and streamlines the process for calculating new rates.

Analysis:

Off-Site Levies 2025 Annual Report

Off-site levy rates are updated annually to reflect the most current information available for infrastructure project scopes, cost estimates, actual expenditures, benefitting allocations, and remaining developable land. Rates are expressed on a per net hectare basis for each benefitting area and infrastructure type.

The Off-Site Levies Annual Report for 2025 has been prepared and is provided to GPC for information. Highlights of the report are as follows:

- **Overall Average Off-Site Levy Rate:** Slight decrease from approximately \$154,306 per net hectare (2025) to \$146,299 per net hectare (2026). However, each individual benefitting area may see larger increases/decreases due to updated cost estimates, development area, etc.
- **Off-Site Levies Collected to Date:** Approximately \$33.36 million (as of December 31, 2025).
- **Total Leviable Off-site Infrastructure Costs (Gross):** Approximately \$625.21 million across water, sanitary, transportation, and stormwater.
- **Grant Funded Intersection Projects in Acheson:** Received \$12.4 million in Provincial funding for two intersections: Bevington/Pinchbeck Road & Highway 16A and Spruce Valley Road & Highway 16A. This contribution reduces net costs of infrastructure required to be paid by developers.
- **Other Grants and Contributions:** To date, approximately \$27.27 million of grant funding or other contributions across Acheson and Big Lake, reducing the net costs of infrastructure that need to be funded by off-site levies.
- **Levy Funded Costs Included in Off-site Levy Rates (Net):** Approximately \$597.85 million.
- **Excluded Developments:** The Ranch Golf & Country Club and the residential community of Osborne Acres are excluded from the off-site levy model as these areas are not expected to connect to servicing. Excluding these lands aligns with best practices for off-site levy model calculations and raises the off-site levy rates for Acheson Zones 1 and 6 accordingly.

Engagement:

The 2025 Annual Report and the proposed 2026 off-site levy rates were sent on May 12, 2026 to industry partners for review. Meetings were offered to discuss feedback, and a summary of comments will be provided to Council for review on June 23.

Conclusion/Summary:

Administration recommends that the 2025 Off-Site Levies Annual Report Overview be accepted for information, as presented.

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