

Topic: Off-Site Levy Annual Report & Bylaw 2015-07 with Updated Schedules "C" through "G"**Introduction:**

The Off-Site Levy Bylaw requires an Annual Report to be provided to Council reviewing the previous year's off-site levy information and establishing off-site levy rates to be imposed in the current year. The off-site levy rates are approved by Council through the updated schedules of Bylaw 2015-07. The annual update of the off-site levy bylaw considers current market conditions, and projects that are required for growth and impact allocations for each infrastructure category (water, sanitary, storm and transportation).

Facts (Background Information):**Legislative Background**

Municipalities are authorized to impose and collect off-site levies through the Municipal Government Act (MGA). Parkland County Council approved Off-Site Levy Bylaw 2015-07 on April 28, 2015, to allow for the collection of levies 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 the collected levies can only be used towards the type of infrastructure it was collected for. The MGA and Off-Site Levies Regulation requires that levy rates are transparent, replicable and based on the most current information available. As such, the provisions of the Bylaw require that updated Schedules "C" through "G" be approved by Council resolution on at least an annual basis. Administration is undertaking a process review of the off-site levy program in 2025 to ensure the County is aligned with industry feedback received through engagement, current legislative requirements and market conditions.

Off-Site Levy Background

To support development in the Acheson and Big Lake areas, typically on-site and off-site infrastructure is required. On-site infrastructure is funded by the developer (or property owner) while off-site infrastructure costs are distributed based on proportional benefit and then recovered through off-site levies. The guiding principle behind off-site levies is "Development pays for Development", so that ratepayers within Parkland County are not bearing 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 constructing off-site infrastructure that is required to support that new development. The off-site levy program allows Parkland County to distribute the costs of off-site infrastructure amongst benefitting areas in a fair and equitable manner.

Parkland County first established its Off-Site Levy Bylaw for the Acheson and Big Lake areas in 2007 for water, sanitary and storm; a separate transportation Bylaw was added in 2010. These previous Bylaws were consolidated into a single Bylaw in 2015. In accordance with the approved 2015 Bylaw, Off-Site Levy

Rates are to be reviewed and adjusted on at least an annual basis to reflect estimated construction costs, updated interest or carrying costs, and amount of remaining developable land. No changes to existing Bylaw 2015-07 are proposed this year, only the annual rate updates.

Analysis:

Off-Site Levy Update

Every year the County undertakes a review and update of the off-site levy rates for Acheson, Big Lake and Fifth Meridian. This includes an Annual Report reflecting the financial, engineering and planning items relating to off-site levies from the previous year and presenting updated 2025 rates to Council for approval. The updated rates are based on the most up-to-date information such as infrastructure cost estimates, actual construction costs from the previous year, financial reporting, and development and infrastructure sequencing. Updating the levy rates annually ensures developers and businesses can rely on up-to-date off-site levy rates to plan effectively, manage costs, and ensure financial viability of their projects.

Transparency of Off-Site Levy Rates

In this year's off-site levy update, all developable lands and infrastructure project costs to support the development of these lands were included in the levy rate calculation. This shift was made to better reflect the Infrastructure Master Plans that guide infrastructure growth in the Acheson Industrial and Big Lake Residential Areas to support full build-out. By including all lands and all infrastructure costs, an off-site levy rate can be generated for all properties. This provides more transparency to developers and landowners allowing them to better plan for future development on their land.

Fairly Distribute Infrastructure Project Costs

By including all infrastructure project costs and all developable land, this ensures off-site levy infrastructure costs are distributed in a fair and equitable manner amongst all benefitting areas. As some infrastructure projects are long-term, there is a level of uncertainty regarding some project cost estimates and staging. This is a concern the County heard from stakeholders during engagement, and as such one particular long-term project with an increased level of uncertainty was adjusted. Note: all infrastructure projects are reviewed annually to update the project cost estimates or actual project costs, which further reduces the risk of uncertainty.

The Acheson Zone 3 West Reservoir Project (final expansion) was adjusted in the revised 2025 off-site levy update based on stakeholder feedback and further review by the County. This project is the final water reservoir expansion planned for Acheson and since it is a long-term project that will be required based on water demand, it is difficult to forecast with certainty. For these reasons, the estimated project cost was reduced to reflect this uncertainty and fairly distribute costs to those benefitting from the project. The storage capacity for the water reservoir and timing of construction will be reassessed every five years, and adjustments may occur as Acheson further develops. By adjusting this project cost, there was a reduction of overall off-site levy rates. This adjustment further ensured that the infrastructure project costs are fairly distributed amongst benefitting areas.

Stabilize Off-Site Levy Rates

In addition to ensuring a fair distribution of project costs amongst benefitting areas, by including all developable lands and applicable off-site infrastructure costs, the 2025 off-site levy update removes assumptions and reduces the number of unknowns associated with the off-site levy updates. We

anticipate this change will reduce the occurrence of large fluctuations in off-site levy rates for future updates. This removes a veil of uncertainty to developers and business owners as they are forecasting future projects and cash flow.

Proposed 2025 Off-Site Levy Rates

Although individual areas experienced varying increases or decreases, the overall off-site levy rate increased 0.3 % compared to 2024. This was an increase from \$153,840 per net hectare in 2024, to \$154,306 per net hectare in 2025. A comparison of off-site levy rates from 2024 to 2025 for each benefitting area has been included as an attachment to this report.

Off-Site Levy Update Summary

Off-site levies are reviewed on an annual basis. This ensures that they remain up to date and reflective of current market cost estimates. The off-site levy update process involves engagement with industry experts, developers, landowners, real estate brokers and other stakeholders. Based on feedback received this year, the County will look for additional public engagement opportunities during next year's update.

Developers and businesses can rely on up-to-date off-site levy rates to plan their projects effectively, manage costs, and ensure financial viability, leading to increased confidence and investment in the area. The County actively pursues opportunities for project cost efficiencies and explores possibilities for funding which minimize the financial impact on developers and maintains competitiveness in the region. The County also strives to be fiscally responsible, by ensuring that projects front-ended by the County are 100% recovered through the off-site levy program. This ensures that growth is support without the burden on taxpayer.

Public Consultation

Administration engaged with developers, consultants, landowners, real estate brokers, and other impacted stakeholders regarding the 2025 off-site levy update. The draft copy of the Annual Report and proposed 2025 off-site levy rates were sent to stakeholders in April with options to provide written comments or request 1:1 Question & Answer meetings with County staff.

- A total of seven 1:1 Question & Answer sessions were conducted during the first round of engagement
- Feedback received included a desire for increased engagement with industry, concern with historical levy rate fluctuations, concern with long-term off-site infrastructure projects and request to provide additional public material regarding off-site levies to increase public awareness
- Based on the feedback received, Administration undertook adjustments to the 2025 proposed off-site levy rate calculations and sent out the finalized rates on June 4, 2025 for stakeholder review
- Revisions included minor adjustments to staging and reducing the project cost of the Acheson Zone 3 West Reservoir project
- As of date of this report, June 11, 2024, no other, feedback, comments, or objections were received by the County.

Following approval of the 2025 off-site levy rates, a process review of the off-site levy program will be undertaken. Based on the feedback received during the engagement of the proposed 2025 off-site levy rates, the Off-Site Levy Committee is committed to carrying out additional engagement opportunities for next year's update. Improvements to the County's off-site levy program and continuously sought out to ensure transparency and effective collaboration with industry stakeholders.

Policy Framework Review:

Parkland County Strategic Plan 2022-2025: the following policy statements within the current Strategic Plan support the proposed 2025 off-site levy update:

Pillar A: Complete Communities

- Goal A1: To ensure that County infrastructure meets the needs of residents, businesses, and industry.

Pillar B: Economic Diversification

- Goal B1: To explore strategies that encourage new business to relocate to Parkland County, with strategic emphasis on Acheson.

Pillar C: Respected Environment and Agriculture

- Properly funded infrastructure provides for enhanced environmental sustainability.

Pillar D: Responsible Leadership

- Goal D1: To ensure that County Council is supported by a robust and current framework of bylaws, policies, and plans.
- Goal D2: To strive for organizational excellence in delivering Council services and programs to residents, businesses, and community groups.

Conclusion/Summary:

Administration supports the Annual Report and proposed Water, Sanitary Sewer, Stormwater and Transportation Off-Site Levy Projects & Estimated Costs and Off-Site Levy Rate Changes as presented.

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