

Offsite Levy Rate Update Presentation To Council

June 12th, 2018

Agenda

- ▶ New Legislation and Regulations
- ▶ Drivers of Rates
- ▶ Updated Rates
- ▶ Comparison of Rates to Other Muni's
- ▶ Recommendations
- ▶ Q&A

Offsite Levy Legislation

- ▶ Used to pay the capital cost of
 - ▶ New or expanded water facilities,
 - ▶ New or expanded sanitary sewage facilities,
 - ▶ New or expanded stormwater drainage facilities,
 - ▶ New or expanded roads, including interchanges.
 - ▶ New or expanded recreation facilities,
 - ▶ New or expanded fire halls,
 - ▶ New or expanded police stations, and
 - ▶ New or expanded libraries.
- ▶ Offsite levies may only be collected once in respect of land that is developed or subdivided.
- ▶ Funds must be accounted for separately from other funds and levies. Funds collected earn interest.
- ▶ Must be used only the specified purposes for which the funds were collected.
- ▶ Are established under bylaw.

Offsite Levy Regulations

- ▶ Are to be determined in good faith.
- ▶ Recognize the unique or special circumstances of the municipality.
- ▶ There is to be full disclosure of levy costs & payments.
- ▶ There is a shared responsibility between municipalities & developers for defining infrastructure requirements.
- ▶ All parties that benefit participate in the cost on an equitable basis related to the degree of benefit.
- ▶ Where practical coordinate infrastructure with neighbouring municipalities.
- ▶ Methodology is to be consistently applied across the municipality.
- ▶ Method of calculation is to be clear.
- ▶ Information used to calculate levies is to be kept current. **And the bylaw must include a requirement for a periodic review, and an annual report outlining all levies received, payments, etc.**
- ▶ Calculations should describe specific infrastructure facilities, benefiting areas, supporting technical data and analysis, mechanisms to address cost increases over time. **For recreation, fire, police, and library infrastructure, the calculation of must also include supporting statutory plans, policies or agreements that identify the need for and benefits from the new facilities, and the anticipated growth horizon.**
- ▶ Calculations are to be determined in consultation with affected landowners & developers.

Your Offsite Levy Model



Confidentiality Agreement

Offsite Levy Model

Development Area		Transportation Cost Estimates	Water Cost Estimates	Sanitary Cost Estimates	Stormwater Cost Estimates	Recreation Cost Estimates	Fire Cost Estimates	Police Cost Estimates	Library Cost Estimates		Offsite Levy Rates
Service Demand Factor		Transportation Expenditures	Water Expenditures	Sanitary Expenditures	Stormwater Expenditures	Recreation Expenditures	Fire Expenditures	Police Expenditures	Library Expenditures		Offsite Levy Receipts
Development Staging		Transportation Debentures	Water Debentures	Sanitary Debentures	Stormwater Debentures	Recreation Debentures	Fire Debentures	Police Debentures	Library Debentures		Reports
		Transportation Facilities	Water Facilities	Sanitary Facilities	Stormwater Facilities	Recreation Facilities	Fire Facilities	Police Facilities	Library Facilities		Muni Costs
		Transportation Allocation	Water Allocation	Sanitary Allocation	Stormwater Allocation	Recreation Allocation	Fire Allocation	Police Allocation	Library Allocation		
		Transportation Staging	Water Staging	Sanitary Staging	Stormwater Staging	Recreation Staging	Fire Staging	Police Staging	Library Staging		Global Staging Adjustment
		Transportation Reserve	Water Reserve	Sanitary Reserve	Stormwater Reserve	Recreation Reserve	Fire Reserve	Police Reserves	Library Reserves		Start New Year Rates

Powered By:



Key Drivers of Rates

- Developers (offsite levy) share of infrastructure costs has declined 21% from ~218 million to ~\$176 million.

Infrastructure	Special Grants & Contributions	Muni Share of Costs	Other Stakeholders' Share of Costs	Developer Cost Beyond 25 Yrs (Financial Oversizing)	Developer Costs (In Rates)	Total Costs
Transportation	\$ 4,453,986	\$ -	\$ -	\$ 86,913,573	\$ 77,799,685	\$ 169,167,244
Water	\$ 2,893,178	\$ 21,527	\$ -	\$ 90,786,828	\$ 42,455,262	\$ 136,156,795
Sanitary	\$ 2,952,690	\$ 68,822	\$ -	\$ 34,705,327	\$ 19,593,510	\$ 57,320,348
Stormwater	\$ 1,280,311	\$ -	\$ -	\$ 6,168,352	\$ 35,671,748	\$ 43,120,412
Total	\$ 11,580,165	\$ 90,349	\$ -	\$ 218,574,080	\$ 175,520,204	\$ 405,764,798

- Forecast land development has increase 14% from 1587 ha. to 1816 ha.

Description	ha.	
Developed Since Model Created	136.07	3.4%
Developed In Next 25 Years	1,816.34	45.1%
Developed Beyond 25 Years	2,077.25	51.5%
Net Development Area	4,029.66	

Rates

	Transportation Levies (/Net Ha.)	Water Levies (/Net Ha.)	Sanitary Levies (/Net Ha.)	Storm Levies (/Net Ha.)	Total (/Net Ha.)
High	\$ 182,744	\$ 72,004	\$ 52,195	\$ 57,698	\$ 209,891
Low	\$ 1,996	\$ 5,184	\$ -	\$ -	\$ 15,780
Weighted Average	\$ 34,858	\$ 21,368	\$ 10,846	\$ 15,421	\$ 82,492

Area #	Transportation Levies	Water Levies	Sanitary Levies	Stormwater Levies	Total
101.0	\$ 48,401	\$ 7,788	\$ 668	\$ 102	\$ 56,958
102.0	\$ 48,401	\$ 7,788	\$ 668	\$ 102	\$ 56,958
103.0	\$ 48,401	\$ 7,788	\$ 48,066	\$ 102	\$ 104,356
103.1	\$ 48,401	\$ 7,788	\$ 52,195	\$ 102	\$ 108,485
104.0	\$ 48,401	\$ 7,788	\$ 48,066	\$ 102	\$ 104,356
104.1	\$ 48,401	\$ 7,788	\$ 48,066	\$ 102	\$ 104,356
105.0	\$ 48,401	\$ 7,788	\$ 12,995	\$ 102	\$ 69,285
105.1	\$ 48,401	\$ 14,820	\$ 52,195	\$ 102	\$ 115,516
106.0	\$ 48,401	\$ 7,788	\$ 12,995	\$ 102	\$ 69,285
107.0	\$ 48,401	\$ 7,789	\$ 125	\$ 102	\$ 56,417
108.0	\$ 48,401	\$ 7,789	\$ 1,541	\$ 102	\$ 57,833
109.0	\$ 48,401	\$ 7,789	\$ 125	\$ 102	\$ 56,417
110.0	\$ 48,401	\$ 7,788	\$ 12,995	\$ 102	\$ 69,285
111.0	\$ 48,401	\$ 7,788	\$ 12,995	\$ 102	\$ 69,285
111.1	\$ 48,401	\$ 14,820	\$ 4,796	\$ 102	\$ 68,118
201.0	\$ 52,578	\$ 25,277	\$ 48,066	\$ 102	\$ 126,023
201.1	\$ 52,578	\$ 32,309	\$ 52,195	\$ 102	\$ 137,183
202.0	\$ 52,578	\$ 25,277	\$ 125	\$ 102	\$ 78,082
203.0	\$ 52,578	\$ 25,277	\$ 125	\$ 102	\$ 78,082
204.0	\$ 52,578	\$ 25,278	\$ 12,921	\$ 102	\$ 90,879
205.0	\$ 52,578	\$ 25,278	\$ 10,882	\$ 102	\$ 88,840
206.0	\$ 52,578	\$ 25,277	\$ 9,292	\$ 102	\$ 87,249
207.0	\$ 52,578	\$ 25,277	\$ 125	\$ 102	\$ 78,082
208.0	\$ 52,578	\$ 25,277	\$ 48,066	\$ 102	\$ 126,023
208.1	\$ 52,578	\$ 32,309	\$ 52,195	\$ 102	\$ 137,183
301.0	\$ 182,744	\$ 22,861	\$ 177	\$ 102	\$ 205,884
302.0	\$ 182,744	\$ 22,861	\$ 177	\$ 102	\$ 205,884
302.1	\$ 182,744	\$ 22,861	\$ 4,184	\$ 102	\$ 209,891
303.0	\$ 182,744	\$ 22,861	\$ 177	\$ 102	\$ 205,884
304.0	\$ 182,744	\$ 22,861	\$ 3,679	\$ 102	\$ 209,387
401.0	\$ 32,732	\$ 16,844	\$ 5,088	\$ 19,667	\$ 74,331
401.1	\$ 32,732	\$ 16,844	\$ 8,553	\$ 19,667	\$ 77,796
402.0	\$ 32,732	\$ 16,844	\$ 991	\$ 102	\$ 50,670
403.0	\$ 32,732	\$ 16,846	\$ 25,528	\$ 102	\$ 75,208
404.0	\$ 32,732	\$ 16,846	\$ 25,528	\$ 102	\$ 75,208
405.0	\$ 32,732	\$ 16,846	\$ 35,853	\$ 102	\$ 85,533
406.0	\$ 32,732	\$ 16,846	\$ 35,853	\$ 102	\$ 85,533
407.0	\$ 32,732	\$ 16,844	\$ 991	\$ 33,733	\$ 84,301
408.0	\$ 32,732	\$ 16,844	\$ 5,088	\$ 19,667	\$ 74,331
408.1	\$ 32,732	\$ 16,844	\$ 8,553	\$ 19,667	\$ 77,796
501.0	\$ 59,294	\$ 41,761	\$ 23,971	\$ 57,698	\$ 182,723
502.0	\$ 59,294	\$ 41,760	\$ 1,864	\$ 57,698	\$ 160,615

Area #	Transportation Levies	Water Levies	Sanitary Levies	Stormwater Levies	Total
502.1	\$ 59,294	\$ 41,760	\$ 5,329	\$ 57,698	\$ 164,080
503.0	\$ 59,294	\$ 41,760	\$ 1,355	\$ 41,512	\$ 143,920
503.1	\$ 59,294	\$ 41,760	\$ 4,820	\$ 41,512	\$ 147,385
504.0	\$ 59,294	\$ 41,760	\$ 9,527	\$ 35,074	\$ 145,655
504.1	\$ 59,294	\$ 41,760	\$ 12,992	\$ 35,074	\$ 149,119
505.0	\$ 59,294	\$ 41,760	\$ 813	\$ 32,757	\$ 134,623
506.0	\$ 59,294	\$ 41,760	\$ 1,447	\$ 39,322	\$ 141,823
507.0	\$ 59,294	\$ 41,760	\$ 813	\$ 57,698	\$ 159,564
508.0	\$ 59,294	\$ 41,761	\$ 813	\$ 57,698	\$ 159,565
601.0	\$ 26,426	\$ 8,203	\$ 16,779	\$ 22,989	\$ 74,397
602.0	\$ 26,426	\$ 8,203	\$ 16,779	\$ 33,169	\$ 84,577
603.0	\$ 26,426	\$ 8,203	\$ 4,837	\$ 41,699	\$ 81,166
604.0	\$ 26,426	\$ 8,203	\$ 4,837	\$ 41,699	\$ 81,166
605.0	\$ 26,426	\$ 8,203	\$ 436	\$ 41,699	\$ 76,764
606.0	\$ 26,426	\$ 8,203	\$ 436	\$ 41,699	\$ 76,764
607.0	\$ 26,426	\$ 8,203	\$ 436	\$ 102	\$ 35,167
608.0	\$ 26,426	\$ 8,203	\$ 18,052	\$ 22,989	\$ 75,670
701.0	\$ 16,235	\$ 5,184	\$ 4,024	\$ 56,124	\$ 81,567
702.0	\$ 16,235	\$ 5,184	\$ 4,024	\$ 56,124	\$ 81,567
703.0	\$ 16,235	\$ 5,184	\$ 1,447	\$ 50,865	\$ 73,731
704.0	\$ 16,235	\$ 5,184	\$ 813	\$ 50,865	\$ 73,096
705.0	\$ 16,235	\$ 5,184	\$ 1,761	\$ 40,601	\$ 63,781
706.0	\$ 16,235	\$ 5,184	\$ 1,761	\$ 55,832	\$ 79,012
707.0	\$ 16,235	\$ 5,184	\$ 1,447	\$ 55,832	\$ 78,698
708.0	\$ 16,235	\$ 5,184	\$ 1,447	\$ 56,124	\$ 78,991
801.0	\$ 13,544	\$ 10,198	\$ 18,884	\$ 35,399	\$ 78,025
802.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 39,035	\$ 64,044
803.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 41,699	\$ 66,709
804.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 41,699	\$ 66,709
805.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 41,699	\$ 66,709
806.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 41,699	\$ 66,709
807.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 53,101	\$ 78,111
808.0	\$ 13,544	\$ 10,198	\$ 1,268	\$ 53,101	\$ 78,111
901.0	\$ 16,430	\$ 48,833	\$ 125	\$ 102	\$ 65,490
902.0	\$ 16,430	\$ 48,833	\$ 125	\$ 102	\$ 65,490
903.0	\$ 16,430	\$ 48,833	\$ 125	\$ 102	\$ 65,490
904.0	\$ 16,430	\$ 48,833	\$ 125	\$ 102	\$ 65,490
1001.0	\$ 15,171	\$ 13,014	\$ 125	\$ 102	\$ 28,412
1002.0	\$ 15,171	\$ 13,014	\$ 125	\$ 102	\$ 28,412
1003.0	\$ 15,171	\$ 13,014	\$ 125	\$ 102	\$ 28,412
1004.0	\$ 15,171	\$ 13,014	\$ 125	\$ 102	\$ 28,412

Area #	Transportation Levies	Water Levies	Sanitary Levies	Stormwater Levies	Total
1005.0	\$ 15,171	\$ 13,014	\$ 125	\$ 102	\$ 28,412
1006.0	\$ 15,171	\$ 13,014	\$ 11,837	\$ 102	\$ 40,123
1007.0	\$ 15,171	\$ 13,014	\$ 11,837	\$ 102	\$ 40,123
1101.0	\$ 1,996	\$ 11,374	\$ 2,309	\$ 102	\$ 15,782
1102.0	\$ 1,996	\$ 11,373	\$ 2,309	\$ 102	\$ 15,780
1103.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1104.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1105.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1106.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1107.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1108.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1109.0	\$ 8,679	\$ 11,374	\$ 1,541	\$ 102	\$ 21,696
1110.0	\$ 8,679	\$ 11,374	\$ 1,541	\$ 102	\$ 21,696
1111.0	\$ 8,679	\$ 11,374	\$ 1,072	\$ 102	\$ 21,227
1112.0	\$ 8,679	\$ 9,878	\$ 125	\$ 102	\$ 18,784
1113.0	\$ 8,679	\$ 9,878	\$ 125	\$ 102	\$ 18,784
1201.0	\$ 67,921	\$ 38,752	\$ -	\$ -	\$ 106,673
1202.0	\$ 67,921	\$ 72,004	\$ 27,388	\$ -	\$ 167,312
1203.0	\$ 67,921	\$ 54,110	\$ 6,577	\$ -	\$ 128,608
1204.0	\$ 67,921	\$ 38,752	\$ -	\$ -	\$ 106,673
1205.0	\$ 67,921	\$ 38,752	\$ -	\$ -	\$ 106,673
1301.0	\$ 94,557	\$ 72,004	\$ 27,388	\$ -	\$ 193,949
1302.0	\$ 94,557	\$ 72,004	\$ 27,388	\$ -	\$ 193,949
1303.0	\$ 94,557	\$ 38,752	\$ -	\$ -	\$ 133,309
1304.0	\$ 94,557	\$ 54,110	\$ 6,577	\$ -	\$ 155,244
1401.0	\$ 94,557	\$ 72,004	\$ 27,388	\$ -	\$ 193,949
1402.0	\$ 94,557	\$ 38,752	\$ 0	\$ -	\$ 133,309
1403.0	\$ 94,557	\$ 38,752	\$ 0	\$ -	\$ 133,309
1404.0	\$ 94,557	\$ 38,752	\$ 0	\$ -	\$ 133,309
1405.0	\$ 94,557	\$ 38,752	\$ 0	\$ -	\$ 133,309
1501.0	\$ 29,927	\$ 9,878	\$ 27,501	\$ 102	\$ 67,409
1502.0	\$ 29,927	\$ 9,878	\$ 27,501	\$ 102	\$ 67,409
1600.1	\$ 15,171	\$ 13,014	\$ 11,331	\$ 102	\$ 39,617
1600.2	\$ 15,171	\$ 13,014	\$ 23,043	\$ 102	\$ 51,329
1600.3	\$ 52,578	\$ 25,277	\$ 11,331	\$ 102	\$ 89,288
1600.4	\$ 52,578	\$ 25,277	\$ 11,331	\$ 102	\$ 89,288
1600.5	\$ 52,578	\$ 25,277	\$ 11,331	\$ 102	\$ 89,288
1600.6	\$ 52,578	\$ 25,278	\$ 11,331	\$ 102	\$ 89,289
1600.7	\$ 32,732	\$ 16,844	\$ 11,331	\$ 102	\$ 61,010
1600.8	\$ 32,732	\$ 16,844	\$ 16,294	\$ 19,667	\$ 85,537

*Highs, lows, and weighted averages are shown for information purposes only. Developers pay the rate associated with their specific area.

Comparison to Other Muni's

Municipality / Area	Average Per Ha.
Town of Stony Plain (2007)	\$69,000
Town of Calmar* (not incl drainage)	\$71,000
City of Lacombe*	\$72,500
City of Spruce Grove*	\$78,475
Sturgeon County Industrial Park* (not incl drainage)	\$80,700
Parkland County*	\$82,490
Town of Peace River*	\$83,400
Red Deer County (Gasline Alley)	\$96,500
Town of Redcliff*	\$109,200
Leduc County* (2009)	\$106,300
Town of Devon*	\$116,200
City of Leduc*	\$117,500
Town of High River	\$130,000
City of Cold Lake* (in process)	\$140,530
City of Chestermere* (in process)	\$145,524
Town of Beaumont*	\$161,000
City of Red Deer	\$203,300
City of Lethbridge	\$249,000
City of Medicine Hat* (subsidy)	\$250,000
City of Lloydminster* (in process)	\$281,800
City of St. Albert*	\$290,000
City of Edmonton	+\$300,000
City of Calgary (incl rec & stabilization)	+\$350,000

Recommendations

1. Establish formal process, responsibilities, and timelines, that enable the update of offsite levy rates annually and provision of an update report to Council, in alignment with offsite levy bylaw requirements.
2. Immediately amend the opening balances of each offsite levy account as reflected in Appendices B8-water: \$163,780.40, C8-sanitary: \$(4,226,597.22), D8-transportation: \$(663,321.53), and E8-stormwater: \$(14,609,163.26). In so doing, withdraw excess funds and repay front-ending claimants in accordance with the County's policy C-PD05 and administration procedures C-PD05-P1 (i.e., the AOC approach).
3. Assign the Finance department the responsibility for managing offsite levy account balances, including historical expenditures and front-ending balances. In so doing, establish a formal and regular communication process between the Finance, Planning, and Engineering departments to enable the accurate documentation of offsite levy expenditure and front-ending details.
4. Establish sub-ledgers for each account to track amounts owed to each front-ending party. In so doing, ensure the same interest earning rate that is reflected in the offsite levy model (in any given year) is used to calculate interest on outstanding front-ending balances.
5. Continue to utilize the Average Outstanding Claim (AOC) approach for distributing excess offsite levy receipts to front-ending claimants. The AOC approach is a leading practice and avoids the unintended disincentives to future front-ending created by other approaches.
6. Amend Administrative Procedures C-PD05-P1 to enable the County to defer a front-ending payment to itself in any year.
7. During the reconciliation of future reserve balances, ensure the interest earning and charge rates that underpin the offsite levy bylaw for that time period are used to determine reserve interest impacts. This is outlined in the offsite levy model user guide and instructions for the annual rate update.
8. Undertake an engineering review to update the documentation used to back-stop the County's allocation, or non-allocation, of infrastructure costs to existing development (i.e., % allocated to residual development).
9. Recent changes to the MGA enable municipalities to charge offsite levies for recreation, fire, police, and library facilities. Accordingly, the County should consider whether it wishes to adopt such levies in the future and, if so, begin developing the necessary supporting documentation that will be needed to support such levies.

Thank-you

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