

Off-Site Levies 2019 Update

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Off-Site Levies – Principles

- A council has to pass a bylaw for collecting offsite levies
- Previously these levies could only be used to pay for all or part of the capital cost of new or expanded **roads**, or **water**, **storm**, and **sanitary** facilities, or the **land** required for any of these projects
- Categories currently included in the City's Bylaw

Changes in the Legislation

- Expansion - Section 648(2)(c.2) of MGA
 - includes new or expanded infrastructure required to connect, or to improve the connection of, municipal roads to provincial highways resulting from a subdivision or development
- Introduction of new levy categories
- Clarification on how levies can be collected

Establishing Off-Site Levy Rates

- Off-Site levy rates are determined through:
 - Long term planning documents including Utility & Transportation Master Plans
 - Consultation with relevant stakeholders
- Off-Site levies are allocated based on the principle of benefitting parties
 - If your development benefits from a certain project, you must pay your share of that project based on the area you plan to develop

Establishing Off-Site Levy Rates

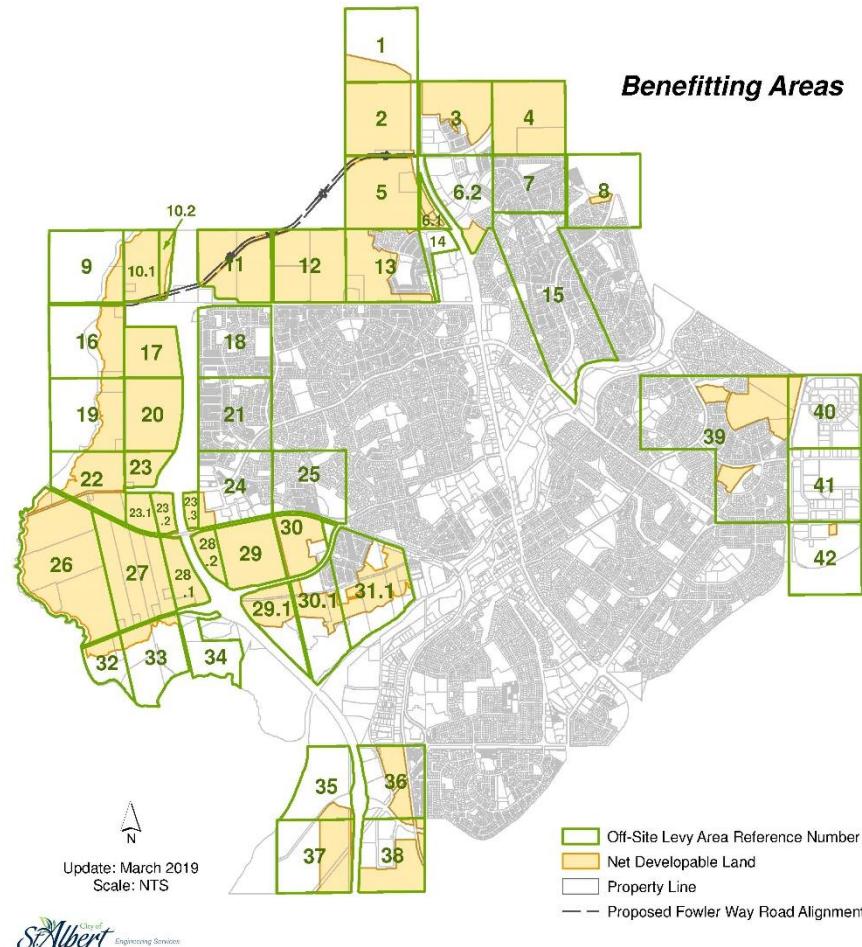
- Factors which will impact the rates:
 - Construction costs
 - Land costs
 - Net Development Area
 - Phasing of development
 - Interest rates
 - Front-ended projects
 - Projects required to support growth and development

St. Albert's Off-Site Levy Bylaw

- The OSL Bylaw - updated a minimum of every three years
- Annual report prepared for Council
 - what infrastructure has been constructed
 - the costs of that construction
 - estimated construction costs for the infrastructure yet to be built
 - the amounts of off-site levies collected
 - amounts of any off-site levy reserves
- OSL Bylaw was last updated in March 2018

St. Albert's Off-Site Levy Bylaw

- 42 basins with multiple landowners in the basins



St. Albert's Off-Site Levy Bylaw

- Rates are established based on the estimated cost to construct the infrastructure
- The OSL model is based on an estimated time period of 35 years of phased development

2019 Off-site Levy Update

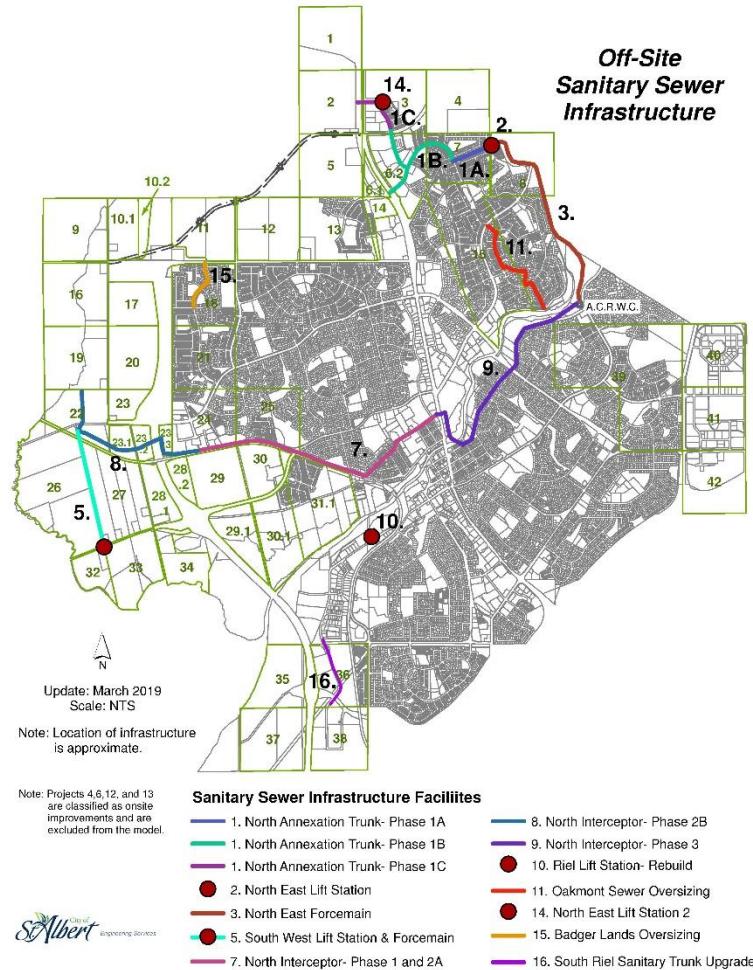
- New rates provide update for realized construction costs in 2018
- Projected rates are in 2019 dollars
- Reconciliation of Net Development Area
 - Areas in executed Development Agreements
 - Update to proposed Fowler Way road alignment
- Reserve Balances will earn interest at ~1.6%
 - based on COSA short term average rate of return
- Reserve shortfall will be charged interest of ~3.25%
 - based on Alberta Capital Finance Authority (ACFA) 20-year debenture rate

Net Development Land

- Net Development Area (NDA)
 - Is considered the land still remaining to be developed within the corporate boundary
 - Has not previously paid any off-site levies
 - Defined as:
Gross Remaining Area – ER – Arterial r/w – MR
- Remaining NDA- 975.53 ha
 - NDA minus area developed in previous years and anticipated stormwater pond requirements
 - Decreased by 24.3 hectares in 2018

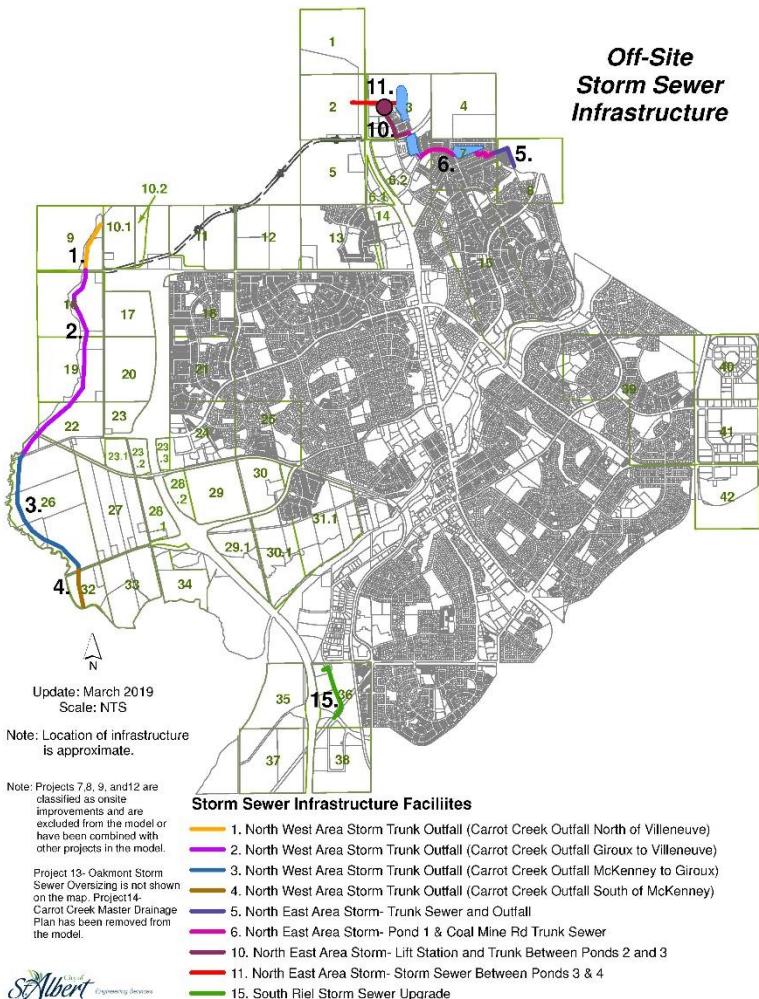
Sanitary Update

- Added:
 - Debenture costs of \$3.6M for Sanitary Project 9- S4 - Phase 3 North Interceptor added into project cost
 - Project 16 - South Riel Sanitary Trunk Upgrade
- 12 sanitary infrastructure projects



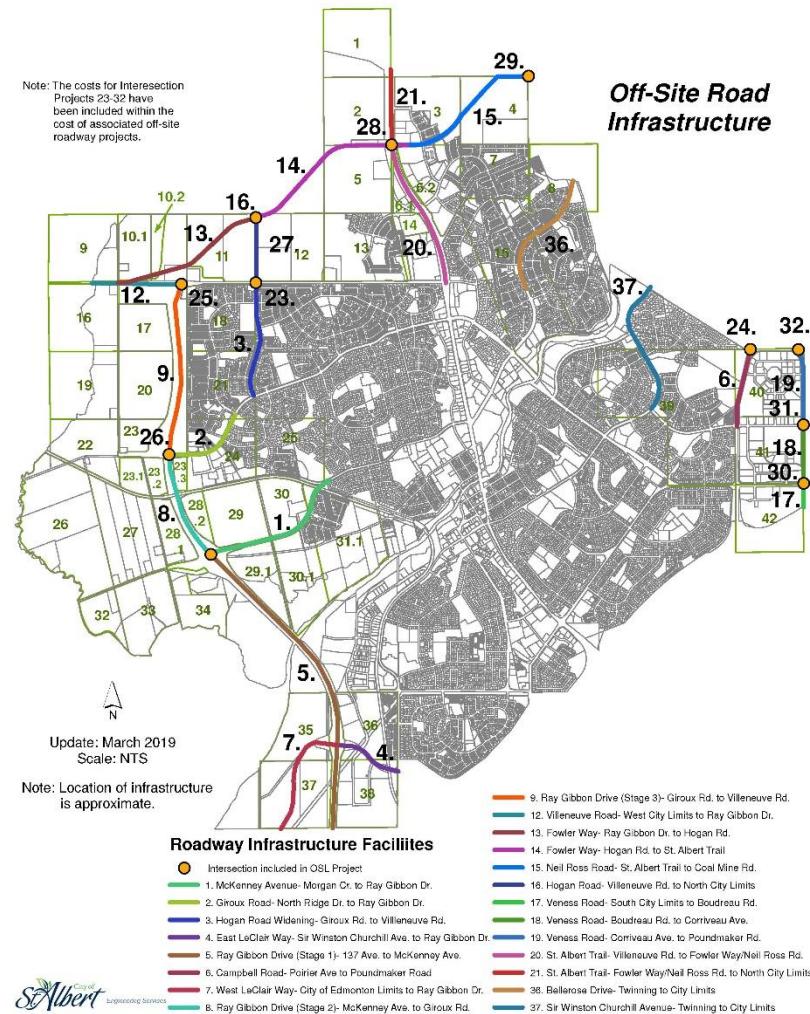
Stormwater Update

- Added:
 - Project 15 - South Riel Storm Sewer Upgrade
- Removed:
 - Project 14- Carrot Creek Master Drainage Plan
- 10 stormwater infrastructure projects



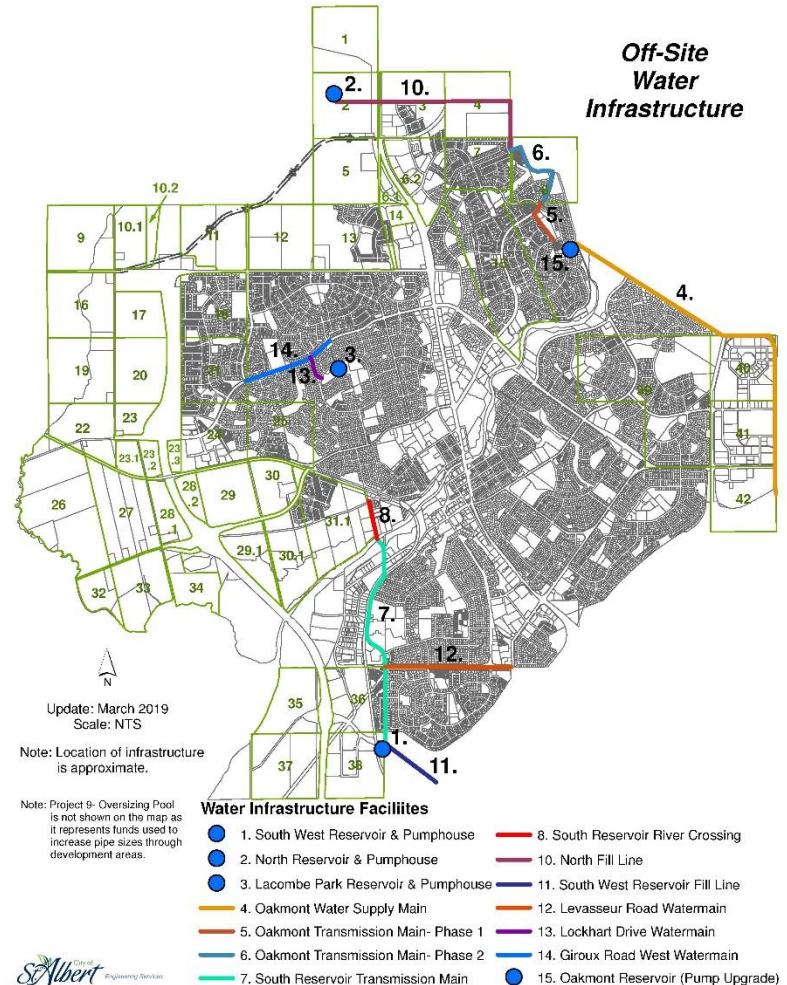
Transportation Update

- No project list changes
 - 34 transportation projects
- Projects 13 & 14- Fowler Way
 - Cost increase from ~\$17.5M to ~\$38.9M
 - Allocation changed from 100% Developer to 50/50 split Developer/City
 - Developer share currently ~19.5M



Water Update

- No project list changes
 - 15 water infrastructure projects



New Levy Categories

- “Soft Services” under Section 648(2.1) of MGA
 - Through its OSL bylaw, municipalities can now collect levies to pay for all or part of the capital cost for any of the following purposes, including the cost of any related appurtenances and any land required for or in connection with the purpose
 - Includes:
 - New or expanded community recreation facilities
 - New or expanded fire hall facilities
 - New or expanded police station facilities
 - New or expanded libraries

New Levy Categories

- Intermunicipal OSL under Section 648.01 of MGA
 - Two or more municipalities
 - Imposed on an intermunicipal basis
 - Agreement between municipalities required
 - Passage of separate bylaws

What is St. Albert doing?

- No immediate plans or direction to add new levies to OSL Bylaw at this time
- Administration is investigating the potential and types of services to include
- Administration is compiling information on what other municipalities are doing
- Any changes to our Bylaw would require meaningful consultation and analysis

Annual Cost Recoveries

- Front-ending reimbursement is levy category specific
- Annual recoveries are approved by Council on pro-rata share basis
 - Unless, reimbursements are \$100,000 or less
 - Anything under this threshold has recovery priority and is fully reimbursed, subject to available funds
 - Remaining parties over \$100,000 are then reimbursed based on pro-rata share
- Changes to Annual Recovery under consideration
 - Public consultation to take place this year
 - Updated policy planned to be presented to Council in Q4 2019

Alternative Disbursement

Sanitary Front- Ending Party	Current Owed Sanitary Front-Ending Value	Disbursement Consistent w/Policy	Alternative Disbursement
City of St. Albert	\$20,498,005.40	\$979,804.66	\$764,575.60
Cidex (Giroux) Corp.	\$ 66,834.60	\$ 66,834.60	\$ 66,834.60
Beaverbrook St. Albert Ltd.	\$ 103,720.33	\$ 4,957.83	\$103,720.33
Landrex Hunter Ridge Inc. (9)	\$ 126,473.89	\$ 6,045.45	\$126,473.89
Landrex Hunter Ridge Inc. (13)	\$ 333,428.99	\$ 15,937.91	\$ 12,436.90

- Alternative 2- considers a pay out alternative for sanitary front-ending parties.
- Reduces the sanitary reimbursement to the City this year by ~\$215K, but two other front-ended projects can be paid out in full.

Rates in Other Municipalities

Municipality	Average Rate Per Ha.
Sturgeon County- Sturgeon Valley OSL (2014)	\$57,933 per residential lot
Town of Stony Plain (2018)	\$72,234
City of Spruce Grove (2018)	\$86,497
City of Leduc (2018)	\$130,694
City of Beaumont (2015)	
- Residential	\$148,115
- Multi-Family	\$324,466
- Commercial	\$152,148
City of Red Deer (2018)	\$237,903
City of St. Albert (2019)	\$293,446
City of Edmonton (2018)*	+\$300,000
- Average Arterial Roadway Assessment Rates	
Residential	\$152,225
Industrial Commercial	\$78,035
- Specific OSL by ASP for some Areas	Varies
- Permanent Area Contribution (PAC) system	Varies

* Source: <https://www.beaumont.ab.ca/DocumentCenter/View/2802/Offsite-Levy-Bylaw-Comparable-Table?bId=>

Note:

This rate table should not be utilized as a direct comparison of rates between municipalities, as it contains distortions due to data outliers and different OSL calculation methods between municipalities.