



City of St. Albert
CITY COUNCIL POLICY

Off-Site Levy Framework

AUTHORITY	APPROVED	Res. No.	mm dd	REVISED	Res. No.	mm dd
City Council		C34-2015	02 02		CB-20-034	03 16

Purpose

To provide a framework for the transparent, responsible and integrated administration of the City's Off-site Levy Bylaw and the identified municipal infrastructure required to support the sustainable growth and development of undeveloped lands within St. Albert.

Policy

The City of St. Albert promotes an attractive environment that supports sustainable growth and development while building a diversified tax base. Growth and development is done in a fiscally responsible and transparent manner through appropriate corporate performance, a key component of which is planning and developing municipal infrastructure that effectively and efficiently meets the present and future growth needs of the City.

Key elements of the Off-Site Levy Framework process are to:

1. Provide a level of clarity to the development industry in the functioning of the off-site levy program;
2. Clarify the process to which benefitting stakeholders can facilitate the development of off-site levy infrastructure and the avenue by which they can recover any over-expenditures;
3. Provide a transparent operation of the off-site levy program.

The Bylaw shall continue to conform to the *Municipal Government Act* of Alberta.

Definitions

In this policy,

"Annual recoveries" means the process by which a Developer that has paid the cost of design and construction of agreed "Qualified off-site infrastructure" is to be reimbursed for the costs in excess of the Developer's proportionate share.

"City" means the municipal corporation of the City of St. Albert.

"City Engineer" means the professional engineer or individual so designated by the Chief Administrative Officer, or that individual's appointed designate.



“Construction Completion Certificate (CCC)” means a certificate issued by the City to signify that off-site infrastructure has been constructed to City Standards but is still under warranty and may be subject to minor deficiencies corrections. Once any infrastructure (leviable or non-leviable) has received a CCC (notwithstanding any warranty period prior to FAC) the City assumes ownership of that infrastructure.

“Final Acceptance Certificate (FAC)” means a certificate issued by the City at the expiry of a warranty period provided the infrastructure is free of defects and deficiencies at that time.

“Front-ending” means the process governing when a Developer enters into an agreement with the City to construct qualified off-site infrastructure.

“Homeowners’ Association” means an incorporated not-for-profit company under the Companies Act or society under the Societies Act of Alberta.

“Off-Site Levy Bylaw” (also referenced in this policy as “Bylaw”) means the most current version thereof.

“Off-Site levy” means the amount calculated in accordance with the Bylaw that is to be paid by the Developer to the City as the Developer’s contribution towards the costs of constructing municipal infrastructure projects defined and described within the Bylaw, which projects each fall into one of the following categories:

- i) New or expanded facilities for the storage, transmission, supplying or treatment of water to storage facilities;
- ii) New or expanded facilities for the treatment, movement or disposal of sanitary sewage;
- iii) New or expanded facilities for the treatment and conveyance of storm sewer drainage;
- iv) New or expanded roads required for or impacted by a subdivision or development; and,
- v) Land required for, or in connection with, any of the above described facilities.

“Offsetting” means the process by which the amount payable by a Developer for off-site levies is offset against the Developer’s cost to construct qualified off-site infrastructure identified within the Bylaw.

“OSL” means off-site levy.

“OSL Framework” means the framework by which the Bylaw is administered, including relevant policies and guiding principles that may be developed and approved from time to time.

“Qualified off-site infrastructure” means municipal infrastructure that is identified in the Bylaw.

“Private Recreational Amenities” means large-scale recreational amenities, such as a private lake or recreational facility, which is sited on over 2 hectares of land, not open to the general public, and will remain under private ownership through a Homeowners’ Association.



“Security” means a Letter of Credit or a cash deposit held as a security by the City to ensure that the engineering and landscaping components of a development project are completed to City Standards in accordance with accepted civil engineering and landscape design drawings.

Responsibilities

1. City Council is responsible for:
 - a. Using the identified OSL framework to guide Council’s decision making with respect to the management of the Bylaw.
 - b. Considering front-end servicing options including potential funding sources.
 - c. Approving allocated budgets through the Budget process.
 - d. Approving updates to the OSL rates model.
 - e. Approving updates to the Bylaw a minimum of every three years as per the requirements within the Bylaw.
 - f. Ensuring appropriate resources are available to implement the OSL Framework.
2. Chief Administrative Officer or designate(s) is responsible for ensuring that:
 - a. A comprehensive Administrative Policy is in place to support implementation of the OSL Framework.
 - b. Stakeholder consultation is undertaken during the creation, review and updating of Administrative Policies.
 - c. An annual report on the outcomes of the OSL Framework is presented to Council.

Standards

1. Off-site levy obligations

The subdivision and/or development of all land triggers off-site levy obligations unless off-site levies have been previously collected for that land. The City may impose new off-site levies as they become authorized by statute.

The City will not permit off-site levy deferment or installment payments, except for the following:

- a. A Developer may choose to pay the off-site levies for Private Recreational Amenities in four installment payments of:
 - i. 40% of the total off-site levy payment must be paid prior to the City executing the development agreement;
 - ii. 20% of the remaining total off-site levy payment must be paid before March 1st of the following year for the next three years, beginning the year after the original development agreement is executed.
- b. If a Developer chooses to make installment payments under 1.a, the Developer will be required to pay interest on the remaining 60% of the total off-site levy payment.



Interest will be charged on the outstanding monies owing at the rates set in the Bylaw at the time the original development agreement is executed.

- i. The overall interest calculation will be added to the remaining total off-site levy payment calculation and will be collected in three equal payments as part of the payment detailed in 1.a.ii.

2. Off-site levy infrastructure offsetting and front-ending

The City will permit offsetting of levies to encourage Developers to front-end construction of off-site levy infrastructure. Off-site levy infrastructure front-ending and offsetting will only be permitted when:

- a. The front-ending and offsetting request pertain to qualified off-site infrastructure within a single levy category. Front-ending and offsetting between levy categories will not be permitted.
- b. The Developer receives written approval from the City Engineer approving the request to front-end qualified off-site infrastructure, including the estimated construction costs thereof. In the event there are other front-ending parties who are still owed monies in that specific levy category, the City will notify in writing all impacted parties of the request to offset. Should any objections be received by the City, the Developer will not be permitted to offset until all other front-ending parties have fully recovered their outstanding monies.

Should a Developer be approved to offset qualified infrastructure, the following will apply:

- a. A Developer may only offset a maximum of 80% of the estimated construction costs of the qualified infrastructure within a levy category. The estimated construction costs must be approved by the City Engineer.
- b. If the estimated cost of the front-ended project is greater than the off-site levies payable, the Developer will be required to provide security on the difference. The final amount of offsetting permitted must not exceed the total amount of off-site levies payable on a category basis.
- c. During construction of the qualified infrastructure, the Developer must immediately notify the City Engineer if there are any conditions that will individually or cumulatively result in the final construction costs exceeding the estimated construction costs by more than 15%. The Developer must obtain written approval from the City Engineer in order for the additional costs to qualify for reimbursement.
- d. Once the construction of the qualified infrastructure is complete and has received CCC, the City will complete a final reconciliation of the remaining 20% estimated construction costs, pending funding availability. Furthermore,



- i. if the actual cost of construction of the qualified infrastructure is less than the off-site levies payable, the Developer must immediately pay the difference to the City;
- ii. if the actual cost of construction of the front-ended project is greater than the off-site levies payable, the City will reimburse the developer as per the annual recoveries policy. Interest will be earned and paid on the outstanding monies owing at the rates set in the Bylaw and will begin to accrue upon issuance of CCC.

3. Annual Recovery

- a. The avenue for front-ending parties to recover funding for front-ended infrastructure is through a claim reimbursement method. Recovery for front-ending parties will be done on an annual basis and will be subject to funding availability in the specific off-site levy category. Reimbursement for front-ending funds is levy category specific and reimbursement for a front-ending project in one levy category from funds in another levy category will not be permitted. If there are no front-ending parties eligible for reimbursement, any off-site levies collected will remain in the specific levy category reserve for future qualified off-site levy infrastructure.
- b. Annual recoveries will be done on a pro-rata share basis; that is, all front-ending parties who are eligible for reimbursement will receive their corresponding share of reimbursement based on the amount of funds available. The pro-rata share basis will be applied until a Developer is owed \$100,000 or less. At that time, any Developer who is owed \$100,000 or less will have priority and be fully reimbursed the remaining amount the following calendar year (subject to available funds). The pro-rata share basis would then be applied to the remaining front-ending parties who are eligible for reimbursement of amounts greater than \$100,000. A report summarizing the outcomes of the OSL Framework will be presented to Council annually.

DATE REVIEWED	NEXT REVIEW DATE	REVISIONS
March 2020 – Planning and Engineering	2024 – Planning and Engineering	January 21 2019 – AR-19-003 March 16, 2020 – CB-20-034

