



Governance Committee

Subject:	Community Recreation Off-Site Levy Bylaw Update
Date:	April 16, 2024
Presenter:	Jeannette Lee, Manager, Dari Lang, Manager
Department:	Capital and Engineering Projects / Recreation, Parks & Community Support

REPORT SUMMARY

In May 2022, Council identified an off-site, soft services levy framework as a priority project for the County. The direction to Administration was to explore the options of the implementation of an off-site, soft services levy which appropriately accounts for the costs of fire and recreation services to be paid through future growth and development, that is in alignment with the provisions of the *Municipal Government Act* and is well defined and practical.

First reading of Community Recreation and Fire Off-Site Levy Bylaw C-8485-2024 was presented to Council on December 12, 2023, for consideration. The following motions were carried:

“MOVED by Councillor Boehlke that Council direct Administration to prepare a Fire Offsite Levy Bylaw for Council’s consideration by Q3 of 2024 and following the Council approval for the 2024 Fire Master Plan.”

“MOVED by Councillor Boehlke that County direct Administration to prepare a Community Recreation Offsite Levy bylaw for Council’s consideration by Q3 of 2024, following the Council review of the 2021 Recreation Master Plan.”

On February 7th, 2024, the Recreation and Parks Master Plan; Infrastructure and Strategy Update was presented to the Recreation Governance Committee where the following motion was carried:

“MOVED by Councillor Wright that Administration be directed to review current Administrative resources to determine if a review of the Recreation and Parks Master Plan can be completed prior to the scheduled review in 2026 and return to Council with a report prior to the end of Q3 2024.”

Recognizing that the Recreation and Parks Master Plan is currently under review, the need for an off-site levy bylaw framework is pressing with the recent approval of funding toward the Langdon and South Springbank projects in 2024. Administration is proposing a levy framework aligned with the current Master Plan, the approach establishes a foundational framework while understanding that updates and revisions will be made to the plan as new information becomes available. The proposed Bylaw provides a framework that includes a county-wide base levy, in addition to targeting specific benefiting areas. A range of potential rates has been provided to illustrate the indicative levy rates which could be established through this framework pending final review and selection of future land development projections and risk sensitivity analysis. A base levy rate of between \$1,107 - \$1,583 per acre would be applied to any development across the County (including within the specified catchment area). In addition, development within the specified areas within the Eastern Catchment has been calculated at between approximately \$5,143 - \$6,076 per acre and Western Catchment at between approximately \$4,504 - \$6,901 per acre.

ADMINISTRATION'S RECOMMENDATION

THAT the Governance Committee directs Administration to bring forward the draft Community and Recreation Off-site Levy Bylaw to Council for consideration of first reading.

BACKGROUND

Since 2004, municipalities have advocated for the Government of Alberta to expand the types of municipal infrastructure that could be constructed using off-site levies. With the 2018 amendments to the *Municipal Government Act* (MGA) municipalities are now permitted to pass bylaws requiring the payment of off-site levies subject to several conditions specially stated in Section 648.

The County has had an off-site levy for both regional stormwater and transportation infrastructure for many years. These levies provide a mechanism for payment of a levy, within a designated development area, and have proven successful in supporting the increased need for infrastructure to support growth.

Since June of 2022, Administration, working with consulting and legal advisors, has completed a fulsome review of soft service levy frameworks, including a detailed comparison analysis. From that assessment, options for a levy calculation along with the methodology has been developed. To assist in the review of this methodology and options, a comprehensive communications and engagement plan to inform and consult stakeholders has also been developed. Engagement sessions with both the development community and public were held wherein these methods were presented and input obtained.

Through the Recreation & Parks Master Plan, the County has identified five new facilities identified over the next 20 years.

Recreation and Parks
Indus Centre Rink Expansion
South Springbank Community Centre, Sport Field, and Park
Langdon Recreation Centre
Harmony/North Springbank Facilities & Sport Field
Conrich Facilities and Sport Field

The future capital construction net costs are estimated at approximately \$134 million for the five recreation facilities. The extent of current planning for these facilities ranges from detailed specifications and business plans (e.g., Springbank and Langdon Recreation Centers and Fire Station requirements) to high-level future concepts (e.g., Conrich and Harmony Recreation Facilities).

From these estimates, an allocation of benefits and capital costs from these facilities was performed. Different options were developed, considered, and presented for external engagement and to Council during the December 12, 2023, Governance Committee Meeting. These options attributed benefits and costs to target servicing areas ranging from a community-specific funding approach to a County-wide approach. Feedback from Council indicated the following primary points of feedback for the range of options presented:

- Preference for Recreation off-site levies which future development across the entire County would fund at least a portion of;
- Further review and consideration of methods to allocate capital costs and benefits to future development relative to existing build-out; and
- Consideration for an off-site levy charged to residential development on a per unit basis instead of a per area basis.

Community Recreation Off-Site Levy Bylaw Update

Based on this direction and previous input from external engagement, Administration focused its subsequent analysis on Option #4, which was the Hybrid Base and Catchment model. This features a base off-site levy charge across the County and catchment-specific off-site levy charges for development within the primary benefitting areas of the planned facilities. These primary benefitting areas are based on the established principle of a “20-minute drive” time to access the facilities for County constituents. Based on this, an Eastern Catchment (for the planned Indus, Langdon, and Conrich facilities) and a Western Catchment (for the planned South Springbank and Harmony facilities) were developed.

For this option, an updated review was completed for how facility costs and benefits should be allocated across landowners both across the entire County and within each of the Eastern and Western Catchments. Based on the 20-minute drive principle, a 2:1 ratio was used to allocate the facility capital costs and benefits across the primary servicing catchments relative to the entire County. As such, 1/3 of the overall net capital costs are allocated towards the benefit of the entire County as a base levy; the 2/3 remaining is allocated to the 20-minute catchment area in addition to the base levy rate.

In addition, this analysis considered how facility costs and benefits should be allocated across existing landowners and projected development. Upon further review and consideration of the intended purpose for each of the new facilities, it is proposed that facility costs and benefits be allocated to existing landowners based on the ratio of the land presently built-out relative to the total planned land development as specified across the County’s area structure plans and community schemes. The intention of these facilities is to support the planned build-out of the communities within their respective catchments.

The recommended levy framework is summarized in the following table, including their levy rates, projected funding from the levy charges applied over the next 20 years, funding requirements allocated to existing build-out, and eligible facilities for each levy schedule. The higher range is based on CMRB residential growth estimates at 1.6%, and the lower range is based on recent residential growth within the County since 2020 at 2.6%.

Catchment	Potential Range of Levy Rates \$/acre	Projected 20-Year Levy Funding	Funding Allocated to Existing Build-out	Eligible Facilities	Target Servicing Areas / ASP's
Entire County	\$1,107 - \$1,583	\$21.6M	\$13.4M	All	Entire County
East	\$5,143 - \$6,076	\$26.5M	\$9.0M	Indus Langdon Conrich	Indus Langdon Conrich Dalroy Delacour Janet OMNI
West	\$4,504 - \$6,901	\$20.6M	\$12.6M	South Springbank Harmony	Bragg Creek Elbow Valley Springbank Harmony

Based on the updated levy rates and land development projections, it is estimated that a total of approximately \$68.7 million can be obtained from the off-site levy over the next 20 years. Conversely, the share of net capital costs allocated to the County to fund to reflect existing build-out is approximately \$35.0 million. The remaining net capital costs have been allocated to development beyond the 20-year projection horizon in a manner consistent with other Alberta municipalities to indicate that future growth will also benefit from these new facilities. Development beyond the 20-year forecast period is allocated net capital costs on the pro-rated portion based on the anticipated year of construction within this 20-year period.

DISCUSSION

Based on the discussion with Council on December 12, 2023, Administration recommends Option #4 as the updated Community Recreation off-site levy framework. The rationale for recommending this option include:

- The establishment of the base levy as all development within the County will share the benefit to a degree regardless of their proximity to the facilities;
- Levies are applied to development in catchments which are expected to directly benefit from the new facilities thus enabling a fair and equitable allocation of costs across new development;
 - For Recreation, this is based on the existing principle of a “20-minute drive” access; and
- The County has flexibility to use collected levy funds across multiple facility locations;
- There are standard levy rates used (one rate each for the East and West catchments), thus creating greater stability in development costs across the County; and
- The input from the development community that the proposed rates seemed reasonable relative to other jurisdictions within Alberta.

Based on this recommended alternative, Administration has created an initial draft of the bylaw that achieves the following:

- Aligns with current format of County Off-Site levies;
- Considered the data collected from the consultation process with stakeholders;
- Identifies levy rates for Fire and Recreation service infrastructure within the identified servicing catchment areas;
- Establishes the County’s ability to impose and collect a levy charge as a condition of Subdivision Approval or a Development Permit for all the lands within the specified servicing catchment areas which are subject to the imposition of the levy;
- Sets criteria for the exempt subdivision and developments, including granting Council discretion to waive or defer levy charges;
- Directs the collection of levy funds per individual schedule to a single reserve for the County to subsequently prioritize and use for the specific facilities listed within each schedule;
- Outlines required reporting standards on the funds collected and used.

As the County’s development proceeds, levy funds are collected, future servicing needs are refined and prioritized, and capital funding plans are developed, it is expected the County will be required to review and update the levy rates as appropriate on a regular basis.

The philosophy behind the community recreation off-site levy bylaw is relatively new, and there needs to be more consistency in how the overall cost and benefit are distributed. The following table illustrates the few municipalities that have a current rate for the overall recreation amenities levy structure.

Community Recreation Off-Site Levy Bylaw Update

Municipality	\$/hectare	\$/acre
City of Calgary	\$52,510	\$21,259
Okotoks	\$62,029	\$25,112
Chestermere	\$36,549	\$14,797
Spruce Grove	\$27,517	\$11,136
Stony Plain	\$16,050	\$6,495

The County's proposed recreation offsite levy rates are relatively on the lower end versus those of regional and other Alberta municipalities. While this adjustment is necessary to ensure the sustainability and effectiveness of continuing to provide recreation amenities, we understand the importance of maintaining economic competitiveness.

Consideration for Residential Rates Based on Dwelling Units

During the December 12, 2023, presentation to Council, it was noted that consideration was requested for a levy rate charged to residential development on a per dwelling unit basis. Consideration for the implementation of a Recreation Levy on a per dwelling unit basis was considered but is not recommended to do the following:

- Levies are to be implemented at the time of Subdivision Approval or Development Permit;
- For Residential development, the number of dwelling units is not sufficiently determined at this time in the development process; and
- No other municipality in Alberta has established a Recreation Levy on a per dwelling unit basis.

ALTERNATE DIRECTION

Administration does not have an alternate direction for the Governance Committee's consideration.

ATTACHMENTS

Attachment A: Presentation

Soft Services Levy Bylaw Development

April 16, 2024

Jeannette Lee, Manager Capital & Engineering Services

Dari Lang, Manager Recreation, Parks and Community Support



ROCKY VIEW COUNTY

Contents

1. Feedback from December Council Presentation
2. Updates to Levy Calculations
3. Recap Planned Recreation Facilities
4. Updated Recreation Levy Details
5. Draft Bylaw Overview
6. Alternatives Considered



Council Feedback from Dec. 2023 Presentation

- i. Desire to approve Fire Master Plan prior to establishing levies;
- ii. Perception that projected levy funding / rates were too low;
- iii. Desire to evaluate Recreation levy rates for residential development on a per dwelling unit basis instead of per acre basis;
- iv. Preference for Recreation levies which development across the County would partially fund (not just within the local catchment); and
- v. Further consideration for how Recreation facility benefits and costs should be allocated across the County versus users within the catchment (20-minute drive).



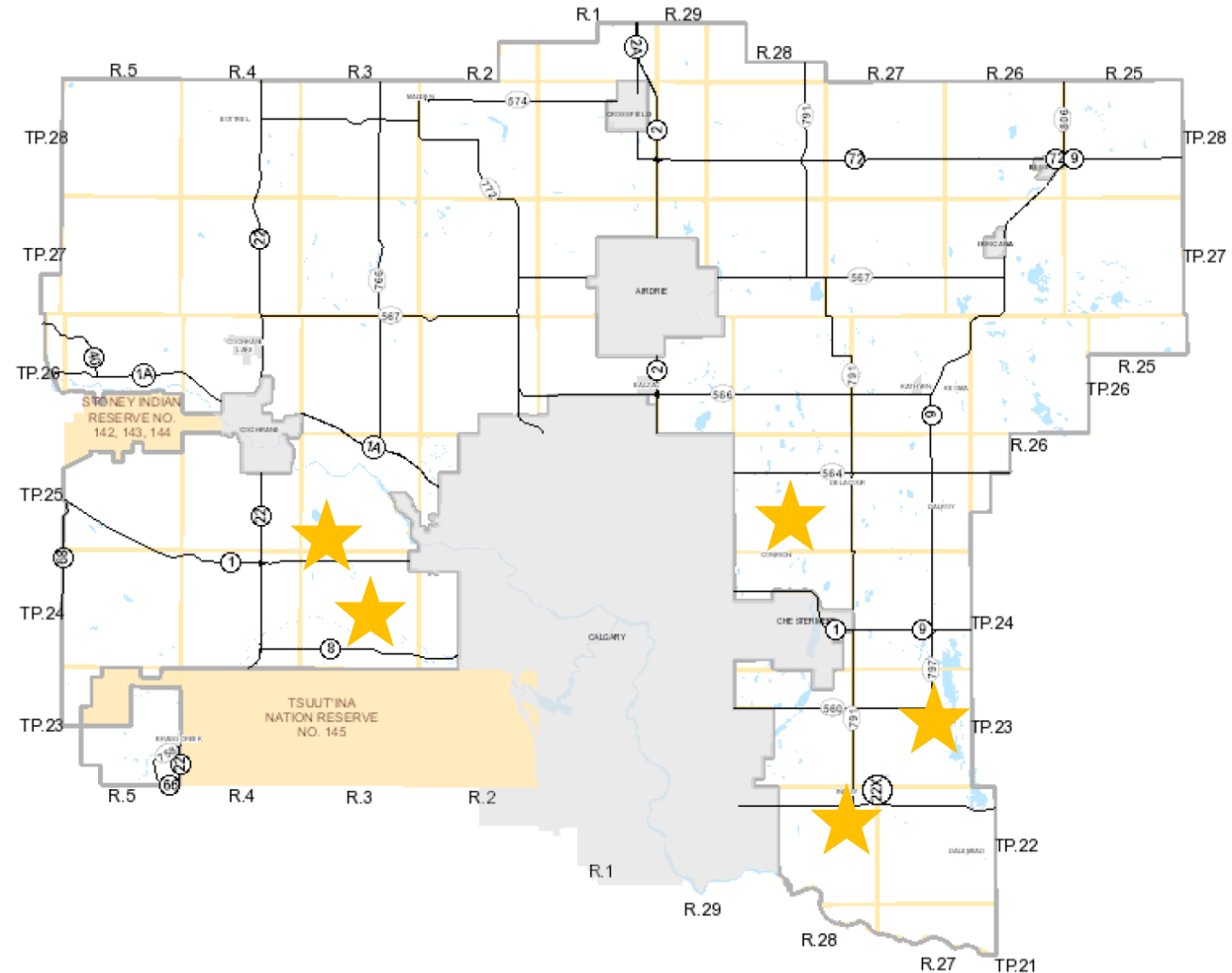
Updates to Levy Calculations

- i. **Growth Projections:** evaluated impact of a range of development growth projections, including updated inputs from County Planning
- ii. **Hybrid County-Wide & Catchment-Specific Option:** allocated benefits of new facilities to users within the Catchment (20-minute drive) vs. entire County on a 1/3 of the overall benefit
- iii. **Existing vs. Future Development:** further considered alternatives for the allocation of benefits of new facilities to existing development versus future development
- iv. **Residential Rate Based on Dwelling Units:** further considered applicability for a dwelling-based rate instead of an area-based rate for residential growth



Planned Recreation Facility Locations

- i. Indus Recreation Centre Rink Expansion
- ii. South Springbank Community Centre, Sport Field, and Park
- iii. Langdon Recreation Centre
- iv. Harmony/North Springbank Facilities & Sport Field
- v. Conrich Facilities and Sport Field



Recreation Facilities Cost Estimates

Facility	Description	Target Service Areas	Est. Year	Cost Estimate \$000's (future value)
Indus	Ice Rink	Eastern Catchment	2025	\$11,933
South Springbank	1. Community Centre 2. Indoor Field 3. Outdoor Park & Amenities	Western Catchment	Phase 1 – 2027 Phase 2 – 2031 Phase 3 – 2035	\$15,676 \$21,675 <u>\$23,496</u> \$60,847
Langdon	Recreation Centre & Fieldhouse	Eastern Catchment	2027	\$37,606
Harmony	Community Centre	Western Catchment	2034	\$17,635
Conrich	Community Centre	Eastern Catchment	2034	\$16,118
Total Estimated Future Value Capital Costs:				\$144,139*

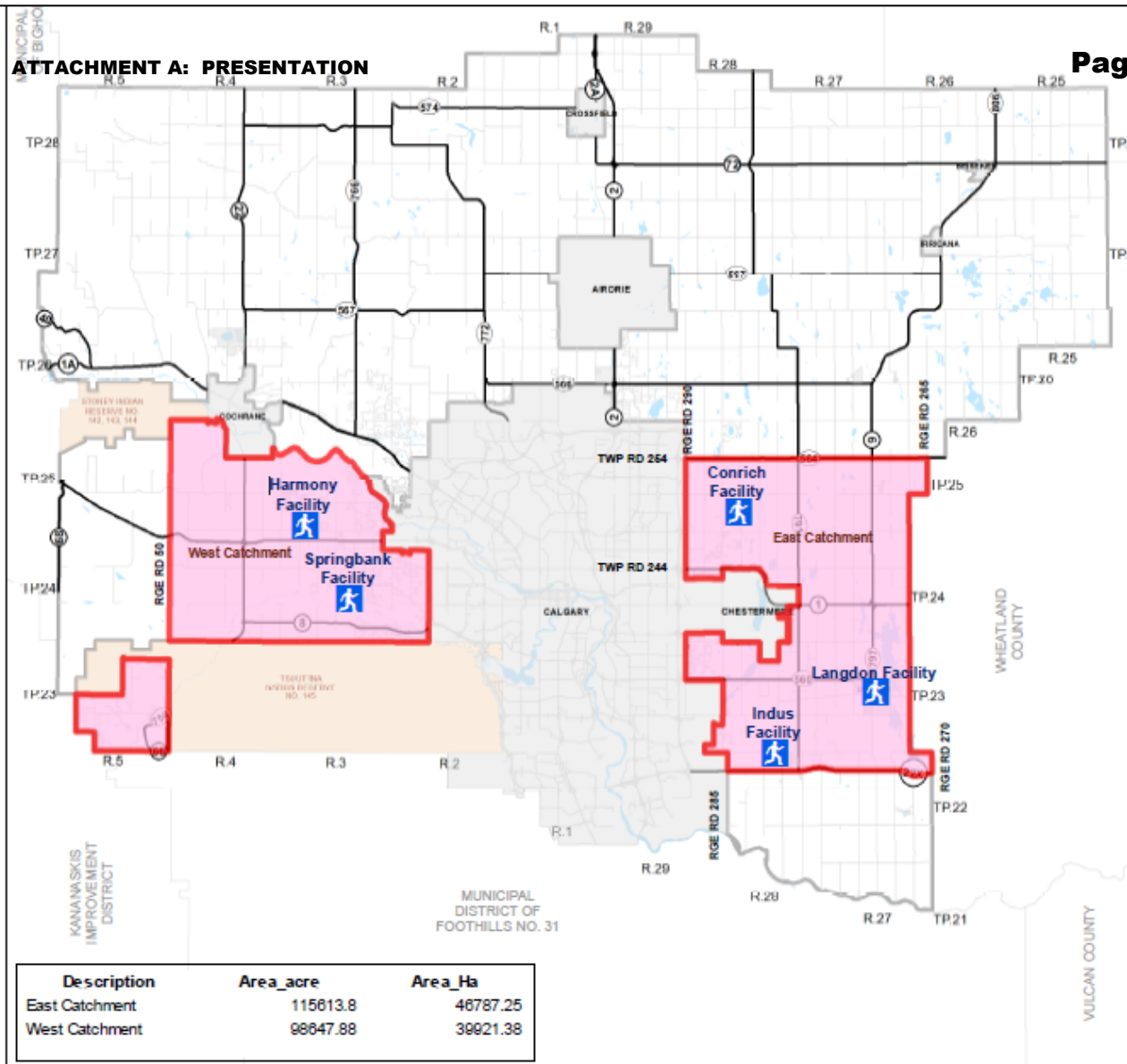
* Not including projected contributions from others (Indus and Harmony). Total net capital costs estimated at \$134,171,928



Recreation Hybrid Base + Catchment Levy Method

- The following levy rates will apply:
 - A “Base” County-Wide rate
 - An East Catchment rate
 - A West Catchment rate
- Facility benefits and capital costs are allocated between Catchments (20-minute drive) and the entire County on a 2:1 basis
- Facility benefits and capital costs per Catchment are allocated across Existing vs. Future Development based on ratio of Existing Land Built-Out vs. Total Planned Land Development (*per ASP & CS plans*)

ATTACHMENT A: PRESENTATION



Base Levy Rate Calculations

Langdon Rec. Centre
Indus Ice Rink Centre
Conrich Community Event Centre
South Springbank Community Centre
Harmony Community Centre

\$134,171,928

County-Wide Allocations

33.3% (based on 1:2 ratio vs. Catchment allocations)
\$44,723,972

Existing Development

30%
\$13.5M

20-Yr Development

13,650 - 19,500 acres
\$21.6M



Potential Base Rate:

\$1,107 - \$1,583
per acre



Eastern Catchment Levy Rate Calculations

Langdon Rec. Centre
Indus Ice Rink Centre
Conrich Community Event Centre } \$64,506,941

East Catchment Allocations

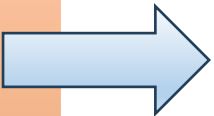
66.7% (based on 2:1 ratio vs. County-Wide allocations)
\$43,004,629

Existing Development

21%
\$9.0M

20-Yr Development

4,350 - 5,150 acres
\$26.5M



**Proposed East
Catchment Rate:**
\$5,143 - \$6,076
per acre



West Catchment Levy Rate Calculations

South Springbank Community Centre }
Harmony Community Centre } \$69,664,987

West Catchment Allocations

66.7% (based on 2:1 ratios. County-Wide allocations)
\$46,443,327

Existing Development

27%
\$12.6M

20-Yr Development

3,000 - 4,500 acres
\$20.6M



Proposed West Catchment Rate:

\$4,504 - \$6,901
per acre



Recommended Recreation Levy Rates

Catchment	Range of Levy Rates \$/acre	Projected 20-Year Levy Funding	Funding Allocated to Existing Development	Eligible Facilities	Target Servicing Areas / ASP's
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Proposed Bylaw

Bylaw Administration

- Council has the authority to defer the off-site levies in whole or in part.
- Council has the ability to prioritize the facilities within the specific catchment area.
- The CAO may authorize the Development Agreement that provides credit towards payment of the off-site for costs incurred by the Developer in relation to a community recreation or fire hall facility within this bylaw.
- The CAO may authorize the Development Agreement that includes the provision of levy payment in installments over time.

Imposition

- Levies shall be imposed at the time of subdivision and/or Development Permit

Exemptions

- Subdivision of the first parcel out;
- Boundary adjustment;
- Subdivision of lands in an agricultural district creates lots greater than 3.0 ha (7.41 acres) in size;
- Development permits that are temporary in nature and/or permits that do not result in an increase in the number of dwellings units.



Draft Bylaw Objective Summary

- i. Aligns with current format of County Off-Site levies;
- ii. Considers the data collected from the consultation process with stakeholders;
- iii. Identifies levy rates for Recreation service infrastructure within the identified servicing catchment areas;
- iv. Establishes the County's ability to impose and collect a levy charge as a condition of Subdivision Approval or a Development Permit;
- v. Sets criteria for the exempt subdivision and developments, including granting Council discretion to waive or defer levy charges;
- vi. Directs the collection of levy funds per individual schedule to a single reserve for the County to prioritize and use; and
- vii. Outlines required reporting standards on the funds collected and used.



Alternatives – Residential Rate per Dwelling Unit

- Consideration for the implementation of a Recreation Levy on a per dwelling unit basis was considered but is not recommended:
 - Levies are to be implemented at the time of Subdivision Approval or Development Permit
 - For Residential development, the number of dwelling units is not known / confirmed at this time in the development process
 - No other municipality in Alberta has established a Recreation Levy on a per dwelling unit basis



Questions & Comments

