



COUNCIL REPORT

Regional Transportation Off-Site Levy Bylaw

Electoral Division: All

File: 1007-800

Date:	July 23, 2024		
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Department:	Capital & Engineering Services		
Approved by:	<input checked="" type="checkbox"/> Executive Director / Director	and/or	<input checked="" type="checkbox"/> Chief Administrative Officer

REPORT SUMMARY

The Regional Transportation Off-Site Levy Bylaw C-8007-2020 provides for the fair and equitable allocation of Off-Site levies related to Transportation Infrastructure in accordance with the *Municipal Government Act* (MGA). Since the adoption of the bylaw, updates have been delivered regarding the collection of the levy and expenditures on various upgrades for the long-range transportation network. This report serves the purpose of offering an update to the bylaw, including an adjustment of costs and a recalculation of the rates for the long-range transportation network, including the various Special Areas.

The County's existing Regional Transportation Off-Site Levy Bylaw update was prepared following a comprehensive review of the County's Transportation Model near the end of 2023. Key updates to the Bylaw include:

- Updates to the schedules based on levies collected and projects completed.
- Updates to infrastructure expansion costs and accommodation for inflation.
- Updates to the Long Range Transportation Network based on updated traffic modeling.

The information within this report was previously presented to the Governance Committee on June 18, 2024. The intent of this report is to seek approval for the First Reading of the amended bylaw as per Attachment A. It is noted that further engagement is required before proceeding to subsequent readings and final approval of the bylaw.

ADMINISTRATION'S RECOMMENDATION

THAT Bylaw C-8549-2024 be given first reading.

THAT Council directs Administration to advertise the proposed Regional Transportation Off-Site Levy Bylaw in accordance with section 648(6) of the *Municipal Government Act*.

BACKGROUND

The Regional Transportation Off-Site Levy Bylaw C-8007-2020 was adopted by Council in June of 2020 and requires updating to reflect current network planning, as well as updating supporting cost calculations that form the bylaw charges. The bylaw establishes a framework that aligns with Council's Strategic Plan to thoughtfully manage growth and ensure the County's continued financial prosperity. Growth resulting from new development creates opportunities for residents and businesses by fostering a vibrant and diverse economy and generating additional tax revenues to support the delivery of County services. The current base levy rate has not changed since 2008.



Regional Transportation Off-Site Levy Bylaw

Since the current 2020 bylaw was adopted, Administration has undertaken a comprehensive update to the Regional Traffic Model and has taken part in several regional transportation initiatives that affect the bylaw charges. In addition, there is a need to ensure the levy collections include annual inflation and interest costs as typically provided for in the levy process. The County remains an attractive municipality to do business in and our current bylaw does not collect the actual costs of growth, based on Council's direction to freeze the rate in 2020.

ANALYSIS

The Transportation Off-Site base levy rate has remained unchanged since 2008; the prolonged freeze has failed to account for inflation and rising infrastructure costs over the past 16 years. This has led to a growing disparity between the necessary infrastructure investments and the availability of funding to maintain and expand its transportation infrastructure to keep up with the growth of development. Adjusting the levy rate to reflect the actual infrastructure costs is essential for sustainable growth and fiscal responsibility.

A typical adjustment for an average inflation rate of 3% per year over 16 years (2008-2024) results in an inflation-adjusted rate of \$7.373 per acre. This demonstrates that simply accounting for inflation justifies a substantial increase in the levy rate to keep pace with rising costs. The introduction of the "Rurban" rate will highlight the differences in growth and development intensity, leading to increased traffic due to higher density. The "urban" rate, initially proposed in the 2020 bylaw but not adopted, is now being proposed again at \$17,393 per acre. This updated rate aims to better reflect the true costs associated with denser development patterns and ensure adequate funding for necessary infrastructure improvements. The proposed rates are designed to enable the County to aim for full cost recovery of long-term transportation needs. However, to ensure the levy rate remains responsive to economic changes and continues to support growth and development, the County may consider implementing a range of rates. Utilizing the actual levy collected for 2023, the following range illustrates the potential differences across the spectrum—from freezing the rate to achieving partial and full cost recovery.

Description	Rate Freeze	100% - proposed rate	75%- proposed rate	50%- proposed rate
Rural Rate	\$ 4,595	\$ 6,199	\$ 4,649	\$ 3,100
Rurban Rate	\$ 4,595	\$ 17,393	\$ 13,045	\$ 8,697
Levy Collection				
Rural Rate (217 acres)*	\$ 997,115	\$ 1,345,183	\$ 1,008,887	\$ 672,592
Rurban Rate (285 acres)	\$ 1,309,575	\$ 4,957,005	\$ 3,717,754	\$ 2,478,503
Total	\$ 2,306,690	\$ 6,302,188	\$ 4,726,641	\$ 3,151,094

*historical average of development levy taken

As per the MGA, all off-site levies allow a municipality to recover capital costs for these types of infrastructure based on the degree of benefit the development will receive from these facilities. It is a levy imposed by the Municipality's Council by the adoption of a bylaw. As the County's development proceeds, levy funds are collected, future infrastructure needs are refined and prioritized, and capital funding plans are developed. It is expected that The County will be required to review and update the levy rates when deemed necessary.

COMMUNICATIONS / ENGAGEMENT

In accordance with the *Municipal Government Act*, municipalities establishing an Off-Site levy must consult in good faith with stakeholders. A "stakeholder" is defined to be any person that will be required to pay the levy when the bylaw is passed, or any other person the municipality considers is affected. This

Regional Transportation Off-Site Levy Bylaw

includes developers, landowners, residents, and lobbyists that have an interest in, or may be affected by, the proposed levy.

Pending the first reading of the proposed bylaw, additional engagement will be completed. This may include:

- Engaging industry representatives and stakeholders on updates/changes
- Advertising in Rocky View Weekly & Social Media
- Holding Open Houses
- Providing supporting information on the County website

IMPLICATIONS

Financial

The establishment of these levies and new rates for transportation will fund the expansion the transportation infrastructure to keep up with the growth of development. Funds collected from each levy schedule per the bylaw will only be applied for the future transportation infrastructure as itemized against the schedule within the bylaw. The County will provide annual reporting of collecting versus used funds for each levy schedule per MGA legislation. In addition, as development occurs across the County, Administration may be required to review and update levy rates to ensure the rates remain appropriate.

Economic Competitiveness

Administration recognizes the importance of maintaining our economic advantage in terms of the cost of development within The County. Even with the proposed rate increase, The County remains competitive within the range of other adjacent municipalities. This increase is necessary to uphold our commitment to financial sustainability and provide essential infrastructure for our community's growth and prosperity. A comparison of the Transportation Levy rate of other municipalities has been included below:

Municipality	Effective Date	Rate \$/acres
Calgary	2024	\$63,287
Airdrie	2022	\$91,755
Cochrane	2021	\$52,392
Chestermere	2024	\$48,562
Strathcona County	2019	\$79,464
Rocky View County		
Rural Base Levy		\$6.199
Rurban Base Levy		\$17.393

STRATEGIC ALIGNMENT

Key Performance Indicators		Strategic Alignment
Service Excellence	SE2: Services are resourced and delivered to specific groups as intended, and citizens are satisfied with the outcomes SE2.1: Percent of citizens satisfied with the range of County services available/delivered	The bylaw's purpose is to continue the collection of funding to support a broader range of required services to residents in new developments.

Regional Transportation Off-Site Levy Bylaw

Key Performance Indicators		Strategic Alignment	
Financial Health	FH2: Ensuring County remains financially sustainable for future generations	FH2.1: Percent of assets (by value) that are incorporated in an Asset Management Plan	The levy will assist with future financial sustainability as it will provide a source of funding for new infrastructure as the County continues to grow.

ALTERNATE DIRECTION

Administration does not have an alternate direction for Council's consideration.

ATTACHMENTS

- Attachment A: Draft Bylaw C-8549-2024 Regional Transportation Off-Site Levy
- Attachment B: Presentation

