



COUNCIL REPORT

Regional Stormwater Off-Site Levy Bylaw

Electoral Division: All

File: 1007-755

Date:	July 9, 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

Bylaw C-8008-2020 – Regional Stormwater Off-Site Levy Bylaw was approved by Council in June of 2020. The Regional Stormwater Off-Site Levy Bylaw provides for the fair and equitable collection of Off-Site levies related to Regional Stormwater Infrastructure in accordance with the *Municipal Government Act*. The levy structure provides a funding mechanism to collect adequate funding to construct the necessary Regional Stormwater Management Infrastructure to support the growth of key development areas in East Rocky View County.

The Regional Stormwater Off-Site Levy Bylaw update was prepared following a comprehensive review of the infrastructure and financials to the end of 2023. Key updates to the Bylaw include:

- Update schedules based on levies collected since the last bylaw.
- Updates to infrastructure expansion costs and accommodation for inflation.
- Addition of Schedule “B3” to capture the internal infrastructure to support the Janet area.
- Addition of Schedule “B4” to capture the internal infrastructure to support the Conrich ASP.

The information within this report was previously presented to Governance Committee on April 16, 2024. The intent of this report is to seek approval for the First Reading of the amended bylaw and allow for Administration to begin the consultation process with the relevant stakeholders. Third and final reading of the amended bylaw is anticipated to be in front of Council Q4 of 2024.

ADMINISTRATION’S RECOMMENDATION

THAT Bylaw C-8547-2004 be given first reading.

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

BACKGROUND

In June of 2020, Council approved Bylaw C-8008-2020 – Regional Stormwater Off-Site Levy to support the long-term development of key growth areas within the east side of the County. The current bylaw includes a levy framework that supports the construction of the infrastructure associated with the Cooperative Stormwater Management Initiative (CSMI) System, along with improvements required to support the growth of the Langdon area.

In October of 2020, Rocky View County signed the CSMI User Agreement, the CSMI Development Agreement, and the CSMI Management Agreement all of which enabled the cooperative to be formed in the third quarter of 2020. The Province of Alberta, through the Alberta Community Resilience Program (ACRP), Alberta Community Partnership (ACP) and Federal New Build Canada Fund (NBCF) provides

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funding for projects which enhance or enable the protection of infrastructure and/or mitigate public safety hazards as result of the implementation of CSMI.

CSMI is a long-term sustainable solution for stormwater management that facilitates municipalities to grow and develop land while maintaining water quality in the irrigation system, which supports a vibrant agricultural economy and the long-term health of nearby water courses. The solution combines existing and new infrastructure to divert stormwater runoff away from the primary irrigation delivery system, treat it as necessary and eventually release it to Service Berry Creek. CSMI is a partnership with the City of Calgary, the Town of Strathmore, and the Western Irrigation District, which are recognized through financial contribution-based developable lands that will benefit from the overall Regional Stormwater infrastructure.

The Langdon Regional Drainage levy schedule is a continuation of the 2018 levy structure and remains valid. This area-specific levy structure captures the recommended infrastructure required to support the stormwater runoff from existing and future developments within the Hamlet.

ANALYSIS

Council's Strategic Plan emphasizes managing growth and ensuring financial prosperity. New development brings opportunities and challenges, impacting both the economy and infrastructure costs. The levy structure, crucial for balancing these dynamics, ensures new development contributes proportionately to infrastructure needs.

Schedule "B-1" – CSMI

The CSMI rate is calculated based on the relevant capital costs associated with the regional stormwater infrastructure over the defined area of land that is projected to be developed over the next 25 years. The levy rate is computed considering financing needs and projected capital costs. Property owners within the designated Benefitting Area are subject to the levy, determined by applying the levy rate at the time of subdivision and/or development permit application.

The current CSMI levy rate is \$14,807/ha or \$5,992/acre. Considering the updated developable area that will contribute to this levy is 3,746 ha (9,257 acres) and the updated cost (\$77,138,200), the resulting levy amount is \$20,592/ha or \$8,333/acre.

Schedule "B-2" – Langdon Regional Drainage

The proposed updates to the levy bylaw have been derived through various updates to key information that apprise the rates and schedules presented in the bylaw. The updated cost estimate has been adjusted to reflect the current cost of construction and the levy collected to date.

The current Langdon Regional Drainage levy rate is \$7,879/ha or \$3,188/acre. Considering the updated developable area that will contribute to this levy is 407 ha (1,006 acre) and the updated cost (\$10,665,700), the resulting levy amount is \$26,206/ha or \$10,602/acre.

Schedule "B-3" – Janet Regional Drainage

The Janet Master Drainage Plan (MPE, 2016) was carefully reviewed to determine costs for the Janet stormwater levy. This plan divides the conveyance infrastructure into West and East Janet systems, separated by the Western Headworks (WH) canal. Growth in the existing industrial area west of the WH Canal requires connecting the Janet system with the CSMI network soon. Establishing a levy structure to fund the municipal conveyance system is crucial for supporting Janet's growth. Additional infrastructure will be needed to address drainage patterns east of the WH Canal, with implementation scheduled later.

The total estimated cost for a 3.6 km regional pipe alignment, including land costs, is \$11,898,700. With 719 ha (1,776 acres) contributing to the levy, the resulting levy amount is \$16,549/ha or \$6,700/acre.

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Schedule “B-4” – Conrich Regional Drainage

Similar to the Janet ASP, the Conrich ASP requires comprehensive infrastructure to manage stormwater effectively. By implementing a levy structure, funds can be allocated toward constructing essential stormwater conveyance systems within the Conrich ASP boundary. This investment ensures that as development progresses within the area, adequate measures are in place to address stormwater runoff, prevent flooding, and protect water quality. Integrating the Conrich ASP stormwater infrastructure with the broader CSMI network enhances regional resilience and promotes efficient management of stormwater runoff. Implementing a stormwater levy for the Conrich ASP is essential to ensure sufficient reserve is being collected to support the future growth of the area.

The total cost of the infrastructure anticipated within the Conrich area is \$25,630,800. Considering the developable area that will contribute to this levy is 4,017 ha (9,926 acre), the resulting levy amount is \$6,381/ha or \$2,582/acre.

Summary of Schedules

The proposed amendments to the current Bylaw are based on a comprehensive review of stormwater generated by future development and infrastructure required to address stormwater management. The following table summarizes the rate changes resulting from the work and will form the key charges reflected in a future bylaw, subject to public, Council and stakeholder engagement.

Development Area	CSMI Schedule “B1” \$/acre	Langdon Schedule “B2” \$/acre	Janet Schedule “B3” \$/acre	Conrich Schedule “B4” \$/acre	Total \$/acre
Langdon	\$8,333	\$10,602			\$18,935
Janet (west of Canal)	\$8,333		\$6,700		\$15,033
Conrich	\$8,333			\$2,582	\$10,915

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 a municipality through authorization by the Municipality’s Council by the adoption of a bylaw. 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.

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 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 County website

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IMPLICATIONS

Financial

The establishment of these levies for stormwater will create a new funding source for future stormwater management Facility capital investments. Funds collected from each levy schedule per the bylaw will require management within a separate reserve. Usage of these funds can only be applied for the future facility infrastructure as itemized against the schedule within the bylaw. The County is required to 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 given facility funding requirements, community servicing demands, and input from the development community.

Economic Competitiveness

Each municipality tailors its levy structure based on unique factors such as local infrastructure needs, anticipated rate of development, and the characteristics of each jurisdiction for consideration. The County’s proposed stormwater offsite levy rate may appear to be higher than the City of Calgary and lower than other municipalities. While this adjustment is necessary to ensure the sustainability and effectiveness of our stormwater management infrastructure, we understand the importance of maintaining economic competitiveness.

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
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 bylaw's purpose is to continue the collection of funding to support a broader range of required services to residents in new developments.
		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-8547-2024 Regional Stormwater Off-Site Levy

Attachment B: Presentation