



Regional Transportation Off-Site Levy Bylaw

Electoral Division: All

File: 1007-800

Date:	January 7, 2025
Presenter:	Jeannette Lee, Manager
Department:	Capital & Engineering Services

REPORT SUMMARY

This report is for Council’s consideration of the proposed amendments and second and third reading to Regional Transportation Off-Site Levy Bylaw C-8549-2024. The first reading of the Regional Transportation Off-Site Levy Bylaw C-8549-2024 occurred at the July 23, 2024, Council Meeting. Since the first reading, Administration has undergone a public consultation process with the relevant stakeholders and legal review for compliance with the Municipal Government Act and the Off-Site Levies Regulation. A summary of the consultation process can be found in Attachment B, and the bylaw also includes changes to clerical wording to improve clarity.

The Regional Transportation Off-Site Levy Bylaw provides for the fair and equitable allocation of Off-Site levies related to Regional Transportation Infrastructure in accordance with the Municipal Government Act (MGA). 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 supporting County growth.

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 from the first reading of the Bylaw include:

- Updates to the schedules to include the bridge location map for clarity.
- Correction on some of the boundary roads that resulted in an overall reduction in the kilometres of road. As such, this has resulted in an adjustment of the base levy rates:
 - Base Rurban Levy: \$13,850/acre
 - Base Rural Levy: \$4,936/acre

The purpose of this report is to request Council’s approval for the second and third readings of the amended bylaw. Administration recommends setting April 30, 2025, as the bylaw’s effective date to allow sufficient time to transition files currently in the queue and implement procedural updates.

ADMINISTRATION’S RECOMMENDATION

THAT Bylaw C-8549-2024 be amended in accordance with Attachment A.

THAT Bylaw C-8549-2024 be given second reading, as amended.

THAT Bylaw C-8549-2024 be given third and final reading, as amended.

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



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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.

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 rates. 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. Following decision in 2020 to freeze the rate in order to position the municipality as an attractive location for businesses, it resulted in lost opportunity to collect levy to fund the full costs attributed to growth.

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. Rurban development defined as any subdivision or development that is for the purpose of business or institutional development and residential lots less than 1.98 acres in size and has piped water and sewer servicing. The "Rurban" rate, initially proposed in the 2020 bylaw but not adopted, is now being proposed again at \$13,850 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. Leveraging the Regional Traffic Model, an updated Long Range Transportation Network plan has informed updates to the cost calculations in the Bylaw. The proposed rates are designed to enable the County to aim for full cost recovery of long-term transportation upgrades to the existing County road network.

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

Following the first reading of the proposed bylaw on July 23rd, 2024, additional engagement was completed. This included:

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- Engaging industry representatives and stakeholders on updates and changes
- Advertising in Rocky View Weekly and Social Media
- Holding two in-person information sessions with stakeholders at County Hall
- Holding an online public information session webinar
- Providing supporting information on the County website
- Direct emailing information through the County Connection e-newsletter

Engagement primarily took place over 2024 and focused on two main objectives:

- Consulting with interested and affected members of the public and development community on the Regional Off-Site Levy Bylaw Updates, and
- Sharing transparent and accurate information about the proposed Regional Off-Site Levy Bylaw Updates, including details on how levy updates were developed and the anticipated impact on residents, developments, and businesses.

Throughout August to October of 2024, a series of public and targeted engagement activities were undertaken to gather insight and feedback on updates and changes to its off-site levy bylaws. These included:

- Correspondence in August 2024 with development associations like BILD Calgary Region and Rocky View Forward to provide updates and gather feedback.
- Two in-house information sessions were held on October 17 and 31, 2024. These sessions at County Hall had 22 attendees who reviewed proposed changes and provided input. Attendees had the opportunity to review the proposed changes, ask questions, and provide feedback which is summarized in Attachment 'B' of this report titled '*Regional Off-Site Levy Bylaw Updates - What We Heard Report*'.
- A public webinar on October 23, 2024, promoted via e-newsletters, social media, and newspapers, attracted strong interest and participation.
- Updates on the County website from August 15, 2024, provided links to bylaw changes, contact information for feedback, and resources like session presentations and webinar recordings.
- Additional feedback was received through seven emails and two stakeholder letters.

Details and feedback summaries are available in the '*Regional Off-Site Levy Bylaw Updates – What We Heard Report*'. The greatest items of concern gathered through stakeholder engagement included:

1. The effective date of the Off-site Levy Bylaw will significantly impact the current projects, as most are planned years in advance. Implementing changes too quickly could disrupt established parameters for the project's performance.
2. The levy rate increases affect their previous development budgeting.
3. Requesting a phasing or deferring of the levy rate increases.

IMPLICATIONS

Financial

The establishment of these levies and new transportation rates will fund the expansion of existing transportation infrastructure to keep up with the growth of development. If these costs are not recovered through levies, the County would need to rely more heavily on taxation, which could place a greater financial burden on all residents. 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

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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
Leduc County	2024	\$40,052
Sturgeon County	2021	\$10,151
<u>Rocky View County</u>		
Rural Base Levy		\$4,936
Rurban Base Levy		\$13,850

STRATEGIC ALIGNMENT

Key Performance Indicators		Strategic Alignment
Effective Service Delivery	SD2: Services are resourced and delivered to specific groups as intended, and citizens are satisfied with the outcomes SD2.1: 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.
Financial Prosperity	FP2: Ensuring County remains financially sustainable for future generations FP2.1: Assets 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

Alternate Direction 1

THAT Bylaw C-8549-2024 be amended in accordance with Attachment A.

THAT Bylaw C-8549-2024 be further amended to change the effective date of the bylaw in Section 33(11) and 36 from April 30, 2025 to January 31, 2026.

THAT Bylaw C-8549-2024 be given second reading, as amended.

THAT Bylaw C-8549-2024 be given third and final reading, as amended.

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Benefits

Deferring the payment of the amended levy rate over a period of time will allow developers and stakeholders additional time to budget for the levy rate increases and reduce impact to development.

Disadvantages

Deferring the payment of the amended levy rate over a period of time will reduce and delay funds available that can be applied towards transportation infrastructure.

ATTACHMENTS

- Attachment A: Draft Bylaw C-8549-2024 – Regional Off-Site Levy Bylaw
- Attachment B: Regional Off-Site Levy Bylaw Updates - What We Heard Report
- Attachment C: Public Submission

APPROVALS

Manager:	Jeannette Lee, Manager Capital & Engineering Services
Executive Director/Director:	Byron Riemann, Chief Operating Officer
Chief Administrative Officer:	Byron Riemann, Acting Chief Administrative Officer

