Rocky View County

COUNCIL REPORT

Community Recreation Off-Site Levy Bylaw

Electoral Division: All File: 1007-752

Date:	May 20, 2025
Presenter:	Jeannette Lee, Manager
Department:	Capital and Engineering Services

REPORT SUMMARY

In May 2022, Council prioritized creating an off-site soft services levy framework to ensure future growth pays its share of soft services while meeting *Municipal Government Act* (MGA) requirements. Since June, Administration, supported by consulting and legal advisors, conducted a detailed review of levy options. The goal is a clear, practical formula aligned with MGA provisions and endorsed by the development community.

The Community Recreation Off-Site Levy Bylaw C-8550-2024 was presented to Council on January 7, 2025 for its public hearing and consideration of its second and third reading. The levy framework presented consists of a Hybrid Base and Catchment model. A Base Levy would be charged equally to all development across the County. In addition, an Eastern and Western Catchment Levy would be charged to development within the primary benefitting areas of the planned facilities. The following resolutions were passed:

> *MOVED by Councillor Hanson that Bylaw C-8550-2024 – Community Recreation Off-Site Levy be referred back to Administration to allow Administration to compile the amendments received from Council;*
>
> *AND THAT Bylaw C-8550-2024 – Community Recreation Off-Site Levy return to Council for consideration no later than end of Q1 without any further public engagement or public hearings.*

The proposed amendments, inclusive of the accompanying analysis, can be found in Attachment A of the report. Collectively, they seek to refine the County's offsite levy framework by adjusting both the base and catchment area rates and clarifying how charges apply to different types of land. Key changes include applying a uniform base levy rate for all commercial and industrial developments, ensuring revenue neutrality by shifting any shortfall to the base rural recreation levy and removing Municipal Reserve (MR) lands from the Community Recreation Offsite Levy, thereby avoiding duplicative charges on land already designated for public use.

Four scenarios have been developed for Council's consideration with Scenario 2 being recommended by Administration. It maintains the existing catchment area rate while raising the base levy to $2,953 per acre, $6,076 per acre for the eastern catchment, and $2,887 per acre for the western catchment. The proposed rates are an effort to strike a balance between predictable charges for developers and sufficient revenue generation for the County. This approach keeps the framework straightforward, distributes costs more equitably between residential and non-residential developments, and ensures the required funds are available to support essential recreation and infrastructure projects.

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ADMINISTRATION'S RECOMMENDATION

THAT Bylaw C-8550-2024 be amended in accordance with Attachment B.

Prior to consideration of second and third reading of Bylaw C-8550-2024, Administration recommends that Council consider the amendments compiled in Attachment A of this report.

THAT Bylaw C-8550-2024 be given second reading, as amended.

THAT Bylaw C-8550-2024 be given third and final reading, as amended.

BACKGROUND

Since June of 2022, Administration, working with consulting and legal advisors, has completed a full review of soft service levy frameworks, including a detailed comparison analysis. From that assessment, options for a levy calculation, along with the methodology, have been developed. To assist in reviewing 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 the public were held, wherein these methods were presented and input obtained.

Through the Master Plan for Recreation & Parks, the County has identified five new facilities over the next 20 years. The anticipated year of construction and total estimated capital costs per facility are as follows (not including Phases 2 and 3 for the South Springbank Facility):

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	Western Catchment	2027	$15,676
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:	**$98,969**

The future capital construction costs are estimated at approximately $99 million for the five recreation facilities. With the consideration of anticipated contributions from others, it is estimated that the net capital costs are approximately $89 million. The extent of current planning for these facilities ranges from detailed business plans (e.g., Springbank and Langdon Recreation Centers) to high-level future concepts (e.g., Conrich and Harmony Recreation Facilities).

Based on direction and input from external engagement, County Administration focused its analysis on the Hybrid Base and Catchment model. This features a standard base off-site levy charge across the County and catchment-specific off-site levy charges for development within the primary benefiting 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.

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ANALYSIS

The proposed amendments include provisions for excluding Municipal Reserve (MR) dedications from the levy, offering a credit toward the levy based on MR dedication value, and considering including other facilities and active transportation components within the levy framework. These measures streamline funding responsibilities, avoid duplicative charges on public land, and explore broader infrastructure considerations. Detailed analysis of these components can be found in Attachment A of this report.

In addition, the amendments propose adjustments to the levy rate itself, including implementing a uniform base levy rate for commercial and industrial developments, ensuring revenue neutrality by balancing changes between levies, raising the base rate to reflect benefit splits, and introducing separate rates for residential versus non-residential developments. The levy model calculations were updated to remove projected Non-Residential development from the Eastern and Western Catchment Levy Rates. Four scenarios have been presented for Council's consideration:

Scenario 1: Retains the original structure from the January 7 Council meeting, offering equal benefits to both residential and non-residential developments through a combined base and catchment rate.

Scenario 2: Maintains the existing catchment rate while shifting the difference to the base rate, increasing it to $2,953 per acre. This scenario provides an increase in the base rate to ensure that the 20-year levy revenue projections.

Scenario 3: Keeps the base rate constant but increases the catchment area rate to $4,784 and $29,597 per acre. This scenario demonstrates the impact of Eastern and Western Catchment Levy Rates to be charged just to Residential development to obtain the same 20-year levy revenues as previously calculated.

Scenario 4: Limits non-residential developments to paying only the base rate without adjustment to the catchment area rate, which will result in a reduction of the total levy collections by nearly half.

Scenario	Base Levy	West Catchment	East Catchment	20-Year Levy Funding Projection
1 Base	$1,162	$2,887	$6,076	$50,965,741
2	$2,953	$2,887	$6,076	$50,965,741
3	$1,162	$4,783	$29,597	$50,965,741
4	$1,162	$2,887	$6,076	$26,506,648

Scenario 3 is not recommended because it requires an impractical and excessively high increase in the catchment area rate, while Scenario 4 would reduce total revenue by nearly half. Consequently, Scenario 2 stands out as the best option, as it maintains the current catchment area rate and shifts the necessary revenue adjustments to the base levy, raising it to $2,953 per acre—which ensures revenue neutrality and fairness between residential and non-residential developments. This approach not only preserves fiscal stability but also supports effective long-term planning for community and recreational projects.

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To summarize, to achieve the same target of levy revenues over the 20-year period, levy rates would need to be adjusted as per the following:

- Base Levy: increase to $2,953/acre
- Eastern Catchment Levy: maintain the current proposed rate of $6,076/acre
- Western Catchment Levy: maintain the current proposed rate of $2,887/acre

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.

For comparison, the following table lists different recreation levies currently established by other Alberta municipalities:

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

In considering these rates versus the adjusted levy rates above, it can be seen that the updated levy for the Eastern Catchment would immediately represent the highest recreation levy rate in Alberta.

Communications / Engagement

Per the direction received from Council, no additional public engagement was conducted following the public hearing Council's requested amendments and updates to the Community Recreation Off-Site Levy Bylaw.

Implications

Financial

The establishment of these levies will create a new funding source for future Recreation Facility capital investments. 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.

Given that capital costs were allocated across existing build-out versus new development, the County will have a share of the capital costs for each facility it wishes to construct. As such, the County will need to obtain this residual funding from alternative sources to ensure sufficient funds are in place for construction. In addition, these facilities will need to be included and approved as part of the County's capital planning processes with their funding sources itemized.

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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 provide a new source of funding to support a broader range of required services to residents in new developments and not to strain the existing services for current residents.
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 new 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: Proposed Amendments
Attachment B: Draft Bylaw C-8550-2024 – Community Recreation Facilities Off-Site Levy
Attachment C: Engagement Summary

Approvals

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