

## Community Recreation Offsite Levy Proposed Amendments

A. Adjustment of Base Rate		
Amendment # and Description	Proposed By	Proposed Amendment
1A	Councillor Hanson & Councillor Boehlke	Councillor Hanson and Councillor Boehlke requested that the bylaw be amended to apply the same base levy rate—currently used for rural areas—to all commercial and industrial developments and exclude any area-specific levy rates from these developments.
1B	Councillor Hanson	Councillor Hanson requested that the levy rate be amended for the commercial and industrial in such a way that the overall levy collection remains revenue-neutral, with any forecasted shortfall compensated through a corresponding adjustment to the base rural recreation levy.
1C	Councillor Samra	Councillor Samra requested that the base levy be adjusted to reflect a more significant benefiting split, resulting in a levy base rate of between \$2,000 and \$3,000.
1D	Councillor Samra	Councillor Samra requested that the bylaw consider establishing distinct rates for residential and non-residential developments, rather than applying a single blanket per-acre calculation.
<p><b>Analysis:</b></p> <p>The summary of the requested amendments has been grouped under the overarching theme of levy rate adjustment. These proposed changes include applying a uniform base levy rate for commercial and industrial developments, ensuring overall revenue neutrality by adjusting one levy in response to another, increasing the base levy rate to reflect a more significant benefiting split, and introducing distinct rates for residential versus non-residential developments. Together, the amendments seek a balance of fairness, administrative clarity, and fiscal responsibility across different types of developments.</p> <p>In support of these amendments, four primary scenarios have been presented for Council's consideration:</p> <p><b>Scenario 1</b></p> <ul style="list-style-type: none"> <li>Retains the original rate structure introduced at the January 7 Council meeting, providing equal benefit to both residential and non-residential developments through a shared base and catchment rate.</li> </ul> <p><b>Scenario 2</b></p> <ul style="list-style-type: none"> <li>Maintains the catchment area rate and shifts any difference to the base rate, resulting in a higher base rate of \$2,953 per acre.</li> </ul>		

**Scenario 3**

- Keeps the base rate the same but increases the catchment area rate to \$4,784 and \$29,597 per acre to achieve the same overall levy collection.

**Scenario 4**

- Demonstrates a situation in which non-residential developments only pay the base rate, which would reduce the total levy collection by nearly half. Each scenario illustrates the complexities in structuring levy rates and highlights the importance of thorough analysis to align fiscal goals with development objectives.

Scenario	Description	Base Levy	West Catchment	East Catchment	20-Year Levy Funding Projection
<b>1 Base</b>	January 7 Bylaw Framework: <ul style="list-style-type: none"> <li>Non-residential paying for both Base Levy and Catchment Levy</li> </ul>	\$1,162	\$2,887	\$6,076	\$50,965,741
2	<ul style="list-style-type: none"> <li>Increase Base Levy Rate</li> <li>Maintain Catchment Rates</li> <li>Non-residential paying only Base Levy Rate</li> </ul>	\$2,953	\$2,887	\$6,076	\$50,965,741
3	<ul style="list-style-type: none"> <li>Maintain Base Levy Rate</li> <li>Increase Catchment Rates</li> <li>Non-residential paying only Base Levy Rate</li> </ul>	\$1,162	\$4,784	\$29,597	\$50,965,741
4	<ul style="list-style-type: none"> <li>Maintain Base Levy Rate</li> <li>Maintain Catchment Rates</li> <li>Non-residential paying only Base Levy Rate</li> </ul>	\$1,162	\$2,887	\$6,076	\$26,506,648

**Scenario 2** offers a balanced approach by maintaining the catchment area rate at its current level and adjusting only the base rate to achieve the required revenue target. This method provides stability for developments across different catchment areas, as the rate remains predictable and consistent. At the same time, it ensures the necessary funding levels are met through a carefully calculated increase to the base rate—resulting in an equitable distribution of costs among residential and non-residential developments.

**Administration Recommendation:**

THAT Bylaw C-8550-2024 be amended in accordance with Scenario #2 as presented in Attachment 'A' of the staff report to maintain the existing catchment area rate and to increase the base levy rate to \$2,953 per acre to achieve the required revenue target, with non-residential developments subject only to the base levy rate.

**B. Exclusion of MR dedication**

Amendment # and Description	Proposed By	Proposed Amendment
2	Councillor Samra	Councillor Samra requested that the bylaw be amended to exclude Municipal Reserve (MR) from the development area calculation if those MR lands provide pathways or recreation amenities.

**Analysis:**

Excluding Municipal Reserve (MR) lands from the community recreation offsite levy can help avoid duplicative charges for areas already set aside for public use. Since MR parcels are typically designated for parks, schools, and other amenities, applying additional offsite levy costs could result in redundant contributions. However, this exclusion can reduce the total revenue collected for broader recreational projects, potentially shifting a greater financial burden to other developable lands. Ultimately, a balance must be struck between limiting costs on MR parcels and ensuring there is adequate funding to support community-wide recreational infrastructure.

**Administration Recommendation:**

THAT Bylaw C-8550-2024 be amended to exclude from the definition and calculation of "development area" those areas designated as municipal reserve, as defined by the *Municipal Government Act*, that are used for pathways or other recreational amenities.

3	Councillor Wright	Councillor Wright requested that the bylaw be amended to include a provision allowing a credit of up to twice the Municipal Reserve dedication value, as determined by current property assessment, to a maximum of the levied amount.
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**Analysis:**

The proposed bylaw amendment to allow a credit of up to twice the Municipal Reserve (MR) dedication value—capped at the total levy amount—highlights several considerations. First, there is a possibility that the credit may exceed the levy itself, effectively reducing or even eliminating expected offsite levy revenue. Additionally, the reduced revenue could constrain the scope of recreation-related projects that rely on these funds. Furthermore, there is minimal regional precedent for providing credits of this nature within a Community Recreation Levy framework. Taken together, these factors underscore the need for careful evaluation to ensure the credit provision aligns with broader municipal funding objectives for recreational infrastructure.

**Administration Recommendation:**

THAT Bylaw C-8550-2024 be amended Section 22 with the following:

“The Chief Administrative Officer may authorize and enter into development agreements that provide a credit to an owner or developer to be applied towards payment of the off-site levy payable by the owner or developer **in relation to the following conditions:** ~~in an amount equivalent to all or a portion of the cost of construction incurred by the owner or developer a community recreation facility that is within scope of this bylaw:~~

- (1) **in an amount equivalent to all or a portion of the cost of construction incurred by the owner or developer for community recreation improvements, as determined by the Chief Administrative Officer to qualify under this bylaw; and**
- (2) **in an amount up to two times the value of the Municipal Reserve dedication, not to exceed the total leviable amount, in relation to a community recreation facility within this bylaw's scope.”**

**C. Inclusion of Other Facilities**

Amendment # and Description	Proposed By	Proposed Amendment
4	Councillor Samra	Councillor Samra requested that the Community Recreation Offsite Levy Bylaw be amended to include the active transportation model as an eligible levy component, thereby authorizing the collection of offsite levies to fund active transportation initiatives.

**Analysis:**

From the Municipal Government Act, *the term “community recreation facilities” is defined in section 616(a.11) of the MGA as “indoor municipal facilities used primarily by members of the public to participate in recreational activities conducted at the facilities”. This definition is critical because it establishes the boundaries of what types of recreation facilities can be constructed with OSL funds. OSL cannot be used to fund playground construction, outdoor arenas or playing fields. Those facilities must be funded using other mechanisms.”*

From Administration’s research, we can find no other municipality in Alberta which has included active transportation in the community recreation levy. Community recreation is typically funded using grants/taxes and public reserves, and/or developer built as part of development approval. Including active transportation within the Community Recreation Levy structure presents a significant risk due to potential misalignment with the Municipal Government Act (MGA) and the established Off-Site Levy (OSL) guidelines. Adding active transportation could therefore invite legal and regulatory challenges, especially given that Administration is unaware of any other Alberta municipality that has taken this approach. Should Council proceed, there is a possibility of heightened scrutiny from provincial authorities, potential appeals or disputes, and uncertainty regarding cost recovery. In addition, diverting levy funds toward active transportation might reduce the availability of resources for other eligible indoor recreation projects. Ultimately, Council must weigh these risks against the long-term community benefits of expanded active transportation infrastructure.

If Council passes this motion, Administration will require additional time and resources to thoroughly evaluate the current Active Transportation Plan – South County (October 2018), identify associated costs, and determine the most effective way to integrate active transportation into the existing Community Recreation Levy Bylaw framework.

**Administration Recommendation:**

Administration recommends that this proposed amendment not be made to the bylaw. Should Council wish to support this amendment, Administration recommends that Council direct staff to further investigate the possibility of including active transportation into the community offsite levy framework with the following motion:

THAT Council directs Administration to further investigate the possibility of including the Active Transportation Network into the community offsite levy framework and to evaluate its potential inclusion as part of the next community offsite levy framework update.

5	Deputy Reeve Kochan	Deputy Reeve Kochan requested that the proposed Phase 2 of the Springbank Parks for All Seasons expansion be added to the list of facilities within the levy calculation, and adjust the levy rate accordingly based on the levy framework as proposed.
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**Analysis:**

Under Alberta's Municipal Government Act (MGA), offsite levies are a tool municipalities can use to help fund new or expanded infrastructure, including recreation facilities, when driven by growth. To align with Administrative practices, the legislation emphasizes that the municipality must have ownership or clear responsibility for the facility to justify using levy revenues. This ensures that the facility functions as a municipal asset or is subject to a formal agreement that provides the municipality with a defined role in its operation or expansion.

When a recreation facility is not municipally owned or managed, the use of off-site levy revenues for its upgrades falls outside standard administrative guidelines. In such cases, directing funds to facilities owned by third parties, such as nonprofits or private entities, requires establishing a clear framework of ownership or control that aligns with the MGA. Regarding the Springbank Park for All Seasons, as it is not owned or directly controlled by the County, Administration recommends that Council not proceed with including Phase 2 of its expansion in off-site levy-funded projects.

**Administration Recommendation:**

Administration recommends that this proposed amendment not be made to the bylaw. Should Council wish to support this amendment, Administration recommends that Council direct staff to further investigate the possibility of including Phase 2 of the Springbank Parks for All Seasons expansion into the community offsite levy framework with the following motion:

THAT Council directs Administration to further investigate the possibility of including Phase 2 of the Springbank Parks for All Seasons expansion into the community offsite levy framework and to evaluate its potential inclusion as part of the next community offsite levy framework update.

D. Administrative		
Amendment # and Description	Proposed By	Proposed Amendment
6	Administration	Given the number of redline changes proposed by Administration and the additional amendments proposed by Council, the bylaw will need to be renumbered and reformatted appropriately.
<p><b>Analysis:</b></p> <p>Motion 6 is proposed to ensure that all tables, figures, and overall formatting of the document to accommodate any amendments passed by Council through the motions set out above.</p> <p><b>Administration Recommendation:</b></p> <p>THAT Bylaw C-8550-2024 be renumbered and reformatted as required.</p>		

7	Administration	The proposed redline changes by Administration have the effective date of the bylaw as April 30, 2025. Given that this bylaw is being brought forward after that date, the bylaw will need to be amended to change the effective date.
<p><b>Analysis:</b></p> <p>Motion 7 is under consideration, provided that Council deems it appropriate to allow additional time for the industry to adjust to the proposed bylaw.</p> <p><b>Administration Recommendation:</b></p> <p>THAT Bylaw C-8550-2024 be amended to change the effective date of the bylaw from April 30, 2025 to January 31, 2026.</p>		