



## **CAPITAL PROJECT MANAGEMENT**

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<b>TO:</b>	Council	
<b>DATE:</b>	December 22, 2020	<b>DIVISION:</b> All
<b>FILE:</b>	N/A	<b>APPLICATION:</b> N/A
<b>SUBJECT:</b>	Regional Transportation Levy	

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### **POLICY DIRECTION:**

On June 9, 2020, Council gave third reading to Bylaw C-8007-2020 – Regional Transportation Off-Site Levy, and the following motion was made:

*“MOVED by Deputy Reeve Schule that Administration be directed to bring a report back to Council regarding 12.5% impact and change bylaw for provincial infrastructure on where funds could be allocated for best use by the end of October, 2020”.*

### **EXECUTIVE SUMMARY:**

The Regional Transportation Offsite Levy Bylaw was adopted by Council on June 9, 2020.

Council directed Administration to explore updates to the Special Areas to better allocate funds for provincial infrastructure needs through the collection of 12.5% of costs by the County. The intent is to create flexibility in utilizing funds to support critical infrastructure regionally, rather than by specific area under the current levy system.

Administration believes the best path forward is to develop a regional major projects component to replace the current Special Areas captured in Bylaw C-8007-2020. This approach will support Council’s strategic plan mandate to manage growth responsibly and ensure the County’s financial position remains healthy.

Administration has identified a number of scenarios for Council’s consideration and is seeking Council’s direction on the preferred path forward.

### **ADMINISTRATION RECOMMENDATION:**

Administration recommends approval in accordance with Option #1.

### **BACKGROUND:**

Rocky View County was the first municipality in the region to adopt a levy to collect funding for provincial transportation infrastructure back in 2009. The County created Special Areas within the County to address specific needs identified on the Provincial Highway Network that were important to future new growth in numerous County communities. Currently, the County has eight Special Area schedules to the current Regional Transportation Offsite Levy Bylaw that identify specific projects and the associated benefitting areas where collection will occur. Since that time, the County has adopted growth plans that are not consistent with the Special Area boundaries, and has recently adopted a new base levy system that considers future traffic to be generated from these growth areas. Further, Council has accepted as information, the Calgary North and South Regional Transportation Studies that identify regional transportation priorities that are required to serve growth projects to a 20-year horizon.

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#### **Administration Resources**

Byron Riemann, Executive Director Operations



Pursuant to the direction of Council, Administration evaluated a regional view of the Special Area contributions and as incorporated new planned growth areas, through the adoption of Area Structure Plans, as primary benefiting areas. Furthermore, Administration has investigated a fulsome list of the provincial projects the County may want to consider supporting.

### Infrastructure Platform

Beginning in 2016, Rocky View County, the City of Airdrie and the City of Calgary began working with the province on a project to discuss and articulate transportation network priorities in the North Calgary region. Since that time, the project has evolved to cover the south and east regional transportation priorities and also covers the Calgary Metropolitan Regional Board jurisdictional area which includes the County's boundaries. Two technical reports were generated, and the consortium identified the top 20 regional infrastructure needs, summarized as follows:

1. 17th Ave Twinning - 84th to Rainbow Rd
2. 11 Street / RR11 / 8st Twinning (144<sup>th</sup> to 40<sup>th</sup>)
- ~~3. 40th Avenue QEII Interchange~~
4. SH 566 / QEII Interchange
5. HWY 1a Twinning (HWY 22 to Gleneagles Drive)
6. HWY 22 Twinning (HWY1a to TR264)
7. SH 566 Twinning (RR15 to QEII)
- ~~8. Glenmore & Deerfoot Interchange Upgrade~~
9. Stoney Trail & 11<sup>th</sup> Street Interchange
10. Crowchild Trail / 12 Mile Coulee Interchange
11. Stoney Trail & Airport Tr Interchange
12. HWY 1a / HWY 22 Interchange
13. QEII 6-8 Lanes (Stoney to Yankee Valley)
14. 40 Ave (Kingsview Blvd to RR 292) 2 Lane Arterial
15. HWY 22 Twinning (HWY1 to HWY1a)
- ~~16. 338 Ave & HWY 2 New Interchange~~
- ~~17. Glenmore TR SW & 14th St Interchange~~
- ~~18. 210 Ave & Macleod Trail Interchange~~
19. Peigan Trail / TR 240 Twinning (84th ST to Rainbow Rd)
20. Memorial Drive (Garden Rd - Conrich Rd) 4 Lane Arterial

Of these 20 projects, five have been determined by Administration as not benefitting future growth areas within the County or have funding in place. The remaining 15 projects are proposed to be considered in the development of a Regional Major Infrastructure schedule to the Levy Bylaw that would simplify and replace the existing Special Area collection system.

All major provincial and local projects currently captured in the Special Area sections of the bylaw are proposed to be retained and the 15 regional infrastructure priorities developed in the North and South Regional Transportation Studies would be added. The County's Long Range Transportation Network is funded through the Base Levy portion of the bylaw and that is not proposed to change.

### Benefitting Area

The *Municipal Government Act* empowers municipalities to develop offsite levies to collect funds from development to offset the cost of offsite infrastructure. The County must ensure there is a direct and proportional benefit to the developers in doing so.



## ROCKY VIEW COUNTY

In order to consider a new and expanded regional infrastructure levy program, there is need to re-examine the approach to the benefitting areas. The new base levy was developed based on traffic generation utilizing the County's transportation model. A logical approach to the County's contribution to regional priorities is to divide the County's growth areas based on an east/west geographic location. The divide proposed as Highway 2, which would allow Council the ability to prioritize expenditures of future levy funds to specific projects in east or west Rocky View. This would add the flexibility that Council desires and funding can be directed to priorities on an East/West basis.

Administration has proposed to utilize the same Area Structure Plan (ASP) based growth areas for the Regional Major Infrastructure schedule as the Base Levy:

### East Rocky View Growth Areas

East Balzac  
Conrich  
Dalroy  
Delacour  
Indus  
Janet  
Langdon  
Omni

### West Rocky View Growth Areas

Bearspaw  
Bragg Creek  
Cochrane Lake  
Cochrane North  
North Industrial (Crossfield)  
Elbow Valley  
Glenbow  
Harmony  
North Springbank  
Central Springbank  
West Balzac

The cumulative planned growth area for the whole County, as considered in the existing base levy calculations totals 127,358 gross acres, of which, 35,961 acres would be within the East Rocky View areas and 91,397 acres for the West Rocky View area. Of note, the West Rocky View Region includes both urban and rural ASP's that will need some consideration in developing regional levy rates. Additionally, as new ASP's are adopted by Council, the land areas planned for growth would need to be added to the list above, and the levy updated to reflect that growth.

### Tentative Costs Included

Additional technical work is required to develop accurate cost estimates to support a future bylaw schedule; however, using assumed values, Administration is able to generate a value for the 15 regional priorities at \$619,735,000. Of this, it is proposed the County's collection be capped at 12.5% of the total cost equating to \$77,466,875. The current Special Area costs are \$392,968,646 and so the total infrastructure cost used for this evaluation is \$470,435,521.

The projects have then been evaluated for geographic location, which results in an East Rocky View collection amount of \$245,067,709 and a West Rocky View collection amount of \$194,892,813. Using the sum of currently adopted ASP's the forecasted regional levy rates would be \$6,815/acre for East Rocky View and \$2,132/acre for West Rocky View.

### Next Steps

Administration is seeking Council feedback on the preferred approach forward for the regional transportation levy discussion. In order to further develop the levy schedule to meet legislated requirements, defensible cost estimates and technical reporting will be required. In addition, Administration would need to proceed with a fulsome public and stakeholder engagement process.



Administration has identified three options for Council consideration:

**Scenario #1: Move Forward with Regional Major Infrastructure Levy System**

Under this scenario, Rocky View County would proceed with the development of a regional major infrastructure levy schedule to replace the existing Special Area collection approach as discussed in this report.

Administration believes that this scenario would take approximately 6 to 8 months to implement and will require additional resource allocations under the 2021 budget.

**Scenario #2: Accept report for Information**

Under this scenario, Rocky View County would maintain the status quo and not undertake the additional work required to develop a Regional Major Infrastructure Levy Schedule.

**Scenario #3: Other Direction**

Council can provide alternate direction as desired.

**BUDGET IMPLICATIONS:**

Option #1 would require consideration for external support for developing cost estimates, a levy technical report and a public engagement process. It is proposed this be considered as part of 2021 budget deliberations.

**OPTIONS:**

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|-----------|--|
| Option #1 | THAT Administration be directed to proceed with developing a new Regional Transportations Infrastructure Levy System, and report back to Council prior to the end of 2021. |
| Option #2 | THAT Administration's report on Regional Transportation Levy System be received as information.  |
| Option #3 | THAT alternative direction be provided.  |

Respectfully submitted,

Concurrence,

"Byron Riemann"

"Al Hoggan"

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Executive Director of Operations

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Chief Administrative Officer

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