



COUNCIL REQUEST FOR DECISION

MEETING DATE: November 21, 2022

SUBMITTED BY: S. Olson, Director, Engineering and Environment

PREPARED BY: R. Graham, Manager, Infrastructure

REPORT TITLE: Bylaw No. 1139-2022 - Off-site Levy Bylaw (1st Reading)

EXECUTIVE SUMMARY

Changes to the City's off-site levies are necessary to properly reflect the updated construction costs of the various infrastructure projects that are required because of new development.

The off-site levy reserves fund new or expanded transportation, water, and sanitary sewer infrastructure projects that are needed to accommodate new subdivision development and growth. These are described in detail under Schedule "C".

This year's update includes fire hall facilities which were recently added to be leviable through the MGA. The cost to provide infrastructure projects may vary on a year-to-year basis due to ever-changing construction costs due to a varying economic environment. The City needs to adjust the Off-Site Levy Bylaw accordingly.

RECOMMENDATION

That Council give Bylaw No. 1139-2022 first reading.

COUNCIL HISTORY

The Off-Site Levy Bylaw is updated and presented to council annually. At the February 28, 2022 Council meeting, Administration presented information to determine if Fire Halls should be included as part of the 2022 Off-Site Levy Bylaw. At that meeting it was determined that fire halls would be considered for this year's update.

BACKGROUND / RATIONALE

Through the process of updating the Off-Site Levy Bylaw, developers are presented with the changes to the model prior to final approval of the bylaw by Council.

Off-site levies are a tool that helps support the City's ability to build the infrastructure and services required for growth. The City of Edmonton explored the application of the new off-site levies and consulted with the development industry prior to implementation. As noted in the City of Edmonton Bylaw No. 19340 Council report, fire halls are well suited for off-site levies for the following reasons:

The area benefiting from the fire hall, or the catchment area, can be well defined. Communities served by the fire halls can rely on prompt emergency services that protect life, property, and the environment, enabling the City to meet target response times. There are increased costs associated with developments located outside of a 10-minute response time.

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STRATEGIC / RELEVANT PLANS ALIGNMENT

The projects identified under Schedule “C” in the bylaw are recommendations resulting from the most current Transportation Master Plan, the City of Leduc Water Master Plan, Long Term Facility Master Plan and the City of Leduc Sanitary Sewer Master Plan.

ORGANIZATIONAL IMPLICATIONS

ADMINISTRATION:

The annual update re-assessed all off-site levy projects and cost estimates which are based on 2021 construction tender rates in the Capital Region provided by McElhanney.

Bylaw No. 1139-2022, if approved, is intended to adjust the off-site levy rate charged on a per hectare basis for new development within the boundaries of the City of Leduc. The weighted average off-site levy rate in 2021 was \$138,495 and this year’s update will result in an increase of 5.4% increasing the weighted average to \$146,029 /Ha, including the addition of the Fire Hall Levy.

	Transportation	Water	Sanitary	Fire	Total
High	\$ 128,285	\$ 18,154	\$ 54,843	\$ 5,909	\$ 207,190
Low	\$ 79,492	\$ 18,154	\$ -	\$ -	\$ 103,555
Weighted Average	\$ 103,599	\$ 18,154	\$ 20,348	\$ 3,927	\$ 146,029

RISK ANALYSIS: FINANCIAL / LEGAL:

Formally passing the bylaw by Council will require three readings at two separate Council meetings. The *Municipal Government Act (“MGA”)*, requires the Bylaw to be advertised prior to second reading. Advertisement will be conducted as per the City’s *Advertising Bylaw*. In accordance with the *MGA* no public hearing is required for this bylaw. The off-site levies mainly affect the development community, who are independently consulted prior to the bylaw being presented.

Fire halls are a new leviable charge, and it has been thoroughly communicated to UDI that it will be implemented during this year’s update. A similar change has also recently occurred at the beginning of 2022 for the City of Edmonton.

IMPLEMENTATION / COMMUNICATIONS:

Initial consultation occurred with Urban Development Institute (UDI) at the fall 2021 off-site levy meeting. Additional communication occurred throughout 2022, where methodology regarding fire hall basin allocation was circulated, however, no comments were received in response. From follow up with UDI it appears that no comments were received due to the City incorporating all of the feedback we received during the 2022 consultation.



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The outcome of the analysis showed that the new fire hall will benefit both new and existing development. The cost of the fire hall will be split based on the total area the fire hall serves. The current cost estimate for the new facility is \$10M, the resulting allocation based on the percent benefit is \$4.8M (48% of area served) to new development (offsite levies) and \$5.2M (52% of area served) being paid for by the city to service existing development.

The proposed adjustments to the Off-Site Levy Bylaw were presented to UDI on October 27, 2022. Any comments received by UDI regarding the October meeting will be taken into consideration, and where applicable addressed during the next Off-Site Levy Bylaw update. Advertising for this bylaw will proceed in accordance with the Advertising Bylaw.

ALTERNATIVES:

1. That Council gives first reading to Off-Site Levies Bylaw No. 1139-2022 and directs Administration to bring back amendments to the bylaw prior to second reading.
2. That Council defeat first reading of Bylaw No. 1139-2022 leaving Bylaw No. 1109-2021 in place for 2023. A new bylaw will be brought forward for consideration as part of the 2024 budget deliberations.

ATTACHMENTS

Proposed Bylaw No. 1139-2022 Off-Site Levy Bylaw

Presentation - Proposed Bylaw No. 1139-2022 - Off-site Levy Bylaw