

COUNCIL REQUEST FOR DECISION

MEETING DATE: December 12, 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 (2nd and 3rd Readings)

EXECUTIVE SUMMARY

Changing the rates for off-site levies is necessary to properly reflect the updated construction costs of the various infrastructure projects that are required because of new development.

The off-site levy rates are updated annually to properly reflect the current construction costs of water, sanitary and transportation projects that support growth as described in Schedule "C".

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

RECOMMENDATION

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

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

COUNCIL HISTORY

The Off-Site Levy Bylaw is updated and presented to council annually. In February 2022 Administration presented information to COW 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.

First Reading of Bylaw No.1139-2022 was approved at the November 21, 2022, Council meeting.

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



COUNCIL REQUEST FOR DECISION

City to meet target response times. There are increased costs associated with developments located outside of a 10-minute response time.

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.

This 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 that 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. No comments were received as a result of the information presented. From follow up with UDI it

COUNCIL REQUEST FOR DECISION

appears that no comments were received because the City incorporated all of the feedback we heard during the 2022 consultation.

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 direct Administration to bring back amendments to Bylaw No. 1139-2022 and leave Bylaw No. 1109-2021 in place until that point in time;
2. That Council defeat second and third reading of Bylaw No. 1139-2022 leaving Bylaw No. 1109-2021 in place for 2023. A new bylaw will be brought forward as part of the 2024 budget deliberations.

ATTACHMENTS

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

PowerPoint Presentation