



COUNCIL REQUEST FOR DECISION

MEETING DATE: November 4, 2024

SUBMITTED BY: Shawn Olson, Director Engineering and Environment

PREPARED BY: Ryan Graham, Infrastructure Manager

REPORT TITLE: Bylaw No. 1191-2024 – Off-site Levy Bylaw (1st Reading)

EXECUTIVE SUMMARY

The projected cost to construct infrastructure projects that benefit the development community varies on a year-to-year basis, which is why the off-site levy bylaw is updated on an annual basis. Last year the development community was projected to see a 20% increase in rates, however we agreed to stage it as 10% per year over 2 years. This year, reductions were found in projected transportation projects such that the increase was reduced from 10% to 7%. The City needs to adjust the Off-Site Levy Bylaw accordingly.

RECOMMENDATION

That Council give Bylaw No. 1191-2024 first reading

COUNCIL HISTORY

The Off-Site Levy Bylaw is updated and presented to Council annually.

BACKGROUND / RATIONALE

Through the process of updating the Off-Site Levy Bylaw, developers are presented with the changes to the rates 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.

STRATEGIC / RELEVANT PLANS ALIGNMENT

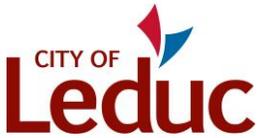
The projects identified under Schedule "C" in the bylaw are recommendations resulting from the most current Transportation Master Plan, the City of Leduc Water Master Plan, Long Term Facility Master Plan, and the City of Leduc Sanitary Servicing Study.

ORGANIZATIONAL IMPLICATIONS

ADMINISTRATION:

The annual update reassessed all off-site levy projects and cost estimates which are based on 2023 construction tender rates in the Capital Region provided by McElhanney.

Bylaw No. 1191-2024, 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 2023



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was \$161,775/Ha, which represented half of that year’s recommended 20% increase in an effort to smooth rate increases for the development community.

The rate increases this year will be less than the projected increase and has been mitigated by project changes recommended in the Draft Transportation Master Plan. The change in the transportation projects are mostly due to the reprioritization of the Highway 2A interchange over the second phase of the 65th Avenue Interchange. This assumption shifts the associated required road network requirements. The new off-site levy weighted average is \$173,601 and represents a 7% increase in rates.

	Transportation	Water	Sanitary	Fire	Total
High	\$ 144,923	\$ 22,780	\$ 78,357	\$ 11,400	\$ 257,460
Low	\$ 77,387	\$ 22,780	\$ -	\$ -	\$ 111,567
Weighted Average	\$ 110,383	\$ 22,780	\$ 32,728	\$ 7,709	\$ 173,601

Off-site levy rates are difficult to compare between municipalities as each community has its own unique infrastructure requirements. However, this updated rate is still in the middle of other municipal comparators, a detailed list can be found in the PowerPoint presentation.

RISK ANALYSIS: FINANCIAL / LEGAL:

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

IMPLEMENTATION / COMMUNICATIONS:

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. Advertising 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 members of the Urban Development Institute (UDI) in Leduc, who are independently consulted prior to the bylaw being presented.

The proposed adjustments to the Off-Site Levy Bylaw were presented to UDI on October 29, 2024. Comments received from UDI regarding the November meeting will be taken into consideration, and where applicable addressed during the next Off-Site Levy Bylaw update.

ALTERNATIVES:

1. That Council gives first reading to Bylaw No. 1191-2024 Off-Site Levy and directs Administration to bring back amendments to the bylaw prior to second reading.
2. That Council defeat first reading of Bylaw No. 1191-2024, leaving Bylaw No. 1167-2023 in place for 2025. A new bylaw will be brought forward for consideration as part of the 2026 budget deliberations.

ATTACHMENTS

Proposed Bylaw No. 1191-2024 Off-Site Levy Bylaw Presentation