

**BYLAW 994/2023
2023 Off-Site Levy**



Year/month/day

Resolutions

Effective Date

Related Bylaws

Lead Role

Planning and Operations

A BYLAW OF THE TOWN OF DEVON, IN THE PROVINCE OF ALBERTA, TO ESTABLISH OFF-SITE LEVIES FOR LAND THAT IS TO BE SUBDIVIDED OR DEVELOPED WITHIN THE TOWN OF DEVON

WHEREAS Section 648 of the *Municipal Government Act* allows Council to pass a bylaw for the imposition and payment of off-site levies in respect of land that is to be developed or subdivided;

AND WHEREAS the Town has engaged in consultation with landowners and representatives of the development industry to address and define existing and future infrastructure required for Growth of the Town, the benefits of such infrastructure to land that is to be developed or subdivided, the allocation of the capital costs of such infrastructure, the methodology on which to base the Off-Site Levies and the calculation of the Off-Site Levies;

AND WHEREAS Council has received the Report, which sets out a fair and equitable calculation of Off-Site Levies in accordance with the *Municipal Government Act* and the Off-Site Levy Regulation;

AND WHEREAS Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act* and has held a non-statutory public hearing to receive stakeholder input regarding this Bylaw;

NOW THEREFORE, Council duly assembled, enacts as follows:

1. Name of Bylaw

1.1. This Bylaw shall be known and referred to as the "2023 Off-Site Levy Bylaw".

2. Definitions

2.1. The following terms shall have the following meanings in this Bylaw:

- (a) “Bylaw” means this Off-Site Levy bylaw;
- (b) “CAO” means the chief administrative officer for the Town, regardless of the specific title that may be conferred on that officer from time to time;
- (c) “Council” means the council for the Town;
- (d) “Developable Land” means all land contained within the Development Area:
- (e) upon which Development takes place after the date of enactment of this Bylaw; or
- (f) for which Subdivision approval is obtained after the date of enactment of this Bylaw;
- (g) excluding:
- (h) all Developed Land;
- (i) all land designated pursuant to a Subdivision as:
 - (i) environmental reserve;
 - (ii) conservation reserve;
 - (iii) municipal reserve;
 - (iv) community services reserve;
 - (v) school reserve;
 - (vi) municipal and school reserve;
 - (vii) arterial road right of way;
 - (viii) stormwater management facilities; or
 - (ix) public utility lots;
 - (x) any land owned by a school board that is to be developed for a school building project within the meaning of the Education Act;
- (j) “Developed Land” means land that has been subject to Development or a Subdivision prior to the date this Bylaw comes into force, and in respect of which off-site levies for the same infrastructure have been paid;
- (k) “Development” means “development” as defined in the *Municipal Government Act*;
- (l) “Development Agreement” means “development agreement” as referred to in the *Municipal Government Act*;

- (m) “Development Area” includes the area of land within the municipal boundaries of the Town identified in Schedule “A” to this Bylaw;
- (n) “Development Permit” means “development permit” as defined in the Municipal Government Act;
- (o) “Growth” means:
 - (i) the creation of new lots through Subdivision; and
 - (ii) the occurrence of Development;
- (p) “Municipal Government Act” means the *Municipal Government Act*, RSA 2000, c. M 26, as amended or repealed and replaced from time to time;
- (q) “Off-Site Infrastructure” means those components and projects set out in Schedule “C” to this Bylaw in relation to water facilities and infrastructure, sanitary sewer facilities and infrastructure and roads and transportation infrastructure to be paid for in whole or in part by Off-Site Levies under the Bylaw;
- (r) “Off-Site Levies” means the off-site levies imposed pursuant to this Bylaw;
- (s) “Off-Site Levy Regulation” means the Off-Site Levies Regulation, Alta. Reg. 187/2017, as amended or repealed and replaced from time to time;
- (t) “Off-Site Levy Reserve Fund” means the separate funds to be established and maintained for the purposes of receiving, holding and expending Off-Site Levies collected and disbursed under the authority of this Bylaw and the *Municipal Government Act*;
- (u) “Report” means the Town of Devon: 2023 Offsite Levy Update, June 2023, prepared by Corvus Business Advisors;
- (v) “Subdivision” means “subdivision” as defined in the *Municipal Government Act*;
- (w) “Town” means the Town of Devon.

3. Object and Principles of the Off-Site Levies

3.1. The objects and principles of the Off-Site Levies are as follows:

- (a) The Off-Site Levies are to provide funds to pay for all or part of the capital costs of the Off-Site Infrastructure required for Growth.
- (b) Development in new growth areas through Off-Site Levies will provide the capital that will fund the infrastructure required for Growth. Lands that benefit from the infrastructure, which is defined by all Developable Land in the Development Area, should share in the capital costs.

- (c) Off-Site Infrastructure will be provided to maintain sustainable, cost effective and orderly Growth.
- (d) All funds collected from Off-Site Levies will be credited to separate Off-Site Levy Reserve Fund accounts, which may be invested as per the Town's Investment Policy until used for the construction of the specified Off-Site Infrastructure. The management of the Off-Site Levy Reserve Fund accounts will be an audited process, with reports available to the public and industry.
- (e) The Off-Site Levies will allow the Town to recover the cost of infrastructure required for Growth:
 - (i) Using financing strategies that remain sustainable;
 - (ii) Facilitating Development by reducing risk on early developers and ensuring future developers share the costs of the Off-Site Infrastructure from which they benefit; and
 - (iii) Promoting cost effective and orderly Development.
- (f) The Off-Site Levies will help promote orderly Development by providing Off-Site Infrastructure, once the appropriate planning is in place, and when warranted in Development.
- (g) The Off-Site Levies will:
 - (i) Create consistent and predictable Off-Site Levies and credits;
 - (ii) Create predictable and stable Off-Site Levies over time; and
 - (iii) Document a process for establishing the Off-Site Levy rates.

4. Imposition of Levy

- 4.1. The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report, as summarized in Schedule "C" to this Bylaw.
- 4.2. The amount of the Off-Site Levies imposed is as calculated in the Report and summarized in Schedules "B" and "C" to this Bylaw.
- 4.3. The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.
- 4.4. Unless otherwise agreed, payment of Off-Site Levies imposed under this Bylaw is due:
 - (a) in the case of Subdivision, at or prior to plan endorsement; and
 - (b) in the case of Development, as a condition of the issuance of the Development Permit.

- 4.5. Any payment of Off-Site Levies pursuant to this Bylaw that is not paid when due and owing shall be a debt owing to the Town and shall be subject to interest as determined by the Town's policies. This provision does not affect any other remedy available to the Town for late or non-payment of Off-Site Levies.
- 4.6. In addition, the Town may refuse to endorse a plan of Subdivision or issue a Development Permit in relation to Developable Lands until the Off-Site Levies have been paid in full.

5. Authority of the CAO

- 5.1. The CAO is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
 - (a) enter into Development Agreements on behalf of the Town with respect to, among other things, the collection of Off-Site Levies;
 - (b) defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and
 - (c) require security for payment of any deferred levies.
- 5.2. The CAO may delegate the authority to enforce and administer this Bylaw.

6. Development Agreement

- 6.1. Council may, from time to time adopt policies or guidelines for the assistance and direction of the CAO in determining which Development and Subdivision applications require a Development Agreement or where to defer or waive collection of the Off-Site Levies imposed pursuant to this Bylaw.
- 6.2. Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the landowner, as the case may be, shall enter into a Development Agreement with the Town that provides for the payment of Off-Site Levies in accordance with this Bylaw or that provides for the deferral of Off-Site Levies, including requiring security for the payment of such deferred levies.

7. Annual Report

- 7.1. Within 90 days of the end of each calendar year, the CAO shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:
 - (a) Off-Site Infrastructure constructed during the previous calendar year;
 - (b) Construction costs of Off-Site Infrastructure constructed in the previous calendar year;
 - (c) Estimated construction costs for Off-Site Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;

- (d) Amount collected in Off-Site Levies during the previous calendar year and the amount of Off-Site Levies due and payable, but uncollected, as of December 31 of the previous calendar year;
- (e) Amount of Off-Site Levies expended during the previous calendar year; and
- (f) Specifics of total value of Off-Site Levies being held by Town and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies as of December 31 of the previous calendar year.

8. Accounting

- 8.1. All funds collected pursuant to this Bylaw shall be accounted for in an Off-Site Levy Reserve for each category of infrastructure and expended only as permitted under the *Municipal Government Act*.

9. Review

- 9.1. The Town shall review the rates for Off-Site Levies every two years and, if required, shall amend this Bylaw accordingly to update the rates for Off-Site Levies.
- 9.2. Commencing in 2023, in each year that the Town does not conduct a review, the Town will adjust the amount of the Off-Site Levy rates on December 31 of the non-review year by the annual percentage change of the Consumer Price Index for the 12 month period from November of the year before the non-review year to November of the non-review year if the Consumer Price Index is positive. If the percentage change is zero or negative, the Off-Site Levy rates shall not change. The change will be effective commencing January 1st of the year following the non- review year.
- 9.3. Notwithstanding the foregoing, the rates for Off-Site Levies may be amended by Council resolution where the rate change is due to a change in actual or estimated construction costs.

10. General

- 10.1. Nothing in this Bylaw precludes the Town from:
 - (a) imposing further or different levies, duly enacted by bylaw, on any portion of the Developable Lands in respect of which the Town has not collected Off-Site Levies;
 - (b) deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for payment of such deferred levies; or
 - (c) reducing or forgiving payment of the Off-Site Levies required pursuant to this Bylaw, or otherwise providing for credits for other Off-Site Infrastructure or oversize infrastructure constructed by a developer in calculating and/or collecting the Off-Site Levies that become payable pursuant to this Bylaw.

- 10.2. Schedules "A", "B" and "C" to this Bylaw, and specifically, without restricting the generality of the foregoing, the rates for Off-Site Levies set out in the Report, may be updated or amended from time to time by resolution of Council.
- 10.3. In the event that any provision of this Bylaw is declared invalid or void by any Court having competent jurisdiction, then such invalid or void provision shall be severed from the Bylaw and the remaining provisions of the Bylaw shall be maintained and deemed valid.

11. Transition

- 11.1. This Bylaw applies to:
- (a) any Subdivision where the date of subdivision approval occurs on or after the date this Bylaw comes into force; and
 - (b) any Development where the date of issuance of a Development Permit occurs on or after the date this Bylaw comes into force.
- 11.2. Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.
- 11.3. Any Off-Site Levies payable under Development Agreements entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of previous Off-Site Levy bylaws pursuant to subsection (d). As of the effective date of this Bylaw, the rates for Off-Site Levies payable under existing Development Agreements shall be in accordance with this Bylaw.
- 11.4. Town Bylaw No. 928/2019 and all amendments thereto is hereby repealed.

12. Execution

This Bylaw shall take effect and come into force effective after final reading and signature thereof by the Chief Elected Official and CAO, or their authorized delegates.

FIRST READING passed in open Council duly assembled in Devon, Alberta, this ____ day of _____, 2023.

SECOND READING passed in open Council duly assembled in the Devon, Alberta, this ____ day of _____, 2023.

THIRD AND FINAL READING passed in open Council duly assembled in Devon, Alberta this ____ day of _____, 2023.

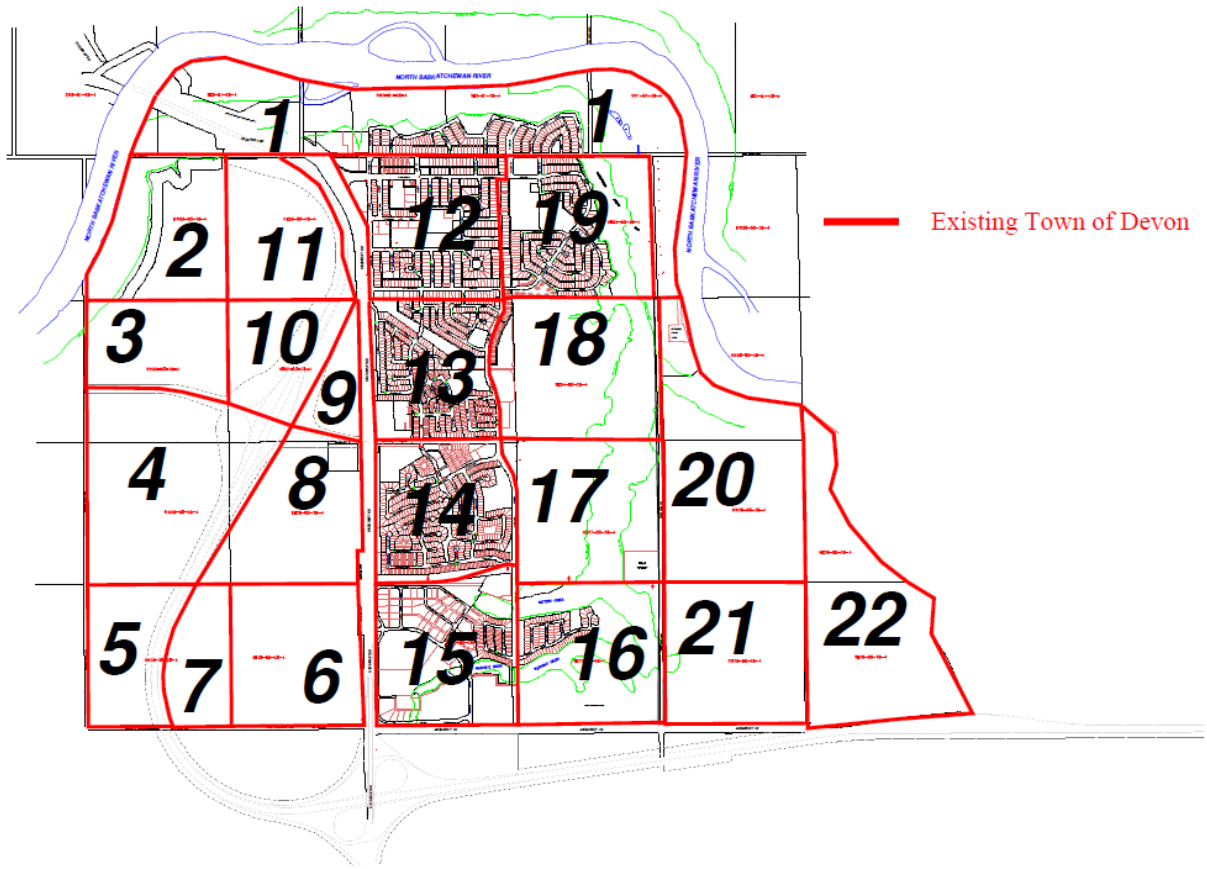
Mayor

CAO

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SCHEDULE A

Map of Development Area



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SCHEDULE B

Off-Site Levy Rates

	Transportation Levies	Water Levies	Sanitary Levies	Total
1.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
2.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
3.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
4.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
5.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
6.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
7.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
8.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
9.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
10.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
11.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
12.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
13.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
14.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
15.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
16.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
17.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
18.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
19.0	\$ 35,500	\$ 48,831	\$ 64,930	\$ 149,261
20.0	\$ 35,500	\$ 48,831	\$ 81,912	\$ 166,243
21.0	\$ 35,500	\$ 48,831	\$ 81,912	\$ 166,243
22.0	\$ 35,500	\$ 48,831	\$ 81,912	\$ 166,243

SCHEDULE C

Town of Devon: Offsite Levies Report



OFFSITE LEVIES

INTRODUCTION

Bylaw 928/2019, established by Town of Devon ("the Town") in 2019 defines offsite levy charges pertaining to water, sanitary, and transportation offsite infrastructure in the municipality. The Town wishes to update this bylaw, amending offsite infrastructure included in the bylaw in alignment with the Town's latest capital/master plans, and ensuring updated costs and development forecasts are reflected fairly and equitably in new rates, thereby ensuring a financially sustainable community.

This report outlines the methodology and information used in establishing water, sanitary, and transportation offsite levy rates for the Town, as well as other key findings and recommendations.

Methodology

The Town has various infrastructure capital/master plans, and these plans have been used by Town staff as a start point for developing key information for this offsite levy rate review. Town staff reviewed existing plans and identified offsite projects for water, sanitary, and transportation infrastructure¹. The Town's review also included determination of benefits to existing development, future development, and benefiting areas.

Support provided by CORVUS Business Advisors included:

- Provision of the CORVUS offsite levy model, including configuration, priming, and data loading.
- Incorporation of offsite levy area measurements and land development forecasts (provided by Town staff).
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties (provided by Town staff).
- Establishment of offsite levy reserve balances (historical reconciliation details provided by Town staff).
- Development of water, sanitary, and transportation offsite levy rates.
- Presentation of offsite levy rates and background information to Administration and Council.

Offsite levy rates within the CORVUS offsite levy model are forecast using a rolling 25-year review period. During this review, a cut-off date of December 31st, 2022, was established, and so the review period stems from **2023 to 2047**. The cut-off date coincides with the Town's most recent year-end when the project started. Project expenditures, offsite levy receipts etc. were gathered as "actuals" from the Town's financial records up to the cut-off date. Beyond the cut-off date, all financial details are estimates. When the Town completes its next rate update, information from January 1st, 2023, up to the new cut-off date will be converted from estimates to actuals.

Costs that benefit development prior to and within the 25-year review period are included in rates. Costs that benefit development beyond the review period (called "financial oversizing") are excluded from rates. In future years when rates are updated, and the rolling 25-year period moves further out, offsite infrastructure costs allocated to future development which are currently beyond the 25-year review period will gradually enter the 25-year period and be included in rates.

¹ It was not within CORVUS' scope of work to review the Town's capital/master plans. Plans were reviewed and refined by Town staff.

² All stormwater infrastructure in the Town (currently) is deemed "onsite" in nature and, therefore, is not included in the offsite levy bylaw.

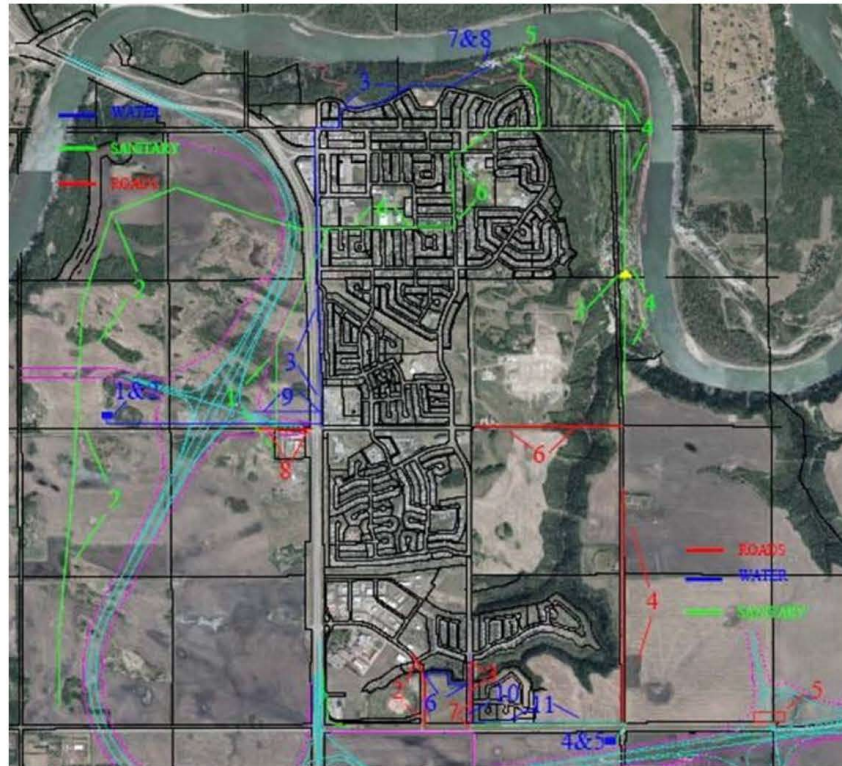
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Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost
1	Reservoir West R2 (West Hwy 60)	\$ 4,168,450
2	Pumphouse U2 (West Hwy 60)	\$ 1,381,380
3	Supply Line 400 mm (West Hwy 60)	\$ 892,320
4	Reservoir East Annexation Lands	\$ 4,218,500
5	Pumphouse East Annexation Lands	\$ 2,402,400
6	Supply Line 300 mm (East Hwy 60) Phase I	\$ 512,067
7	Water Treatment Plant Upgrade	\$ 6,744,086
8	Future (Membrane) Water Treatment Plant Upgrade	\$ 1,072,500
9	Juniper Ridge ASP Phase I	\$ 1,687,500
10	Supply Line 300 mm (East Hwy 60) Phase II	\$ 283,729
11	Supply Line 300 mm (East Hwy 60) Phase III	\$ 1,072,500
		\$ 24,435,432

Location of Water Offsite Infrastructure



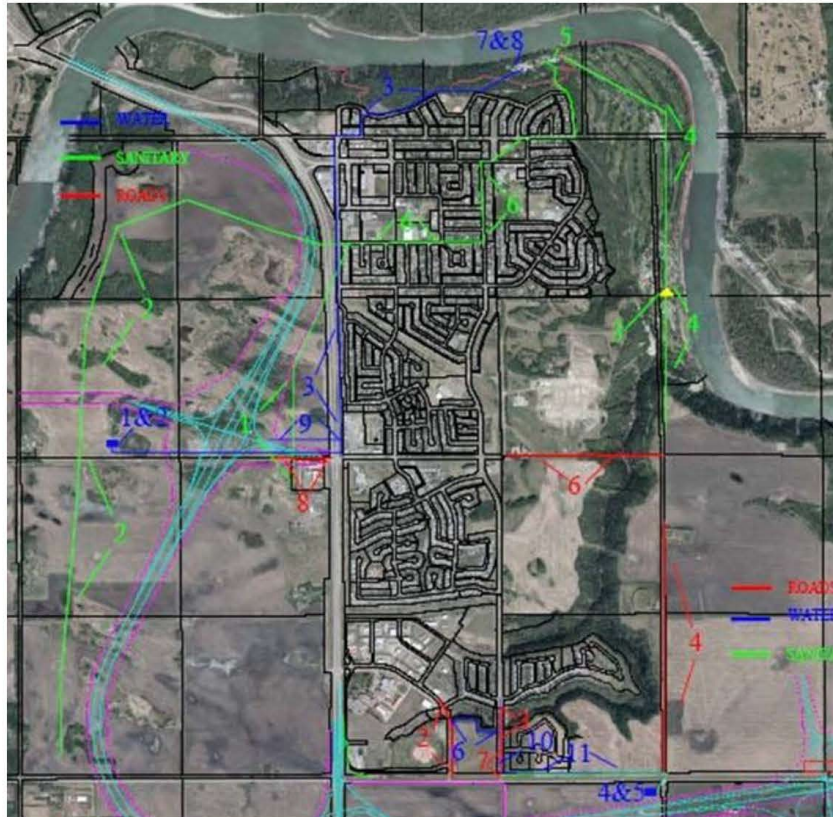
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Sanitary Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost
1	Sanitary Main - Interim Area East of Future Hwy 60	\$ 3,975,400
2	Sanitary Main - Ultimate Area East of Future Hwy 60	\$ 3,010,234
3	Lift Station East Annexation Area	\$ 3,575,000
4	Forcemain East Annexation Area	\$ 2,145,000
5	Wastewater Treatment Plant Upgrade	\$ 30,975,358
6	Haven Avenue Main Twinning	\$ 5,478,698
		\$ 49,159,690

Location of Sanitary Offsite Infrastructure



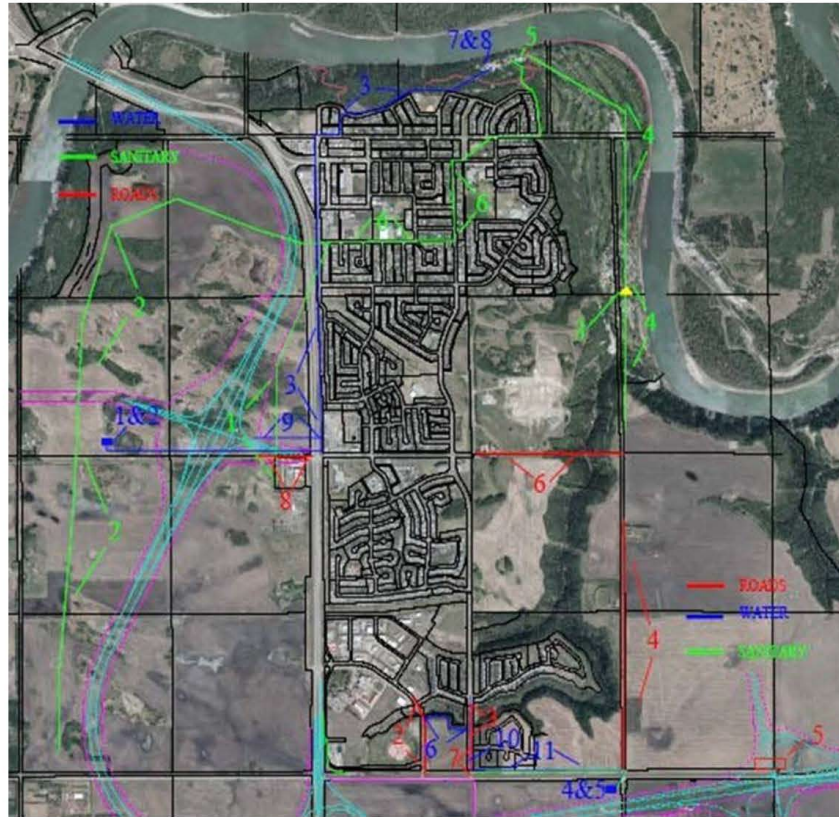
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Transportation Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost
1	Oil Patch Drive Extension Phase I	\$ -
2	Derrick Drive Extension	\$ 1,002,350
3	Michigan Street Extension	\$ 1,224,241
4	Range Road 262 North	\$ 1,109,356
5	Existing Hwy 19 Intersection	\$ 2,100,000
6	Miquelon Avenue East	\$ 15,015,000
7	Michigan Street Extension II	\$ 605,236
8	Miquelon Avenue West	\$ 1,001,000
		\$ 22,057,184

Location of Transportation Offsite Infrastructure



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SUMMARY

Summary of Offsite Levies by Area (per net hectare)

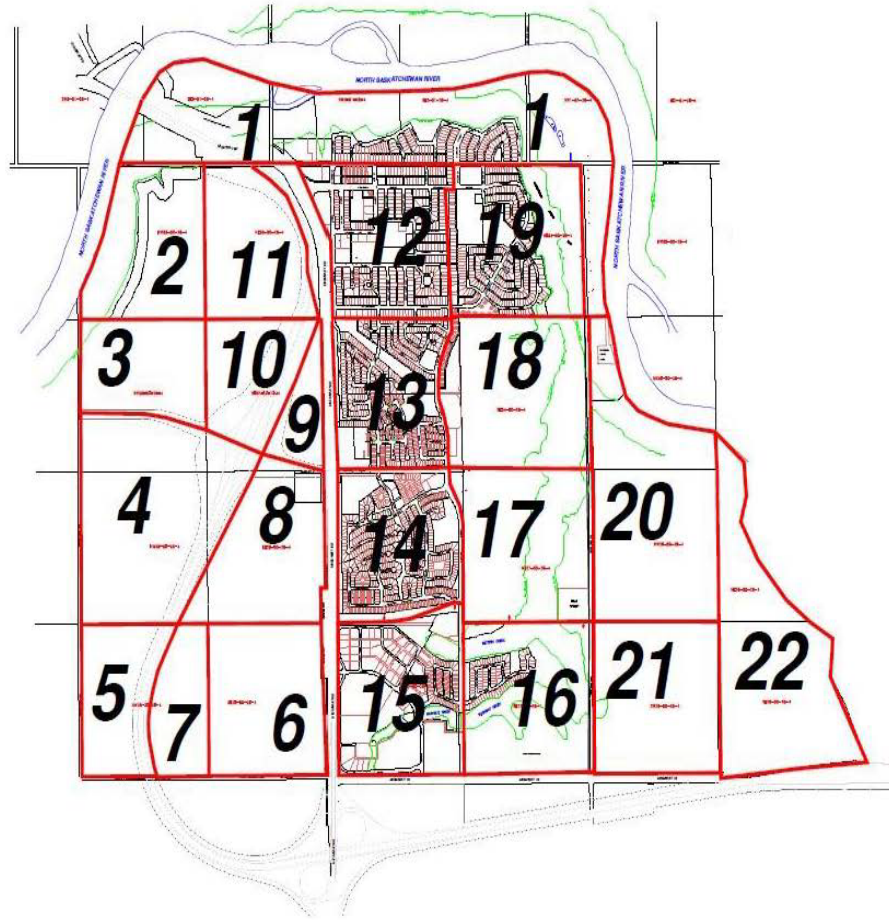
Area #	Transportation Levies	Water Levies	Sanitary Levies	Total
1.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
2.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
3.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
4.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
5.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
6.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
7.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
8.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
9.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
10.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
11.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
12.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
13.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
14.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
15.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
16.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
17.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
18.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
19.0	\$ 35,458	\$ 48,774	\$ 64,864	\$ 149,096
20.0	\$ 35,458	\$ 48,774	\$ 81,830	\$ 166,062
21.0	\$ 35,458	\$ 48,774	\$ 81,830	\$ 166,062
22.0	\$ 35,458	\$ 48,774	\$ 81,830	\$ 166,062



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Offsite
Levy Areas



— Existing Town of Devon



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The table below compares the weighted average offsite levy rate in the Town to rates in other municipalities.

Municipality / Area	Average Per Ha.
Town of Stony Plain (roads, water, sewer, recreation)	\$74,950 (2021)
Sturgeon County – Sturgeon Valley* (roads, water, sewer)	\$82,800 (2021)
Town of Rocky Mountain House* (roads, water, sewer) (by Dev Agreement)	\$79,700 (2016)
Parkland County* (roads, water, sewer, storm)	\$82,500 (2018)
Town of Sylvan Lake* (roads, water, sewer, storm)	\$90,388 (2022)
Town of Calmar* (roads, water, sewer)	\$95,700 (2020)
City of Fort Saskatchewan (South Fort) (roads, water, sewer, storm)	\$104,100 (2017)
Leduc County* - Nisku (roads, water, sewer)	\$109,000 (2017)
City of Spruce Grove* (roads, water, sewer, recreation, library)	\$130,690 (2022)
City of Leduc* (roads, water, sewer)	\$138,500 (2021)
Town of Devon* (roads, water, sewer,)	\$159,330 (2023)
Town of Cochrane (roads, water, sewer, storm, recreation)	\$250,000 (2020)
Town of Okotoks (roads, water, sewer)	\$198,600 (2020)
City of Red Deer* (roads, water, sewer, storm)	\$203,300 (2019)
City of Chestermere* (roads, water, sewer, storm, recreation)	\$226,980 (2021)
Red Deer County (Gasoline Alley) (roads, water, sewer, storm)	\$220,000 (2017)
City of Medicine Hat* (subsidy) (roads, water, sewer, storm)	\$250,000 (2019)
Strathcona County (New Growth Areas) * (roads, water, sewer, storm)	\$ 251,000 (2021)
City of Lethbridge (roads, water, sewer, storm)	\$281,000 (2020)
City of St. Albert* (roads, water, sewer, storm)	+\$300,000 (2020)
City of Edmonton (roads, water, sewer, storm)	+\$400,000
City of Calgary Green Field Area (roads, water, sewer, storm, comm svc, stabilization)	\$495,000 - \$544,000

*CORVUS Clients

**Information gathered from available online sources at end-2022

