

Request for Decision

Title	Sturgeon Valley Area Off-Site Levy Bylaw 1446/19
Proposed Motion	<ol style="list-style-type: none"> 1. That Council give second reading of Bylaw 1446/19. 2. That Council give third reading of Bylaw 1446/19.
Administrative Recommendation	That Council approve second and third reading of Bylaw 1446/19, ensuring Off-Site Levy rates are updated in accordance with the <i>Modified Municipal Government Act</i> (MMGA).
Previous Council Direction	<p><u>June 11, 2019 - Motion 202/2019</u> That Council give first reading of Bylaw 1446/19.</p> <p><u>April 22, 2014</u> Motion 143/14: That County Council approves third reading of Bylaw 1321/14 Amendment to Bylaw 1286/12 Sturgeon Valley Area Off- Site Levy Bylaw regarding a 4% construction price increase to Schedule “B” and “C” rates of Bylaw 1286/12 (Sturgeon Valley Area Offsite Levy Bylaw).</p> <p>Motion 142/14: That County Council approves second reading of Bylaw 1321/14 Amendment to Bylaw 1286/12 Sturgeon Valley Area Off- Site Levy Bylaw regarding a 4% construction price increase to Schedule “B” and “C” rates of Bylaw 1286/12 (Sturgeon Valley Area Offsite Levy Bylaw).</p> <p><u>March 25, 2014 – Motion 084/14</u> That County Council approves first reading of Bylaw 1321/14 Amendment to Bylaw 1286/12 Sturgeon Valley Area Off- Site Levy Bylaw regarding a 4% construction price increase to Schedule “B” and “C” rates of Bylaw 1286/12 (Sturgeon Valley Area Offsite Levy Bylaw).</p> <p><u>February 26, 2013 – Motion 088/13</u> That County Council gives 3rd Reading to Bylaw 1286/12.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • Administration completed an update to the Sturgeon Valley Off-Site Levy Bylaw 1321/14 to align with Sturgeon County latest capital / master plans ensuring updated costs and development forecasts are reflected fairly and equitable considering changes to the economic environment

and revised construction cost estimates. This update incorporates all actual costs to December 31, 2018.

- The Sturgeon Valley Area Off-Site Levy was based upon full build-out of 575 (0.5 Acre Country Residential – Estate lots) then subsequently replaced in April 22, 2014 with Bylaw 1321/14, applying a 4% cost increase to all project to compensation for inflation.
- With the recent decision by the Edmonton Metropolitan Region Board to approve the Sturgeon Valley Special Study Area Policies, the County committed to proceed with a primary Area Structure Planning in the Valley. As the ASP project unfolds and a better understanding of future infrastructure needs are determined, annual update of the Off-Site Levy capital projects and associated rates will be completed in accordance with the MGA.
- The Sturgeon Valley area requires new or expanded road, water, wastewater and stormwater municipal infrastructure to support new development and Growth with the Sturgeon Valley. The projects and costs identified in the 2014 Levy are outdated and no longer align with the future vision of the Sturgeon Valley.
- The proposed average (weighted) off-site levy rate is approximately \$67,814 per net hectare. This represents a decrease of \$103,186 (60%) from the prior average rate of \$171,000 per net hectare.
- The MGA allows a municipality to impose the payment of a levy, to be known as an “off-site levy”, in respect of land that is to be developed or subdivided. The MGA also states that off-site levy rates are to be updated on an annual basis to reflect current Capital expenditure needs for new or expanded infrastructure and the associated costs.
- Under the MGA expanded levy authorities, municipalities may now consider establishing off-site levies to pay for costs associated with new or expanded community recreation facilities, fire hall facilities, police station facilities, or libraries. Sturgeon County’s levy bylaw update does not contemplate cost recovery for these types of municipal infrastructure for several reasons:
 - Further research and discussions are taking place regionally to more fully understand the scope, outcomes, and stakeholder input including implications of the Big City Charters.
 - Work is about to begin on the Sturgeon Valley Area Structure plan that will identify the future needs for community growth pertaining to community recreation, fire halls, police or library facilities.
 - Off-site bylaws are required to be updated on a regular basis. New levy opportunities can be considered in a future scheduled update. If the County desires to exercise option for new levy options in the future, provisions for this are included in the model.
- Cost per acre for water, sanitary, storm and transportation off-sites will vary based upon the expected timing of development in various

development zones. In most cases, on average, off-site levies have been reduced.

External Communication

- Administration sent out notification letters on December 21, 2018 to the Sturgeon Valley’s Development community (both past and current).
- Developer Engagement and consultation was hosted by Sturgeon County on May 28, 2019 at Sturgeon County Centre to present the off-site levy calculation methods and impacts to local developers.

Relevant Policy/Legislation/Practices:

- MGA, section 48
- Off-Site Levy Policy
- If this Bylaw is approved, Bylaw 1321/14 will be repealed by this Bylaw. This was the previous Off-Site Levy Bylaw for transportation, water and wastewater infrastructure within the Sturgeon Valley.

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – Regular and annual updates of the Off-Site Levy Bylaw is consistent with legislative framework, master plans, policies and procedures.

Planned Growth – A current and updated Off-Site Levy Bylaw promotes planned and organized growth by ensuring growth pays for the capital costs of new or expanded infrastructure based on degree of benefit to support residential growth.

Organizational:

The new Bylaw will enable all new development agreements to be transacted with the most accurate information available for municipal improvement cost sharing obligations.

Financial:

Projected Infrastructure Capital improvement costs for the next 25 years are estimated to total approximately \$221 million. Breakdown is as follows:

Transportation	\$155,758,464
Water Utilities	\$20,095,061
Sanitary Utilities	\$9,456,533
Storm Water Facilities	\$36,134,108

The off-site levy amounts will be collected as per the Bylaw and will be used to pay the developers’ share of these required municipal improvements when required based on degree of benefit.


Alternatives Considered

Council could defeat Bylaw 1446/19 at second or third reading.

<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> • Strong Local Governance and Regional Leadership would not be demonstrated, resulting in non-conformance with legislative framework, master plans, policies and procedures. • Planned Growth would not be supported as the current costs of infrastructure improvements based on recent economic patterns, and current construction estimates will not be available for Development Agreements. • Operation excellence would not be provided as Development will be obligated to construct both onsite and off-site improvements to benefit their specific development with no consideration for the greater good resulting in the County having to operate and maintain a redundancy of Municipal Infrastructure. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • Cost certainty and accurate budgeting for both Sturgeon County as well as prospective developers within the Sturgeon Valley area will not be achieved. <p><u>Financial:</u></p> <ul style="list-style-type: none"> • Levies being collected will not reflect current economic growth and market construction estimates, resulting in a shortfall of funds or a greater deficit that will need to be offset by future development. • Capital expenditure projects for new and expanded infrastructure will not align with the County's latest capital / master plans.
--	---

<p>Follow up Action</p>	<p>None.</p>
--------------------------------	--------------

<p>Attachment(s)</p>	<p>1. Bylaw 1446/19 with Schedules "A" and "B" 2. Schedule "C" to Bylaw 1446/19</p>
-----------------------------	---

<p>Report Reviewed by:</p>	<p> Brian Hartman, Manager, Engineering Services</p> <p> Collin Steffes, General Manager, Integrated Growth Division</p> <p> Reegan McCullough, County Commissioner - CAO</p>
-----------------------------------	--

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan and MDP pg. 36)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports a strong thriving business environment to strengthen our economic foundation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Plans for responsible growth through the MDP and regional growth plan.</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Manages growth for current and future developments through: <ul style="list-style-type: none"> ○ <i>transparent bylaws, policies and processes to enable responsible land development</i> ○ <i>targeting growth around existing and identified future growth areas</i> </i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides access to programs and services that have a positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides access to safe and reliable infrastructure assets</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports the safety of people and property</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Fosters collaborative intergovernmental partnerships</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Support and/or collaborate with voluntary organizations in the region</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Plans and partnerships that minimize environmental impact on natural areas</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides awareness of environmental issues impacting the County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>