

CYPRESS COUNTY

BYLAW 2016/27

BEING A BYLAW of Cypress County, in the Province of Alberta to re-establish an Off-Site Levy for land that is to be developed or subdivided in the Hamlet of Dunmore.

WHEREAS in accordance with Section 648 of the Municipal Government Act, being Chapter M-26 of the Revised Statutes of Alberta, 2000, and amendments thereto, a Council may by bylaw:

- a. provide for the imposition and payment of a levy, to be known as an “off-site” levy, in respect of land that is to be developed or subdivided, and
- b. authorize an agreement to be entered into in respect of the payment of the levy.

AND WHEREAS Cypress County Council deems it desirable to establish off-site levies for the purposes described in Section 648 of the Act,

AND WHEREAS Cypress County Council engaged the firm of MPE Engineering Ltd. to prepare a report in 2016 with respect to the fair and equitable calculation and allocation of off-site levies for infrastructure related to water utilities, roads, storm water management, and sanitary sewage collection in accordance with the purposes of Section 648 of the Act,

AND WHEREAS Cypress County Council has reviewed the report prepared by MPE Engineering Ltd. dated April 29, 2016 and wishes to enact a bylaw to impose and provide for the payment of off-site levies, to authorize agreements to be entered into in respect of payment of the off-site levies, to set out the object of each levy, and to indicate how the amount of each levy was determined;

AND WHEREAS Cypress County has held a public hearing on the matter;

NOW THEREFORE pursuant to the authority conferred upon it by the laws of the Province of Alberta, Cypress County Council, duly assembled, ENACTS AS FOLLOWS:

TITLE

1. This Bylaw may be cited as the “The Dunmore Off-Site Levy Bylaw”.

PURPOSE AND INTENT

2. The purpose and intent of this Bylaw is to:
 - a. impose and provide for the payment of levies to be known as off-site levies in respect of land within the Hamlet of Dunmore that is to be subdivided or developed,
 - b. authorize agreements to be entered into in respect of the off-site levies,
 - c. set out the objects of the off-site levy, and

- d. indicate how the amount of the off-site levy was determined.

DEFINITION AND INTERPERTATION

3. In this Bylaw:

- a. “Act” means the Municipal Government Act being Chapter M-26 of the Revised Statutes of Alberta, 2000, and amendments thereto;
- b. “Bylaw” means this off-site levy bylaw established by the County;
- c. “Chief Administrative Officer” means the individual appointed by Council as chief administrative officer of the County or his/her authorized designate in accordance with the Act,
- d. “Council” means the Reeve and Councillors of the County for the time being elected pursuant to the provisions of the Act whose term is unexpired, who have not resigned and who continue to be eligible to hold office as such under the terms of the Act;
- e. “County” means the Corporation of Cypress County, and where the context so requires, means the area included within the boundaries of Cypress County;
- f. “Developable Land” means all land contained within the Hamlet of Dunmore;
 - i. upon which Development takes place after the date of passing of this Bylaw, or,
 - ii. for which Subdivision approval is obtained after the date of passing of this Bylaw;
- g. “Developed Land” means land that has been subject to Development or a Subdivision prior to the date of passing of this Bylaw, and in respect of which off-site levies for the same services have been paid;
- h. “Development” means the same meaning as defined in the Act,
- i. “Development Agreement” means the “development agreement” as referred to in the Act, Sections 650 and 655;
- j. “Development Permit” means a permit issued pursuant to the Land Use Bylaw authorizing development;
- k. “Land” means private titled parcels of land in accordance with the Land Titles Act, being Chapter L-4, of the Revised Statutes of Alberta, 2000, and amendments thereto;
- l. “Land Use Bylaw” means the County’s Land Use Bylaw 2016/16, as amended or replaced from time to time in accordance with the Act,
- m. “Off-Site Levy” means a levy imposed and created by this Bylaw;
- n. “Off-Site Levy Fund” means a fund into which an Off-Site Levy together with any interest earned from the investment of the Off-Site Levy is deposited and kept separate from General Account or any other municipal account and administered in accordance with the Act,
- o. “Subdivision” means the same meaning as defined in the Act,

ADMINISTRATION AND ENFORCEMENT

4.

- a. Council hereby delegates to the Chief Administrative Officer the duty and authority to enforce and administer this Bylaw.

- b. The County has fulfilled its obligation by providing notice for the Council to pass this Bylaw in accordance with Section 606 of the Municipal Government Act.

ENACTMENT

5.
 - a. An off-site levy as provided for in the Act is hereby imposed in respect of the gross developable hectares of the Lands which are to be developed or subdivided within the Hamlet of Dunmore and which will be required to pay for all or part of the capital cost for municipal infrastructure for new or expanded facilities for the storage, transmission, treatment or supplying of water, for the new or expanded facilities for the treatment, movement or disposal of sanitary sewage, for new or expanded storm drainage facilities, for new or expanded roads required for or impacted by a subdivision or development, or for land required for or in connection with any of the facilities listed above.
 - b. The exception shall be where off-site levies have been previously imposed and collected in full.
 - c. The County is hereby authorized to enter into a development agreement pursuant to Sections 650 or 655 of the Act, with the owners of the Lands referred to in paragraph 5 a. for payment of the off-site levy imposed on those Lands.

OBJECTS AND PRINCIPLES

6.
 - a. The Council wishes to provide a revenue stream that will assist the municipality with funding major capital projects, and recognizes developers operate in a competitive market. Therefore, the Council wishes to make the Hamlet of Dunmore sustainable while at the same time being attractive for development.
 - b. The off-site levy for the Hamlet of Dunmore is to be collected to support the growth and related infrastructure that is needed to service a gross developable area of 214.7 hectares for the next 25 years.
 - c. Developers remain responsible for municipal infrastructure within their development area, and as defined within the Development Agreement.

OFF-SITE LEVY PAYMENT

7.
 - a. The off-site levy rate is set at \$50,000.00 per hectare within the Hamlet of Dunmore.
 - b. The off-site levy imposed to this Bylaw shall be paid as follows;
 - i. prior to the issuance of a development permit in respect of the Lands,
 - ii. after the execution of a Development Agreement entered into pursuant to the conditions of a Development permit or Subdivision approval granted in respect of the Lands, or
 - iii. prior to the endorsement of the plan of Subdivision for the Lands.

- c. Unless otherwise agreed upon, where the owner of the Lands that are subject to the imposition of an off-site levy or levies under this Bylaw fails, neglects or refuses to pay the off-site levy imposed, the County may refuse to endorse the plan of the Subdivision for the Lands, or may refuse to issue a Development permit for the Lands until the levy has been paid in full.

OFF-SITE LEVY FUND

8. The County's Chief Administrative Officer shall establish and maintain a separate fund in respect of which an off-site levy is being imposed pursuant to this Bylaw. The off-site levy fund shall be kept separate from the County's General Account or any other County account and shall be administered in accordance with Section 648 (5) of the Act.

DETERMINATION OF THE OFF-SITE LEVY

9.
 - a. The off-site levy included in this Bylaw was determined in accordance with the calculations from the Cypress County Dunmore/Irvine/Walsh Off-Site Levy Evaluation prepared by MPE Engineering Ltd, dated April 29, 2016. The MPE Engineering Ltd. Evaluation, summarized in Schedule A attached, is hereby incorporated into this Bylaw by reference and shall be disclosed upon request.
 - b. The off-site levy reflected in this Bylaw will apply to all new Subdivisions and Development with respect to the Lands which require servicing.

INFORMATION ON REQUEST

10. Upon receiving a request from a ratepayer or landowner, the County shall disclose full information regarding the off-site levy calculations, allocations, impositions, collections, costs and payments.

BYLAW REVIEW

11. This Bylaw will be reviewed regularly to reflect the available utility capacity and the projected construction costs for the proposed improvements.

PREVIOUS BYLAW

12. Once this Bylaw has been passed and comes into force, then Bylaw 2005/27 is hereby rescinded.

EFFECTIVE DATE

13. This Bylaw shall come into force and take effect upon the third and final reading.

Read a first time this 17th day of May, 2016.

Read a second time 21st day of June, 2016.

Read a third time and finally passed 21st day of June, 2016.

Reeve

Designated Officer

Bylaw 2016/27 Dunmore Off-Site Levy

Schedule A

Authorization For Levy Evaluation

The Municipal Government Act, Revised Statutes Of Alberta 2000, Chapter M-26, Section 648, states that a council may by bylaw require that an off-site levy be provided in respect of land that is to be subdivided and developed, and that an agreement be entered into in respect of the payment of the levy.

The levy may be used only to pay for all or part of the capital cost for

- New or expanded facilities for the storage, transmission, treatment or supplying of water;
- New or expanded facilities for the treatment, movement or disposal of sanitary sewage;
- New or expanded storm sewer drainage facilities;
- New or expanded roads required for or impacted by a subdivision or development;
- Land required for or in connection with the facilities described above.

MPE Engineering Ltd was retained to undertake a review of the off-site levies that the County collects in the Hamlet of Dunmore as a result of new and projected infrastructure requirements.

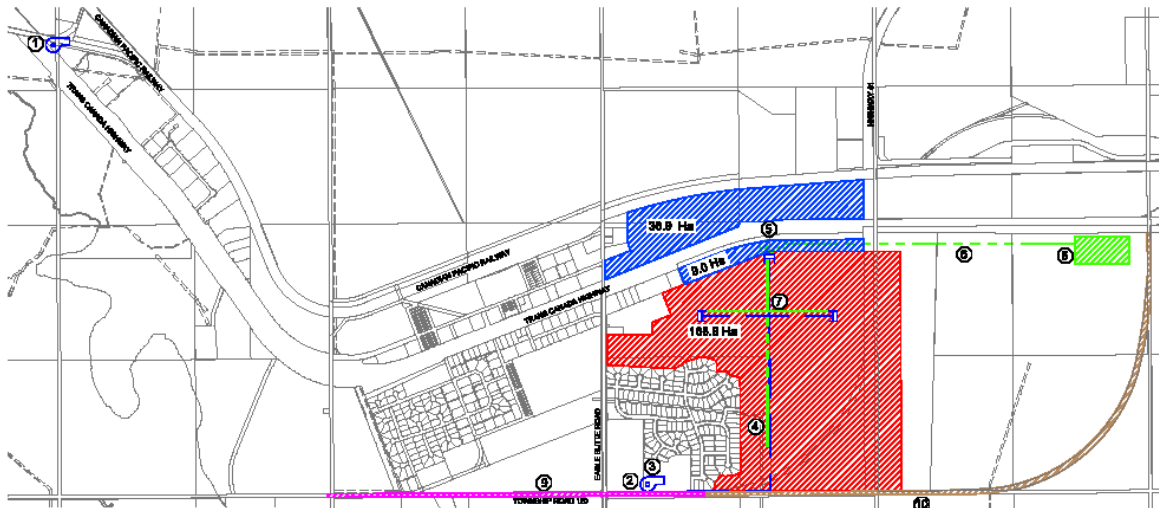
Methodology In Determining The Levy Rate

- Define the developable area (214.7 ha) in conjunction with the Dunmore Master Area Structure Plan
- Estimate the infrastructure requirements for the developable area
- Identify the portion of infrastructure costs attributable to growth over and above the local requirements for development
- Calculate a levy rate, including financing costs, based on assumptions of growth rate (4% estimating a population of 2,990 in 2040), project timing, inflation (4%), and interest rates (5% assuming some projects are debentured), over a 25 year development period
- Develop a cost allocation model for the area on a price per hectare.

Infrastructure Requirements For Dunmore

- Water
 - 2015 Upgrades – booster station and Eagleridge
 - Expanded Eagleridge Reservoir – 2031
 - Township Road 120 Trunk Main – 2022

- Sanitary Collection and Treatment – 2025
- Stormwater Collection and Treatment (WSP Canada Inc. Master Drainage Plan) 2016 to 2025
- Township Road 120 Widening – 2020
- Township Road 120 Realignment – 2040



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| 1. Dunmore Booster Station | 6. Forcemain To Lagoon |
| 2. Eagleridge Pump Station and Reservoir | 7. Sanitary Trunks |
| 3. Expand Eagleridge Reservoir | 8. Lagoon |
| 4. Twp Rd 120 Trunk Main | 9. Twp Rd 120 Widening |
| 5. Sanitary Lift Station | 10. Twp Rd 120 Realignment |

Levy Cost and Levy Rate Dunmore

The current estimated value of off-site infrastructure required to service growth areas identified for Dunmore is \$32,603,000. In assessing the levy cost portion of these projects, no accounting was done to include provincial grants as it is unknown whether or not they will remain in place at the current funding levels, and the County may not wish to direct its funding assistance towards supporting land development.

Inflation will increase the capital cost of the anticipated infrastructure projects to \$48,632,000, and the cash flow over the development timeframe will attract financing costs estimated to total \$15,553,000 including inflation. Therefore, the total levy cost is estimated to be \$64,185,000.

The table below shows the current estimated cost for all infrastructure utilities, followed by a projected cost to allow for inflation. Financing costs are identified and added to the projected levy cost to arrive at the Total Levy Cost. It is the Total Projected Levy Cost amount that is intended to be paid from the off-site levies.

Dunmore Off-Site Levy Costs

Levy Component	Current Levy Cost Estimate	Projected Levy Cost ¹
Water	\$6,076,000	\$8,511,000
Sanitary	\$13,791,000	\$20,415,000
Storm	\$8,722,000	\$10,630,000
Roads	\$4,014,000	\$9,076,000
Subtotal	\$32,603,000	\$48,632,000
Financing ²	\$8,465,000	\$15,553,000
Total	\$41,068,000	\$64,185,000

Notes:

¹Inflation assumed at 4% per year and

²Financing costs assumed at 5% per year when levy account balance is negative.

Further details on the calculations are provided in Table B2 Hamlet of Dunmore Levy Account Cash Flow Model of the Final Report Cypress County Dunmore/Irvine/Walsh Off-Site Levy Evaluation April 29, 2016.

Off-Site Levy Rate

The levy rate for Dunmore is based upon the previously described methodology, and is based on full cost recovery of infrastructure and financing costs attributed to growth. It is expected that the rate will be adjusted over time to stay current with the changes in construction costs, inflation, and interest rates.

- Actual Off-Site Levy Rate \$167,393 per hectare.

Conclusion

An estimated total of \$64,185,000, including inflation and financing, is required to pay for growth related infrastructure which is needed to service the identified developable area over the next 25 years.

Based on the assumptions included in the analysis, an initial levy rate of \$167,393 per hectare will collect the required funds within the 214.7 hectare gross developable area to meet the infrastructure costs for growth.

Cypress County Council may consider a lesser levy rate amount per hectare to balance the needs of development while still trying to be accountable for cost recovery to the ratepayers.