



CITY OF
Lethbridge

BYLAW 5990

DATE OF CONSOLIDATION: December 22, 2020

Amendment History:

| | |
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| <i>Bylaw 6255</i> | <i>Section 4 is amended by striking out "2020" and replacing it with "2022"; Appendix "D" is amended.</i> |
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Bylaw Last Revised: December 14, 2020
Effective Date: December 14, 2020
Bylaw 6255

BYLAW 5990

A CONSOLIDATION OF A BYLAW OF THE CITY OF LETHBRIDGE PROVIDING
FOR THE IMPOSITION OF AN OFF-SITE LEVY IN RESPECT
OF LAND TO BE DEVELOPED OR SUBDIVIDED
FOR THE YEARS 2017, 2018, 2019 and 2020

WHEREAS Section 648 of the Municipal Government Act permits a Council to impose a levy known as an Off-Site Levy in respect of land to be developed within the municipal limits of the City of Lethbridge and authorize an Agreement to be entered into for payment of the levy;

AND WHEREAS the City has engaged in extensive consultation with representatives of the development and house building industries to address and define existing and future infrastructure requirements of the City having regard to circumstances of the municipality and the benefits of development;

AND WHEREAS the Council of the City of Lethbridge has determined that a consistent levy for each infrastructure type is in the best interests of all of the beneficiaries of development;

AND WHEREAS Council has advertised its intention to consider the provisions of this Bylaw pursuant to the provisions of Section 606 of the Municipal Government Act;

NOW THEREFORE, THE COUNCIL OF THE CITY OF LETHBRIDGE, IN THE PROVINCE OF ALBERTA, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

1. There is hereby imposed a levy which shall be known as an Off-Site Levy upon all undeveloped lands lying within the municipal boundary of the City of Lethbridge except land designated as Environmental Reserve, Municipal Reserve and Arterial Road Right-of-Way.
2. The principles and criteria of the Off-Site Levy shall be in accordance with the attached Appendix "A".
3. The entering into of a Service Agreement with respect to the collection of a levy or the payment of oversize credits is hereby authorized.
4. For the period of January 1st, 2017 to December 31st, 2022 the Off-Site Levy shall be in accordance with the rates set out in Appendix "D" which is attached hereto and forms part of this Bylaw.

Bylaw 6255 – December 14, 2020

**APPENDIX “A”
OFFSITE LEVY BYLAW**

AUTHORITY TO COLLECT OFFSITE LEVIES AND ISSUE CREDITS

City Council has the authority under the Municipal Government Act to create a bylaw for the purpose of collecting an Offsite Levy. The executed Service Agreement authorizes City Administration to collect the assessed offsite levies and provide the calculated compensation payments to Developers.

1. **DEFINITIONS**

- i. **Developable Land** - Land that can be physically provided with water, sanitary sewer and storm drainage service and is suitable for urbanization.
- ii. **Developed Land** - The land is considered developed once it is subdivided, Offsite levies have been paid and services provided to the lot.
- iii. **Development Region** - The development region includes all undeveloped land within the City boundary.
- iv. **Growth** - Creation of new serviced residential, commercial or industrial lots from previously un-serviced land.
- v. **Industry** - Industry members shall consist of interested members of the development community including but not limited to members and the executive of the Urban Development Institute (UDI) and the Canadian Home Builders Association (CHBA) Lethbridge branches.
- vi. **Skip Development** - Development of lots that are not contiguous with existing development.
- vii. **Offsite Infrastructure** - Offsite infrastructure is sanitary facilities, storm sewer, water facilities and arterial road facilities required for the development phase but installed outside the development boundary. The Offsite Account provides compensation payments for the installation of offsite infrastructure based upon the criteria of this by-law.
- viii. **On-site** - Roads, sewer and water facilities built on the land area defined by the current phase of development required to provide capacity to service the current phase of development.
- ix. **Oversize Infrastructure** - Oversize infrastructure is sanitary facilities, storm sewer, and water facilities sized greater than the predefined base size or capacity that provides increased capacity in the system beyond what is required by the current phase of development. The Offsite Account provides compensation payments for the installation of oversize infrastructure.
- x. **Sanitary Sewer Facilities** - Sanitary sewer facilities, in the context of this bylaw, include pipe, appurtenances, lift stations and force mains.
- xi. **Storm Sewer Facilities** - Storm Sewer Facilities, in the context of this bylaw, include pipe, appurtenances and lift stations.
- xii. **Storm Water Detention Facilities** - Storm Water Detention Facilities, in the context of this bylaw, include storm water ponds, pond outlets up to and including the control structure,

low flow bypass pipe, overland surface flow routes and land associated with these facilities.

- xiii. Water Facilities - Water Facilities, in the context of this bylaw, include pipe, appurtenances, pump stations and reservoirs.

2. OFFSITE LEVY BYLAW PURPOSE

The Offsite Levy Bylaw creates a levy to provide funds for the construction of offsite infrastructure required for growth.

3. OFFSITE LEVY BYLAW PRINCIPLES

The following principles provide guidance for interpretation of the Bylaw and form the basis of the provisions.

1. Development in new growth areas through an Offsite Levy will provide the capital that will fund the infrastructure required for growth. Those who benefit from the infrastructure, which is defined by all those in the development region, should share proportionally, on a per hectare basis, in its costs. These projects provide service extensions to specific new neighborhoods or create capacity for entire sectors of the city.
2. Provision or the providing of Offsite Infrastructure will not create an advantage or penalty due to the time or location of development. Thus offsite levies should remain somewhat constant over time unless additional costs are added.
3. Infrastructure will be provided to maintain cost effective and orderly growth. Decisions regarding what is considered cost effective and orderly growth are not made through the Offsite Levy but are determined by the planning process and City Council. Thus skip development will not be funded by the offsite fund but may be funded by the developer through an approval process.
4. The calculation of the levy should be an open transparent process. Thus the process should be clear and understandable. The management of the Offsite Levy Account should be an audited process, with reports available to the public and industry.
5. Projects and infrastructure that have substantial city wide benefit should be funded by the community as a whole. Some projects are of a magnitude and scale that they provide community wide benefit. Examples of this type of infrastructure include the water treatment plant, waste water treatment plant, arterial roadway expansions beyond four lanes and road bridge crossings of the river valley.

4. OFFSITE LEVY OBJECTIVES

1. To recover the cost of infrastructure required for growth:
 - a. Using financing strategies that remain sustainable.
 - b. Facilitating development by reducing risk on early Developers and ensuring future Developers share the costs of the facilities from which they benefit.
 - c. Promoting cost effective development.
2. To promote orderly development by:
 - a. Supporting City planning through growth strategies, Master Servicing Plans and

Area Structure Plans.

- b. Providing offsite infrastructure, once the outline plan is approved and when Developers require it.
 - c. Providing infrastructure for contiguous development.
3. To create a transparent process by:
- a. Conforming with the Municipal Government Act.
 - b. Providing opportunity for industry input into the levy and its administration as specified to in the Management Plan.
 - c. Providing an Annual Report on levies and account status.
4. To create a clear process for calculation of the rate, levies and credits by:
- a. Creating consistent and predictable levies and credits.
 - b. Creating predictable and stable levies over time.
 - c. Documenting a process for establishing the levy rate.
 - d. Create a logical cost recovery framework.

5. APPLICATION OF OFFSITE LEVIES

Offsite Levies will be assessed on all Developable Land within the development region except land designated as:

- 1. Environmental Reserve (ER),
- 2. Municipal Reserve (MR),
- 3. Arterial Road Right-of-Way (AR).

When one component of the Offsite Levy becomes due, all components are due. The Offsite Levy is a single indivisible levy. No component levy can be deferred or waived separately from the other components.

No legally defined parcel of land will be assessed levies on only a portion of its area.

Offsite Levies will not be collected on land where:

- 1. It can be shown or it is reasonable to assume that the land was previously connected to all municipal services including water, sanitary sewer, and storm drainage services and road access; or
- 2. There will be a reasonable opportunity to collect offsite levies in the future, upon subdivision and further servicing of the land; or
- 3. The land remains completely un-serviced.

Where a new service is provided to an existing residence but it is not appropriate to charge Offsite Levies then an appropriate connection charge will be assessed to allow the service connection. The connection charge will be evaluated based upon the equivalent value of the Offsite Levy components for services provided, land area used by an equivalent residence on an urban lot and future opportunities to collect full Offsite Levies. This occurs only where an existing, formerly un-serviced residence is connected to City services where no planning, subdivision or zoning changes are contemplated.

For services provided beyond the City boundary a connection charge will be negotiated in lieu of Offsite Levies that is appropriate to the services provided and is representative of the connections impact on the overall system.

6. CALCULATION OF DEVELOPER OFFSITE LEVIES

Offsite Levies will be calculated using the rates set out in Appendix "D".

Offsite Levies will become due upon execution of the Service Agreement. 50% of the assessed fees will be paid prior to the start of construction upon execution of the service agreement and 50% will be paid prior to the first building permit being issued within the development phase.

Assessment formula:

$$\text{Net Area} = \text{Gross Area} - \text{MR} - \text{ER} - \text{AR}$$

$$\text{Assessed Levy} = \text{Net Area} \times \text{Levy Rate}$$

7. CALCULATION OF OVERSIZE CREDITS – UNDERGROUND UTILITIES

Oversize credits shall be equal to the assessed value of the facility installed minus the assessed value of the base size facility.

Oversize credits will be calculated on a uniform basis in any calendar year using the procedures, tables and formulas established by the City Administration.

Developers are responsible for extending services to their property line.

Oversize credits shall be calculated using the following formula:

$$\text{Oversize Credit} = \text{Value of Facility Constructed} - \text{Value of Base Size Facility}$$

Oversize Credits will be provided for the capital costs of the following types of facilities and pipe installations:

- a. Sanitary Sewer
- b. Storm Sewer
- c. Water
- d. Sanitary Sewer Lift Stations and associated force mains

The base size pipe diameters for non-industrial developments are:

- a. Water = 250mm
- b. Sanitary = 300mm
- c. Storm = 450mm

In industrial areas larger base sizes will be used to acknowledge the additional capacity required. The base size pipe diameters for industrial developments are:

- a. Water = 500mm
- b. Sanitary = 600mm
- c. Storm = 1800mm

The base size for Sanitary Sewer Lift stations is 16L/s.

The base size for Storm Sewer Lift Stations is 39L/s.

A Developer may appeal the oversize credit calculation should significant fluctuations in costs occur over a single construction season. City Administration will update the credit calculation tables by polling contractors, consultants and suppliers.

Credits will not be paid for facilities that service a skipped development until the land in which the facilities are located is developed. Oversized credits will be calculated based on the Service Agreement for the intermediary lands.

Facilities and pipes smaller than base size shall not be eligible for oversize credits.

Oversize credits will not be provided for storm water detention facilities.

8. CALCULATION OF OFFSITE CREDITS

The Installer of an offsite facility will be compensated from the offsite levy.

Offsite credits for offsite infrastructure will be based on actual project costs where City policies and procedures are followed or calculated costs based on the City's assessment.

Offsite credits will be calculated on a uniform basis in any calendar year using the procedures, tables and formulas established by the City Administration.

Documentation that the procedures followed by the developer are equivalent to the processes followed by the City will be required to ensure appropriate use of the funds.

In cases where water, sanitary sewer and storm sewer improvements are made to underground infrastructure built prior to 1991, then the available credit will be the present value of the upgraded facility less the present value of the existing facility.

9. ARTERIAL ROADWAY CREDITS

Arterial roadway credits will be provided for the capital costs of arterial roadways, arterial roadway improvements and land required for arterial roadways. Arterial roadway credits are funded wholly from offsite levies.

Arterial roadway credits will be 100% of the project costs of the new arterial roadway. New arterial roads include projects that construct the initial two lanes of the required arterial.

Arterial roadway credits will be 75% of the project costs for twinning an arterial roadway. Twinning new arterial roads includes projects that expand arterial roads constructed after 2003 from 2 to 4 lanes.

Arterial roadway credits will be 50% of the project costs for projects bounded on at least one side by areas built prior to 2003. Expanding bounded arterial roads includes projects that expand the arterial road from 2 to 4 lanes.

Arterial roadway credits will be 25% of the project costs for projects that expand or enhance Arterial roadways located within the historic core of the City. (Appendix "B")

Arterial roadway credits will be 25% of arterial roadway intersection improvements. The project must increase the capacity of the intersection by upgrading the type of intersection control or by adding additional lanes at the intersection.

10. PAYMENT OF CREDITS TO DEVELOPERS

Oversize credits will be subtracted from the total amount of the Offsite Levy Fees owing at the service agreement stage. Any remaining oversize credits owing will then be paid to the developer upon execution of the service agreement.

The terms of payments for offsite credits will be reflected in the Service Agreement as determined on a case by case basis.

11. CALCULATION OF OFFSITE LEVY RATE

The levy rate calculation shall include the following for each levy component:

- a. Total hectares of developable land within the City boundary.
- b. A list of proposed utility and transportation projects and a forecast of their construction dates.
- c. Total estimated present day cost of offsite infrastructure required to service the development region.
- d. Estimated total of oversize credits and arterial roadway credits required to repay Developers.
- e. Present per hectare cost of each levy component.
- f. A schedule of offsite levy debts and their annual payments.
- g. A cash flow analysis.
- h. A discussion of alternative financing strategies.
- i. A recommendation of the preferred option.

The levy rate calculation will be fully updated at least once every three years.

Representatives of the development industry will be invited to participate in the update of the offsite levy rate calculation.

The levy rate will be calculated separately for each of the water, sanitary sewer, storm water and arterial roadway components.

12. CALCULATION DETAILS

Offsite levies include the following:

- 1. Water reservoirs and pumping stations
- 2. Sanitary lift stations
- 3. Storm Water pumping facilities
- 4. River valley utility crossings and outfalls
- 5. Sanitary sewer trunk lines
- 6. Water distribution trunk lines
- 7. Storm Water trunk lines
- 8. Arterial roadways

Offsite levies do not include:

- 1. Water treatment plants
- 2. Wastewater treatment plants

3. Storm Water detention facilities
4. Roadway bridge crossings of the river valley
5. Expansion of arterial roadways beyond four lanes

13. PREPAYMENT OF OFFSITE LEVIES

Prepayment of Offsite Levies occurs when Offsite Levies for a parcel of land are paid prior to the year in which it will be serviced as indicated by a Construction Completion Certificate being issued by the City for the water and waste water utilities.

Prepayment will be accepted when:

1. A single legal entity has control over the land on which prepayment is to be made.
2. Payment is made on entire legally defined parcels of land. (no payment will be accepted on part of a parcel)
3. The total of the parcels consists of more than 100 hectares of land excluding land that would be designated ER and MR.

Provided that the above three conditions have been met the levies will be calculated as:

Offsite Levies Due = Current Offsite Levy Rate x Land Area

Once Offsite Levies have been paid under this clause no further offsite levies will be collected. No refund of Offsite Levies will be provided on any land which has had the levies prepaid and subsequently become exempt from offsite levies at a future date (for example land that once subdivided is designated Municipal Reserve).

Oversize credits will be calculated based upon the Offsite Levy Bylaw, Service Agreements, procedures and rates in place at the time the work is completed.

14. ANNUAL REPORTING REQUIREMENTS

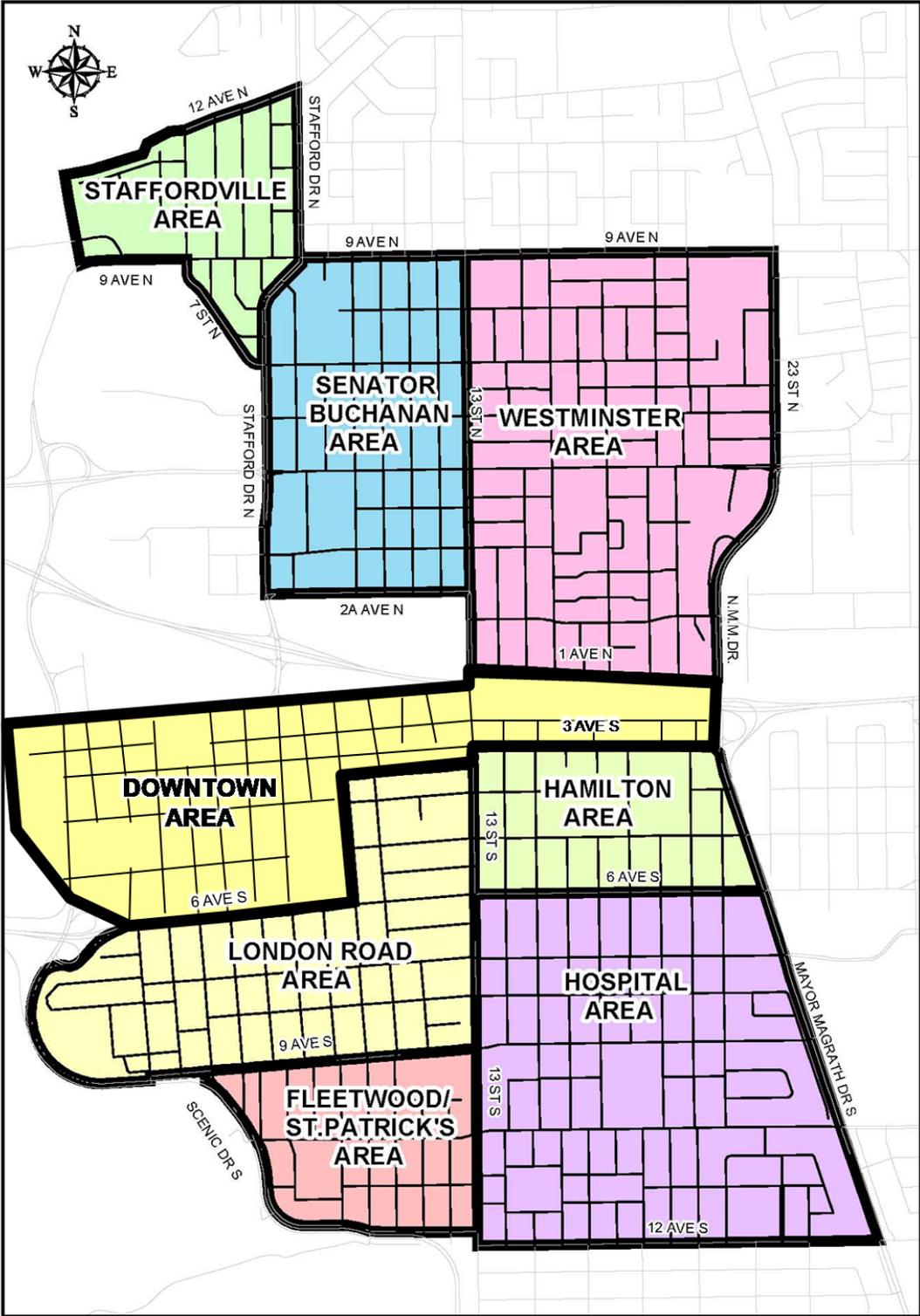
City Administration will prepare an Annual Report on the performance of the Offsite Levy in conformance with the Management Plan.

15. INDUSTRY LIASON

Communication between the City of Lethbridge and key industry stakeholders will be guided by the mutually agreed upon Management Plan.

APPENDIX "B"
HISTORIC CORE AREA MAP

HISTORIC CORE AREA



APPENDIX "C"
OFFSITE LEVY HISTORIC RATES

The following table shows the Offsite Levy Rate established:

For the period July 1, 2004 to December 31, 2004 inclusive.

2004 Offsite Levy Rate (per hectare)

| | 2004 |
|----------------|-----------------|
| Water | \$10,540 |
| Sanitary Sewer | \$8,930 |
| Storm Sewer | \$13,290 |
| Arterial Roads | \$2,730 |
| Total | \$35,490 |

For the period January 1, 2005 to December 31, 2005 inclusive.

2005 Offsite Levy Rate (per hectare)

| | 2005 |
|----------------|-----------------|
| Water | \$12,300 |
| Sanitary Sewer | \$11,300 |
| Storm Sewer | \$17,100 |
| Arterial Roads | \$19,400 |
| Total | \$60,100 |

For the period January 1, 2006 to December 31, 2006 inclusive.

2006 Offsite Levy Rate (per hectare)

| | 2006 |
|----------------|-----------------|
| Water | \$12,600 |
| Sanitary Sewer | \$11,600 |
| Storm Sewer | \$17,500 |
| Arterial Roads | \$39,700 |
| Total | \$81,400 |

For the period January 1, 2007 to December 31, 2007 inclusive.

2007 Offsite Levy Rate (per hectare)

| | 2007 |
|----------------|------------------|
| Water | \$12,900 |
| Sanitary Sewer | \$11,800 |
| Storm Sewer | \$18,000 |
| Arterial Roads | \$61,100 |
| Total | \$103,800 |

For the period January 1 to December 31 for 2008, 2009, and 2010 as indicated in the table.

Offsite Levy Rate (per hectare) Forecast

| Year | 2008 | 2009 | 2010 |
|----------------|------------------|------------------|------------------|
| Water | \$20,400 | \$21,700 | \$23,100 |
| Sanitary Sewer | \$18,500 | \$19,600 | \$21,000 |
| Storm Sewer | \$19,100 | \$20,200 | \$21,400 |
| Arterial Roads | \$74,000 | \$78,500 | \$83,500 |
| Total | \$132,000 | \$140,000 | \$149,000 |

For the period January 1 to December 31 for 2011 and 2012 as indicated in the table.

| Year | 2011 | 2012 |
|----------------|------------------|------------------|
| Water | \$33,100 | \$37,400 |
| Sanitary Sewer | \$30,000 | \$33,800 |
| Storm Sewer | \$30,900 | \$34,800 |
| Arterial Roads | \$70,000 | \$73,000 |
| Total | \$164,000 | \$179,000 |

For the period January 1 to December 31 for 2013, 2014, 2015 and 2016 as indicated in the table.

Offsite Levy Rate (per hectare) Forecast

| Year | 2013 | 2014 | 2015 | 2016 |
|----------------|------------------|------------------|------------------|------------------|
| Water | \$43,400 | \$47,200 | \$51,100 | \$55,300 |
| Sanitary Sewer | \$39,300 | \$42,900 | \$46,300 | \$50,200 |
| Storm Sewer | \$40,300 | \$43,900 | \$47,600 | \$51,500 |
| Arterial Roads | \$84,000 | \$87,000 | \$89,000 | \$92,000 |
| Total | \$207,000 | \$221,000 | \$234,000 | \$249,000 |

**APPENDIX “D”
 OFFSITE LEVY RATES**

The Offsite Levy Rates for the period January 1 to December 31 for the noted years are shown in the table below.

Offsite Levy Rate (per hectare) Forecast

| Year | 2017 | 2018 | 2019 | 2020 |
|----------------|------------------|------------------|------------------|------------------|
| Water | \$57,000 | \$59,000 | \$61,000 | \$62,000 |
| Sanitary Sewer | \$52,000 | \$53,000 | \$55,000 | \$57,000 |
| Storm Sewer | \$53,000 | \$55,000 | \$56,000 | \$58,000 |
| Arterial Roads | \$95,000 | \$98,000 | \$101,000 | \$104,000 |
| Total | \$257,000 | \$265,000 | \$273,000 | \$281,000 |

Offsite Levy Rate (per hectare) Forecast

| YEAR | 2021 | 2022 |
|-----------------|---------------------|---------------------|
| Water | \$ 62,000.00 | \$ 62,000.00 |
| Sanitary Sewer | \$ 57,000.00 | \$ 57,000.00 |
| Storm Sewer | \$ 58,000.00 | \$ 58,000.00 |
| Arterial Roads | \$104,000.00 | \$104,000.00 |
| TOTAL... | \$281,000.00 | \$281,000.00 |

IMPLEMENTATION OF LEVY RATE CHANGES

It is intended to collect Offsite Levies appropriate for the year in which a developer intends to have all lots within a development phase ready for on lot development.

In order for a developer to qualify for Offsite Levies in place in a particular year the developer will:

1. Provide a construction schedule that shows there is a reasonable expectation that the development phase will be ready for the Underground Construction Completion Certificate prior to the end of the construction season for that year. In Lethbridge the construction typically season ends by November 1st.
2. Demonstrate effort consistent with the proposed Construction Schedule to complete the development phase during that year’s construction season.

OR

3. Prepay offsite levies as per the requirements in Appendix “A”.

5. Provide a construction schedule that shows there is a reasonable expectation that the development phase will be ready for the Underground Construction Completion Certificate prior to the end of the construction season for that year. In Lethbridge the construction typically season ends by November 1st.
 6. Demonstrate effort consistent with the proposed Construction Schedule to complete the development phase during that year's construction season.
- OR
7. Prepay offsite levies as per the requirements in Appendix "A".
 8. This Bylaw shall come into force on the first day of January, 2017.

READ A FIRST TIME THIS 4TH DAY OF APRIL, 2016.

READ A SECOND TIME THIS 18TH DAY OF APRIL, 2016.

READ A THIRD TIME THIS 18TH DAY OF APRIL, 2016.

A. NEUFELD (Sgd.)
City Clerk

C.A. SPEARMAN (Sgd.)
Mayor