

BEING A BYLAW OF THE TOWN OF WESTLOCK IN THE PROVINCE OF ALBERTA FOR THE PURPOSES OF ESTABLISHING OFF-SITE LEVIES.

WHEREAS, Section 648 of the Municipal Government Act authorizes council to pass a bylaw to:

- (a) Provide for the imposition and payment of an Off-Site levy in respect of land within the municipality that is to be developed or subdivided, and
- (b) Authorize an agreement to be entered into in respect of the payment of the levy.

WHEREAS, the Municipal Government Act provides that an Off-Site Levy may only be used to pay for all or partial portions of the capital costs of any or all of the following:

- (a) new or expanded facilities for the storage, transmission, treatment or supplying of water;
- (b) new or expanded facilities for the treatment, movement, or disposal of sanitary sewage;
- (c) new or expanded storm sewer drainage facilities;
- (d) new or expanded storm drainage facilities;
- (e) new or expanded roads required for or impacted by subdivision or development;
- (f) subject to the regulations, new or expanded transportation infrastructure required to connect, or to improve the connection of, municipal roads to provincial highways resulting from a subdivision or development;
- (g) land required for or in connection with any facilities described in clauses (a) to (e).

WHEREAS, the Council of the Town of Westlock finds that sharing the benefits of development equally across the Development Region is the most effective and efficient way to achieve both the orderly, economical, and beneficial development, use of land and patterns of human settlement and the maintenance and improvement of the quality of the physical environment.

WHEREAS, the bylaw was advertised in accordance with Section 606 of the Municipal Government Act and the Town of Westlock Advertising Bylaw 2021-02.

NOW THEREFORE, the Municipal Council of the Town of Westlock in the Province of Alberta, duly assembled, in accordance with the Municipal Government Act, C.M-26, RSA 2000, as amended, **HEREBY ENACT AS FOLLOWS:**

BYLAW TITLE

1. This Bylaw may be cited as the "Off-Site Levy Bylaw."



DEFINITIONS

2. In this Bylaw, unless the context otherwise requires:

- (a) "Bylaw" means Off-Site Levy Bylaw 2023-10;
- (b) "Chief Administrative Officer" 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 elected council for the Town of Westlock;
- (d) "Development Region" means the benefitting area shown on the map shown attached in Appendix B.
- (e) "Growth" is the creation of new serviced residential, commercial, or industrial lots from previously un-serviced land.
- (f) "Off-Site Levy" means the Off-Site Levy for each of the water, sanitary sewage, storm sewage or roadways imposed and collected pursuant to this Bylaw.
- (g) "Development Area" means the area remaining after deletion of the following lands from the Gross Development Area.
 - i. Previously developed lands for which Off-Site Levies have already been paid;
 - ii. Road rights-of-way for roadways as designated by the Town;
 - iii. Environmental Reserves as defined in the Municipal Government Act;
 - iv. Municipal Reserves as defined in the Municipal Government Act;
 - v. Municipal and School Reserves as defined in the Municipal Government Act;
 - vi. Oil and gas pipeline rights-of-way and facilities necessary for the operation of the pipeline; and
 - vii. Railway rights-of-way.
- (h) "Town" means the municipal corporation of the Town of Westlock or the geographical area within the municipal boundaries of the Town of Westlock, as the context may require.



RATES OF OFF-SITE LEVIES

3. For the purposes of calculating and imposing Off-Site Levies the Town is a single Development Region as shown in Appendix B.
4. The Off-Site Levy rates shown in Appendix A are applicable to the Development Region as shown in Appendix B.
5. The Off-Site Levy rates shown in Appendix A shall be reviewed at least every five years to ensure the rates reflect actual construction costs and are adjusted for inflationary increases.
6. The methodology, assumptions, process, calculation, and management are described in the background report attached as Appendix C.

IMPOSITION OF OFF-SITE LEVIES

7. An Off-Site Levy shall be imposed on each hectare of Development Area within the Town at the time an approval is given for the subdivision of the land or on the date a Development Permit is approved for development on the land.
8. An Off-Site Levy is not imposed on land for which an Off-Site Levy has been previously paid.
9. An Off-Site Levy is not imposed for the subdivision or development of land, where the subdivision or development does not significantly increase the burden of off-site infrastructure, as determined by the Chief Administrative Officer.
10. Any additional exemption requested from an imposed Off-Site Levy is at the sole discretion of Council.
11. An Off-Site Levy is deemed to have been imposed whether or not the imposition of the Off-Site Levy is made a specific condition of a subdivision approval or development permit.

AUTHORITY OF THE CHIEF ADMINISTRATIVE OFFICER

12. The Chief Administrative Officer is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:



- i. Enter into Agreements on behalf of the Town with respect to, among other things, the collection of Off-Site Levies;
- ii. Refer decisions on the deferral of Off-Site Levies beyond their authority to Council, for their consideration; and
- iii. Delegate the authority to enforce and administer this Bylaw.

TRANSITION

13. This Bylaw applies to any:

- i. Subdivision approved on or after the date this Bylaw comes into force, and
- ii. Development where the issuance of the development permit occurs on or after the date this Bylaw comes into force.

SEVERABILITY

14. Should any provision of this bylaw be invalid, then such invalid provision shall be severed, and the remaining bylaw shall be maintained.

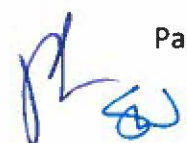
REPEAL

15. Bylaw No. 2017-02 is hereby repealed.

16. Any Off-Site Levies imposed under previous Bylaws but not yet paid shall continue to be imposed and collected as though the Bylaw under which they were enacted was never repealed.

EFFECTIVE DATE

17. This Bylaw shall come into full force and effect upon third and final reading.



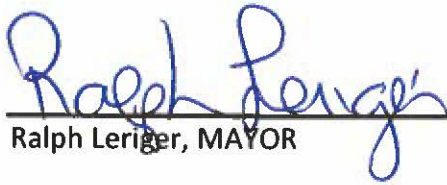
READ a first time this 10th day of July 2023.

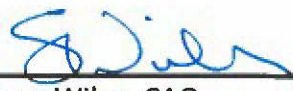
READ a second time this 10th day of July 2023.

UNANIMOUS CONSENT for third reading on this 10th day of July 2023.

READ a third and final time and passed this 10th day of July 2023.

Signed by Mayor and CAO this 10th day of July 2023.


Ralph Leriger, MAYOR


Simone Wiley, CAO

APPENDIX A – OFF-SITE LEVY RATES

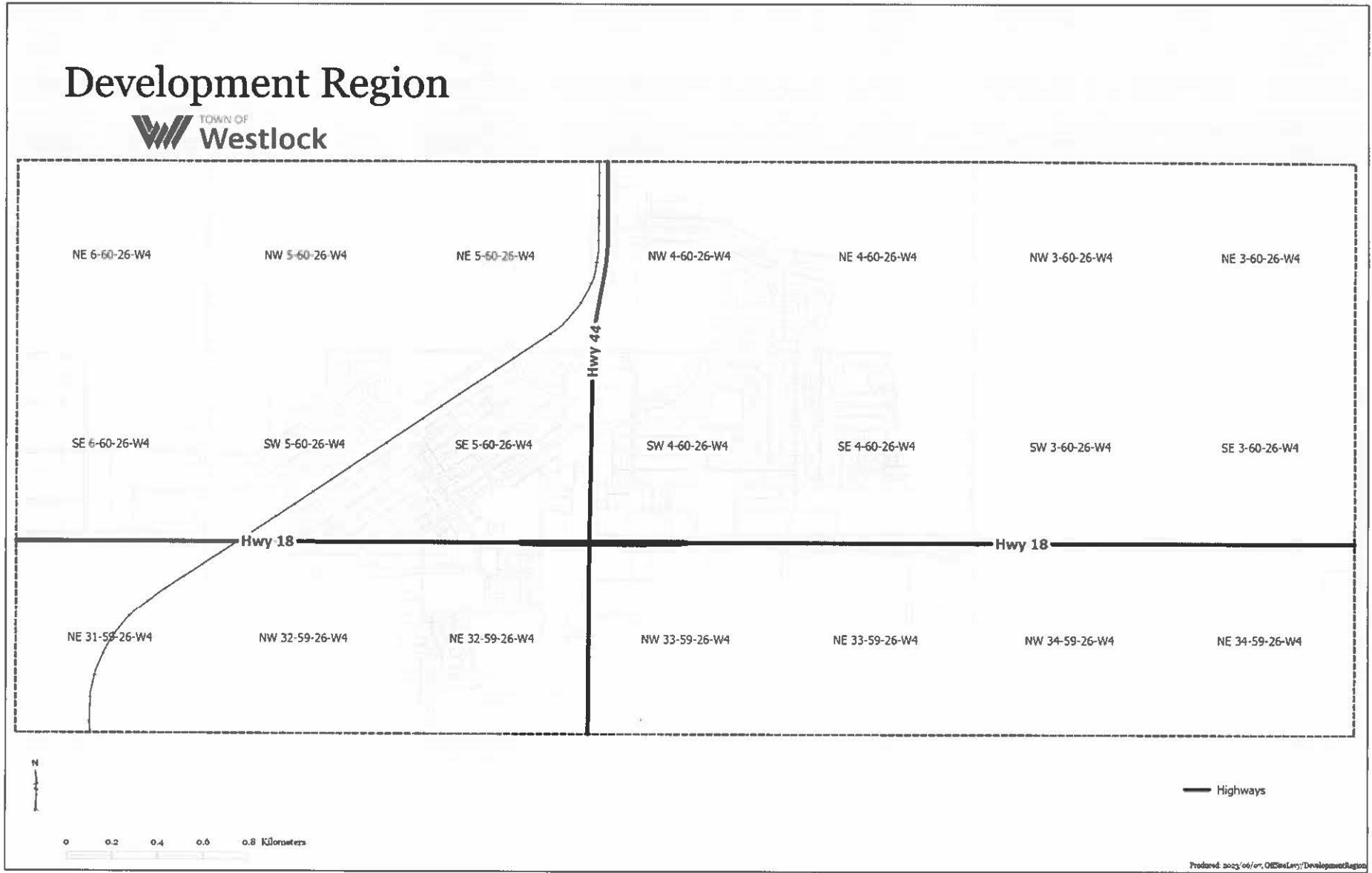
The table below provides the Off-Site Levies that will be effective as of the passing of this bylaw.

Off-Site Levy Infrastructure Type	Proposed Rate Per Hectare
Transportation*	-
Water	\$35,541.67
Sanitary	\$24,862.50
Stormwater	\$15,769.24
Total	\$75,996.08

*Any proposed development will require the developer to include transportation as part of the development to the town’s existing network. No roadway upgrades or intersection upgrades are required at this time and no rate will be included.



APPENDIX B – Development Region Map



APPENDIX C – Background Report





**Town of Westlock – Off-
Site Levy Background
Report**

June 9, 2023

Prepared for the Town of Westlock

Prepared by McElhanney

Address

203 – 502 Bow Valley
Trail, Canmore AB
Canada T1W 1N9

Our file: 2531-676-01-00



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1. Introduction

In accordance with the *Municipal Government Act (MGA)*, Bylaw No. 2017-02 was adopted by the Town of Westlock ('the Town') in 2017. Bylaw 2017-02 defines off-site levy charges for roads, water, and sanitary sewer infrastructure in the municipality. The Town wishes to update this bylaw, having consideration for recently adopted master plans, and ensuring updated costs are reflected through newly calculated off-site levy rates.

This report is intended to provide rationale for the methodology used in deriving the off-site levy rates proposed through the Bylaw 2023-10 the new Off-Site Levy Bylaw.

2. MGA Legislation

The *Municipal Government Act (MGA)* is the provincial legislation that governs the conduct of municipalities. The *MGA* provides the rules or laws that municipalities must follow in undertaking its function as a municipal government. The *MGA* includes the rules and regulations that empower the imposition or collection of off-site levies for a municipality. Specifically, Section 648 of the *MGA* states:

- (1.1) For the purposes referred to in subsections (2) and (2.1), a council may by bylaw:
 - a. Provide for the imposition and payment of a 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 a levy.
- (1.2) A bylaw may not impose an off-site levy on land owned by a school board that is to be developed for a school building project within the meaning of the *Education Act*.
- (2.0) An off-site levy may be used only to pay for all or part of the capital cost of any or all the following:
 - (a.) New or expanded facilities for the storage, transmission, treatment or supply of water;
 - (b.) New or expanded facilities for the treatment, movement, or disposal of sanitary sewage;
 - (c.) New or expanded storm sewer drainage facilities;
 - (c.1) New or expanded roads required for, or impacted by a subdivision or development;
 - (c.2) Subject to the regulations, new or expanded transportation infrastructure required to connect, or to improve the connection of municipal roads to provincial highways resulting from a subdivision or development; and
 - (d.) Land required for or in connection with any facilities described in clauses (a) to (c.2).
- (2.1) In addition to the capital cost of facilities described in subsection (2), an off-site levy may be used to pay for all or part of the capital cost for any of the following purposes, including the cost of any related appurtenances and any land required for or in connection with the purpose:
 - (a.) New or expanded community recreation facilities;
 - (b.) New or expanded fire hall facilities;
 - (c.) New or expanded police station facilities; and
 - (d.) New or expanded libraries.

In addition to the section noted above, the *MGA* and the Off-Site Levy Regulations require that there be a correlation between the levy and impacts of new development, that the method of calculation is clear, that the information used in the levy calculation is kept current, and that the levies are determined in consultation with affected stakeholders.

The *MGA* allows municipalities to charge for each type of infrastructure separately and over time. This permits municipalities to collect levies for a development area that has already paid levies if the levy being imposed is for a different type of infrastructure.

3. Guiding Principles

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

1. Development in new growth areas and undeveloped parcels will provide the capital that will fund the infrastructure required for growth using off-site levies. Those who benefit from the infrastructure, which is defined as all those within the development region, should share proportionally, on a per hectare basis, in its costs. These projects provide service extensions to specific new neighbourhoods or create capacity for entire sectors of the town.
2. Provision or the providing of off-site infrastructure will not create an advantage or penalty due to the time or location of development. Thus, off-site levies should remain constant over time, the bylaw and its rates should be reviewed in five years from the date of bylaw adoption.
3. The off-site levy is applicable community-wide (Development Region), some of the areas may not have direct costs associated with improvements, the expectation is that their development will support the community in its entirety and that the growth areas for development will be the same, regardless of the specific infrastructure that will be needed.
4. The Council of the Town of Westlock finds that sharing the benefits of development equally across the Development Region is the most effective and efficient way to achieve both the orderly, economical, and beneficial development, use of land and patterns of human settlement and the maintenance and improvement of the quality of the physical environment.
5. 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 off-site levies but are determined through the planning process by Town Council. Thus, development that is not contiguous with existing development that requires the extension of services across undeveloped land, will not be funded by the off-site fund without additional justification, negotiation, and approval by Town Council. This may include funding by the developer.
6. The calculation of the levy is clear and reasonable and is completed in compliance with the *Municipal Government Act*. Full and open disclosure of all off-site levy costs and payments will be made annually.

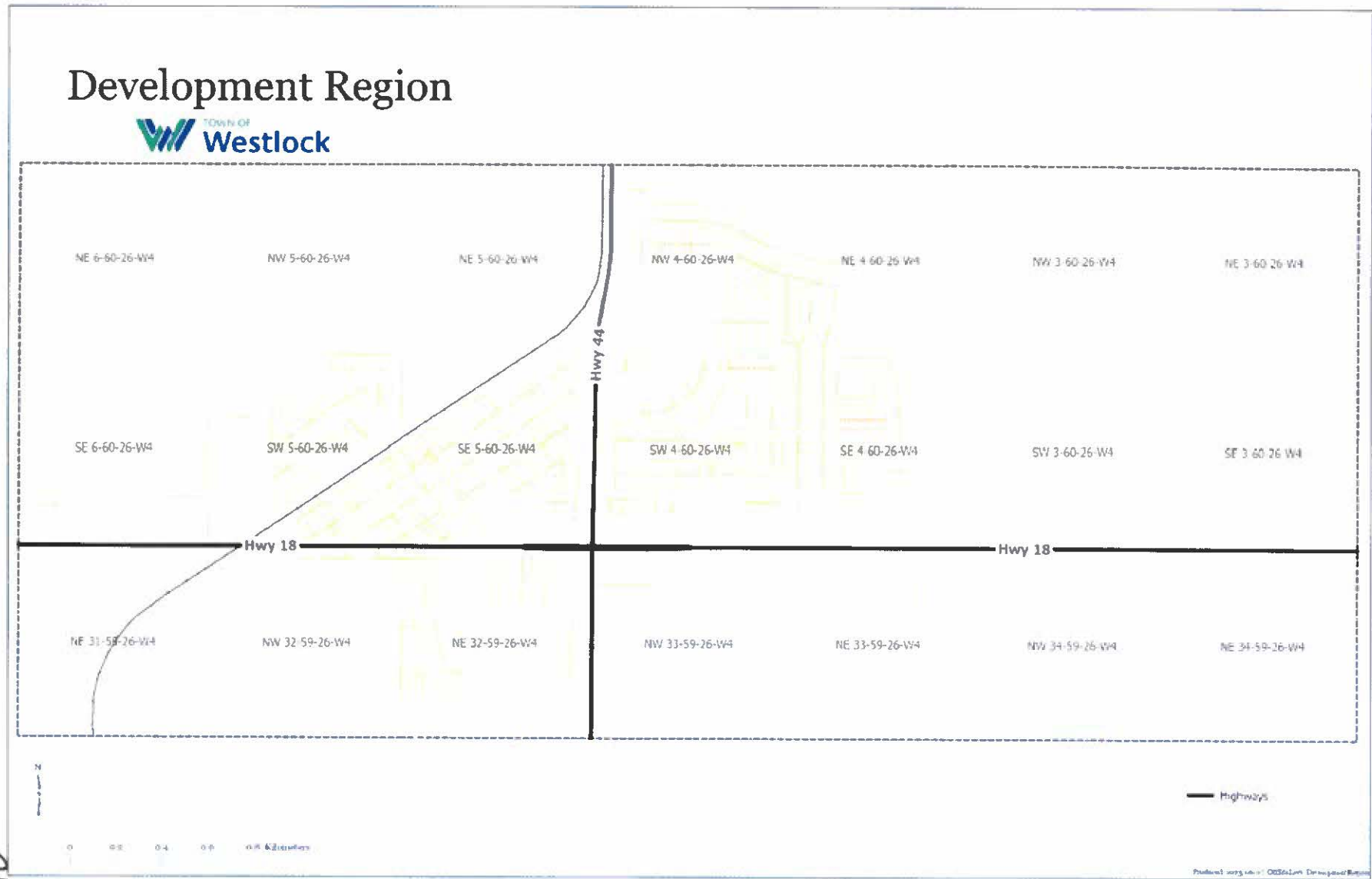
4. Development Region

The selection of the Development Region is based on the concept that the beneficiary of development is the lot owner. The benefit received is access to water, sewer, storm, and road infrastructure. Regardless of where in the community a site is located, the benefit is the same and proportional to the area developed.

Administratively a single development region is more transparent to all parties, less complicated and requires less effort to manage. The off-site levy rates for each component are set using multiple assumptions used to forecast the off-site levy cash flow. **Figure 1** indicates the Development Region for the Town of Westlock OSL Bylaw.

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Figure 1: Map of Development Region for Bylaw 2023-10



Handwritten initials in blue ink, possibly "SL" or "SB".

5. Methodology & Calculation

5.1. METHODOLOGY FOR RATE DETERMINATION

The Town of Westlock engaged McElhanney Ltd. to calculate the off-site levy rates. The 2023 Off-Site Levy Bylaw utilizes a cash flow project model. The model uses assumptions for growth, interest & financing rates, and inflation to determine the levy. The off-site levy was developed using a town-wide (Development Region) levy calculation. **Figure 2** shows the total development area included within the levy. A town wide (Development Region) levy calculation states any development within the area shown in **Figure 2** is applied the same rate. **Table 1** shows the infrastructure type included within the levy.

Table 1: Off-Site Levy Rates

Off-Site Levy Infrastructure Type	Proposed Rate Per Hectare
Transportation*	-
Water	\$35,541.67
Sanitary	\$24,862.50
Stormwater	\$15,769.24
Total	\$75,996.08

*Any proposed development will require the developer to include transportation as part of the development to the town's existing network. No roadway upgrades or intersection upgrades are required at this time and no rate will be included.

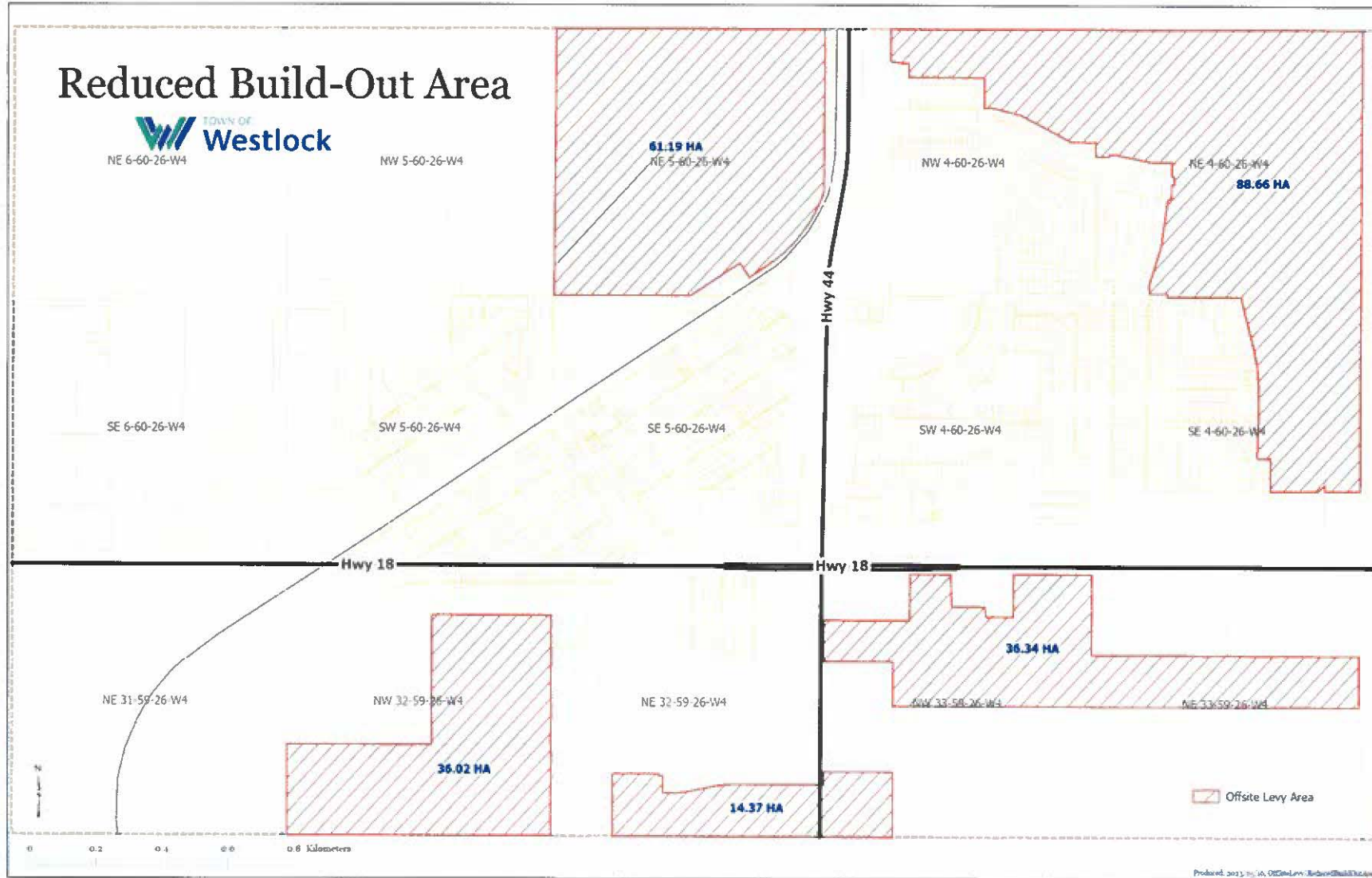
5.2. OFF-SITE LEVY CALCULATION

Development Calculation:

The following calculation shall be used to calculate levies that apply to any development areas.

Development Levy Calculation = Development Area (Ha) X Offsite Levy Rate

Figure 2: Reduced build-out area utilized for the calculation of the rate.



6. Infrastructure Included in the Off-Site Levy Program

6.1. WATER DISTRIBUTION SYSTEM

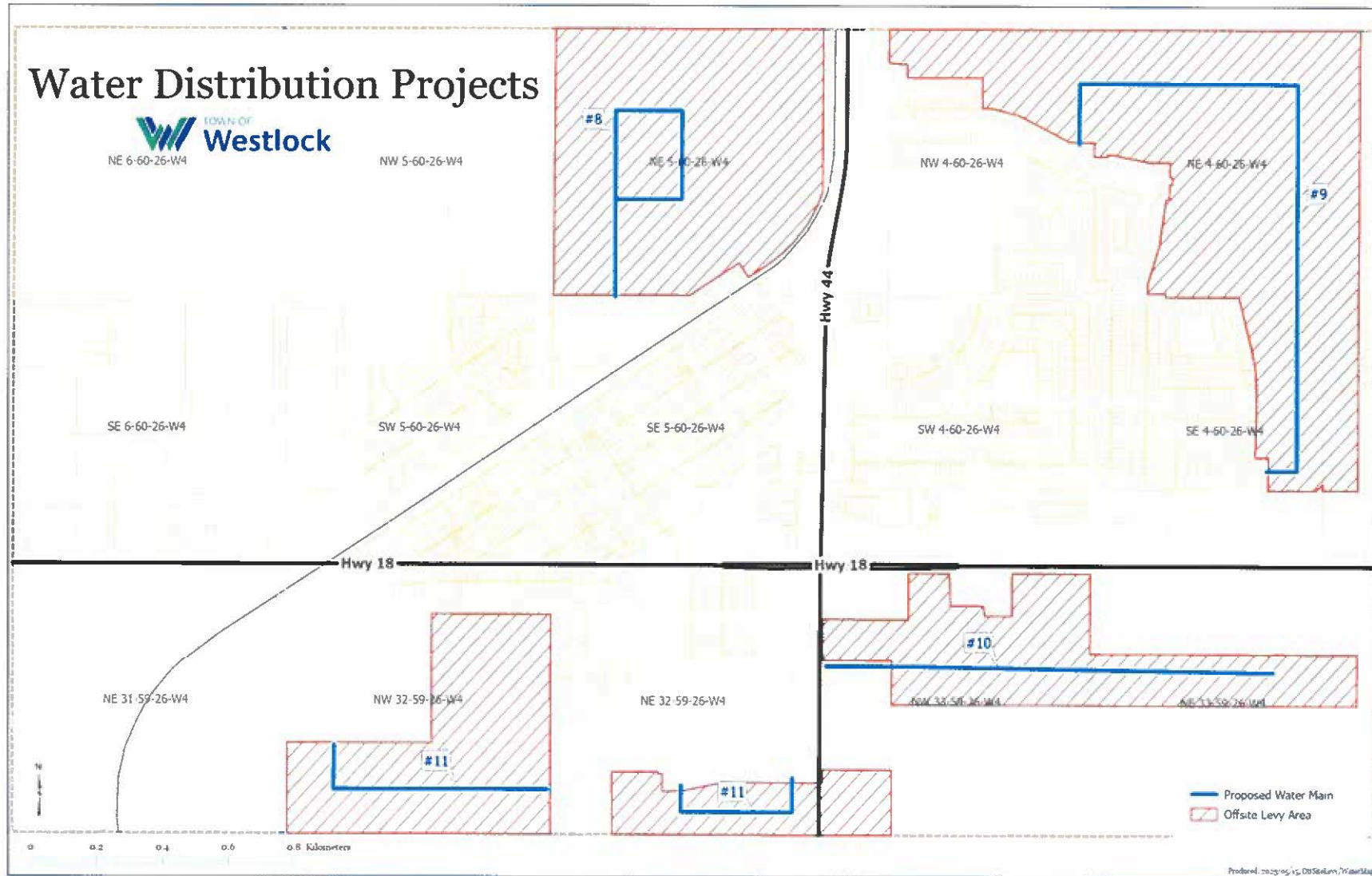
The water distribution network of the main pressure zone is an interlinked network of pipes that together provides the necessary system water pressure, fire flow distribution and water flow to fill all water storage reservoirs in the Town. Improvements in this infrastructure category will enhance the water flow to those developments within the main distribution network and will also provide the necessary water flow to fill the reservoirs. As a result, any water distribution improvements that enhance the main water network provide benefit to all new developments and allow developments to connect to existing infrastructure. Only projects noted as improvements or enhancements are included within the off-site levy are noted. The projects included below are new service mains to the development areas as shown in Figure 3.

Table 2 lists the anticipated project, provides a quick description of the work and the estimated cost. Additional information for the project can be found in the 2022 Distribution Water Master Plan.

Table 2: Water Distribution Projects included in rate.

Project ID	Project Description	2023 Updated Projects Update	OSL/ Developer Share (%)	Developer Costs (Leviable Costs)
8	350 mm watermain servicing NE ¼ Sec. 5-60-26 W4M	\$1,740,000	100.0%	\$1,740,000
9	300 mm watermain servicing FBO areas east of Highway 44 and north of Highway 18	\$2,925,000	100.0%	\$2,925,000
10	350 mm watermain servicing FBO areas east of Highway 44 and south of Highway 18	\$2,175,000	100.0%	\$2,175,000
11	300 mm watermain servicing NW ¼ Sec. 32-59-26 W4M	\$1,690,000	100.0%	\$1,690,000
		\$8,530,000		\$8,530,000

Figure 3: Water Distribution Projects



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6.2. SANITARY COLLECTION SYSTEM

Due to the nature of sanitary collection systems, the capacity of the various sections of the system can be allocated to development zones. When mains within the Town's existing collection system are extended, twinned, or replaced to provide additional capacity, the Town undertakes, or frontends these upgrades and recovers the costs through an off-site levy.

Table 3 lists the anticipated project, provides a quick description of the work and the estimated cost. Additional information for the project can be found in the 2020 Sanitary Sewer Master Plan.

Table 3: Sanitary Collection Projects included in rate.

Project ID	Project Description	2023 Updated Projects Update	OSL/Developer Share (%)	Developer Costs (Leviable Costs)
1	New 450mm NE 1/4 5-60-26 W4M	\$630,000	50.0%	\$315,000
2	New 1050mm Outfall	\$4,500,000	50.0%	\$2,250,000
3	East Main (NE 1/4-4-60-26-4) 300mm	\$1,158,000	100.0%	\$1,158,000
4	East Main (NE 1/4-4-60-26-4) 450mm	\$455,000	100.0%	\$455,000
5	South Main (NE 1/4-4-60-26-4) 300mm	\$579,000	100.0%	\$579,000
6	375 mm Diameter Sanitary Sewer Connecting to Existing Sanitary Sewer at 104 Ave and 93 St	\$1,210,000	100.0%	\$1,210,000
		\$8,532,000		\$5,967,000

6.3. STORM COLLECTION & STORAGE SYSTEM

Due to the nature of storm collection systems, the capacity of the various sections of the system can be allocated to development zones. When mains within the Town's existing collection system are extended, twinned, or replaced to provide additional capacity, the Town undertakes, or frontends these upgrades and recovers the costs through an off-site levy. Additional upgrades required to Storm Ponds are also included as part of the Levy.

Table 4 lists the anticipated project, provides a quick description of the work and the estimated cost. Additional information for the project can be found in the 2017 Storm Sewer Master Plan.

Table 4: Storm Collection Projects included in rate.

Project ID	Project Description	2023 Updated Projects Update	OSL/Developer Share (%)	Developer Costs (Leviable Costs)
3a	Future Development in Westgate and Greenfield Estates - Minor System Upsize	\$1,803,954	100.0%	\$1,803,954
3b	Future Development in Westgate and Greenfield Estates - Pond G and Ditch Upgrade	\$1,740,268	100.0%	\$1,740,268
5	Pond H	\$2,003,292	12.0%	\$240,395
		\$5,547,514		\$3,784,617

7. Engagement on Rates

The Town provided the developers, landowners, real estate agencies, and the public with the opportunity to provide feedback from May 19th, 2023, to June 9th, 2023. Opportunities for engagement were provided through the following mechanisms:

- **Off-Site Levy Review Webpage**
A webpage was created for the project where participants had the ability review project information and provide their feedback through the online survey link. The website received eight unique page views. The average time spent on the webpage was 6 minutes, 55 seconds.
- **Town Administrative Office Engagement Boards**
Project information display boards were created and displayed in the Town Office, where participants were invited to provide their feedback on the proposed rate.
- **Targeted Emails**
Town Administration sent emails to two real estate agencies and 3 landowners/developers in town.
- **Regular Mail**
On May 19, 2023, Town Administration mailed letters to twelve landowners and two real estate agencies.

Participation was limited, no comments or survey feedback was provided on the project, or on the proposed rates.

Figure 5: Engagement Display Boards



8. Municipal Comparison

A review of similar municipalities off-site levy rates was completed, the below table includes the results of that review.

Municipality Name	Pop.	Infrastructure	Year	Rate
Town of Lamont	1,744	No Bylaw		
Town of Slave Lake	<u>6,836</u>	Water, Sanitary, Storm	2016	\$21,373/ha
Town of Morinville	10,385	Water, Sanitary, Storm, Road	2018	\$61,406 - \$148,502 (Depending on area)
Town of Gibbons	3,218	Water, Sanitary	2008	\$21,542 - 41,178
Town of St. Paul	<u>5,863</u>	Water, Sanitary, Storm	2009	\$51,789
Town of Barrhead	4,320	Water, Sanitary, Storm	2003	* Based on development type
Town of Drayton Valley	7,291	No Bylaw		
Town of Athabasca	2,759	Water, Sanitary, Storm	2015	\$40,549 - 47,561
Town of Bonnyville	6,404	Transport, Water, Sanitary	2008	\$9,202 - \$18,300
Town of Vegreville	5,689	No Bylaw		
Didsbury	5,070	Water, Wastewater	2019	\$65,572.00
Rocky Mountain House	6,603	Water, Sanitary, Storm, Road	2017	\$79,680

9. Administrative Considerations for Exemptions

Bylaw 2023-10 provides the Chief Administrative Officer with the authority to not impose off-site levies for the subdivision or development of land, where the subdivision or development does not significantly increase the burden on off-site infrastructure (as determined by the Chief Administrative Officer). The below list of considerations includes instances of subdivision and development where the Chief Administrative Officer may consider the increase of burden on off-site levy infrastructure minimal and may choose to not impose off-site levies.

Provided no upsizing of infrastructure is required, considerations for a minimal burden on off-site infrastructure may include, but are not limited to:

- The subdivision of a residence from a quarter section.
- The subdivision of a parcel where further subdivision will be required for development.
- Development or subdivision of a site that does not have access to town services or infrastructure.
- Change of use to a permitted use in an existing building.
- Change of use to an existing building where there is no intensification of use.
- Increase to the gross floor area of an existing building.
- The construction of additional buildings on a site.

10. Conclusion

The off-site levies that have been calculated as part of this bylaw review have been calculated based off a town-wide (development region) calculation. The use this type of methodology finds that sharing the benefits of development equally across the Development Region is the most effective and efficient way to achieve both the orderly, economical, and beneficial development, use of land and patterns of human settlement and the maintenance and improvement of the quality of the physical environment. The Town should maintain a registry that is open and transparent for all rates collected under Bylaw 2023-10.

