



# Off-site Levy Bylaw Review

## Stakeholder Consultation - New Strategic Approach

18 August 2021



# Agenda

- I. Background
- II. Consultation process
- III. New strategic approach
- IV. Definitions
- V. Next steps



## Background



# What happened in 2020/2021

- Off-site levy exploration
- Off-site levy payment relief program
- BILD questionnaire
- Bill 48 legislation
- Investment income
- Internal audit re: annual reporting
- External audit re: OSL balances + project management processes
- 2019/2020 Off-site Levy and Centre City Annual Reports
- Finance 101



## Why Off-site Levies?

- As a city grows, off-site infrastructure is required to support the newly developing areas
- This infrastructure enables capacity and often benefits multiple developments
- Off-site levies can also help equitably share the cost within benefiting areas
- Off-site levies are a necessary funding source to help pay for growth related infrastructure



## Consultation approach





## Consultation considerations

- Consultation process includes four scopes of work that require specialized feedback
  - Water, Community Services, Transportation and Established Area Linear Levy
  - Will be aligned overall with the new strategy, moving towards a consistent approach to funding
- Need for separate but concurrent consultation
- Productive, focused conversations to move the work forward
- Efficient use of stakeholders' time and City resources



# Consultation considerations (cont.)

## **Municipal Government Act**

Legislation requires consultation on:

- Infrastructure requirements
- Methodology
- Calculation





# Consultation approach

- **Industry working groups**
  - Engage Resource Unit facilitating
  - Water, Community Services and Transportation individual working groups
  - Separate working group to explore the Established Area Linear Levy
- **Online surveys to gather broad industry feedback**
  - aligned with the topics discussed at working group sessions
- **Online public consultation**



## Working groups

- Group membership will consist of:
  - 5 members from BILD
  - 3 members from NAIOP
  - 1 member from CICBA
- Terms of Reference to be sent to members prior to first working group session
- Tentatively starting Fall 2021
- Meeting materials will be sent one week prior to each session

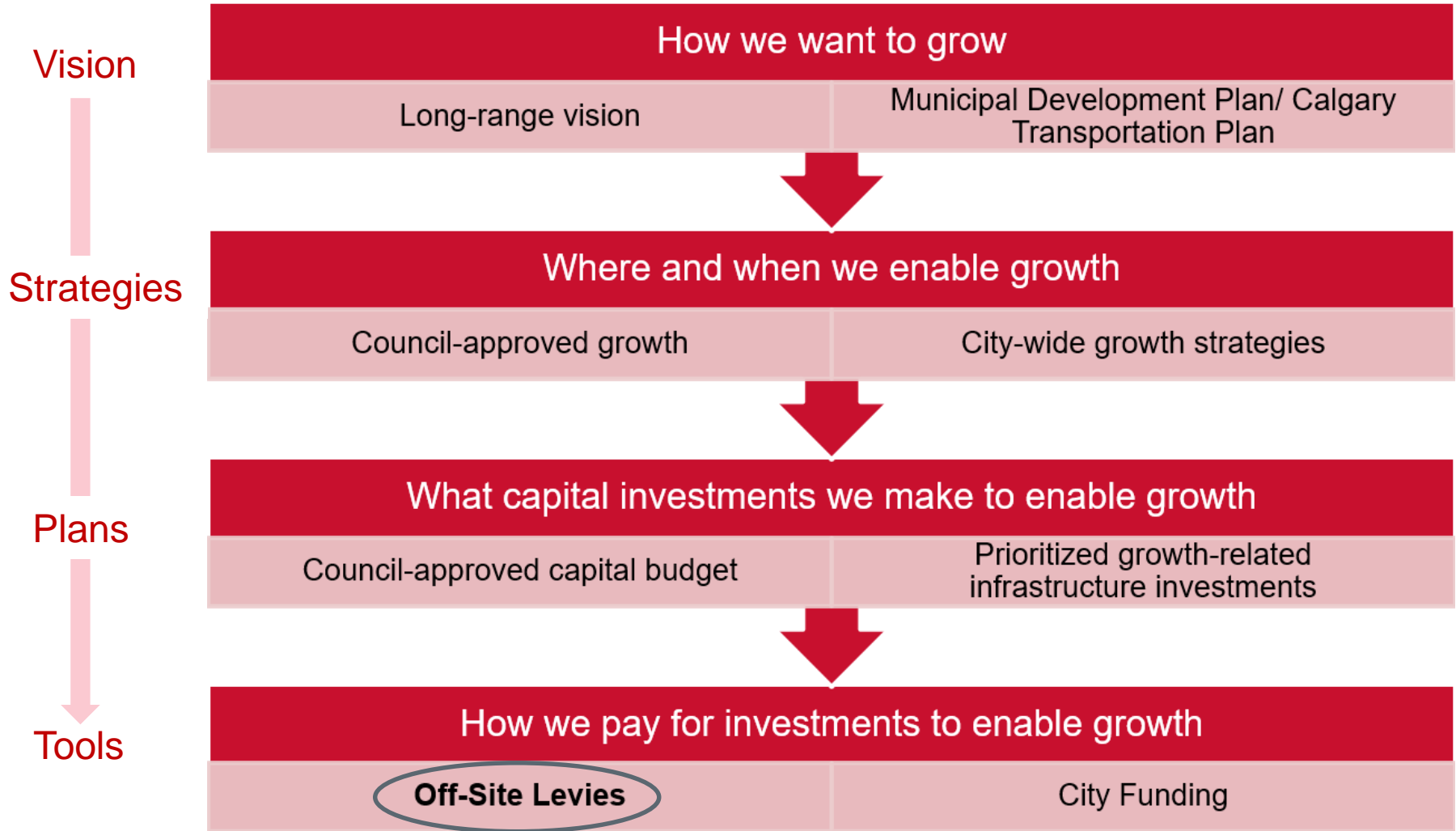


## New Strategic Approach





# A new, responsive Off-site Levy





## Need for change

- **Timing risk** between off-site levy collection and infrastructure investment, constrained capital – City and industry
- Sound methodology drawing a strong **link between benefit and cost**
- New corporate **growth strategies** since 2016
- **Simpler** and more **consistent** corporate approach
- Funding tool for **complete communities**
- **Increase Council's awareness** of the impacts of growth decisions



# Project objectives

1. Customer-focused approach (including simple, easy to explain)
2. Increased corporate consistency
3. Implement City strategies
  - MDP and CTP
  - Improved growth process - using growth strategies to identify infrastructure needs
  - Frequency - align to growth strategy & budget cycle
4. Increase financial resilience
5. Enable off-site levy funds to be available at the right time
6. Legally defensible and legislatively compliant



# Proposed approach

## **New off-site levy:**

1. Capacity-based model - funding of 100% of growth-related capital infrastructure cost for investments in greenfield growth area.
  - No change to treatment plant levy in greenfield area
2. Infrastructure required to service Council approved new and actively developing communities.
3. OSL for infrastructure benefiting new community business cases.
4. Other City funding sources to be used for most infrastructure upgrades and downstream impacts in the Established Area.



## Out of scope

- Centre City Levy
- Detailed review of the current off-site levy rates and/or methodology
- Evaluating the long-term impacts of COVID-19 on city-building
- Review of funding sources for City-funded portions of growth-related capital infrastructure
- Incremental tax and user fees (including utility rates)





## Definitions





# Definitions

- Growth areas
- Growth pays for growth
- Infrastructure
- Non growth area benefiting infrastructure
- Capacity
- Benefiting area



## Next steps





Questions?