



Off-site Levy Policy

Authority: Town Manager

Effective Date: August 10, 2021

Signature: _____

Future Review Date: 2025

Responsibility: Planning and Infrastructure

References: Off-site Levy Bylaw 2648/D&P/21; Municipal Government Act Part 17; Off-site Levy Regulation

Replaces: No prior policy

1.0 Purpose: This policy will establish the principles pertaining to the implementation of the Off-site Levy Bylaw in the town of Stony Plain and will guide the payment and exemption of Off-site Levies, and when and how Front-ended infrastructure project costs are assigned and reimbursed to Developers or the Town.

2.0 Scope: This policy will apply to all registered owners of land in the town of Stony Plain to which the Off-site Levy Bylaw applies.

3.0 Definitions:

“Annual Recovery” means the process by which a Developer that has paid the cost of design and construction of agreed Qualified Off-site Infrastructure and is to be reimbursed for the costs in excess of the Developer’s proportionate share.

“Bylaw” means the most current version of the Off-site Levy Bylaw.

“Developer” means the owner(s) of land being subdivided or developed including the individuals, corporations, employees, or representatives associated with the owner(s).

“Front-ending” means the process governing when a Developer enters into an agreement with the Town to construct Qualified Off-site Infrastructure.

“Offsetting” means the process by which the amount payable by a Developer for Off-site Levies is offset against the Developer’s cost to construct Qualified Off-site Infrastructure identified within the Bylaw.

“Off-site Levy” means the amount calculated in accordance with the Bylaw that is to be paid by the Developer to the Town as the Developer’s contribution towards the costs of constructing off-site infrastructure projects defined and described within the Bylaw.

“Qualified Off-site Infrastructure” means leviable infrastructure that is identified in the Bylaw, and is included in the next 5 years of the Town’s capital plan.

“Town” means the Town of Stony Plain.

4.0 Statement: This policy establishes how Off-Site Levies will be assessed and paid in the town of Stony Plain in accordance with the Bylaw.

5.0 Standards:

5.1 Off-site Levy Obligations

5.1.1 Subject to the Bylaw, the subdivision or development of land triggers Off-site Levy obligations unless Off-site Levies have been previously collected for that land. The Town may impose new Off-site Levies as they become authorized by the *Municipal Government Act* or any associated regulations.

5.2 Payment Due Date

5.2.1 The Payment due date is the date upon which the Off-site Levy payment is ordinarily due:

- for a subdivision, this being at or prior to plan endorsement.
- for a development, this being at or prior to commencement of development or construction of local improvements, whichever is first.

5.3 Off-site Levy Deferment

5.3.1 Subject to eligibility criteria in Section 5.3.3., Off-site Levy payments may be deferred for a maximum of two years following the payment due date, with payments as follows:

- Down payment of 25% of the Off-site Levy on or prior to the payment due date.
- 1 Year Anniversary of the payment due date 50% of the balance owing is paid where the balance owing is adjusted to reflect the approved Off-site Levy rates as of the date of payment.
- 2 Year Anniversary of the payment due date full payment of the remaining balance where the balance owing is adjusted to reflect the approved Off-site Levy rates as of the time of payment.

5.3.2 Interest on overdue Off-site Levies shall be calculated from the Payment Due Date, at a rate per annum equal to the Town's borrowing rate.

5.3.3 A Developer may be eligible for a payment deferral period if the Developer has not been issued a notice of default by the Town or has not failed to pay any levies, fees, or contributions within 30 days of the invoiced date, within the past 5 years.

5.3.4 Any Developer who has been issued a notice of default by the Town or has failed to pay any levies, fees, or contributions within 30 days of the invoiced date shall be required to pay 100% of all Off-site Levies and contributions owing on or prior to the Payment Due Date.

5.3.5 A Developer that elects to defer Off-site Levy payments must provide the Town with an irrevocable letter of credit issued by a chartered bank or treasury branch in the amount of the deferred Off-site Levies. In addition, a caveat protecting the Town's financial interest shall be registered on all applicable titles at the Developer's expense.

5.4 Off-site Levy Infrastructure Offsetting and Front-ending

5.4.1 The Town will permit Offsetting of levies to encourage Developers to Front-end construction of Off-site Levy infrastructure. Off-site Levy infrastructure Front-ending and Offsetting will only be permitted when:

- The Front-ending and Offsetting request pertain to Qualified Off-site Infrastructure within a single levy category. Front-ending and Offsetting between levy categories will not be permitted; and
- The Developer receives written approval from the Town approving the request to Front-end Qualified Off-site Infrastructure, including the estimated construction costs thereof.

5.4.2 Developers who Front-end Qualified Off-site Infrastructure will receive interest on the balance of Off-site infrastructure amounts due to the Developer. Developers who Front-end unqualified infrastructure will not receive interest. Interest will only accrue once the infrastructure becomes qualified and deemed by the Town at its sole discretion, to be required within the next five years of the capital plan.

5.5 Annual Recovery

5.5.1 The avenue for Front-ending parties to recover funding for Front-ended infrastructure is through a claim reimbursement method. Recovery for Front-ending parties will be done on an annual basis and will be subject to funding availability in the specific Off-site Levy category. Reimbursement for Front-ending funds is levy category specific and reimbursement for a Front-ending project in one levy category from funds in another levy category will not be permitted. If

there are no Front-ending parties eligible for reimbursement, any Off-site Levies collected will remain in the specific levy category reserve for future Qualified Off-site Levy Infrastructure.

5.5.2 Annual Recoveries will be done on a pro-rata or average outstanding claim share basis; that is, all Front-ending parties who are eligible for reimbursement will receive their corresponding share of reimbursement based on the amount of funds available. The pro-rata share basis will be applied until a Developer is owed \$50,000 or less. At that time, any Developer who is owed \$50,000 or less will have priority and be fully reimbursed the remaining amount the following calendar year (subject to available funds). The pro-rata share basis would then be applied to the remaining Front-ending parties who are eligible for reimbursement of amounts greater than \$50,000.

5.5.3 The Town does not guarantee that Front-ending obligations owed to Developers will be repaid within a specified time period (ie. no sunset clause).

5.5.4 Front-ending repayment occurs once per annum, usually upon completion of off-site model updates.

5.6 Town Exemptions

5.6.1 The Town will not apply exemptions to any situation where a subdivision or development is connecting from a private septic and cistern system to Town water and sanitary services when they are both Town services readily available.

5.6.2 Temporary development or land uses of a lot or site shall not trigger an Off-site Levy so long as the lot or site is used for a temporary development or land use for a period of not greater than 3 years cumulatively.

5.6.3 Demolition or removal of existing structures shall not trigger an Off-site Levy.

5.6.4 Replacement of a structure with a new structure of the same size and use at the same site shall not trigger an Off-site Levy when a permit application for such replacement has been received by the Town within 3 years of the demolition or destruction of the prior structure.

5.6.5 Altering a residential structure or use up to development of 2 dwelling units per lot shall not trigger an Off-site Levy.

5.6.6 Accessory developments shall not trigger an Off-site Levy, including but not limited to accessory buildings such as fences, decks, walls, berms and signs, and accessory uses such as home occupation, farm occupation, and bed and breakfasts.

5.6.7 Replacement, alteration or use of farm buildings shall not trigger an Off-site Levy. This includes bona fide farming operations such as barns, silos and other ancillary development for agricultural use.

5.6.8 Subdivision that creates two or more parcels of land where one or more of the resulting parcels will not connect to Town water and sanitary services, such as a remnant parcel for future subdivision and development or a farmstead separation, shall not trigger an Off-site Levy on any resulting parcel not connected to Town water and sanitary services.

5.6.9 Development of a parcel not connected to Town water and sanitary services and where these services are not readily available shall not trigger an Off-site Levy.

5.6.10 Alteration or enlargement of existing non-residential buildings shall not trigger an Off-site Levy to a cumulative threshold of 25% of the existing building floor size, so long as the use of the building is not changed. Cumulative building alterations or enlargements in excess of the 25% threshold will result in the assessment of Off-site Levies.

5.6.11 Alteration or enlargement of non-residential land use shall not trigger an Off-site Levy to a cumulative threshold of 25% of the existing site size, so long as the use of the site is not changed. Cumulative increased site use in excess of the 25% threshold will result in the assessment of Off-site Levies.

5.7 Treatment of Grants

5.7.1 The Town is responsible to review and apply for any special ear-marked grants that may be applicable to leviable infrastructure. Eligible costs are reduced by any special ear-marked grants that have or will be received, for the project. Other general grants, such as Municipal Sustainability Initiative grants, are not deducted from eligible costs. These general grants are available to the Town to finance its share of allocated costs or undertake Front-ending.

6.0 Policy Review: This administrative policy shall be reviewed within one year of being implemented, and every four years thereafter, with any changes being submitted to the Town Manager for approval.