

## BYLAW 2648/D&P/21

### BEING A BYLAW OF THE TOWN OF STONY PLAIN, IN THE PROVINCE OF ALBERTA, TO ESTABLISH OFF-SITE LEVIES FOR LAND THAT IS TO BE SUBDIVIDED OR DEVELOPED WITHIN THE TOWN OF STONY PLAN

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WHEREAS the *Municipal Government Act* authorizes Council to pass bylaws for the procedure and conduct of Council, Council committees and other bodies established by Council, the conduct of Councillors and the conduct of members of Council committees and other bodies established by Council and generally for the transaction of its business; (s.145 MGA 2000)

AND WHEREAS this Bylaw shall be subject to the provisions of the *Municipal Government Act*.

AND WHEREAS Council deems it necessary and expedient to collect Off-Site Levies to pay for the capital cost of infrastructure required to service Growth of the Town;

AND WHEREAS the Town has engaged in consultation with landowners and representatives of the development industry to address and define existing and future infrastructure required for Growth of the Town and the allocation of the capital costs of such infrastructure;

AND WHEREAS Council has received the Report, which set out a fair and equitable calculation of Off-Site Levies in accordance with the *Municipal Government Act* and the Off-Site Levy Regulation;

AND WHEREAS Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act*;

NOW THEREFORE Council hereby establishes Off-Site Levies for land that is to be subdivided or developed within the Town.

#### **1.0.0 Name of Bylaw**

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

#### **2.0.0 Definitions**

In this Bylaw:

2.1.0 "Bylaw" means this off-site levy bylaw;

2.2.0 "CAO" means the chief administrative officer for the Town, regardless of the specific title that may be conferred on that officer from time to time;

2.3.0 "Council" means the council for the Town;

2.4.0 "Developable Land" means all land contained within the Development Area:

2.4.1 upon which Development takes place after the date of enactment of this Bylaw; or

2.4.2 for which Subdivision approval is obtained after the date of enactment of this Bylaw;

excluding:

2.4.3 all Developed Land;

2.4.4 all land designated pursuant to a Subdivision as:

2.4.4.1 environmental reserve;

2.4.4.2 school reserve;

2.4.4.3 municipal reserve;

2.4.4.4 conservation reserve;

2.4.4.5 municipal school reserve;

2.4.4.6 arterial road right of way; or

- 2.4.4.7 public utility lots;
- 2.4.5 any land owned by a school board that is to be developed for a school building project within the meaning of the *Education Act*;
- 2.4.6 any land owned by a government or public utility provider and used to provide a public service;
- 2.5.0 “Developed Land” means land that has been subject to Development or a Subdivision prior to the date this Bylaw comes into force, and in respect of which off-site levies for the same infrastructure have been paid;
- 2.6.0 “Development” means “development” as defined in the *Municipal Government Act*;
- 2.7.0 “Development Agreement” means “development agreement” as referred to in the *Municipal Government Act*;
- 2.8.0 “Development Area” includes the area of land within the municipal boundaries of the Town identified in Schedule “A” to this Bylaw;
- 2.9.0 “Development Permit” means “development permit” as defined in the *Municipal Government Act*;
- 2.10.0 “Growth” means:
  - 2.10.1 the creation of new Lots through Subdivision; and
  - 2.10.2 the occurrence of Development;
- 2.11.0 “Lot” means “lot” as defined in the *Municipal Government Act*;
- 2.12.0 “*Municipal Government Act*” means the *Municipal Government Act*, RSA 2000, c. M 26, as amended or repealed and replaced from time to time;
- 2.13.0 “Off-Site Infrastructure” means those components and projects referred to in the Report, in relation to water facilities, sanitary sewer facilities, roads and transportation infrastructure and recreation facilities and infrastructure to be paid for in whole or in part by Off-Site Levies under the Bylaw;
- 2.14.0 “Off-Site Levies” means the off-site levies imposed pursuant to this Bylaw;
- 2.15.0 “Off-Site Levy Regulation” means the Off-Site Levies Regulation, Alta. Reg. 187/2017, as amended or repealed and replaced from time to time;
- 2.16.0 “Report” means the Town of Stony Plain: 2021 Offsite Levy Update, April 2, 2021, prepared by Corvus Business Advisors, attached as Schedule “B” to this Bylaw;
- 2.17.0 “Subdivision” means “subdivision” as defined in the *Municipal Government Act*;
- 2.18.0 “Town” means the Town of Stony Plain.

### **3.0.0 Object of Levy**

- 3.1.0 The object of the Off-Site Levies is to provide funds to pay for all or part of the capital costs of the Off-Site Infrastructure required for Growth, as determined in the Report.

### **4.0.0 Imposition of Levy**

- 4.1.0 The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report.
- 4.2.0 The amount of the Off-Site Levies imposed is as calculated in the Report.
- 4.3.0 The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.
- 4.4.0 Unless otherwise agreed, payment of Off-Site Levies imposed under this Bylaw is due:
  - 4.4.1 in the case of Subdivision, at or prior to plan endorsement; and



- 4.4.2 in the case of Development, as a condition of the issuance of the Development Permit.

**5.0.0 Authority of the CAO**

- 5.1.0 The CAO is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
- 5.1.1 enter into Development Agreements on behalf of the Town with respect to, among other things, the collection of Off-Site Levies;
  - 5.1.2 defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and
  - 5.1.3 require security for payment of any deferred levies.
- 5.2.0 The CAO may delegate the authority to enforce and administer this Bylaw.

**6.0.0 Development Agreement**

- 6.1.0 Council may, from time to time adopt policies or guidelines for the assistance and direction of the CAO in determining which Development and Subdivision applications require a Development Agreement.
- 6.2.0 Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the landowner, as the case may be, shall enter into a Development Agreement with the Town that provides for the payment of Off-Site Levies in accordance with this Bylaw or that provides for the deferral of Off-Site Levies, including requiring security for the payment of such deferred levies.

**7.0.0 Annual Report**

- 7.1.0 Within 90 days of the end of each calendar year, the CAO shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:
- 7.1.1 Off-Site Infrastructure constructed during the previous calendar year;
  - 7.1.2 Construction costs of Off-Site Infrastructure constructed in the previous calendar year;
  - 7.1.3 Estimated construction costs for Off-Site Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;
  - 7.1.4 Amount collected in Off-Site Levies during the previous calendar year and the amount of Off-Site Levies due and payable, but uncollected, as of December 31 of the previous calendar year; and
  - 7.1.5 Specifics of total value of Off-Site Levies being held by the Town and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies as of December 31 of the previous calendar year.

**8.0.0 Accounting**

- 8.1.0 All funds collected pursuant to this Bylaw:
- 8.1.1 Shall be accounted for in a special fund for each category of infrastructure; and
  - 8.1.2 Expended only as permitted under the *Municipal Government Act*.

**9.0.0 Review**

- 9.1.0 The Town shall review the rates for Off-Site Levies annually and, if required, shall amend this Bylaw accordingly to update the rates for Off-Site Levies.

**10.0.0 General**

- 10.1.0 Nothing in this Bylaw precludes the Town from:
- 10.1.1 imposing further or different levies, duly enacted by bylaw, on any portion of the Developable Lands in respect of which the Town has not collected Off-Site Levies;

- 10.1.2 deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for payment of such deferred levies; or
- 10.1.3 reducing or forgiving payment of the Off-Site Levies required pursuant to this Bylaw, or otherwise providing for credits for other Off-Site Infrastructure or oversize infrastructure constructed by a developer in calculating and/or collecting the Off-Site Levies that become payable pursuant to this Bylaw.
- 10.2.0 Schedules "A" and "B" to this Bylaw, and specifically, without restricting the generality of the foregoing, the rates for Off-Site Levies set out in the Report, may be updated or amended from time to time by resolution of Council.

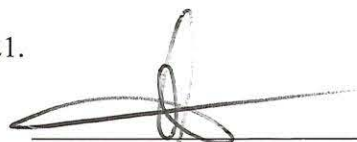
**11.0.0 Effectiveness**

- 11.1.0 If any portion of this Bylaw is declared invalid or void by any Court having competent jurisdiction, then such invalid or void portion shall be severed from the Bylaw and the remainder of the Bylaw shall be maintained and deemed valid.
- 11.2.0 This Bylaw applies to:
  - 11.2.1 any Subdivision where the date of subdivision approval occurs on or after the date this Bylaw comes into force; and
  - 11.2.2 any Development where the date of issuance of a Development Permit occurs on or after the date this Bylaw comes into force.
- 11.3.0 Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.
- 11.4.0 Any off-site levies and capital recreation contributions payable under Development Agreements entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of previous off-site levy bylaws and capital recreation contribution policies pursuant to subsection 11.5.0. As of the effective date of this Bylaw, the rates for Off-Site Levies payable under existing Development Agreements shall be in accordance with this Bylaw.
- 11.5.0 Town Bylaw No. 2594/D&P/18 (off-site levies), Council Capital Recreation Contribution Policy No. 315/07/07/SP and all amendments thereto are hereby repealed.

**12.0.0 Execution**

- 12.1.0 This Bylaw shall take full force and effect upon passage of third and final reading in accordance with Section 213 of the *Municipal Government Act*.

Read a first time this 10<sup>th</sup> day of May, AD 2021.



Mayor William Choy

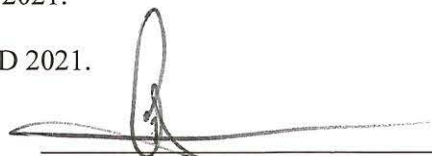


Jen Boleski, CPA, CA  
General Manager, Corporate Services

Public Hearing held on the 28<sup>th</sup> day of June, AD 2021.

Read a second time this 28<sup>th</sup> day of June, AD 2021.

Read a third time this 28<sup>th</sup> day of June, AD 2021.



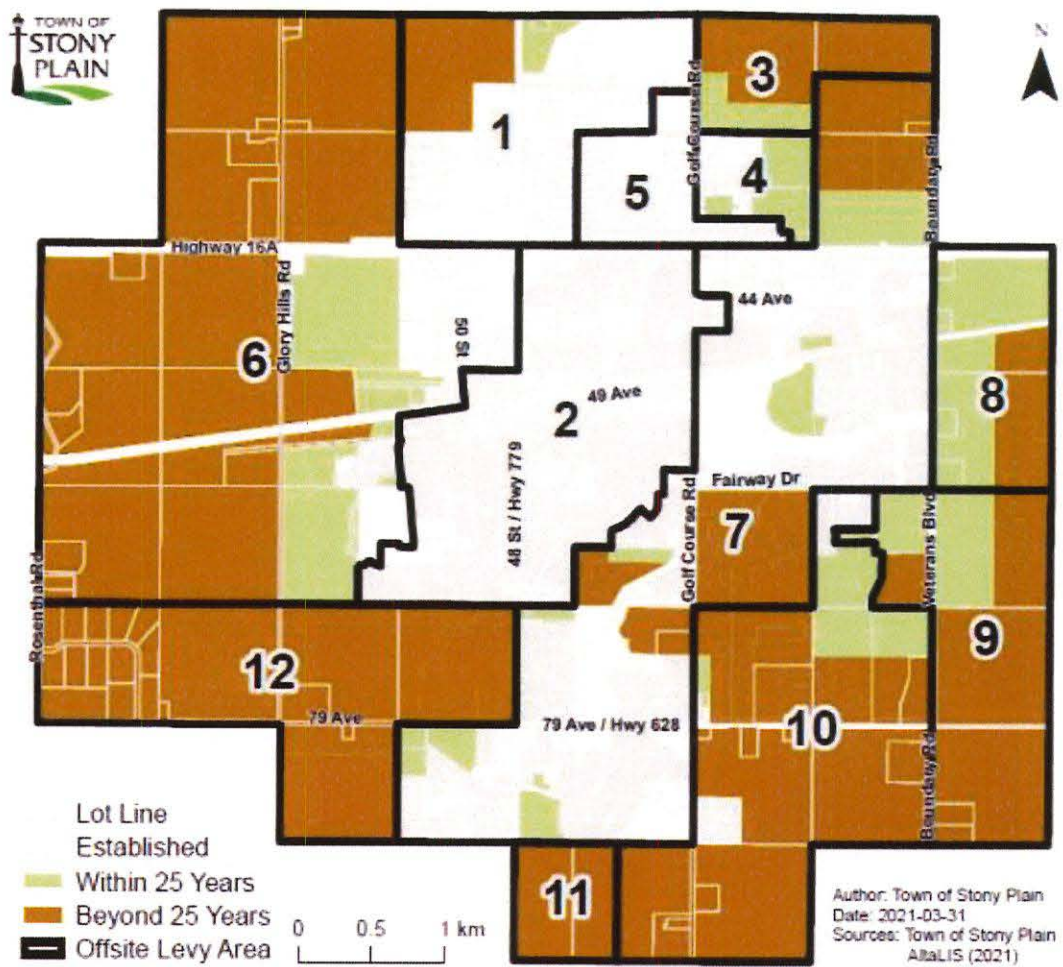
Mayor William Choy



Jen Boleski, CPA, CA  
General Manager, Corporate Services



SCHEDULE A  
Map of Development Area



**SCHEDULE B**

**Town of Stony Plain: 2021 Offsite Levy Update, April 2, 2021**  
**prepared by Corvus Business Advisors**



## **Town of Stony Plain: 2021 Offsite Levy Update**

**April 2<sup>nd</sup>, 2021**

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**Prepared by:**

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April 2<sup>nd</sup>, 2021

Town of Stony Plain  
4905 - 51 Avenue  
Stony Plain, Alberta  
T7Z 1Y1

**RE: Town of Stony Plain 2021 Offsite Levy Update**

Enclosed is our report in support of the Town of Stony Plain 2021 offsite levy rate update. If you have any questions do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Weiss", followed by a long horizontal line.

Greg Weiss  
President



## 1 DOCUMENT INFORMATION

Version Number	Revision Date	Summary of Changes and Author
1.0	March 6 <sup>th</sup> , 2021	DRAFT. Created by CORVUS Business Advisors.
2.0	March 15 <sup>th</sup> , 2021	DRAFT. Created by CORVUS Business Advisors.
3.0	April 2 <sup>nd</sup> , 2021	Final.

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## 3 INTRODUCTION

### 3.1 Introduction

Bylaw 2594/D&P/18, established by the Town of Stony Plain ("the Town") in 2018 defines offsite levy charges for roads, water, and sanitary sewer offsite infrastructure. The Town wishes to update this bylaw, amending offsite infrastructure included in the bylaw in alignment with the Town's recent actual expenditures, receipts, latest capital/master plans, and ensuring updated costs and development forecasts are reflected fairly and equitably in new rates, thereby ensuring a financially sustainable community. The Town also wishes to add recreation infrastructure to the bylaw in accordance with Section 648 of the *Municipal Government Act* ("MGA").

This report outlines the methodology and information used in establishing updated transportation, water, and sanitary sewer offsite levy rates, and new recreation offsite levy rates for the Town.

### 3.2 Methodology

The Town has various infrastructure capital/master plans, and these plans have been used by Town staff as a start point for developing key information for this offsite levy review. Town staff reviewed existing plans and verified offsite projects for roads, water, sanitary sewer, and recreation infrastructure<sup>1</sup>. The Town's review also included verification of benefits to existing development, future development, and benefiting areas.

Support provided by CORVUS Business Advisors ("CORVUS") included:

- Provision of the latest CORVUS offsite levy model.
- Incorporation and configuration of data in the offsite levy model (data provided by Town staff).
- Incorporation of area measurements and land development forecasts (provided by Town staff).
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties (provided by Town staff).
- Reconciliation of account opening balances (historical reconciliation details provided by Town staff).
- Determination of roads, water, sanitary sewer, and recreation levy rates.
- Preparation of the offsite levy report.
- Presentation of results to Administration and Council.
- Training of Town staff on the use of the model.

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<sup>1</sup> It was not within CORVUS' scope of work to review capital/master plans. Plans were reviewed and refined by Town staff.



- Development of an offsite levy policy framework to guide implementation of the bylaw.
- Training for staff on use of the model and provision of training materials and video.

Offsite levy rates within the CORVUS model are forecast using a rolling 25-year review period. During this review, a cut-off date of December 31<sup>st</sup>, 2020 was established, and so the review period stems from **2021 to 2045**. The cut-off date coincides with the Town's most recent year-end when the project started. Project expenditures, receipts etc. were gathered as "actuals" from the Town's financial records up to the cut-off date. Beyond the cut-off date, all financial details are estimates. When the Town completes its next rate update, information from January 1<sup>st</sup>, 2021 up to the new cut-off date will be converted from estimates to actuals, and the rolling 25-year review period will move further out.

Costs that benefit development prior to and within the 25-year review period are included in rates. Costs that benefit development beyond the review period (called "financial oversizing") are excluded from rates. In future years, when rates are updated and the rolling 25-year period moves further out, offsite infrastructure costs beyond 2045 will gradually be included in rates.

## 4 KEY FINDINGS

The following provides a summary of key findings pertaining to the updating of the Town's offsite levy rates:

**Offsite Infrastructure Costs.** Offsite infrastructure costs to be included in the offsite levy bylaw total approximately **\$260.83 million**. An overview of offsite infrastructure costs and maps is provided in Appendices B1 (Transportation), C1 (Water), D1 (Sanitary Sewer), and E1 (Recreation); and a definition of each offsite infrastructure type is provided in Appendix F.

Before determining how the infrastructure costs will be allocated to parties that benefit (e.g., existing/residual development, future development, other municipalities etc.), financing provided by way of special ear-marked grants and other contributions are deducted from offsite infrastructure costs. For this review, the Town has identified approximately **\$55.64 million** in ear-marked grants and contributions. An overview of ear-marked grants and contributions and resulting net costs is provided in Appendices B2, C2, D2, and E2.

The share of costs which benefits existing/residual development (the Town's share) is **\$33.50 million**; and, the share of costs which benefits other stakeholders (e.g., neighbouring municipalities) is **\$0.71 million**.

The share of costs which benefits future development totals approximately **\$170.97 million (\$113.05 million + \$57.92 million)** and is based on the allocations shown in Appendices B4, C4, D4, and E4. However, **\$113.05 million** of the cost which benefits future development is beyond the 25-year review period (called "financial oversizing"). Financial oversizing is determined based on the anticipated year of construction (construction staging) which is provided in Appendices B3, C3, D3, and E3.

Of the **\$170.97 million** in total offsite infrastructure costs which benefits future development, the portion that is within the 25-year review period and included in rates today (the offsite levy share) is approximately **\$57.92 million**, as shown in the table below. A complete summary of offsite infrastructure net cost “flow-thru” is provided in Appendices B6, C6, D6, and E6.

Summary of Infrastructure Costs & Allocations

Infrastructure	Special Grants & Contributions	Muni Share of Costs	Other Stakeholders' Share of Costs	Developer Cost Beyond 25 Yrs (Financial Oversizing)	Developer Costs (In Rates)	Total Costs
Transportation	\$ 2,739,121	\$ -	\$ 708,000	\$ 45,427,485	\$ 24,481,111	\$ 73,355,718
Water	\$ 2,882,980	\$ -	\$ -	\$ 51,969,260	\$ 7,351,506	\$ 62,203,746
Sanitary Sewer	\$ 3,139,646	\$ 3,740,351	\$ -	\$ 15,651,636	\$ 9,726,908	\$ 32,258,541
Recreation	\$ 46,875,000	\$ 29,759,850	\$ -	\$ -	\$ 16,365,150	\$ 93,000,000
Total	\$ 55,636,747	\$ 33,500,201	\$ 708,000	\$ 113,048,381	\$ 57,924,675	\$ 260,818,005

**Offsite Levy Collections.** Before allocating infrastructure costs to benefitting lands, offsite levy costs must be reduced by the total levies collected to date. Up to **December 31<sup>st</sup>, 2020**, the Town collected approximately **\$16.73 million** in offsite levies as summarized in the table below. Details associated with levy collections are shown in Appendices B5, C5, D5, and E5.

Summary of Levies Collected to Date

Levies Collected To Date	
Transportation	\$ 9,206,516
Water	\$ 1,589,792
Sanitary Sewer	\$ 4,658,696
Recreation	\$ 729,465
Total	\$ 16,727,741

**Offsite Levy Areas and Forecast Development.** To facilitate the allocation of infrastructure costs to those lands that benefit from the infrastructure, the Town is parsed into **12** offsite levy areas. The area boundaries, numbering schema, and area measurements are described in Appendix A along with an offsite levy map. An overview of offsite infrastructure allocations to each benefitting area is provided in Appendices B7, C7, D7, and E7.

To calculate offsite levy rates, it is necessary to forecast the amount of land that will develop during the 25-year review period. Land development forms the denominator of the rate calculation. A larger denominator reduces rates but could potentially result in under-collection thereby placing an increased burden on tax payers. A smaller denominator increases rates but could potentially result in over-collection thereby placing an increased burden on future development. Accordingly, land development forecasts need to be: (a) reasonable and reflect current planning assumptions including the current pace of development in the community, and (b) updated regularly.

For this review, the Town is forecasting development of approximately **415 ha.** during the 25-year review period (the land development forecast is shown in Appendix A).

**Offsite Levy Reserves.** The Town is currently managing offsite levy receipts and withdrawals via four accounts (i.e., one reserve/account for each infrastructure type), and this in alignment with *MGA* requirements. The reason the *MGA* stipulates the requirement for separate accounts is because offsite levies can only be used for the type of infrastructure for which they were collected (e.g., water levies can only be used to construct water offsite infrastructure, not sanitary sewer infrastructure etc.). During this review, several amendments to historical information were identified. Accordingly, the Town's offsite levy account balances require amendment as discussed further below and shown in Appendices B8, C8, D8, and E8.

**Interest.** Offsite levy account balances (both actual and forecast) are impacted by interest. Actual inflows and forecast balances that are in a positive/surplus position earn interest (as required by the *MGA*). Actual outflows and forecast balances that are in a negative/deficit position are charged interest (forecast balances that are negative indicate the requirement for front-ending). During this review, several amendments to interest calculations were identified. An overview of account adjustments is discussed further below, and interest rates and forecast balances over the 25-year review period are shown in Appendices B9, C9, D9, and E9.

**Front-ending Approach.** Front-ending is an extremely important concept that underpins rigorous management of offsite levies. Front-ending represents monies owed by future development to the front-ending party (municipality or developer) for past construction undertaken on behalf of future development—i.e., a front-ending party will often pay for its share of an offsite infrastructure project in addition to that portion of the project which benefits future development when offsite levy account balances are insufficient.

There are 2 alternatives for repaying front-ending *obligations* to claimants: (1) the First-In First-Out (FIFO) approach, and (2) the Average Outstanding Claim (AOC) approach.

When a FIFO approach is used, claims are reimbursed based on the order they are incurred. For example, Developer A<sup>2</sup> front-ends a \$1 million piece of infrastructure in 2016. Developer B front-ends a \$0.5 million piece of infrastructure in 2017. And Developer C is contemplating front-ending a \$0.5 million piece of infrastructure in the future. Using the FIFO approach, all offsite levy collections flow entirely to Developer A until it is fully repaid before any levy collections flow to Developer B. As a result, it could take many years before Developer B is fully repaid. Developer C, if it chooses to front-end in the future, would not see any claim reimbursement until both Developer A and Developer B were repaid. This model is good for earlier claimants as they will be reimbursed before future claimants. However, use of this model acts as a disincentive for developers (like Developer C) to front-end in the future (why front-end if there is no chance of reimbursement in a reasonable time-frame?). As a result, the FIFO approach can create: (a) stagnation of development, and (b)

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<sup>2</sup> A municipality can also be a front-ending party (and claimant).



increased pressure on the municipality (i.e., taxpayers) to front-end. Accordingly, the FIFO approach is not recommended.

When the AOC approach is used, claimants share distributions based on their proportionate share of outstanding claims. For example, Developer A fronts a \$1 million piece of infrastructure in 2016. Developer B front-ends a \$0.5 million piece of infrastructure in 2017. And Developer C is contemplating front-ending a \$0.5 million piece of infrastructure in the future. Using the AOC approach, offsite levy collections are shared between Developer A (66.6% of distributions) and Developer B (33.3% of distributions) until fully repaid<sup>3</sup>. If Developer C chooses to front-end in the future, then future claim reimbursements would be shared amongst Developer A (50% of distributions) and Developer B (25% of distributions) and Developer C (25% of distributions) until repaid<sup>4</sup>. This approach is preferred, as it ensures regular positive cash flow to all claimants, and therefore no disincentive to future front-ending. As an adjunct to this project, an offsite levy policy framework is being developed and it will include use of the AOC approach.

In Stony Plain, it is our understanding that the Town is the only party with front-ending obligations/claims currently. As such, all excess cash in levy accounts should be used to pay-down the front-ending obligations due to the Town (described below). Policies and procedures pertaining to the coordination of front-ending will be defined in the Town's offsite levy policy framework.

**Offsite Levy Account Adjustments.** At end 2020, Town documentation reflected a surplus balance of **\$1,315,288** in the transportation account. However, after adjustments for front-ending obligations due to the Town and claim repayments, the balance in the transportation account should be amended to reflect a deficit of approximately **\$(3,491,326)** at end 2020. This balance assumes excess cash will be transferred from the levy account to the Town as partial payment for front-ending obligations due to the Town. A complete reconciliation of the transportation account balance is provided in Appendix B8.

At end 2020, Town documentation reflected a surplus balance of **\$1,530,664** in the water account. However, after adjustments for front-ending obligations due to the Town and claim repayments, the balance in the water account should be amended to reflect a surplus of approximately **\$438,926** at end 2020. This balance assumes excess cash will be transferred from the levy account to the Town as payment for front-ending obligations due to the Town. A complete reconciliation of the water account balance is provided in Appendix C8.

At end 2020, Town documentation reflected a surplus balance of **\$1,021,390** in the sanitary sewer account. This balance is in alignment with the offsite levy model at end 2020. A complete reconciliation of the sanitary sewer account balance is provided in Appendix D8.

At end 2020, Town documentation reflected a surplus balance of **\$729,465** in the recreation account. This balance is in alignment with the offsite levy model at end 2020. A complete

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<sup>3</sup>  $\$1,000,000 / (\$1,000,000 + \$500,000) = 66.6\%$ .  $\$500,000 / (\$1,000,000 + \$500,000) = 33.3\%$ .

<sup>4</sup>  $\$1,000,000 / (\$1,000,000 + \$500,000 + \$500,000) = 50\%$ .  $\$500,000 / (\$1,000,000 + \$500,000 + \$500,000) = 25\%$ .

reconciliation of the recreation account balance is provided in Appendix E8.

## 5 RATE UPDATES

For future development to pay for its share of the **\$260.82 million** offsite infrastructure costs contained in the Town's capital plans, rates are approximately **\$74,949** per net hectare on a weighted average basis, as shown in the tables below. A comparison of rates to other municipalities is shown in Appendix G.

Offsite levy rates are about the same as contained in the current bylaw. However, in real dollars rates paid by developers will pay approximately \$17,550 per hectare less because these new rates also include recreation offsite infrastructure<sup>5</sup>. Note, offsite levy rates will gradually increase in the future as that portion of cost which is allocated to future development but currently sits beyond the 25-year review period, gradually moves into the review period.

Offsite Levy Rates (Per Net Hectare): High, Low, & Averages<sup>6</sup>

	Transportation Levies	Water Levies	Sanitary Sewer Levies	Recreation Levies	Total
High	\$ 34,534	\$ 13,252	\$ 68,223	\$ 16,050	\$ 132,059
Low	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
Weighted Average	\$ 34,534	\$ 13,252	\$ 11,113	\$ 16,050	\$ 74,949

Summary of Offsite Levy Rates by Area (Per Net Hectare)

New Area #	Transportation Levies	Water Levies	Sanitary Levies	Recreation Levies	Total
1.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
2.0	\$ 34,534	\$ 13,252	\$ 5,986	\$ 16,050	\$ 69,822
3.0	\$ 34,534	\$ 13,252	\$ 68,223	\$ 16,050	\$ 132,059
4.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
5.0	\$ 34,534	\$ 13,252	\$ 21,807	\$ 16,050	\$ 85,643
6.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
7.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
8.0	\$ 34,534	\$ 13,252	\$ 29,393	\$ 16,050	\$ 93,228
9.0	\$ 34,534	\$ 13,252	\$ 14,742	\$ 16,050	\$ 78,577
10.0	\$ 34,534	\$ 13,252	\$ 19,723	\$ 16,050	\$ 83,559
11.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836
12.0	\$ 34,534	\$ 13,252	\$ -	\$ 16,050	\$ 63,836

<sup>5</sup> Developers currently pay about \$75,000 per hectares for offsite levies plus \$875 per unit (single detached) for capital recreation contribution fees. Based on a density of 20 units per hectare, the capital recreation contribution totals about \$17,500 per hectare. Together, developers are currently paying about \$92,500 on average for offsite levies and recreation capital contributions.

<sup>6</sup> Highs, Lows, and Averages are shown for information purposes only. Developers pay the actual rate applicable to their specific development area.

## 6 RECOMMENDATIONS

In addition to implementing the offsite levy rates outlined in Section 5, CORVUS recommends the following:

1. Amend the balances of water and sewer offsite levy accounts as reflected in Appendices B8-transportation: **\$(3,491,326)** and C8-water: **\$438,926**; and in so doing, withdraw excess funds from these accounts as partial repayment of front-ending obligations due to the Town.
2. Repeal and/or modify the capital recreation contribution fee. This fee is being offset by the recreation levy outlined in this report.
3. Establish a formal and regular communication and documentation process between the Finance, Planning, and Engineering departments to enable the accurate documentation of offsite levy expenditure and front-ending details.
4. Establish individual accounts and/or sub-ledgers for each account to track amounts owed to each front-ending claimant—the Town is the only front-ending claimant currently but that will likely change in the future. In so doing, ensure the same interest charging rate that is reflected in the offsite levy model (in any given year) is used to calculate interest on outstanding front-ending balances.
5. During the reconciliation of account balances in the future, ensure the interest earning and charge rates that underpin the offsite levy model for that time period are used to determine account interest impacts. This is outlined in the offsite levy model user guide and instructions.
6. Limit withdrawals from offsite levy accounts to only that portion of project cost for which future development is responsible (i.e., Project Cost X Developer Share %).
7. Amend the offsite levy bylaw to include the requirement for an annual report to Council outlining the status of levies (monies collected, remaining front-ending debts, etc.). This is a newly amended requirement of the *MGA*.
8. Recent changes to the *MGA* enable municipalities to charge offsite levies for fire stations, police stations, and libraries. The Town should consider whether it wishes to adopt such levies in the future and, if so, begin developing the support documentation that will be needed to create such levies.



## 7 ACKNOWLEDGEMENTS

CORVUS Business Advisors would like to thank all Town of Stony Plain staff from Engineering, Planning, and Finance who supported the work of this review.

## 8 DISCLAIMER

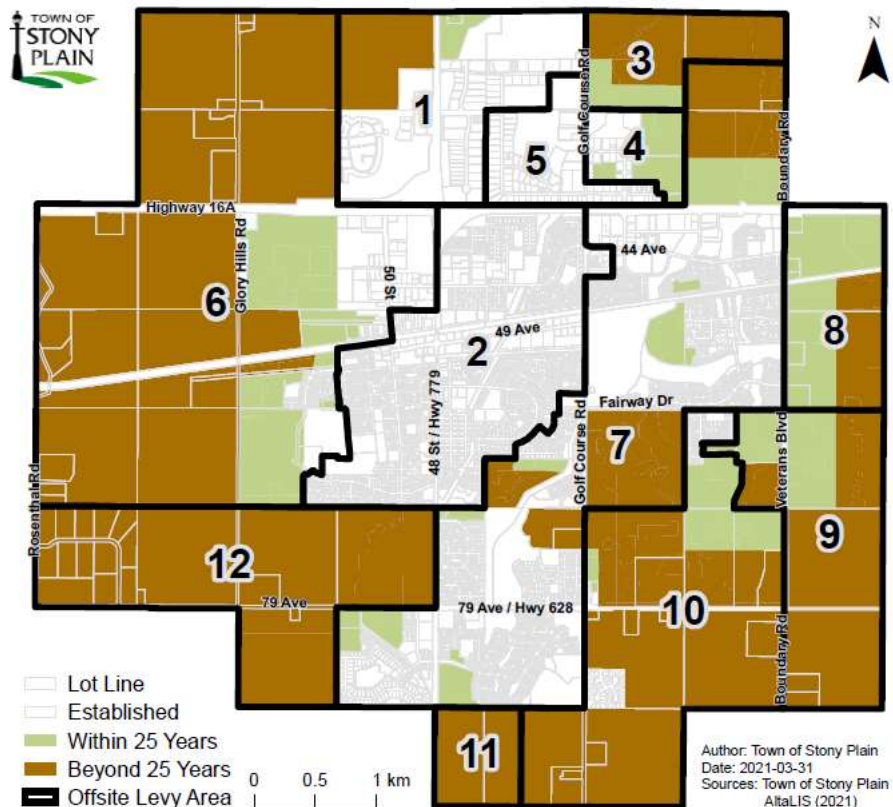
CORVUS Business Advisor has relied upon the Town of Stony Plain and its advisors to provide all of the data and information used to construct the offsite levy model and create the rates, such as planning data and assumptions, development forecasts and assumptions, infrastructure costs and costs estimates, allocations to benefitting parties, allocation to benefitting areas, and other assumptions etc. As such, CORVUS Business Advisors makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Offsite levy rates are not intended to stay static; they are based on assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change from year-to-year. Accordingly, the *MGA* requires that offsite levy rates be updated with the most available information on a regular basis (usually annually). When information changes, it will be reflected in a future update, and rates adjusted accordingly.

## APPENDIX A: OFFSITE LEVY AREAS AND LAND STAGING

The Town of Stony Plain is parsed into **12** offsite levy areas, as shown in the map below. Areas take into consideration the intersection points of existing/planned infrastructure basins (e.g., sanitary sewer basins), and also various natural and man-made barriers (e.g., rivers, highways, etc.). All offsite levy infrastructure costs are allocated to one or more of these areas.

Offsite Levy Areas



Total net development area, the amount of land available for development in all offsite levy areas, is approximately **2940 ha**. In calculating net development area, allowances have been made for environmental reserves, municipal reserves, and arterial road right of way, stormwater management facilities, public utility lots, and other non-developable area.

Offsite Levy Net Development Area<sup>7</sup>

Area Ref. #	Development Area	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Arterial ROW, SWMFs, PULs, & Other Non Developable	Net Development Area (ha.)
1	North	247.02	12.90	234.13	-	63.04	171.09
2	Central	374.92	1.49	373.43	27.46	79.35	266.62
3	Fifth Meridian	97.74	1.91	95.83	1.83	2.21	91.79
4	North Industrial Park	49.46	-	49.46	-	7.44	42.02
5	North Business Park	83.07	-	83.07	0.90	21.13	61.04
6	West	943.02	8.38	934.63	12.22	182.81	739.59
7	East	738.71	28.34	710.37	43.41	163.70	503.25
8	East Boundary	135.60	10.53	125.07	2.29	21.32	101.46
9	Edgeland and Other	228.76	6.64	222.12	4.40	10.35	207.37
10	Tussic	402.87	0.72	402.15	4.11	18.95	379.09
11	South	56.72	-	56.72	-	1.62	55.10
12	Deerfield	332.97	-	332.97	-	11.19	321.78
		<b>3,690.85</b>	<b>70.91</b>	<b>3,619.95</b>	<b>96.62</b>	<b>583.11</b>	<b>2,940.22</b>

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	3,690.85
Less Environment Reserve	70.91
Less Municipal Reserve	96.62
Less ROW, SWMFs, PULs etc.	583.11
Net Development Area	2,940.22

\*Note: 1 Hectare (ha.) = ~2.47 Acres

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within Town of Stony Plain. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
  - Less: Any environmental reserves contained within the development area Including environmental reserves and environmental easements.
  - Less: A 10% allowance for Municipal Reserves.
  - Less: The measurement of arterial road right of way, stormwater management facilities, public utility lots, and other non-developable area that bisects the development lands.
- Equals: Net Developable Area, which is the area subject to offsite levies.

A rate planning period of 25-years underpins the offsite levy model and rate calculations.

<sup>7</sup> Area measurements were provided by Town staff.

Many municipalities use this planning period as it provides a reasonable timeframe to recoup the costs associated with offsite levy infrastructure construction, and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the **2940 ha.** of net land available across all offsite levy areas, approximately **754 ha. (26%)** have been developed to date, and planners estimate that approximately **415 ha. (14%)** will develop during the next 25-years (the rate planning period) as shown in the tables below.

Summary of Anticipated Development during the 25 Year Rate Planning Period

Developed To Date	754.29	25.7%
Developed In Next 25 Years	414.81	14.1%
Developed Beyond 25 Years	1,771.12	60.2%
Net Development Area	2,940.22	

Anticipated Development during the 25 Year Rate Planning Period

Area Ref. #	Development Area	Area Developed in Next 25 years (Net ha.)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
1	North	18.28	3.66	3.66	3.66	3.66	3.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Central	12.94	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
3	Fifth Meridian	16.45	-	-	-	-	-	-	-	-	-	-	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
4	North Industrial Park	35.03	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	North Business Park	18.11	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72
6	West	103.83	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15
7	East	76.11	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04
8	East Boundary	57.95	-	-	-	-	-	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
9	Edgeland and Other	37.96	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52
10	Tussic	38.15	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53	1.53
11	South	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Deerfield	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		414.81	18.64	18.64	18.64	18.64	18.64	17.88	17.88	17.88	17.88	17.88	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.48	15.47	15.48



## APPENDIX B: TRANSPORTATION

### B1. Transportation Offsite Infrastructure

To support future growth, transportation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$73.36 million** as outlined in the table and map below. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

#### Summary of Transportation Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Cost
1	Veterans Blvd Hwy 16A to Fairway Drive	\$ 12,944,191	\$ 1,410,767	\$ 4,846,158	\$ 19,201,117
2	Traffic Signals Golf Course Road/49 Ave	\$ 337,581	\$ -	\$ -	\$ 337,581
3	Traffic Signals Golf Course Road/Fairways Drive	\$ 204,620	\$ -	\$ -	\$ 204,620
4	Traffic Signals 79 Ave/Highpark Road	\$ 201,614	\$ -	\$ -	\$ 201,614
5	Northpark Drive/Boulder Blvd Intersection & Signals	\$ 159,043	\$ -	\$ -	\$ 159,043
6	Highway 16A/South Park Drive Intersection Improvements	\$ 1,394,743	\$ -	\$ -	\$ 1,394,743
7	Highway 779 & Highway 16A WB Ramp – Signalization	\$ -	\$ -	\$ 288,000	\$ 288,000
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	\$ -	\$ -	\$ 546,000	\$ 546,000
9	Highway 628 & Veterans Boulevard – Signalization	\$ -	\$ -	\$ 230,000	\$ 230,000
10	Highway 16A & South Park Drive – Additional Turn Lanes	\$ -	\$ -	\$ 3,174,000	\$ 3,174,000
11	Highway 779 – Widen to 4-lane Cross Section	\$ -	\$ -	\$ 1,032,000	\$ 1,032,000
12	49 Avenue – Two-way Turn Lane	\$ -	\$ -	\$ 924,000	\$ 924,000
13	Golf Course Road – Paving	\$ -	\$ -	\$ 2,760,000	\$ 2,760,000
14	49 Avenue – West Extension Phase 1	\$ -	\$ -	\$ 2,432,000	\$ 2,432,000
15	Highway 779 & Highway 16A EB Ramp – Signalization	\$ -	\$ -	\$ 288,000	\$ 288,000
16	Highway 16A & Glory Hills Road – Signalization	\$ -	\$ -	\$ 288,000	\$ 288,000
17	Highway 16A & Rosenthal Road – Signalization	\$ -	\$ -	\$ 322,000	\$ 322,000
18	Highway 779 & 44th Avenue – Additional Turn Lanes	\$ -	\$ -	\$ 1,173,000	\$ 1,173,000
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	\$ -	\$ -	\$ 5,422,000	\$ 5,422,000
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	\$ -	\$ -	\$ 2,964,000	\$ 2,964,000
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	\$ -	\$ -	\$ 4,646,000	\$ 4,646,000
22	49th Avenue – West Extension Phase 2	\$ -	\$ -	\$ 7,988,000	\$ 7,988,000
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	\$ -	\$ -	\$ 4,950,000	\$ 4,950,000
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	\$ -	\$ -	\$ 3,300,000	\$ 3,300,000
25	Range Road 12 Roadway Upgrades	\$ -	\$ -	\$ 9,130,000	\$ 9,130,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -
		<b>\$ 15,241,792</b>	<b>\$ 1,410,767</b>	<b>\$ 56,703,158</b>	<b>\$ 73,355,718</b>

\*Costs estimates provided by Town staff.

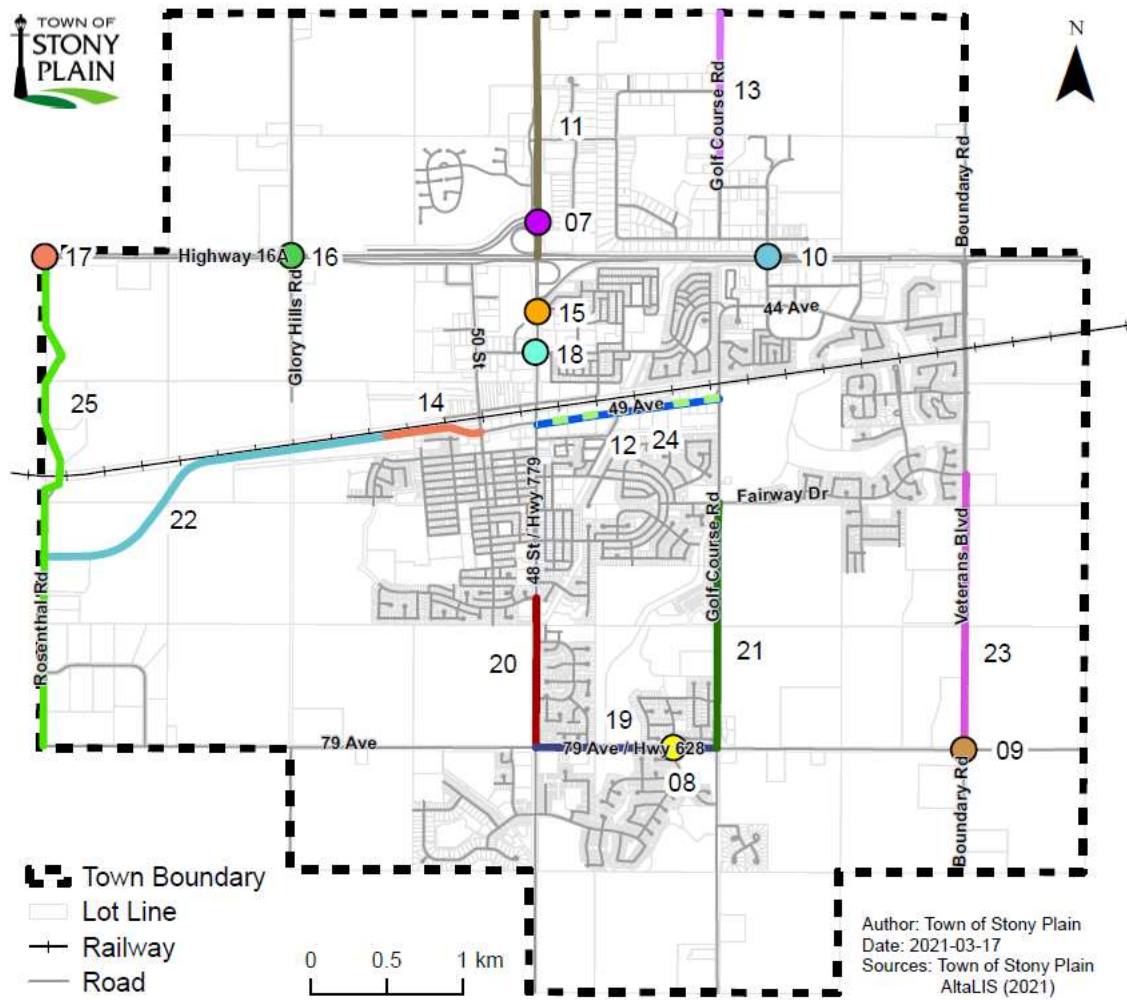
\*\*Estimates include engineering, contingencies, and land costs if any.

\*\*\*Historical financing charges (if any) are included in the cost of completed work.

\*\*\*\*Unallocated levies to end-2020 were set-up as an individual project (#100) and credited 100% to future development and to all offsite levy areas.

\*\*\*\*\*Offsite infrastructure definitions are contained in Appendix F.

### Location of Transportation Offsite Infrastructure



## B2. Transportation Offsite Infrastructure Grants & Contributions to Date

The *MGA* enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special ear-marked grant or contribution (i.e., contributed infrastructure). Town of Stony Plain has/will receive **\$2.74 million** in special ear-marked grants or contributions for transportation offsite levy infrastructure as shown in the table below (note, if the Town receives other ear-marked grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$70.62 million**.

Special Grants and Contributions for Transportation Offsite Infrastructure

Item	Project Description	Total Project Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Other Contributions (Historic & Future)	Reduced Project Cost
1	Veterans Blvd Hwy 16A to Fairway Drive	\$ 19,201,117	\$ -	\$ -	\$ -	\$ 19,201,117
2	Traffic Signals Golf Course Road/49 Ave	\$ 337,581	\$ -	\$ 337,581	\$ -	\$ -
3	Traffic Signals Golf Course Road/Fairways Drive	\$ 204,620	\$ -	\$ 204,620	\$ -	\$ -
4	Traffic Signals 79 Ave/Highpark Road	\$ 201,614	\$ -	\$ 201,614	\$ -	\$ -
5	Northpark Drive/Boulder Blvd Intersection & Signals	\$ 159,043	\$ -	\$ 159,043	\$ -	\$ -
6	Highway 16A/South Park Drive Intersection Improvements	\$ 1,394,743	\$ -	\$ 1,394,743	\$ -	\$ -
7	Highway 779 & Highway 16A WB Ramp – Signalization	\$ 288,000	\$ -	\$ -	\$ -	\$ 288,000
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	\$ 546,000	\$ -	\$ -	\$ -	\$ 546,000
9	Highway 628 & Veterans Boulevard – Signalization	\$ 230,000	\$ -	\$ -	\$ -	\$ 230,000
10	Highway 16A & South Park Drive – Additional Turn Lanes	\$ 3,174,000	\$ -	\$ 195,171	\$ -	\$ 2,978,829
11	Highway 779 – Widen to 4-lane Cross Section	\$ 1,032,000	\$ -	\$ -	\$ -	\$ 1,032,000
12	49 Avenue – Two-way Turn Lane	\$ 924,000	\$ -	\$ -	\$ -	\$ 924,000
13	Golf Course Road – Paving	\$ 2,760,000	\$ -	\$ -	\$ -	\$ 2,760,000
14	49 Avenue – West Extension Phase 1	\$ 2,432,000	\$ -	\$ 246,349	\$ -	\$ 2,185,651
15	Highway 779 & Highway 16A EB Ramp – Signalization	\$ 288,000	\$ -	\$ -	\$ -	\$ 288,000
16	Highway 16A & Glory Hills Road – Signalization	\$ 288,000	\$ -	\$ -	\$ -	\$ 288,000
17	Highway 16A & Rosenthal Road – Signalization	\$ 322,000	\$ -	\$ -	\$ -	\$ 322,000
18	Highway 779 & 44th Avenue – Additional Turn Lanes	\$ 1,173,000	\$ -	\$ -	\$ -	\$ 1,173,000
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	\$ 5,422,000	\$ -	\$ -	\$ -	\$ 5,422,000
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	\$ 2,964,000	\$ -	\$ -	\$ -	\$ 2,964,000
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	\$ 4,646,000	\$ -	\$ -	\$ -	\$ 4,646,000
22	49th Avenue – West Extension Phase 2	\$ 7,988,000	\$ -	\$ -	\$ -	\$ 7,988,000
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	\$ 4,950,000	\$ -	\$ -	\$ -	\$ 4,950,000
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	\$ 3,300,000	\$ -	\$ -	\$ -	\$ 3,300,000
25	Range Road 12 Roadway Upgrades	\$ 9,130,000	\$ -	\$ -	\$ -	\$ 9,130,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$ 73,355,718</b>	<b>\$ -</b>	<b>\$ 2,739,121</b>	<b>\$ -</b>	<b>\$ 70,616,596</b>

**B3. Year of Construction**

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast account balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

### Forecast Year of Construction

Item	Project Description	Construction Start Year
1	Veterans Blvd Hwy 16A to Fairway Drive	2015
2	Traffic Signals Golf Course Road/49 Ave	2018
3	Traffic Signals Golf Course Road/Fairways Drive	2015
4	Traffic Signals 79 Ave/Highpark Road	2018
5	Northpark Drive/Boulder Blvd Intersection & Signals	2013
6	Highway 16A/South Park Drive Intersection Improvements	2008
7	Highway 779 & Highway 16A WB Ramp – Signalization	2026
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	2025
9	Highway 628 & Veterans Boulevard – Signalization	2030
10	Highway 16A & South Park Drive – Additional Turn Lanes	2032
11	Highway 779 – Widen to 4-lane Cross Section	2029
12	49 Avenue – Two-way Turn Lane	2032
13	Golf Course Road – Paving	2035
14	49 Avenue – West Extension Phase 1	2041
15	Highway 779 & Highway 16A EB Ramp – Signalization	2042
16	Highway 16A & Glory Hills Road – Signalization	2043
17	Highway 16A & Rosenthal Road – Signalization	2045
18	Highway 779 & 44th Avenue – Additional Turn Lanes	2045
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	2051
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	2051
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	2051
22	49th Avenue – West Extension Phase 2	2051
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	2055
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	2055
25	Range Road 12 Roadway Upgrades	2055

\*The share of projects constructed beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Project costs are inflated by 2% per annum to 2024 and 3% per annum thereafter to the year of construction.

## **B4. Transportation Offsite Infrastructure Benefiting Parties**

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees. Three potential benefiting parties were identified including:

1. Town of Stony Plain – a portion of the transportation infrastructure which is required to service existing residents. This residual benefit is determined at the point in time when the project is added to the bylaw (i.e., it does not fluctuate from year-to-year).
2. Other Stakeholders – other municipalities that benefit from the infrastructure.
3. Future Development:
  - Financial Oversizing – that portion of cost (i.e., levyable transportation infrastructure costs) which benefits future development beyond the 25-year review period.
  - **In Rates – that portion of cost (i.e., levyable transportation infrastructure costs) which benefits future development within the 25-**

**year review period.**

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties.

Allocation of Transportation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	Veterans Blvd Hwy 16A to Fairway Drive	\$ 19,201,117				100.00%
2	Traffic Signals Golf Course Road/49 Ave	\$ -				100.00%
3	Traffic Signals Golf Course Road/Fairways Drive	\$ -				100.00%
4	Traffic Signals 79 Ave/Highpark Road	\$ -				100.00%
5	Northpark Drive/Boulder Blvd Intersection & Signals	\$ -				100.00%
6	Highway 16A/South Park Drive Intersection Improvements	\$ -				100.00%
7	Highway 779 & Highway 16A WB Ramp – Signalization	\$ 288,000		50.00%	10.00%	40.00%
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	\$ 546,000			16.00%	84.00%
9	Highway 628 & Veterans Boulevard – Signalization	\$ 230,000		50.00%	18.00%	32.00%
10	Highway 16A & South Park Drive – Additional Turn Lanes	\$ 2,978,829			44.00%	56.00%
11	Highway 779 – Widen to 4-lane Cross Section	\$ 1,032,000			32.00%	68.00%
12	49 Avenue – Two-way Turn Lane	\$ 924,000			44.00%	56.00%
13	Golf Course Road – Paving	\$ 2,760,000			56.00%	44.00%
14	49 Avenue – West Extension Phase 1	\$ 2,185,651			80.00%	20.00%
15	Highway 779 & Highway 16A EB Ramp – Signalization	\$ 288,000		50.00%	42.00%	8.00%
16	Highway 16A & Glory Hills Road – Signalization	\$ 288,000		50.00%	44.00%	6.00%
17	Highway 16A & Rosenthal Road – Signalization	\$ 322,000		50.00%	48.00%	2.00%
18	Highway 779 & 44th Avenue – Additional Turn Lanes	\$ 1,173,000			96.00%	4.00%
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	\$ 5,422,000			100.00%	0.00%
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	\$ 2,964,000			100.00%	0.00%
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	\$ 4,646,000			100.00%	0.00%
22	49th Avenue – West Extension Phase 2	\$ 7,988,000			100.00%	0.00%
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	\$ 4,950,000			100.00%	0.00%
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	\$ 3,300,000			100.00%	0.00%
25	Range Road 12 Roadway Upgrades	\$ 9,130,000			100.00%	0.00%
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -				100.00%
		<b>\$ 70,616,596</b>				

\*Allocations were determined by Town staff.

\*\* Projects with costs allocated to other stakeholders are associated with road projects partially funded by Alberta Transportation.

\*\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

**B5. Existing Receipts & Adjusted Levy Cost**

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$24.48 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers (if any) need to be considered in determining the residual/net costs to developers. Town staff have advised that **\$9.21 million** in transportation levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately **\$15.27 million**.

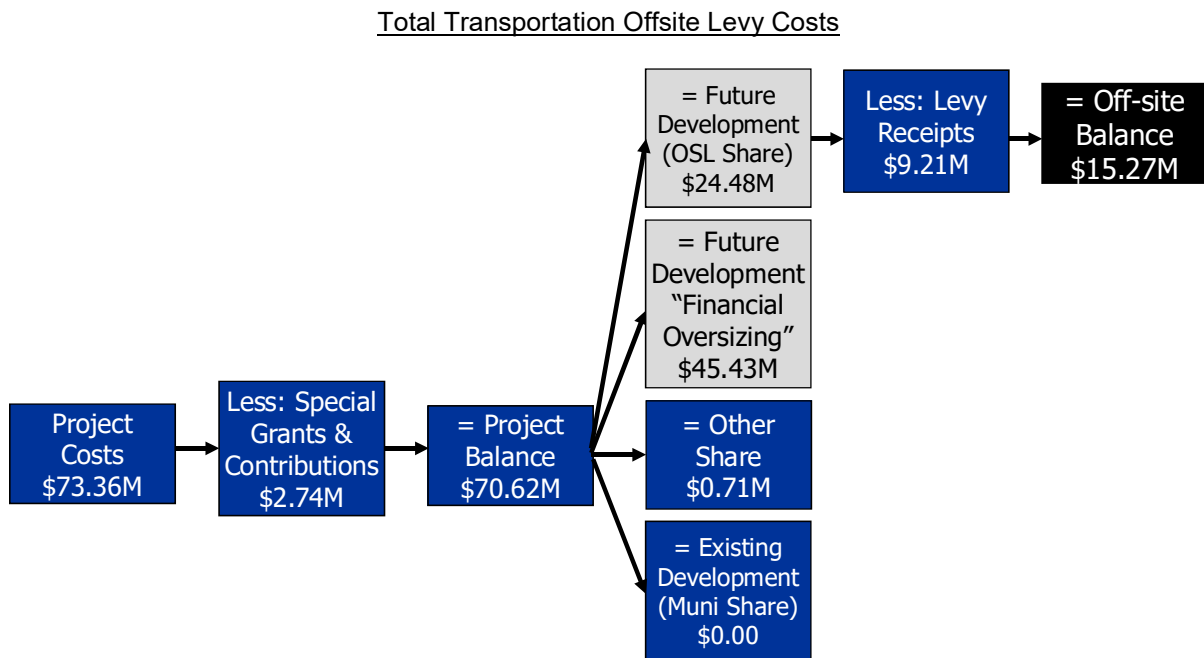


Offsite Levy Funds Applied to Date

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2020	Offsite Levy Funds Collected Starting Jan 1, 2021	Adjusted Developer (Levy) Cost
1	Veterans Blvd Hwy 16A to Fairway Drive	\$ 19,201,117	\$ 7,831,609	\$ -	\$ 11,369,508
2	Traffic Signals Golf Course Road/49 Ave	\$ -	\$ -	\$ -	\$ -
3	Traffic Signals Golf Course Road/Fairways Drive	\$ -	\$ -	\$ -	\$ -
4	Traffic Signals 79 Ave/Highpark Road	\$ -	\$ -	\$ -	\$ -
5	Northpark Drive/Boulder Blvd Intersection & Signals	\$ -	\$ -	\$ -	\$ -
6	Highway 16A/South Park Drive Intersection Improvements	\$ -	\$ 59,619	\$ -	\$ (59,619)
7	Highway 779 & Highway 16A WB Ramp – Signalization	\$ 115,200	\$ -	\$ -	\$ 115,200
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	\$ 458,640	\$ -	\$ -	\$ 458,640
9	Highway 628 & Veterans Boulevard – Signalization	\$ 73,600	\$ -	\$ -	\$ 73,600
10	Highway 16A & South Park Drive – Additional Turn Lanes	\$ 1,668,144	\$ -	\$ -	\$ 1,668,144
11	Highway 779 – Widen to 4-lane Cross Section	\$ 701,760	\$ -	\$ -	\$ 701,760
12	49 Avenue – Two-way Turn Lane	\$ 517,440	\$ -	\$ -	\$ 517,440
13	Golf Course Road – Paving	\$ 1,214,400	\$ -	\$ -	\$ 1,214,400
14	49 Avenue – West Extension Phase 1	\$ 437,130	\$ -	\$ -	\$ 437,130
15	Highway 779 & Highway 16A EB Ramp – Signalization	\$ 23,040	\$ -	\$ -	\$ 23,040
16	Highway 16A & Glory Hills Road – Signalization	\$ 17,280	\$ -	\$ -	\$ 17,280
17	Highway 16A & Rosenthal Road – Signalization	\$ 6,440	\$ -	\$ -	\$ 6,440
18	Highway 779 & 44th Avenue – Additional Turn Lanes	\$ 46,920	\$ -	\$ -	\$ 46,920
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	\$ -	\$ -	\$ -	\$ -
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	\$ -	\$ -	\$ -	\$ -
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	\$ -	\$ -	\$ -	\$ -
22	49th Avenue – West Extension Phase 2	\$ -	\$ -	\$ -	\$ -
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	\$ -	\$ -	\$ -	\$ -
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	\$ -	\$ -	\$ -	\$ -
25	Range Road 12 Roadway Upgrades	\$ -	\$ -	\$ -	\$ -
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ 1,315,288	\$ -	\$ (1,315,288)
		\$ 24,481,111	\$ 9,206,516	\$ -	\$ 15,274,595

**B6. Summary of Transportation Offsite Levy Cost Flow-through**

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately **\$15.27 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in previous section. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



## B7. Transportation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by Town staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Transportation Allocations to Benefitting Areas

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	Veterans Blvd Hwy 16A to Fairway Drive	\$ 11,369,508	1	1	1	1	1	1	1	1	1	1	1	1
2	Traffic Signals Golf Course Road/49 Ave	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
3	Traffic Signals Golf Course Road/Fairways Drive	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
4	Traffic Signals 79 Ave/Highpark Road	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
5	Northpark Drive/Boulder Blvd Intersection & Signals	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
6	Highway 16A/South Park Drive Intersection Improvements	\$ (59,619)	1	1	1	1	1	1	1	1	1	1	1	1
7	Highway 779 & Highway 16A WB Ramp – Signalization	\$ 115,200	1	1	1	1	1	1	1	1	1	1	1	1
8	Highway 628 & Westerra Drive – Add Westbound and Eastbound Left-Turn Lanes	\$ 458,640	1	1	1	1	1	1	1	1	1	1	1	1
9	Highway 628 & Veterans Boulevard – Signalization	\$ 73,600	1	1	1	1	1	1	1	1	1	1	1	1
10	Highway 16A & South Park Drive – Additional Turn Lanes	\$ 1,668,144	1	1	1	1	1	1	1	1	1	1	1	1
11	Highway 779 – Widen to 4-lane Cross Section	\$ 701,760	1	1	1	1	1	1	1	1	1	1	1	1
12	49 Avenue – Two-way Turn Lane	\$ 517,440	1	1	1	1	1	1	1	1	1	1	1	1
13	Golf Course Road – Paving	\$ 1,214,400	1	1	1	1	1	1	1	1	1	1	1	1
14	49 Avenue – West Extension Phase 1	\$ 437,130	1	1	1	1	1	1	1	1	1	1	1	1
15	Highway 779 & Highway 16A EB Ramp – Signalization	\$ 23,040	1	1	1	1	1	1	1	1	1	1	1	1
16	Highway 16A & Glory Hills Road – Signalization	\$ 17,280	1	1	1	1	1	1	1	1	1	1	1	1
17	Highway 16A & Rosenthal Road – Signalization	\$ 6,440	1	1	1	1	1	1	1	1	1	1	1	1
18	Highway 779 & 44th Avenue – Additional Turn Lanes	\$ 46,920	1	1	1	1	1	1	1	1	1	1	1	1
19	Highway 628 (Highway 779 to Golf Course Road) – Widen to 4-Lanes Urban	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
20	Highway 779 (Highway 628 to 57 Avenue) – Widen to 4-Lanes	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
21	Golf Course Road (Highway 628 to Fairway Drive) – Widen to 4-Lanes	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
22	49th Avenue – West Extension Phase 2	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
23	Veterans Blvd - Fairways Road to Hwy 628 2 Lane Expansion	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
24	49th Avenue - Golf Course Road to Hwy 779 - Lane Expansion	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
25	Range Road 12 Roadway Upgrades	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ (1,315,288)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 15,274,595												

**B8. Account Balance**

At December 31<sup>st</sup>, 2020 the transportation account balance was in a deficit of **\$(3,491,325.95)**. This amount takes into consideration expenditures and front-ending obligations up to end-2020. This balance also assumes that remaining funds of \$1,315,288 currently in the account are transferred to the Town to pay down front-ending obligations owed to the Town.

Transportation Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Opening Balance at Jan 1, 2008			\$ 1,920,129.03
OSL Receipts 2008-2020	\$ 6,281,512.83		\$ 8,201,641.86
Withdrawals/Applied to OSL Projects (2008-2020)		\$ 7,891,231.34	\$ 310,410.52
Interest Earned (Charged) 2008-2020	\$ 1,004,877.59		\$ 1,315,288.11
<b>Closing Balance at Dec 31, 2020 Not Including OSL Share of Net Expenditures and Front-ending Repayments</b>			<b>\$ 1,315,288.11</b>
Net Project Expenditures (OSL Share) In Addition to Withdrawals Applied to Projects (2008-2020)		\$ 4,806,614.06	\$ (3,491,325.95)
<b>Closing Balance at Dec 31, 2020 (After Partial Repayment of Front-ending)</b>			<b>\$ (3,491,325.95)</b>

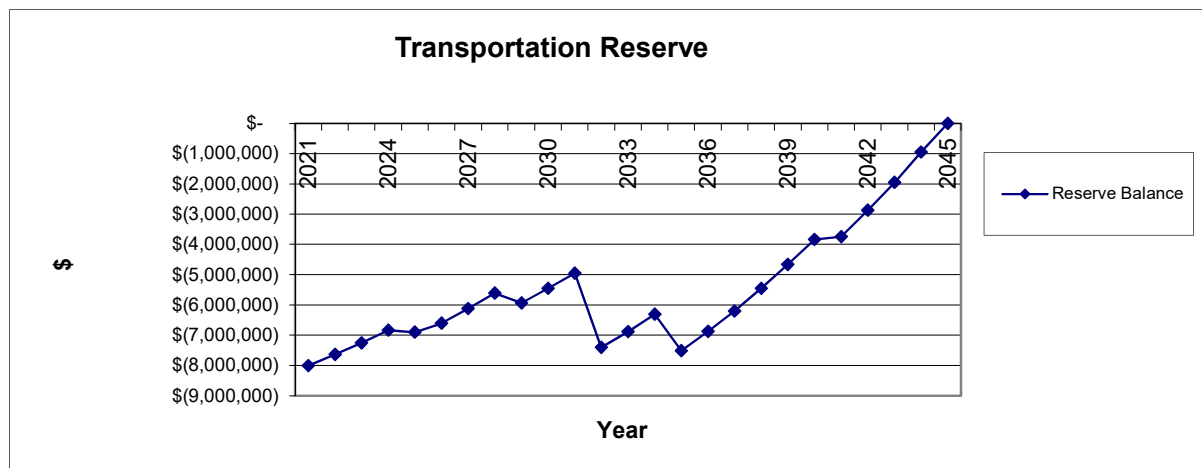
## B9. Development and Transportation Infrastructure Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy account funds will not be sufficient to pay for construction of transportation infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **2.09%**<sup>8</sup> interest allowance has been charged to the account when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the account when it is forecast to be in a positive balance. The graph and table below outline the forecast transportation levy account balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast account balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the Town, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Transportation Offsite Levy Account Balances



<sup>8</sup> The 20-year debenture rate at the Alberta Capital Finance Authority at the time of writing was ~2.09%.

Anticipated Transportation Offsite Levy Account Balances

			Reserve Balance	\$ (3,491,326)
Year	Receipts	Expenditure	Interest	Balance
2021	\$ 643,826	\$ 4,992,290	\$ (163,852)	\$ (8,003,642)
2022	\$ 656,702	\$ 137,096	\$ (156,416)	\$ (7,640,452)
2023	\$ 669,836	\$ 139,838	\$ (148,608)	\$ (7,259,062)
2024	\$ 683,233	\$ 122,258	\$ (139,990)	\$ (6,838,077)
2025	\$ 703,730	\$ 627,240	\$ (141,317)	\$ (6,902,904)
2026	\$ 695,354	\$ 259,400	\$ (135,159)	\$ (6,602,109)
2027	\$ 716,215	\$ 111,329	\$ (125,342)	\$ (6,122,565)
2028	\$ 737,701	\$ 114,669	\$ (114,940)	\$ (5,614,473)
2029	\$ 759,832	\$ 957,814	\$ (121,480)	\$ (5,933,935)
2030	\$ 782,569	\$ 190,583	\$ (111,647)	\$ (5,453,596)
2031	\$ 697,632	\$ 100,242	\$ (101,495)	\$ (4,957,700)
2032	\$ 718,561	\$ 3,015,532	\$ (151,623)	\$ (7,406,293)
2033	\$ 740,118	\$ 79,760	\$ (140,990)	\$ (6,886,925)
2034	\$ 762,321	\$ 54,768	\$ (129,149)	\$ (6,308,521)
2035	\$ 785,191	\$ 1,840,316	\$ (153,900)	\$ (7,517,547)
2036	\$ 808,747	\$ 29,052	\$ (140,821)	\$ (6,878,673)
2037	\$ 833,009	\$ 29,923	\$ (126,980)	\$ (6,202,567)
2038	\$ 857,999	\$ -	\$ (111,701)	\$ (5,456,269)
2039	\$ 883,739	\$ -	\$ (95,566)	\$ (4,668,096)
2040	\$ 910,252	\$ -	\$ (78,539)	\$ (3,836,383)
2041	\$ 937,559	\$ 766,733	\$ (76,610)	\$ (3,742,167)
2042	\$ 965,686	\$ 41,625	\$ (58,898)	\$ (2,877,005)
2043	\$ 994,547	\$ 32,155	\$ (40,015)	\$ (1,954,628)
2044	\$ 1,024,185	\$ -	\$ (19,446)	\$ (949,890)
2045	\$ 1,055,231	\$ 105,341	\$ (0)	\$ (0)



## APPENDIX C: WATER

### C1. Water Offsite Infrastructure

In order to support future growth, water offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$62.20 million** as outlined in the table and map below. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

#### Summary of Water Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	79 Ave Golf Course Road to Boundary Road	\$ 3,970,699	\$ -	\$ -	\$ 3,970,699
2	44 Ave. Waterline	\$ 63,147	\$ -	\$ -	\$ 63,147
3	CRPWSC Fill Line to High Park	\$ -	\$ -	\$ 3,058,000	\$ 3,058,000
4	Watermain Golf Course Road (300mm)	\$ -	\$ -	\$ 1,582,000	\$ 1,582,000
5	Meridian Heights Reservoir Upgrades	\$ -	\$ -	\$ 884,000	\$ 884,000
6	Watermain 79 Avenue West Extension 1 (350mm)	\$ -	\$ -	\$ 630,000	\$ 630,000
7	Meridian Heights Reservoir Outlet (600mm)	\$ -	\$ -	\$ 98,400	\$ 98,400
8	Watermain 43 Avenue Meridian Heights (450mm)	\$ -	\$ -	\$ 221,600	\$ 221,600
9	Watermain 79 Avenue West Extension 2 (350mm)	\$ -	\$ -	\$ 756,000	\$ 756,000
10	High Park Reservoir Storage Expansion (4500mm)	\$ -	\$ -	\$ 4,500,000	\$ 4,500,000
11	West Reservoir outlet	\$ -	\$ -	\$ 53,700	\$ 53,700
12	Watermain 44 Avenue West of 50 St. (350mm)	\$ -	\$ -	\$ 756,000	\$ 756,000
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	\$ -	\$ -	\$ 756,000	\$ 756,000
14	Watermain Brickyard Drive to West Reservoir (350mm)	\$ -	\$ -	\$ 1,638,000	\$ 1,638,000
15	Watermain 79 Avenue East to Veterans (350mm)	\$ -	\$ -	\$ 2,066,400	\$ 2,066,400
16	Watermain North of 79 Avenue to Tussic (350mm)	\$ -	\$ -	\$ 289,800	\$ 289,800
17	West Reservoir and Pumphouse	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000
18	East Reservoir Outlet (600mm)	\$ -	\$ -	\$ 63,300	\$ 63,300
19	Watermain 79 Avenue to East Reservoir (350mm)	\$ -	\$ -	\$ 541,800	\$ 541,800
20	Watermain West Reservoir to West (500mm)	\$ -	\$ -	\$ 1,467,800	\$ 1,467,800
21	Watermain West Zone north extension (350mm)	\$ -	\$ -	\$ 296,100	\$ 296,100
22	Watermain Hwy 16A Crossing West Zone North (350mm)	\$ -	\$ -	\$ 195,000	\$ 195,000
23	Watermain West Zone loop (350mm)	\$ -	\$ -	\$ 8,316,000	\$ 8,316,000
24	East Reservoir and Pumphouse	\$ -	\$ -	\$ 15,000,000	\$ 15,000,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -
		<b>\$ 4,033,846</b>	<b>\$ -</b>	<b>\$ 58,169,900</b>	<b>\$ 62,203,746</b>

\*Costs estimates provided by Town staff.

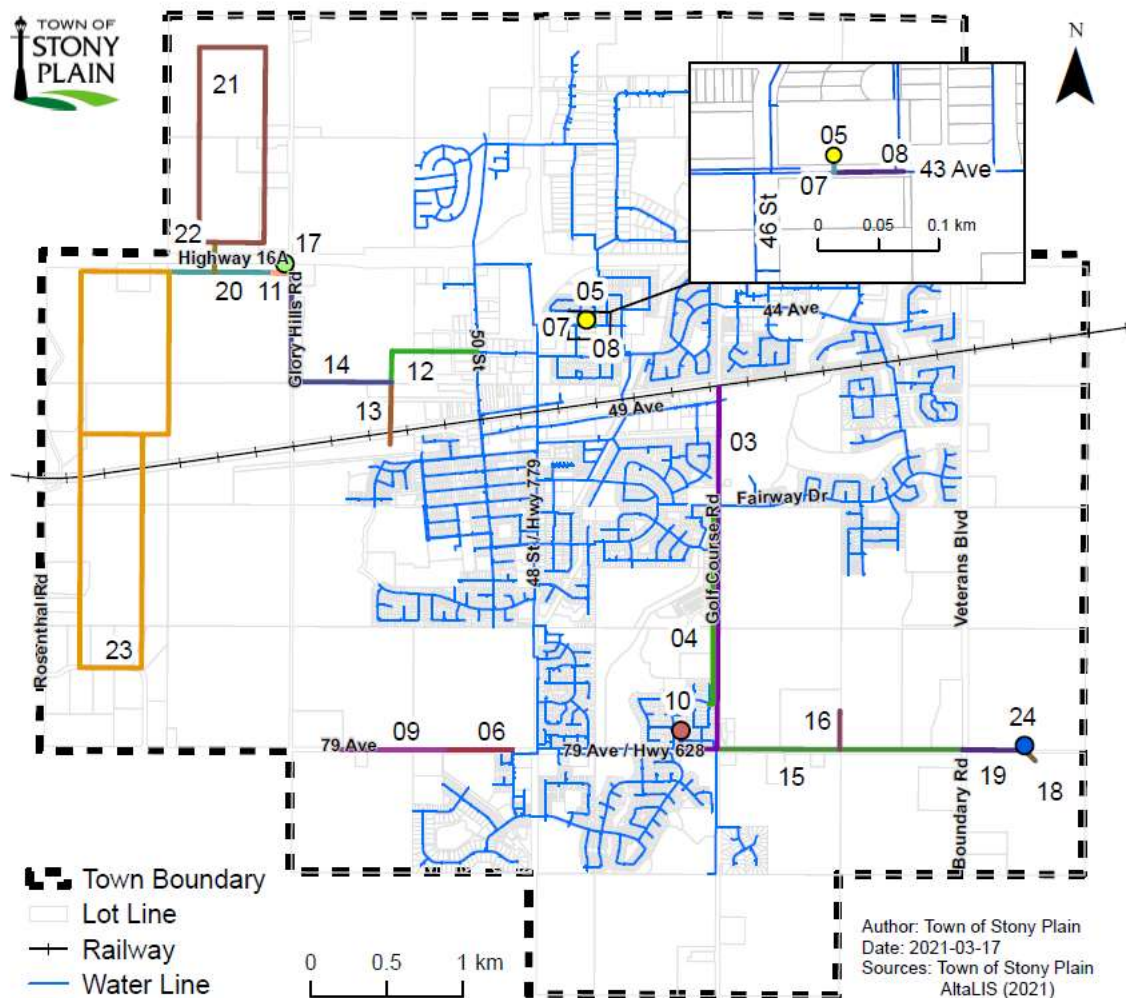
\*\*Estimates include engineering, contingencies, and land costs if any.

\*\*\*Historical financing charges (if any) are included in the cost of completed work.

\*\*\*\*Unallocated levies to end-2020 were set-up as an individual project (#100) and credited 100% to future development and to all offsite levy areas.

\*\*\*\*\*Offsite infrastructure definitions are contained in Appendix F.

### Location of Water Offsite Infrastructure



## C2. Water Offsite Infrastructure Grants & Contributions to Date

The *MGA* enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special ear-marked grant or contribution (i.e., contributed infrastructure). The Town has/will receive approximately **\$2.88 million** in special ear-marked grants and contributions for water offsite levy infrastructure as shown in the table below (note, if the Town receives other ear-marked grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$59.32 million**.

### Special Grants and Contributions for Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Other Contributions (Historic & Future)	Reduced Project Estimated Cost
1	79 Ave Golf Course Road to Boundary Road	\$ 3,970,699	\$ 2,882,980	\$ -	\$ -	\$ 1,087,719
2	44 Ave. Waterline	\$ 63,147	\$ -	\$ -	\$ -	\$ 63,147
3	CRPWSC Fill Line to High Park	\$ 3,058,000	\$ -	\$ -	\$ -	\$ 3,058,000
4	Watermain Golf Course Road (300mm)	\$ 1,582,000	\$ -	\$ -	\$ -	\$ 1,582,000
5	Meridian Heights Reservoir Upgrades	\$ 884,000	\$ -	\$ -	\$ -	\$ 884,000
6	Watermain 79 Avenue West Extension 1 (350mm)	\$ 630,000	\$ -	\$ -	\$ -	\$ 630,000
7	Meridian Heights Reservoir Outlet (600mm)	\$ 98,400	\$ -	\$ -	\$ -	\$ 98,400
8	Watermain 43 Avenue Meridian Heights (450mm)	\$ 221,600	\$ -	\$ -	\$ -	\$ 221,600
9	Watermain 79 Avenue West Extension 2 (350mm)	\$ 756,000	\$ -	\$ -	\$ -	\$ 756,000
10	High Park Reservoir Storage Expansion (4500m)	\$ 4,500,000	\$ -	\$ -	\$ -	\$ 4,500,000
11	West Reservoir outlet	\$ 53,700	\$ -	\$ -	\$ -	\$ 53,700
12	Watermain 44 Avenue West of 50 St. (350mm)	\$ 756,000	\$ -	\$ -	\$ -	\$ 756,000
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	\$ 756,000	\$ -	\$ -	\$ -	\$ 756,000
14	Watermain Brickyard Drive to West Reservoir (350mm)	\$ 1,638,000	\$ -	\$ -	\$ -	\$ 1,638,000
15	Watermain 79 Avenue East to Veterans (350mm)	\$ 2,066,400	\$ -	\$ -	\$ -	\$ 2,066,400
16	Watermain North of 79 Avenue to Tussic (350mm)	\$ 289,800	\$ -	\$ -	\$ -	\$ 289,800
17	West Reservoir and Pumphouse	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
18	East Reservoir Outlet (600mm)	\$ 63,300	\$ -	\$ -	\$ -	\$ 63,300
19	Watermain 79 Avenue to East Reservoir (350mm)	\$ 541,800	\$ -	\$ -	\$ -	\$ 541,800
20	Watermain West Reservoir to West (500mm)	\$ 1,467,800	\$ -	\$ -	\$ -	\$ 1,467,800
21	Watermain West Zone north extension (350mm)	\$ 296,100	\$ -	\$ -	\$ -	\$ 296,100
22	Watermain Hwy 16A Crossing West Zone North (350mm)	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000
23	Watermain West Zone loop (350mm)	\$ 8,316,000	\$ -	\$ -	\$ -	\$ 8,316,000
24	East Reservoir and Pumphouse	\$ 15,000,000	\$ -	\$ -	\$ -	\$ 15,000,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$ 62,203,746</b>	<b>\$ 2,882,980</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59,320,766</b>

### C3. Year of Construction

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast account balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

### Forecast Year of Construction

Item	Project Description	Construction Start Year
1	79 Ave Golf Course Road to Boundary Road	2009
2	44 Ave. Waterline	2008
3	CRPWSC Fill Line to High Park	2024
4	Watermain Golf Course Road (300mm)	2024
5	Meridian Heights Reservoir Upgrades	2026
6	Watermain 79 Avenue West Extension 1 (350mm)	2030
7	Meridian Heights Reservoir Outlet (600mm)	2040
8	Watermain 43 Avenue Meridian Heights (450mm)	2040
9	Watermain 79 Avenue West Extension 2 (350mm)	2050
10	High Park Reservoir Storage Expansion (4500m)	2041
11	West Reservoir outlet	2050
12	Watermain 44 Avenue West of 50 St. (350mm)	2050
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	2050
14	Watermain Brickyard Drive to West Reservoir (350mm)	2050
15	Watermain 79 Avenue East to Veterans (350mm)	2050
16	Watermain North of 79 Avenue to Tussic (350mm)	2050
17	West Reservoir and Pumphouse	2050
18	East Reservoir Outlet (600mm)	2050
19	Watermain 79 Avenue to East Reservoir (350mm)	2050
20	Watermain West Reservoir to West (500mm)	2050
21	Watermain West Zone north extension (350mm)	2050
22	Watermain Hwy 16A Crossing West Zone North (350mm)	2050
23	Watermain West Zone loop (350mm)	2050
24	East Reservoir and Pumphouse	2050

\*The share of projects constructed beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Project costs are inflated by 2% per annum to 2024 and 3% per annum thereafter to the year of construction.

## **C4. Water Offsite Infrastructure Benefiting Parties**

The water offsite infrastructure previously outlined will benefit various parties to varying degrees. Three potential benefiting parties were identified including:

1. Town of Stony Plain – a portion of the water infrastructure which is required to service existing residents. This residual benefit is determined at the point in time when the project is added to the bylaw (i.e., it does not fluctuate from year-to-year).
2. Other Stakeholders – other municipalities that benefit from the infrastructure.
3. Future Development:
  - Financial Oversizing – that portion of cost (i.e., levyable water infrastructure costs) which benefits future development beyond the 25-year review period.
  - **In Rates – that portion of cost (i.e., levyable water infrastructure costs) which benefits future development within the 25-year review period.**

The table below outlines the allocation of water offsite levy infrastructure costs to benefiting parties.

### Allocation of Water Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	79 Ave Golf Course Road to Boundary Road	\$ 1,087,719				100.00%
2	44 Ave. Waterline	\$ 63,147				100.00%
3	CRPWSC Fill Line to High Park	\$ 3,058,000			12.00%	88.00%
4	Watermain Golf Course Road (300mm)	\$ 1,582,000			12.00%	88.00%
5	Meridian Heights Reservoir Upgrades	\$ 884,000			20.00%	80.00%
6	Watermain 79 Avenue West Extension 1 (350mm)	\$ 630,000			36.00%	64.00%
7	Meridian Heights Reservoir Outlet (600mm)	\$ 98,400			76.00%	24.00%
8	Watermain 43 Avenue Meridian Heights (450mm)	\$ 221,600			76.00%	24.00%
9	Watermain 79 Avenue West Extension 2 (350mm)	\$ 756,000			100.00%	0.00%
10	High Park Reservoir Storage Expansion (4500mm)	\$ 4,500,000			80.00%	20.00%
11	West Reservoir outlet	\$ 53,700			100.00%	0.00%
12	Watermain 44 Avenue West of 50 St. (350mm)	\$ 756,000			100.00%	0.00%
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	\$ 756,000			100.00%	0.00%
14	Watermain Brickyard Drive to West Reservoir (350mm)	\$ 1,638,000			100.00%	0.00%
15	Watermain 79 Avenue East to Veterans (350mm)	\$ 2,066,400			100.00%	0.00%
16	Watermain North of 79 Avenue to Tussic (350mm)	\$ 289,800			100.00%	0.00%
17	West Reservoir and Pumphouse	\$ 15,000,000			100.00%	0.00%
18	East Reservoir Outlet (600mm)	\$ 63,300			100.00%	0.00%
19	Watermain 79 Avenue to East Reservoir (350mm)	\$ 541,800			100.00%	0.00%
20	Watermain West Reservoir to West (500mm)	\$ 1,467,800			100.00%	0.00%
21	Watermain West Zone north extension (350mm)	\$ 296,100			100.00%	0.00%
22	Watermain Hwy 16A Crossing West Zone North (350mm)	\$ 195,000			100.00%	0.00%
23	Watermain West Zone loop (350mm)	\$ 8,316,000			100.00%	0.00%
24	East Reservoir and Pumphouse	\$ 15,000,000			100.00%	0.00%
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -				100.00%
		<b>\$ 59,320,766</b>				

\*Allocations were determined by Town staff.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## C5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$7.32 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. Town staff have advised that approximately **\$1.59 million** in water levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately **\$5.73 million**.

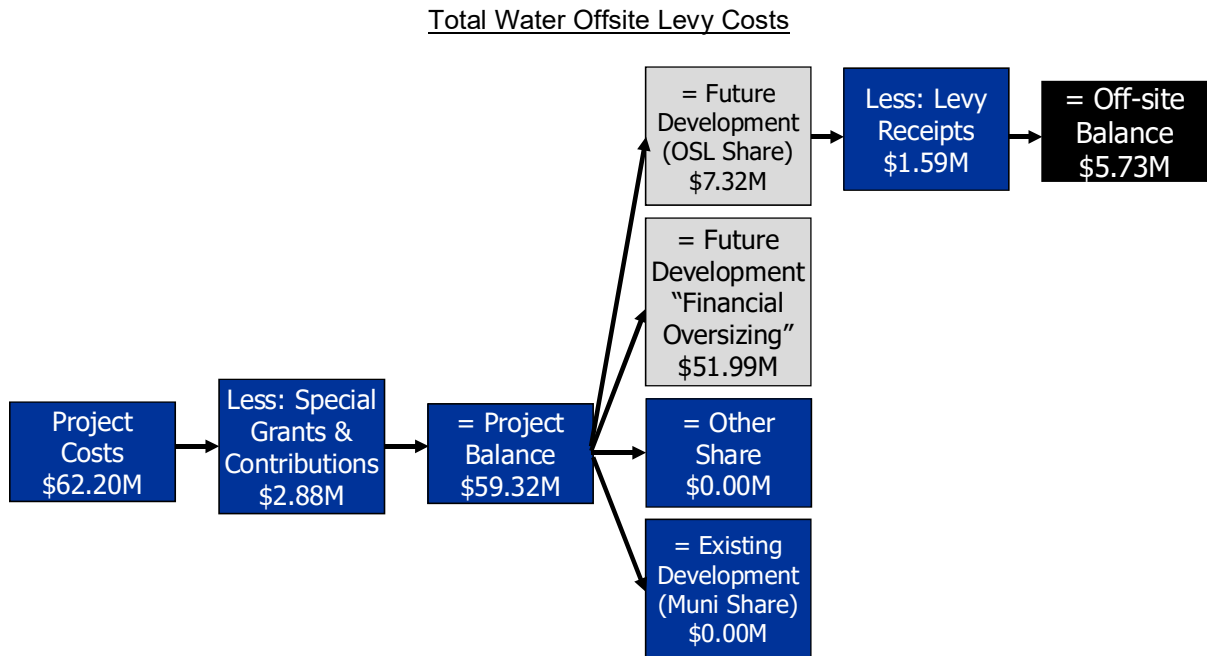


Offsite Levy Funds Applied to Date

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2020	Offsite Levy Funds Collected Starting Jan 1, 2021	Adjusted Developer (Levy) Cost
1	79 Ave Golf Course Road to Boundary Road	\$ 1,087,719	\$ -	\$ -	\$ 1,087,719
2	44 Ave. Waterline	\$ 63,147	\$ 59,128	\$ -	\$ 4,019
3	CRPWSC Fill Line to High Park	\$ 2,691,040	\$ -	\$ -	\$ 2,691,040
4	Watermain Golf Course Road (300mm)	\$ 1,392,160	\$ -	\$ -	\$ 1,392,160
5	Meridian Heights Reservoir Upgrades	\$ 707,200	\$ -	\$ -	\$ 707,200
6	Watermain 79 Avenue West Extension 1 (350mm)	\$ 403,200	\$ -	\$ -	\$ 403,200
7	Meridian Heights Reservoir Outlet (600mm)	\$ 23,616	\$ -	\$ -	\$ 23,616
8	Watermain 43 Avenue Meridian Heights (450mm)	\$ 53,184	\$ -	\$ -	\$ 53,184
9	Watermain 79 Avenue West Extension 2 (350mm)	\$ -	\$ -	\$ -	\$ -
10	High Park Reservoir Storage Expansion (4500mm)	\$ 900,000	\$ -	\$ -	\$ 900,000
11	West Reservoir outlet	\$ -	\$ -	\$ -	\$ -
12	Watermain 44 Avenue West of 50 St. (350mm)	\$ -	\$ -	\$ -	\$ -
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	\$ -	\$ -	\$ -	\$ -
14	Watermain Brickyard Drive to West Reservoir (350mm)	\$ -	\$ -	\$ -	\$ -
15	Watermain 79 Avenue East to Veterans (350mm)	\$ -	\$ -	\$ -	\$ -
16	Watermain North of 79 Avenue to Tussic (350mm)	\$ -	\$ -	\$ -	\$ -
17	West Reservoir and Pumphouse	\$ -	\$ -	\$ -	\$ -
18	East Reservoir Outlet (600mm)	\$ -	\$ -	\$ -	\$ -
19	Watermain 79 Avenue to East Reservoir (350mm)	\$ -	\$ -	\$ -	\$ -
20	Watermain West Reservoir to West (500mm)	\$ -	\$ -	\$ -	\$ -
21	Watermain West Zone north extension (350mm)	\$ -	\$ -	\$ -	\$ -
22	Watermain Hwy 16A Crossing West Zone North (350mm)	\$ -	\$ -	\$ -	\$ -
23	Watermain West Zone loop (350mm)	\$ -	\$ -	\$ -	\$ -
24	East Reservoir and Pumphouse	\$ -	\$ -	\$ -	\$ -
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ 1,530,664	\$ -	\$ (1,530,664)
		<b>\$ 7,321,266</b>	<b>\$ 1,589,792</b>	<b>\$ -</b>	<b>\$ 5,731,474</b>

**C6. Summary of Water Offsite Levy Cost Flow-through**

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately **\$5.76 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in previous section. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



## C7. Water Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a “1” below applicable area numbers. Benefiting areas were determined by Town staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Water Allocations to Benefitting Areas

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	79 Ave Golf Course Road to Boundary Road	\$ 1,087,719	1	1	1	1	1	1	1	1	1	1	1	1
2	44 Ave. Waterline	\$ 4,019	1	1	1	1	1	1	1	1	1	1	1	1
3	CRPWSC Fill Line to High Park	\$ 2,691,040	1	1	1	1	1	1	1	1	1	1	1	1
4	Watermain Golf Course Road (300mm)	\$ 1,392,160	1	1	1	1	1	1	1	1	1	1	1	1
5	Meridian Heights Reservoir Upgrades	\$ 707,200	1	1	1	1	1	1	1	1	1	1	1	1
6	Watermain 79 Avenue West Extension 1 (350mm)	\$ 403,200	1	1	1	1	1	1	1	1	1	1	1	1
7	Meridian Heights Reservoir Outlet (600mm)	\$ 23,616	1	1	1	1	1	1	1	1	1	1	1	1
8	Watermain 43 Avenue Meridian Heights (450mm)	\$ 53,184	1	1	1	1	1	1	1	1	1	1	1	1
9	Watermain 79 Avenue West Extension 2 (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
10	High Park Reservoir Storage Expansion (4500m)	\$ 900,000	1	1	1	1	1	1	1	1	1	1	1	1
11	West Reservoir outlet	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
12	Watermain 44 Avenue West of 50 St. (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
13	Watermain Brickyard Drive Connection to 44 Ave (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
14	Watermain Brickyard Drive to West Reservoir (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
15	Watermain 79 Avenue East to Veterans (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
16	Watermain North of 79 Avenue to Tussic (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
17	West Reservoir and Pumphouse	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
18	East Reservoir Outlet (600mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
19	Watermain 79 Avenue to East Reservoir (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
20	Watermain West Reservoir to West (500mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
21	Watermain West Zone north extension (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
22	Watermain Hwy 16A Crossing West Zone North (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
23	Watermain West Zone loop (350mm)	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
24	East Reservoir and Pumphouse	\$ -	1	1	1	1	1	1	1	1	1	1	1	1
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ (1,530,664)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 5,731,474												

**C8. Account Balance**

At December 31<sup>st</sup>, 2020 the water account balance was in a surplus of **\$438,925.77**. This amount takes into consideration expenditures and front-ending obligations up to end-2020. This balance also assumes that funds of \$1,091,738 currently in the account are transferred to the Town to pay down front-ending obligations owed to the Town.

Water Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Opening Balance at Jan 1, 2008			\$ 515,185.97
OSL Receipts 2008-2020	\$ 788,688.58		\$ 1,303,874.55
Withdrawals/Applied to OSL Projects (2008-2020)		\$ 59,129.59	\$ 1,244,744.96
Interest Earned (Charged) 2008-2020	\$ 285,918.81		\$ 1,530,663.77
<b>Closing Balance at Dec 31, 2020 Not Including OSL Share of Net Expenditures and Front-ending Repayments</b>			<b>\$ 1,530,663.77</b>
Net Project Expenditures (OSL Share) In Addition to Withdrawals Applied to Projects (2008-2020)		\$ 1,091,738.00	\$ 438,925.77
<b>Closing Balance at Dec 31, 2020 (After Repayment of Front-ending)</b>			<b>\$ 438,925.77</b>

**C9. Development and Water Infrastructure Staging Impacts**

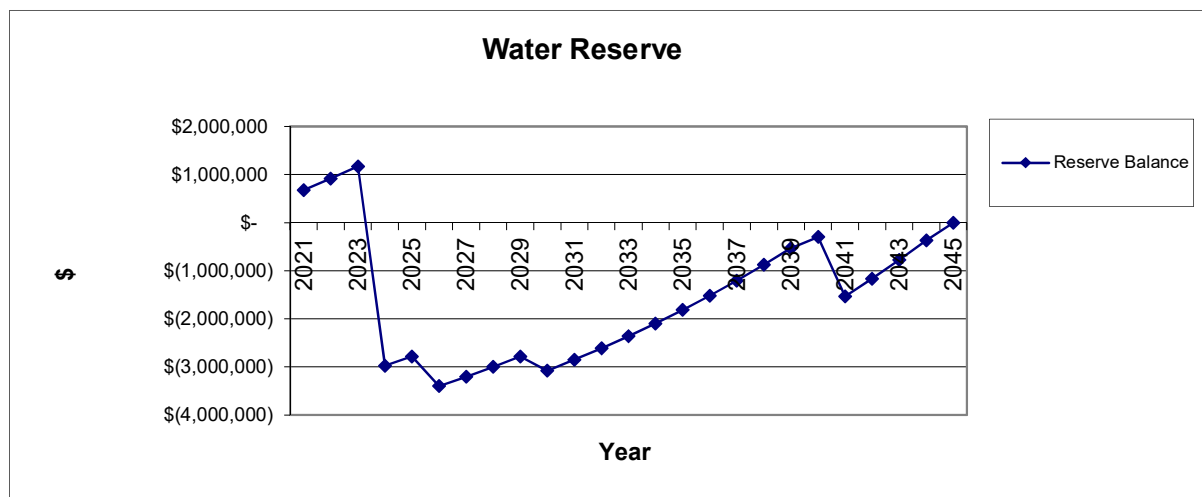
Water offsite infrastructure will be constructed in staged fashion over the 25-year review

period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy account funds will not be sufficient to pay for construction of water infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **2.09%**<sup>9</sup> interest allowance has been charged to the account when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the account when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy account balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast account balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the Town, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Water Offsite Levy Account Balances



<sup>9</sup> The 20-year debenture rate at the Alberta Capital Finance Authority at the time of writing was ~2.09%.

Anticipated Water Offsite Levy Account Balances

			Opening Balance	\$ 438,926
Year	Receipts	Expenditure	Interest	Balance
2021	\$ 247,061	\$ -	\$ 6,860	\$ 692,847
2022	\$ 252,002	\$ -	\$ 9,448	\$ 954,297
2023	\$ 257,042	\$ -	\$ 12,113	\$ 1,223,453
2024	\$ 262,183	\$ 4,333,125	\$ (59,513)	\$ (2,907,001)
2025	\$ 270,049	\$ -	\$ (55,112)	\$ (2,692,065)
2026	\$ 266,834	\$ 796,191	\$ (67,328)	\$ (3,288,749)
2027	\$ 274,839	\$ -	\$ (62,991)	\$ (3,076,900)
2028	\$ 283,085	\$ -	\$ (58,391)	\$ (2,852,207)
2029	\$ 291,577	\$ -	\$ (53,517)	\$ (2,614,147)
2030	\$ 300,302	\$ 510,910	\$ (59,037)	\$ (2,883,792)
2031	\$ 267,708	\$ -	\$ (54,676)	\$ (2,670,760)
2032	\$ 275,740	\$ -	\$ (50,056)	\$ (2,445,076)
2033	\$ 284,012	\$ -	\$ (45,166)	\$ (2,206,230)
2034	\$ 292,532	\$ -	\$ (39,996)	\$ (1,953,694)
2035	\$ 301,308	\$ -	\$ (34,535)	\$ (1,686,921)
2036	\$ 310,347	\$ -	\$ (28,770)	\$ (1,405,344)
2037	\$ 319,658	\$ -	\$ (22,691)	\$ (1,108,377)
2038	\$ 329,248	\$ -	\$ (16,284)	\$ (795,413)
2039	\$ 339,125	\$ -	\$ (9,536)	\$ (465,824)
2040	\$ 349,299	\$ 130,785	\$ (5,169)	\$ (252,479)
2041	\$ 359,778	\$ 1,578,614	\$ (30,750)	\$ (1,502,066)
2042	\$ 370,571	\$ -	\$ (23,648)	\$ (1,155,143)
2043	\$ 381,646	\$ -	\$ (16,166)	\$ (789,663)
2044	\$ 393,019	\$ -	\$ (8,290)	\$ (404,933)
2045	\$ 404,933	\$ -	\$ 0	\$ 0

## APPENDIX D: SANITARY SEWER

### D1. Sanitary Sewer Offsite Infrastructure

In order to support future growth, sanitary sewer offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$32.26 million** as outlined in the table and map below. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

#### Summary of Sanitary Sewer Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	West Trunk	\$ 5,486,889	\$ -	\$ -	\$ 5,486,889
2	South Creek Phase 1, 2A and 2B 900mm Trunk	\$ 1,290,063	\$ -	\$ 448,189	\$ 1,738,252
3	Central Trunk Super Pipe (1500mm)	\$ -	\$ -	\$ 3,213,000	\$ 3,213,000
4	East of Veterans Sanitary Trunk 1 (525mm)	\$ -	\$ -	\$ 792,000	\$ 792,000
5	East of Veterans Sanitary Trunk 2A (525mm)	\$ -	\$ -	\$ 550,000	\$ 550,000
6	East of Veterans Sanitary Trunk 2B (525mm)	\$ -	\$ -	\$ 885,500	\$ 885,500
7	Northeast Sanitary Trunk 2 (450mm)	\$ -	\$ -	\$ 314,150	\$ 314,150
8	Northeast Sanitary Trunk 1 (525mm)	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000
9	Edgelands Sanitary Trunk (750mm)	\$ -	\$ -	\$ 973,000	\$ 973,000
10	Southcreek Sanitary Trunk 2 (900mm)	\$ -	\$ -	\$ 651,750	\$ 651,750
11	Tussic Sanitary Trunk (750mm)	\$ -	\$ -	\$ 1,132,850	\$ 1,132,850
12	Deerfield Sanitary Trunk (900mm)	\$ -	\$ -	\$ 2,211,000	\$ 2,211,000
13	North Business Park Permanent Liftstation	\$ -	\$ -	\$ 1,182,000	\$ 1,182,000
14	Deerfield South Trunk (525mm)	\$ -	\$ -	\$ 412,500	\$ 412,500
15	Southwest Deerfield Trunk (900mm)	\$ -	\$ -	\$ 561,000	\$ 561,000
16	Northwest Trunk (525mm)	\$ -	\$ -	\$ 1,221,000	\$ 1,221,000
17	Northwest Glory Hills Road Trunk (375mm)	\$ -	\$ -	\$ 767,250	\$ 767,250
18	Northwest Industrial Trunk (450mm)	\$ -	\$ -	\$ 195,700	\$ 195,700
19	Parkland Gateway Trunk (450mm)	\$ -	\$ -	\$ 597,400	\$ 597,400
20	Parkland Gateway Trunk (525mm)	\$ -	\$ -	\$ 902,000	\$ 902,000
21	Deerfield west Trunk (750mm)	\$ -	\$ -	\$ 1,362,200	\$ 1,362,200
22	South of Lake Westerra Trunk (375mm)	\$ -	\$ -	\$ 509,850	\$ 509,850
23	South of Country Plains Trunk (375mm)	\$ -	\$ -	\$ 371,250	\$ 371,250
24	South of Country Plains Trunk (450mm)	\$ -	\$ -	\$ 906,400	\$ 906,400
25	Tussic to South of 79 Ave Trunk (750mm)	\$ -	\$ -	\$ 2,015,500	\$ 2,015,500
26	South of Edgeland Park Trunk (375mm)	\$ -	\$ -	\$ 386,100	\$ 386,100
27	Edgeland Park west of Veterans Trunk (600mm)	\$ -	\$ -	\$ 1,820,000	\$ 1,820,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -
		<b>\$ 6,776,952</b>	<b>\$ -</b>	<b>\$ 25,481,589</b>	<b>\$ 32,258,541</b>

\*Costs estimates provided by Town staff.

\*\*Estimates include engineering, contingencies, and land costs if any.

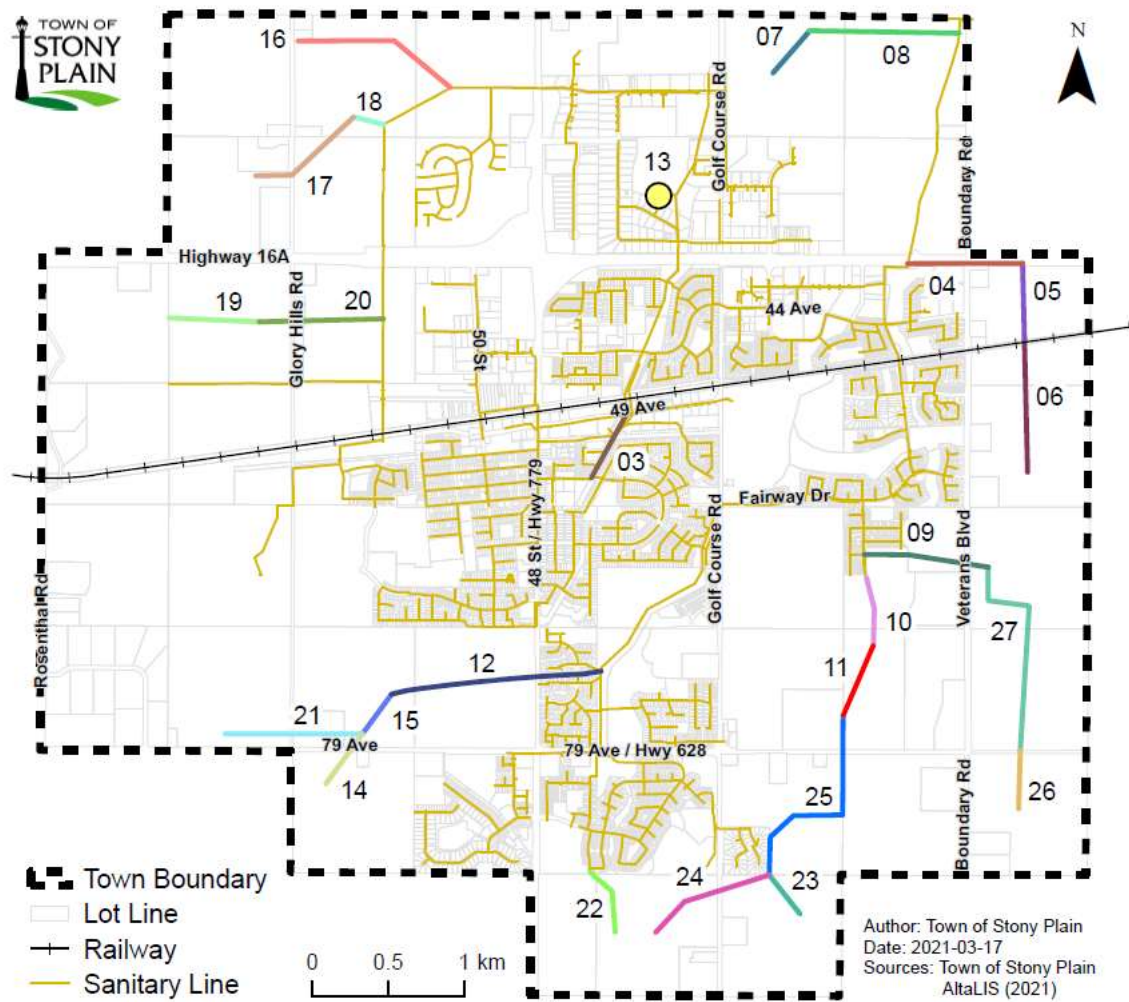
\*\*\*Historical financing charges (if any) are included in the cost of completed work.

\*\*\*\*Unallocated levies to end-2020 were set-up as an individual project (#100) and credited 100% to future development and to all offsite levy areas.

\*\*\*\*\*Offsite infrastructure definitions are contained in Appendix F.



### Location of Sanitary Sewer Offsite Infrastructure



## D2. Sanitary Sewer Offsite Infrastructure Grants & Contributions to Date

The *MGA* enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special ear-marked grant or contribution (i.e., contributed infrastructure). Town of Stony Plain has/will receive approximately **\$3.14 million** in special ear-marked grants and contributions for sanitary sewer offsite levy infrastructure as shown in the table below (note, if the Town receives additional ear-marked grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$29.12 million**.

Special Grants and Contributions for Sanitary Sewer Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Other Contributions (Historic & Future)	Reduced Project Estimated Cost
1	West Trunk	\$ 5,486,889	\$ 3,139,646	\$ -	\$ -	\$ 2,347,243
2	South Creek Phase 1, 2A and 2B 900mm Trunk	\$ 1,738,252	\$ -	\$ -	\$ -	\$ 1,738,252
3	Central Trunk Super Pipe (1500mm)	\$ 3,213,000	\$ -	\$ -	\$ -	\$ 3,213,000
4	East of Veterans Sanitary Trunk 1 (525mm)	\$ 792,000	\$ -	\$ -	\$ -	\$ 792,000
5	East of Veterans Sanitary Trunk 2A (525mm)	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000
6	East of Veterans Sanitary Trunk 2B (525mm)	\$ 885,500	\$ -	\$ -	\$ -	\$ 885,500
7	Northeast Sanitary Trunk 2 (450mm)	\$ 314,150	\$ -	\$ -	\$ -	\$ 314,150
8	Northeast Sanitary Trunk 1 (525mm)	\$ 1,100,000	\$ -	\$ -	\$ -	\$ 1,100,000
9	Edgelands Sanitary Trunk (750mm)	\$ 973,000	\$ -	\$ -	\$ -	\$ 973,000
10	Southcreek Sanitary Trunk 2 (900mm)	\$ 651,750	\$ -	\$ -	\$ -	\$ 651,750
11	Tussic Sanitary Trunk (750mm)	\$ 1,132,850	\$ -	\$ -	\$ -	\$ 1,132,850
12	Deerfield Sanitary Trunk (900mm)	\$ 2,211,000	\$ -	\$ -	\$ -	\$ 2,211,000
13	North Business Park Permanent Liftstation	\$ 1,182,000	\$ -	\$ -	\$ -	\$ 1,182,000
14	Deerfield South Trunk (525mm)	\$ 412,500	\$ -	\$ -	\$ -	\$ 412,500
15	Southwest Deerfield Trunk (900mm)	\$ 561,000	\$ -	\$ -	\$ -	\$ 561,000
16	Northwest Trunk (525mm)	\$ 1,221,000	\$ -	\$ -	\$ -	\$ 1,221,000
17	Northwest Glory Hills Road Trunk (375mm)	\$ 767,250	\$ -	\$ -	\$ -	\$ 767,250
18	Northwest Industrial Trunk (450mm)	\$ 195,700	\$ -	\$ -	\$ -	\$ 195,700
19	Parkland Gateway Trunk (450mm)	\$ 597,400	\$ -	\$ -	\$ -	\$ 597,400
20	Parkland Gateway Trunk (525mm)	\$ 902,000	\$ -	\$ -	\$ -	\$ 902,000
21	Deerfield west Trunk (750mm)	\$ 1,362,200	\$ -	\$ -	\$ -	\$ 1,362,200
22	South of Lake Westerra Trunk (375mm)	\$ 509,850	\$ -	\$ -	\$ -	\$ 509,850
23	South of Country Plains Trunk (375mm)	\$ 371,250	\$ -	\$ -	\$ -	\$ 371,250
24	South of Country Plains Trunk (450mm)	\$ 906,400	\$ -	\$ -	\$ -	\$ 906,400
25	Tussic to South of 79 Ave Trunk (750mm)	\$ 2,015,500	\$ -	\$ -	\$ -	\$ 2,015,500
26	South of Edgelands Park Trunk (375mm)	\$ 386,100	\$ -	\$ -	\$ -	\$ 386,100
27	Edgelands Park west of Veterans Trunk (600mm)	\$ 1,820,000	\$ -	\$ -	\$ -	\$ 1,820,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$ 32,258,541</b>	<b>\$ 3,139,646</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,118,895</b>

**D3. Year of Construction**

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast account balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

Forecast Year of Construction

Item	Project Description	Construction Start Year
1	West Trunk	2008
2	South Creek Phase 1, 2A and 2B 900mm Trunk	2017
3	Central Trunk Super Pipe (1500mm)	2023
4	East of Veterans Sanitary Trunk 1 (525mm)	2024
5	East of Veterans Sanitary Trunk 2A (525mm)	2030
6	East of Veterans Sanitary Trunk 2B (525mm)	2041
7	Northeast Sanitary Trunk 2 (450mm)	2040
8	Northeast Sanitary Trunk 1 (525mm)	2040
9	Edgelands Sanitary Trunk (750mm)	2026
10	Southcreek Sanitary Trunk 2 (900mm)	2026
11	Tussic Sanitary Trunk (750mm)	2045
12	Deerfield Sanitary Trunk (900mm)	2050
13	North Business Park Permanent Liftstation	2023
14	Deerfield South Trunk (525mm)	2050
15	Southwest Deerfield Trunk (900mm)	2050
16	Northwest Trunk (525mm)	2050
17	Northwest Glory Hills Road Trunk (375mm)	2050
18	Northwest Industrial Trunk (450mm)	2050
19	Parkland Gateway Trunk (450mm)	2050
20	Parkland Gateway Trunk (525mm)	2050
21	Deerfield west Trunk (750mm)	2050
22	South of Lake Westerra Trunk (375mm)	2050
23	South of Country Plains Trunk (375mm)	2050
24	South of Country Plains Trunk (450mm)	2050
25	Tussic to South of 79 Ave Trunk (750mm)	2050
26	South of Edgeland Park Trunk (375mm)	2050
27	Edgeland Park west of Veterans Trunk (600mm)	2050

\*The share of projects constructed beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Project costs are inflated by 2% per annum to 2024 and 3% per annum thereafter to the year of construction.

#### D4. Sanitary Sewer Offsite Infrastructure Benefiting Parties

The sanitary sewer offsite infrastructure previously outlined will benefit various parties to varying degrees. Three potential benefiting parties were identified including:

1. Town of Stony Plain – a portion of the sanitary sewer infrastructure which is required to service existing residents. This residual benefit is determined at the point in time when the project is added to the bylaw (i.e., it does not fluctuate from year-to-year).
2. Other Stakeholders – other municipalities that benefit from the infrastructure.
3. Future Development:
  - Financial Oversizing – that portion of cost (i.e., levyable sanitary sewer infrastructure costs) which benefits future development beyond the 25-year review period.
  - **In Rates – that portion of cost (i.e., levyable sanitary sewer infrastructure costs) which benefits future development within the 25-year review period.**

The table below outlines the allocation of sanitary sewer offsite levy infrastructure costs to

benefiting parties.

#### Allocation of Sanitary Sewer Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	West Trunk	\$ 2,347,243			0.00%	100.00%
2	South Creek Phase 1, 2A and 2B 900mm Trunk	\$ 1,738,252			0.00%	100.00%
3	Central Trunk Super Pipe (1500mm)	\$ 3,213,000	90.54%			9.46%
4	East of Veterans Sanitary Trunk 1 (525mm)	\$ 792,000				100.00%
5	East of Veterans Sanitary Trunk 2A (525mm)	\$ 550,000				100.00%
6	East of Veterans Sanitary Trunk 2B (525mm)	\$ 885,500				100.00%
7	Northeast Sanitary Trunk 2 (450mm)	\$ 314,150				100.00%
8	Northeast Sanitary Trunk 1 (525mm)	\$ 1,100,000				100.00%
9	Edgelands Sanitary Trunk (750mm)	\$ 973,000			20.00%	80.00%
10	Southcreek Sanitary Trunk 2 (900mm)	\$ 651,750			20.00%	80.00%
11	Tussic Sanitary Trunk (750mm)	\$ 1,132,850			96.00%	4.00%
12	Deerfield Sanitary Trunk (900mm)	\$ 2,211,000			100.00%	0.00%
13	North Business Park Permanent Liftstation	\$ 1,182,000	70.33%			29.67%
14	Deerfield South Trunk (525mm)	\$ 412,500			100.00%	0.00%
15	Southwest Deerfield Trunk (900mm)	\$ 561,000			100.00%	0.00%
16	Northwest Trunk (525mm)	\$ 1,221,000			100.00%	0.00%
17	Northwest Glory Hills Road Trunk (375mm)	\$ 767,250			100.00%	0.00%
18	Northwest Industrial Trunk (450mm)	\$ 195,700			100.00%	0.00%
19	Parkland Gateway Trunk (450mm)	\$ 597,400			100.00%	0.00%
20	Parkland Gateway Trunk (525mm)	\$ 902,000			100.00%	0.00%
21	Deerfield west Trunk (750mm)	\$ 1,362,200			100.00%	0.00%
22	South of Lake Westerra Trunk (375mm)	\$ 509,850			100.00%	0.00%
23	South of Country Plains Trunk (375mm)	\$ 371,250			100.00%	0.00%
24	South of Country Plains Trunk (450mm)	\$ 906,400			100.00%	0.00%
25	Tussic to South of 79 Ave Trunk (750mm)	\$ 2,015,500			100.00%	0.00%
26	South of Edgeland Park Trunk (375mm)	\$ 386,100			100.00%	0.00%
27	Edgeland Park west of Veterans Trunk (600mm)	\$ 1,820,000			100.00%	0.00%
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -				100.00%
		<b>\$ 29,118,895</b>				

\*Allocations were determined by Town staff.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

\*\*\*Financial oversizing for Projects 3,4,5,6,7,8, and 13 was removed as these projects are allocated to offsite levy areas which have no lands developing beyond the 25-year review period.

## **D5. Existing Receipts & Adjusted Levy Cost**

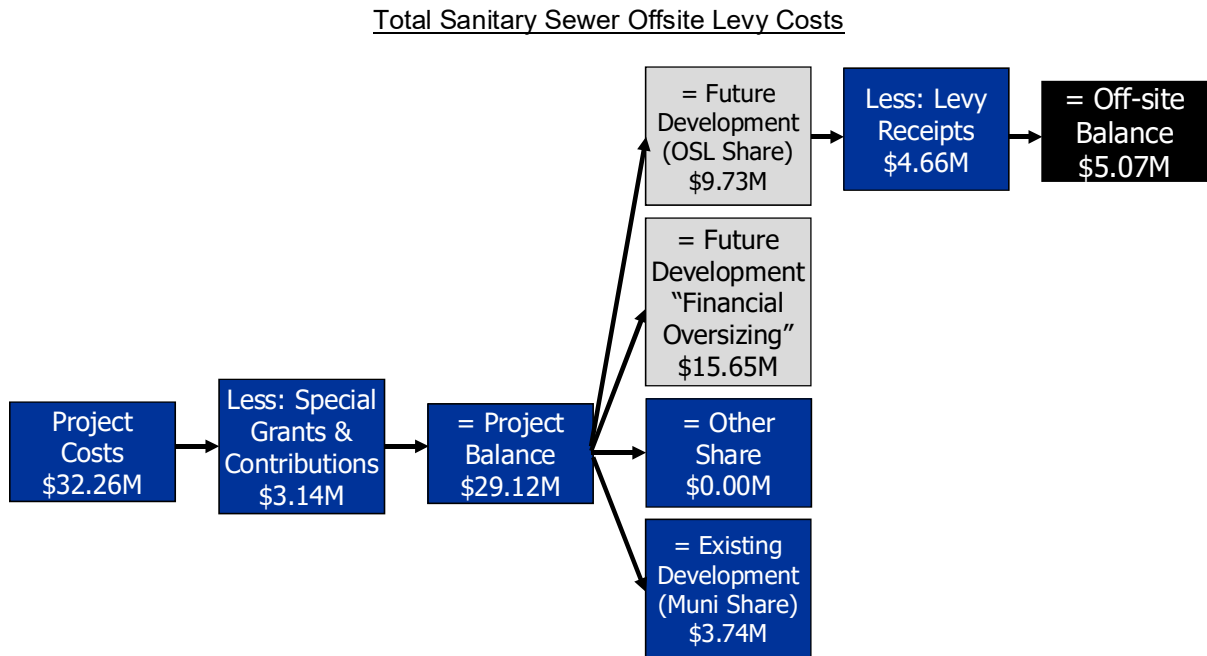
Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$9.73 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. Town staff have advised that approximately **\$4.66 million** in sanitary sewer levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately **\$5.07 million**.

Offsite Levy Funds Applied to Date

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2020	Offsite Levy Funds Collected Starting Jan 1, 2021	Adjusted Developer (Levy) Cost
1	West Trunk	\$ 2,347,243	\$ 2,347,243	\$ -	\$ -
2	South Creek Phase 1, 2A and 2B 900mm Trunk	\$ 1,738,252	\$ 1,290,063	\$ -	\$ 448,189
3	Central Trunk Super Pipe (1500mm)	\$ 303,950	\$ -	\$ -	\$ 303,950
4	East of Veterans Sanitary Trunk 1 (525mm)	\$ 792,000	\$ -	\$ -	\$ 792,000
5	East of Veterans Sanitary Trunk 2A (525mm)	\$ 550,000	\$ -	\$ -	\$ 550,000
6	East of Veterans Sanitary Trunk 2B (525mm)	\$ 885,500	\$ -	\$ -	\$ 885,500
7	Northeast Sanitary Trunk 2 (450mm)	\$ 314,150	\$ -	\$ -	\$ 314,150
8	Northeast Sanitary Trunk 1 (525mm)	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
9	Edgelands Sanitary Trunk (750mm)	\$ 778,400	\$ -	\$ -	\$ 778,400
10	Southcreek Sanitary Trunk 2 (900mm)	\$ 521,400	\$ -	\$ -	\$ 521,400
11	Tussic Sanitary Trunk (750mm)	\$ 45,314	\$ -	\$ -	\$ 45,314
12	Deerfield Sanitary Trunk (900mm)	\$ -	\$ -	\$ -	\$ -
13	North Business Park Permanent Liftstation	\$ 350,699	\$ -	\$ -	\$ 350,699
14	Deerfield South Trunk (525mm)	\$ -	\$ -	\$ -	\$ -
15	Southwest Deerfield Trunk (900mm)	\$ -	\$ -	\$ -	\$ -
16	Northwest Trunk (525mm)	\$ -	\$ -	\$ -	\$ -
17	Northwest Glory Hills Road Trunk (375mm)	\$ -	\$ -	\$ -	\$ -
18	Northwest Industrial Trunk (450mm)	\$ -	\$ -	\$ -	\$ -
19	Parkland Gateway Trunk (450mm)	\$ -	\$ -	\$ -	\$ -
20	Parkland Gateway Trunk (525mm)	\$ -	\$ -	\$ -	\$ -
21	Deerfield west Trunk (750mm)	\$ -	\$ -	\$ -	\$ -
22	South of Lake Westerra Trunk (375mm)	\$ -	\$ -	\$ -	\$ -
23	South of Country Plains Trunk (375mm)	\$ -	\$ -	\$ -	\$ -
24	South of Country Plains Trunk (450mm)	\$ -	\$ -	\$ -	\$ -
25	Tussic to South of 79 Ave Trunk (750mm)	\$ -	\$ -	\$ -	\$ -
26	South of Edgeland Park Trunk (375mm)	\$ -	\$ -	\$ -	\$ -
27	Edgeland Park west of Veterans Trunk (600mm)	\$ -	\$ -	\$ -	\$ -
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ 1,021,390	\$ -	\$ (1,021,390)
		\$ 9,726,908	\$ 4,658,696	\$ -	\$ 5,068,212

**D6. Summary of Sanitary Sewer Offsite Levy Cost Flow-through**

As shown in the figure below, the total costs for sanitary sewer infrastructure that forms the basis of the rate is approximately **\$5.07 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in the previous section. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



## D7. Sanitary Sewer Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a “1” below applicable area numbers. Benefiting areas were determined by Town staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.



Sanitary Sewer Allocations to Benefitting Areas

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	West Trunk	\$ -	1					1						
2	South Creek Phase 1, 2A and 2B 900mm Trunk	\$ 448,189										1		
3	Central Trunk Super Pipe (1500mm)	\$ 303,950		1			1							
4	East of Veterans Sanitary Trunk 1 (525mm)	\$ 792,000								1				
5	East of Veterans Sanitary Trunk 2A (525mm)	\$ 550,000								1				
6	East of Veterans Sanitary Trunk 2B (525mm)	\$ 885,500								1				
7	Northeast Sanitary Trunk 2 (450mm)	\$ 314,150			1									
8	Northeast Sanitary Trunk 1 (525mm)	\$ 1,100,000			1									
9	Edgelands Sanitary Trunk (750mm)	\$ 778,400									1			
10	Southcreek Sanitary Trunk 2 (900mm)	\$ 521,400										1		
11	Tussic Sanitary Trunk (750mm)	\$ 45,314											1	
12	Deerfield Sanitary Trunk (900mm)	\$ -												1
13	North Business Park Permanent Liftstation	\$ 350,699					1							
14	Deerfield South Trunk (525mm)	\$ -												1
15	Southwest Deerfield Trunk (900mm)	\$ -												1
16	Northwest Trunk (525mm)	\$ -	1					1						
17	Northwest Glory Hills Road Trunk (375mm)	\$ -						1						
18	Northwest Industrial Trunk (450mm)	\$ -						1						
19	Parkland Gateway Trunk (450mm)	\$ -						1						
20	Parkland Gateway Trunk (525mm)	\$ -						1						
21	Deerfield west Trunk (750mm)	\$ -												1
22	South of Lake Westerra Trunk (375mm)	\$ -											1	
23	South of Country Plains Trunk (375mm)	\$ -										1		
24	South of Country Plains Trunk (450mm)	\$ -											1	
25	Tussic to South of 79 Ave Trunk (750mm)	\$ -											1	
26	South of Edgeland Park Trunk (375mm)	\$ -									1			
27	Edgeland Park west of Veterans Trunk (600mm)	\$ -									1			
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ (1,021,390)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 5,068,212												

**D8. Account Balance**

At December 31<sup>st</sup>, 2020 the sanitary sewer account balance was in a surplus of **\$1,021,390.33**. This amount takes into consideration expenditures and front-ending obligations up to end-2020.

Sanitary Sewer Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Opening Balance at Jan 1, 2008			\$ 2,433,957.05
OSL Receipts 2008-2020	\$ 1,764,174.37		\$ 4,198,131.42
Withdrawals/Applied to OSL Projects (2008-2020)		\$ 3,637,309.20	\$ 560,822.22
Interest Earned (Charged) 2008-2020	\$ 460,568.11		\$ 1,021,390.33
<b>Closing Balance at Dec 31, 2020 Not Including OSL Share of Net Expenditures and Front-ending Repayments</b>			<b>\$ 1,021,390.33</b>
Net Project Expenditures (OSL Share) In Addition to Withdrawals Applied to Projects (2008-2020)		\$ -	\$ 1,021,390.33
<b>Closing Balance at Dec 31, 2020</b>			<b>\$ 1,021,390.33</b>

**D9. Development and Sanitary Sewer Infrastructure Staging Impacts**

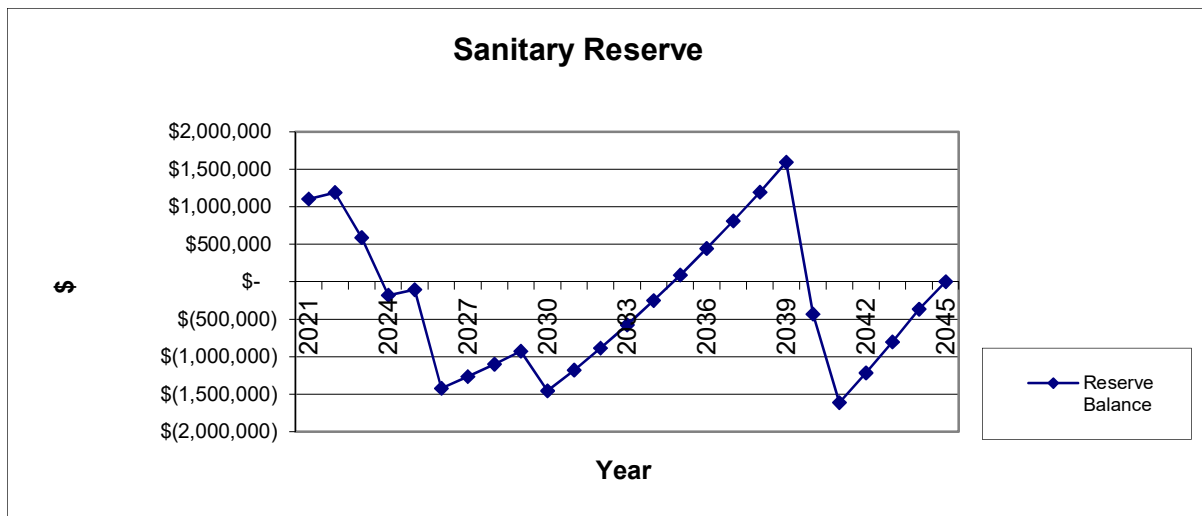
Sanitary sewer offsite infrastructure will be constructed in staged fashion over the 25-year

development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy account funds will not be sufficient to pay for construction of sanitary sewer infrastructure from time to time—front ending of infrastructure will be required. A front-end is the party that constructs and pays up front for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **2.09%**<sup>10</sup> interest allowance has been charged to the account when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the account when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy account balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast account balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the Town, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Sanitary Sewer Offsite Levy Account Balances



<sup>10</sup> The 20-year debenture rate at the Alberta Capital Finance Authority at the time of writing was ~2.09%.

Anticipated Sanitary Sewer Offsite Levy Account Balances

		Opening Balance		\$ 1,021,390
Year	Receipts	Expenditure	Interest	Balance
2021	\$ 71,381	\$ -	\$ 10,928	\$ 1,103,699
2022	\$ 72,809	\$ -	\$ 11,765	\$ 1,188,274
2023	\$ 74,265	\$ 681,097	\$ 5,814	\$ 587,256
2024	\$ 75,751	\$ 840,477	\$ (3,709)	\$ (181,179)
2025	\$ 78,023	\$ -	\$ (2,156)	\$ (105,312)
2026	\$ 176,251	\$ 1,463,361	\$ (29,102)	\$ (1,421,524)
2027	\$ 181,539	\$ -	\$ (25,916)	\$ (1,265,901)
2028	\$ 186,985	\$ -	\$ (22,549)	\$ (1,101,465)
2029	\$ 192,594	\$ -	\$ (18,995)	\$ (927,866)
2030	\$ 198,372	\$ 696,926	\$ (29,812)	\$ (1,456,232)
2031	\$ 301,969	\$ -	\$ (24,124)	\$ (1,178,388)
2032	\$ 311,028	\$ -	\$ (18,128)	\$ (885,488)
2033	\$ 320,358	\$ -	\$ (11,811)	\$ (576,941)
2034	\$ 329,969	\$ -	\$ (5,162)	\$ (252,133)
2035	\$ 339,868	\$ -	\$ 877	\$ 88,612
2036	\$ 350,064	\$ -	\$ 4,387	\$ 443,063
2037	\$ 360,566	\$ -	\$ 8,036	\$ 811,666
2038	\$ 371,383	\$ -	\$ 11,830	\$ 1,194,880
2039	\$ 382,525	\$ -	\$ 15,774	\$ 1,593,178
2040	\$ 394,000	\$ 2,408,195	\$ (8,799)	\$ (429,815)
2041	\$ 405,820	\$ 1,553,180	\$ (32,963)	\$ (1,610,138)
2042	\$ 417,995	\$ -	\$ (24,916)	\$ (1,217,059)
2043	\$ 430,466	\$ -	\$ (16,440)	\$ (803,032)
2044	\$ 443,254	\$ -	\$ (7,519)	\$ (367,297)
2045	\$ 456,755	\$ 89,457	\$ -	\$ (0)

## APPENDIX E: RECREATION

### E1. Recreation Offsite Infrastructure

In order to support future growth, recreation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$93.00 million** as outlined in the table and map below. It is important to note that these costs represent “gross” costs, of which only a portion will go to support development during the 25-year review period. The remainder of this section outlines how the “net” costs for development are determined.

#### Summary of Recreation Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Future Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	Recreational Facility - Phase 1 - Fieldhouse	\$ -	\$ -	\$ 25,500,000	\$ 25,500,000
2	Recreational Facility - Phase 2 - Aquatics	\$ -	\$ -	\$ 35,500,000	\$ 35,500,000
3	Recreational Facility - Phase 3 - Arena	\$ -	\$ -	\$ 32,000,000	\$ 32,000,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -
		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93,000,000</b>	<b>\$ 93,000,000</b>

\*Costs estimates provided by Town staff.

\*\*Estimates include engineering, contingencies, and land costs if any.

\*\*\*Historical financing charges (if any) are included in the cost of completed work.

\*\*\*\*Unallocated levies to end-2020 were set-up as an individual project (#100) and credited 100% to future development and to all offsite levy areas.

\*\*\*\*\*Offsite infrastructure definitions are contained in Appendix F.

### Location of Recreation Offsite Infrastructure



## E2. Recreation Offsite Infrastructure Grants & Contributions to Date

The *MGA* enables the Town to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special ear-marked grant or contribution (i.e., contributed infrastructure). Town of Stony Plain has/will receive approximately **\$46.88 million** in special ear-marked grants and contributions for recreation offsite levy infrastructure as shown in the table below (note, if the Town receives other ear-marked grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$46.13 million**.

Special Grants and Contributions for Recreation Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Special Provincial Grants (Historic & Future)	Developer Agreement Contributions (Historic & Future)	Other Contributions (Historic & Future)	Reduced Project Estimated Cost
1	Recreational Facility - Phase 1 - Fieldhouse	\$ 25,500,000	\$ 10,000,000	\$ 2,500,000	\$ -	\$ 13,000,000
2	Recreational Facility - Phase 2 - Aquatics	\$ 35,500,000	\$ 15,975,000	\$ 2,000,000	\$ -	\$ 17,525,000
3	Recreational Facility - Phase 3 - Arena	\$ 32,000,000	\$ 14,400,000	\$ 2,000,000	\$ -	\$ 15,600,000
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$ 93,000,000</b>	<b>\$ 40,375,000</b>	<b>\$ 6,500,000</b>	<b>\$ -</b>	<b>\$ 46,125,000</b>

**E3. Year of Construction**

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast account balances, and the estimate of financial oversizing (described in the Section that follows). The Town anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the Town's annual rate/bylaw updates.

Forecast Year of Construction

Item	Project Description	Construction Start Year
1	Recreational Facility - Phase 1 - Fieldhouse	2021
2	Recreational Facility - Phase 2 - Aquatics	2034
3	Recreational Facility - Phase 3 - Arena	2045

\*The share of projects constructed beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

\*\*Project costs are inflated by 2% per annum to 2024 and 3% per annum thereafter to the year of construction.

**E4. Recreation Offsite Infrastructure Benefiting Parties**

The recreation offsite infrastructure previously outlined will benefit various parties to varying degrees. Three potential benefiting parties were identified including:

1. Town of Stony Plain – a portion of the recreation infrastructure which is required to service existing residents. This residual benefit is determined at the point in time when the project is added to the bylaw (i.e., it does not fluctuate from year-to-year).
2. Other Stakeholders – other municipalities that benefit from the infrastructure.
3. Future Development:
  - Financial Oversizing – that portion of cost (i.e., levyable recreation infrastructure costs) which benefits future development beyond the 25-year review period.
  - **In Rates – that portion of cost (i.e., levyable recreation infrastructure costs) which benefits future development within the 25-year review period.**

The table below outlines the allocation of recreation offsite levy infrastructure costs to



benefiting parties.

#### Allocation of Recreation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share	Developer Share Beyond 25 Yrs (Financial Oversizing %)	OSL / Developer Share %
1	Recreational Facility - Phase 1 - Fieldhouse	\$ 13,000,000	64.52%		0.00%	35.48%
2	Recreational Facility - Phase 2 - Aquatics	\$ 17,525,000	64.52%		18.45%	17.03%
3	Recreational Facility - Phase 3 - Arena	\$ 15,600,000	64.52%		34.06%	1.42%
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -				100.00%
		<b>\$ 46,125,000</b>				

\*Allocations were determined by Town staff.

\*\*Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

## E5. Existing Receipts & Adjusted Levy Cost

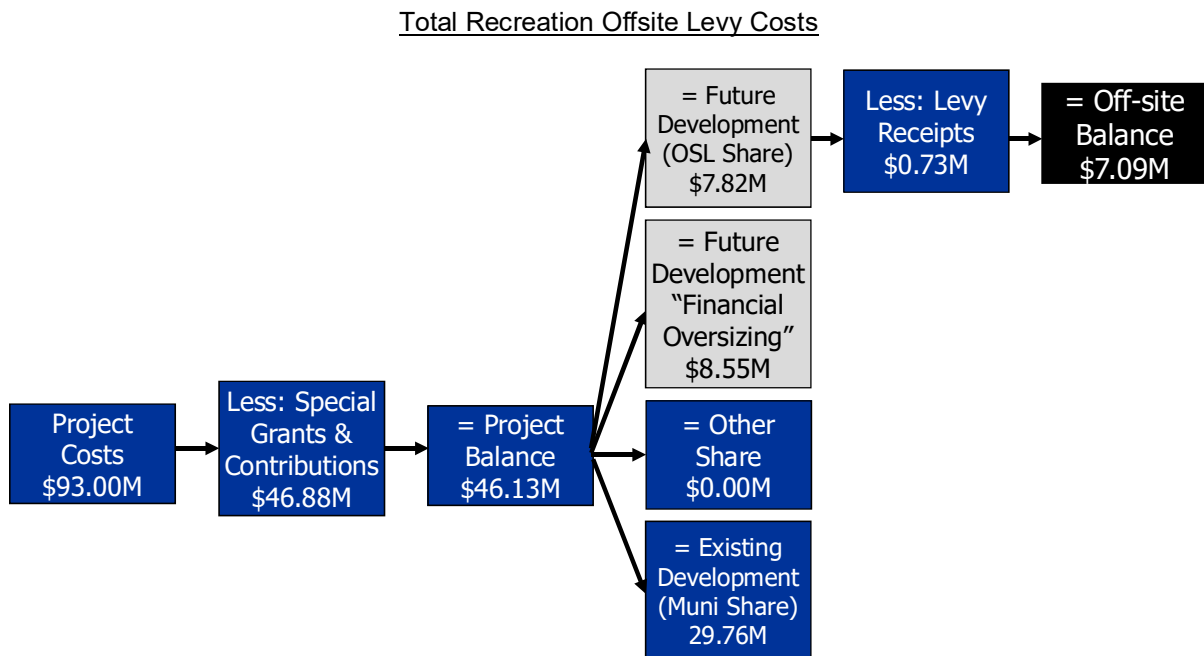
Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of **\$7.82**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. Town staff have advised that **\$0.73 million** in recreation levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of **\$7.09 million**.

#### Offsite Levy Funds Applied to Date

Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2020	Offsite Levy Funds Collected Starting Jan 1, 2021	Adjusted Developer (Levy) Cost
1	Recreational Facility - Phase 1 - Fieldhouse	\$ 4,612,400	\$ -	\$ -	\$ 4,612,400
2	Recreational Facility - Phase 2 - Aquatics	\$ 2,984,578	\$ -	\$ -	\$ 2,984,578
3	Recreational Facility - Phase 3 - Arena	\$ 221,395	\$ -	\$ -	\$ 221,395
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ -	\$ 729,465	\$ -	\$ (729,465)
		<b>\$ 7,818,373</b>	<b>\$ 729,465</b>	<b>\$ -</b>	<b>\$ 7,088,908</b>

## E6. Summary of Recreation Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for recreation infrastructure that forms the basis of the rate is **\$7.09 million**. The cost allocations to each benefiting party are based on the benefiting percentages shown in previous section. The offsite levy balance (due from developers) is allocated to various benefiting areas (as described in the next section).



## E7. Recreation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by Town staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Recreation Allocations to Benefitting Areas

Item	Project Description	Developer Cost	1	2	3	4	5	6	7	8	9	10	11	12
1	Recreational Facility - Phase 1 - Fieldhouse	\$ 4,612,400	1	1	1	1	1	1	1	1	1	1	1	1
2	Recreational Facility - Phase 2 - Aquatics	\$ 2,984,578	1	1	1	1	1	1	1	1	1	1	1	1
3	Recreational Facility - Phase 3 - Arena	\$ 221,395	1	1	1	1	1	1	1	1	1	1	1	1
100	Unallocated Offsite Levies Collected to Dec 31, 2020	\$ (729,465)	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 7,088,908												

## E8. Account Balance

At December 31<sup>st</sup>, 2020 the recreation account balance was in a surplus of **\$729,464.53**. This amount takes into consideration expenditures and front-ending obligations up to end-2020.

Recreation Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Opening Balance at Jan 1, 2008			\$ 65,190.98
OSL Receipts 2008-2020	\$ 1,583,283.65		\$ 1,648,474.63
Withdrawals/Applied to OSL Projects (2008-2020)		\$ 1,080,228.87	\$ 568,245.76
Interest Earned (Charged) 2008-2020	\$ 161,218.77		\$ 729,464.53
<b>Closing Balance at Dec 31, 2020 Not Including OSL Share of Net Expenditures and Front-ending Repayments</b>			<b>\$ 729,464.53</b>
Net Project Expenditures (OSL Share) In Addition to Withdrawals Applied to Projects (2008-2020)		\$ -	\$ 729,464.53
<b>Closing Balance at Dec 31, 2020</b>			<b>\$ 729,464.53</b>

## E9. Development and Recreation Infrastructure Staging Impacts

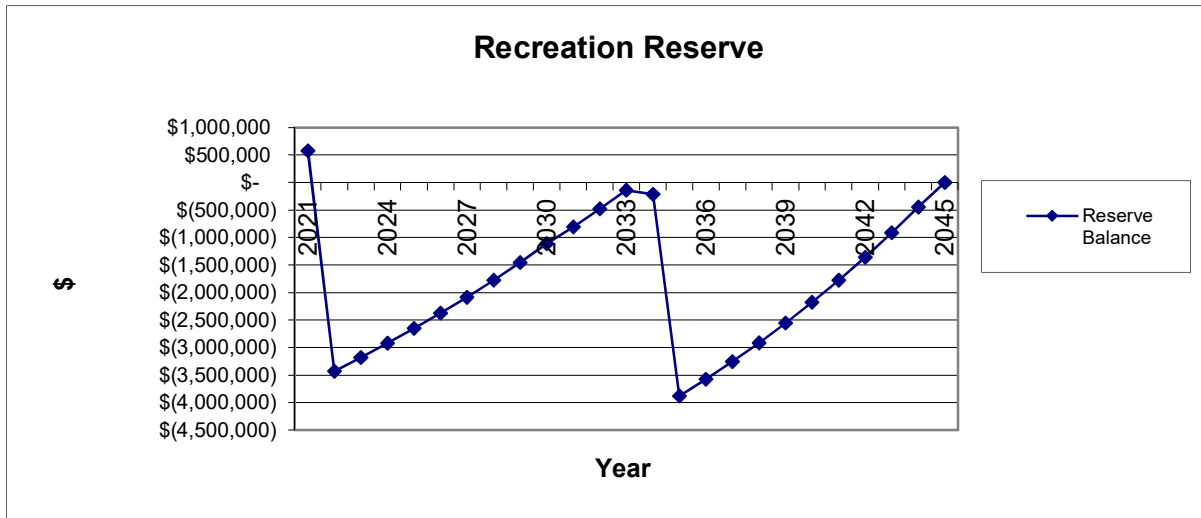
Recreation offsite infrastructure will be constructed in staged fashion over the 25-year development period.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **2.09%**<sup>11</sup> interest allowance has been charged to the account when it is forecast to be in a negative balance. Further, a **1.00%** interest credit has been provided to the account when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy account balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast account balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the Town, nor are they charged too little thereby placing an unequitable burden on taxpayers).

<sup>11</sup> The 20-year debenture rate at the Alberta Capital Finance Authority at the time of writing was ~2.09%.

Anticipated Recreation Offsite Levy Account Balances



Anticipated Recreation Offsite Levy Account Balances

		Opening Balance		\$ 729,465
Year	Receipts	Expenditure	Interest	Balance
2021	\$ 299,230	\$ 461,240	\$ 5,675	\$ 573,129
2022	\$ 305,215	\$ 4,234,183	\$ (70,137)	\$ (3,425,977)
2023	\$ 311,319	\$ -	\$ (65,096)	\$ (3,179,754)
2024	\$ 317,545	\$ -	\$ (59,820)	\$ (2,922,029)
2025	\$ 327,072	\$ -	\$ (54,235)	\$ (2,649,192)
2026	\$ 323,179	\$ -	\$ (48,614)	\$ (2,374,627)
2027	\$ 332,874	\$ -	\$ (42,673)	\$ (2,084,426)
2028	\$ 342,860	\$ -	\$ (36,399)	\$ (1,777,964)
2029	\$ 353,146	\$ -	\$ (29,779)	\$ (1,454,597)
2030	\$ 363,713	\$ -	\$ (22,799)	\$ (1,113,683)
2031	\$ 324,237	\$ -	\$ (16,499)	\$ (805,945)
2032	\$ 333,964	\$ -	\$ (9,864)	\$ (481,845)
2033	\$ 343,983	\$ -	\$ (2,881)	\$ (140,743)
2034	\$ 354,303	\$ 425,653	\$ (4,433)	\$ (216,525)
2035	\$ 364,932	\$ 3,945,803	\$ (79,366)	\$ (3,876,762)
2036	\$ 375,880	\$ -	\$ (73,168)	\$ (3,574,050)
2037	\$ 387,156	\$ -	\$ (66,606)	\$ (3,253,500)
2038	\$ 398,771	\$ -	\$ (59,664)	\$ (2,914,393)
2039	\$ 410,734	\$ -	\$ (52,326)	\$ (2,555,985)
2040	\$ 423,056	\$ -	\$ (44,578)	\$ (2,177,507)
2041	\$ 435,748	\$ -	\$ (36,403)	\$ (1,778,162)
2042	\$ 448,820	\$ -	\$ (27,783)	\$ (1,357,125)
2043	\$ 462,234	\$ -	\$ (18,703)	\$ (913,594)
2044	\$ 476,009	\$ -	\$ (9,146)	\$ (446,731)
2045	\$ 490,438	\$ 43,707	\$ (0)	\$ (0)

## **APPENDIX F: OFFSITE INFRASTRUCTURE DEFINITIONS**

### **F1. Roadways**

Town of Stony Plain maintains a roadway classification system consistent with the definition of arterial, collector, and local roads contained in the Transportation Association of Canada's Manual of Geometric Design Standards for Canadian Roads.

Local and collector roads within new development areas are constructed by developers, at their cost, in conjunction with the developments.

Arterial roadways are typically designed as free flowing with controlled intersection spacing and are considered a benefit to the Town at large. Therefore, new developments contribute their proportionate share of the cost of these arterial roads via the transportation offsite levy charge. Alberta Transportation highways are also considered Town arterial roads and the costs of improvements are included in the transportation offsite levy charge.

Costs associated with the any of the arterial road development projects within the Town also include stormwater, utility line burial, traffic signal, street light infrastructure, sidewalks, trails, and land dedication.

### **F2. Water**

Town of Stony Plain's philosophy regarding its waterworks system improvements is that development is responsible, at their cost, for the construction of all new distribution mains up to and including 300 mm diameter in size. Primary feeder mains (water mains larger then 300 mm diameter), treated water, storage reservoirs, pumping facilities and water quality monitoring stations benefit the entire water distribution system and thus, the cost of such facilities is then assessed proportionately against all benefiting lands through an offsite levy charge.

Capital improvements to the water supply system are the responsibility of EPCOR. The cost of such improvements are assessed proportionately against the Town through the Commission's water utility rate structure and these costs are not included in the Town's offsite levy charge.

### **F3. Sanitary Sewer**

The sanitary sewer collection system in Town of Stony Plain provides wastewater servicing to its residential and non-residential customers through local collection, conveyance, and treatment via wastewater lagoons, or through the Alberta Capital Region Wastewater Commission (ACRWC) infrastructure. The communities / locations serviced by the ACRWC include: Cardiff, Sturgeon Valley, Sturgeon Industrial Park, and the Alberta Industrial Heartland.

Sanitary sewer systems typically have a hierarchical classification based primarily upon the size of diameter of pipe and the area they serve. In the case of the sanitary sewer system in Town of Stony Plain, laterals (locals) are typically 200 mm and 250 mm diameter in size, collectors are 300 mm and 375 mm diameter in size, and trunks are sewer pipe systems

greater than 375 mm in diameter.

Trunks, forcemains, and lift stations, benefit the entire sanitary sewer collection system. The cost of such facilities is then assessed proportionately against all benefiting lands through an offsite levy charge.

Development shall be fully responsible for the construction of lateral and collectors for the sanitary sewer system at their entire cost.

Capital improvements to the Regional Treatment Plant and Transmission Line are the responsibility of the ACRWC of which Town of Stony Plain is a member. The cost of such capital improvements are assessed proportionately against Town of Stony Plain through the ACRWC sewage utility rate structure and are not included in the Town of Stony Plain offsite levy charge.

#### **F4. Recreation**

Recreation facilities means indoor municipal facilities used primarily by members of the public to participate in recreational activities conducted at the facilities.



## APPENDIX G: COMPARISON OF RATES

The table below compares the new Town offsite levy rates to other municipalities.

Municipality / Area	Average Per Ha.
Strathcona County* (roads, water, sewer, storm)	\$9,600 – 73,700 (2018)
City of Beaumont* Residential (roads, water, sewer)	\$53,900 - \$77,600 (2019)
City of Fort Saskatchewan (West Park) (roads, water, sewer, storm)	\$62,900 - \$76,700 (2017)
Town of Stony Plain (roads, water, sewer, recreation)	\$74,949
Parkland County* (roads, water, sewer, storm)	\$82,500 (2018)
Sturgeon County – Sturgeon Valley* (roads, water, sewer)	\$82,794 (in progress)
City of Spruce Grove* (roads, water, sewer)	\$83,000 (2020)
Town of Calmar* (roads, water, sewer)	\$95,700 (2020)
City of Fort Saskatchewan (South Fort) (roads, water, sewer, storm)	\$104,100 (2017)
Leduc County* - Nisku (roads, water, sewer)	\$109,000 (2017)
Town of Devon* (roads, water, sewer)	\$119,900 (2019)
Town of High River (roads, water, sewer)	\$130,000 (2013)
City of Leduc* (roads, water, sewer)	\$133,100 (2020)
City of St. Albert* (roads, water, sewer, storm)	+\$300,000 (2020)
City of Edmonton (roads, water, sewer, storm)	+\$300,000
City of Calgary (roads, water, sewer, storm, rec, stabilization)	+\$350,000

\*CORVUS clients

\*\*Information adapted from online sources as at Jan 1<sup>st</sup>, 2021.