

OFF-SITE LEVIES

COUNTY OF VERMILION RIVER PLANNING & COMMUNITY SERVICES DEPARTMENT

<https://www.vermilion-river.com/departments/community-services/development-permits>

The County of Vermilion River passed Bylaw 12-14 in July 2012. This Bylaw effectively sets an approved value on a per acre/hectare basis, within a specified area, for capital infrastructure upgrades required due to development.

What is an Off-Site Levy?

- Off-Site Levies provide a mechanism for municipalities to recover capital costs incurred for infrastructure improvements required for new development
- Off-Site Levies may only be collected once in respect of lands subject to development or subdivision for those items outlined (transportation, drainage, water, sewer)
- The Off-Site Levy rates are calculated by unit in order to ensure each development bears an equal share of costs associated with the needs of a specified area: "growth pays for growth"
- The *Municipal Government Act* of Alberta clearly outlines requirements for Off-Site Levy financial reporting and tracking use of funds (for example: costs associated with an off-site levy cannot be used towards ongoing maintenance of infrastructure)

What is the Purpose of an Off-Site Levy?

- It helps to pay for roads, municipal utility systems and community services (i.e., police, fire, recreation and library facilities) required outside of or "off" the site of development or subdivision to serve that development
- Projects funded include ROADS (\$16.1 million) and STORMWATER (\$1.2 million)

Why Off-Site Levies vs. Other Forms of Cost Allocation?

- The administration of the program is less complicated
- It creates a level playing field amongst developers (consistent, transparent, equitable income)
- It creates a detailed understanding of cost of growth
- If single Development Agreements were used instead of Off-Site Levies, individual developers would be responsible for the full costs associated with necessary upgrades that others in the area would benefit from. That can drastically impact a projects' feasibility
- The municipality manages infrastructure projects (i.e., intersection upgrades or drainage ditch construction) which reduces the amount of work the developer would be required to do up front

QUICK FACTS:

Alberta Municipal Affairs has provided municipalities with the authority, under the *Municipal Government Act* Section 648, to set and collect Off-Site Levies through the adoption of a Municipal Bylaw. The County of Vermilion River adopted Bylaw 12-04 for this purpose.



REVISION DATE: May 2023

OFF-SITE LEVIES



Who Pays Off-Site Levies?

- Off-Site Levies are paid prior to starting the development or prior to CVR approval of a survey plan for subdivision registration at the Land Titles Office
 - Payment arrangements can be made as per established Policy
- Certain developments are exempt – contact Planning & Community Services
- See Bylaw 12-04 on the County website for a map of the Off-Site Levy area and charges per net developable hectare

RESIDENTIAL DEVELOPMENT EXAMPLE

Subdivision Proposal: To create a 2.54 hectare (6.27 acre) parcel out of a quarter section.

Wetland = 0.18 ha (0.45 ac)

Total = 2.54 ha (6.27 ac)
minus wetland
= 2.36 ha (5.82 ac)
Developable hectares

Development in the Northwest Basin	
Transportation Levy	\$19,747/ ha
X 2.36 hectares	\$46,602.92
Stormwater Levy	\$2,197/ ha
X 2.36 hectares	\$5,184.92
Total Levy Payable	\$51,787.84

INDUSTRIAL DEVELOPMENT EXAMPLE

Development Proposal: To construct a large building within an Industrial Park parcel

2.01 ha (4.97 ac)
Developable hectares

Development in the Blackfoot Basin	
Transportation Levy	\$19,747/ ha
X 2.01 hectares	\$39,691.47 ha
Stormwater Levy	\$66/ ha
X 2.01 hectares	\$132.66/ ha
Total Levy Payable	\$39,824.13

REVISION DATE: May 2023