

Request for Decision

Title	Off-site Levy Exemption Request – Cam Kuzyk
Proposed Motion	That Council deny the request for an off-site levy exemption for Development Permit 305305-22-D0051 on Lot 8, Block 1, Plan 1821502, in the amount of \$29,571.20.
Administrative Recommendation	<p>Administration recommends that Council deny Mr. Cam Kuzyk’s off-site levy exemption request.</p> <p>Note that the alternatives considered within this Request for Decision provide Council with other potential motions that may be considered, including a deferral of the matter until the completion of a review.</p>
Previous Council / Committee Direction	<p><u>May 24, 2022 Regular Council Meeting</u></p> <p>Motion 217/22: That Council refer the May 24, 2022 presentation from Cam Kuzyk regarding his Off-site Levy Exemption Request to Administration to present a recommendation at a future Council meeting.</p>
Report	<p><u>Background</u></p> <ul style="list-style-type: none"> • Mr. Cam Kuzyk applied for a Development Permit on March 9, 2022 to build a single detached house on a 0.32 hectare (ha) parcel of land within the Sturgeon Valley. • Mr. Kuzyk was informed that he would be required to enter into a development agreement and pay off-site levies per the requirements of the County’s Off-site Levy Bylaw 1531/21 (see Attachment 1) as a condition of his Development Permit. • The 0.32 ha parcel is located within Benefitting Area #10 where the total off-site levy calculation equals \$92,418 per hectare. The levy calculation for Mr. Kuzyk’s parcel is \$92,418 x 0.32 hectares, which equals \$29,571.20. • The intent of an off-site levy is to provide critical funding for the construction of road, water, sanitary, and stormwater infrastructure that is needed to support the growth and development of the area. Following a ‘growth pays for growth’ philosophy means a levy is substantially paid for by the persons developing the lands and not by the other taxpayers of the County. • Sturgeon County’s Off-site Levy Policy (see Attachment 2) establishes procedures pertaining to the implementation of off-site levy bylaws in Sturgeon County and includes a policy framework that provides off-site

levy exemption and deferral thresholds. Policy 4.2.2 County Exemptions states the following:

- Except for exemption conditions outlined in legislation, off-site levies would apply to all "development" or "subdivision" situations within Sturgeon County off-site levy development areas, unless such development or subdivision is explicitly exempted.
- The policy provides 10 exemption thresholds or circumstances where payment of off-site levies is exempted, where it is determined that a subdivision or development application does not place any burden on road, water, sanitary, or stormwater off-site infrastructure.
- The development of a new single detached dwelling does not meet any of the exemption criteria. Therefore, the application for a development permit for the dwelling would trigger payment of the required off-site levies.
- As Administration has no means to exempt this development from paying off-site levies, Mr. Kuzyk was advised that the levy payment was required. Mr. Kuzyk was also advised that he could apply to Council for a levy exemption for the development of the proposed single detached house, if so desired.
- Administration believes that this is the terminal subdivision (no additional subdivision can occur), and the development of a single detached house is the only development to occur on the parcel that will impact off-site infrastructure. Therefore, this is most likely the final opportunity to collect levies for this parcel.
- Mr. Kuzyk presented his request at the May 24, 2022 Council meeting (see Attachment 3).

Recommendation

- While the circumstances of Mr. Kuzyk becoming aware of the off-site levy are unfortunate, the request for an exemption should be denied for the following reasons:
 - The off-site levy charged to Mr. Kuzyk's development is consistent with Bylaw 1531/21, the Sturgeon Valley Off-site Levy Bylaw and the Sturgeon County Off-site Levy Policy.
 - Mr. Kuzyk's development is likely the final subdivision and build out of the property; therefore, it is unlikely that levies can be collected in the future.
 - The off-site levy charges calculated in Bylaw 1531/21, the Sturgeon Valley Off-site Levy Bylaw, rely on levy payments being collected at subdivision or development within each benefitting area. Successive non-payment of calculated levies may overall cause financial strain on project funding that the levies are intended to fund.
 - The adoption of the Sturgeon Valley Core and Sturgeon Valley South Area Structure Plans has resulted in a significant increase in the proposed net residential densities for the Sturgeon Valley moving forward. This will require installation of infrastructure that can

	<p>support the increased population beyond what was contemplated when the current off-site levy bylaw was implemented in 2019.</p> <ul style="list-style-type: none"> ○ If levies are not paid, the financial exposure to the municipality could be excessive and require subsidization from other areas of the county or an inability to provide infrastructure. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> • Bylaw 1531/21 - Sturgeon Valley Off-Site Levy Bylaw: This Bylaw provides the rationale and calculations for funding off-site road, water, sanitary, and stormwater infrastructure needed to support development within the Sturgeon Valley. The Bylaw identifies benefitting areas and associated levy amounts per hectare to be paid at the time of subdivision or development. • Sturgeon County Off-site Levy Policy: This policy outlines the rationale and policy related to the collection of off-site levies and specifies the criteria and thresholds needed to exempt or defer payment of off-site levies.
<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment</u></p> <p>Operational Excellence – Aligning with the requirements of Bylaw 1531/21 is consistent with legislation, master plans, policies, and procedures. Levy charges are a normal process in municipal governance.</p> <p>Planned Growth – This decision will ensure that developers pay for a fair share of the municipal improvements necessary to support growth with reliable and effective infrastructure.</p> <p><u>Organizational</u></p> <p>Commitment to the off-site levy system signals consistency with established policy and procedure to future developers.</p> <p><u>Financial</u></p> <p>Projects identified in Bylaw 1531/21 rely on off-site levy funding to be triggered at time of subdivision or development. An exemption to the Policy and may cause financial downstream effects on project construction.</p>
<p>Alternatives Considered</p>	<p><u>Alternative 1</u></p> <ul style="list-style-type: none"> • Council may direct Administration to defer the exemption request decision until a full review of the Sturgeon Valley Off-site Levy Bylaw 1531/21 and Sturgeon County Off-Site Levy Policy is completed. <ul style="list-style-type: none"> ○ Administration is currently in the process of reviewing the off-site levy bylaw for the Sturgeon Valley with an anticipated completion timeline of Q1 2023. The review will likely result in adjustments to the benefitting areas and the calculations of payments per hectare. It is undetermined, at this time, if this will result in a decrease (or increase) in the off-site levy payments per hectare for the parcel in question. ○ Administration is also currently reviewing the Off-site Levy Policy and is reviewing deferral and exemption criteria. It is undetermined,

at this time, if this will result in new exemption or deferral criterion for Mr. Kuzyk or others.

Alternative 2

- Alternatively, Council may direct Administration to exempt the off-site levy fee payment of \$29,571.20 for Development Permit 305305-22-D0051 on Lot 8, Block 1, Plan 1821502 as a condition of the Development Permit for a single detached dwelling resulting in the inability to collect off-site levies from this parcel in the future.

Implications of Alternatives

Alternative 1

Strategic Alignment

Operational Excellence – Deferring the decision allows time to ensure the direction is consistent with the planned updated off-site levy bylaw and policy and that this decision would be consistent with legislation, master plans, policies, and procedures.

However, deferring the decision would place the developer in a grey zone. While the Development Permit condition is worded in such a way that it does not stop the Developer from constructing their home, it adds uncertainty.

Collaborative Governance – Administration seeks to promote consistency and flexibility when working with residents and clients. Transparent and action-oriented decision making based on sound rationale is showcased.

Planned Growth – This decision will ensure that developers pay for a fair share of the municipal improvements necessary to support residential growth with reliable and effective infrastructure.

Organizational

Administration has the capacity to support this recommendation.

Financial

None.

Alternative 2

Strategic Alignment

Operational Excellence – Exempting the off-site levy charge as requested would weaken the off-site levy system and could invite more exemption requests for developers in similar situations (potentially hundreds in number).

Planned Growth – This decision would negatively impact the County's priority to have development pay for the associated impacts of development on municipal infrastructure.

Organizational

Additional levy exemption requests would be anticipated to result in increased impacts on staff resources.

Financial

Levy payments exempted that were not anticipated within Bylaw 1531/21 would cause financial downstream effects on project construction.

Follow up Action	1. Execute the Development Agreement process for payment, deferral, or exemption of the identified off-site levy (Planning and Development Services, June 2022).
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment 1: Bylaw 1531/21 - Sturgeon Valley Off-site Levy Bylaw 2. Attachment 2: Off-site Levy Policy 3. Attachment 3: Cam Kuzyk May 24, 2022 Presentation Materials
Report Reviewed by:	<p>Bonnie McInnis, Manager, Planning & Development Services</p> <p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Travis Peter, General Manager, Development & Strategic Services</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>