

Request for Decision

	<p>Title Off-site Levy Exemption Request – Development Permit 305305-22-D0051, Lot 8, Block 1, Plan 1821502</p>
<p>Proposed Motion</p>	<ol style="list-style-type: none"> 1. That Council postpone consideration of the request for an off-site levy exemption for Development Permit 305305-22-D0051 on Lot 8, Block 1, Plan 1821502, pending the result of a full review of the Sturgeon Valley Off-site Levy Bylaw and the Off-site Levy Policy, and apply no more than the current March 2022 off-site levy of \$29,571.20 attributable to the property if the review results in a general rate increase. 2. That Council approve the amended Off-Site Levy Policy as presented. 3. That Council suspend collection of levies for lands within the benefitting areas that are no longer within the Sturgeon Valley Core and Sturgeon Valley South Area Structure Plan boundaries, as identified within Attachment 4 of the June 23, 2022 Request for Decision, pending the result of a full review of the Sturgeon Valley Off-site Levy Bylaw and Off-site Levy Policy.
<p>Administrative Recommendation</p>	<p>Administration recommends that:</p> <ol style="list-style-type: none"> 1. Council postpone consideration of Cam Kuzyk’s request for off-site levy exemption pending the result of a full review of the Sturgeon Valley Off-site Levy Bylaw and the Off-site Levy Policy, and direct Administration to apply no more than the current Off-site Levy Fee attributable to the property at the time of issuance of the Development Permit. 2. Council, as an interim measure, amend the Off-site Levy Policy to allow site specific exemptions to off-site levy assessment until a new Off-site Levy Bylaw and Off-site Levy Policy is approved (estimated Q1 2023). Section 4c would read: <i>If a development or subdivision is likely not to place a burden on the roads, and/or water, and/or sanitary, and/or storm management off-site infrastructure then the development or subdivision may, subject to the approved exemptions and thresholds, be considered exempt from off-site levy assessment.</i> 3. Council, as an interim measure, suspend collection of off-site levies for lands within the benefitting areas that are no longer within the Sturgeon Valley Core and Sturgeon Valley South ASP boundaries. These lands are noted within Schedule “A” of Bylaw 1446/19 - Sturgeon Valley Off-site

	Levy Bylaw and provided within Attachment 4 to this Request for Decision.
Previous Council / Committee Direction	<p><u>June 14, 2022 Regular Council Meeting</u> Motion 227/22: That Council postpone consideration of item 5.4 to the June 28, 2022 Council Meeting.</p> <p><u>May 24, 2022 Regular Council Meeting</u> 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"> • A landowner, Mr. 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 remit off-site levies per the requirements of the County’s Sturgeon Valley Off-site Levy Bylaw 1531/21 (Attachment 1) as a condition of his Development Permit. This current Off-site Levy Bylaw was passed prior to the adoption of the Sturgeon Valley ASPs which identify infrastructure requirements and benefitting lands requiring alignment. • 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 ha, 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 those developing the lands and not by the other taxpayers of the County. • Sturgeon County’s Off-site Levy Policy (Attachment 2) establishes procedures pertaining to the implementation of off-site levy bylaws in Sturgeon County and includes an attached policy framework that provides off-site levy exemption and deferral thresholds. Paragraph 4.2.2 County Exemptions states the following: <ul style="list-style-type: none"> ○ Except for explicit exemption conditions outlined in legislation, off-site levies would apply to all development and subdivision situations within Sturgeon County defined benefitting areas. ○ 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 <u>does not meet any of the exemption criteria</u>. Therefore, the application for a

development permit for the dwelling would trigger payment of the required off-site levies.

- As the Bylaw provides no means to exempt Mr. Kuzyk's 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.
- This is likely 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. His request was referred to Administration to present a recommendation to Council on June 14, 2022.
- At the June 14, 2022 Council meeting, consideration of this matter was postponed to the June 28, 2022 Council meeting pending additional administrative review of deferral criteria.
- Administration is currently reviewing the Off-site Levy Policy in conjunction with the update to the Sturgeon Valley Off-site Levy Bylaw to ensure alignment but also to ensure practical application of the levies on subdivision and development.
 - Adopted in 2017, the Off-site Levy Policy provides direction and establishes principles and procedures pertaining to all of Sturgeon County's Off-site Levy Bylaws. The policy outlines when off-site levies are assessed and when off-site levies are payable. The policy contains a framework that outlines off-site levy assessment exemptions and deferral criteria and thresholds.
 - The exemption criteria and thresholds as they exist currently may not be appropriate for the implementation of off-site levies for the Sturgeon Valley in the current context. The exemption criteria in the Policy is rigid and does not allow discretion if the subdivision or development is not likely to impact the leviable infrastructure (roads, water, sanitary and stormwater management).
 - Administration will also consider resident notification practices around off-site levies, to ensure awareness of those potentially impacted. Off-site levy reviews are done in consultation with development industry representatives as well.
- There are potentially hundreds of properties within the Sturgeon Valley off-site levy boundary that are currently required to pay levies at the time of subdivision or development that potentially have no or little impact on the municipal infrastructure servicing the area. This inability of Administration to consider exemption or deferral of levy payments has resulted in two property owners requesting that Council exempt them from paying levies.
- Both reviews are anticipated to be completed in Q1 2023.

Recommendation 1

- Mr. Kuzyk's request for an exemption from paying off-site levies could be postponed until the review of the Off-site Levy Policy and Sturgeon Valley Off-site Levy Bylaw is complete.
- If, as a result of the Off-site Levy review, it is determined that Mr. Kuzyk's parcel is still obligated to pay off-site levies, and the levy rate is higher, the Levy payable by Mr. Kuzyk could be maintained at the current 2022 levy amount of \$29,571.20. If the review concludes that Mr. Kuzyk and other parcels should be exempted, that exemption would be recommended.

Recommendation 2

- As an interim measure, that the Off-site Levy Policy be adjusted as follows: Section 4.c be adjusted to, *"If a development or subdivision is likely not to place a burden on the roads, and/or water, and/or sanitary, and/or storm management off-site infrastructure then the development or subdivision may, ~~subject to the approved exemptions and thresholds,~~ be considered exempt from off-site levy assessment."*
- The recommended adjustment of the Off-site Levy Policy will allow Administration, as an interim solution, to determine the best course of action regarding levy applicability on a site-specific basis while having regard to the Off-site Levy Policy's guiding principles, including assessing the degree as to whether "a development or subdivision is likely not to place a burden on the roads, and/or water, and/or sanitary, and/or storm management off-site infrastructure".

Recommendation 3

- The lands identified outside of the current Sturgeon Valley Core and Sturgeon Valley South ASP boundaries could be suspended from collection of levies (identified on Attachment 4) for the following reason:
 - These lands, included in the former Sturgeon Valley ASP, were removed from the planning framework when the new ASPs for the Sturgeon Valley were adopted. The current Off-site Levy Bylaw still maintains the boundary of the former ASP.
 - In the former ASP, these lands were always identified for agriculture with no expanded development potential. It is not contemplated that there will be any development that will require servicing of these lands in the future.
 - These lands are currently subject to paying levies when they subdivide or apply for a development permit. Until the update of the Sturgeon Valley Off-site Levy confirms otherwise, it would be unreasonable to collect levies for land outside of the current Sturgeon Valley ASP boundary.
- The review and update of the Sturgeon Valley Off-site Levy Bylaw will identify the infrastructure projects and costs to service the lands consistent with the implementation of the Sturgeon Valley Core and Sturgeon Valley South ASPs. The current Off-site Levy Bylaw was passed prior to the adoption of the Valley ASPs and therefore the infrastructure requirements and benefitting lands require alignment with the new

	<p>policy direction Identified in the statutory plans. Appropriate notification will be provided to impacted residents.</p> <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 – It is important that the Off-site Levy and the Off-site Levy Policy be aligned with the development framework outlined in the Sturgeon Valley ASPs and the commitment that the off-site levy system signals consistency and fairness with established policy. This interim measure to suspend collection of levies until the review of both the Sturgeon Valley Off-site Levy Bylaw and the Off-site Levy Policy are completed, will allow for confirmation of the appropriate levy amounts as well as establish appropriate exemption criteria to ensure that developers pay for a fair share of the municipal improvements necessary to support growth, while allowing developments that will not impact municipal infrastructure the ability to defer payment of the levy to when the lands will have an impact on leviable infrastructure.</p> <p>Planned Growth – This decision will ensure that the levies being collected within the Sturgeon Valley are calculated to support future infrastructure requirements consistent with the Valley Core and Valley South ASPs. It is also important that levies are collected fairly and reasonably and if subdivision and development will not impact leviable infrastructure that they be exempt from paying levies at this time.</p> <p><u>Organizational</u></p> <p>Administration has the capacity, as approved in Budget 2022, to conduct the required reviews of the Off-site Levy Bylaw and the Off-site Levy Policy that will inform this decision.</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 Bylaw and Policy may cause financial downstream effects on project construction.</p>
<p>Alternatives Considered</p>	<p>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.</p>

Implications of Alternatives	<p><u>Strategic Alignment</u> Operational Excellence – Exempting the off-site levy charge as requested could weaken the off-site levy system and could invite more exemption requests for developers in similar situations (potentially hundreds in number).</p> <p>Planned Growth – This decision would negatively impact the County’s priority to have development pay for the associated impacts of development on municipal infrastructure.</p> <p><u>Organizational</u> Additional levy exemption requests would be anticipated to result in increased impacts on staff resources.</p> <p><u>Financial</u> Levy payments exempted that were not anticipated within Bylaw 1531/21 would cause financial downstream effects on project construction.</p>
Follow up Action	<ol style="list-style-type: none"> 1. Execute the Development Agreement process for payment, suspension, 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 – Redlined 3. Attachment 3: Map Identifying Lands to be Suspended from Paying Off-site Levies
Report Reviewed by:	<p>Bonnie McInnis, Manager, Planning & Development Services</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</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"/>