TOWN OF REDCLIFF BYLAW NO. 1829/2016

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

WHEREAS:

A. Section 648 of the *Municipal Government Act* allows Council to pass a bylaw for the imposition and payment of off-site levies in respect of land that is to be developed or subdivided;

B. Town Council deems it necessary and expedient to collect Off-Site Levies to pay for the capital cost of infrastructure required to service the growth of the Town;

C. 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;

D. Town 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;

E. Town Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act*;

NOW THEREFORE, Council duly assembled, enacts as follows:

1. Name of Bylaw

This Bylaw shall be known and referred to as the "Off-Site Levy Bylaw".

Definitions

The following terms shall have the following meanings in this Bylaw:

- (a) "Bylaw" means this off-site levy bylaw;
- (b) "Chief Administrative Officer" means the chief administrative officer for the Town, regardless of the specific title that may be conferred on that officer from time to time;
- (c) "Council" means the council for the Town;
- (d) "Developable Land" means all land contained within the Net Development Area:
 - upon which Development is to take place after the date of enactment of this Bylaw; or

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(ii) for which Subdivision approval is obtained after the date of enactment of this Bylaw;

excluding all Existing Developed Land;

- (e) "Development" means "development" as defined in the *Municipal Government* Act;
- (f) "Development Agreement" means "development agreement" as referred to in the Municipal Government Act;
- (g) "Existing Developed Land" means land that has been subject to Development or a Subdivision prior to the date of passing of this Bylaw, and in respect of which off-site levies for the same kind of infrastructure have been paid;
- (h) "ICF" means the Infrastructure Capacity Fee imposed by the Town pursuant to the ICF Policy;
- "ICF Infrastructure" means those infrastructure components and projects referred to in Part A10 of the Report to be paid for in whole or in part by the ICF in accordance with the ICF Policy;
- (j) "ICF Policy" means Town Policy #100(2012), as amended or replaced from time to time;
- (k) "Lot" means "lot" as defined in the Municipal Government Act;
- "Municipal Government Act" means the Municipal Government Act, RSA 2000, c. M 26, as amended or repealed and replaced from time to time;
- (m) "Net Development Area" means all lands contained within the Offsite Levy Area less:
 - (i) environmental reserve;
 - school reserve;
 - (iii) municipal reserve; or
 - (iv) arterial road right of way.
- (n) "Off-Site Infrastructure" means those components and projects referred to in the Report, in relation to water facilities, sanitary sewer facilities, stormwater drainage facilities, roads and related transportation infrastructure to be paid for in whole or in part by Off-Site Levies under the Bylaw;
- (0) "Off-Site Levies" means the off-site levies imposed pursuant to this Bylaw;
- (p) "Offsite Levy Area" includes the area of land within the municipal boundaries of the Town identified in Schedule "A" to this Bylaw;

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- (q) "Off-Site Levy Regulation" means the <u>Principles and Criteria for Off-Site Levies</u> <u>Regulation</u>, Alta. Reg. 46/2004, as amended or repealed and replaced from time to time;
- (r) "Report" means the <u>Town of Redcliff Off-Site Levy Review</u>, March 23, 2016, prepared by Corvus Business Advisors, attached as Schedule "B" to this Bylaw;
- (s) "Subdivision" means "subdivision" as defined in the Municipal Government Act;
- (t) "Town" means the Town of Redcliff.
- 3. Object of Levy

The object of the Offsite Levies is to provide funds to pay for all or part of the capital costs of the Off Site Infrastructure required for growth. The Town wishes to facilitate growth of the community by providing offsite transportation, water, sanitary and stormwater infrastructure that meets the needs of development and also ensure that accompanying charges are fair and equitable, comply with legislative and regulatory requirements and recover the cost of the infrastructure in order to ensure a financially sustainable community.

- 4. Imposition of Levy
 - (a) The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report.
 - (b) The amount of the Off-Site Levies imposed is as calculated in the Report.
 - (c) The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.
 - (d) Unless otherwise agreed, payment of Off-Site Levies imposed under this Bylaw is due:
 - (i) in the case of Subdivision, at or prior to plan endorsement; and
 - (ii) in the case of Development, at or prior to the issuance of the development permit.
- 5. Authority of the Chief administrative Officer
 - (a) The Chief Administrative Officer is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
 - enter into Development Agreements on behalf of the Town with respect to, among other things, the collection of Off-Site Levies;
 - defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and

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- (iii) require security for payment of any deferred levies.
- (b) The Chief Administrative Officer may delegate the authority to enforce and administer this Bylaw.

6. Development Agreement

- (a) Council may, from time to time adopt policies or guidelines for the assistance and direction of the Chief Administrative Officer in determining which Development and Subdivision applications require a Development Agreement.
- (b) Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the owner, 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.
- (c) Deferral of Off-Site Levies, shall require a Development Agreement that includes the requirement of security for the payment of such deferred levies.

7. Annual Report

On or before December 31 in each calendar year, the Chief Administrative Officer shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:

- Off-Site Infrastructure constructed during the previous calendar year;
- (b) Construction costs of Off-Site Infrastructure constructed in the previous calendar year;
- (c) 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;
- (d) Amount collected in Off-site Levies; and
- (e) Specifics of total value of Off-site Levies being held by Town and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies.

8. Accounting

All funds collected pursuant to this Bylaw shall be accounted for in a special fund for each category of infrastructure and expended only as permitted under the *Municipal Government Act*.

9. Review

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.

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10. Transition

The ICF Policy shall continue to apply to the ICF Infrastructure as identified in the Report as if this Bylaw had not been enacted.

- 11. General
 - (a) Nothing in this Bylaw precludes the Town from:
 - (i) 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;
 - (ii) deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for payment of such deferred levies; or
 - (iii) 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.
 - (b) In the event that any provision of this Bylaw is declared invalid or void by any Court having competent jurisdiction, then such invalid or void provision shall be severed from the Bylaw and the remaining provisions of the Bylaw shall be maintained and deemed valid.
- 12. Execution

This Bylaw shall take effect and come into force effective after final reading and signature thereof by the Chief Elected Official and Manager of Legislative and Land Services, or their authorized delegates.

FIRST READING passed in open Council duly assembled in the Town of Redcliff, in the Province of Alberta, this 11th day of April, 2016.

NON-STATUTORY PUBLIC HEARING held in Open Council duly assembled in the Town of Redcliff, in the Province of Alberta, this 9th day of May, 2016.

SECOND READING passed in open Council duly assembled in the Town of Redcliff, in the Province of Alberta, this 9th day of May, 2016.

THIRD AND FINAL READING passed in open Council duly assembled in the Town of Redcliff, in the Province of Alberta, this 12th day of September, 2016.

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Manager of Legislative & Land Services

Mayor

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SCHEDULE A

Map of Developable Lands

Offsite Levy Areas



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SCHEDULE B

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Town of Redcliff: Offsite Levy Review

March 23rd 2016

Prepared by: Greg Weiss, President CORVUS Business Advisors 9670 – 95 Avenue Edmonton, AB T6C 2A4 (780) 428-4110 gweiss@corvusbusinessadvisors.com www.corvusbusinessadvisors.com

This document has been prepared by CORVUS Business Advisors for the sole purpose and exclusive use of the Town of Redcliff.

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March 23rd, 2016

Arlos Crofts, Municipal Manager Town of Redcliff Box 40 #1 – 3rd Street NE Redcliff, Alberta T0J 2P0

RE: Town of Redcliff Offsite Levy Review

Arlos:

Enclosed is our final report for the offsite levy review project. If you have any questions do not hesitate to contact me.

Yours truly,

Greg Weiss President

| CORVUS Business Advisors Inc. | | 9670 – 95 Avenue | Edmonton | Alberta | T6C 2A4 | 780-428-4110 |

1 DOCUMENT INFORMATION

Version Number	Revision Date	Summary of Changes and Author
1.0	August 24 th , 2015	DRAFT: Created by CORVUS Business Advisors.
2.0	September 8th, 2015	DRAFT: Reviewed by Administration
3.0	November 1 st , 2015	FINAL: Reviewed by Council
4.0	February 6 th , 2016	FINAL: Reviewed by Town's Legal Advisor
5.0	March 23 rd , 2016	FINAL: Final Edits from Administration

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3 INTRODUCTION

3.1 Introduction

The Town wishes to facilitate growth of the community by providing offsite transportation, water, sanitary, and stormwater infrastructure that meets the needs of development, and also ensure that accompanying charges are fair and equitable, comply with legislative and regulatory requirements, and recover the cost of the infrastructure in order to ensure a financially sustainable community.

In 2004 the Town established an Infrastructure Capacity Fee policy (ICF) to allocate the cost of transportation, water, sanitary, and stormwater offsite infrastructure to benefiting parties in 3 basins: (1) Eastside Area, (2) Westside Areas (A and B), and (3) Infill / Existing Development Area.

In April 2015 the Town of Redcliff retained the CORVUS Business Advisors Team to assist in establishing an offsite levy bylaw. CORVUS Business Advisors is establishing the rates, and legal sub-contractor Kennedy Agrios LLP is establishing the bylaw. As part of this project, the Town is implementing the CORVUS offsite levy model for managing rates ongoing. Where possible, this project will facilitate the transition of ICF related infrastructure to the offsite bylaw.

This report outlines the methodology and information used in establishing transportation, water, sanitary, and stormwater offsite levy rates for Town of Redcliff.

3.2 Methodology

The Town of Redcliff recently updated various infrastructure master plans. As a part of this offsite levy review, Town staff and their engineering advisors reviewed existing infrastructure plans and new master plans and identified offsite projects for transportation, water, sanitary, and stormwater infrastructure including in-progress projects and future projects required to support growth¹. Some of these projects were included in the previous ICF policy and will be transitioned to the new bylaw (discussed in Appendix A). The Town's engineering staff identified the benefiting areas of each project using the offsite areas identified in this report. The Town's engineering staff also determined the benefit of each project to existing development and future development using a ratio of gross area developed to gross area undeveloped.

Support provided by CORVUS Business Advisors included:

- Reconciliation of ICF project costs, fees, front-ending balances, and reserve balances.
- Transition of certain ICF projects, and associated fees and reserve balances to the new offsite levy bylaw.

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¹ It is not within CORVUS' scope of work to review/assess master plans. Offsite projects are identified by municipal engineering staff and/or their engineering advisors.

- Provision of the most current CORVUS offsite levy model, including configuration, priming, and data loading.
- Facilitation of a workshop to determine offsite levy area boundaries.
- Incorporation of offsite levy area measurements and land development forecasts (provided by Town staff).
- Incorporation of infrastructure costs and allocated percentages (provided by the Town's engineering advisors and Town staff).
- Incorporation of ICF receipts collected by the Town up to the cut-off date (provided by Town staff). A cut-off date of December 31st, 2014 was established. This date coincides with the Town's most recent year-end when the project commenced. Project expenditures for completed and in-progress projects, related ICF 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 1st, 2015 up to the new cut-off period will be converted from estimates to actuals.
- Establishment of offsite levy reserve opening balances including front-ending balances (amounts owed by future development to the Town for construction of infrastructure on behalf of future development).
- Development of transportation, water, sanitary, and stormwater offsite levy rates for the Town's offsite levy areas, using information and data provided by the Town and its engineering advisors.
- Presentation of offsite levy rates and background information to Administration and Council.

4 KEY FINDINGS

Key findings pertaining to the establishment of Town offsite levy rates are as follows:

- A reconciliation of ICF projects, costs, fees collected, reserve balances, and transfers to the offsite levy bylaw is provided in Appendix A. <u>This reconciliation is</u> important because certain ICF projects are being transferred to the offsite levy bylaw. <u>Related fees, front-ending balances, etc. also need to be transferred</u>.
- Historical ICF rates were based, in part, on offsite infrastructure net costs of approximately \$32.34 million. During this review, as part of the transition, ICF projects costs were updated. ICF net costs have increased significantly to approximately \$63.12 million. The updated cost of ICF projects does not include other planned offsite infrastructure identified in the Town's current transportation, water, sanitary, and stormwater master plans, which is also being added to the offsite levy rate calculation model. <u>An increase in infrastructure costs puts upward</u> <u>pressure on offsite levy rates</u>.
- Offsite infrastructure costs to be included in the offsite levy bylaw totals approximately \$83.64 million. These costs include ICF projects transferred to the offsite levy bylaw as well as new projects extracted from the Town's current master

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plans. An overview of offsite infrastructure costs is provided in Appendices C-1, D-1, E-1, and F-1.

Offsite infrastructure costs are always reduced by special ear-marked grants and development contributions. An overview of grants and contributions and resulting net costs is provided in Appendices C-2, D-2, E-2, and F-2.

That portion of cost which is allocated to future development versus existing development and other allocations is provided in Appendices C-3/C-4, D-3/D-4, E-3/E-4, and F-3/F-4.

A complete summary of offsite infrastructure net cost "flow-throughs" is provided in Appendices C-5, D-5, E-5, and F-5

An overview of offsite infrastructure benefitting areas is provided in C-6, D-6, E-6, and F-6.

From 2004 when the ICF policy was established, to the cut-off date (December 31st, 2014) the Town collected approximately \$1.51 million in ICF fees in the Eastside and Infill Areas (there were no fees collected in the Westside Area). Collections associated with projects being transitioned to the Offsite Levy Bylaw have been incorporated into the offsite levy rate model reducing the overall cost borne by developers. The collection of offsite levy receipts brings downward relief to offsite levy rates.

A reconciliation of ICF projects, costs, fees collected, reserve balances, and transfers to the offsite levy bylaw is provided in Appendix A.

Front-ending balances represent monies owed by future development to the Town for construction of infrastructure undertaken by the Town on behalf of future development. During this review, ICF front-ending balances were determined to reflect construction undertaken by the Town on behalf of future development up to the new cut-off date. ICF front-ending balances are approximately \$5.83 million as at December 31st, 2014, of which a portion will be transferred to the offsite levy bylaw. An increase in front-ending amounts puts upward pressure on offsite levy rates.

The reconciliation of ICF front-ending balances is provided in Appendix A-7/A-8. Note, the Town has not accounted for front-ending balances in reserve balances, financial statements, or internal documentation. This is discussed further in Section <u>6</u>.

- A complete reconciliation of all ICF project costs, collections, front-ending balances, and reserve balances being transferred to the offsite levy bylaw, as wells as those remaining within the ICF policy is provided in Appendix A-10.
- Offsite levy rates are forecast using a rolling 25-year review period. During this review, a cut-off date of December 31st, 2014 was established, and so the review period stems from **2015 to 2039**. Costs that benefit development prior to and within the 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, development costs beyond 2039 will gradually find their way into rates.

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- The Town is parsed into several offsite levy areas. The area boundaries, numbering schema, and area measurements are described in Appendix B along with an offsite levy map.
- 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 and an increased burden for tax payers. A smaller denominator increases rates, but could potentially result in over-collection and an increased burden for tax payers. A smaller denominator increases rates, but could potentially result in over-collection and an increased burden for future development. Accordingly, land development forecasts need to be (a) reasonable, and (b) updated annually to reflect the changing pace of development in the community.

For this review, the Town is estimating development of approximately **262 ha.** over the 25-year review period (approximately 10.5 ha. per year on average). The land development forecast is shown in Appendix B.

Town staff have advised that all ICF fees collected up to the cut-off date were either used to finance previous ICF project expenditures or were transferred to the Land Development Reserve in 2011. A reconciliation of ICF reserve balances is shown in Appendix A-8, and transfers to the offsite levy bylaw are shown in Appendix A-9. <u>A</u> <u>pay-down of front-ending balances brings downward relief to offsite levy rates</u>.

The MGA requires that the Town create 4 offsite levy reserves (or accounts)—one for each infrastructure type. Moving forward, offsite levy fees collected from developers should be deposited into these reserves/accounts first, and then withdrawn at year-end to pay down front-ending balances if warranted. This is discussed further below in Section 6.

An overview of each offsite levy reserve/account opening balance is shown in Appendices C-7, D-7, E-7, and F-7.

Offsite levy reserves/accounts are impacted by interest. When reserves/accounts are in a positive balance they earn interest (as required by the MGA). When reserves/accounts are in a negative position, this indicates that front-ending is being undertaken on behalf of the reserve/account. Front-ending parties are eligible for interest on their balances. As such, reserves/accounts are charged interest when in a negative position.

During rate updates, interest rates should be amended to reflect the economic realities of the day.

An overview of reserve/account interest rates is shown in Appendices C-8, D-8, E-9, and F-8.

5 RATES

The weighted average offsite levy rate is \$109,205 per net hectare as shown in tables below. Though this is a substantive increase from current ICF rates, it is important to remember that current ICF rates are out-of-date and do not reflect the full cost of all projects that were outlined in the 2012 policy. These new offsite levy rates are similar to most

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municipalities of similar size in Alberta (an overview of benchmarks in provided in Appendix G). Most importantly, these rates reflect the actual cost of infrastructure required to facilitate development in the Town of Redcliff.

	Tı	ransportation Charges (per Ha)	Wa	ater Charges (per Ha)	Sanitary Charges (per Ha)	St	orm Charges (Per Ha)	Total
High	\$	34,521	\$	44,417	\$ 51,882	\$	77,717	\$ 208,538
Low	\$	34,521	\$	44,417	\$ 4.0	\$		\$ 78,938
Weighted Average	\$	34,521	\$	44,417	\$ 15,271	\$	14,996	\$ 109,205

High, Low	, & Weighted	Average*
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*Note, highs, lows, and weighted averages are shown for information purposes only. Developers always pay the rate specific to the offsite levy area within which they are developing.

Area Ref. #	Area Transportati Ref. # on Charges		# Transportati Water # on Charges Charges		Water Charges	Sanitary Charges		Storm Charges		Total		
1	\$	34,521	\$	44,417	\$	7,212	\$	3,851	\$	90,001		
2	\$	34,521	\$	44,417	\$	7,212	\$	3,851	\$	90,001		
3	\$	34,521	\$	44,417	\$	10,697	\$	11,597	\$	101,232		
4	\$	34,521	\$	44,417	\$	10,697	\$	11,597	\$	101,232		
5	\$	34,521	\$	44,417	\$		\$	- 1	\$	78,938		
6	\$	34,521	\$	44,417	\$	7,212	\$	3,851	\$	90,001		
7	\$	34,521	\$	44,417	\$	7,212	\$	-	\$	86,150		
8	\$	34,521	\$	44,417	\$	7,212	\$	-	\$	86,150		
9	\$	34,521	\$	44,417	\$	15,445	\$	-	\$	94,383		
10	\$	34,521	\$	44,417	\$	15,445	\$	ê	\$	94,383		
11	\$	34,521	\$	44,417	\$		\$		\$	78,938		
12	\$	34,521	\$	44,417	\$	-	\$	-	\$	78,938		
13	\$	34,521	\$	44,417	\$	51,882	\$	77,717	\$	208,538		
14	\$	34,521	\$	44,417	\$	15,445	\$	53,945	\$	148,328		
15	\$	34,521	\$	44,417	\$	1.1	\$	-	\$	78,938		
16	\$	34,521	\$	44,417	\$		\$	-	\$	78,938		
17	\$	34,521	\$	44,417	\$	15,445	\$		\$	94,383		
18	\$	34,521	\$	44,417	\$	15,445	\$	-	\$	94,383		

Specific Rates by Area

RECOMMENDATIONS

In addition to implementation of the rate framework shown in Section 5, CORVUS recommends the following:

1. Ensure the bylaw reflects the requirement for an annual update of offsite levy rates and delivery of an annual update report to Council. In addition to enabling compliance with MGA requirements, regular updates ensure offsite levy rates do not "decay", and Council is apprised regularly of the status of changes, reserves balances, etc.

- Establish 4 separate offsite levy reserves/accounts as required by the MGA—one for each infrastructure type.
- Establish sub-ledgers for each reserve/account to track amounts owed to frontending parties (the Town is already a front-ending party, but other developers may become front-ending parties in the future).
- Update offsite levy reserve/account balances annually (and financial statements, and other internal documentation) to reflect the true balance, including front-ending.
- Update ICF policy and associated rates to reflect the project reconciliation contained within this report, ICF cost updates, fee collections etc.
- Amend ICF reserve balances (and financial statements, and other internal documentation) to reflect the true balance of ICF reserves, including \$5.83 million of front-ending currently unaccounted for (\$2.53 million of front-ending after transfer of various ICF projects to the offsite levy bylaw, and \$2.40 million after withdrawal of remaining reserve funds).
- Develop an offsite levy policy framework to aide in effective implementation of the bylaw.
- Develop an offsite levy procedures guide to assist staff with day-to-day interaction with offsite levies—for example, a clear and transparent method of offsite levy invoicing, collection, etc.
- Undertake a water and sewer utility rates review to enable sustainable funding of the Town's share of offsite infrastructure projects. The last rate review should be brought current and in alignment with current master plans, offsite levy financing, etc.
- 10. Implement a long term financial sustainability assessment model that provides Council with confidence that the Town is on a financially sustainable path, contains reasonable tax impacts, and includes the impact of the Town's share of various development costs plus any front-ending that will be required on behalf of various offsite levy reserves.
- 11. Recent changes to the MGA will enable municipalities to charge separately for offsite levies (i.e., transportation vs. water vs. sewer). Accordingly, the Town should maintain accurate records to reflect which properties pay which offsite levies, and build this into the procedures guide discussed above.

7 ACKNOWLEDGEMENTS

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

8 DISCLAIMER

CORVUS Business Advisor has relied upon Town of Redcliff and its engineering 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,

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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 upon educated assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis (usually <u>annually</u>). When information changes, it will be reflected in a future update, and rates adjusted accordingly.

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APPENDIX A: ICF Reconciliation and Transition

A1. Introduction

In 2004 the Town established an Infrastructure Capacity Fee policy (ICF) to allocate the cost of transportation, water, sanitary, and stormwater offsite infrastructure to benefiting parties in 3 basins: (1) Eastside Area, (2) Westside Areas (A and B), and (3) Infill / Existing Development Area. Since 2004, the ICF project list and associated costs have been updated, most recently in 2012. As many of these projects will become part of the new offsite levy bylaw, a reconciliation of ICF projects, costs, fees and collections, and reserve balance is required. This section describes the current status of these ICF projects and the nature of costs, fees etc. being transferred to the offsite levy bylaw.

A2. ICF Projects and Costs

In 2012 when the ICF was last updated, it comprised 19 projects totaling approximately \$32.34 million in net cost after various reductions and grants as shown in the table below.

	ICF Costs As Originally Estimated By Town								
ICF Project		Gross Cost Est		Reductions		Grant Est.		Net Cost	
Water			-		-		-		
Treatment Plant	s	20,275,719	\$	3.000.000	s	5,525,782	s	11,749,937	
9th Ave SE Waterline	\$	1,500,000	\$		\$		\$	1,500,000	
5th Ave	\$	800,000	\$	~	\$	-	S	800.000	
Mitchell St.	\$	1.000.000	\$		\$	-142-1	\$	1.000.000	
Saamis Dr.	\$	1,500,000	\$		S	÷	S	1,500,000	
Total Water	\$	25.075.719	\$	3.000.000	\$	5.525.782	\$	16,549,937	
Sanitary	1	COLUMN ST	L.C.		1	Contractory of the local division of the loc	-	and the second	
Saamis Drive (Existing)	\$	1,000,000	\$		\$		\$	1,000,000	
9th Ave Trunk (Upgrade)	\$	1,500,000	\$		\$		\$	1,500,000	
Main Trunk (East of Boundary)	\$	4,000,000	\$	× 1	\$		\$	4,000,000	
Total Sanitary	\$	6,500,000	\$	~	\$		\$	6,500,000	
Storm	-	/			6		1 Martin		
Forcemain to pond @ GC	\$	700,000	\$		\$		\$	700,000	
Storm Ponds	\$	1,300,000	\$		\$		\$	1,300,000	
9th Ave Storm Outfall	\$	1,000,000	\$	500,000	\$	4	\$	500,000	
Storm Pond Interconnections (3)	\$	1,200,000	\$		\$	8	\$	1,200,000	
Storm Master Drainage Plan	\$	120,675	\$	30,000	-		\$	90,675	
Lift Stations (2)	\$	1,000,000	\$		\$		\$	1,000,000	
Total Storm	\$	5,320,675	\$	530,000	\$	-	\$	4,790,675	
Roads	1		1		1		1000		
9th Ave	\$	2,000,000	\$		\$	140	\$	2,000,000	
5th Ave	\$	1,000,000	\$	-	\$		\$	1,000,000	
5th Ave Signals	\$	250,000	\$		\$	4	\$	250,000	
9th Ave Signals	\$	250,000	\$	-	\$	8	\$	250,000	
Saamis (5th to 9th)	\$	1,000,000	\$		\$		\$	1,000,000	
Total Roads	\$	4,500,000	\$		\$	4	\$	4,500,000	
	•	A1 306 30A	•	3 530 000	•	5 525 782	•	32 340 612	

ICF Projects and Net Costs

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For the most part, the ICF project costs shown were <u>estimates</u>, and accompanying rates within the ICF policy were established based on these cost estimates as follows:

(1) Eastside Area - \$78,503 /hectare

(2a) Westside North Area A - \$58,801 /hectare

(2b) Westside North Area B - \$97,938 /hectare

(3) Infill / Existing Development Areas – \$19,768 /hectare

A3. ICF Project Status and Clarification of Projects Being Transferred

At December 31st, 2014 (the cut-off date), some ICF projects were 'completed', some were 'in progress', and some were awaiting 'future' project start dates. The table below provides a summary of the status of each project.

For this offsite levy review, the status of each ICF project is important as the Municipal Government Act only allows for the inclusion of <u>new or expanded</u> offsite infrastructure. Those projects completed prior to the cut-off date are not "new" and, therefore, cannot be transferred to the offsite levy bylaw (highlighted in 'red'). For older completed ICF project, balances owing from future development will continue to be borne via future ICF collections.

'Future' projects may be transferred to the offsite levy and are highlighted in 'green' (their corresponding offsite levy project number is shown in the last column). Balances owing will be borne via future offsite levy collections.

There were two projects 'in-progress' at the cut-off date. They may be either transferred to the offsite levy or remain with the ICF. Storm project #6 is relatively small in size and will be completed relatively quickly. Accordingly, for ease of administration, the Town has opted to leave storm project #6 within the ICF. Balances owing from future development will continue to be borne via future ICF collections. On the other hand, water project #1 is a relatively large project. It will be transferred to the offsite levy. Balances owing will be borne via future offsite levy collections.

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ICF Project	Status	Transferred to Offsite Levy	Associated Offsite Levy Project Number	
Water		The second second	The second se	
Treatment Plant	In Phogress		Offsite Levy Project # W-1	
9th Ave SE Waterline	Complete	No		
5th Ave	Frittme		Offsite Levy Project # W-6	
Mitchell St.	nuture		Offsite Levy Project # W-4	
Saamis Dr.	Enture		Offsite Levy Project # W-11	
Sanitary		1		
Saamis Drive (Existing)	Complete	No		
9th Ave Trunk (Upgrade)	Fulting		Offsite Levy Project # S-2	
Main Trunk (East of Boundary)	Eutore	Yes	Offsite Levy Project # S-5	
Storm		1		
Forcemain to pond @ GC	Complete	No		
Storm Ponds	Complete	No		
9th Ave Storm Outfall	Complete	No		
Storm Pond Interconnections (3)	Future		Offsite Levy Project # St -5	
Storm Master Drainage Plan	Complete	No		
Lift Stations (2)	In Progress	No		
Roads	alu a		the second and	
9th Ave	Future		Offsite Levy Project # R-1	
5th Ave	Fature		Offsite Levy Project # R-3	
5th Ave Signals	Future		Offsite Levy Project # R-15	
9th Ave Signals	Fullere	Yes	Offsite Levy Project # R-6	
Saamis (5th to 9th)	Fullate	Yes	Offsite Levy Project # R-4	

ICF Project Status and Transfer Project Number

A4. ICF Benefitting Areas

When the ICF policy was established in 2004, and updated in subsequent years, projects costs were allocated to one or more benefitting basins, as shown in the table below. Areas highlighted in 'green' represent basins that benefit. Clarification of these benefitting basins is important in order to properly allocate ICF costs to areas, and allocate fees collected since 2004.

	Benefiting ICF Areas							
ICF Project	East Side	Westside	Infili					
Water		Co. A MARCENNER						
Treatment Plant	563	1/48	Yes					
9th Ave SE Waterline	Viets -	No	No					
5th Ave		No	No					
Mitchell St.		No	No					
Saamis Dr.	Yes	No	No					
Sanitary		and the second s						
Saamis Drive (Existing)		No						
9th Ave Trunk (Upgrade)		No	No					
Main Trunk (East of Boundary)								
Storm								
Forcemain to pond @ GC	785	No	No					
Storm Ponds		No	No					
9th Ave Storm Outfall	1005	No	No					
Storm Pond Interconnections (3)		No	No					
Storm Master Drainage Plan		No	No					
Lift Stations (2)		No	No					
Roads	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		and the second					
9th Ave		No	Yies					
5th Ave	Yes	No	Yida					
5th Ave Signals	Yine	No	Yies					
9th Ave Signals	Yes	No	Yes					
Saamis (5th to 9th)	Yiteler	No	Yies					

ICF Benefitting Basins for Each Projects

A5. ICF Updated Project Costs

As part of this review, Town staff updated project costs to reflect (a) actual expenditures up to the cut-off date Dec 31, 2014, (b) financing charges (if any), and (c) updated cost estimates for work remaining. This section depicts updated costs for ICF projects because several of these projects will be transferred to the offsite levy bylaw.² The costs associated with all offsite levy projects (including ICF projects transferred) is shown in Appendices C, D, E and F.

As shown in the table below, ICF project costs have increased dramatically rising from approximately \$32.34 million (2012 estimates) to approximately \$63.12 million. This large increase stems primarily from the increase in cost associated with ICF water project #1 (Treatment Plant), and ICF sanitary project #3 (Main Trunk East of Boundary).

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² In addition to the establishment of an offsite levy bylaw based on current cost estimates, it is recommended the Town consider updating ICF rates to reflect (a) updated ICF project costs, the impact of ICF fees collected, and the impact of transfer of certain ICF projects to the offsite levy bylaw.

1	Updated Costs								
ICF Project	Actual Expenditures To Dec 31, 2014	Debenture Costs	Estimate of Remaining Work (From Dec 31, 2014)	Grants	Net Cost				
Water					-				
Treatment Plant	\$9,395,794	\$2,563,642	\$10,961,077	\$6,300,000	\$16,620,512				
9th Ave SE Waterline	\$800,626	telesele .=	4.1111		\$800,626				
5th Ave	4000,000		\$312,000		\$312,000				
Mitchell St.			\$1,266,770		\$1,266,770				
Saamis Dr.			\$604,500		\$604,500				
Total Water	\$10,196,420	\$2,563,642	\$13,144,347	\$6,300,000	\$19,604,408				
Sanitary	1.1.1.1	1 Hills							
Saamis Drive (Existing)	\$867,686				\$867,686				
9th Ave Trunk (Upgrade)			\$3,847,000		\$3,847,000				
Main Trunk (East of Boundary)			\$25,461,418		\$25,461,418				
Total Sanitary	\$867,686	\$0	\$29,308,418	\$0	\$30,176,104				
Storm		P	A CONTRACTOR OF THE OWNER OWNER OWNER OF THE OWNER OWNE						
Forcemain to pond @ GC	\$73,342		A. 22		\$73,342				
Storm Ponds	\$2,090,794				\$2,090,794				
9th Ave Storm Outfall	\$375,121		and the second sec		\$375,121				
Storm Pond Interconnections (3)			\$1,200,000		\$1,200,000				
Storm Master Drainage Plan	\$85,535				\$85,535				
Lift Stations (2)	\$291,398		\$708,602		\$1,000,000				
Total Storm	\$2,916,190	\$0	\$1,908,602	\$0	\$4,824,792				
Roads	Service and the service of the servi		View and the second						
9th Ave			\$3,356,043		\$3,356,043				
5th Ave		1	\$2,263,363		\$2,263,363				
5th Ave Signals			\$250,000		\$250,000				
9th Ave Signals			\$221,278		\$221,278				
Saamis (5th to 9th)			\$2,422,998		\$2,422,998				
Total Roads	\$0	\$0	\$8,513,682	\$0	\$8,513,682				
	\$13,980,295	\$2,563,642	\$52,875,049	\$6.300.000	\$63,118,985				

Updated ICF Project Costs

A6. ICF Cost Allocations to Benefitting Areas

It is important to clarify how much ICF cost was allocated by the Town to future development in order to determine how much cost should be transferred to the new offsite levy bylaw.

Not all ICF project costs are borne by future development. A portion of cost was allocated by the Town to existing development. For the Eastside basin, the allocation percentages were outlined in the Town's 2012 ICF Policy. But the ICF Policy did not include percentages for the Westside (A and B) or Infill basins.³ Accordingly, it was necessary to "reverse engineer" Westside and Infill percentages using other available information.

For the Westside, a ratio of costs originally included in the Westside rate calculation to the total benefitting project costs in the basin was used to determine the allocation percentages, as shown in the table below.

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³ The Town could not provide any documentation associated with ICF cost allocation percentages for the Westside (A and B) and Infill basins.

1	Uet I W	ermining W Original /estside ICF Rate Calculation	Ori	side Allocati ginal Cost of Benefiting Projects	ON % Allocation %
Water	\$	230,290.80	\$	11,749,937	2.0%
Sanitary	\$	199,099.43	\$	4,000,000	5.0%

For the Infill basin, the only allocation % that was known pertained to Water project #1 (2.5% of Water project #1 was allocated to the Infill basin). Town staff indicated that ICF allocations were originally determined using a ratio of land in the benefiting areas. Accordingly, for the other ICF projects that benefit the Infill basin, the ratio of the Infill allocation to the Eastside allocation for Water project 1 was used to calculate the other project allocations, as shown in the table below.

Determining Infill Allocation %

%
3.0
3.5
4.0

Using the information contained in the 2012 ICF policy, as well as the details from the Westside and Infill basins that were "reverse engineered" above, the table below summarizes the percentage of cost allocated by the Town to benefitting basins. Of course, only those areas that benefit (highlighted in 'green') have an associated allocation %. Basins that do not benefit (highlighted in 'red') have no allocation.

	B	enefiting ICF Area	S	% of Cost Allocated to ICF Areas			
ICF Project	East Side	Westside	infill	East Side	Westside (Note 3)	infili (Note 4)	
Water		14-11-14-14-14-14-14-14-14-14-14-14-14-1	and a second	1	1. 11 - 11 - 11 - 11 - 11 - 11 - 11 - 1		
Treatment Plant	Yas	Yes	Yes	d5 5%	2.0%	2.5%	
9th Ave SE Waterline	Yes	No	No	60.0%			
5th Ave		No	No	100.0%	A CONTRACTOR		
Mitchell St.		No	No	65.0%	Later and the second	No.	
Saamis Dr.		No	No	100.0%	1000	ALL CALLER AND	
Sanitary		All	· · · · · · · ·	And in case of the local division of the loc	and a second		
Saamis Drive (Existing)	Yes	No	Yes	DE 4%	Mar and a start	3.0%	
9th Ave Trunk (Upgrade)	Yes	No	No	78.9%		1	
Main Trunk (East of Boundary)	Yes	Yes	Yes	46./5%			
Storm	and the state		11		Les and		
Forcemain to pond @ GC		No	No	100.0%	and the second second		
Storm Ponds		No	No	100.0%	11 second		
9th Ave Storm Outfall		No	No	100 0%	and the state of the		
Storm Pond Interconnections (3)		No	No	100.0%			
Storm Master Drainage Plan		No	No	100.0%	19 18-1		
Lift Stations (2)		No	No	100.0%	and the second		
Roads	1. 12						
9th Ave		No	Yes	185.0%	1		
5th Ave		No	Yes	75/0%			
5th Ave Signals		No	Yes	75.0%			
9th Ave Signals		No	768	65 0%			
Saamis (5th to 9th)	Yes	No	Yos	65.0%		3.5%	

ICF Allocation Percentages	to Benefitting Areas
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*Only allocation % for future development are shown. The balance of project costs are borne by existing development.

The updated ICF cost allocations to future development, using the updated net costs, and various cost allocation percentages is shown in the table below. Of the \$63.12 million in ICF net costs, \$38.88 million is for the benefit of future development (\$35.90 million for Eastside, \$1.59 million for Westside, and \$1.39 million for Infill).

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ICF Project	% of Cost Allocated to ICF Areas			ICF Cost Allocations			
	East Side	Westside (Note 3)	Infill (Note 4)	East Side	Westside	Infill	
Water							
Treatment Plant	a 121	210%	1 100	\$7,720,299	\$325,751	\$415.513	
9th Ave SE Waterline				\$480,376	\$0	\$0	
5th Ave		0 0		\$312,000	\$0	\$0	
Mitchell St.				\$823,401	\$0	\$0	
Saamis Dr.	10.00			\$604,500	\$0	\$0	
Total Water				\$9,940,575	\$325,751	\$415,513	
Sanitary		2			and the second s		
Saamis Drive (Existing)	100		d to ICF Areas de Infiil (Note 4) East Side W \$7,720,299 \$480,376 \$312,000 \$823,401 \$604,500 \$9,940,575 \$320 \$489,796 \$3,036,263 \$11,826,938 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,826,938 \$15,352,997 \$3,036,263 \$11,820,000 \$3,036,263 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,000,000 \$3,036,535 \$1,576,929		\$0	\$26,291	
9th Ave Trunk (Upgrade)		M.S.	Married Married	\$3,036,263	\$0	\$0	
Main Trunk (East of Boundary)				\$11,826,938	\$1,267,338	\$636,535	
Total Sanitary				\$15,352,997	\$1,267,338	\$662,826	
Storm							
Forcemain to pond @ GC			1	\$73,342	\$0	\$0	
Storm Ponds			h	\$2,090,794	\$0	\$0	
9th Ave Storm Outfall				\$375,121	\$0	\$0	
Storm Pond Interconnections (3)				\$1,200,000	\$0	\$0	
Storm Master Drainage Plan				\$85,535	\$0	\$0	
Lift Stations (2)				\$1,000,000	\$0	\$0	
Total Storm				\$4,824,792	\$0	\$0	
Roads							
9th Ave				\$2,181,428	\$0	\$117,126	
5th Ave		1	-1 0%	\$4,824,792 \$0 \$4,824,792 \$0 \$2,181,428 \$0 \$1,697,523 \$0		\$91,214	
5th Ave Signals				\$2,181,428 \$0 \$1,697,523 \$0 \$187,500 \$0		\$8,725	
9th Ave Signals				\$143,830	\$0	\$7,723	
Saamis (5th to 9th)	65.0%			\$1,574,949	\$0	\$84,563	
Total Roads				\$5,785,229	\$0	\$309,350	

Updated	Cost Allocations	to Future	Development
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\$35,903,593 \$1,593,089 \$1,387,689

A7. ICF Fees Collected

Prior to finalizing offsite levy rate calculations, it is necessary to reduce the net cost allocated to future development by the amount of fees collected up to the cut-off date. For this review, it is also necessary to clarify which ICF fees have been collected for which ICF projects because, for projects transferred to the offsite levy bylaw, the fees collected for those projects must also be transferred so that future development is not charged twice.

Up to December 31st, 2014, the Town collected \$1.51 million in ICF fees (approximately \$726,000 from the Eastside, and approximately \$784,000 from Infill areas), as shown in the table below. No ICF fees were collected from the Westside area (A and B).

The Town has detailed information indicating ICF fee collections for the Eastside area <u>by</u> <u>project</u>, but the Town does not have similar information for the Infill area—the Town only has documentation indicating <u>total ICF fees</u> collected in the Infill area. To allocate Infill ICF fees to specific projects, a ratio of Infill project cost to total costs in the Infill area was used. For example, if Project A had a total cost of \$2 allocated to the Infill area, and the Infill area had total costs of \$10, then 20% of the ICF fees collected were allocated to Project A.

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	ICF Fees Collected to Dec 31, 2014					
ICF Project	East Side	Westside	infili			
Water			-			
Treatment Plant	\$190,869		\$234,717			
9th Ave SE Waterline	\$31,474		1-			
5th Ave	\$27,977					
Mitchell St.	\$22,731					
Saamis Dr.	\$52,457					
Total Water	\$325,508	\$0	\$234.717			
Sanitary						
Saamis Drive (Existing)	\$19,741		\$14,851			
9th Ave Trunk (Upgrade)	\$41,402		2.000			
Main Trunk (East of Boundary)	\$64,977		\$359,570			
Total Sanitary	\$126,119	\$0	\$374,421			
Storm						
Forcemain to pond @ GC	\$24,480		1 mar 1 mar 1			
Storm Ponds	\$45,463					
9th Ave Storm Outfall	\$17,486	11				
Storm Pond Interconnections (3)	\$41,965					
Storm Master Drainage Plan	\$3,171					
Lift Stations (2)	\$34,971					
Total Storm	\$167,535	\$0	\$0			
Roads						
9th Ave	\$45,463		\$66,163			
5th Ave	\$26,228		\$51,525			
5th Ave Signals	\$6,557		\$4,928.63			
9th Ave Signals	\$5,683		\$4,362			
Saamis (5th to 9th)	\$22,731		\$47,768			
Total Roads	\$106,662	\$0	\$174,747			
	\$705 805	60	\$793 902			

ICF Fees Collected

A8. Front-ending Balance

Front-ending represents the amount of financing provided to future development for their share of a project when ICF reserves/accounts are insufficient to fund current construction:

Front-ending = ((Total Expenditures – Eligible Grants) X % allocated to future development) – Withdrawals from ICF Reserve

The management of front-ending balances is vital because often it is the municipality that front-ends offsite infrastructure construction costs when (future development) reserves/accounts are inadequate to finance offsite projects. When the municipality is the front-ending party, these balances represent funds owed to tax payers by future development. The acknowledgement of these balances in municipal documentation (such as reserve/account balances and financial statements) is important—without these acknowledgements, tax payers have little financial or legal recourse.

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As shown in the table below, approximately \$1.39 million has been withdrawn from the ICF reserve to finance ICF-related construction activities. To the benefit of the Town, CORVUS has located approximately \$5.83 million in front-ending as at December 31st, 2014. This front-ending balance is not currently acknowledged in any Town documents, financial statements or reserve/account balances. The Town is the only front-ending party—as such, the front-ending balance of \$5.83 million is owed entirely to the Town by future development.

	Updated Costs					Withdrawais From ICF and Applied to ICF Expenditures				
ICF Project Er	Actual Expenditures To Dec 31, 2014	Debenture Costs	Estimate of Remaining Work (From Dec 31, 2014)	Grants	Net Cost	1	2	Total	Front-ending Balance Owed To Town	
Water	Sandalling and the second								and the second second	
Treatment Plant	\$9,395,794	\$2,563,642	\$10,961,077	\$6,300,000	\$16,620,512				\$3,303,066	
9th Ave SE Waterline	\$800,626				\$800,626	\$33,047	\$610,000	\$643,047	-\$162,671	
5th Ave			\$312,000		\$312,000				\$0	
Mitchell St.			\$1,266,770		\$1,266,770				\$0	
Saamis Dr.			\$604,500		\$604,500	1		in the second	\$0	
Total Water	\$10,196,420	\$2,563,642	\$13,144,347	\$6,300,000	\$19,604,408	\$33,047	\$610,000	\$643,047	\$3,140,395	
Sanitary						And the second s	-		and the second	
Saamis Drive (Existing)	\$867,686				\$867,686				\$516,087	
9th Ave Trunk (Upgrade)			\$3,847,000		\$3,847,000				\$0	
Main Trunk (East of Boundary)			\$25,461,418		\$25,461,418				\$0	
Total Sanitary	\$867,686	\$0	\$29,308,418	\$0	\$30,176,104	\$0	\$0	\$0	\$516,087	
Storm	and the second s					the second				
Forcemain to pond @ GC	\$73,342				\$73.342	· · · · · · · · · · · · · · · · · · ·			\$73,342	
Storm Ponds	\$2,090,794				\$2,090,794	\$717,124	\$25,767	\$742,891	\$1,347,903	
9th Ave Storm Outfall	\$375,121				\$375,121				\$375,121	
Storm Pond Interconnections (3)			\$1,200,000		\$1,200,000				\$0	
Storm Master Drainage Plan	\$85,535				\$85,535				\$85,535	
Lift Stations (2)	\$291,398		\$708,602		\$1,000,000	See and see all the	1 . A		\$291,398	
Total Storm	\$2,916,190	\$0	\$1,908,602	\$0	\$4,824,792	\$717,124	\$25,767	\$742,891	\$2,173,299	
Roads					and the second					
9th Ave			\$3,356.043		\$3,356,043				\$0	
5th Ave			\$2,263,363		\$2,263,363				\$0	
5th Ave Signals			\$250,000		\$250,000				\$0	
9th Ave Signals			\$221,278		\$221,278	D			\$0	
Saamis (5th to 9th)		1	\$2,422,998		\$2,422,998				\$0	
Total Roads	\$0	\$0	\$8,513,682	\$0	\$8,513,682	\$0	\$0	\$0	\$0	
	\$13,980,295	\$2,563,642	\$52,875,049	\$6,300,000	\$63,118,985	\$750,171	\$635,767	\$1,385,938	\$5,829,780	

ICF Reserve Withdrawals and Front-Ending Balances

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A9. ICF Reserve Balance

The Town does not have a reserve/account dedicated solely to ICF funds. In 2011, the Town consolidated several reserves, including the ICF Reserve, into a single reserve called the Land Development Reserve (#6-12-66-920-000). During the 2011 transfer, approximately \$146,070 in ICF funds were moved from the ICF Reserve to the Land Development Reserve.

At December 31st, 2014, the Town reported an ICF reserve balance of approximately <u>\$123,773</u> (total receipts of ~\$1.51 million as shown in Section A7 minus total withdrawals of approximately \$1.39 million as shown in Section A8). However, it is important to note that this balance is a cash balance, and does not include the \$5.83 million in front-ending owed to tax payers by future development, that was uncovered by CORVUS in Section A7. Including front-ending, the ICF reserve balance is actually in <u>deficit (\$5,706,077)</u>. Stated another way, future development owes tax payers \$5.71 million for construction that has already been completed and paid for. To be clear, this true reserve balance does not appear in the Land Development Reserve balance or related documentation, nor in the Town's financial statements (e.g., as a receivable owed to the Town, or as a note to the reserve balance), or in any other Town documentation. Had the Town understood that the ICF reserve balance was in deficit, it would have quickly moved to withdraw the cash remaining, thereby helping to pay down the funds owed by future development to tax payers. This needs to be rectified moving forward and is discussed in Section 0.

A10. Transfers to Offsite Levy Bylaw & ICF Reconciliation

As described in the introduction, the purpose of Appendix A is to update and reconcile various ICF balances in order to accurately reflect appropriate transfers to the offsite levy bylaw.

As highlighted in Section A3, 12 of the 19 ICF projects are being transferred to the offsite levy bylaw. 7 ICF projects will remain and continue to be managed via ongoing ICF collections. The tables below summarize the project costs, allocations, fees, and balances that are being incorporated into the new offsite levy bylaw, and those that will remain with the ICF. Key elements include:

- The 12 projects being transferred to the offsite levy bylaw total approximately \$57.83 million, of which approximately \$9.40 million are actual expenditures up to December 31st, 2014.
- Of the \$9.40 million in expenditures, \$3.30 million was the responsibility of future development. No monies were withdrawn from the ICF reserve to finance these expenditures, meaning that \$3.30 million of associated front-ending also gets transferred to the offsite levy.
- Of the 12 projects being transferred to the offsite levy, approximately \$1.32 million has been collected in ICF fees. These will be acknowledged in the offsite levy as developer contributions to ensure future development is given full credit for these payments.
- The updated net cost of the 7 projects remaining in the ICF is approximately \$4.62 million (Eastside \$4.59 million and Infill \$26,291). After accounting for the ICF fees

already collected for these projects, the balance owing is approximately \$4.43 million (Eastside \$4.42 million + Infill \$11,440).

The front-ending balance associated with the 7 projects remaining in the ICF is approximately \$2.53 million. However, the ICF reserve has a cash balance of \$123,773. Once this remaining cash is withdrawn from the reserve to help pay down ICF front-ending debts, the final front-ending balance will be \$2,402,941.

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					Offsite	Levy		
ICF Project	Transferred to Offsite Levy	Associated Offsite Levy Project Number	Net Cost Transferred to Offsite Levy	Actual Expenditures Transferred to Offsite Levy	Developer Share of Expenditure Transferred to Offsite Levy	ICF Fees to be Acknowledged as Developer Contributions in Offsite Levy	Withdrawals Transferred to Offsite Levy	Front-ending Balance Transferred to Offsite Levy
Water					No. Concerning of		a contraction	
Treatment Plant	Yes	Offsite Levy Project # W-1	\$16,620,512	39.395,794	\$3,303,066	\$425.586	50	35,363,066
9th Ave SE Waterline	No							
5th Ave	Yes	Offsite Levy Project # W-6	\$312,000	\$0	50	\$27,977	30	30
Mitchell St.	Yes	Offsite Lewy Project # W-4	\$1,266 770	\$0		\$22,731		50
Saamis Dr.	Yes.	Offsite Levy Project # W-11	\$604,500	\$0		\$52,457	\$0	
Total Water			\$18,803,782	\$9,395,794	\$3,303,066	\$528,751	\$0	\$3,303,066
Sanitary	The second second						an and the	
Saamis Drive (Existing)	No				PTT -			
9th Ave Trunk (Upgrade)	Yes	Offsite Levy Project # S-2	\$3,847.000	\$0	\$0	\$41,402		
Main Trunk (East of Boundary)	Yes	Offsite Levy Project # S-5	\$25,461,418	\$ 0		\$424 547	\$0	30
Total Sanitary			\$29,308,418	\$0	\$0	\$465,949	\$0	\$0
Storm					1-	and the second	5	
Forcemain to pond @ GC	No							
Storm Ponds	No							
9th Ave Storm Outfall	No							
Storm Pond Interconnections (3)	Yes	Offsite Levy Project # St -5	\$1,200.000	30	50	541,965	50	\$0
Storm Master Drainage Plan	No							
Lift Stations (2)	No							
Total Storm			\$1,200,000	\$0	\$0	\$41,965	\$0	\$0
Roads	2012-1-	Sector Contractor		and the second second		1	1	
9th Ave	185	Offsite Levy Project # R-1	\$3,356,043	31	8	\$111.025		30
5th Ave	Yes	Offsite Levy Project # R-3	\$2,263,363		9	\$77,754	\$0	
5th Ave Signals	Yes	Offsite Levy Project # R-15	\$250,000	\$0		\$17 486		
9th Ave Signals	Tes	Offsite Levy Project # R-6	\$221,278		3	\$10,045	\$0	
Saamis (5th to 9th)	Yes	Offsite Levy Project # R-4	32,422,998	\$0	\$	\$70,499	*	30
Total Roads			\$8,513,682	\$0	\$0	\$281,409	\$0	\$0
			\$57 825 882	\$9 395 794	\$3 303 066	\$1 318 075	\$0	\$3 303 066

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Town of Redcliff Offsite Levy Review

	1				Ong	oing ICF Managen	nent		
ICF Project	Transferred to Offsite Levy	Associated Offsite Levy Project Number	Updated Project Net Costs (Eastside)	Updated Project Net Costs (Westside)	Updated Project Net Costs (Infili)	Balance Owing = Net Costs - Fees Collected (Eastaide)	Balance Owing = Net Costs - Fees Collected (Westaide)	Balance Owing = Net Costs - Fees Collected (Infili)	Front-ending Owed To The Town
Water		Contraction of the local division of the loc		and the second				-	
Treatment Plant	Yes	Offsite Lew Project # W-1							
9th Ave SE Waterline	No		\$480.376	\$0	\$0	\$448.902	\$C	\$0	-\$162.67
5th Ave	Yes	Offsite Lew Project # W-6							
Mitchell St.	Yes	Offsite Lew Project # W-4							
Saamis Dr.	Yès	Offsite Lew Project # W-11	1						
Total Water			\$480.376	\$0	\$0	\$448,902	\$0	\$0	-\$162,67
Sanitary	Concernance of	the second se		100000000000000000000000000000000000000	Part - State	Section and the	No. of Concession, Name	And and a second second	The state of the second
Saamis Drive (Existing)	No	·	\$489,796	\$0	\$26.291	\$470.055	\$0	\$11,440	\$516.08
9th Ave Trunk (Upgrade)	Yes	Offsite Lew Project # S-2							
Main Trunk (East of Boundary)	Yes	Offsite Lew Project # S-5							
Total Sanitary			\$489,796	\$0	\$26,291	\$470,055	\$0	\$11,440	\$516,08
Storm	the state of the						Contraction of the	and the second second	
Forcemain to pond @ GC	No		\$73,342	\$0	\$0	\$48,862	\$0	\$0	\$73,34
Storm Ponds	No		\$2,090,794	\$0	\$0	\$2,045,332	\$0	\$0	\$1,347,90
9th Ave Storm Outfall	No		\$375,121	\$0	\$0	\$357,635	\$0	\$0	\$375,12
Storm Pond Interconnections (3)	Yes	Offsite Lewy Project # St -5							
Storm Master Drainage Plan	No		\$85,535	\$0	\$0	\$82,364	\$0	\$0	\$85,53
Lift Stations (2)	No		\$1,000,000	\$0	\$0	\$965,029	\$0	\$0	\$291,39
Total Storm			\$3,624,792	\$0	\$0	\$3,499,222	\$0	\$0	\$2,173,29
Roads	100 million (100 million)	A CONTRACT OF	1	Charles and	The second second		A COLUMN TO THE R	The second se	Land State
9th Ave	Yes	Offsite Lewy Project # R-1				-	1.00		
5th Ave	Yes	Offsite Lew Project # R-3							
5th Ave Signals	Tes	Offsite Lew Project # R-15				· · · · · · · · · · · · · · · · · · ·			
9th Ave Signals	Yes	Offsite Levy Project # R-6							
Saamis (5th to 9th)	Yes	Offsite Levy Project # R-4	1.1						
Total Roads			\$0	\$0	\$0	\$0	\$0	\$0	\$
			C4 E04 002		\$26 204	£4 419 179		£11 440	\$2 526 71

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APPENDIX B: Offsite Levy Areas, Measurements, & Land

Development Staging/Forecast

B1. Offsite Levy Areas

The Town is parsed into 18 offsite levy areas, as shown in the map below. Areas are approximately a guarter section in size but also take into consideration various natural and man-made barriers (e.g., rivers, highways, etc.), as well as existing/planned infrastructure basins (e.g., water and sanitary basins).

All offsite levy infrastructure costs are allocated to one or more areas. In the offsite levy model, each area is further divided into sub-areas based on land use type (e.g., "residential - low density", "residential - medium & high density", "commercial", "industrial", and "other"). All types of development are treated similarly, and so only the "other" category is currently used.

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Town of Redcliff Offsite Levy Review



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B2. Offsite Levy Area Measurements

Total net development area, the amount of land available for development in all offsite levy areas, is approximately 1144 ha. In calculating net development area only those lands remaining to be developed within the area that have not previously paid offsite levies have been considered (as required by legislation/regulation). Further, allowances have been made to net development area calculations for environmental reserves, municipal reserves, and arterial road right of way.

Area Ref. #	Development Area Location	Land Use	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Arterial Right of Way	Net Development Area (ha.)
1.5	1	Other	131.25		131.25	13.13	2.43	115.69
2.5		Other	64.49		64.49	6.45		58.04
3.5		Other	69.86		69.86	6.99		62.87
4.5		Other	96.20		96.20	9.62	3.62	82.96
5.5		Other	152.19	- 18-51	152.19	15.22	2.53	134.45
6.5		Other	40.24	· · · ·	40.24	4.02	2.73	33.49
7.5		Other	95.51		95.51	9.55	-	85.96
8.5		Other	87.98	17/	87.98	8.80	79,18	
9.5		Other	255.28	2.91	252.37	25.24	6.57	220.56
10.5		Other	64.68	40.04	24.63	2.46		22.17
11.5		Other	61.38	61.38				· · ·
12.5		Other	39.40	37.97	1.43	0.14		1.29
13.5		Other	145.92		145.92	14.59	14.29	117.04
14.5	1	Other	67.29		67.29	6.73		60.56
15.5		Other	72.23	45.32	26.91	2.69		24.22
16.5		Other	56.52	32.58	23.95	2.40		21.56
17.5		Other	81.59	46.26	35.32	3.53		31.79
18.5		Other	83.10	3.75	79.34	7.93		71.41
		T 4 4	1005 44	070 00	1 001 00	400.40	444.05	1 4 4 4 0 0

Offsite Levy Net Development Area

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	1,665.11
Less Environment Reserve	270.22
Less Municipal Reserve	139.49
Less ROW Allowance	111.35
Net Development Area	1,144.05

*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 Redcliff. 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.
 - o Less: The measurement of arterial road right of way that bisects the

development lands.

Equals: Net Developable Area, which is the area subject to offsite levies.

B3. Land Development Forecast

The offsite levy model uses a rate planning period of 25 years. This planning period is used by many municipalities 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 1144 ha. of net development area available across all offsite levy development areas, planners estimate that approximately 23% of this land (262 ha.) will develop during the next 25 years as shown in the tables below.

Area Ret #	Area Developed in Next 25 years	2015	2016	2017	2018	2019	2020	3021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1.5		1 5 1	1 . 1	1 161	100		1.11	- A - C	1.1211	1000	112	1.72	100	1000	1.10.1		1000		Incore of	11001	1000	1000.00	Contra la	10.00	-	1 . K.
2.5	35.000			1				35.00		1.1.1	100.0					E 2 1				1.1.1	1					1.1
3.5	31.545			1 10 1	1.041.0			31.55		1.4.1	1200				10.000											-
4.5	58.292		1 - 1	1			1					10.00	1.00	1000	1.2.1	26.01	1 4 1	0 41		32.28	in the second	100	1000		(DAT)	1 .
5.5	3.738	1.01	1	1 . 1	1000	1 - 1			2.18		1	1	0.54						-	1		100				
6.5	14.304				1-21	5.18	1.41	1000			5.48	1.0	-			3.64				I COLOR	1.0					
7.5	6.124		1	2.00	1.00				2.00	1.00		12.4.1	1.14		1112/11	-	1.471	2.00	10.4			100.000	0.12	2	-+ 1	1004.07
8.5		1 4	1.4		1											10.405			- · · ·	2	1.1					
9.5	9.350			1 . 1	0.25	1 8 1	5.00	1.1	1				4.10				1		1 3 . 1					-	1 1	
10.5			1 10 1	1	5								1000			A									-	1 -
11.5		/ +	10.00	1 4 1	4 - 1	1000		100.00	1			1	1.000	~	1.00	-1	I to S	1 4 1						4		-
12.5			Done has	1		1.1.1	1.04		100.001					1.1.1	1.1201	1 4 6	1	1.00								
13.5	24,557			11.98	100.000		20.20		10.000		5.53	4.27			277											10.00
14.5	14.684	4	1 4 1	-	1	1.18	8.49		1000	1.00		10.200	1.1	6 19	Tool I	10 20	-			116.17				1 A 1	-	2.00
15.5			-	1 .	1			÷		-							1 10		0.000	1.0	1000					
16.5				1		1			1.00	1.1	1140	1000				2-2-4	1-32-1	1	1.00	-						
17.5				1.4.1	5						-				1.1.1			1000	Sec. 1		10.000		100.00			1 + 1
18.5	64.629		-	20.00	-	-	1 - 1					1.0	20.00	1.2		× 1	1 4 1	-		24.63				4	1	1
	262.22	1.01	1.00	33.98	0.25	5.18	13.49	66.55	4.18	1000	11.01	4 27	24.64	6.19	2.77	29.65	10.00	2.00		56.91	125431	1.000	0.12			1

Anticipated Development during the 25 Year Rate Planning Period*

*The rate period commences in 2014 because the cut-off date for this project was the most recent year-end when the project started—December 31st, 2013.

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Developed In Next 25 Years	262.22	22.9%
Developed Beyond 25 Years	881.82	77.1%
Net Development Area	1,144.04	

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APPENDIX C: Transportation

Unless indicated otherwise, the information shown in this appendix reflects the status of infrastructure, costs, receipts, balances, etc. <u>assuming all projects are included (Rate Scenario 1)</u>.

C1.Transportation Offsite Infrastructure

In order 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 \$29.97 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent "gross" costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the "net" costs for future development are determined.

Item	Project Description	Cost of Completed Work	Debenture Interest	Esti	mated Cost of ork Yet to be Completed	To Est	otal Project imated Cost
1	9th Ave SE - Mitchell St to Saamis	\$ -	\$ 4.	\$	3,356,043	\$	3,356,043
2	9th Ave SE - Main to Mitchell	\$ -	\$ 	\$	2,934,102	\$	2,934,102
3	3rd Ave Extension - Mitchell to Broadway	\$ -	\$ 	\$	2,263,363	\$	2,263,363
4	Broadway Ave Realignment	\$ -	\$ -	\$	2,422,998	\$	2,422,998
5	Intersection Upgrade - Traffic light/Roundabout & Pedestrian Improvements on Broadway Ave and Mitchell St	s -	\$ *	\$	353,614	\$	353,614
6	Intersection Upgrade - Traffic light Saamis Drive and 9th Ave	s -	\$ 	\$	221,278	\$	221,278
7	5th Ave Main to Mitchell Upgrade	\$ -	\$ 	\$	4,098,392	\$	4,098,392
8	Mitchell St N - South Railway to North Limit of Town	\$ -	\$ -	\$	6,381,143	\$	6,381,143
9	10 Ave between Mitchell & Boundary	\$ -	\$ 	\$	4,533,519	\$	4,533,519
10	3rd Ave & 3rd ST NE Intersection	\$ -	\$ 	\$	185,857	\$	185,857
11	TransCanada Highway 1 Broadway Ave Pedestrian & Signal Timing Improvement	\$ -	\$	\$	133,002	\$	133,002
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$ -	\$ 	\$	1,913,563	\$	1,913,563
13	Street Lighting Improvement at 8th St NW & Broadway Ave	\$ -	\$ x-	\$	28,982	\$	28,982
14	10 Ave NW Connection - Town's North Limit to TransCanada Highway 1	\$ -	\$ *	\$	829,500	\$	829,500
15	Signal 3rd Ave and Broadway/Saamis intersection (Replacement of 5th Ave and Broadway Ave/Saamis intersection Signal project from ICF policy 100)	\$	\$	\$	316,693	\$	316,693
		\$.	\$ 1.0	S	29 972 049	\$	29 972 049

Summary of Transportation Offsite Infrastructure

*Costs estimates provided by Town staff and their engineering advisors.

**Estimates include engineering fees and contingencies, and land costs where applicable.

*** Projects 1,3,4,6, and 15 were transferred from the ICF.





Anticipated Start Year of Construction

ltem	Project Description	Construction Start Year
1	9th Ave SE - Mitchell St to Saamis	2020
2	9th Ave SE - Main to Mitchell	2020
3	3rd Ave Extension - Mitchell to Broadway	2022
4	Broadway Ave Realignment	2025
5	Intersection Upgrade - Traffic light/Roundabout & Pedestrian Improvements on Broadway Ave and Mitchell St	2016
6	Intersection Upgrade - Traffic light Saamis Drive and 9th Ave	2040
7	5th Ave Main to Mitchell Upgrade	2025
8	Mitchell St N - South Railway to North Limit of Town	2025
9	10 Ave between Mitchell & Boundary	2045
10	3rd Ave & 3rd ST NE Intersection	2030
11	TransCanada Highway 1 Broadway Ave Pedestrian & Signal Timing Improvement	2016
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	2030
13	Street Lighting Improvement at 8th St NW & Broadway Ave	2030
14	10 Ave NW Connection - Town's North Limit to TransCanada Highway 1	2045
15	Signal 3rd Ave and Broadway/Saamis intersection (Replacement of 5th Ave and Broadway Ave/Saamis intersection Signal project from ICF policy 100)	2022

C2. Transportation Offsite Infrastructure Grants & Contributions to Date

The MGA enables a municipality to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Redcliff has received approximately \$0.28 million in special grants and contributions for transportation offsite levy infrastructure as shown in the table below (note, if the Town receives other 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 approximately \$29.69 million.

ltem	Project Description	To Est	otal Project timated Cost	Provi	Special ncial Grants	D A Co	eveloper greement ntributions	Reduced Project Estimated Cost	
1	9th Ave SE - Mitchell St to Saamis	s	3,356,043	\$	-	\$	111,625	\$	3,244,418
2	9th Ave SE - Main to Mitchell	S	2,934,102	\$	-	\$		\$	2,934,102
3	3rd Ave Extension - Mitchell to Broadway	\$	2,263,363	\$	745	\$	77,754	\$	2,185,610
4	Broadway Ave Realignment	\$	2,422,998	\$		\$	70,499	\$	2,352,498
5	Intersection Upgrade - Traffic light/Roundabout & Pedestrian Improvements on Broadway Ave and Mitchell St	\$	353,614	\$		\$		\$	353,614
6	Intersection Upgrade - Traffic light Saamis Drive and 9th Ave	\$	221,278	\$		\$	10,045	\$	211,232
7	5th Ave Main to Mitchell Upgrade	\$	4,098,392	\$		\$		\$	4,098,392
8	Mitchell St N - South Railway to North Limit of Town	\$	6,381,143	\$		\$		\$	6,381,143
9	10 Ave between Mitchell & Boundary	\$	4,533,519	\$		\$		\$	4,533,519
10	3rd Ave & 3rd ST NE Intersection	\$	185,857	\$		\$		\$	185,857
11	TransCanada Highway 1 Broadway Ave Pedestrian & Signal Timing Improvement	\$	133,002	\$		\$		\$	133,002
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$	1,913,563	\$		\$		\$	1,913,563
13	Street Lighting Improvement at 8th St NW & Broadway Ave	\$	28,982	\$	+	\$		\$	28,982
14	10 Ave NW Connection - Town's North Limit to TransCanada Highway 1	\$	829,500	\$	*	\$		\$	829,500
15	Signal 3rd Ave and Broadway/Saamis intersection (Replacement of 5th Ave and Broadway Ave/Saamis intersection Signal project from ICF policy 100)	\$	316,693	\$	*	\$	11,486	\$	305,207
		\$	29,972,049	\$		\$	281,409	\$	29,690,639

Special Grants and Contributions for Transportation Offsite Infrastructure

*Developer contributions stem from ICF collections for ICF projects that were transferred to the offsite levy (see Section A9 in Appendix A).

C3. Transportation Offsite Infrastructure Benefiting Parties

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

- Existing Growth (Town of Redcliff) a portion of the transportation infrastructure which is required to service existing residents.
- Other Stakeholders & Financial Oversizing other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25 year review period ("financial oversizing"). Financial oversizing is determined by calculating the pro rata portion of cost beyond the 25 year review period—by comparing the anticipated year of construction to the current year. When rates are updated in the future, the 25 year review period is moved forward and more and more oversizing costs are included in rate calculations. Accordingly, oversizing costs, though removed from rates today,

are ultimately born by developers.

 Future Growth (Town of Redcliff Developers) – all growth related infrastructure (i.e., levyable transportation infrastructure costs) during the 25 year rate planning period.

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties, as well as the year of construction which has been used to calculate financial oversizing. Percentage allocations have been determined after reducing transportation offsite levy infrastructure costs for grants and contributions described earlier.

ltem	Project Description	Rec Es	luced Project timated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	9th Ave SE - Mitchell St to Saamis	\$	3,244,418	43.1%	11.4%	45.5%
2	9th Ave SE - Main to Mitchell	\$	2,934,102	43.1%	11.4%	45.5%
3	3rd Ave Extension - Mitchell to Broadway	\$	2,185,610	43.1%	15.9%	40.9%
4	Broadway Ave Realignment	\$	2,352,498	43.1%	22.7%	34.1%
5	Intersection Upgrade - Traffic light/Roundabout & Pedestrian Improvements on Broadway Ave and Mitchell St	\$	353,614	43.1%	2.3%	54.6%
6	Intersection Upgrade - Traffic light Saamis Drive and 9th Ave	\$	211,232	43.1%	56.9%	0.0%
7	5th Ave Main to Mitchell Upgrade	\$	4,098,392	43.1%	22.7%	34.1%
8	Mitchell St N - South Raliway to North Limit of Town	\$	6,381,143	43.1%	22.7%	34.1%
9	10 Ave between Mitchell & Boundary	\$	4,533,519	43.1%	56.9%	0.0%
10	3rd Ave & 3rd ST NE Intersection	\$	185,857	43.1%	34.1%	22.7%
11	TransCanada Highway 1 Broadway Ave Pedestrian & Signal Timing Improvement	\$	133,002	43.1%	2.3%	54.6%
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$	1,913,563	43.1%	34.1%	22.7%
13	Street Lighting Improvement at 8th St NW & Broadway Ave	\$	28,982	43.1%	34.1%	22.7%
14	10 Ave NW Connection - Town's North Limit to TransCanada Highway 1	\$	829,500	43.1%	56.9%	0.0%
15	Signal 3rd Ave and Broadway/Saamis intersection (Replacement of 5th Ave and Broadway Ave/Saamis intersection Signal project from ICF policy 100)	\$	305,207	43.1%	15.9%	40.9%
		S	29,690,639			

Allocation of Transportation Infrastruc	cture to Benefiting Parties
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*Project allocations were determined by Town staff using a ratio of gross land developed in benefiting basins to gross land undeveloped in benefitting basins.

C4. Receipts and Adjusted Net Costs

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 \$8.96 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. Because this bylaw is new, no transportation levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately \$8.96 million.

Item	Project Description	Muni Cost	s	Other takeholder Cost & Oversizing	De (Le	veloper Cost viable Costs)	Of Fund Star	site Levy s Collected ting Jan 1, 2015	Dev	Adjusted eloper (Levy) Cost
1	9th Ave SE - Mitchell St to Saamis	\$ 1,399,317	\$	369,020	\$	1,476,080	\$		s	1,476,080
2	9th Ave SE - Main to Mitchell	\$ 1,265,478	\$	333,725	\$	1,334,899	\$		\$	1,334,899
3	3rd Ave Extension - Mitchell to Broadway	\$ 942,653	\$	348,028	\$	894,929	\$		\$	894,929
4	Broadway Ave Realignment	\$ 1,014,633	\$	535,146	\$	802,719	\$. *.	\$	802,719
5	Intersection Upgrade - Traffic light/Roundabout & Pedestrian Improvements on Broadway Ave and Mitchell St	\$ 152,514	\$	8,044	\$	193,056	\$	1	\$	193,056
6	Intersection Upgrade - Traffic light Saamis Drive and 9th Ave	\$ 91,105	\$	120,128	\$		\$		\$	
7	5th Ave Main to Mitchell Upgrade	\$ 1,767,636	\$	932,302	\$	1,398,453	\$	~	\$	1,398,453
8	Mitchell St N - South Railway to North Limit of Town	\$ 2,752,187	\$	1,451,583	\$	2,177,374	\$	-	\$	2,177,374
9	10 Ave between Mitchell & Boundary	\$ 1,955,307	\$	2,578,212	\$		\$		\$	
10	3rd Ave & 3rd ST NE Intersection	\$ 80,160	\$	63,418	\$	42,279	\$	-	\$	42,279
11	TransCanada Highway 1 Broadway Ave Pedestrian & Signal Timing Improvement	\$ 57,364	\$	3,026	\$	72,613	\$		\$	72,613
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$ 825,320	\$	652,946	\$	435,297	s		\$	435,297
13	Street Lighting Improvement at 8th St NW & Broadway Ave	\$ 12,500	\$	9,889	\$	6,593	\$	-	\$	6,593
14	10 Ave NW Connection - Town's North Limit to TransCanada Highway 1	\$ 357,763	\$	471,737	\$	•	\$	+	\$	14
15	Signal 3rd Ave and Broadway/Saamis intersection (Replacement of 5th Ave and Broadway Ave/Saamis intersection Signal project from ICF policy 100)	\$ 131,636	\$	48,600	\$	124,971	s	÷	\$	124,971
		\$ 12,805,573	\$	7,925,803	\$	8,959,263	\$		\$	8,959,263

Offsite Levy Net Costs

C5. 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 \$8.96 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).

Total Transportation Offsite Levy Costs



*Future development share of cost is depicted in the 'grey' boxes, though that portion identified as 'financial oversizing' is removed from rates today. Financial oversizing costs will gradually find their way into offsite levy rates as the year of construction approaches.

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A.J.

C6. Transportation Infrastructure Benefiting Areas

Net developer costs have been allocated to 1 or more of the 18 offsite levy areas by Town engineering staff as shown in the tables below. Those areas that benefit are "lit up" by the number designator '1'.

ite m	Project Description	Dev	eloner Cost	1.1	112	113	114	115	21	22	23	24	25	3.1	32	33	34 2	15 4	1 42	43	44	45	51	52	53	54	55	61	62	63	6.4	85
1	Oth Aug SE, Mitchell St to Saamin	-	1 476 000		1 -	1	1	1	1	1	1	4	1			1		1		1		1	IIC 1		4	1.1	1	1	100	1	1.1	1
1 2	Stir Ave SE - Mitchell St to Salaris	-	1,470,000	1		1	1	1 1		1 1		1					-	-		1.1					4					-		1
4	sth Ave SE - Main to Mitchell	3	1,334,899	1	11	1	1	1	1	1	1	1	1010			1		1	1 1	11	1	10.00			1		1	-		1	-	1.1
3	3rd Ave Extension - Mitchell to Broadway	\$	894,929	1	1.1	1	1	1	1	1	1	1	1	1	1.	1		1	1 1	1.1	111	2142	1410	14	1	1	111	142	1	11		1
4	Broadway Ave Realignment	S	802,719	1	1.1	1	1	1	1	1	11	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	24.0	12	1	11	1
5	Intersection Upgrade - Traffic light/Roundabout &	\$	193,056	1.0		1			100	1.00		100	1 3	ALC: NO		100						100		10.0	1.2		100	100		100		
	Pedestrian Improvements on Broadway Ave and	1111		1	1.1	1	1.1	1	1	1	1.1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Mitchell St	1.1		12		(2)		1		1.00			120			100											16.1	161		101		100
6	Intersection Licorada - Traffic light Saamis Drive and Oth	5	-		-			1	1000	100	100			1.00	10.00			10		100	10.00		1	1	10.00		1244	1-10			-	100
	Ale	•		1	1	1	1	1	1	1	1	1	1.1	1	1	1	1	1	1 1	1	1	1	1		1	1	1	1	1	1	1	1
-		-		-						-							-													-		
1	5th Ave Main to Mitchell Upgrade	5	1,398,453	1	11	1	1	1.1	1	1	1	1	1	10.12	1	1	1	1		1		1			1	1	1	1	1	1	1	1
8	Mitchell St N - South Railway to North Limit of Town	\$	2,177,374	1	1	111	1	11	11	11	1	1	1	11	1	1	1	1	1 1	1	616		1	111	1	1	1	1010	1	11	1.8	11.
9	10 Ave between Mitchell & Boundary	\$		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1		1	1	1	1	1	1	1	1	1	1	1
10	3rd Ave & 3rd ST NE Intersection	\$	42,279	1	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	11	1	1	. AL	1	1
11	TransCanada Highway 1 Broadway Ave Pedestrian &	\$	72,613		1.4	1.20	1.1	1000	1		100		1								100						21	100				1.1
1.1	Signal Timing Improvement	1.5	C PRO CO	1	102	1.1	1	10		1	1		10	1	21		1	24	117		1.1								1	1	1	2.17
12	8 th ST MM upprade - Broachuray Ave to 4th Ave NM	6	435 207	4	1.4	1.4	4	4	1	1	4	1	1	100		1	1411	1	1 1	1	10		ER 10	4	4	121	1	1	4	4	1	4
12	Cteat Lighting Improvement at the Ct NM & Dread on	10	435,257		1	-	-			-			-	1															-	-	-	-
13	Street Lighting improvement at our St twy & Broadway		0,593	1	1	1	1	1	1	1	11	1	1	1	1	1	1	11	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
-	Ave	-	-	1000	10	1.0	62	24		1.01	6.00		- 1	100							22			1	100.		100	1.1		-		-
14	10 Ave NW Connection - Town's North Limit to	\$		4	4	4	1	4	4	4	1	1.11	1	100	1.1	4		1	1 4	4		al	11	1	4	1		1.1		1	4	4
	TransCanada Highway 1						100				20					100				1		19						10				
15	Signal 3rd Ave and Broadway/Saamis intersection	\$	124,971	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
		S	8 959 263	-			-		-			-		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-																														
Interest	Date of Dependention	In	alessa C.	1.80	Inc	1.70	1.00	Inc	Le c	Lar.	100	La c		0.	0.0	ant	0.4	100	will prove	140.0	an d	10.5	44.0	1117		1112		100.0	anel	an of	17.4	100
Item	Project Description	Dev	eloper Cost	7.1	72	7.3	7.4	7.5	8.1	8.2	8.3	0.4	8.5	99.1	9.2	9,3	8.4 1	1.5 16	1 10:	10.3	10.4	10.5	m	mz	11.3	ms.	11.5	12,1	12.2	12.3	12.4	125
1	9th Ave SE - Mitchell St to Saamis	S	1,476,080	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11	1		1		1	1	1	1	1	1	1	1
2	9th Ave SE - Main to Mitchell	S	1,334,899	1	1	11	1	1	1	1	1	1	1	1	1		1	1	1	1	1		1		1	1	1		1	1	1	1
3	3rd Ave Extension - Mitchell to Broadway	S	894,929	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	Broadway Ave Realignment	S	802,719	1	1	1	1	1	1	1	1	1	1	11	1	1	1	1	1 1	1	1	21	1	1	1	1	1	-	1	1	1	1
5	Intersection Llograde - Traffic light/Roundabout &	s	193 056								1												(Low Y				1.0					
-	Dedestrian Improvements on Broadway Aug and	<u>۲</u>	100,000		4	4	4	4	4			1.4	1.1	100	4	4	4	1	1 4	4	1.1			1.4	31			1.0	4	4	1	4
1.10	Machall Ch	1.1			12	1.4		1.1			1.1			141	1.1	10		14		101	1.1		122	1 A I				100		1		
-	Mitchell St	-		-	-	-	-	-	100	-	-	1000	1000		-	-	-		-	-			_		-		-			-	_	-
6	Intersection Upgrade - Traffic light Saamis Drive and 9th	\$		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
-	Ave	1	Constant of the	100	120	1.5		100		100	100		1000		1000	100	100	20 E		100	100	See.	100		ALC: N	10.00	1.00	1.00			1000	100
7	5th Ave Main to Mitchell Upgrade	\$	1,398,453	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	11	1	1	1	11	1	1	1	1
8	Mitchell St N - South Railway to North Limit of Town	\$	2,177,374	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1.	1	1	1	1	1	1	1	1	1	1	1
9	10 Ave between Mitchell & Boundary	\$		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1111	1	1	1	1
10	3rd Ave & 3rd ST NE Intersection	e	42 270	4	1	1	4			1	1	4	1	111	4	1	1	1		4		1	1.11	1	1		11	1.1	1	1	1	1
14	TraceConneds Mahurur 1 Droadunir Are Dedectrion 2	é	72,613	-	-	-	-				100	-				-	-			-		10.0							<u> </u>	-		-
111	TransCanada Fighway 1 Broadway Ave Pedestnan &	3	12,013	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	110	1	1		1	1.1	11		1	1	11	1
-	Signal Timing Improvement	_		1162	1.01		1.51	0	1.00	100	200		100	1.00	1000	1001				100		1000	1	100	1.21		1000	Y			-	-
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$	435,297	1	11	1	1	1	1	1	1	1	1		1	-1	1	1	1	11		B1 0	1	11			11	1.1	1.	1	1	1.
13	Street Lighting Improvement at 8th St NW & Broadway	\$	6,593	1	4		6.0	-		1.4				1.1		100		1							4			100		4	4	4
1.1	Ave	1.0		1	12						1				21			1		1.2		2				24		100		1	1	10
14	10 Ave NAV Connection - Town's North Limit to	•		1000	1.50		100	- J	10.00		1	100	100		Contract of	Don't	and the			17	1.00	Charles .	and the second second	100	To De	100	100					
1.4	Trans Canada Mahusu 1	-		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1
15	Caral 2nd Annual Deset		101.074		1					1	1			1	1					1.										4		4
15	Signal 3rd Ave and Broadway/Saamis Intersection	3	124,9/1	1	100	6.41	10.0					1.1	94 H H			1.5	21.1	1		100.0						12.		10.00		10110	10.00	101
		\$	8,959,263																													
-		_				_		_	_		_						-						-	-				_	-	-	_	_
Item	Project Description	Deve	eloper Cost	13.1	13.2	13.3	13,4	13.5	14,1	14.2	14.3	14.4	14.5	15,1	15.2	15.3	15.4 1	5.5 16	11 16.	2 15.3	16.4	16,5	17.1	17.2	17.3	17.4	17.5	18.1	18.2	18.3	18.4	18,5
1	9th Ave SE - Mitchell St to Saamis	\$	1,476,080	1	1	1	1	1	1	1	1	1			1	1	1	1	10 10 1	1	1	11		1	1	1	1	1	1	1	1	14
2	9th Ave SE - Main to Mitchell	\$	1.334.899	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	3rd Ave Extension - Mitchell to Broadway	s	894 929	1	1	1	1	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1	1	1	1	1	17	100	1	1	1	11
4	Dresduny Aus Declinement	0	802 710	4											4	1	4			11							1.1		1	1	1	1.1
1	broadway Ave Realignment	3	002,719		-	100	100		24.5			-			-	-	-								_						-	-
5	Intersection Upgrade - Traffic light/Roundabout &	3	193,056							1	100			121						1.1		(12							
1.1.1	Pedestrian Improvements on Broadway Ave and			1	1	1	1	1	1	1	10	1	1		1	1	1	1		1	1	1	1	24	14			12.1	120	1	1	1
_	Mitchell St		-										0.000					4			1.1					2						_
6	Intersection Upgrade - Traffic light Saamis Drive and 9th	\$	×.	1.1	100	5.1		1.2.1		1		1.41		1							1.1		10		100							1.
	Ave			1				1	1	2	2	2			1	1		1	1	1.1			11								1	
7	5th Ave Main to Mitchell Upgrade	\$	1 398 453	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	1	11	111	1	1	1	1	1	1	1	1	1
0	Michail Ci M. Couth Dailumi to North Limit of Tour	e	2 177 274	4	1	1	4	1	-	1	1	-	1	4	1	1	4	1		11		-		100	4		4	4	1	1	1	4
0	An Anther Strive South Rainway to North Limit of Town	9	2,117,314	1	1					1	-			-	-	-	1			1		-	-	-	-			-	-	-		1
8	to Ave between Mitchell & Boundary	5	10.000	1		1		1		1		1		1	1	1	1	-		11			-				1	-	1	1	1	1
10	3rd Ave & 3rd ST NE Intersection	\$	42,279	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1			1	1	1	1	1	1
11	TransCanada Highway 1 Broadway Ave Pedestrian &	\$	72,613		14	1.4	4	1	1		100	100	1	14	100	1	4	1	1 4	1	19.	1	1	1	1	1	1	1	1	1	1	1
	Signal Timing Improvement	1		1		100	100		100		100											1	1			2	10					
12	8 th ST NW upgrade - Broadway Ave to 4th Ave NW	\$	435,297	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	1	11	1	1	1	1	1	1	1	1	1	1	1
13	Street Lighting Improvement at 8th St NW & Broadway	\$	6 593				100				100			1	100	1				1	100						1.2	1		1		
1	Ave		0,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 8	1	1		1			1	1	1		1	1	1	
14	10 Ave MM/ Connection - Town's Moth Limit to	•		-	-	-	-	1.0	-				10	-	1000			-	-	-		1000	-		1-cl	Total I	10.0	-		100		
1.4	Tione Conside Makery 1	3		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1 1	11	1	1	1	1	1)	1	1	1	1	1	1	1
10	rranscanaga Higriway 1		101.021		1	-	-	-	-							-	-			11	-	-	-		-						-	-
15	Signal 3rd Ave and Broadway/Saamis intersection	\$	124,971	1	1	1	1		1	1		100			1			1	1000	11	10	1			1	1	1	100			1	

C7. Reserve Balance

The transportation reserve opening balance is \$0. In addition to establishing a dedicated, distinct and separate transportation offsite levy reserve (required by the MGA), it is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

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Transportation Offsite Levy Reserve Balance

Description	Dr	Cr	1.1	Balance
Offsite Levy Expenditures to December 31, 2014		\$ 	\$	
Offsite Levy Receipt Allocations to December 31, 2014	\$ 		\$	-
Debenture Interest Accrued to December 31, 2014		\$ -	\$	-
Unallocated Receipts to December 31, 2014	\$ -		\$	4
Opening Balance			\$	

C8. Development and Transportation Infrastructure Staging Impacts

Transportation 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 reserve 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-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 3.0% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline transportation levy reserve balances over the 25-year development period.



Anticipated Transportation Offsite Levy Reserve Balances

*The interest staging adjustment built into the rates ensures that the reserve always returns to breakeven by the end of the 25-year review period.

				Re	eserve Balance	\$ ÷
Year	Receipts	1	Expenditure		Interest	Balance
2015	\$ 34,928	\$		\$	349	\$ 35,277
2016	\$ •	\$	273,639	\$	(7,151)	\$ (245,512)
2017	\$ 1,244,621	\$		\$	9,991	\$ 1,009,100
2018	\$ 9,430	\$	-	\$	10,185	\$ 1,028,716
2019	\$ 201,243	\$		\$	12,300	\$ 1,242,258
2020	\$ 539,986	\$	3,258,695	\$	(44,294)	\$ (1,520,744)
2021	\$ 2,742,958	\$	-	\$	12,222	\$ 1,234,436
2022	\$ 177,673	\$	1,254,348	\$	1,578	\$ 159,339
2023	\$ 	\$	-	\$	1,593	\$ 160,932
2024	\$ 496,087	\$		\$	6,570	\$ 663,589
2025	\$ 198,107	\$	5,884,400	\$	(150,681)	\$ (5,173,386)
2026	\$ 1,177,493	\$	-	\$	(119,877)	\$ (4,115,770)
2027	\$ 304,688	\$		\$	(114,332)	\$ (3,925,414)
2028	\$ 140,318	\$	-	\$	(113,553)	\$ (3,898,648)
2029	\$ 1,548,414	\$		\$	(70,507)	\$ (2,420,741)
2030	\$ -	\$	754,319	\$	(95,252)	\$ (3,270,312)
2031	\$ 110,791	\$	-	\$	(94,786)	\$ (3,254,306)
2032	\$ -	\$	-	\$	(97,629)	\$ (3,351,936)
2033	\$ 3,344,660	\$	-	\$	(218)	\$ (7,494)
2034	\$ -	\$	-	\$	(225)	\$ (7,719)
2035	\$	\$		\$	(232)	\$ (7,950)
2036	\$ 7,950	\$	÷	\$	0	\$ 0
2037	\$ -	\$	-	\$	0	\$ 0
2038	\$ -	\$	- 5	\$	0	\$ 0
2039	\$ -	\$		\$	0	\$ 0

Anticipated Transportation Offsite Levy Reserve Balances

APPENDIX D: Water

Unless indicated otherwise, the information shown in this appendix reflects the status of infrastructure, costs, receipts, balances, etc. <u>assuming all projects are included (Rate</u> <u>Scenario 1)</u>.

D1. 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 \$31.85 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent "gross" costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the "net" costs for future development are determined.

ltem	Project Description	Cost of Completed Work	 Debenture Interest	Esti	mated Cost of ork Yet to be Completed	To Est	otal Project imated Cost
1	WTP Incl Raw Water Pump Station & Pipeline Twinning	\$ 9,395,794	\$ 2,563,642	\$	10,961,077	\$	22,920,512
2	Water Reservor with Pump Station & Associated Connections	\$ -	\$	\$	3,737,431	\$	3,737,431
3	Distrubution System Upgrade	\$ -	\$ 	\$	636,748	\$	636,748
4	Mitchell St Water Main Extension	\$.	\$ 	\$	1,266,770	\$	1,266,770
5	Fire Flow Improvement - South Highway Dr to Duncan	\$.	\$ 	\$	191,900	\$	191,900
6	Watermain 3rd Ave SE	5 -	\$	\$	312,000	\$	312,000
7	Watermain Mitchell St N to Town's North Limit	S -	\$ 4.9	\$	748,800	\$	748,800
8	Watermain 10th Ave N between Mitchell & Boundary	\$ -	\$ 	\$	631,800	\$	631,800
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	\$ -	\$ 	\$	748,800	\$	748,800
10	Water Tie-in 9th Ave	\$ -	\$ 	\$	50,000	\$	50,000
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	\$ -	\$ ¥.,	\$	604,500	\$	604,500
-		\$ 9,395,794	\$ 2,563,642	\$	19,889,826	\$	31,849,261

Summary of Water Offsite Infrastructure

*Costs estimates provided by Town staff and their engineering advisors.

**Estimates include engineering fees and contingencies, and land costs where applicable.

***Project 1 - Bylaw 1753/2013. At the time of preparation of this model, the Town had only finalized \$3,500,000 of the total \$6,500,000 debenture that was approved in the bylaw. In order to calculate rates, the remaining \$3,000,000 was assumed to be received at the same terms as the original \$3,500,000 debenture. When the Town does its next update, it should separate the 2 debentures into 2 reflecting the actual interest for both debentures based on the actual terms for both debentures.

****Projects 1,4,6, and 11 were transferred from the ICF.

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Town of Redcliff Offsite Levy Review



Anticipated Start Year of Construction

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ltem	Project Description	Construction Start Year
1	WTP incl Raw Water Pump Station & Pipeline Twinning	In Progress
2	Water Reservor with Pump Station & Associated Connections	2020
3	Distrubution System Upgrade	2017
4	Mitchell St Water Main Extension	2022
5	Fire Flow Improvemen t- South Highway Dr to Duncan	2017
6	Watermain 3rd Ave SE	2022
7	Watermain Mitchell St N to Town's North Limit	2025
8	Watermain 10th Ave N between Mitchell & Boundary	2045
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	2020
10	Water Tie-in 9th Ave	2017
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	2025

D2. Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables a municipality to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Redcliff has received approximately \$6.83 million in special grants and contributions for water offsite levy infrastructure as shown

in the table below (note, if the Town receives other 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 approximately \$25.02 million.

Item	Project Description	To	otal Project imated Cost	Prov	Special vincial Grants	Co A	eveloper greement ntributions	Red Est	uced Project imated Cost
1	WTP incl Raw Water Pump Station & Pipeline Twinning	\$	22,920,512	\$	6,300,000	\$	425,586	\$	16,194,926
2	Water Reservor with Pump Station & Associated Connections	\$	3,737,431	\$	181	\$		\$	3,737,431
3	Distrubution System Upgrade	\$	636,748	\$	-0	\$		\$	636,748
4	Mitchell St Water Main Extension	\$	1,266,770	\$		\$	22,731	\$	1,244,039
5	Fire Flow Improvemen t- South Highway Dr to Duncan	\$	191,900	\$	*	\$		\$	191,900
6	Watermain 3rd Ave SE	\$	312,000	\$		\$	27,977	\$	284,023
7	Watemain Mitchell St N to Town's North Limit	\$	748,800	\$		\$	-	\$	748,800
8	Watermain 10th Ave N between Mitchell & Boundary	\$	631,800	\$	181	\$		\$	631,800
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	\$	748,800	\$	14	\$		\$	748,800
10	Water Tie-in 9th Ave	\$	50,000	\$		\$		\$	50,000
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	\$	604,500	\$	~ ~ *	\$	52,457	\$	552,043
		\$	31,849,261	\$	6,300,000	\$	528,751	\$	25,020,510

Special Grants and Contributions for Water Offsite Infrastructure

*Developer contributions stem from ICF collections for ICF projects that were transferred to the offsite levy (see Section A9 in Appendix A).

D3. Water Offsite Infrastructure Benefiting Parties

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

- Existing Growth (Town of Redcliff) a portion of the water infrastructure which is required to service existing residents.
- Other Stakeholders & Financial Oversizing other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25 year review period ("financial oversizing"). Financial oversizing is determined by calculating the pro rata portion of cost beyond the 25 year review period—by comparing the anticipated year of construction to the current year. When rates are updated in the future, the 25 year review period is moved forward and more and more oversizing costs are included in rate calculations. Accordingly, oversizing costs, though removed from rates today, are ultimately born by developers.
- Future Growth (Town of Redcliff Developers) all growth related infrastructure (i.e., levyable water infrastructure costs) during the 25 year rate planning period.

The table below outlines the allocation of water offsite levy infrastructure costs to benefiting parties, as well as the year of construction which has been used to calculate financial oversizing. Percentage allocations have been determined after reducing water offsite levy infrastructure costs for grants and contributions described earlier.

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ltem	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	WTP incl Raw Water Pump Station & Pipeline Twinning	\$ 16,194,926	43.1%	0.0%	56.9%
2	Water Reservor with Pump Station & Associated Connections	\$ 3,737,431	43.1%	11.4%	45.5%
3	Distrubution System Upgrade	\$ 636,748	43.1%	4.5%	52.3%
4	Mitchell St Water Main Extension	\$ 1,244,039	43.1%	15.9%	40.9%
5	Fire Flow Improvemen t- South Highway Dr to Duncan	\$ 191,900	43.1%	4.5%	52.3%
6	Watermain 3rd Ave SE	\$ 284,023	43.1%	15.9%	40.9%
7	Watermain Mitchell St N to Town's North Limit	\$ 748,800	43.1%	22.7%	34.1%
8	Watermain 10th Ave N between Mitchell & Boundary	\$ 631,800	43.1%	56.9%	0.0%
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	\$ 748,800	43.1%	11.4%	45.5%
10	Water Tie-in 9th Ave	\$ 50,000	43.1%	4.5%	52.3%
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	\$ 552,043	43.1%	22.7%	34.1%
		\$ 25,020,510			

Allocation of Water Infrastructure to Benefiting Parties

*Project allocations were determined by Town staff using a ratio of gross land developed in benefiting basins to gross land undeveloped in benefitting basins.

D4. Receipts and Adjusted Net Costs

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 \$12.78 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. Because this bylaw is new, no water levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately \$12.78 million.

ttem	Project Description	12	Muni Cost	Sta 8	Other akeholder Cost & Oversizing	De (Le	veloper Cost viable Costs)	Off Fund Star	site Levy s Collected ting Jan 1, 2015	Dev	Adjusted eloper (Levy) Cost
1	WTP incl Raw Water Pump Station & Pipeline Twinning	\$	6,984,872	\$		\$	9,210,054	\$	1	s	9,210,054
2	Water Reservor with Pump Station & Associated Connections	s	1,611,954	\$	425,095	\$	1,700,382	\$		\$	1,700,382
3	Distrubution System Upgrade	\$	274,629	\$	28,969	\$	333, 149	\$	~ ~	\$	333,149
4	Mitchell St Water Main Extension	\$	536,554	\$	198,096	\$	509,389	\$	-	\$	509,389
5	Fire Flow Improvemen t- South Highway Dr to Duncan	\$	82,766	\$	8,731	\$	100,403	\$		\$	100,403
6	Watermain 3rd Ave SE	S	122,499	\$	45,227	\$	116,297	\$		\$	116,297
7	Watermain Mitchell St N to Town's North Limit	\$	322,957	\$	170,337	\$	255,506	\$		S	255,506
8	Watermain 10th Ave N between Mitchell & Boundary	s	272,495	\$	359,305	\$	÷	\$	4	\$	
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	\$	322,957	\$	85,169	\$	340,674	\$		S	340,674
10	Water Tie-in 9th Ave	\$	21,565	\$	2,275	\$	26,160	\$		\$	26,160
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	\$	238,096	\$	125,579	\$	188,368	\$		\$	188,368
		5	10,791,346	5	1,448,782	\$	12,780,382	\$		\$	12,780,382

Offsite Levy Net Costs

D5. 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 \$12.78 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).





*Future development share of cost is depicted in the 'grey' boxes, though that portion identified as 'financial oversizing' is removed from rates today. Financial oversizing costs will gradually find their way into offsite levy rates as the year of construction approaches.

D6. Water Infrastructure Benefiting Areas

Net developer costs have been allocated to 1 or more of the 18 offsite levy areas by Town engineering staff as shown in the tables below. Those areas that benefit are "lit up" by the number designator '1'.

Item	Project Description	0	Cost	1,1	12	1.3	1.4	1.	2.1	22	2.3	2.4	2.5	3.1	3.2	3.3	3.4	3.5	4.1	42	4.3	4.4	45	5.1	5.2	5.3	5.4	5.5	6.1	6.2	6.3	6.4	0.5
1	WTP incl Raw Water Pump Station & Pipeline Twinning	\$	9,210,054	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	Water Reservor with Pump Station & Associated Connections	\$	1,700,382	1	1	1	1	1	1	1	1	1	1	1	1	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	Distrubution System Upgrade	5	333,149	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	Mitchell St Water Main Extension	5	509,389	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Fire Flow Improvemen t- South Highway Dr to Duncan	\$	100,403	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	Watermain 3rd Ave SE	5	116,297	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7	Watermain Mitchell St N to Town's North Limit	\$	255,506	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Watermain 10th Ave N between Mitchell & Boundary	\$		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	5	340,674	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1
10	Water Tie-in 9th Ave	S	26,160	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1.1	1	1	1	1	1
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	5	188,368	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1	1
te m	Project Description	D	Cost	7.1	7.2	7.5	7,4	71	8.1	8.2	8.3	8.4	8.5	9.1	9.2	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.3	2 11.3	11.	11.	5 12.	1 12	2 12.	12.4	12.5
1	WTP incl Raw Water Pump Station & Pipeline	5	9,210,054	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	Water Reservor with Pump Station & Associated Connections	5	1,700,382	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
3	Distrubution System Upgrade	5	333,149	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	Mitchell St Water Main Extension	S	509,389	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Fire Flow Improvemen t- South Highway Dr to Duncan	\$	100,403	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
					1000	-	1.1	1 7	1.1	1.	1 4	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6	Watermain 3rd Ave SE	5	116,297	1	1	1	1		10.00																		_		_				_
6	Watermain 3rd Ave SE Watermain Mitchell St N to Town's North Limit	5	116,297 255,506	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	11
6 7 8	Watermain 3rd Ave SE Watermain Mitchell St N to Town's North Limit Watermain 10th Ave N between Mitchell & Boundary	5	116,297 255,506	1 1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
6 7 8 9	Watermain 3rd Ave SE Watermain Mitchell St N to Town's North Limit Watermain 10th Ave N between Mitchell & Boundary Boundary Rd N - Dirkson Dr N to Town's North Limit	5 5 5 5	116,297 255,506 340,674	1 1 1	1 1	1 1 1	1 1 1 1	1	1	1	1	1 1 1 1	1	1	1 1 1	1 1 1	1 1	1 1	1 1 1	1 1	1	1 1 1	1 1 1	1	1	1	1 1	1 1 1	1	1	1 1	1	1
6 7 8 9 10	Watermain 3rd Ave SE Watermain Mitchell St N to Town's North Limit Watermain 10th Ave N between Mitchell & Boundary Boundary Rd N - Dirkson Dr N to Town's North Limit Water Tie-in 9th Ave	5 5 5 5 5	116,297 255,506 340,674 26,160	1 1 1 1	1 1 1	1 1 1 1	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 1 1 1 1 1	1 1 1	1 1 1	1 1 1	1 1 1 1	1 1 1	1	1 1 1 1	1 1 1 1	1 1 1	1 1 1 1	1 1 1	1 1 1	1 1 1	1 1 1 1	1 1 1 1	1 1 1	1 1 1	1 1 1	1 1 1	1 1 1 1	1 1 1 1	1 1 1	1 1 1	1 1 1	1 1 1
6 7 8 9 10	Watermain 3rd Ave SE Watermain Mitchell St No Town's North Limit Watermain 10th Ave N between Mitchell & Boundary Boundary Rd N - Dirkson Dr N to Town's North Limit Water Tie-in 9th Ave Watermain Roradway Ave E/Saamis to 9th Ave SE	5 5 5 5 5 5	116,297 255,506 340,674 26,160 188,368	1 1 1 1 1	1 1 1 1 1 1	1 1 1 1 1 1	1111	1 1 1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1 1	1 1 1 1 1	1 1 1 1	1 1 1 1 1

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Town of Redcliff Offsite Levy Review

Item	Project Description	D	Cost	13.1	13.3	13.	3 13	4 1	1.5	4.1	14.3	143	14.4	14.5	15.1	15.3	15.3	15.4	15.5	16.1	10.2	10.3	16.4	10.5	17.1	17.2	17.3	17.4	17.5	18.1	10.2	18.3	18,4	18.5
1	WTP Incl Raw Water Pump Station & Pipeline Twinning	\$	9,210,054	1	1	1	1	1	1	1	1	t	1	1	1	đ	1	1	1	1	1	1	1	a.	1	1	1	1	1	.1	1	at.	1	1
2	Water Reservice with Pump Station & Associated Connections	\$	1.700,382	1	1	1	1	1	1	1	4	1	1	1	1	1	1	4	1	1	1	1	1	4	1	1	1	4	1	1	1	1	1	1
3	Distrubution System Upgrade	5	333,149	1	1	1 1	1		1	1	845	1	1	11	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
4	Mitchell St Water Main Extension	5	509,389	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	Fite Flow Improvement - South Highway Dr to Duncan	\$	100,403	1	1	1	1		1	1	4	1	1	1	1	1	9	1	1	1	1	1	1	1	4	1	1	1	1	1	Ŧ	1	1	1
6	Watermain 3rd Ave SE	15	116,297	1	1	1	11		1	1	1	1	1	1	1	1	1	1	1	1	24.0	1	1	11	1	1	1	1	1	1	1	1	1	1
7	Watermain Mitchell St N to Town's North Limit	15	255,506	1	1	11	1		1	1	1	1	1	1	1	1	1.1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
8	Watermain 10th Ave N between Mitchell & Boundary	15	-	1	1	1	11	1 10	1	1	1	1	1	212	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1	1	1	1	1	1
9	Boundary Rd N - Dirkson Dr N to Town's North Limit	S	340,674	1	1	1	1	1 1	1	1	1	1	1	11	1	1	1	1	1	1	1	111	1	1	1	1	1	1	1	1	1	1	1	1
10	Water Tie in 9th Ave	5	26,160	1	1	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
11	Watermain Broadway Ave E/Saamis to 9th Ave SE	5	188,368	1	1	H	1		1	1	4	1	1	1	1	1	1	1	1	1	1	1	1	1	1.1	1	1	1	1	1	1	1	1	1

D7. Reserve Balance

The water reserve opening balance is in deficit (\$3,103,565.37) million. A negative balance indicates the presence of front-ending—i.e., this amount is owed to the Town by future development. The Town's ledgers should be amended to reflect this balance as it includes expenditures to date. In addition to establishing a dedicated, distinct and separate water offsite levy reserve (required by the MGA), it is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Water Offsite Levy Reserve Balance

Description	Dr	Cr	Balance
Offsite Levy Expenditures to December 31, 2014		\$ 3,103,565.37	\$ (3,103,565.37)
Offsite Levy Receipt Allocations to December 31, 2014	\$ 		\$ (3,103,565.37)
Debenture Interest Accrued to December 31, 2014		\$ 1.2	\$ (3,103,565.37)
Unallocated Receipts to December 31, 2014	\$ 		\$ (3,103,565.37)
Opening Balance			\$ (3,103,565.37)

D8. Development and Water Infrastructure Staging Impacts

Water 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 reserve 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-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 3.0% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline water levy reserve balances over the 25-year development period.



*The interest staging adjustment built into the rates ensures that the reserve always returns to breakeven by the end of the 25-year review period.

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				Ope	ning Balance	\$ (3, 103, 565)
Year	Receipts	E	xpenditure		Interest	Balance
2015	\$ 44,942	\$	4,973,429	\$	(240,962)	\$ (8,273,015)
2016	\$	\$		\$	(248, 190)	\$ (8,521,205)
2017	\$ 1,601,446	\$	487,709	\$	(222,224)	\$ (7,629,691)
2018	\$ 12,134	\$	-	\$	(228,527)	\$ (7,846,084)
2019	\$ 258,938	\$		\$	(227,614)	\$ (7,814,760)
2020	\$ 694,797	\$	2,366,143	\$	(284,583)	\$ (9,770,690)
2021	\$ 3,529,347	\$		\$	(187,240)	\$ (6,428,583)
2022	\$ 228,611	\$	769,515	\$	(209,085)	\$ (7, 178, 571)
2023	\$ ÷	\$		\$	(215,357)	\$ (7,393,929)
2024	\$ 638,311	\$		\$	(202,669)	\$ (6,958,286)
2025	\$ 254,903	\$	596,529	\$	(218,997)	\$ (7,518,909)
2026	\$ 1,515,073	\$		\$	(180, 115)	\$ (6,183,951)
2027	\$ 392,041	\$		\$	(173,757)	\$ (5,965,668)
2028	\$ 180,547	\$	-	\$	(173,554)	\$ (5,958,675)
2029	\$ 1,992,335	\$	-	\$	(118,990)	\$ (4,085,330)
2030	\$ -	\$	4	\$	(122,560)	\$ (4,207,890)
2031	\$ 142,554	\$	-	\$	(121,960)	\$ (4, 187, 296)
2032	\$ -	\$	-	\$	(125,619)	\$ (4,312,915)
2033	\$ 4,303,553	\$	Э.	\$	(281)	\$ (9,642)
2034	\$ -	\$	-40	\$	(289)	\$ (9,932)
2035	\$ -	\$	2	\$	(298)	\$ (10,230)
2036	\$ 10,230	\$		\$	0	\$ 0
2037	\$ -	\$	~	\$	0	\$ 0
2038	\$ -	\$	-	\$	0	\$ 0
2039	\$ -	\$	÷.	\$	0	\$ 0

Anticipated Water Offsite Levy Reserve Balances

APPENDIX E: Sanitary

Unless indicated otherwise, the information shown in this appendix reflects the status of infrastructure, costs, receipts, balances, etc. <u>assuming all projects are included (Rate Scenario 1)</u>.

E1. Sanitary Offsite Infrastructure

In order to support future growth, sanitary 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 \$15.83 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent "gross" costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the "net" costs for future development are determined.

ltem	Project Description	Cost of Completed Work	Debe Inte	nture rest	Estin Wa	mated Cost of ork Yet to be Completed	To Est	otal Project imated Cost
1	Sanitary Network in Mitchell St N	\$ -	\$	*	\$	614,900	\$	614,900
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$ -	\$	۳.	\$	3,847,000	\$	3,847,000
3	Boundary Rd N Industrial Trunk Upgrade	\$ -	\$		\$	2,595,000	\$	2,595,000
4	NW Future Upgrades	\$ -	\$	×.	\$	7,166,000	\$	7,166,000
6	3rd Ave SE (Mitchell St to Broadway Ave)	\$ -	- \$ -	\$	410,150	\$	410,150	
7	9th Ave Sanitary Variable Sizes	\$ -	\$	-	\$	1,201,800	\$	1,201,800
		\$ -	\$	-	\$	15,834,850	\$	15,834,850

Summary of Sanitary Offsite Infrastructure

*Costs estimates provided by Town staff and their engineering advisors.

**Estimates include engineering fees and contingencies, and land costs where applicable.

***Projects 2 and 5 were transferred from the ICF. Project 5 has been omitted until such time as the project scope, costs estimates, and grants are confirmed. It will be added to the offsite levy during a future update.



Anticipated Start Year of Construction

ltem	Project Description	Construction Start Year
1	Sanitary Network in Mitchell St N	2025
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	2020
3	Boundary Rd N Industrial Trunk Upgrade	2025
4	NW Future Upgrades	2045
6	3rd Ave SE (Mitchell St to Broadway Ave)	2022
7	9th Ave Sanitary Variable Sizes	2020

E2. Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables a municipality to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Redcliff has received approximately \$0.41 million in special grants and contributions for sanitary offsite levy infrastructure as shown in the table below (note, if the Town receives additional 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 approximately \$15.79 million.

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ltem	Project Description	Total Project Estimated Cost	Special Gran	nts	De Ag Con	eveloper preement atributions	Red Est	luced Project Imated Cost
1	Sanitary Network in Mitchell St N	\$ 614,900	\$		\$		\$	614,900
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$ 3,847,000	\$	-C.	\$	41,402	\$	3,805,598
3	Boundary Rd N Industrial Trunk Upgrade	\$ 2,595,000	\$	-	\$	-		2,595,000
4	NW Future Upgrades	\$ 7,166,000	\$	•	\$		\$	7,166,000
6	3rd Ave SE (Mitchell St to Broadway Ave)	\$ 410,150	\$	4	\$	\$		410,150
7	9th Ave Sanitary Variable Sizes	\$ 1,201,800	\$ -		\$	-	\$	1,201,800
		\$ 15,834,850	\$	6	S	41 402	5	15 793 448

Special Grants and Contributions for Sanitary	Offsite Infrastructure
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*Developer contributions stem from ICF collections for ICF projects that were transferred to the offsite levy (see Section A9 in Appendix A).

E3. Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- Existing Growth (Town of Redcliff) a portion of the sanitary infrastructure which is required to service existing residents.
- Other Stakeholders & Financial Oversizing other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25 year review period ("financial oversizing"). Financial oversizing is determined by calculating the pro rata portion of cost beyond the 25 year review period—by comparing the anticipated year of construction to the current year. When rates are updated in the future, the 25 year review period is moved forward and more and more oversizing costs are included in rate calculations. Accordingly, oversizing costs, though removed from rates today, are ultimately born by developers.
- Future Growth (Town of Redcliff Developers) all growth related infrastructure (i.e., levyable sanitary infrastructure costs) during the 25 year rate planning period.

The table below outlines the allocation of sanitary offsite levy infrastructure costs to benefiting parties, as well as the year of construction which has been used to calculate financial oversizing. Percentage allocations have been determined after reducing sanitary offsite levy infrastructure costs for grants and contributions described earlier.

ltem	Project Description	Red Est	uced Project Imated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	Sanitary Network in Mitchell St N	\$	614,900	16.3%	33.5%	50.2%
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$	3,805,598	55.6%	8.9%	35.5%
3	Boundary Rd N Industrial Trunk Upgrade	\$	2,595,000	33.6%	26.5%	39.8%
4	NW Future Upgrades	\$	7,166,000	71.7%	28.3%	0.0%
6	3rd Ave SE (Mitchell St to Broadway Ave)	\$	410,150	0.0%	28.0%	72.0%
7	9th Ave Sanitary Variable Sizes	\$	1,201,800	0.0%	20.0%	80.0%
		\$	15,793,448			

Allocation of Sanitary	Infrastructure to	Benefiting Parties
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*Project allocations were determined by Town staff using a ratio of gross land developed in benefiting basins to gross land undeveloped in benefitting basins.

E4. Receipts and Adjusted Net Costs

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 \$3.95 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. Because this bylaw is new, no sanitary levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately \$3.95 million.

Unsite	Levy	net	COSIS

Item	Project Description	1 al	Muni Cost	Stal	Other scholder Cost Oversizing	De (Le	veloper Cost vlable Costs)	Off Fund Star	s Collected ting Jan 1, 2015	Deve	Adjusted Hoper (Levy) Cost		
1	Sanitary Network in Mitchell St N	\$	100,167	\$	205,893	\$	308,840	\$		s	308,840		
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$	2,117,435	\$	337,633	\$	1,350,531	\$		\$	1,350,531		
3	Boundary Rd N Industrial Trunk Upgrade	\$	872,958	\$	688,817	\$	1,033,225	\$	*	\$	1,033,225		
4	NW Future Upgrades	\$	5,139,455	\$	2,026,545	\$		\$		\$			
6	3rd Ave SE (Mitchell St to Broadway Ave) \$	\$	\$	S - S	5 -	\$	114,842	S	295,308	\$	-	S	295,308
7	9th Ave Sanitary Variable Sizes	\$		\$	240,360	\$	961,440	\$	- (L)	\$	961,440		
	the second s	S	8,230,015	S	3,614,089	\$	3,949,344	5		5	3,949,344		

E5. Summary of Sanitary Offsite Levy Cost Flow-through

As shown in the figure below, the total costs for sanitary infrastructure that forms the basis of the rate is approximately \$3.95 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).

Total Sanitary Offsite Levy Costs



*Future development share of cost is depicted in the 'grey' boxes, though that portion identified as 'financial oversizing' is removed from rates today. Financial oversizing costs will gradually find their way into offsite levy rates as the year of construction approaches.

E6. Sanitary Infrastructure Benefiting Areas

Net developer costs have been allocated to 1 or more of the 18 offsite levy areas by Town engineering staff as shown in the tables below. Those areas that benefit are "lit up" by the number designator '1'.

Item	Project Description	-	Cost	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	2,5	3,1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	4.5	5.1	5.1	5.3	5	4 5	15	6.1	8.2	6,3	8.4	6.5
1	Sanitary Network in Mitchell St N	\$	306,840	1000										1	1	1	1	1	1	010	1	1	1							1.11				1
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$	1,350,531																		13							1						8
3	Boundary Rd N Industrial Trunk Upgrade	\$	1,033,225	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1							1	1	1	1	1
4	NW Future Upgrades	\$					1					1				1		11						1	1	1	1		1				-	
6	3rd Ave SE (Mitchell St to Broadway Ave)	\$	295,308	1.00	1		1.1			1.00			1	11.5	2	100							100							100				1.0
7	Oth Aug Canitage Visiable Cizes	e	061 440	-									1000			1000			1						-									
-	aut Ave Sanitary Valiable Sizes	5	3,949,344		-		-	-	-		-	-	-	-	-	-	_	-	-	-		-		-	-	-	-		-	-	-	-		-
Item	Project Description	5	3,949,344 Reveloper Cost	7.1	7.2	7.3	7.4	7.5	8,1	8.2	8.3	8.4	8.5	9,1	9.2	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.2	2 11.4	3 11	.4 17	1.5	12,1	12.2	12.3	12.4	12.
Item 1	Project Description Sanitary Network in Mitchell St N	5	3,949,344 eveloper Cost 308,840	7.1	7.2	7.3	7.4	7.5	8,1	8.2	8.3	8.4	8.5	9,1	9.2	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.2	2 11.4	3 11	.4 17	1.5	12,1	12.2	12.3	12.4	12.
1 1 2	Project Description Sanitary Network in Mitchell St N Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	s s s	3,949,344 Developer Cost 308,840 1,350,531	7.1	7.2	7.3	7.4	7.5	8,1	8.2	8.3	8.4	8.5	9,1	92	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.	2 11.2	3 11	.4 11	1.5	12,1	12.2	12.3	12.4	12.
1 2 3	Project Description Sanitary Network in Mitchell St N Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace Boundary Rd M Industrial Trunk Upgrade	s s s s	3,949,344 Developer Cost 308,840 1,350,531 1,033,225	7,1	7.2	7.3	1	7.5	8.1	8.2	8.3	8.4	8.5	9,1	9.2	9.3	8.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.	2 11.4	3 11	.4 11	1.5	12,1	12.2	12.3	12.4	12
1 2 3 4	Project Description Sanitary Network in Mitchell St N Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace Boundary Rd N Industrial Trunk Upgrade NV Future Upgrades	5 5 5 5 5	3,949,344 Beveloper Cost 308,840 1,350,531 1,033,225	7.1	7.2	7.3	7.4	7.5	8.1	8.2	8.3	8.4	8.5	9,1	9.2	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.	2 11.2	3 11		1.5	12,1	12.2	12.3	12.4	12.
1 1 2 3 4 6	Project Description Sanitary Vetwork in Mitchell St N Upgrade to South Trunk Due to Addition of Baylins Area & River Terrace Boundary Rd N Industrial Trunk Upgrade NW Future Upgrades 30 d Aw SE (Mitchell St to Broadway Ave)	5 5 5 5 5 5 5 5	3,949,344 eveloper Cost 308,840 1,350,531 1,033,225 295,308	7.1	7.2	7.3	1	7.5	81	8.2	8.3	8.4	8.5	9,1	9.2	9.3	8.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.	2 11.4	3 11	4 11	1.5	12,1	12.2	12.3	12.4	12.

17	9th Ave Sanitary Variable Sizes	\$ 3,9	61,440 49,344		199.0					61			-	-			-		-					-			86	-		1			
I te m	Project Description	Devel	loper	13.1	13.2	13.3	13.4	13.5	5 14.1	14.2	14.3	14.4	14.5	15,1	15.3	15.3	15.4	15.0	18.1	16.3	16.3	16.4	16.5	17.1	17.3	17.3	17.4	17.4	18.1	1 18.2	18.3	18.4	18.5
1	Sanitary Network in Mitchell St N	\$ 30	08,840	¥.,	100	12.0			100	1	100		11	100					100	100				1.00	1								
2	Upgrade to South Trunk Due to Addition of Bayliss Area & River Terrace	\$ 1,35	50,531						1	1	1	1	1							8				1	1	1	1	1	1	1	1	1	1
3	Boundary Rd N Industrial Trunk Upgrade	\$ 1.03	33,225	1.0	1.0	100			100	1.2			1		1		1000	100		den a	1	1	1		1	1							
4	NW Future Upgrades	S						7.7.8					1				1.00				1.0												
6	3rd Ave SE (Mitchell St to Broadway Ave)	\$ 28	95,308	1	1	1	1	1					1					100															1 1
7	9th Ave Sanitary Variable Sizes	\$ 96	61,440	1	1	1	1	1									1000				1	1					T					T	T
1		\$ 3.9	49,344			-		-	-	1	-			-				-	-	-		-				-		-	-				-

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E7. Reserve Balance

The sanitary reserve opening balance is \$0. In addition to establishing a dedicated, distinct and separate sanitary offsite levy reserve (required by the MGA), it is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Sanitary Offsite Levy Reserve Balance

Description	Dr		Cr	B	alance
Offsite Levy Expenditures to December 31, 2014		\$		\$	-
Offsite Lew Receipt Allocations to December 31, 2014	\$ 			\$	1
Debenture Interest Accrued to December 31, 2014		\$		\$	
Unallocated Receipts to December 31, 2014	\$ 	-		\$	
Opening Balance				\$	

E8. Development and Sanitary Infrastructure Staging Impacts

Sanitary 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 reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 3.0% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline sanitary levy reserve balances over the 25-year development period.

Anticipated Sanitary Offsite Levy Reserve Balances



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*The interest staging adjustment built into the rates ensures that the reserve always returns to breakeven by the end of the 25-year review period.

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\$ 1 p

			C	per	ning Balance	\$
Year	Receipts	E	cpenditure		Interest	Balance
2015	\$	\$		\$	· · · · · · · · · · · · · · · · · · ·	\$
2016	\$ 	\$		\$	-	\$
2017	\$ 1,002,669	\$	-	\$	10,027	\$ 1,012,695
2018	\$ 4,219	\$	14	\$	10,169	\$ 1,027,084
2019	\$ 42,043	\$	1.2.1	\$	10,691	\$ 1,079,818
2020	\$ 241,590	\$	2,680,208	\$	(40,764)	\$ (1,399,564)
2021	\$ 704,332	\$		\$	(20,857)	\$ (716,089)
2022	\$ 17,739	\$	363,192	\$	(31,846)	\$ (1,093,387)
2023	\$	\$	1.00	\$	(32,802)	\$ (1,126,189)
2024	\$ 426,208	\$	1. OR 1	\$	(20,999)	\$ (720,981)
2025	\$ 297,742	\$	1,803,623	\$	(66,806)	\$ (2,293,667)
2026	\$ 515,232	\$	-	\$	(53,353)	\$ (1,831,789)
2027	\$ 136,318	\$		\$	(50,864)	\$ (1,746,335)
2028	\$ 210,890	\$		\$	(46,063)	\$ (1,581,509)
2029	\$ 460,612	\$	4	\$	(33,627)	\$ (1,154,523)
2030	\$ 100	\$		\$	(34,636)	\$ (1,189,159)
2031	\$ 23,146	\$		\$	(34,980)	\$ (1,200,993)
2032	\$ 12111	\$		\$	(36,030)	\$ (1,237,023)
2033	\$ 1,235,503	\$	1.1	\$	(46)	\$ (1,566)
2034	\$ 1.11	\$		\$	(47)	\$ (1,613)
2035	\$ 	\$		\$	(48)	\$ (1,661)
2036	\$ 1,661	\$		\$	0	\$ 0
2037	\$ 	\$	-	\$	0	\$ 0
2038	\$	\$	30	\$	0	\$ 0
2039	\$ ÷	\$	-	\$	0	\$ 0

Anticipated Sanitary Offsite Levy Reserve Balances

APPENDIX F: Stormwater

Unless indicated otherwise, the information shown in this appendix reflects the status of infrastructure, costs, receipts, balances, etc. <u>assuming all projects are included (Rate Scenario 1)</u>.

F1. Stormwater Offsite Infrastructure

In order to support future growth, stormwater 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 \$5.99 million as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff. It is important to note that these costs represent "gross" costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the "net" costs for future development are determined.

Summary of Stormwater	Offsite	Infrastructure
-----------------------	---------	----------------

Item	m Project Description Co	Cost of Completed Work	Debenture Interest	Estimated Cost o Work Yet to be Completed	Total Project Estimated Cost		
1		\$.	\$	- \$ 1,014,000	\$ 1,014,000		
2	Storm Network Mitchell St N	\$ -	\$	- \$ 1,365,000	\$ 1,365,000		
3	Storm Network in 9th Ave	\$ -	\$	- \$ 1,448,980	\$ 1,448,980		
4	Storm Network in Broadway Ave E/Saamis Dr	\$ -	\$	- \$ 958,750	\$ 958,750		
5	Storm Pond Interconnections (3)	\$ -	\$	- \$ 1,200,000	\$ 1,200,000		
		\$.	\$	- \$ 5,986,730	\$ 5,986,730		

*Costs estimates provided by Town staff and their engineering advisors.

**Estimates include engineering fees and contingencies, and land costs where applicable.

***Project 5 was transferred from the ICF.



Anticipated Start Year of Construction

ltem	Project Description	Construction Start Year
1	Outfall Storm N	2025
2	Storm Network Mitchell St N	2025
3	Storm Network in 9th Ave	2020
4	Storm Network in Broadway Ave E/Saamis Dr	2025
5	Storm Pond Interconnections (3)	2020

F2. Stormwater Offsite Infrastructure Grants & Contributions to Date

The MGA enables a municipality to allocate the costs of offsite infrastructure to development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Redcliff has received approximately \$0.04 million in special grants and contributions for stormwater offsite levy infrastructure as shown in the table below (note, if the Town receives other 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 approximately \$5.94 million.

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ltem	Project Description	To	imated Cost	Sj Provind	pecial cial Grants	Di Ag Cor	eveloper preement ntributions	Redi Esti	uced Project imated Cost
1	Outfall Storm N	\$	1,014,000	\$		\$		\$	1,014,000
2	Storm Network Mitchell St N	\$	1,365,000	\$	· · · ·	\$	÷.	\$	1,365,000
3	Storm Network in 9th Ave	\$	1,448,980	\$		\$		\$	1,448,980
4	Storm Network in Broadway Ave E/Saamis Dr	\$	958,750	\$	-	\$		\$	958,750
5	Storm Pond Interconnections (3)	\$	1,200,000	\$		\$	41,965	\$	1,158,035
		\$	5,986,730	\$		\$	41,965	\$	5,944,765

Special Grants and Contributions for Stormwater Offsite Infrastructure

*Developer contributions stem from ICF collections for ICF projects that were transferred to the offsite levy (see Section A9 in Appendix A).

F3. Stormwater Offsite Infrastructure Benefiting Parties

The stormwater offsite infrastructure previously outlined will benefit various parties to varying degrees. During this review three potential benefiting parties were identified including:

- Existing Growth (Town of Redcliff) a portion of the stormwater infrastructure which is required to service existing residents.
- Other Stakeholders & Financial Oversizing other parties (such as neighboring municipalities) that benefit from the infrastructure, as well as that portion of cost which benefits new development beyond the 25 year review period ("financial oversizing"). Financial oversizing is determined by calculating the pro rata portion of cost beyond the 25 year review period—by comparing the anticipated year of construction to the current year. When rates are updated in the future, the 25 year review period is moved forward and more and more oversizing costs are included in rate calculations. Accordingly, oversizing costs, though removed from rates today, are ultimately born by developers.
- Future Growth (Town of Redcliff Developers) all growth related infrastructure (i.e., levyable stormwater infrastructure costs) during the 25 year rate planning period.

The table below outlines the allocation of stormwater offsite levy infrastructure costs to benefiting parties, as well as the year of construction which has been used to calculate financial oversizing. Percentage allocations have been determined after reducing stormwater offsite levy infrastructure costs for grants and contributions described earlier.

ltem	Project Description	Reduced Project Estimated Cost	Muni Share %	Other Stakeholder Share & Financial Oversizing %	OSL / Developer Share %
1	Outfall Storm N	\$ 1,014,000	13.2%	34.7%	52.1%
2	Storm Network Mitchell St N	\$ 1,365,000	16.3%	33.5%	50.2%
3	Storm Network in 9th Ave	\$ 1,448,980	0.0%	20.0%	80.0%
4	Storm Network in Broadway Ave E/Saamis Dr	\$ 958,750	0.0%	40.0%	60.0%
5	Storm Pond Interconnections (3)	\$ 1,158,035	0.0%	20.0%	80.0%
		\$ 5,944,765			

Allocation of Stormwater Infrastructure to Benefiting Parties

*Project allocations were determined by Town staff using a ratio of gross land developed in benefiting basins to

gross land undeveloped in benefitting basins.

F4. Receipts and Adjusted Net Costs

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 \$3.87 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. Because this bylaw is new, no stormwater levies have been applied/collected as shown in the table below. This results in an adjusted offsite levy cost of approximately \$3.87 million.

Offsite	Levy	Net	Costs
---------	------	-----	-------

Item	Project Description	Muni Cost	Stak	Other eholder Cost Oversizing	D (L	eveloper Cost eviable Costs)	O Fun Sta	fisite Levy ds Collected rting Jan 1, 2015	Dev	Adjusted eloper (Levy) Cost
1	Outfall Storm N	\$ 134,051	s	351,980	s	527,970	\$		s	527,970
2	Storm Network Mitchell St N	\$ 222,359	\$	457,057	\$	685,585	\$	-	\$	685,585
3	Storm Network in 9th Ave	\$ 	\$	289,796	\$	1,159,184	\$		\$	1,159,184
4	Storm Network in Broadway Ave E/Saamis Dr	\$ -	\$	383,500	\$	575,250	\$		\$	575,250
5	Storm Pond Interconnections (3)	\$ 	\$	231,607	\$	926,428	\$		\$	926,428
-		\$ 356,409	\$	1,713,939	\$	3,874,416	\$		\$	3,874,416

F5. Summary of Stormwater Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for stormwater infrastructure that forms the basis of the rate is approximately \$3.87 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).





CORVUS Business Advisors
*Future development share of cost is depicted in the 'grey' boxes, though that portion identified as 'financial oversizing' is removed from rates today. Financial oversizing costs will gradually find their way into offsite levy rates as the year of construction approaches.

F6. Stormwater Infrastructure Benefiting Areas

Net developer costs have been allocated to 1 or more of the 18 offsite levy areas by Town engineering staff as shown in the tables below. Those areas that benefit are "lit up" by the number designator '1'.

i to m	Project Description	Developer Cost	13	1.2	1.3	1.4	1.5	2.1	22	2 2	3 2	4	2.5	3.1	3.2	3.3	3.4	35	4.1	42	4.9	44	45	5.1	5.	2 5.3	5.	1 5.5	5.	e:	2 6.	3 6.4	5.5
1	Outfall Storm N	\$ 527,970	1	1	1	1	1	1	1	1	1	1	1	1	11	1	1	1	1	1	1	1	1						11	1	1	1	1
2	Storm Network Mitchell St N	\$ 685,585	1		18.3	100				0 10			1	1	1	1	1	110	1	1	1	1	11				100	100					1000
3	Storm Network in 9th Ave	\$ 1,159,184		1	100	1	100	1	1	1			1	1	100	1100	7-	1	1.00		100		1					1				1	A
4	Storm Network in Broadway Ave E/Saamis Dr	\$ 575,250		1		1				-				-		100	-	1	-		2 -		1					1			-		
5	Storm Pond Interconnections (3)	5 926,428	1	1000		1								1		100		1				1	1										-
1		5 3,874,416					-																							-	_	-	_
Item	Project Description	Developer	7.1	7.2	7.3	7.4	7.5	0.1	8.2	2 8	3 0	4	8.5	9.1	9.2	9.3	9.4	9.5	10.1	10.2	10.3	10.4	10.5	11.1	11.	2 11.	11	4 11.	5 12	1 12	2 12	3 12.	12.5
1	Outfall Storm N	\$ 527,970	States of	-	100.0	-	-	-							1		1	100		-	-	-	-	-		-	-		1		+		100
2	Storm Network Mitchell St N	\$ 685.585				-					1		1.000	-	1000					-	1050	1000	-	-									
3	Storm Network in 9th Ave	\$ 1,159,184	5												1					1		1				1	-	-	1		-		
4	Storm Network in Broadway Ave E/Saamis Dr	\$ 575,250	1										-	1	1												-		-		-		
5	Storm Pond Interconnections (3)	5 926.428	100	1				1							100		-		-			-	-	100									
		5 3,874,416					-					-	_	_	-	_	_	-	-	-	_			-	-	-		-		-	-	-	
liem	Project Description	Developer Cost	13.1	13.2	133	13.4	13.5	14.1	1 14.	2 14	13 14	4.4	14.5	15,1	15.2	15.3	15.4	15.5	10.1	16.2	18.3	16.4	18.5	17.1	17:	2 173	17.	4 17.	5 18.	1 18.	2 18	3 18.4	18.5
1	Outfail Storm N	\$ 527,970	1											100	1		2	-		100	100	1	100	-	1	1 1 1		3	1	T			
2	Storm Network Mitchell St N	\$ 685,585	1		1					1				-		- 4	5					1	1.0								1		
3	Storm Network in 9th Ave	\$ 1,159,184	1	1	1	1	1	1	1			1	1	1		-	100		1		24	1		-				1		1	1		
4	Storm Network in Broadway Ave E/Saamis Dr	\$ 575,250	1	1	1	1	1				1.1			100	-	1200	1	-	100		1.000	1	1	· · · ·		1		1					
5	Storm Pond Interconnections (3)	\$ 926,428	1	1	1.4	1	1	1	1	1	11 13	1	1	2		1.1	1	1000			100.0	Q	1	1				1					
-		\$ 3.874 ALC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-		-	-	-		-	-	

F7. Reserve Balance

The stormwater reserve opening balance is \$0. In addition to establishing a dedicated, distinct and separate stormwater offsite levy reserve (required by the MGA), it is also recommended that the Town develop a set of "sub-ledgers" to track the amounts due to front-ending parties, including interest owed in accordance with the rates in effect at that time.

Stormwater Offsite Levy Reserve Balance

Description	Dr	Cr	 Balance
Offsite Lew Expenditures to December 31, 2014		\$ 	\$
Offsite Levy Receipt Allocations to December 31, 2014	\$ -		\$
Debenture Interest Accrued to December 31, 2014		\$ 	\$ 1.0
Unallocated Receipts to December 31, 2014	\$ 2		\$ ~
Opening Balance			\$

F8. Development and Stormwater Infrastructure Staging Impacts

Stormwater 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 reserve funds will not be sufficient to pay for construction of stormwater infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties.

In order to compensate parties for capital they provide in front-ending offsite infrastructure

construction, a 3.0% interest allowance has been charged to the reserve when in a negative balance. Further, a 1.0% interest credit has been provided to the reserve when it is in a positive balance. The graph and table below outline stormwater levy reserve balances over the 25-year development period.



Anticipated Stormwater Offsite Levy Reserve Balances

*The interest staging adjustment built into the rates ensures that the reserve always returns to breakeven by the end of the 25-year review period.

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			C	per	ning Balance	\$ (#1
Year	Receipts	E	penditure		Interest	Balance
2015	\$	\$	-	\$	-	\$
2016	\$ 	\$	-	\$	-	\$
2017	\$ 988,147	\$		\$	9,881	\$ 998,028
2018	\$	\$		\$	9,980	\$ 1,008,009
2019	\$ 22,452	\$		\$	10,305	\$ 1,040,765
2020	\$ 531,144	\$	2,417,796	\$	(25,377)	\$ (871,264)
2021	\$ 597,755	\$		\$	(8,205)	\$ (281,714)
2022	\$ 	\$	-	\$	(8,451)	\$ (290, 165)
2023	\$ -	\$	-	\$	(8,705)	\$ (298,870)
2024	\$ 588,737	\$	1. C. A.	\$	2,899	\$ 292,765
2025	\$ 446,005	\$	2,404,004	\$	(49,957)	\$ (1,715,190)
2026	\$ -	\$	-	\$	(51,456)	\$ (1,766,646)
2027	\$ 476,132	\$	÷	\$	(38,715)	\$ (1,329,229)
2028	\$ 315,903	\$	-	\$	(30,400)	\$ (1,043,725)
2029	\$ 477,462	\$		\$	(16,988)	\$ (583,252)
2030	\$ -	\$	÷	\$	(17,498)	\$ (600,749)
2031	\$ -	\$		\$	(18,022)	\$ (618,772)
2032	\$ -	\$	-	\$	(18,563)	\$ (637,335)
2033	\$ 637,335	\$	-	\$	-	\$ (0)
2034	\$ -	\$	-	\$	-	\$ (0)
2035	\$ -	\$	-	\$	+	\$ (0)
2036	\$ ÷	\$		\$		\$ (0)
2037	\$ -	\$		\$		\$ (0)
2038	\$ -	\$	-	\$	-	\$ (0)
2039	\$ -	\$	-	\$		\$ (0)

Anticipated Stormwater Offsite Levy Reserve Balances

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APPENDIX G: Benchmark Comparisons

The Town's average offsite levy rate is compared to other Alberta municipalities in the table below. The rate is similar to most municipalities of comparable size, and less than the Town's primary municipal competitor—the City of Medicine Hat.

Municipality / Area	Low	High	Average
Town of Hinton	~\$56,200	~\$56,200	~\$56,200
City of Lacombe (in process)*	\$23,214	\$189,061	\$60,446
Town of Drayton Valley (in process)*	\$51,548	\$78,204	\$60,684
Town of Sylvan Lake*	\$42,103	\$141,281	\$65,477
Town of Blackfalds	\$41,102	\$113,393	~\$66,446
Town of Edson*	\$17,798	\$160,069	\$77,434
Town of Rocky Mountain House (in process)*	\$59,208	\$162,351	\$90,716
Town of Strathmore (incl Area Charge)	\$67,141	\$97,320	~\$93,300
Red Deer County (Gasoline Alley)	\$64,155	\$141,333	~\$96,458
Leduc County*	\$106,255	\$106,255	\$106,255
Town of Redcliff*	\$79,938	\$208,538	\$109,205
City of Leduc*	\$80,837	\$140,191	~\$110,000
Town of High River	\$118,270	\$145,920	~\$130,000
Town of Beaumont*	\$148,115	\$324,466	\$160,900
City of Medicine Hat*	\$132,286	\$476.918	~\$250,000

Benchmark Comparison

& LeR