



**TOWN OF HINTON  
BYLAW #1092**

**A BYLAW OF THE TOWN OF HINTON IN THE PROVINCE OF ALBERTA  
TO PROVIDE FOR THE IMPOSITION OF AN OFF-SITE LEVY IN RESPECT OF LAND  
TO BE DEVELOPED OR SUBDIVIDED**

**WHEREAS** Section 648 of the Municipal Government Act, RSA 2000, Chapter M-26, as amended permits Council to enact a Bylaw to provide for the imposition and payment of Off-Site Levies in respect to land to be developed or subdivided, and to authorize agreements to be entered into in respect to the payment of those Levies;

**AND WHEREAS** certain lands within the corporate boundaries of the Town of Hinton are proposed for subdivision or development;

**AND WHEREAS** the Council of the Town of Hinton has determined that expenditures will be required for the capital cost of infrastructure required for or impacted by subdivision or development;

**AND WHEREAS** the Town has engaged in extensive consultation with effected land owners and representatives of the development industry to address and define existing and future infrastructure construction and associated capital costs, and to allocate the costs to the beneficiaries of development;

**AND WHEREAS** Associated Engineering has undertaken a study for the Town of Hinton which is dated March 14, 2014 and entitled "Development Fees and Charges, Off-Site Levies and Developer Contributions", which takes into account infrastructure master plans and identifies Off-Site Levy eligible projects and costs, and which contains supporting information used to establish the Off-Site Levies provided for by this Bylaw;

**AND WHEREAS** Council has advertised its intention to consider the provisions of this Bylaw pursuant to the provisions of Section 606 of the Municipal Government Act;

**NOW THEREFORE** the Council of the Town of Hinton, duly assembled, hereby enacts as follows:

1. An Off-Site Levy is hereby imposed and shall be collected in respect of lands within the Town of Hinton which are to be developed or subdivided and for which no Off-Site Levy has been previously paid.
2. The Off-Site Levies hereby imposed shall be calculated in accordance with Schedule "A" attached hereto, having regard to the principles and criteria set out in Schedule "B" attached hereto. Schedule "A" and Schedule "B" form part of this Bylaw.
3. Development or Servicing Agreements entered into at the time of or pursuant to development or subdivision may provide for the collection of Off-Site Levies as provided for in Schedule "B" to this Bylaw.
4. Any Off-Site Levies payable pursuant to Development Agreements entered into pursuant to previous Bylaws are hereby confirmed and shall continue and remain in effect notwithstanding the repeal of such Bylaws.

5. If any portion of this Bylaw is declared or held to be invalid for any reason, the remaining portions of this Bylaw shall remain in effect.
6. First reading given to Bylaw #1090 is hereby rescinded.
7. Upon this Bylaw coming into effect, Bylaw #840 is repealed.
8. This Bylaw shall come into effect upon the third and final reading and signing of this Bylaw.

READ A FIRST TIME THIS 18<sup>TH</sup> DAY OF MARCH, 2014.

READ A SECOND TIME THIS 15<sup>TH</sup> DAY OF APRIL, 2014.

READ A THIRD TIME THIS 15<sup>TH</sup> DAY OF APRIL, 2014.



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MAYOR



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DIRECTOR OF CORPORATE SERVICES

## SCHEDULE "A"

### OFF-SITE LEVY BYLAW

The Off-Site Levy Rates per hectare for the noted years are shown in the table below.

| Year                   | 2014     | 2015 (see note below) |
|------------------------|----------|-----------------------|
| Water                  | \$16,168 |                       |
| Sanitary Sewer         | \$ 8,769 |                       |
| Storm Sewer            | \$ 1,342 |                       |
| Arterial Roads         | \$20,835 |                       |
| Intersectional roadway | \$ 2,090 |                       |
| Total                  | \$49,204 |                       |

2015 rates will be the 2014 rates adjusted for the change in the year over year non-residential building construction cost index for Edmonton as of third quarter compared to the previous year third quarter, as calculated by Statistics Canada. Similar annual adjustments will apply in subsequent years until this Schedule is amended.

Unless prepaid, the Off-Site Levies are based upon the year of, and are due at the time of, the development permit application for each new subdivision lot or when each new subdivision lot is first sold, whichever happens first.

## SCHEDULE "B"

### OFF-SITE LEVY BYLAW

#### **AUTHORITY TO COLLECT OFF-SITE LEVIES AND ISSUE CREDITS**

Town Council has the authority under the *Municipal Government Act* to create a bylaw for the purpose of collecting an Off-Site Levy. Council authorizes Town Administration to enter into Development or Servicing Agreements which, among other things, provides for the collection of Off-Site Levies and where applicable, provides Off-Site credits to Developers.

#### **1. DEFINITIONS**

In this Schedule, the following words and terms shall have the following meanings, unless the context requires otherwise:

- a) Arterial Roads -- Those roads shown as arterial roads in the latest approved Town of Hinton Transportation plan, and land associated with these roads;
- b) Developable Land – Land within the Town of Hinton that can be physically provided with water, sanitary sewer and storm drainage service and is suitable for urbanization;
- c) Developed Land – Land which has been subdivided or developed and for which Off-Site Levies have been paid;
- d) Industry – Industry shall consist of interested members of the development community including developers or landowners who have undertaken subdivisions in the recent past in Hinton;
- e) Intersectional Roadway System Improvements – intersectional improvements to roads connecting to Highway 16 which will be a future municipal arterial roadway upon construction of the Highway 16 by-pass. (as per projects within AE Engineering memo to JA Fraser dated February 23, 2012);
- f) Skip or Leap-frog Development – Development of lots that are not contiguous with existing development, also sometimes referred to as "leap frogged development";
- g) Off-Site Infrastructure – Off-Site Infrastructure includes Sanitary Sewer Facilities, Storm Sewer Systems, Water Facilities, intersectional roadway system improvements and Arterial Road facilities required for subdivision or development. The Off-Site Levy Account provides compensation payments for the installation of Off-Site Infrastructure based upon the criteria set out in this Schedule;
- h) On-site Infrastructure – Roads, sewer and water facilities built on the land area defined by the current phase of development, required to provide capacity to service the current phase of development;
- i) Oversize Infrastructure – Oversize Infrastructure is sanitary facilities, storm sewer systems, and water facilities sized greater than the predefined base size or capacity required for the current phase of subdivision or development and which provides increased capacity for future development;

- j) Sanitary Sewer Facilities – Sanitary Sewer Facilities, in the context of this Schedule, include treatment facilities, pipe, appurtenances, lift stations, force mains and land associated with these facilities;
- k) Storm Sewer Systems – Storm Sewer Systems, in the context of this Schedule, include pipe, appurtenances, storm water detention facilities, lift stations and land associated with these facilities;
- l) Storm Water Detention Facilities – Storm Water Detention Facilities, in the context of this Schedule, include storm water ponds, pond outlets up to and including the control structure, low flow bypass pipe, overland surface flow routes and land associated with these facilities;
- m) Water Facilities – Water Facilities, in the context of this Schedule, include treatment facilities, pipe, appurtenances, pump stations, reservoirs and land associated with these facilities.

## **2. OFF-SITE LEVY BYLAW PURPOSE**

The Off-Site Levy Bylaw creates a levy to provide funds for the construction of Off-Site Infrastructure required for growth.

## **3. OFF-SITE LEVY BYLAW PRINCIPLES**

The following principles provide guidance for interpretation of the Bylaw:

- a) Development and Subdivision in areas of the Town for which no Off-Site Levy has been previously paid will provide Off-Site Levies for the purpose of funding the infrastructure required for growth. However, those who benefit from the infrastructure should share proportionally, on a per hectare basis, in its costs.
- b) Provision or the providing of Off-Site Infrastructure should not create an advantage or penalty due to the time or location of development. Thus Off-Site Levies, while acknowledging changing and inflationary costs, should remain constant, predictable and understandable over time unless additional costs are added.
- c) Infrastructure will be required to maintain cost effective and orderly growth. Decisions regarding what is considered cost effective and orderly growth are not made through the Off-Site Levy but are determined by the planning process and Town Council. Thus Skip Development will not be funded by the Off-Site Levy Account but may be funded by the developer through an approval process.
- d) The calculation of the Off-Site Levies should be an open transparent process. Thus the process should be clear and understandable. The management of the Off-Site Levy Account should be open with information available to the public and Industry, and part of the municipal audit for policy compliance.
- e) Appropriate, less growth affected, infrastructure and projects that have substantial Town wide benefit should be funded by the community as a whole. Some projects are of a magnitude and scale that they provide community wide benefit and are thus best paid from property tax payers. Examples of this type of infrastructure include town-wide

recreational, cultural, protective and environmental facilities, arterial roadway expansions beyond four lanes and general government service facilities.

#### **4. OFF-SITE LEVY OBJECTIVES**

To recover the cost of infrastructure required for growth:

- i) Using financing strategies that remain sustainable;
- ii) Facilitating development by reducing risk on early Developers and ensuring future Developers share the costs of the facilities from which they benefit;
- iii) Promoting cost effective development.

To promote orderly development by:

- i) Supporting Town planning through growth strategies, Master Servicing Plans and Area Structure Plans;
- ii) Providing Off-Site Infrastructure, once the outline plan is approved and when Developers require it; and
- iii) Providing infrastructure for contiguous development.

To create a transparent process by:

- i) Conforming with the Municipal Government Act;
- ii) Providing opportunity for industry input into the levy and its administration; and
- iii) Providing for the Off-Site Levies and reserve account status to be part of the annual municipal financial audit of the Town of Hinton.

To create a clear process for calculation of the rate, levies and credits by:

- i) Creating consistent and predictable levies and credits;
- ii) Creating predictable and stable levies over time;
- iii) Documenting a process for establishing the levy rate; and
- iv) Create a logical cost recovery framework.

#### **5. APPLICATION OF OFF-SITE LEVIES**

- a) Off-Site Levies will be assessed on all Developable Land which are subject to subdivision or development and for which an off-site levy has not been collected, except land designated as:
  - i) Environmental Reserve (ER);
  - ii) Municipal Reserve (MR); or

- iii) Arterial Road Right-of-Way (AR).
- b) When one component of the Off-Site Levy becomes due, all components are due. The Off-Site Levy is a single indivisible levy. No component levy can be deferred or waived separately from the other components. However, a component may not be collected when/if the municipal service related to that subdivision will not be available to benefit that subdivision ie. Treated water or piped sanitary sewer.
- c) No legally defined parcel of land will be assessed levies on only a portion of its area.
- d) Off-Site Levies will not be collected on land where:
  - i) It can be shown or it is reasonable to assume that the land was previously connected to all municipal services including water, sanitary sewer, and storm drainage services and road access; or
  - ii) There will be a reasonable opportunity to collect off-site levies in the future, upon subdivision and further servicing of the land; or
- e) Where a new service is provided to an existing residence but it is not appropriate to charge Off-Site Levies, then an appropriate connection charge will be assessed to allow the service connection. The connection charge will be evaluated based upon the equivalent values used for the Off-Site Levy components for services provided, land area used by an equivalent residence on an urban lot and future opportunities to collect full Off-Site Levies. This occurs only where an existing, formerly unserviced property is connected to Town services where no planning, subdivision or zoning changes are contemplated.
- f) For services provided beyond the Town boundary a connection charge will be negotiated in lieu of Off-Site Levies that is appropriate to the services provided and is representative of the connections impact on the overall system.

## 6. CALCULATION OF OFF-SITE CREDITS

- a) Off-Site credits are credits calculated for Off-Site Infrastructure constructed by the developer and will be based on actual project costs where Town policies and procedures are followed. Off-Site credits will be subtracted from the total amount of the Off-Site Levy owing at the Development or Service Agreement stage. Where applicable, this credit will be subtracted from the total Off-Site Levy fees due for a subdivision before distributing the remaining Off-Site Levy fee due for each developed lot in a subdivision.
- b) A developer who constructs an Off-Site credit applicable facility will be compensated through Off-Site credits from the Off-Site Levy fund. This will be done by credits vs. cash, except to the extent that the amount of the construction value exceeds the total value of Off-Site Levies due for that subdivision under that Development or Servicing Agreement.
- c) The terms of payments for Off-Site credits will be reflected in the Development or Servicing Agreement as determined on a case by case basis.

## 7. CALCULATION OF OFF-SITE LEVY RATE

- a) Off-Site levies include eligible Water Facilities, Sanitary Sewer Facilities, Storm Sewer Systems, Intersectional Roadway System Improvements and all lanes of Arterial Roads (these terms are as defined in Section 1). Off-Site levies do not include the portion of any Arterial Road beyond four driving lanes.
- b) The levy rate calculation shall include the following for each levy component:
  - i) Total hectares of Developable Land within the Town boundary;
  - ii) A list of proposed and cost-eligible infrastructure systems and facilities needed to support growth and service existing or future un-serviced areas.
  - iii) Total estimated present day cost of Off-Site Infrastructure (whether built or to be built) required to service the Developable Land;
  - iv) Present per cost per hectare of each levy component; with the levy rate calculated separately for each of the Water Facilities, Sanitary Sewer Facilities, Storm Sewer Systems, Arterial Roadway and Intersectional Roadway System Improvement components.
- c) The Off-Site Levy rate calculation will be fully updated at least once every three years. (For reference, the next update to be undertaken with a target to be effective January 1, 2016) and Administration will provide a report to Council on an annual basis.
- d) Representatives of the development industry will be invited to participate in the update of the off-site levy rate calculation.

## 8. CALCULATION OF OFF-SITE LEVIES

- a) Off-Site Levies will be calculated using the rates set out in Schedule "A".
- b) For a specific new subdivision, the calculation formula is:

**Net Area = Gross Area – MR – ER – AR**, where MR is area for municipal reserve, ER is area for Environmental Reserve and AR is area of arterial roads within the subdivision area.

**Assessed Levy = Net Area x Levy Rate** (applicable at the time of lot sale or development permit)

## 9. OFF-SITE LEVY PAYMENTS

- a) Off-Site Levies will be imposed upon the developer at the time of subdivision or development and where a Development or Servicing Agreement will be utilized. That Agreement shall provide that the Levy will be paid by the developer at the time of initial lot sale or development permit application for each created subdivision lot within the development phase unless the developer opts for b) below.

- b) If a developer undertakes prepayment as provided below, this payment will be for the entire subdivision of land.

## **10. PREPAYMENT OF OFF-SITE LEVIES**

- a) Prepayment of Off-Site Levies may occur when Off-Site Levies for a parcel of land are paid prior to the year in which it will be serviced as indicated by a Construction Completion Certificate being issued by the Town for the water and waste water utilities.
- b) Prepayment will be accepted when:
  - i) A single legal entity has control over the land on which prepayment is to be made; and
  - ii) Payment is made on entire subdivision of land (no payment will be accepted on part of a subdivision or land parcel);
- c) Once Off-Site Levies have been paid under this clause no further Off-Site Levies will be collected. No refund of Off-Site Levies will be provided on any land which has had the levies prepaid and subsequently become exempt from Off-Site Levies at a future date (for example land that once subdivided is designated Municipal Reserve);
- d) Off-Site credits will be calculated based upon the Off-Site Levy Bylaw, Service Agreements, procedures and rates in place at the time work is completed.

## **11. INDUSTRY LIASON**

- a) Communication between the Town of Hinton and key Industry stakeholders will occur prior to presenting formally any amendments to this Bylaw and its Schedules.

