



Community Services Levies Working Group: Calgary Police Service Preliminary Rate

July 18, 2023



Today's Agenda

1. Welcome & Agenda Overview
2. Preliminary Levy Rate
3. Methodology
4. Discussion



Meeting Norms

- **Presentations:** Please hold questions until the end.
- **Tone:** Keep a positive tone. Discuss ideas on addressing issues.
- **Listen & Respect:** Every voice is an important voice. Everyone participants, no one dominates
- **Sounds:** Mute your mic when you are not talking (online). Speak-up so that those online can hear (in-person).
- **Sights:** You are encouraged to turn on your camera if you are online.
- **Discussion:** If you would like to comment or have a question, please raise your hand (in-person/online). We will get to you in order as best as we can.



Preliminary Levy Rate – Calgary Police Service District Stations

| | 2024 Rate (Inflation-Adjusted) (\$/ha) | Preliminary 2024 Bylaw Rate (\$/ha) | Change (%) |
|---------------|--|---|------------|
| CPS Levy Rate | 9,659 | 7,445 | -23% |



Levy Rate Model

$$\left[\begin{array}{c} \text{\$} \\ \text{Capital Costs (\$)} \end{array} \times \begin{array}{c} \% \\ \text{Benefit (\%)} \end{array} \right] \div \text{Approved, Leviale Land (ha)} = \text{Levy Rate per Hectare}$$

Annual Calculation \longrightarrow
using escalation and discount rates

| | | |
|--|----------------|-------|
| Starting Balance | \$ | |
| Capital Expenditures | Minus | |
| Developer Contributions (levy rate x ha) | Plus | |
| Investment Income / (Interest expense) | Plus / (Minus) | |
| Ending Balance | = \$ | = \$0 |



Major Model Assumptions

| Item | Description |
|-----------------------|---|
| Planned land | <ul style="list-style-type: none"> • Includes all current ASP land • Includes all projects directly aligned with growth • Model period to 2055, plus 3 years for levy payment schedule |
| Land Absorption | <ul style="list-style-type: none"> • All leviable land will sign a development agreement (DA) by the end of the model period • Steady decline in DA's from 2027 to the end of the model period |
| Expenditures | <ul style="list-style-type: none"> • All projects will be built within the model period • Some years will have a negative levy balance • Other funding to deliver projects will be available as needed |
| Levy Rate | <ul style="list-style-type: none"> • Balances expenditures with revenues to achieve \$0 at the end of the model period |
| Incoming Levy Balance | <ul style="list-style-type: none"> • Equates to the “previously levied” land / population i.e. supports the portion of costs not being paid by the remaining leviable land |



Key Model Variables

| Item | Influencing Factors |
|------------------|--|
| Expenditures | <ul style="list-style-type: none">• Priority projects, corporate prioritization, Council approvals |
| Land absorption | <ul style="list-style-type: none">• Annual fluctuations |
| Escalation rate | <ul style="list-style-type: none">• 5-year rolling average |
| Discount rate | <ul style="list-style-type: none">• 5-year rolling average |
| Payment schedule | <ul style="list-style-type: none">• Community Services is paid in year 3 |

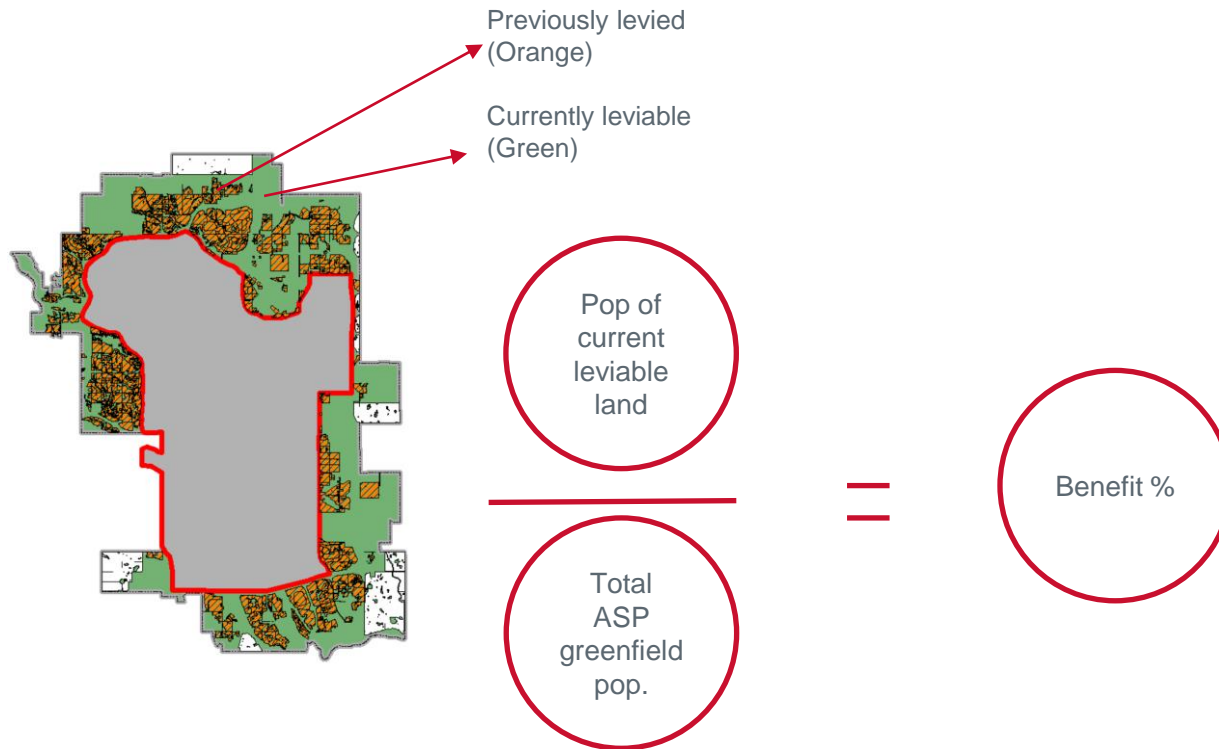


Benefit Calculation

Benefit Measurement: Police District Station benefit is measured using the share of population in benefiting areas.

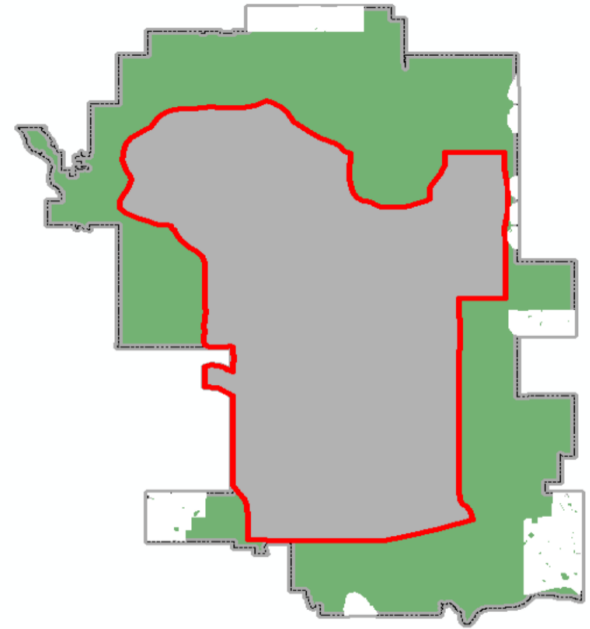
Benefiting Areas include: With adequate level of service in the Established Area, 100% of benefit is assigned to the greenfield, and is split based on the forecast population in lands that have already signed development agreements and paid off-site levies (levied lands), and lands that have not yet signed development agreements and paid off-site levies (leviable lands).

Benefit Allocation Calculation $\text{Benefit} = (\text{Sum of forecast population in all leviable lands in approved ASPs}) / (\text{Sum of forecast population and in all greenfield ASP lands})$





Benefit Calculation



| Benefit share calculation | | | |
|---------------------------|--|---|-------------------|
| Facility type | Greenfield approved ASP full build-out population (people) | Leviable lands full build-out population (people) | Benefit share (%) |
| Police District Office | 946,835 | 416,991 | 44.04% |



Q & A: Questions from June meeting



Thank you!