



Off-site Levy Bylaw Review – Transportation Working Group Stakeholder Consultation Meeting Notes

Date/Time: May 17, 2023 / 1:00 – 2:30 pm

Location: MS Teams – video conferencing

Attendees:

Internal	External
Brian Arthur	Joel Armitage
Rodney Babineau	Bob Faktor
Marcus Berzins	Brian Hahn
Jennifer Black	Guy Huntingford
Quinn Eastlick	Mohamad Mohamad
Ben Gilchrist	Jackie Stewart
Nazrul Islam	Michele Ward
Feisal Lakha	Mark Wynker
Matthew Sheldrake	
Erika Van Boxmeer*	
Regrets	
Garrath Douglas	Brett Friesen
	Shameer Gaidhar
	Jim Gordon
	Wayne King
	Alex Leliever
	Sina R

*Note taker

Agenda

1. **Welcome & Agenda Overview** (Brian Arthur)
2. **Introductions** (Brian Arthur)
3. **Preliminary Levy Rate** (Brian Arthur)
4. **Transportation Methodology** (Brian Arthur)
5. **Levy Rate Model Introduction** (Brian Arthur)
6. **Discussion and Next Steps** (Brian Arthur)



Feedback collected:

General Feedback/Comments

Financial Model Tab 7 (Financial model):

- Escalation and discount rates – want clarification on them and how they fit within the financial model.
 - In terms of the inflation or escalation on the actual levy rates, in the past it's been based on the construction price index (CPI), so why have you gone to the discount rate instead of the CPI?
 - This looks like a more aggressive increase in the levy rate than in the past.
 - Discount rate number – can you write down the explanation of the component parts to help clarify it for us?
- Payment schedule (just for transportation infrastructure): Is it better to pay it all later, up front or spread out over time?
- Forecast for hectares for year, can you provide the source for that data?
 - The numbers appear low for the next 5 years, want a better understanding of where the assumptions came from. Why are the hectares under the development agreement data going down over time?
 - Can you go back to 2015 and take a continuity approach for the total number of hectares assumed?
- Because Council's current budget doesn't have any leviable infrastructure in its three-year forecast, should it be assumed that the transportation balance will increase quite substantially over the next three years? Why does the beginning account balance, in 2023, have no numbers populated? Where are the funds being collected from the current DA's going?
 - Can you provide an explanation of the transition from the 2015/2016 bylaw to the new bylaw?
 - For clarification: All DA's that are signed under the new bylaw, assuming Council doesn't approve any leviable infrastructure items in the budget, the account balance should therefore rise substantially because you're collecting on three years of development fees without any expenditures on leviable infrastructure. Is that fair to say?
 - Theoretically: If a leviable project was in the current budget in 2024 for \$10M, will this create a negative balance for row 79 until you start seeing cash come in the door?
- The assumption in the model is that during this time the hectares will be accounted for within the city limits and doesn't include any annexation? Can you confirm that this is something that will be changed in the updates going forward?
- Are the forecast population amounts based on the MDP split between new/existing communities on where people will live or a different sort of forecast?
 - So, it's based on an 80/20 split. So, you're constraining and pushing in that direction? If there is a desire or demand from the market to have greenfield growth but the model is only providing for an eroding scale over the next number of years, it's forcing development to meet the cap that's been placed on it.
 - If you look back on the average hectares in the past it's in the 600s, but we're constraining it to a pace of ~300, which will slow development to match that. Numbers from 1977 to 2010 it only takes 23 years to get to 14000 HA of growth. We're saying over the next 53 years we'll only see 14000HA, the model will dictate that amount of



growth, so we won't be able to grow more than that because of infrastructure constraints.

- As a whole, the model looks good. Need to be cautious of the assumptions used in it.
- Benefiting area assumptions – we're collecting the levies and in line 78 it says we're expecting to collect \$47M, then \$52M, and \$53M, so The City's portion should be similar but we're seeing that it's only coming in based on political desire to fund the projects. If projects are based on political will, the money will be collected without being spent, which will slow down redevelopment. Should be based on matching commitments that industry is making.
 - It's important to tell Council that The City needs to ante up the same commitment as the development industry to ensure that the infrastructure needs are met year-by-year, so they aren't lagging budget cycles.
 - It's almost like having tangents on a curve, you need to keep adjusting the tangents. Want to make sure that every five years the right share of the overall infrastructure is being collected and is balanced throughout the bylaw timeframe.

Financial Model Tab 5 (benefit calculation):

- There's no differentiation between residential, commercial and industrial?
- Have all the industrial lands within the non-established areas been included?

General Feedback:

- Very comprehensive model. The level of data and work that's gone into it is appreciated. Will need time to review and understand the model and the implications of the assumptions going forward – this goes into affordability. The affordability challenge is becoming greater, so need to make sure that this work creates a path towards market affordability.
- Want to make sure we're consistent across all models and counting our cash going forward.
- What is happening with regards to any changes or updates for this model before it goes to Council? What types of changes do you anticipate happening? Will the escalation and discount rates be staying the same or will they be frozen at the rates currently in the model?

Summary of Action Items

- **The City will:**
 - Share a written explanation of the discount rate number with working group members.
 - Provide hectare forecast data and source to working group members.
 - Provide an explanation of the transition between the existing and new levy bylaws.
 - Provide some options for additional sessions in June or July.