

Calgary



PUD2019-1205
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Centre City Levy

2018 Annual Report

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Introduction

Our Centre City is important to Calgary's economic resilience - when our downtown thrives, so does the rest of the city. To support in the development of a livable and thriving core, developers contribute to the costs of infrastructure required in the community through the payment of the Centre City Levy. Specifically, they pay for a portion of the utility costs under the Centre City Levy Bylaw 38M2009 and a portion of non-utility costs through the Centre City Charges adopted by Council resolution (see Report LPT2010-03).

The Municipal Government Act ¹ permits municipalities, through a bylaw, to charge off-site levies to developers. These levies are Council-approved and cover a portion of the cost of upgrades to local-sized water and sanitary sewer mains that are required to support growth. Developers also contribute, on a voluntary basis, to the funding of other infrastructure for community services that is necessary to accommodate growth. They are used to pay for all or part of the capital costs of the construction, upgrading and replacement of infrastructure. They are not used for maintenance or life-cycle costs.

In accordance with Council direction, Centre City Levy funds may be used towards projects that fall within the following scope:

- All or part of the capital costs of the construction, upgrading and replacement of water and sanitary sewer mains required for or impacted by a proposed subdivision or development in the Centre City Plan Area;
- Community or Recreation infrastructure (Transit, Fire, Police, Recreational Facilities, and Library facilities);
- Alternative transportation infrastructure (pedestrian overpasses and underpasses, bikeways, and sidewalks);
- Upgrading local parks, regional pathways, and regional parks; and
- The 13th Avenue Greenway.

The Centre City Levy is collected within the Centre City Plan Area, which is made up of the Downtown Plan area and the Beltline Area Redevelopment Plan area (Figure 1). The Centre City Levy is collected from all development projects in the Centre City Plan Area on a linear frontage basis, calculated using the length of the parcel's frontage on the avenues.

¹ Municipal Government Act, RSA 2000, c M-26, as amended.

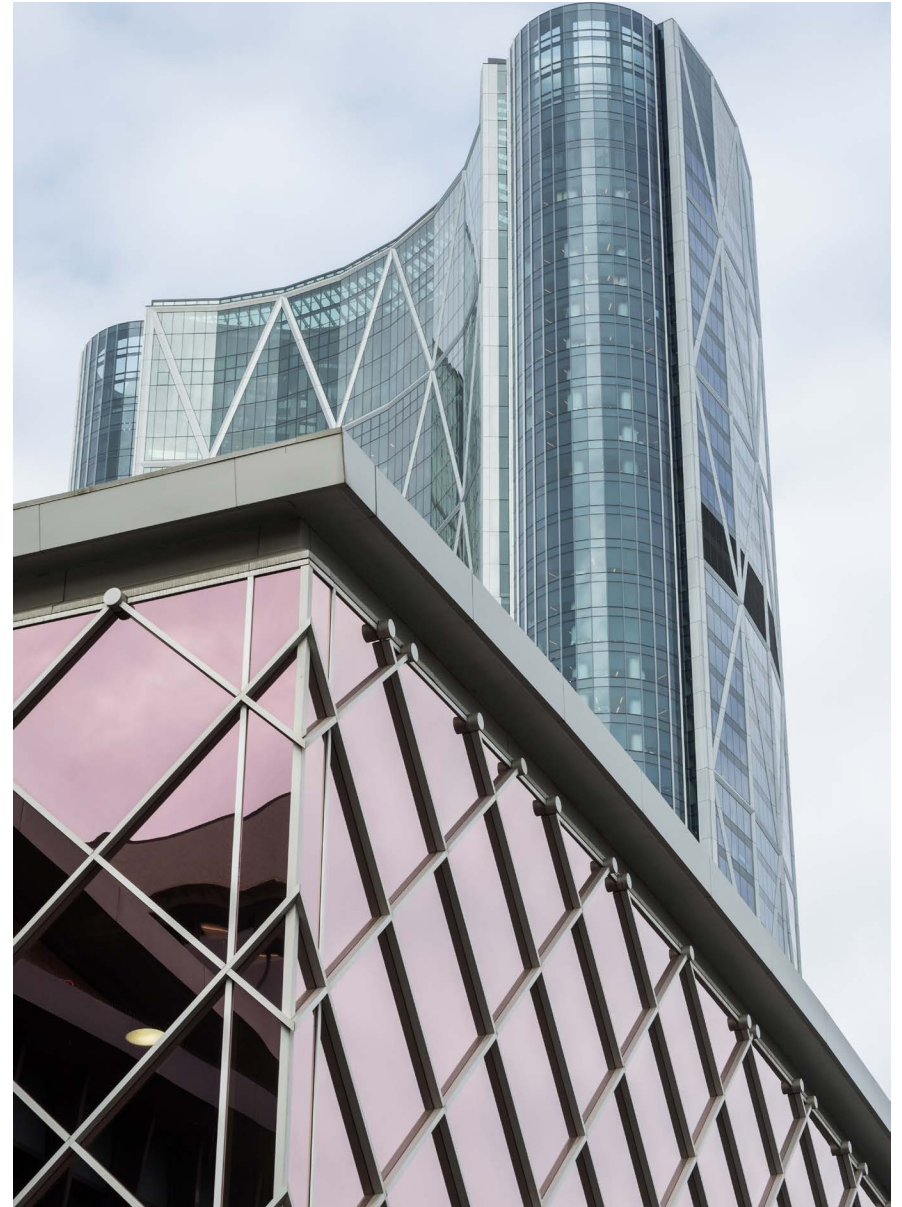
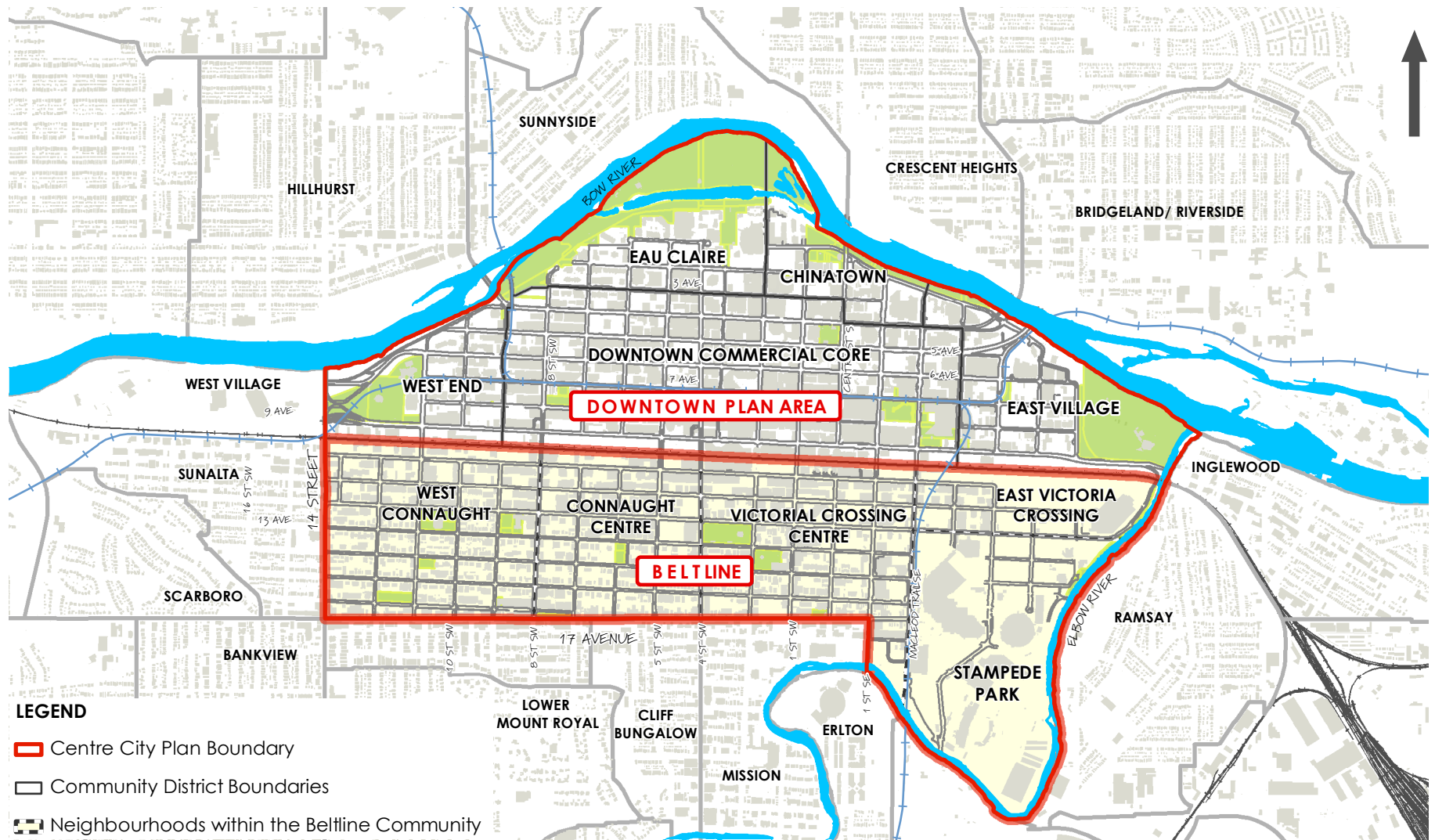


Figure 1: Centre City Plan Area



The Centre City Levy program was adopted by Council in 2007 (Centre City Levies for Redevelopment, Report LPT2007-02, and Centre City Levies Update, Report LPT2007-18). Through report LPT2007-18, Council directed that Administration provide an annual report to Council on the status of the Centre City Levy funds, including the City's corresponding commitment to infrastructure upgrades. The City of Calgary's Annual Centre City Levy Report provides details on the Centre City Levies that were collected and spent, in accordance with Council direction. This report is prepared in accordance with Section 4(35.3) of the City of Calgary Charter. The 2018 levy balance will continue to be used to fund projects within the Centre City Levy area in accordance with Council direction and Bylaw 38M2009.

Administration is continuing to work collaboratively with members of the development industry to examine The City's approach to the Centre City Levy program, off-site levies and community services charges.

The City would like to thank the following departments, business units, sections and Civic Partners for their contributions: Finance, Water Resources, Law, Transportation, Calgary Fire Department, Recreation, Calgary Transit, Calgary Public Library, Calgary Police Service, Public Infrastructure, and Communications.

Throughout this report, the Centre City Levy program will be referred to as either a levy or levies.



Overview

The Centre City Levies are one of the tools used to help fund the infrastructure required to build great communities. Since levies are collected as land development proceeds, it can take The City many years to build up enough resources to support a capital infrastructure project. To help move ahead with projects in a timely manner to support the development, infrastructure identified in the Centre City Levy Bylaw may be funded using a combination of levy funds and other funding sources, such as capital grants. This often results in a positive balance in the levy accounts at the end of the year. For 2018, the balance is \$7,799,087 in 2018. This balance will be spent to support new and ongoing infrastructure projects in future years. Any reconciliation related to the use of other funding sources will occur as part of the next levy bylaw review, scheduled for completion by 2021 January 1. For more detail on the Centre City Levies collected and spent, the rest of the report includes summary pages and appendices with project specific details.

Table 1 below identifies the current Centre City Levy rates. Each infrastructure category has a different amount collected. These rates have not increased since 2010, when Council removed the automatic annual increase from the Centre City Levy Bylaw.

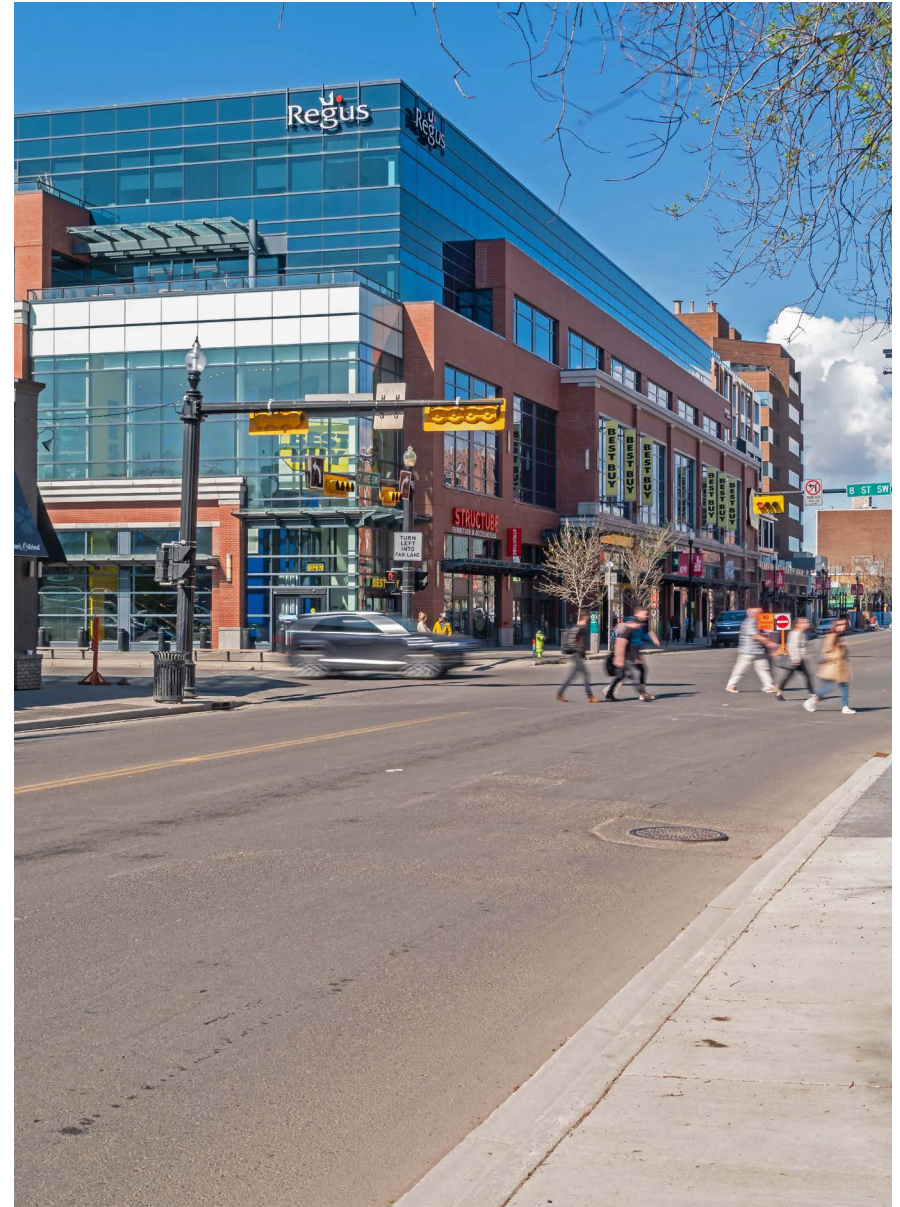


Table 1: Current Centre City Levy Rates, by Infrastructure Category

		Levy Rates, by Year		
Department	Infrastructure Category	2007 Frontage Levy/Metre	2008 & 2009 Frontage Levy/Metre	2010 to 2018 Frontage Levy/Metre
Utilities ¹	Water	\$912	1,037	1,092
	Sanitary Sewer	\$912	1,037	1,092
	Total Levy for Utilities	\$1,823	2,073	2,184
Transit ²	Buses	\$272	278	279
Fire ²	Station and Land	\$75	85	90
Police ²	Station and Land	\$50	57	60
Recreation ²	Facility and Land	\$400	455	478
Library ²	My Branch Portion	\$333	379	399
	Total Levy for Community Services	\$1,130	1,254	1,306
Transportation ²	Pedestrian Overpasses	\$500	569	600
	Bikeways/Sidewalks	\$35	40	42
	Total Levy for Transportation	\$535	609	642
Parks ²	Local Park Upgrading	\$39	44	47
	Regional Park & Pathway Upgrading	\$183	208	219
	Total Levy for Parks	\$222	252	266
Roads (Greenways) ²	13 Avenue Greenway	\$260	296	312
	Total Levy for Roads (Greenways)	\$260	296	312
	Total (\$/metre)	\$3,970	\$4,484	\$4,710

¹ Funds for Utilities are collected in accordance with Bylaw 38M2009. Rates have been rounded to the nearest dollar.

² Funds for Community Services, Transportation, Parks, and Greenways are collected through Council resolution in report LPT2007-18. These rates were last adjusted by Council in 2010 through report LPT2010-03.

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In 2018, \$1,898,906 of Centre City Levy funds were used to invest in multiple infrastructure programs. Table 2 below identifies that the total Centre City Levy balance at the end of 2018 is \$7,799,087.

Table 2: Centre City Levies Balance Collected and Spent

Opening Balance, Centre City Levies @ 2018 January 01	7,797,170
Total Levies Collected	1,724,323
Interest Earned	176,500
Levies Spent	(1,898,906)
Closing Balance, Centre City Levies @ 2018 December 31	\$7,799,087



Figure 2 shows the total Community Services and Utility Centre City Levy collections since 2014. As the graph indicates, levy collections tend to lag slightly behind the market, with collections in 2015 reflecting the peak of the development cycle in 2014, and a decline in collections since that point following the softening market from 2015 onwards.

Figure 3 shows the annual expenditures from the Centre City Levy balances for Community Services and Utilities. In 2016, \$1.5 million of Centre City Levy funds were utilized for part of the new Central Library, which resulted in a spike in 2016 expenditures. In 2018, Transportation and Parks utilized Centre City Levy funding for:

- Public realm improvements on 17 Avenue SW.
- Streetscape improvements on the 1 ST SW Corridor, including the underpass.
- Improvements to the 4 Street SW underpass.
- Public realm improvements in West Eau Claire Park.

Figure 2: Centre City Levy – Collections

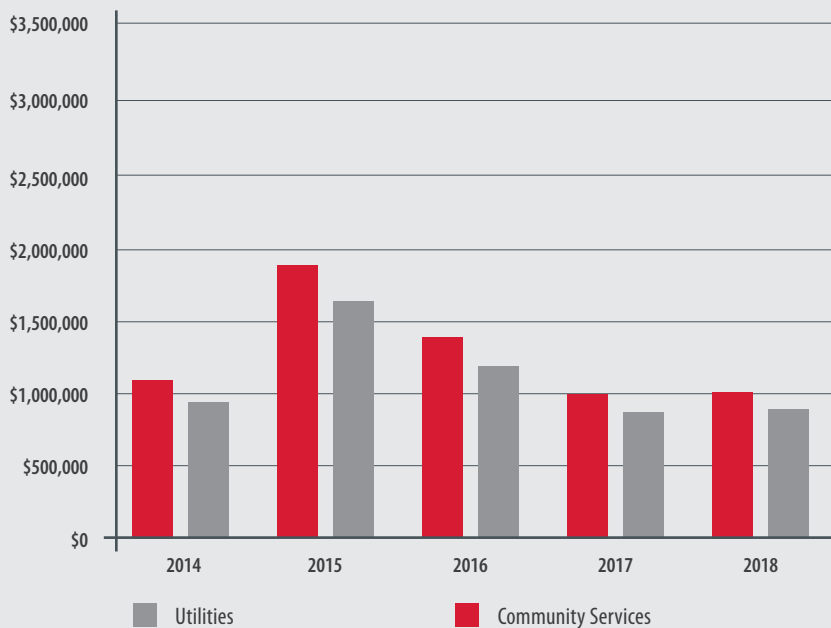
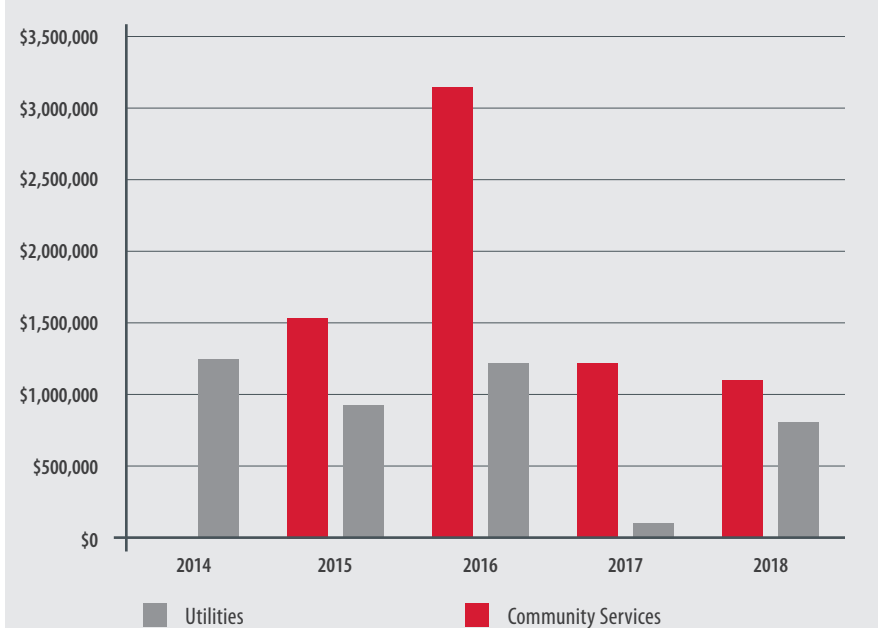


Figure 3: Centre City Levy – Expenditures



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A detailed breakdown of the Centre City Levies collected, investment income, expenditures and department closing balances is included in Table 3.

Table 3: Centre City Levies 2018 Summary, by Department ¹

Department	Table Reference to Find Further Details	Centre City Levy Opening Balance January 01, 2018 \$	Centre City Levy Collected from 2018 \$	Centre City Levy Investment Income from 2018 \$	2018 Centre City Levy Spent \$	Centre City Levy Closing Balance December 31, 2018 \$
Utilities	Table 5: Water Resources	\$3,013,853	799,558	87,723	808,020	3,093,115
Transit	Table 4: Transportation	\$1,203,145	101,775	44,703	-	1,349,623
Fire	Table 6: Community Services	\$146,320	32,949	-	-	179,269
Police	Table 6: Community Services	\$264,452	21,966	-	-	286,418
Recreation	Table 6: Community Services	\$1,238,115	175,361	-	-	1,413,476
Library	Table 6: Community Services	\$(67)	146,073	-	-	146,005
Transportation	Table 4: Transportation	\$678,438	235,036	34,761	442,638	505,598
Parks	Table 6: Community Services	\$1,115,731	97,382	-	648,248	564,865
Roads (Greenways)	Table 4: Transportation	\$137,184	114,223	9,313	-	260,719
Totals		\$7,797,170	\$1,724,323	\$176,500	\$1,898,906	\$7,799,087

¹ Totals have been rounded to the nearest dollar.

Appendices

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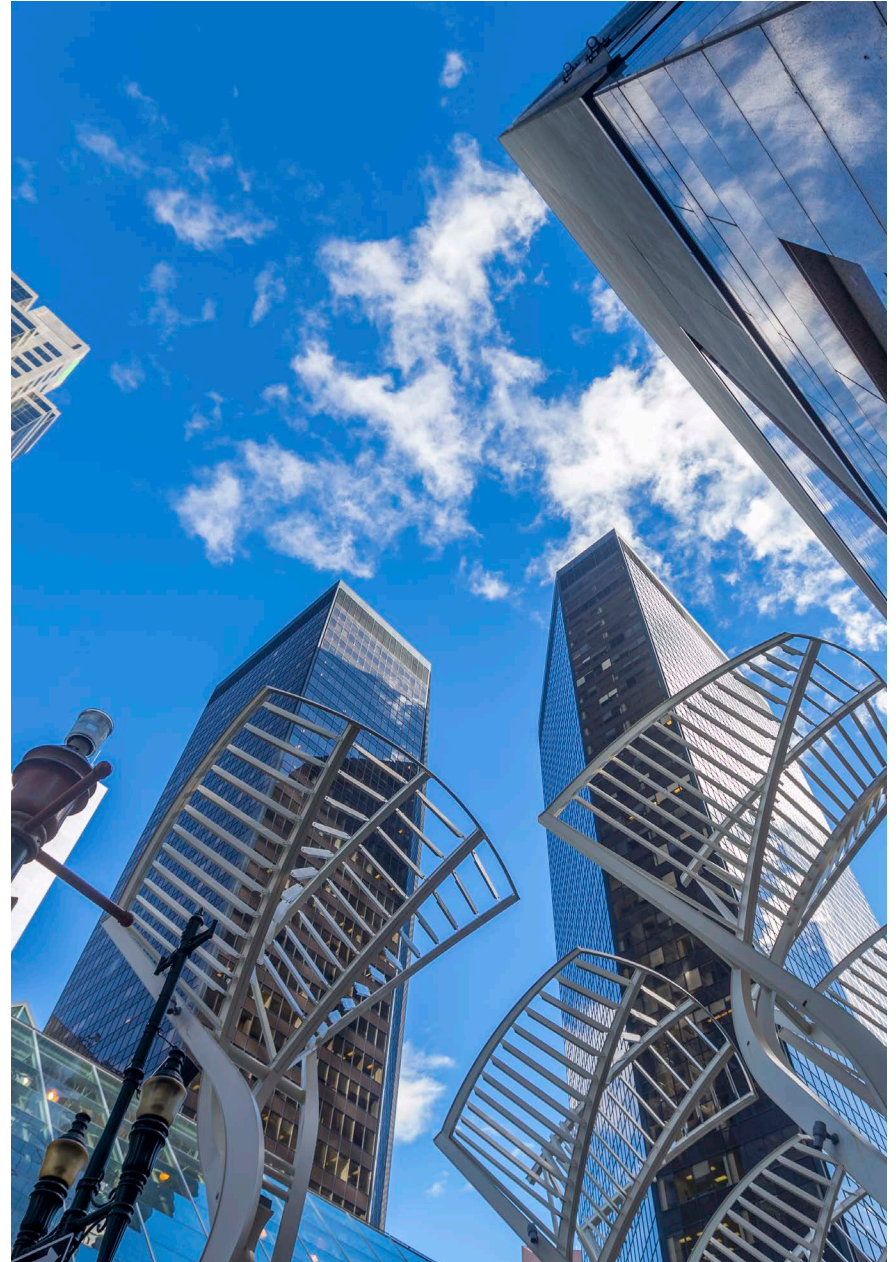
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Schedule A – Transportation Details

Table 4 shows the detailed projects and amounts of the Transportation Centre City levies collected and spent.

Table 4: Transportation Projects

Dept	City Dept Project # Program #	Project Name	Project Description	Start Date of the Project & Estimated Completion Date	Budget 2007-2022				Actuals					
					Total Budget of Project (2007-2022) \$	City Portion of Budget (Others Sources) (2007-2022) \$	Centre City Levy Portion of Budget (2007-2022) \$	Total Portion of Centre City Levy of Total Project Costs \$	Centre City Levy Collected in 2018 \$	Centre City Levy Investment Income from 2018 \$	Total Centre City Levy Funds Collected from 2007 to 2018 \$	2018 Centre City Levy Spent \$	Overall Expenditures from 2007 to 2018 \$	Centre City Levy Closing Balance @ Dec.31, 2018 \$
Transit	665-02W	Big Buses/Community Shuttle Buses	Purchase of Buses & Shuttles.	ongoing	275,699,586	274,558,586	1,141,000	0.4%	101,775.24	44,703	1,490,623	-	141,000	1,349,623
Roads (Greenways)	127-140	RD-13 Ave Greenway	20 block separated pedestrian and multi use pathway	2009 to 2019	9,798,115	8,479,185	1,318,930	13%	114,223	9,313	1,579,649	-	1,318,930	260,719
Transportation	223-000	TR-Pedestrian Overpass	Pedestrian realm improvements to overpasses	on-going	3,978,917	3,978,917	-	0%	235,036	34,761	3,247,261	-	-	505,597
	569-001	TR-Centre City Mobility Prgm	Pedestrian Overpasses / Centre City Mobility, traffic control	on-going	3,608,976	2,127,490	1,481,486	41%				-	10,556	
	569-001	TR-17 Ave SW Public Realm Improve	Improving crosswalks and intersections for those pedestrians, including curb extensions on side streets.	2017 to 2019	4,300,000	4,229,915	70,085	2%				3,773	70,085	
	569-001	TR-8th street Master Plan	Detailed designed for the 8th Street underpass to improve the pedestrian realm.	2017-2019	446,733	2,844	443,889	99%				(285,844)	10,197	
	569-001	TR-Cycle Track Project	Signal timing adjustments; improvements to network along 12 AV and 8 AV	2017-2019	1,400,000	1,349,566	50,434	4%				-	50,434	
	569-001	TR-1 St SW Corridor	Streetscape improvements for pedestrians including sidewalks and prominent crosswalks.	2016 to 2018	4,690,220	4,552,707	137,513	3%				21,520	137,513	
	569-001	TR-4 Street SW Underpass	Prominent crosswalks, additional bike rack, increased number of on-street parking spaces and new tree planting.	2016 to 2018	8,136,006	7,170,233	965,773	12%				693,780	786,159	
	569-001	TR-1st St SW Underpass Project	Enhancement with new lighting, new sidewalks, new guardrails, placemaking elements, entranceway marquees, in sidewalk quadrant lighting, etc.	2015 to 2018	4,447,804	3,923,789	524,015	12%				-	524,015	
	223-000	TR-8th Street Corridor Phase 1	Design and construction of pedestrian underpass enhancements including construction of new sidewalks, concrete surfaces, etc.	2013 to 2019	8,822,695	8,218,395	604,299	7%				9,409	594,703	

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Table 4: Transportation Projects – continued

Table 4: Transportation Projects – continued					Budget 2007-2022				Actuals					
Dept	City Dept Project # Program #	Project Name	Project Description	Start Date of the Project & Estimated Completion Date	Total Budget of Project (2007-2022) \$	City Portion of Budget (Others Sources) (2007-2022) \$	Centre City Levy Portion of Budget (2007-2022) \$	Total Portion of Centre City Levy of Total Project Costs \$	Centre City Levy Collected in 2018 \$	Centre City Levy Investment Income from 2018 \$	Total Centre City Levy Funds Collected from 2007 to 2018 \$	2018 Centre City Levy Spent \$	Overall Expenditures from 2007 to 2018 \$	Centre City Levy Closing Balance @ Dec.31, 2018 \$
Completed Projects														
Transportation	223-007	TR-Ped O/P Bow River	Peace Bridge										243,214	
	223-000	TR-Thompson Family Park	St Patrick's Bridge										161,657	
	126-103	City Wide Active Modes Program	City Wide Active Modes Program										151,000	
	569-001	TR-Thompson Family Park	Components of new public park (Thompson Family Park) in Beltline										2,131	
Totals					\$325,329,052	\$318,591,627	\$6,737,425		\$451,034	\$88,777	\$6,317,533	\$442,638	\$4,201,594	\$2,115,939

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Schedule B – Water Resources Details

Table 5: Water Resources – Water Projects

Dept	City Dept Project # Program #	Project Name	Project Description	Start Date of the Project & Estimated Completion Date	Budget 2007-2022				Actuals					
					Total Budget of Project \$	City Portion of Budget (Others Sources) \$	Centre City Levy Portion of Budget \$	Portion of Centre City Levy of Total Project Costs \$	Centre City Levy Developer Deposits 2018 \$	Centre City Levy Investment Income from 2018 \$	Total Collected from 2007 to 2018 \$	2018 Actual Centre City Levy Spent \$	Overall Expenditures from 2007 to 2018 \$	Centre City Levy Closing Balance Dec. 31, 2018 \$
Water	2013146	Waterworks-Downtown Upgrades	Downtown & Beltline Water Upgrades	Ongoing	15,625,070	8,479,762	7,145,308	46%	399,779	32,613	7,145,307.81	426,685	6,051,130	1,094,178
Sanitary	2013147	Wastewater-Downtown Upgrades	Downtown & Beltline Sanitary Upgrades	Ongoing	10,756,204	3,301,065	7,455,139	69%	399,779	55,109	7,455,139	381,335	5,456,204	1,998,935
Total					\$26,381,274	\$11,780,827	\$14,600,447		\$799,558	\$87,723	\$14,600,447	\$808,020	\$11,507,334	\$3,093,113

Schedule C – Community Services Details

Table 6: Community Services Projects

Dept	City Dept Project # Program #	Project Name	Project Description	Start Date of the Project & Estimated Completion Date	Budget 2007-2019				Actuals				
					Total Budget of Project \$	City Portion of Budget (Others Sources) \$	Centre City Levy Portion of Budget \$	Portion of Centre City Levy of Total Project Costs \$	Centre City Levy Developer Deposits 2018 \$	Total Collected from 2007 to 2018 \$	2018 Actual Centre City Levy Spent \$	Overall Expenditures from 2007 to 2018 \$	Centre City Levy Closing Balance Dec. 31, 2018 \$
Recreation	507	Beltline Aquatic & Fitness Centre and Streetscape Frontage Improvements	Facility and Land	2015 May-2015 December	1,333,333	-	1,333,333	100%	175,360.94	2,287,139	-	873,663	1,413,475
		Beltline Aquatic & Fitness Centre Customer Facing Improvements & System Upgrades	Beltline Aquatic & Fitness Centre Customer Facing Improvements & System Upgrades to accommodate more users	New Project-Start 2019	1,500,000	512,000	988,000	66%			-	-	
Parks	500	Centre City Parks	Upgrades/enhancements to pedestrian environment in existing centre city parks, especially around areas of high use and public benefits.	Ongoing	81,376	-	81,376	100%	97,382	1,269,527	-	56,414	564,865
		West Eau Claire Park	New public promenade, public space, and pathway, including new site furnishings, lighting and landscaping.	2017-2019 December	8,523,000	7,523,000	1,000,000	12%			648,248	648,248	
Fire	42	Station #1 Upgrades	Station and Land	2011 June-2016 August	3,100,000	2,850,000	250,000	8%	32,949	429,269	-	250,000	179,269
Library	479	New Central Library	New landmark civic institution with multi-faceted spaces to serve a range of ages, activities and needs from growing communities like East Village, as well as all citizens of Calgary.	2012-2018 December	175,000,000	173,241,000	1,759,000	1%	146,073	1,905,006	-	1,759,000	146,006
Police	N/A	N/A	Station and Land	N/A	TBD	-	-	TBD	21,966	286,418	-	-	286,418
Total					\$189,537,709	\$184,126,000	\$5,411,709		\$473,731	\$6,177,358	\$648,248	\$3,587,325	\$2,590,033

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