

**Off-site Levy and Centre City Levy  
2019 Annual Report**

PUD2020-0904

**SPC on Planning &  
Urban Development**

2020 September 2

ISC: Unrestricted

15/06/2020



## Off-site Levies Current Context

- Levies help to build great communities by creating a long-term sustainable funding source to pay for infrastructure that enables growth.
- Off-site levies are governed by the Municipal Government Act (MGA) which requires the publication of annual reports that provide details on the levies' opening balances, funds collected, spent and closing balances.
- Attachments 2 and 3 provide the 2019 financial update reports on the Off-Site Levy and Centre City Levy programs and this is the first time they are coming to committee under one cover report.
- In 2019, an internal audit was conducted on the off-site levy's annual reporting process, and the audit recommendations are currently being implemented. Next year's annual report will incorporate these changes.
- The off-site levy and centre city levy bylaws are currently under review including extensive stakeholder consultation. A revised bylaw is expected to be presented to Council in 2021 Q1.





# 2019 Centre City Levy Balance

Opening Balance on January 1, 2019	\$7,799,087
Total Centre City Levies Collected	2,080,914
Investment Income Received	174,839
Centre City Levies Spent	(2,611,979)
Closing Balance, Centre City Levies on December 31, 2019	\$7,442,861

### 2019 Centre City Levy Funded Key Activities:

- Partial funding to purchase buses and community shuttles;
- 13 Avenue S water main upgrades;
- Public realm improvements on 17 Avenue S.W.;
- 8 Street S.W. master plan design and construction of pedestrian underpass enhancements;
- Improvements to 4 Street S.W. (underpass, prominent crosswalks, additional bike rack, increased street parking and new trees);
- Public realm improvements in West Eau Claire Park and in Beltline Park.





# 2019 Off-site Levies Balance

Opening Balance, Off-site Levies on 2019 January 01	\$375,078,817
Total Off-site Levies Collected	122,591,251
Established Area Density Incentive Program Transfer	480,684
Investment Income Received	9,233,253
Off-site Levies Spent	(176,755,404)
Closing Balance, Off-site Levies on December 31, 2019	\$330,628,601

## 2019 Off-site Levy Funded Key Activities:

### Transportation:

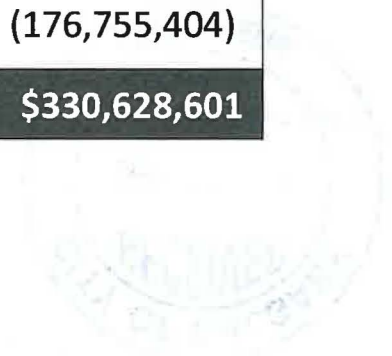
- SW & W Ring Road Connections • Airport Trail NE Phase 2
- Future Land (various Bus Rapid Transit, Banff Trail)

### Water Resources:

- Northridge Feedermain
- Bonnybrook Plant D Expansion

### Community Services:

- East Macleod Fire Station
- Varsity Multi-Service Station
- Calgary Police Customer Service Centre





## 2019 Levy Projects Funding (\$ millions)

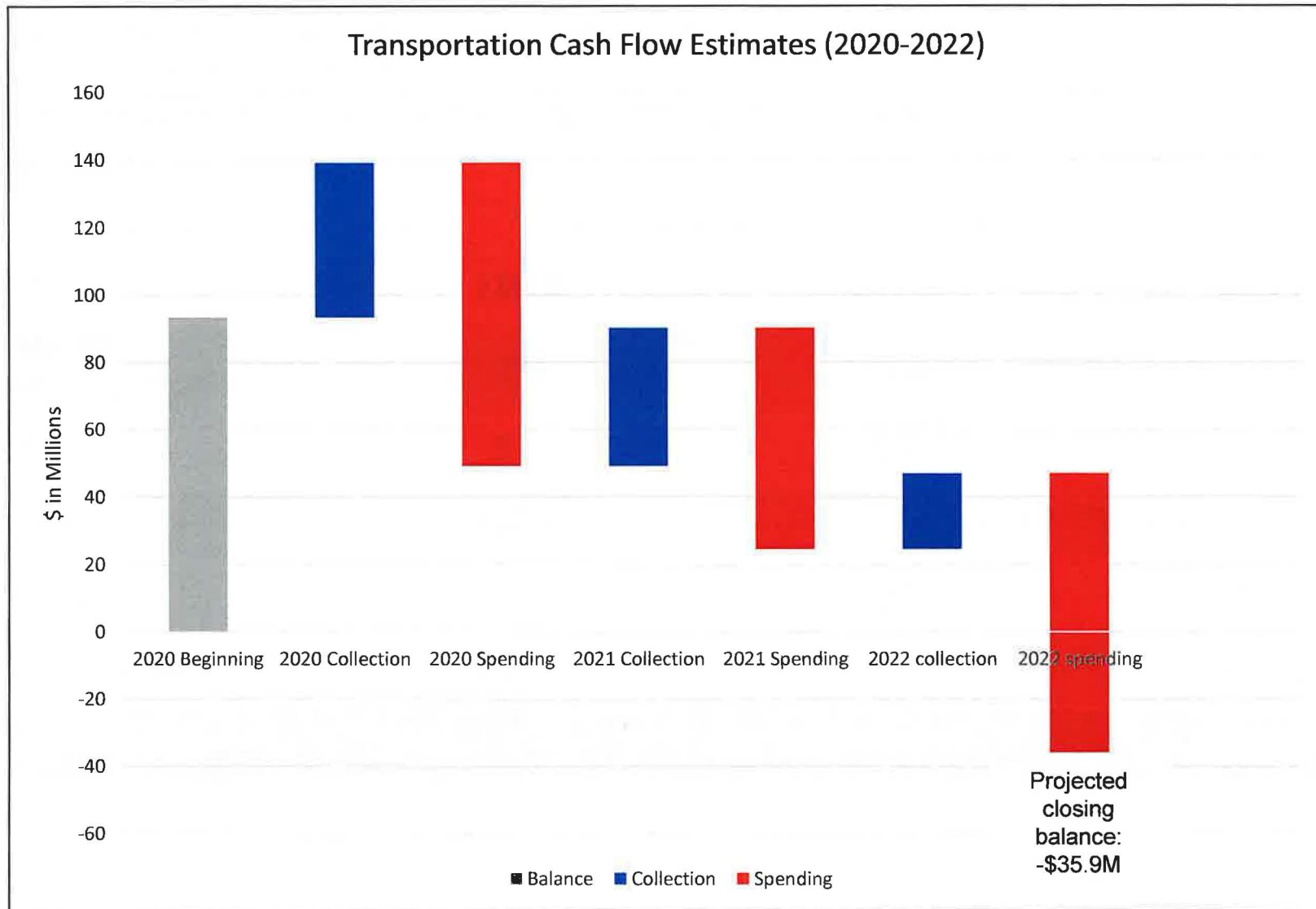
Department	Levies spent (\$)	City funding (\$)	Total (\$)
Transportation	33.4	124.9	158.3
Transit	7.7	35.2	42.9
Utilities	129.1	Please see note	
Fire	3.0	2.1	5.1
Calgary Police Services	3.5	12.2	15.7
<b>Total</b>	<b>176.8</b>	<b>174.4</b>	<b>351.1</b>

Utilities Note:

- In 2019, Total Capital Expenditures were \$229 M, the off-site levy portion to be funded by debt is \$142 M. The utility funded portion is \$87 M.
- 2019 levy spent amount of \$129.1 M was to pay the current and the previous years principal and interest payments.



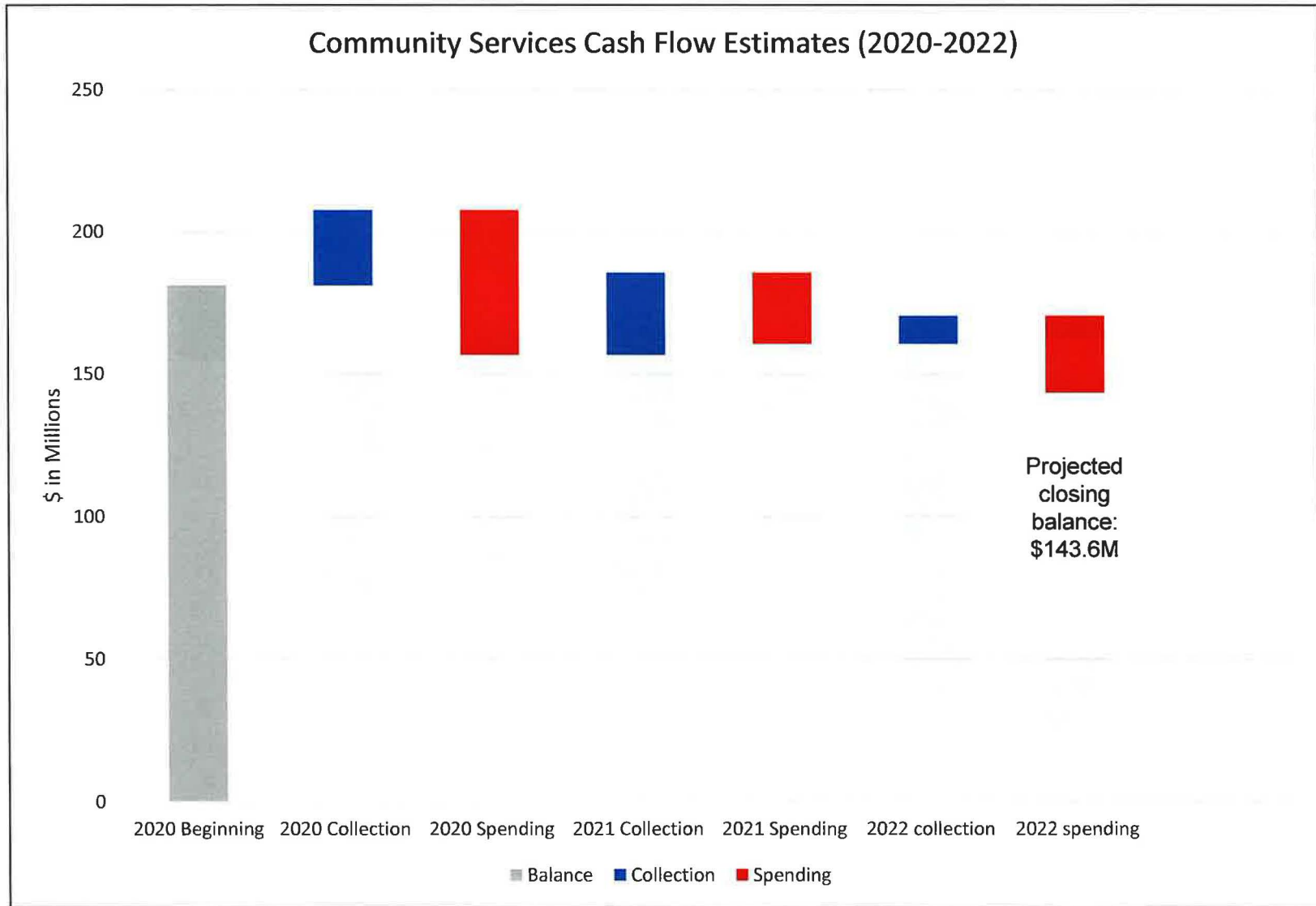
# Transportation Cash Flows 2020 to 2022



\* Collection based on Corporate Economics 2019 Development Agreements and cash flow projections

\*\* Spending based on approved One Calgary 2019-2022 Service Plans and Budgets

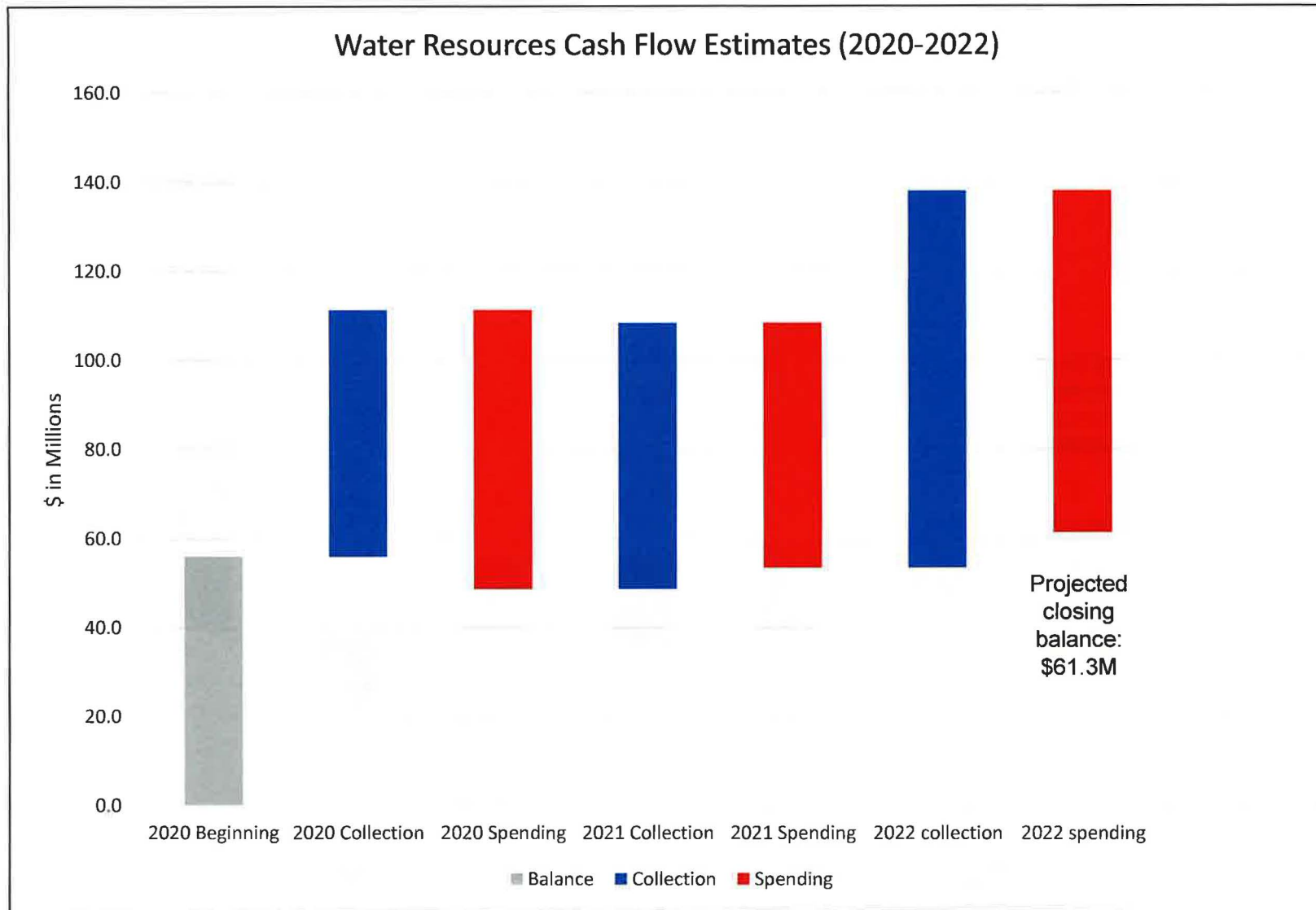
## Community Services Cash Flows 2020 to 2022



\* Collection based on Corporate Economics 2019 Development Agreements and cash flow projections

\*\* Spending based on approved One Calgary 2019-2022 Service Plans and Budgets

# Water Resources Cash Flows 2020 to 2022



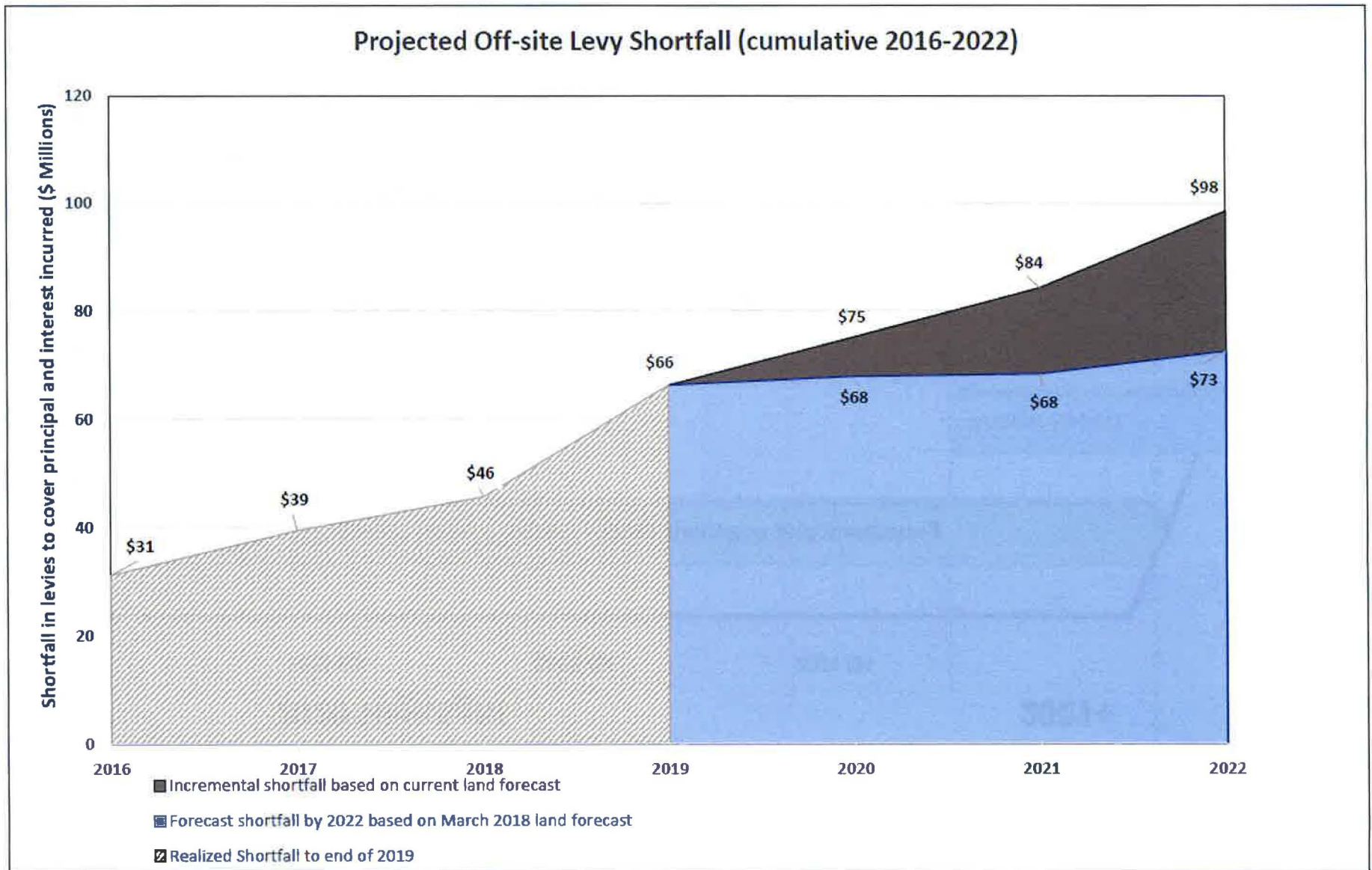
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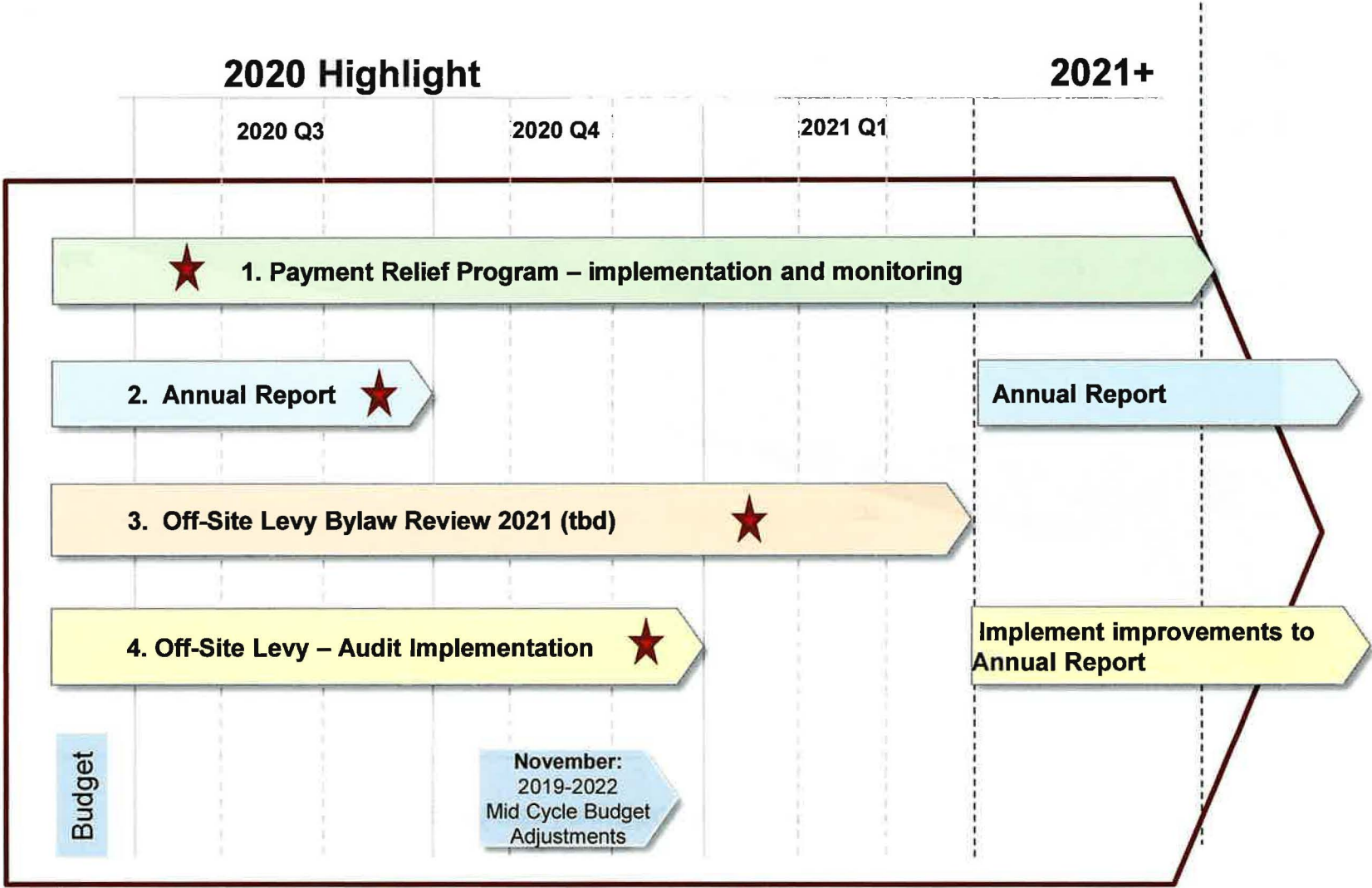




## Water Resources Forecast vs. Actual (Based on Land Absorption)



# Growth Funding & Investment - Streams of Work



★ Anticipated Committee/Council dates



## Off-site levy Program Risk Assessment

- **City Financial Risk** : Slower development is expected and may result in lower annual collections. To fund the committed capital projects, funding from other sources or capital deferrals may be required.
- **Market Risk** : Prolonged economic downturn could result in developers delaying their projects or an increased risk of developers' default or cancelled development agreements.
- **Payment Relief Program** : If the collection of 2020 deferred payment is not achieved as anticipated, The City could experience significant cash flow and liquidity impacts.
- **Pandemic Risk** : Should the risk of COVID-19 increase and result in a second wave, City and Developer financial risk may be significantly increased.



- The eleven audit recommendations are currently being implemented with completion dates no later than December 1, 2021
- A governance and advisory structure (internal/external) has been established to oversee the off-site levy program
- Administration is documenting and refining clear and consistent internal policies and procedures for off-site levy decision making, tracking, monitoring, billing, collection budgeting, spending and reporting.



Administration recommends that the Standing Policy Committee on Planning and Urban Development receive this report for the corporate record and forward the report to 2020 September 14 Council.