

Strategy for a New Off-Site Levy Bylaw

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Priorities and Finance Committee

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Funding & Investing in Growth

- The Municipal Development Plan and Calgary Transportation Plan (MDP/CTP) provide the long-term vision for Calgary's built form and transportation system
- Decisions on where and when to grow are guided by The City's growth strategies
- Paying for, and investing in this growth, requires a mix of financial tools
- Off-site levies are one financial tool used to provide a source of capital funding for growth-related infrastructure projects
- In 2020, off-site levies represented \$181M of The City's \$2.1B capital budget



Off-site levy – Background & Context

- Last major update, Bylaw 2M2016, adopted in January 2016
 - ‘Growth pays for growth’
 - Significant growth and intensification forecasted for Calgary
- Since 2016:
 - Proposed Municipal Development Plan/Calgary Transportation Plan updates that consider climate change, growth policies and transportation technologies
 - Pandemic and economic implications for pace of growth and infrastructure requirements
 - Council direction to review and right-size capital infrastructure and related costs
 - Lower than forecasted availability of capital funds for growth – off-site levies and provincial capital grants
 - Increased focus on accountability



Off-site levy – Today's Context

- The bylaw is typically renewed every five years
- We commenced work on the bylaw in 2020 in line with that timeframe
- This bylaw renewal needs more time:
 1. Need to rethink the off-site levy bylaw
 2. Building a common understanding and further investigating methodology and approach
- Acknowledgment among stakeholders that significant updates and additional time are required to best achieve these goals

1) Why re-think the off-site levy?

Position the off-site levy as a tool to:

- a) Make strategic investments towards infrastructure that advances goals of the Municipal Development Plan and Calgary Transportation Plan
 - b) Provide a more sustainable capital funding source for city-building
 - c) Recover 100% of the share of costs attributable to growth
- Update infrastructure requirements, capacity and cost models to reflect emerging priorities for Calgary's vision, strategies and infrastructure investment



2) Building a common understanding

There were unanticipated challenges encountered throughout 2020 that affected resourcing and timelines to deliver a new off-site levy bylaw.

Building common understanding:

- Unforeseen volume of requests for information were submitted by BILD Calgary Region (BILD)
- The City has acknowledged these requests and has shared a proposed plan with BILD and provided a path forward
- The extra time spent on foundational work, has better positioned The City to explore new approaches to deliver a better off-site levy bylaw

Progress toward a new off-site levy bylaw

These principles will be used as the strategic foundation for a new off-site levy bylaw.

Principles (Attachment 2):

- 1 Sustainable and resilient
- 2 Shared cost, shared benefit, shared risk
- 3 Competitive
- 4 Collaborative and consultative
- 5 Transparent and accountable
- 6 Aligned and compliant

Key changes include:

- Focus on long-term sustainability
- Ability to be nimble in response to changing environments
- Equitable sharing of risk



Path toward a new off-site levy bylaw

- Both Industry and Administration agree that additional time is required to deliver a better bylaw
- The off-site levy bylaw (2M2016) remains current and in effect
- The principles in Attachment 2 will be used as a strategic foundation to this work and help ensure common understanding and shared goals
- Administration has provided a plan that addresses an approach for issues and questions arising from 2020 work
- At this time, it is anticipated that a new off-site levy bylaw cannot be delivered earlier than 2022
- Administration will provide progress updates to Council in 2021 as needed

Concurrent off-site levy work

Activity	Update/Next Step
Internal Audit	<ul style="list-style-type: none"> • 9 of the 11 recommendations have been completed and are pending review of the internal auditor • Remaining 2 recommendations are due in 2021 March and December
Additional external audit work requested	<ul style="list-style-type: none"> • Plan provided to BILD in December • To be considered at Audit Committee on 2021 January 28
Investment income follow-through	<ul style="list-style-type: none"> • 2021 Q1 progress update to Priorities and Finance Committee and Council

Administration Recommendation

That Priorities and Finance Committee recommend that Council direct Administration to use the principles in Attachment 2 as a strategic foundation for a new off-site levy bylaw.