

RURAL MUNICIPALITY OF LUMSDEN NO. 189
SASKATCHEWAN

BYLAW NO. 11-2016

A BYLAW OF THE RM OF LUMSDEN IN THE PROVINCE OF SASKATCHEWAN TO ESTABLISH A DEVELOPMENT LEVY FOR LANDS THAT ARE TO BE DEVELOPED OR REDEVELOPED WITHIN THE RM OF LUMSDEN.

WHEREAS, Section 169 of *The Planning and Development Act, 2007*, Chapter P-13.2 (the "Act") provides that the Council of the municipality may pass a bylaw establishing a Development Levy;

WHEREAS, certain lands within the RM of Lumsden are proposed for future development;

WHEREAS, Council for the RM of Lumsden No. 189 gave notice by advertising in a local weekly newspaper on February 02, 2017 and February 10, 2017 and a Public Hearing was held on February 23, 2017, in regards to the proposed Bylaw, in accordance with the public participation requirements contained in Section 207 of the Act;

WHEREAS, the Council for the RM of Lumsden deems it desirable to establish a Development Levy for the purposes of recovering all or a part of the capital costs of providing services and facilities associated with a proposed development, directly or indirectly, in regards to: drainage works; roadways and related infrastructure;

WHEREAS, the Council of the RM of Lumsden has received a study or studies, regarding the estimated capital costs of providing municipal servicing and recreational requirements, which sets out a fair and equitable calculation of the development levies in accordance with the Act;

WHEREAS, the Council of the RM of Lumsden has considered the future land use patterns and development and phasing of public works to help determine a fair and equitable calculation of the development levies in accordance with the Act; and

WHEREAS, the Council of the RM of Lumsden wishes to enact a bylaw: to impose and provide for the payment of development levies; to authorize agreements to be entered into in respect of payment of development levies; to set out the conditions upon which the levy will be applied to specify land uses, classes of development, zoning districts or defined areas; and to indicate how the amount of the levy was determined.

NOW THEREFORE, the Council of the RM of Lumsden, duly assembled, enacts as follows:

1. SHORT TITLE

This bylaw may be cited as the "Development Levy Bylaw."

2. PURPOSE AND INTENT

This bylaw is intended to:

- a) Impose and provide for the payment of development levies;
- b) Provide consistency between development levies and subdivision servicing fees, where appropriate;
- c) Authorize agreements to be entered into in respect of payment of development levies;
- d) Set out the conditions upon which the levy will be applied to defined areas; and
- e) Indicate how the amount of the levy was determined.

3. DEFINITIONS

In this bylaw:

- a) "Act" shall mean *The Planning and Development Act, 2007*, Chapter P-13.2 and any amendments thereto;
- b) "Capital Costs" means the municipality's estimated cost of providing, altering, expanding or upgrading the following services and facilities associated, directly or indirectly, with a Proposed Development:
 - i) drainage works;
 - ii) Roadways and related infrastructure.

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- c) **"Development"** means the carrying out of any building, engineering, or other operations in, on or over land or the making of any material change in the use or intensity of the use of any building or land;
 - d) **"Development Charge"** means servicing fees and/or development levies as defined within the Act.
 - e) **"Development Lands"** means those lands (or any part thereof) within the RM of Lumsden, where no previous servicing agreement has been entered into for the specific proposed development and, in the opinion of Council, the RM of Lumsden will incur additional capital costs as a result of the proposed development;
 - f) **"Development Levy"** means the levy imposed and created by this bylaw pursuant to the Act;
 - g) **"Development Levy Agreement"** has the meaning ascribed to this term by the Act within Section 171.
 - h) **"Development Officer"** shall mean the development officer appointed by the Municipality;
 - i) **"Municipality"** means the RM of Lumsden;
 - j) **"Proposed Development"** means a permitted or discretionary use within the RM of Lumsden Zoning Bylaw, for which a person or corporation has made an application for a development permit;
 - k) **"Servicing Agreement"** has the meaning ascribed to this term by the Act within Section 172;

4. ADMINISTRATION AND ENFORCEMENT

Council hereby delegates to the Development Officer the duty and authority to enforce and administer this bylaw, including administering the Development Levy, Development Levy Agreements and Servicing Agreements. Only Council has the Authority to enter into a Development Levy Agreement.

5. APPLICATION

- a) This bylaw applies to Development Lands that benefit or will benefit from municipal services installed or to be installed by or on behalf of the Municipality. The Development Levy imposed by this bylaw is intended to recover all or a part of the Capital Costs incurred by the Municipality as a result of a Proposed Development, as illustrated and set out in Appendix "B" attached to and forming part of this bylaw.
- b) Pursuant to Section 169(3), the Development Levy will only be applied if: the specific proposed development was not previously subject to a servicing agreement; and, in the opinion of Council, additional capital costs will be incurred by the Municipality.
- c) A Development Levy will be assessed on all Developable Lands within the Municipality except land designated as:
 - i) Environmental Reserve; and
 - ii) Municipal Reserve.

6. IMPOSITION OF LEVY

- a) There is hereby imposed on the Development Lands a Development Levy in the amounts set out in Appendix "A" attached to and forming part of this bylaw. Appendix "A" shall be updated to reflect changes in infrastructure costs, as deemed appropriate by Council.
- b) The amount of the Development Levy that is imposed shall be based upon the levy in place at the time when:
 - i) The Development Permit application is submitted to the Municipality and is deemed complete; or
 - ii) The Building Permit application is submitted to the Municipality in the case where no development permit is required.
- c) Any revisions to Appendix "A" shall apply only to development permit applications accepted by the Municipality after the date the revision is adopted.
- d) The Municipality may from time to time, by resolution, exempt or defer or partially exempt or defer the imposition of a Development Levy where the Development Lands are owned in whole or in part by a public body or bodies and where the Development of the lands will be used in whole or in part for public service purposes.

7. AUTHORITY TO ENTER INTO AGREEMENT

- a) Any Development Levy Agreement and the obligation to pay the applicable Development Levy shall be binding on successors in title to the original owner or owners, regardless of whether a caveat in respect of the Development Levy Agreement is registered by the Municipality against the Development Lands.
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- b) Nothing in this bylaw prevents the Municipality from imposing additional or new development levies on any portion of the Development Lands where the Municipality has not previously collected the Development Levy or entered into a Development Levy Agreement or Servicing Agreement.

8. PAYMENT

- a) The Development Levy provided in this bylaw shall be paid, either:
 - i) 100% prior to issuance of a Development Permit; or
 - ii) In a fashion and timeline deemed appropriate by the Municipality within a Development Levy Agreement as outlined by the Development Officer where payment is secured by letters of credit for all outstanding amounts prepared pursuant to Section 171 of the Act.
- b) In the event that any Development Levy payment imposed by this bylaw payable under a Development Levy Agreement is not paid at the time or times specified within the Agreement and without limiting the remedies of the Municipality, the Municipality may issue a stop order prohibiting further development on the Development Lands.

9. PURPOSE AND USE OF THE LEVY

The Development Levy is intended to reimburse the Municipality for the capital costs associated with the construction, altering, expanding or upgrading of the following:

- a) Drainage works;
- b) Roadways and related infrastructure

associated directly or indirectly with the proposed development. The Development Levy may be utilized to pay a debt incurred by the municipality as a result of expenditure listed above or to reimburse an owner described in clause 173(d) of the Act.

10. CALCULATION OF LEVY

The Development Levy adopted in this bylaw was determined on the basis set out in Appendix "C" attached hereto and forming part of this bylaw.

11. SEVERABILITY

In the event that any provision of this bylaw is found to be null or void or contrary to law by any court of competent jurisdiction, then such provision shall be severed from this bylaw and the remainder of this bylaw shall continue to be of full force and effect.

12. THAT any previous Development Levy Bylaw and all amendments thereto, are hereby repealed.

13. ENACTMENT

This bylaw shall take effect and come into force upon the date of third and final reading.

Readings

- Read a first time this 15th day of December, 2016.
- Read a second time this 23rd day of February, 2017.
- Read a third time this 23rd day of February, 2017.



Kent Farago
REEVE

Darice Cooper
CHIEF ADMINISTRATIVE OFFICER

APPROVED
REGINA, SASK.
JUN 15 2017
[Signature]
Assistant Deputy Minister
Ministry of Government Relations

Certified to be a true copy of Bylaw No. 11-2016
adopted by the Council of the R.M. of Lumsden
on the 23rd day of February, 2017
Darice Cooper
Chief Administrative Officer

APPENDIX A to Bylaw 11-2016

Development Charge Rate Table

WEST SECTOR PROJECTS	SUB TOTALS
Bridge & Drainage	\$ 4,060,000
Road Clay Capping	\$ 3,001,500
Road Rehabilitation	\$ 18,967,808
Engineering Studies	\$ 97,600
TOTAL	\$ 26,126,908
West Sector Land Area (ha)	10,508
Allocation to Existing Development (\$/ha)	\$ 1,243
Allocation to Future Development (\$/ha)	\$ 1,243

EAST SECTOR PROJECTS	SUB TOTALS
Bridge & Drainage	\$ 2,415,500
Road Clay Capping	\$ 15,606,000
Road Rehabilitation	\$ 6,125,208
Engineering Studies	\$ 97,600
TOTAL	\$ 24,244,308
East Sector Land Area (ha)	11,502
Allocation to Existing Development (\$/ha)	\$ 1,054
Allocation to Future Development (\$/ha)	\$ 1,054

APPENDIX A: CAPITAL PROJECTS WORKSHEET

WEST SECTOR PROJECTS	SUB TOTALS
Bridge & Drainage	\$ 4,060,000
Road Clay Capping	\$ 3,001,500
Road Rehabilitation	\$ 18,967,808
Engineering Studies	\$ 97,600
TOTAL	\$ 26,126,908
West Sector Land Area (ha)	10508
Allocation to Existing Development (\$/ha)	\$ 1,243
Allocation to Future Development (\$/ha)	\$ 1,243

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Bridge & Drainage	\$ 2,415,500
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Allocation to Future Development (\$/ha)	\$ 1,054

INPUTS	
CURRENT YEAR	2016
INDEX OF INFLATION FOR CURRENT YEAR	4%

ALLOCATION OF BENEFIT	
EXISTING DEVELOPMENT	50%
FUTURE DEVELOPMENT	50%

WEST SECTOR LAND AREA (Ha)	
PREFERRED TRANSPORTATION CORRIDORS	9,547.00
LIMITED DEVELOPMENT AREAS	960.50
TOTAL AREA	10,507.50

EAST SECTOR LAND AREA (Ha)	
PREFERRED TRANSPORTATION CORRIDORS	9,327.00
LIMITED DEVELOPMENT AREAS	2,174.50
TOTAL AREA	11,501.50

RM of Lumsden Capital Projects Summary

Bridges & Drainage					UPDATE PROJECT COMPLETION	Allocation of Benefit		
Bridge ID	Location		Opinion of Probable Cost (2016 Dollars)	Present Value	Project Completion (%)	Remaining Value (\$)	Existing Development	Future Development
	Latitude	Longitude						
220-18-31 N	N 50°34'18.4"	W 104°44'35.2"	\$ 225,000	\$ 225,000	0%	\$ 225,000	\$ 112,500	\$ 112,500
221-19-07	N 50°35'22.7"	W 104°54'24.4"	\$ 175,000	\$ 175,000	0%	\$ 175,000	\$ 87,500	\$ 87,500
221-19-07 N	N 50°36'3.1"	W 104°54'18.9"	\$ 125,000	\$ 125,000	0%	\$ 125,000	\$ 62,500	\$ 62,500
221-19-11	N 50°35'58.9"	W 104°49'11"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
221-19-18	N 50°36'46.1"	W 104°54'29.6"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
221-19-19	N 50°37'5.9"	W 104°54'16.6"	\$ 100,000	\$ 100,000	0%	\$ 100,000	\$ 50,000	\$ 50,000
221-19-19 E	N 50°37'10.2"	W 105°1'54.2"	\$ 210,000	\$ 210,000	0%	\$ 210,000	\$ 105,000	\$ 105,000
221-19-30	N 50°38'7.4"	W 104°54'35.1"	\$ 100,000	\$ 100,000	0%	\$ 100,000	\$ 50,000	\$ 50,000
221-19-03 #1	N 50°34'18.5"	W 104°50'3"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
222-19-26 E	N 50°38'5.1"	W 104°56'22.4"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
222-19-28	N 50°37'48.6"	W 105°0'26.5"	\$ 125,000	\$ 125,000	0%	\$ 125,000	\$ 62,500	\$ 62,500
221-20-14 #2	N 50°41'54.2"	W 104°48'11.2"	\$ 150,000	\$ 150,000	0%	\$ 150,000	\$ 75,000	\$ 75,000
220-19-30 #1	N 50°38'36.1"	W 104°45'39.8"	\$ 150,000	\$ 150,000	0%	\$ 150,000	\$ 75,000	\$ 75,000
220-19-34 E #1	N 50°39'31.2"	W 104°41'8.8"	\$ 130,500	\$ 130,500	0%	\$ 130,500	\$ 65,250	\$ 65,250
220-20-05	N 50°39'53"	W 104°43'56.2"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
220-20-34 N #1	N 50°44'47.6"	W 104°41'35"	\$ 285,000	\$ 285,000	0%	\$ 285,000	\$ 142,500	\$ 142,500
220-20-28 E	N 50°43'46"	W 104°42'31.7"	\$ 750,000	\$ 750,000	0%	\$ 750,000	\$ 375,000	\$ 375,000
219-21-27	N 50°48'47.4"	W 104°32'49"	\$ 200,000	\$ 200,000	0%	\$ 200,000	\$ 100,000	\$ 100,000

TOTAL	\$ 6,475,500	\$ 6,475,500		\$ 6,475,500	Existing Development	New Development
WEST SECTOR	\$ 4,060,000	\$ 4,060,000		\$ 4,060,000	\$ 2,030,000	\$ 2,030,000
EAST SECTOR	\$ 2,415,500	\$ 2,415,500		\$ 2,415,500	\$ 1,207,750	\$ 1,207,750

BRIDGES & DRAINAGE

Project Description

**see Bridge Inspection Recommendations - 2015 report dated February 10, 2016 for details*

also see Bridge Inspection Recommendations report dated January 22, 2016

220-18-31 N	misc bridge repairs	
221-19-07	misc bridge repairs	
221-19-07 N	misc bridge repairs	
221-19-11	bridge replacement	
221-19-18	misc bridge repairs	
221-19-19	misc bridge repairs	
221-19-19 E	misc bridge repairs	
221-19-30	misc bridge repairs	
221-19-03 #1	bridge replacement	
222-19-26 E	bridge replacement	
222-19-28	misc bridge repairs	
221-20-14 #2	misc bridge repairs	
220-19-30 #1	misc bridge repairs	
220-19-34 E #1	misc bridge repairs	<i>*Lambert Bridge Updated Cost</i>
220-20-05	bridge replacement	
220-20-34 N #1	misc bridge repairs	
220-20-28 E	misc bridge repairs	
219-21-27	bridge replacement	

RM of Lumsden Capital Projects Summary

Road Clay Capping					UPDATE PROJECT COMPLETION	Allocation of Benefit		
Project ID	Length (km)	Opinion of Probable Cost (m ³ /km)	Opinion of Probable Cost (2016 Dollars)	Present Value	Project Completion (%)	Remaining Value (\$)	Existing Development	New Development
WC001	3.2	\$ 12.5	\$ 360,000	\$ 360,000	0%	\$ 360,000	\$ 180,000	\$ 180,000
WC002	13.4	\$ 12.5	\$ 1,507,500	\$ 1,507,500	0%	\$ 1,507,500	\$ 753,750	\$ 753,750
WC003	3.6	\$ 12.5	\$ 405,000	\$ 405,000	0%	\$ 405,000	\$ 202,500	\$ 202,500
WC004	6.5	\$ 12.5	\$ 729,000	\$ 729,000	0%	\$ 729,000	\$ 364,500	\$ 364,500
EC001	12.8	\$ 12.5	\$ 1,440,000	\$ 1,440,000	0%	\$ 1,440,000	\$ 720,000	\$ 720,000
EC002	3.8	\$ 12.5	\$ 427,500	\$ 427,500	0%	\$ 427,500	\$ 213,750	\$ 213,750
EC003	13.7	\$ 12.5	\$ 1,539,000	\$ 1,539,000	0%	\$ 1,539,000	\$ 769,500	\$ 769,500
EC004	20.6	\$ 12.5	\$ 2,320,875	\$ 2,320,875	0%	\$ 2,320,875	\$ 1,160,438	\$ 1,160,438
EC005	15.9	\$ 12.5	\$ 1,793,250	\$ 1,793,250	0%	\$ 1,793,250	\$ 896,625	\$ 896,625
EC006	9.6	\$ 12.5	\$ 1,080,000	\$ 1,080,000	0%	\$ 1,080,000	\$ 540,000	\$ 540,000
EC007	14.4	\$ 12.5	\$ 1,624,500	\$ 1,624,500	0%	\$ 1,624,500	\$ 812,250	\$ 812,250
EC008	19.3	\$ 12.5	\$ 2,172,375	\$ 2,172,375	0%	\$ 2,172,375	\$ 1,086,188	\$ 1,086,188
EC009	9.8	\$ 12.5	\$ 1,102,500	\$ 1,102,500	0%	\$ 1,102,500	\$ 551,250	\$ 551,250
EC010	6.4	\$ 12.5	\$ 720,000	\$ 720,000	0%	\$ 720,000	\$ 360,000	\$ 360,000
EC011	4.2	\$ 12.5	\$ 474,750	\$ 474,750	0%	\$ 474,750	\$ 237,375	\$ 237,375
EC012	8.1	\$ 12.5	\$ 911,250	\$ 911,250	0%	\$ 911,250	\$ 455,625	\$ 455,625

Width of Road (m)	30	TOTAL	\$ 18,607,500	\$ 18,607,500		\$ 18,607,500	Existing Development	New Development
Depth of Clay Cap (m)	0.3	WEST SECTOR	\$ 3,001,500	\$ 3,001,500		\$ 3,001,500	\$ 1,500,750	\$ 1,500,750
		EAST SECTOR	\$ 15,606,000	\$ 15,606,000		\$ 15,606,000	\$ 7,803,000	\$ 7,803,000

Project Description

Where necessary to provide a smooth, stable driving surface, the road shall be capped with a layer of clay material.

Load, Haul, Place & Compact 300mm clay to road width and sideslopes

Basis for Opinion of Probable Cost

Year	Low	High	Average
2015	\$ 8	\$ 16	\$ 10
2012-2014	\$ 7	\$ 14	\$ 13

RM of Lumsden Capital Projects Summary

Road Rehabilitation				UPDATE PROJECT COMPLETION	Allocation of Benefit		
Project ID	Length (km)	Opinion of Probable Cost (2016 Dollars)	Present Value	Project Completion (%)	Remaining Value (\$)	Existing Development	New Development
WR001.1	7.7	\$ 1,450,415	\$ 1,450,415	0%	\$ 1,450,415	\$ 725,208	\$ 725,208
WR001.2	17.9	\$ 15,000,000	\$ 15,000,000	0%	\$ 15,000,000	\$ 7,500,000	\$ 7,500,000
WR002	5.1	\$ 254,500	\$ 254,500	0%	\$ 254,500	\$ 127,250	\$ 127,250
WR003	3.2	\$ 158,000	\$ 158,000	0%	\$ 158,000	\$ 79,000	\$ 79,000
WR004	6.9	\$ 345,000	\$ 345,000	0%	\$ 345,000	\$ 172,500	\$ 172,500
WR005		\$ 243,600	\$ 243,600	0%	\$ 243,600	\$ 121,800	\$ 121,800
WR006		\$ 276,843	\$ 276,843	0%	\$ 276,843	\$ 138,422	\$ 138,422
WR007	1.3	\$ 62,500	\$ 62,500	0%	\$ 62,500	\$ 31,250	\$ 31,250
WR008	1.3	\$ 62,500	\$ 62,500	0%	\$ 62,500	\$ 31,250	\$ 31,250
WR009	3.3	\$ 163,500	\$ 163,500	0%	\$ 163,500	\$ 81,750	\$ 81,750
WR010	5.3	\$ 265,500	\$ 265,500	0%	\$ 265,500	\$ 132,750	\$ 132,750
WR011	7.9	\$ 394,500	\$ 394,500	0%	\$ 394,500	\$ 197,250	\$ 197,250
WR012	0.6	\$ 31,450	\$ 31,450	0%	\$ 31,450	\$ 15,725	\$ 15,725
WR013	5.2	\$ 259,500	\$ 259,500	0%	\$ 259,500	\$ 129,750	\$ 129,750
ER001.1	7.4	\$ 725,208	\$ 725,208	0%	\$ 725,208	\$ 362,604	\$ 362,604
ER001.2	7.4	\$ 5,000,000	\$ 5,000,000	0%	\$ 5,000,000	\$ 2,500,000	\$ 2,500,000
ER002	8.0	\$ 400,000	\$ 400,000	0%	\$ 400,000	\$ 200,000	\$ 200,000

TOTAL	\$ 25,093,016	\$ 25,093,016		\$ 25,093,016	Existing Development	New Development
WEST SECTOR	\$ 18,967,808	\$ 18,967,808		\$ 18,967,808	\$ 9,483,904	\$ 9,483,904
EAST SECTOR	\$ 6,125,208	\$ 6,125,208		\$ 6,125,208	\$ 3,062,604	\$ 3,062,604

Project Description

WR001.1	Highway 734 & Highway 641 Asphalt Surfacing	estimates provided to RM
WR001.2	Highway 734 Full Reconstruction	estimates provided to RM

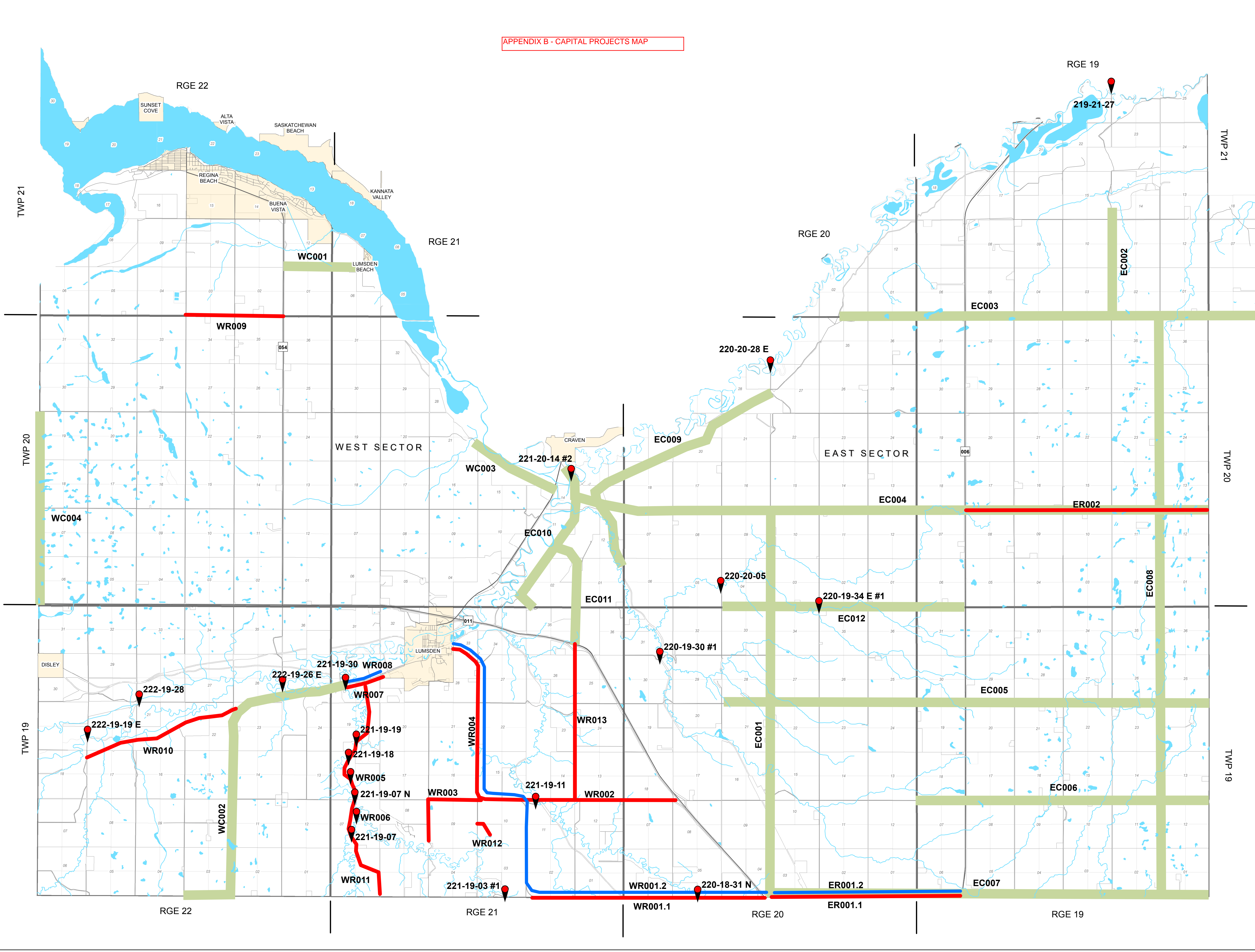
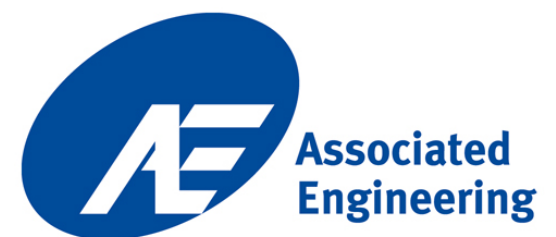
WR002	Exit B Heavy Haul Road reconstruction	contractor estimate of \$50,000/km provided to RM
WR003	Golf course access reconstruction	contractor estimate of \$50,000/km provided to RM
WR004	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR005	Culvert replacement	Allnorth Quantities and Cost Estimate Sheet
WR006	Wascana rechannelization	Wascana Creek Channel Realignment Project email 201300401
WR007	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR008	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR009	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR010	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR011	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR012	Resurfacing	contractor estimate of \$50,000/km provided to RM
WR013	Resurfacing	contractor estimate of \$50,000/km provided to RM
ER001.1	Highway 734 & Highway 641 Asphalt Surfacing	estimates provided to RM
ER001.2	Highway 734 Full Reconstruction	estimates provided to RM
ER002	Resurfacing	contractor estimate of \$50,000/km provided to RM

RM of Lumsden Capital Projects Summary

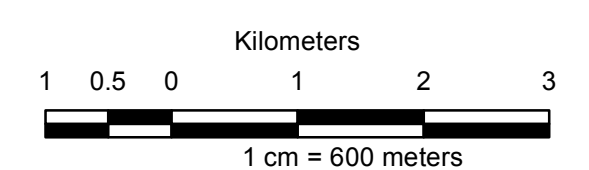
Related Engineering & Planning Studies		
Study	Description	Cost of Study
Bridge Replacement Design: Unnamed Creek E.N.E 34-19-20-W2nd	Design report supporting the replacement of the existing bridge with a 1 x 2200m x 23m CSP pipe	\$ 8,700
Hwy 734 Road Rehabilitation		\$ 97,000
Road Construction Overlay	Construction of surfacing structure on Highway 734 from the junction of Highway No. 6 to 14.0 km west and 17.50 km west to the town of Lumsden limits; and Highway 641 from Canyon Creek Entrance to Little Pence bridge	\$ 70,000
2016 Development Levy Background Study	Establish a basis for defining an implementing a levy which shall be imposed upon lands within the RM for the purpose of collecting funds to be allotted towards financing of capital costs of new or expanded infrastructure	\$ 19,500

TOTAL	\$ 195,200	Existing Development	Future Development
WEST SECTOR	\$ 97,600	\$ 48,800	\$ 48,800
EAST SECTOR	\$ 97,600	\$ 48,800	\$ 48,800

APPENDIX B - CAPITAL PROJECTS MAP



- LEGEND**
- PROJECT SITE LOCATION
 - ROAD REHABILITATION
 - CLAY CAPPING
 - LONG TERM EXTENSIVE



R.M. OF LUMSDEN CAPITAL PROJECTS
 APPENDIX B: CAPITAL PROJECTS MAP
 R.M. OF LUMSDEN

AE PROJECT No.	20164804-00
SCALE	1:60,000
APPROVED	D. RAMAGE
DRAWN BY	D. RENAUD
DATE	2016AUG24
REV	X
DESCRIPTION	ISSUED FOR DRAFT

REPORT

RM of Lumsden No. 189

Development Charge Study Background Report



August 2016

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1 Introduction

The RM of Lumsden No. 189 (RM) Council recognizes that it has a fiduciary responsibility to its ratepayers to manage the RM's financial resources in a responsible manner based upon sound advice. To this end, establishing a basis for assigning these direct and indirect costs not only substantiates the assignment of responsibility, but it also provides an opportunity for the RM to establish a financial strategy to guide decisions concerning the construction and financing of new infrastructure required to support growth; ensuring that the capital cost associated with this infrastructure is appropriately apportioned to the parties benefiting from this municipal investment.

It is intended that a development charge be defined to replace the current policy of entering exclusively into Servicing Agreements with a desire to strengthen the connection between capital projects and offsite charges. Preparing an updated development charge which is defensible and reflects accurate capital cost projections, is one step in insuring that the RM is appropriately prepared to respond to capital projects and required to maintain and improve infrastructure to support current and future development.

The objective of this report is to establish a basis for defining and implementing a levy which shall be imposed upon lands within the RM which are; the subject of subdivision or development; where no previous off-site levies have been collected for the same services under any previous bylaw; and, for the purpose of collecting funds to be allotted towards financing of the capital cost of new or expanded roads required for or impacted by subdivision or development.

1.1 DEVELOPMENT CHARGES DEFINED

A development charge can only be imposed if, in Council's opinion, the municipality will incur additional capital costs related to development as determined by a study or studies setting out the capital costs and taking into account the future land use patterns and phasing of the required public works. Based on this, a development charge may be imposed for recovering all or a portion of the municipality's capital cost for providing, altering, expanding or upgrading the services and facilities associated directly or indirectly, with a proposed subdivision or development of land, and may be varied as set out in a development levy bylaw with regard to defined areas, land uses, and capital costs related to different classes of development or the size and number of lots in a development.

Whereas development levies are related to development on an existing site; Council may require anyone proposing the subdivision of land to enter into a servicing agreement to provide servicing and facilities that directly or indirectly serve the subdivision. Servicing agreements may provide for the installation or construction of specified works within the subdivision and the payment of fees established by Council to pay for services located within or outside the proposed subdivision that directly or indirectly serve the proposed subdivision. An executed servicing agreement is required for a subdivision applicant to receive a Certificate of Approval from the approval authority for the subdivision. For the purposes of this report, fees assigned to a new development and subdivision are defined collaboratively as development charges. Where there is a

distinction between the application of the two forms of fees, specific reference will be made to the associated fee.

1.2 LEGISLATIVE AUTHORITY

Development charges as referred to in this document refer to both servicing fees and development levies as defined within the *Planning and Development Act, 2007* (Act) and as they relate to the services provided by the RM defined in Section 1.3 of this report.

Section 168 of the Act defines ‘capital cost’ as including the estimated cost of providing construction, planning, engineering and legal services that are directly related to matters for which development levies and servicing agreement fees are established through Sections 169 to 171.

Sections 169 to 171 of the Act set out the requirements for the establishment and imposition of development levies. Specifically, as they relate to the RM of Lumsden:

- Section 169(2) of the Act authorizes Council to impose a development charge covering all or a part of the capital costs of providing, altering, expanding or upgrading:
 - Drainage works, and
 - Roadways and related infrastructure.
- Section 169(3) states that development levies may only be imposed if the proposed development was not previously subject to an executed servicing agreement, and if the municipality will incur additional capital costs related to the development.
- Section 169(4) requires that the levies in the bylaw must be based on a study or studies of the costs of municipal servicing, and the consideration by council of future land use patterns and the development and phasing of public works.
- Section 169(5) states that the development levy bylaw must specify the levies to be made for services and facilities and may base these levies on zoning districts or other defined areas; land uses; classes of development; or the size or number of lots or units in a development.

1.3 STUDY SCOPE

The development charges to be defined throughout this document are related to the capital costs of services that the RM provides to construct and maintain the RM’s transportation network including short span bridges and drainage works.

Information provided in this development charge background report is based on:

- Identifying development areas situated along or in the vicinity of the preferred transportation corridors as defined within the RM’s Official Community Plan.
- Establishing baseline information concerning the current conditions of bridges and roadways along the RM’s preferred transportation corridors.
- Establishing the basis for a per hectare development charge within two defined service areas corresponding with the major transportation networks.

- Establishing a basis for defining the equitable allocation of financial responsibility for planned capital roadway and drainage projects between current and existing developments/subdivisions based upon perceived benefit.
- Preparing conceptual level cost estimates for the various capital projects defined and consolidating this information into a capital project summary worksheet to form the basis for a development charge schedule.

2 Development Charge Calculation and Assessment

The following section describes the basis for calculating development charges and identifying any adjustments that may be considered.

There are numerous methods and variations to the application of development charges within a community. These variations commonly include:

- Uniform charges applied to all land use classifications across an entire community.
- Land use specific charges applied uniformly across an entire community.
- Site specific charges applied uniformly across all land use classifications within the service area.
- Site and land use specific charges.

Uniform development charges tend to be the easiest to administer but have the least justification when challenged by developers, especially where the form and spatial extent of the development is as vast as represented in the RM.

2.1 BASIS FOR ASSESSMENT

The basis for defining the development charge assessment in the RM is as follows:

- The RM Council has adopted an Official Community Plan (OCP) to establish a policy basis for guiding future development within the municipality in the foreseeable future.
- The RM Council is authorized to apply development levies based on Section 5.2.4 of the OCP.
- The OCP contains a series of Future Land Use Maps which establish the criteria used by the RM Council to evaluate development and subdivision applications.
- The OCP contains a series of thematic maps identifying several physical characteristics that impact the suitability of development.
- The OCP directs country residential development away from prime agricultural lands.
- The OCP promotes country residential development to locate along the preferred transportation corridors.
- The RM permits a maximum developable area of 20 acres per quarter section for lands situated outside of the preferred transportation corridors.
- The RM Council recognizes that it currently operates a network of roadways and bridges which benefit large areas of the municipality and which are impacted by cumulative development.

- Section 3.6.3 of the OCP places all of the responsibility for the capital costs associated with the provision of services for new developments and subdivisions onto the proponent.
- The RM Council has recently adopted a Joint Growth Strategy with the Town of Lumsden (Town) which among other things defines areas surrounding the Town where consideration will be made to extend water and sanitary sewer services to future rural developments. Proponents of rural development in this Joint Planning Area will be responsible for entering into a service agreement directly with the Town to establish responsibilities for constructing new water and sewer infrastructure. The RM will act as a conduit for this process, but will not have any direct financial responsibilities in this regard.
- The RM Council is seeking to establish a basis for assessing a proportionate amount of the anticipated capital cost of constructing new transportation systems and replacing or improving existing major municipal transportation systems which have a benefit extending beyond any single subdivision to ensure that new development “pays for itself.”

Given the size and the potential diverse geographic distribution of development across the whole RM, the development charge calculations examined the preferred transportation corridors, the maximum allowable development area per quarter section, and lands identified as unsuitable for development with the OCP in order to inform the overall land base considered for development.

Highway No. 11 and Highway No. 20 were used as the basis for defining an eastern and western commuter shed as illustrated in **Figure 2-1** for the purposes of assigning an area specific levy charge to each sector (service area). Within these service areas the RM's preferred transportation corridors have been identified as areas where 100% of the adjacent land area is capable of being developed as illustrated in **Figure 2-2**.

The RM policies and regulations support limited country residential outside of these preferred transportation corridors where the land is not considered prime agricultural or hazard lands. Pursuant to the RM Zoning Bylaw, the maximum area that is capable of being converted for country residential use is limited to 8.01 ha (20 acres) or 12.5% of the quarter-section. For the purpose of defining the net benefiting lands associated with the capital projects comprising the development charges, 12.5% all developable lands outside of the preferred transportation corridor were used. **Figure 2-2** is provided as a means of illustrating the basis for assessment only and should not be interpreted as a future land use map.

Specific levy charges for each service area were determined by forecasting future capital improvements required for roadway and bridge infrastructure based upon consultations with the RM Council and Administration and a review of available reports and studies. This information was used to establish a site specific levy and servicing agreement fee within each of the two service areas to be applied uniformly across all land use classifications based upon the principle of equitable benefit.

By separating the RM into two service areas, the charges associated with the capital infrastructure costs relate more closely to the benefiting lands, making the application of charges more readily defensible. The application of an area wide charge was considered to be too broad given the diverse nature and geographical distribution of the development within the RM. The creation of two service areas is seen to balance the need for fair allocation of benefit, with the need to have large enough contributing areas in order to generate the funds necessary to assist in financing these capital projects. Dividing the RM into too

many service areas was perceived to dilute the funding base for the projects and unnecessarily complicate the administrative processes associated with the management of the development charges.

2.2 ALLOCATION OF BENEFIT

New and expanded infrastructure provides an opportunity to introduce new development into the RM, and benefits the municipality as a whole by improving the existing level of service. Consequently, the cost of developing new or expanding existing infrastructure should be shared by both existing and future benefiting developments based on perceived benefit derived from the construction or improvement of infrastructure.

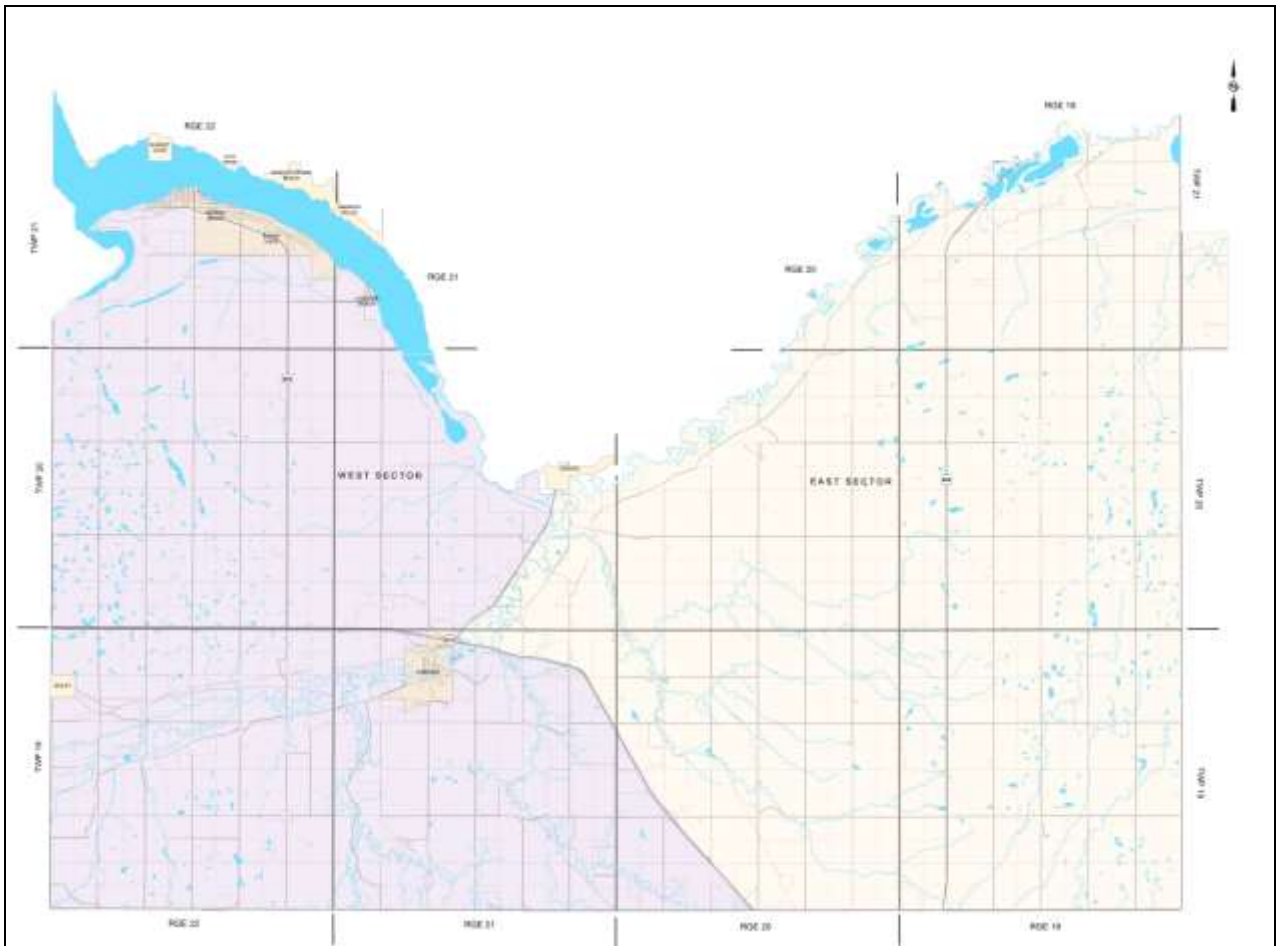


Figure 2-1: West and East Sector Service Areas

There are several instances where an infrastructure project may be perceived to benefit the existing properties within the RM including where this infrastructure results in:

- An increase in overall average service level or existing operational efficiency.

- The elimination of a chronic servicing problem not primarily created by growth.
- Alterations in service requirements primarily due to the change in needs of the existing population base.
- Alterations in service standards primarily due to changes in regulatory requirements.

A good rule of thumb when considering the appropriate allocation of benefit for infrastructure projects is to answer the question whether the project being considered would be required if there was no new development occurring in the RM. If the answer to this question is yes, then the bulk of the investment should be funded through taxes. Alternatively, if the answer to the question above is no, the proposed capital investments should more heavily support new development and warrant a larger proportion of the allocation to this funding source.

The rate of subdivision and development is uncertain and relying too heavily on this source of funding could result in the RM carrying the debt for longer periods, thus incurring carrying costs and increased public financial liability over the long term.

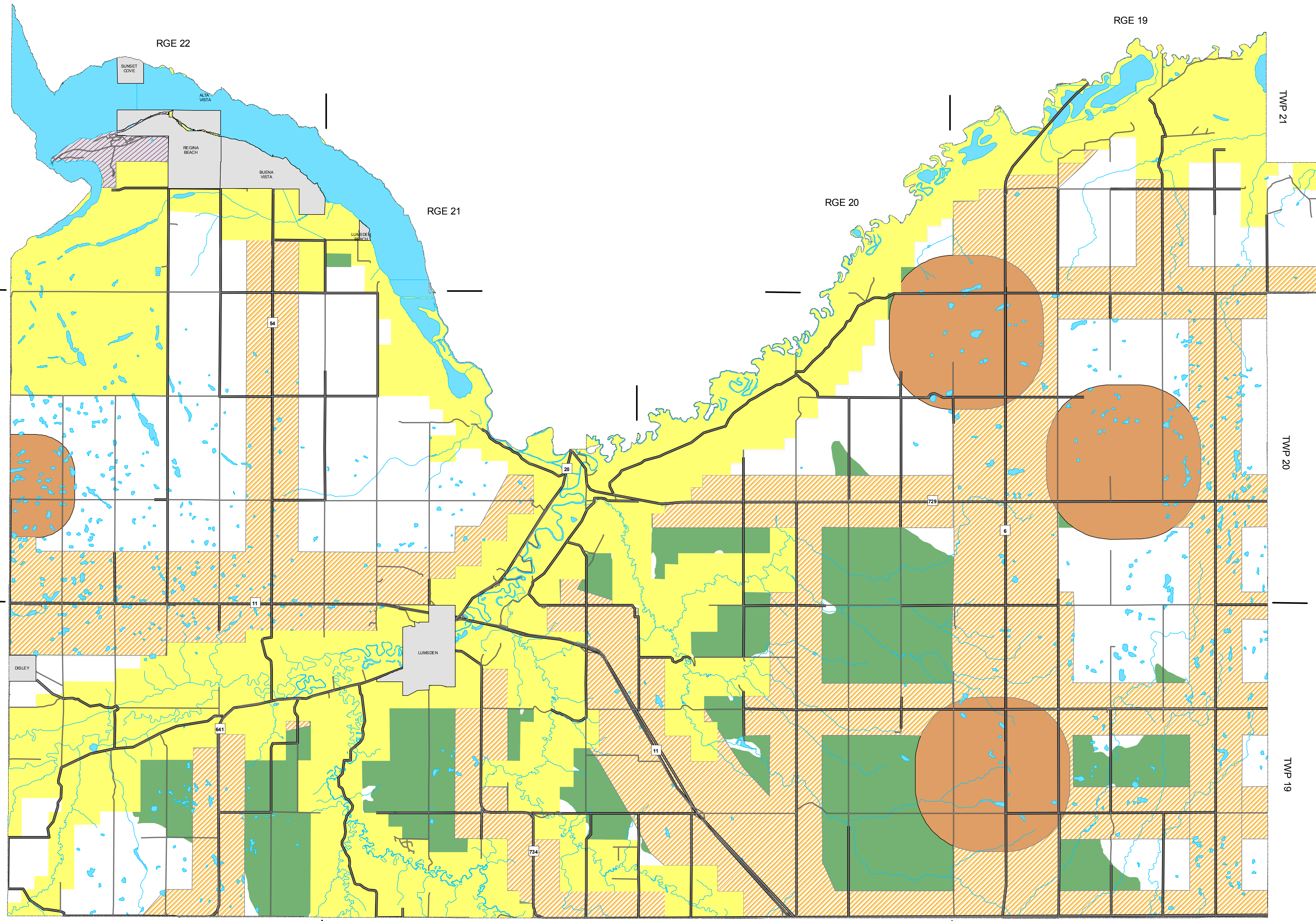
The benefit allocation ratio applied to the forecasted capital projects in the RM is split between existing and future development based on a recognition that the identified projects are necessary to maintain the existing service levels whether future development occurs or not. However, the improvements described by these capital projects will also increase the service capacity of the transportation systems, enabling additional subdivision and development to be supported. It is expected that this ratio as outlined in Schedule A of the Bylaw will be reviewed on a regular basis and adjusted as the local circumstances change over time.

Where new municipal infrastructure is required to facilitate a subdivision or development which is outside of the designated transportation corridors and not specifically defined within the RM's list of capital projects, it is expected that the responsibility for funding and constructing these new works would fall exclusively on the developer as a condition of the servicing or development agreement.












The RM has the option to employ latecomer agreements as a means of obtaining financial compensation for any initial up-front private investment in the above noted projects from future developers who will derive benefit from this private investment. In this instance, it is the RM's responsibility to calculate the compensation, collect it from future developers along the improved or newly constructed roadway, and forward it to the party responsible for the original investment.

Recognizing that infrastructure depreciates over time, the compensation rate prescribed in these latecomer agreements is often discounted over a set period of time, recognizing its decreased value.

The implementation of a latecomer charge or agreement requires the RM to estimate the spatial extent of the broader benefit of a particular infrastructure project/investment, assign a proportionate cost allocation for this excess benefit based upon the spatial component (i.e. per hectare rate), and impose this calculated charge on future subdivisions as a condition of support within a servicing agreement, providing the original financier with this compensation discounted on a time basis for a 5-10 year period. In this scenario, the RM acts as a broker to the financial transactions and not a direct financier.



LEGEND

-  URBAN MUNICIPALITIES
-  FIRST NATIONS RESERVES
- ROADS**
-  HIGHWAYS
-  MINOR ROADS
-  PREFERRED TRANSPORTATION CORRIDORS
-  PRIME AGRICULTURAL LAND
-  VALLEY BOUNDARY/ DEVELOPMENT CONSTRAINT
-  LIMITED DEVELOPMENT AREAS
-  INTENSIVE LIVESTOCK OPERATION
- HYDROLOGY**
-  LAKES
-  RIVERS AND CREEKS

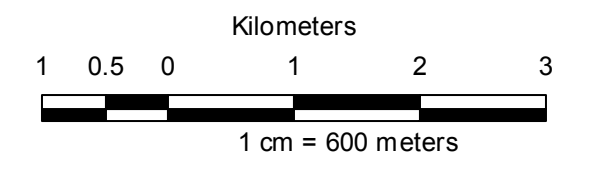


FIGURE 2-2 BASIS FOR ASSESSMENT

DEVELOPMENT BACKGROUND STUDY

R.M. OF LUMSDEN # 198

AE PROJECT	2016-4804
SCALE	1:60,000
APPROVED	B. DELAINEY
DRAWN BY	D. RENAUD
DATE	2016NOV24
REV	1
DESCRIPTION	FINAL

2.3 DEVELOPMENT CHARGE ADJUSTMENTS

Where the RM is successful in receiving federal and/or provincial funding to offset the cost of capital projects, this contribution would be used as a reduction to the capital cost of the project in which the funding is associated. This then would result in a subsequent reduction in the development charge calculation in recognition of the offsetting of municipal costs based on the extent of the contribution.

- Development charges may also be adjusted in the following scenarios:
 - Annual inflation index (see Section 2.5).
 - Percentage of substantial completion of specified projects.
 - Government funding for specific projects.

2.4 DEVELOPMENT CHARGE EXEMPTIONS AND CREDITS

There are several situations defined within the Act where a development or subdivision is considered exempt from the assessment of a development charge or where it is appropriate to provide a development charge credit to a proponent. The following situations describe these circumstances:

1. A site has been previously assessed a development charge and the proposed new development will not result in any substantial increase in the intensity of development. A substantial increase is defined as being the cumulative expansion greater than 10% of the original base footprint to which the developer would have previously been charged a development levy. In the event that a new development exceeds a cumulative expansion of the base footprint it will be considered an intensification of use and charged a development levy based on the total expansion calculated from the base footprint. This ensures that developers cannot be double-charged once they have fulfilled the requirements associated with a development levy they cannot be asked to pay again for services related to that development, however, where a new development is considered by Council to create an intensification of use and the expansion exceed 10% of the base footprint, a development charge may be assessed.
2. Where a building or structure is replaced by another building or structure on the same site prior to demolition of the former premises, the Owner of the building or structure who has previously paid a development charge on the sites being redeveloped may be exempt from an additional levy as long as the replacement building or structure does not exceed the footprint of the existing building or structure.
3. A development levy shall not apply to the construction of an initial residence or any residential accessory buildings on a site which has been previously subject to a servicing agreement fee unless the accessory building is intended to be used to facilitate the operation of an approved home based business.
4. In the case of commercial or industrial building additions where the expansion of the gross floor area of a building does not exceed 10% of the pre-existing building, the addition would be considered exempt from the application of a development levy.

5. Where the RM decides to defer the assessment of a servicing agreement fee to the property development stage as a development levy.
6. Where land is intended to be developed for a not-for-profit or community service use including but not limited to churches or other places of worship.
7. The RM Council may wish to incentivize certain forms of development by exempting the applicable charges in part or in whole. Such exemptions would be established by Council policy and funded within the broader public tax structure.

2.4.1 Development Charge Credits

The situation may occasionally arise where a proponent may wish to proceed with development requiring the construction of new or expansion of an existing municipal infrastructure prior to the scheduled time period for a municipally funded capital infrastructure project to be initiated. Where this is the case, the RM may at its discretion consent to the proponent providing the upfront funding for the construction of this new municipal infrastructure as a condition of approval and subsequently enter into an agreement to provide a corresponding credit to the proponent's development charge. This approach shifts the responsibility for financing growth-related costs onto developers where a developer wishes to advance a development ahead of the RM's planned schedule. Within the agreement, the RM would define the timing for full reimbursement of the private investment in the municipal infrastructure less the allocation of charges that would have applied. The proponent would remain responsible for carrying any debt associated with the capital project up until the RM's original scheduled date for initiation. The RM would not be responsible for any financing charges accrued by the proponent on the debt. Reimbursement would be based solely on the actual construction costs.

2.5 MUNICIPAL BUDGETING, FINANCING AND INFLATION

The RM's Levy is calculated in 2016 base year dollars and requires annual inflation indexing, in order to maintain its funding capability over time. The rates are subject to indexing and are adjusted on February 1st and August 1st of each year using the *Statistics Canada Quarterly, Non-Residential Building Construction Price Index*, as prescribed by the Development Charges Act. It is recommended that such indexing occur automatically on the anniversary date of the Bylaw(s) based on the year-over-year change in the underlying index.

3 Development Charge Implementation

The RM's development charges are calculated in 2016 base year dollars and requires annual inflation indexing in order to maintain its funding capability over time. The project rates contained in the Capital Projects Worksheet are subject to indexing and are adjusted on February 1st and August 1st of each year using the *Statistics Canada Quarterly, Non-Residential Building Construction Price Index*. It is

recommended that such indexing occur automatically on the anniversary date of the Bylaw(s) based on the year-over-year change in the underlying index.

In addition to updating the value of the capital projects due to inflationary factors, the development charge should be updated on a regular basis to correspond with changes to the RM's 5-year capital budgeting process to ensure that the list of capital projects remains up to date. Where a more accurate budget has been established for a capital project, the project cost identified in the Capital Projects Worksheet should be updated accordingly. Changes to the project costs and associated development charge rates should be done concurrently with the RM's budget cycle to ensure that the applicable rates remain consistent throughout the current year in order to provide certainty to developers.

3.1 SERVICING AGREEMENT FEES

The RM will apply the appropriate site specific rate to all new subdivisions that are not specifically exempted within the Development Levy Bylaw. These charges will be included as a condition described within the servicing agreement associated with a subdivision. In the absence of an alternative payment process defined through a mutual agreement between the developer and Council, a payment of the applicable fees shall accompany the execution of the servicing agreement. Council will not recognize the subdivision application as complete until full payment has been received or until acceptable terms for payment have been negotiated and accepted by Council.

Council may from time to time alter the calculation and assessment of a servicing agreement fee as a means of incenting a desired form of development either in part or as a whole as defined in the Development Levy Bylaw.

3.2 DEVELOPMENT LEVY

Notwithstanding the exemptions defined in Section 2.4 above, the Development Officer shall apply the applicable area based levy rate to all new qualifying building construction based upon the gross floor area as a condition of approval for issuance of a development permit.

Council may from time to time alter the calculation and assessment of a development levy as a means of incenting a desired form of development either in part or as a whole as defined in the Development Levy Bylaw.