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**File #:** IR-25-007, **Version:** 1

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**TAMRMS#:** B05

## **INFORMATION REQUEST (IR) - Off-site Levy Cost to Taxpayers**

Requested by: Councillor Hughes

Date of Request: March 18, 2025

Date Response Due: April 18, 2025

Confidential Response: No

### **QUESTION**

What is the cost to tax-payers for the future off-site levies projects that would be expected?

### **RESPONSE**

#### **Background**

The off-site levy project costs are allocated based on the principle of benefiting parties. The City contributions to future off-site levy projects represent the degree of benefit existing development will receive from new infrastructure. The following criteria show how OSL project cost allocations are determined for each infrastructure category:

#### Transportation

Transportation projects are considered in one-levy basin. Two basic approaches are used for cost allocation:

- For new arterial roadways, traffic modeling is typically used to determine the transportation servicing requirements and network improvements required to support new development. This could be a traffic impact assessment prepared in support of an area structure plan (ASP) or City led traffic analysis in support of concept planning. These efforts distinguish between background traffic and new development generated traffic, which can then be used to establish the proportional degree of benefit of a specific arterial roadway. Typically, the proportional benefit generated by background traffic is borne by the City. Ultimately, the proportionate share is evaluated on a project-by project basis.
- For existing arterials that have been staged (i.e. planned as an ultimate four-lane divided arterial but initially constructed as two lanes), traffic modeling may be a consideration; however, typically the breakdown is more aligned to scope, distinguishing between growth and RMR (Repair-Maintain-Replace) related components. The costs associated with RMR are borne by the City. As a project progresses through preliminary and detailed design, the costs and benefitting split are refined.

#### Water

Water projects are considered in one-levy basin.

- During the Off-Site Levy Bylaw update in 2013, the Council approved the guiding principle of funding growth water projects through Council Motion C390-2013. It was moved that the Off-Site Levy Bylaw incorporate the Water Infrastructure Funding split at 25% (City) / 75% (development) for transmission mains, and 0% (City) / 100% (development) for reservoirs.
- The basis of the principle is that new growth is the driving force for the new transmission mains. The City receives benefits from the interconnections, improving redundancy and fire flow capacity in existing sections of the City and reducing the need for separate capital projects.

### Sanitary

Sanitary projects are considered in multiple-levy basin based on the catchment and benefitting areas.

- In most cases, there is not an allocation to existing development, unless there is a defined benefit to the City.
- Cost allocation is assessed through project concept or preliminary design.

### Storm

Storm projects are considered in multiple-levy basin based on the catchment and benefitting areas.

- In most cases, there is not an allocation to existing development, unless there is a defined benefit to the City.
- Cost allocation is assessed through project concept or preliminary design.

### **Summary**

As of the 2025 OSL Annual Update, the total cost of future off-site levy projects in the 25-year timeframe (2025-2049) is estimated at \$596,799,244.

The City's benefitting share of future off-site levy projects is estimated at **\$65,104,394** over the 25-year timeframe and allocated by infrastructure category as follows:

- Transportation - \$61,625,458
- Water - \$3,478,935
- Sanitary - \$0
- Storm - \$0

Report Date: March 31, 2025  
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