

**TOWN OF PEACE RIVER
BYLAW NO. 2099**

BEING A BYLAW OF THE TOWN OF PEACE RIVER IN THE PROVINCE OF ALBERTA TO ESTABLISH AN OFF-SITE LEVY.

WHEREAS, a Council may pass a Bylaw providing for the imposition and payment of off-site levies in respect of lands that are to be developed, or subdivided, and to authorize agreements to be entered into in respect of the payment of the off-site levies; and

WHEREAS, certain lands within the corporate boundaries of the Town are proposed for subdivision or residential, commercial, or industrial developments; and

WHEREAS, Council for the Town of Peace River requires an expenditure for the capital costs of:

- a. water supply, transmission, treatment, storage and distribution facilities;
- b. sanitary sewage collection, treatment, movement and disposal facilities;
- c. roads required for, or impacted by, subdivision or development; and
- d. land required for or in connection with any facilities, as mentioned above,

because of population growth now occurring in the Town; and

WHEREAS, the Town engaged the firm of Corvus Business Advisors to prepare a fair and equitable calculation of off-site levies in accordance with the purposes of the *Municipal Government Act*; and

WHEREAS, the Town may enact a Bylaw to impose and provide for the payment of off-site levies, to set out the object of each off-site levy and to indicate how the amount of each off-site levy was determined; and

WHEREAS, the Town met with representatives of the development industry to address and define existing and future infrastructure requirements of the Town, to allocate the costs to the beneficiaries of development and to assess funding alternatives; and

WHEREAS, following the consultation with the representatives of the development industry, and based upon the principles agreed upon, the Town administration presented a report to Council for consideration and direction; and

WHEREAS, the Town currently imposes and collects an off-site levy; and

WHEREAS, Council has advertised its intention to consider the provisions of this Bylaw pursuant to Section 606 of the *Municipal Government Act*;

NOW THEREFORE, the Council of the Town of Peace River, in the Province of Alberta, duly assembled, enacts as follows:

TITLE

1. This Bylaw may be cited as the "Off-Site Levy Bylaw".

DEFINITIONS

2. For the purposes of this Bylaw, the following words shall be defined as follows:

- (a) "Act" means the *Municipal Government Act*, R.S.A. 2000, c.M-26 as amended or replaced and regulations passed pursuant to the Act;
- (b) "Applicant" means the person who applies for subdivision or development approval;
- (c) "Chief Administrative Officer" means the Chief Administrative Officer for the Town and includes any person appointed as the designate for the Chief Administrative Officer or any person appointed to act in the absence of the Chief Administrative Officer;
- (d) "Council" means the Council of the Town of Peace River;
- (e) "Development" means development as defined in the Act;
- (f) "Development Agreement" means an agreement as referred to in the Act in sections 650 and 655;
- (g) "Development Area" means that area of a parcel of land that is to be developed pursuant to a development permit, and for greater certainty but without restricting the generality of the foregoing, includes that area of land to be used for the principal uses, accessory uses, parking, loading, vehicle access points, walkways, lighting, landscaping and fencing;
- (h) "Off-site levy" means an off-site levy imposed and created by this Bylaw pursuant to the Act for a specific infrastructure as identified in section 4 within this Bylaw;
- (i) "Off-site levy Policies" means those policies established in the Town of Peace River by the Council of the municipality from time to time for the purposes of carrying out the intentions of this Bylaw and exercising the discretions and powers contemplated within this Bylaw;

- (j) "Parcel of land" has the meaning provided for in Part 17 of the Act;
- (k) "Plan of Subdivision" has the meaning provided for in the Act;
- (l) "Prime Rate" means at any time the annual rate of interest published by the Alberta Treasury Branch at its main branch in Peace River as its prime rate;
- (m) "Road" means land
 - (i) shown as a road on a plan of survey that has been filed or registered in a land titles office, or
 - (ii) used as a public road,and includes a bridge forming part of a public road and any structure incidental to a public road;
- (n) "Subdivision" has the meaning provided for in the Act;
- (o) "Subdivision Area" means that area of a parcel of land, less environmental reserve, municipal reserve, and land for road that is the subject of a subdivision and that is proposed for development but does not include the remnant, if any; and
- (p) "Town" means the municipal corporation of the Town of Peace River or where the context requires, the area within the boundaries of the Town.

ESTABLISHMENT OF OFF-SITE LEVY

- 3. The Town may impose an off-site levy as a condition of subdivision or development in accordance with this Bylaw and any applicable policy, and for upon land which no off-site levy has previously been paid.

OBJECT OF OFF-SITE LEVY

- 4. The object of the off-site levies is to pay for all or part of the capital costs of the following:
 - (a) new or expanded facilities for the storage, transmission, treatment, or supplying of water;
 - (b) new or expanded facilities for the collection, treatment, movement or disposal of sanitary sewage;
 - (c) new or expanded roads required for, or impacted by, a subdivision or development; and
 - (d) land required for, or in connection with, any facilities described in (a) to (c) above as determined in the Town of Peace River Off-site

Levy Update May 2021 and incorporated into this Bylaw as Schedule "D".

DIVISION INTO AREAS

5. For the purposes of imposing an off-site levy in accordance with the Act, the Town is divided into areas, as shown in Schedule "A".

AMOUNT OF OFF-SITE LEVY

6. The amount of each off-site levy is set out in Schedule "B".

IMPOSITION OF OFF-SITE LEVY

7. The following define the imposition of off-site levies under this Bylaw:
 - (a) The Town may impose an off-site levy on each hectare of subdivision area as a condition of subdivision.
 - (b) The Town may impose an off-site levy on each hectare of development area within the Town as a condition of development approval.
 - (c) Off-site levies are payable in accordance with section 8 of this Bylaw.

PAYMENT OF OFF-SITE LEVY

8. The following define the payment of off-site levies under this Bylaw:
 - (a) The amount of the off-site levies is calculated as set out in Schedule "C".
 - (b) Where an off-site levy is imposed on a subdivision area, the applicant shall pay the off-site levy upon execution of the development agreement, unless otherwise specified in the development agreement.
 - (c) Where an off-site levy is imposed on a development area, the applicant shall pay the off-site levy on the date of issuance of a Development Permit unless otherwise specified in a development agreement.
 - (d) If a development agreement does provide for deferred payment of any off-site levy or portion of an off-site levy, the development agreement shall provide that:
 - (i) any portion of the off-site levy deferred shall be protected through security on terms outlined in the development agreement;
 - (ii) the applicant shall pay the off-site levy at the time specified in the development agreement; and

- (iii) the deferred portion of the off-site levy shall be subject to increase or decrease, in accordance with the terms in this Bylaw.
- (e) Interest on any outstanding off-site levy amount shall be calculated from the time it is payable at prime rate plus 3% compounded annually.
- (f) Any payment of an off-site levy pursuant to this Bylaw which is not made when due shall be a debt owing to the Town by the applicant. This provision does not in any way affect any other remedy available to the Town for late or non-payment of an off-site levy.
- (g) In addition to paragraph 8(f), where an applicant fails, neglects, or refuses to pay the off-site levy imposed when due, the Town may refuse to:
 - (i) endorse a Plan of Subdivision;
 - (ii) issue a development permit; or
 - (iii) issue an occupancy permit.

until the applicant has paid the off-site levy and any interest.

AGREEMENTS

- 9. The entering into of a development agreement in respect of payment of off-site levies as applicable is hereby authorized.

REVIEW OF OFF-SITE LEVY RATES

- 10.
 - (a) The Town shall review the off-site levy rates once every two years.
 - (b) After the review has been completed, the Town may amend the Bylaw to update the off-site levy rates.

ANNUAL REPORT

- 11. The Town shall report annually to Council regarding the status of off-site levies in a format acceptable to the Chief Administrative Officer.

SEVERABILITY

- 12. If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion shall be severed.

TRANSITION

- 13.
 - (a) This Bylaw applies to:
 - (i) any subdivision where the date of subdivision approval occurs on or after the date this Bylaw comes into force; and
 - (ii) any development where the date of issuance of a development permit occurs on, or after, the date this Bylaw comes into force.

- (b) The provisions of Bylaw 2044 shall continue to apply to:
 - (i) any subdivision where the date of subdivision approval occurs before the date this Bylaw comes into force; and
 - (ii) any development where the date of issuance of a development permit occurs before the date this Bylaw comes into force.

SCHEDULES

14. This Bylaw contains:

- (a) Schedule "A" – Off-site Levy Bylaw Areas;
- (b) Schedule "B" – Amount of Off-site Levies;
- (c) Schedule "C" – Calculation of Off-site Levies; and
- (d) Schedule "D" – Off-site Levy Update May 2021,

which forms a part of this Bylaw.

REPEAL

15. Subject to section 13, Bylaw 2044 and its amendments, as amended, are hereby repealed.

EFFECTIVE DATE

16. This Bylaw shall come into force and have effect on the date of third and final reading.

RULES OF INTERPRETATION

17. The headings in this Bylaw are for reference purposes only and do not form a part of the Bylaw.

PASSAGE OF POLICIES

18. Nothing in this Bylaw precludes the Town from:

- (a) passing Bylaws to impose further or different off-site levies, duly enacted by Bylaw, on any land in respect of which the Town has not collected the off-site levies imposed under this Bylaw or any previous off-site levy Bylaw authorized by statute; or
- (b) adopting Council policies in relation to:
 - (i) the process by which expenditures incurred by developers for infrastructure with capacity in excess of the capacity required to service their development is shared with subsequent developers;

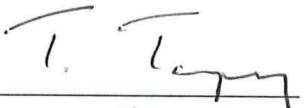
- (ii) the process by which the amount payable by a developer for off-site levies is off-set against the developer's cost to construct off-site levy infrastructure (off-setting); and
 - (iii) the process governing when a developer may construct off-site levy infrastructure which benefits other parties, at whose cost such construction will occur, and how a developer who has paid the cost of such construction is to be reimbursed for the costs in excess of his proportionate share; and
 - (iv) the applicability of the off-site levy in particular subdivision and development circumstances; and
- (c) adopting procedures or guidelines for the assistance and direction of Town administration with respect to the implementation of this Bylaw.

READ a first time this 25 day of May, 2021.

READ a second time this 26 day of July, 2021.

READ a third and final time this 26 day of July, 2021.

SIGNED by the Mayor and Chief Administrative Officer this 28 day of July, 2021.

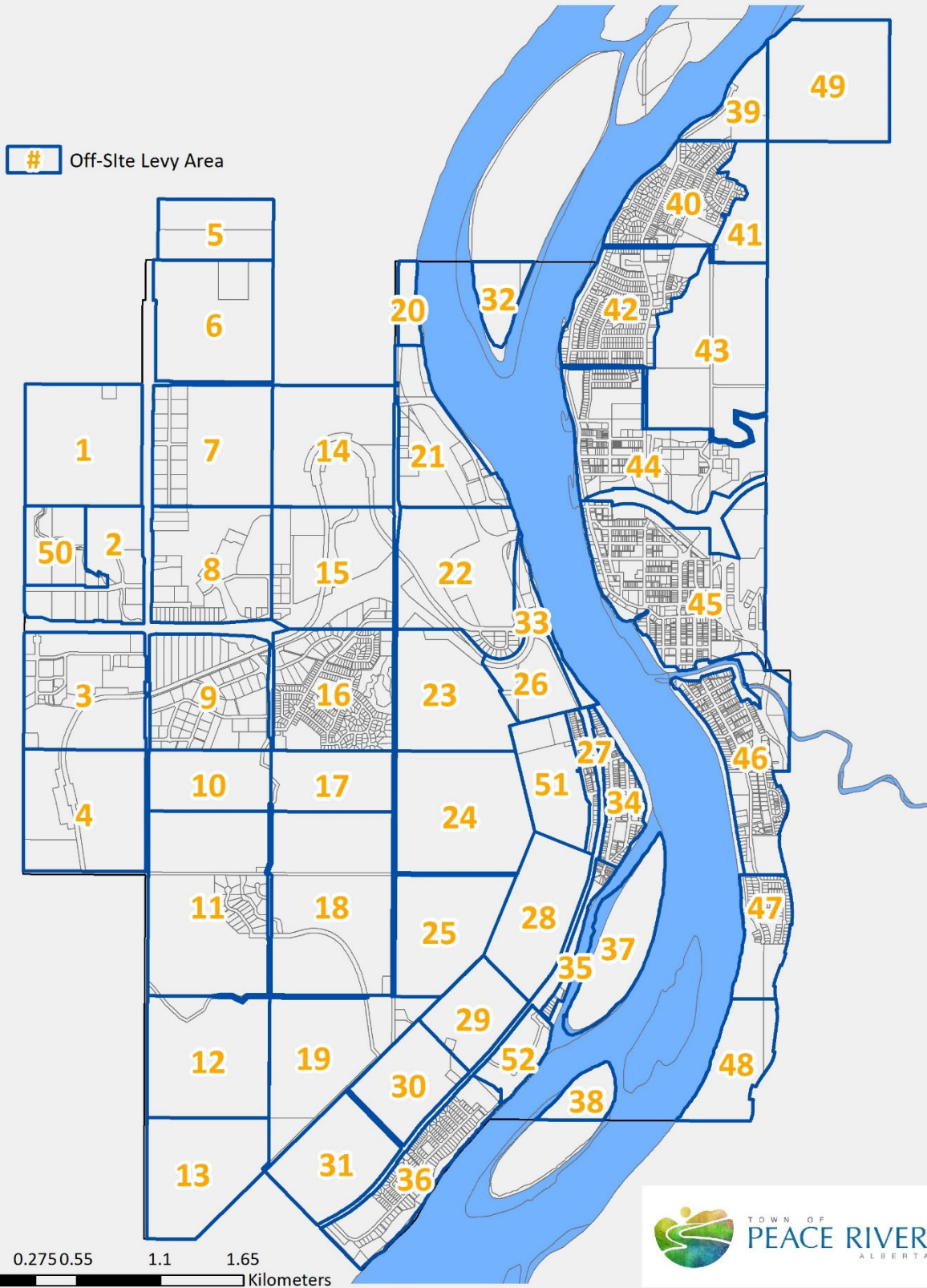


Thomas Tarpey
Mayor



Christopher J. Parker
Chief Administrative Officer

BYLAW NO. 2099 SCHEDULE "A" – OFF-SITE LEVY BYLAW AREAS



BYLAW NO. 2099 SCHEDULE "B" – AMOUNT OF OFF-SITE LEVIES

Area Ref #	Road Off-Site Levy (per Ha)	Water Off-Site Levy (per Ha)	Sanitary Sewer Off-Site Levy (per Ha)	Total (per Ha)
1	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
2	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
3	\$ 16,674	\$ 8,221	\$ 10,932	\$ 35,827
4	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
5	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
6	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
7	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
8	\$ 16,674	\$ 8,221	\$ 10,932	\$ 35,827
9	\$ 18,635	\$ 8,221	\$ 10,932	\$ 37,788
10	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
11	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
12	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
13	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
14	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
15	\$ 18,170	\$ 8,221	\$ 10,932	\$ 37,323
16	\$ 16,674	\$ 8,221	\$ 10,932	\$ 35,827
17	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
18	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
19	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
20	\$ 16,625	\$ 8,221	\$ 10,932	\$ 35,778
21	\$ 16,625	\$ 8,221	\$ 10,932	\$ 35,778
22	\$ 16,625	\$ 10,127	\$ 13,095	\$ 39,847
23	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362
24	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
25	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
26	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
27	\$ 16,674	\$ 10,127	\$ 13,095	\$ 39,896
28	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
29	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
30	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
31	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431
32	\$ 15,879	\$ 8,221	\$ 10,932	\$ 35,032
33	\$ 16,625	\$ 10,127	\$ 13,095	\$ 39,847
34	\$ 19,051	\$ 10,127	\$ 13,095	\$ 42,273
35	\$ 16,625	\$ 10,127	\$ 13,095	\$ 39,847
36	\$ 17,090	\$ 10,127	\$ 13,095	\$ 40,312
37	\$ 15,879	\$ 8,221	\$ 10,932	\$ 35,032
38	\$ 15,879	\$ 8,221	\$ 10,932	\$ 35,032
39	\$ 16,625	\$ 11,866	\$ 9,086	\$ 37,577
40	\$ 19,051	\$ 11,866	\$ 9,086	\$ 40,003
41	\$ 18,635	\$ 11,866	\$ 9,086	\$ 39,587
42	\$ 18,586	\$ 11,866	\$ 9,086	\$ 39,538
43	\$ 16,210	\$ 11,866	\$ 9,086	\$ 37,162
44	\$ 18,586	\$ 15,432	\$ 12,652	\$ 46,670

Area Ref #	Road Off-Site Levy (per Ha)	Water Off-Site Levy (per Ha)	Sanitary Sewer Off-Site Levy (per Ha)	Total (per Ha)
45	\$ 26,674	\$ 15,432	\$ 12,652	\$ 54,758
46	\$ 19,051	\$ 15,432	\$ 12,652	\$ 47,135
47	\$ 16,625	\$ 15,432	\$ 12,652	\$ 44,709
48	\$ 16,625	\$ 15,432	\$ 12,652	\$ 44,709
49	\$ 16,210	\$ 11,866	\$ 9,086	\$ 37,162
50	\$ 16,210	\$ 8,221	\$ 13,095	\$ 37,526
51	\$ 16,210	\$ 8,221	\$ 13,095	\$ 37,526
52	\$ 16,625	\$ 10,127	\$ 13,095	\$ 39,847

BYLAW NO. 2099 SCHEDULE "C" – CALCULATION OF OFF-SITE LEVIES

The off-site levy for water, sanitary sewer and roads shall be calculated in accordance with the following:

Water Off-site Levy	=	subdivision area or development area (in hectares)	X Amount of Off-site levy set out in Schedule "B", section 1 above
Sanitary Sewer Off-site Levy	=	subdivision area or development area (in hectares)	X Amount of Off-site levy set out in Schedule "B", section 1 above
Road Off-site Levy	=	subdivision area or development area (in hectares)	X Amount of Off-site levy set out in Schedule "B", section 1 above

Schedule "D" – Off-site Levy Update May 2021



Offsite Levy Rate Update
May 14, 2021

1 INTRODUCTION

The Town of Peace River enacted its current offsite levy bylaw (Bylaw 2044) in May 2019, an update of Bylaws 1851 and 1952. The bylaw includes charges for transportation, water, and sanitary offsite infrastructure (stormwater management facilities are managed outside the offsite levy bylaw). As stipulated in the MGA, offsite levy rates must be updated regularly to account for changing variables, and an update report provided to Council.

CORVUS Business Advisors was retained by the Town in 2011 to update the Peace River Offsite Levy Rate Model. A report containing the amended variables and new rates was presented to Council. The weighted average rates increase to approximately \$56,500 per ha (on average). However, Council did not approve amendment of the bylaw/rates. As a result, the Town has been approving developments and collecting offsite levies based on the original rates established in 2009.

In April 2014, the Town retained CORVUS Business Advisors to facilitate a rate update. This report outlines the methodology used in updating and establishing offsite levies and the resulting rates for each infrastructure type and each offsite levy area. The average approved rates called for an adjusted rate (70% of the full amount) in 2014 totalling \$58,348 per hectare and increasing to 100% of the full amount totalling \$83,355 in 2016.

For the 2019 update, Town staff continued to use the CORVUS model and made several enhancements to the existing methodology. Capital projections over 25 years have been rationalized, as have the portion attributable to future development. As such, the rates are showed a significant reduction to an average rate of \$40,886 per hectare.

The 2021 model maintains these changes and continues further improvement and refinement to methodology. Based on the results of the update, the 2021 average rate per hectare is \$37,297.

1.1 Methodology

Town staff reviewed and amended the list of offsite projects for transportation, water, and sanitary infrastructure including costs incurred and future costs required to support growth plans within Town of Peace River. New projects were added in alignment with the most recent engineering analyses within the Town. Cost estimates and % allocations to new development for projects established in 2014 were significantly modified, and cost estimates and % allocations for new projects were added.

When Town planners established the offsite levy areas/map in 2009 a grid system contained in the Town's planning database was used. As a result, offsite levy areas often overlapped quarter section areas and other natural geographic features. In addition, various lands were left out of the original mapping. To remedy these shortfalls, Town planners revised the offsite levy areas/map during this year's update. All lands within Town boundaries are now included, including recent annexation areas; and, each project benefiting area was reviewed using the new offsite areas established by Town planners.

The map has been updated to capture changes to areas within the town.

The information contained in the current Town offsite levy rate model was current to December 31st, 2013. During this review, offsite levy expenditure and receipt information was updated to December 31st, 2017, the most current completed year-end. Receipts and costs pertaining to 2017 and prior are treated as an “actual”; receipts and costs pertaining to 2020 and beyond are treated as an “estimate”. When the next update is completed in 2022, 2021 receipts and costs will be converted from “estimates” to “actuals”.

Offsite levy rates are not intended to stay static; they are based upon assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis. Should information change, it will be reflected in a future update, and rates adjusted accordingly. Section 10(a) of Bylaw 2099 states that the rates will be updated every second year.

The Town utilizes the CORVUS offsite levy model to manage rates. This model is in use in dozens of Alberta municipalities. The model utilizes a “full cost” methodology where by the infrastructure costs, inflation, construction staging, development staging, financing costs, and reserve interest earning and charging impacts are all used to determine rates and allocate all costs to developers on an equitable basis, based on degree of benefit. With the CORVUS model in place, the Town is in a position to quickly and efficiently update offsite levy rates each year upon completion of year-end finance activities.

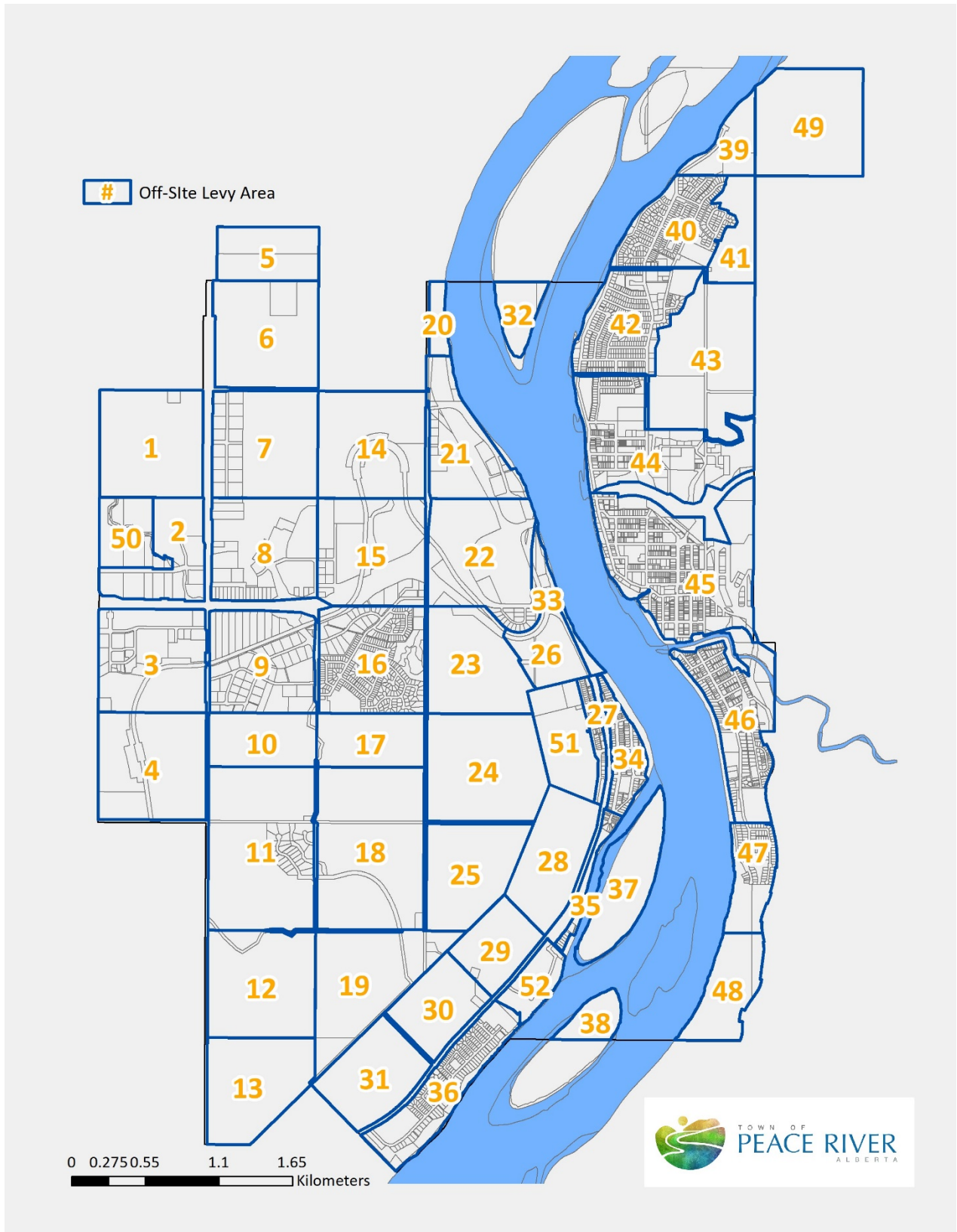
2 OFFSITE LEVY DEVELOPMENT LANDS AND STAGING

Town of Peace River was previously divided into 56 offsite levy areas. When Town planners established the offsite levy areas/map in 2009 a grid system contained in the Town’s planning database was used. As a result, offsite levy areas often overlapped quarter section areas and other natural geographic features. In addition, various lands were left out of the original mapping.

To remedy these shortfalls, this year Town planners revised the offsite levy areas/map during this year’s update. All lands within Town boundaries are now included, including recent annexation areas. New area boundaries conform to natural geographic and manmade barriers (e.g., highways), as well as sanitary basins identified by Town engineering staff. Each area is further divided into sub-areas by land use type, either “residential”, “commercial/industrial”, or “other”. All offsite infrastructure costs are allocated to one or more offsite levy areas. This has now increased the Town into 70 offsite levy areas.

The current offsite levy area map are shown below.

Current Offsite Levy Areas



Total net development area, the amount of land available for development across all offsite levy areas, is ~973 ha. as outlined in the table below. In calculating net development area only those lands remaining to be developed within the area that have not previously paid offsite levies have been considered (as required by legislation/regulation). Town planning staff have made allowances in net development area calculations for environmental reserves, municipal reserves, and right of way.

Offsite Levy Net Development Area

Area Ref. #	Development Area Location	Land Use	Gross Area (ha.)	Environmental Reserves (ha.)	Sub-total	Municipal Reserves	Net Development Area (ha.)
1.1	St. Germaine ASP Residential	Residential	43.82	1.10	42.72	4.27	38.45
1.2	St. Germaine ASP Commercial	Commercial/Industrial	17.45	1.08	16.37	1.68	14.69
2.1	St. Germaine ASP Commercial	Commercial/Industrial	25.27	2.05	23.22	0.62	22.60
3.1	Westview ASP Residential	Residential	15.13		15.13	1.51	13.62
3.2	Westview ASP Commercial/Industrial	Commercial/Industrial	31.67		31.67	-	31.67
4.1	Peace Ridge ASP Industrial	Commercial/Industrial	10.42	3.00	7.42	1.00	6.42
4.2	SE 28-83-22-5	Residential	42.95		42.95	4.30	38.65
5.1	SE 1-84-22-5	Residential	26.76		26.76	2.68	24.08
5.2	SE 1-84-22-5	Commercial/Industrial	3.92		3.92	3.92	-
6.1	Peace View ASP Residential	Residential	43.55		43.55	4.36	39.20
6.2	Peace View ASP Industrial	Commercial/Industrial	15.29		15.29	1.53	13.76
7.1	NW-36-83-22-5	Other	45.27		45.27	4.53	40.74
7.2	NW-36-83-22-6	Commercial/Industrial	0.91		0.91	-	0.91
8.1	Mobile Home Park	Residential	-		-	-	-
8.2	West Hill Commercial - Freson/Walmart	Commercial/Industrial	23.45		23.45	2.35	21.11
9.1	West Hill Cnd Tire/No Frills/Industrial	Commercial/Industrial	2.67		2.67	-	2.67
10.1	Peace Ridge ASP Residential	Residential	24.90	7.00	17.90	5.90	12.00
10.2	Peace Ridge ASP Industrial	Commercial/Industrial	7.13	1.00	6.13	1.00	5.13
11.1	Peace Ridge ASP Residential/Westbrook/NW 24 83 22 5	Residential	87.01	3.00	84.01	8.40	75.61
12.1	SW-24-83-22-5	Residential	63.24		63.24	6.32	56.92
13.1	NW-13-83-22-5	Residential	52.87		52.87	5.29	47.58
14.1	NE 36-83-22-5	Residential	8.53		8.53	0.85	7.68
14.2	NE 36-83-22-5	Other	40.87		40.87	4.09	36.78
15.1	SE 36-83-22-5	Residential	0.86		0.86	0.09	0.77
15.2	SE 36-83-22-5	Commercial/Industrial	4.61		4.61	0.46	4.15
16.1	Saddleback Residential	Residential	9.57		9.57	-	9.57
16.2	Saddleback Industrial	Commercial/Industrial	0.13		0.13	-	0.13
17.1	Half SE 25-83-22-5	Residential	31.94		31.94	3.19	28.75
18.1	NE 24-83-22-5/ Half SE 25-83-22-5	Residential	91.48		91.48	9.15	82.33
19.1	SE 24-83-22-5	Residential	59.25		59.25	5.93	53.33
20.1	North West Industrial	Other	7.32	7.32	-	-	-
21.1	North West Industrial	Commercial/Industrial	11.43		11.43	1.14	10.29
22.1	Lions Camp Ground	Other	15.12		15.12	1.51	13.61
23.1	Misery Mountain NW-30-83-21-5 Valleyview ASP	Other	49.79	49.79	-	-	-
24.1	Misery Mountain SW-30-83-21-5	Other	68.86	68.86	-	-	-
25.1	NW 19-83-21-5	Residential	48.81		48.81	4.88	43.93
26.1	Citadel ASP Residential	Residential	12.97	0.42	12.55	1.36	11.19
26.2	Citadel ASP Commercial & Industrial Lot	Commercial/Industrial	0.95		0.95	-	0.95
27.1	River Lot/Upper West Peace	Residential	0.06		0.06	-	0.06
28.1	River Lot 41	Residential	44.39		44.39	4.44	39.95
29.1	River Lot 40	Residential	27.49		27.49	2.75	24.74
30.1	River Lot 39	Residential	31.92		31.92	3.19	28.73
31.1	River Lot 38	Residential	11.03		11.03	1.10	9.93
32.1	Bewley Island SW-6-84-21-5	Other	14.31	14.31	-	-	-
33.1	Anderson Development Area	Other	8.64	5.61	3.03	0.30	2.73
34.1	Lower West Peace	Residential	0.17		0.17	-	0.17
35.1	Rosedale	Residential	5.00	4.25	0.75	0.08	0.68
36.1	Shaftesbury Estates	Residential	12.47		12.47	1.25	11.22
37.1	Island	Other	39.85	39.85	-	-	-
38.1	Island SE-19-83-21-5	Other	12.01	12.01	-	-	-
39.1	Norglen ASP SW 8-84-21-5	Residential	3.58		3.58	0.36	3.22
39.2	Norglen ASP	Other	12.98	12.98	-	-	-

40.1	North End - North	Residential	-	-	-	-	-
41.1	Norglen ASP NW 8-84-21-5	Other	21.35	21.35	-	-	-
42.1	North End - Mid	Residential	0.52		0.52	-	0.52
43.1	Frac SW 5-84-21-5/Frac NW 32-83-21-5	Other	73.93	73.93	-	-	-
44.1	North End - South	Residential	-	-	-	-	-
44.2	North End - South	Commercial/Industrial	0.36		0.36	-	0.36
45.1	Downtown	Residential	0.66		0.66	-	0.66
45.2	Downtown	Commercial/Industrial	1.54		1.54	-	1.54
45.3	Downtown	Other	4.31	4.31	-	-	-
46.1	South End	Residential	8.43		8.43	0.84	7.59
46.2	South End	Other	6.92	6.92	-	-	-
47.1	South End	Residential	-	-	-	-	-
47.2	South End	Other	11.57	11.57	-	-	-
48.1	South End	Other	30.52	30.52	-	-	-
49.1	SE 8-84-21-5	Other	63.68	63.68	-	-	-
50.1	St. Germaine Urban Reserve	Other	22.56		22.56	2.26	20.30
51.1	River Lot/Upper West Peace	Other	31.39	31.39	-	-	-
52.1	Shaftesbury Estates	Other	13.21		13.21	1.32	11.89
	Total		1,561.02	477.30	1,083.72	110.19	973.54

Summary of Offsite Levy Net Development Area

Description	ha.
Gross Development Area	1,561.02
Less Environment Reserve	477.30
Less Municipal Reserve	110.19
Net Development Area	973.54

**Note: 1 Hectare (ha.) = ~2.47 Acres*

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within the Town. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
 - Less: Any environmental areas contained within the development area including environmental reserves and environmental easements.
 - Less: A 10% allowance for Municipal Reserves.
 - Less: The measurement of arterial right of way that bisects the development lands.
- Equals: Net Developable Area, which is the area subject to offsite levies.

2.1 Development Staging

Some municipalities use 'Total Net Lands' available in their community to establish offsite levy charges (called a 'simple' cost over area approach). This approach has several flaws:

1. It assumes that all lands must develop in order to pay for the infrastructure. In many communities, this could mean 50, 75, or even 100+ years' worth of development. These are not reasonable repayment periods, and they can act as disincentives to developers considering the front-ending of infrastructure, and
2. Amortizing repayment over very long periods means that someone developing 100+ years from now could be paying for infrastructure that was placed in the ground 100 years ago. In these

circumstances, the linkage between payment and benefit is more difficult and could place the municipality at risk of legal challenge.

Instead, a rate planning period of 25 years is used. This planning period is used by many municipalities as it provides a reasonable time frame to recoup the costs associated with offsite infrastructure construction (without risk of “front-ending stagnation”), and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the ~973 ha. of net development area available across all offsite levy areas, planners estimate that approximately 14% of this land (~138 ha.) will develop during the rate planning period as shown in the tables below; an increase of 15% from the ~161 ha. that was forecast to develop during the previous rate update.

Summary of Development during the Rate Planning Period (25 years)

Developed Since Last Bylaw Update	31.60	3.2%
Developed In Next 25 Years	134.81	13.8%
Developed Beyond 25 Years	807.12	82.9%
Net Development Area	973.53	

Net development areas have been further classified according to anticipated land use. Land use classifications include: (1) Residential, and (2) Commercial/Industrial, and (3) Other. The table below outlines the anticipated development by land use type during the rate planning period, in comparison to the previous rate update.

Development by Land Use Type during the Rate Planning Period (25 years)
& Comparison to Previous Estimates

Land Use Type CURRENT	Net Development Area In Next 25 Years	%	Land Use Type PREVIOUS	Net Development Area In Next 25 Years	%
Residential	73.51	54.5%	Residential	74.59	53.9%
Commercial/Industrial	61.30	45.5%	Commercial/Industrial	63.77	46.1%
Other	-	0.0%	Other	-	0.0%
Total	134.81	100%	Total	138.36	100%

Anticipated Development during the Rate Planning Period (25 Years)

Area Reference #	Development Area Location	Land Use	Area Developed in Next 25 Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
1.1	St. Germaine ASP Residential	Residential	17,170																				2.40	2.43	2.46	2.45	2.46	2.48	2.49
1.2	St. Germaine ASP Commercial	Commercial/Industrial	-																										
2.1	St. Germaine ASP Commercial	Commercial/Industrial	23,930														2.35	2.30		0.73	2.10	2.10	2.00	2.03	2.03	2.06	2.07	2.07	2.09
3.1	Westview ASP Residential	Residential	6,320			2.17		3.12		1.03																			
3.2	Westview ASP Commercial/Industrial	Commercial/Industrial	25,260	3.05	1.14	1.40	1.86	1.93	1.61	2.50	2.45	2.45	2.45	2.35	2.07														
4.1	Peace Ridge ASP Industrial	Commercial/Industrial	6,220												0.15	2.35			2.25	1.47									
4.2	SE 28-83-22-5	Residential	-																										
5.1	SE 1-84-22-5	Residential	-																										
5.2	SE 1-84-22-5	Commercial/Industrial	-																										
6.1	Peace View ASP Residential	Residential	-																										
6.2	Peace View ASP Industrial	Commercial/Industrial	-																										
7.1	NW-36-83-22-5	Other	-																										
7.2	NW-36-83-22-6	Commercial/Industrial	0.910		0.91																								
8.1	Mobile Home Park	Residential	-																										
8.2	West Hill Commercial - Freson/Walmart	Commercial/Industrial	-																										
9.1	West Hill Cnd Tire/No Frills/Industrial	Commercial/Industrial	2,120			1.45		0.67																					
10.1	Peace Ridge ASP Residential	Residential	11,640														2.72	2.76	2.70	2.64	0.82								
10.2	Peace Ridge ASP Industrial	Commercial/Industrial	-																										
11.1	Peace Ridge ASP Residential/Westbrook/NW 24 83 22 5	Residential	5,650	1.43																		1.70	2.52						
12.1	SW-24-83-22-5	Residential	-																										
13.1	NW-13-83-22-5	Residential	-																										
14.1	NE 36-83-22-5	Residential	-																										
14.2	NE 36-83-22-5	Other	-																										
15.1	SE 36-83-22-5	Residential	-																										
15.2	SE 36-83-22-5	Commercial/Industrial	-																										
16.1	Saddleback Residential	Residential	5,240	1.00		1.25				0.05		2.94																	
16.2	Saddleback Industrial	Commercial/Industrial	0.130												0.13														
17.1	Half SE 25-83-22-5	Residential	-																										
18.1	NE 24-83-22-5/ Half SE 25-83-22-5	Residential	-																										
19.1	SE 24-83-22-5	Residential	-																										
20.1	North West Industrial	Other	-																										
21.1	North West Industrial	Commercial/Industrial	-																										
22.1	Lions Camp Ground	Other	-																										
23.1	Misery Mountain NW-30-83-21-5 Valleyview ASP	Other	-																										
24.1	Misery Mountain SW-30-83-21-5	Other	-																										
25.1	NW 19-83-21-5	Residential	-																										
26.1	Citadel ASP Residential	Residential	10,110		3.60				3.06		2.00				1.45														
26.2	Citadel ASP Commercial & Industrial Lot	Commercial/Industrial	0.950		0.95																								
27.1	River Lot/Upper West Peace	Residential	0.060	0.06																									
28.1	River Lot 41	Residential	-																										
29.1	River Lot 40	Residential	-																										
30.1	River Lot 39	Residential	-																										
31.1	River Lot 38	Residential	-																										
32.1	Bewley Island SW-6-84-21-5	Other	-																										
33.1	Anderson Development Area	Other	-																										
34.1	Lower West Peace	Residential	0.170	0.17																									
35.1	Rosedale	Residential	-																										
36.1	Shaftesbury Estates	Residential	10,550	1.00		2.72				1.92	0.94		2.94	1.03															
37.1	Island	Other	-																										
38.1	Island SE-19-83-21-5	Other	-																										
39.1	Norglen ASP SW 8-84-21-5	Residential	-																										
39.2	Norglen ASP	Other	-																										
40.1	North End - North	Residential	-																										
41.1	Norglen ASP NW 8-84-21-5	Other	-																										
42.1	North End - Mid	Residential	0.520				0.52																						
43.1	Frac SW 5-84-21-5/Frac NW 32-83-21-5	Other	-																										
44.1	North End - South	Residential	-																										

Area Reference #	Development Area Location	Land Use	Area Developed in Next 25 Years	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
44.2	North End - South	Commercial/Industrial	0.240				0.24																						
45.1	Downtown	Residential	-																										
45.2	Downtown	Commercial/Industrial	1.540				0.60		0.94																				
45.3	Downtown	Other	-																										
46.1	South End	Residential	6.080											1.79	1.37	2.82	0.10												
46.2	South End	Other	-																										
47.1	South End	Residential	-																										
47.2	South End	Other	-																										
48.1	South End	Other	-																										
49.1	SE 8-84-21-5	Other	-																										
50.1	St. Germaine Urban Reserve	Other	-																										
51.1	River Lot/Upper West Peace	Other	-																										
52.1	Shaftesbury Estates	Other	-																										
Total			134.81	6.71	6.60	6.27	5.94	5.72	5.61	5.50	5.39	5.39	5.39	5.17	5.17	5.17	5.17	5.06	4.95	4.84	4.62	4.62	4.40	4.46	4.49	4.51	4.53	4.55	4.58

3 TRANSPORTATION

3.1 Transportation Offsite Infrastructure

In order to support growth in the Town, transportation offsite infrastructure is required. Capital plans currently contain 11 transportation infrastructure projects.

The estimated total cost of this infrastructure is comprised of: (a) actual construction costs to date, (b) debenture interest associated with financing, and (c) estimate cost of work yet to be completed. Total cost is ~\$50.6 million (~\$56.3 in 2019) as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff and engineering advisors. It is important to note that these costs represent “gross” costs, of which only a portion will go to support new development during the 25-year review period. The remainder of this section outlines how total costs are equitably apportioned to new development/growth.

Summary of Transportation Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	NIR Program - 94th & 95th Ave	\$ -	\$ -	\$ 1,153,200	\$ 1,153,200
2	Pavement Overlay Projects	-	42,000	1,848,500	1,890,500
3	Sidewalk Replacement Projects	-	-	1,025,300	1,025,300
4	Operations Heavy Equipment	-	72,000	2,117,000	2,189,000
5	8" Trash Pump (2021)	-	-	195,000	195,000
6	Sand and Salt Shed (2021)	-	102,000	1,394,700	1,496,700
7	NIR Program - 2023 to 2025	-	-	1,600,000	1,600,000
8	NIR Program	-	-	14,350,000	14,350,000
9	Pavement Overlay Projects	-	435,600	12,100,000	12,535,600
10	Sidewalk Replacement Projects	-	193,500	5,375,000	5,568,500
11	Heavy Equipment	-	476,000	8,100,000	8,586,000
	Total	\$ -	\$ 1,321,100	\$ 49,258,700	\$ 50,589,800

3.2 Transportation Offsite Infrastructure Grants & Contributions to Date

The MGA enables the Town to recoup costs for infrastructure, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Peace River has not received any special grants or contributions for transportation offsite infrastructure as shown in the table below (note, if the Town receives other grants in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is reduced to ~\$48.0 million (~\$56.3 million in 2019.)

Special Grants and Contributions for Transportation Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Grants or Other Contributions	Reduced Project Estimated Cost
1	NIR Program - 94th & 95th Ave	\$ 1,153,200	\$ -	\$ 1,153,200
2	Pavement Overlay Projects	1,890,500	113,000	1,777,500
3	Sidewalk Replacement Projects	1,025,300	100,000	925,300
4	Operations Heavy Equipment	2,189,000	-	2,189,000
5	8" Trash Pump (2021)	195,000	-	195,000
6	Sand and Salt Shed (2021)	1,496,700	600,000	896,700
7	NIR Program - 2023 to 2025	1,600,000	-	1,600,000
8	NIR Program	14,350,000	-	14,350,000
9	Pavement Overlay Projects	12,535,600	1,210,000	11,325,600
10	Sidewalk Replacement Projects	5,568,500	537,500	5,031,000
11	Heavy Equipment	8,586,000	-	8,586,000
Total		\$ 50,589,800	\$ 2,560,500	\$ 48,029,300

3.3 Transportation Offsite Infrastructure Benefiting Parties

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees. There are three potential benefiting parties:

- Town of Peace River – a portion of the transportation infrastructure which is required to service existing development.
- Other Stakeholders – other parties (such as neighboring municipalities) that benefit from infrastructure.
- Town of Peace River Developers – all growth related infrastructure (i.e., levyable transportation infrastructure costs).

The table below outlines the allocation of transportation offsite infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing transportation offsite infrastructure costs for grants and contribution described earlier. Most infrastructure supports new development.

Allocation of Transportation Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Town Share % (Existing Development)	Other Stakeholder & Oversizing Share %	OSL / New Development Share %
1	NIR Program - 94th & 95th Ave	\$ 1,153,200	95.0%	4.0%	1.0%
2	Pavement Overlay Projects	1,777,500	98.0%		2.0%
3	Sidewalk Replacement Projects	925,300	95.0%		5.0%
4	Operations Heavy Equipment	2,189,000	98.0%		2.0%
5	8" Trash Pump (2021)	195,000	96.0%		4.0%
6	Sand and Salt Shed (2021)	896,700	95.0%		5.0%
7	NIR Program - 2023 to 2025	1,600,000	95.0%	4.0%	1.0%
8	NIR Program	14,350,000	95.0%	3.0%	2.0%
9	Pavement Overlay Projects	11,325,600	86.7%	6.0%	7.3%
10	Sidewalk Replacement Projects	5,031,000	86.7%	6.0%	7.3%
11	Heavy Equipment	8,586,000	92.0%		8.0%
Total		\$ 48,029,300			

3.4 Existing Receipts

Prior to allocating costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers.

The opening balance of the offsite levy reserve at Dec 31st, 2019 is \$148,998. These funds will be used for the funding of future projects.

Allocation of Developer Receipts to Various Offsite Infrastructure

Infrastructure/Reserve Type	Receipts Collected to Date to Apply to Projects
Transportation	\$ 148,998
Water	651,535
Sewer	196,104
Total	\$ 996,657

Offsite Levy Funds Collected and Applied

Item	Project Description	OSL / New Development Cost (Leviable Costs)	Offsite Levy Funds Collected to Present	Adjusted Developer (Levy) Cost
1	NIR Program - 94th & 95th Ave	\$ 11,532	\$ -	\$ 11,532
2	Pavement Overlay Projects	35,550	15,000	20,550
3	Sidewalk Replacement Projects	46,265	20,000	26,265
4	Operations Heavy Equipment	43,780	-	43,780
5	8" Trash Pump (2021)	7,800	-	7,800
6	Sand and Salt Shed (2021)	44,835	-	44,835
7	NIR Program - 2023 to 2025	16,000	-	16,000
8	NIR Program	287,000	-	287,000
9	Pavement Overlay Projects	826,769	75,000	751,769
10	Sidewalk Replacement Projects	367,263	35,000	332,263
11	Heavy Equipment	686,880	-	686,880
	Total	\$ 2,373,674	\$ 145,000	\$ 2,228,674

3.5 Transportation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy areas (see table below). Allocations are denoted with a "1" below applicable areas. Benefiting areas were determined by Town engineering staff and advisors. Transportation infrastructure is treated as part of a single transportation "system" and, therefore, allocated to each area.

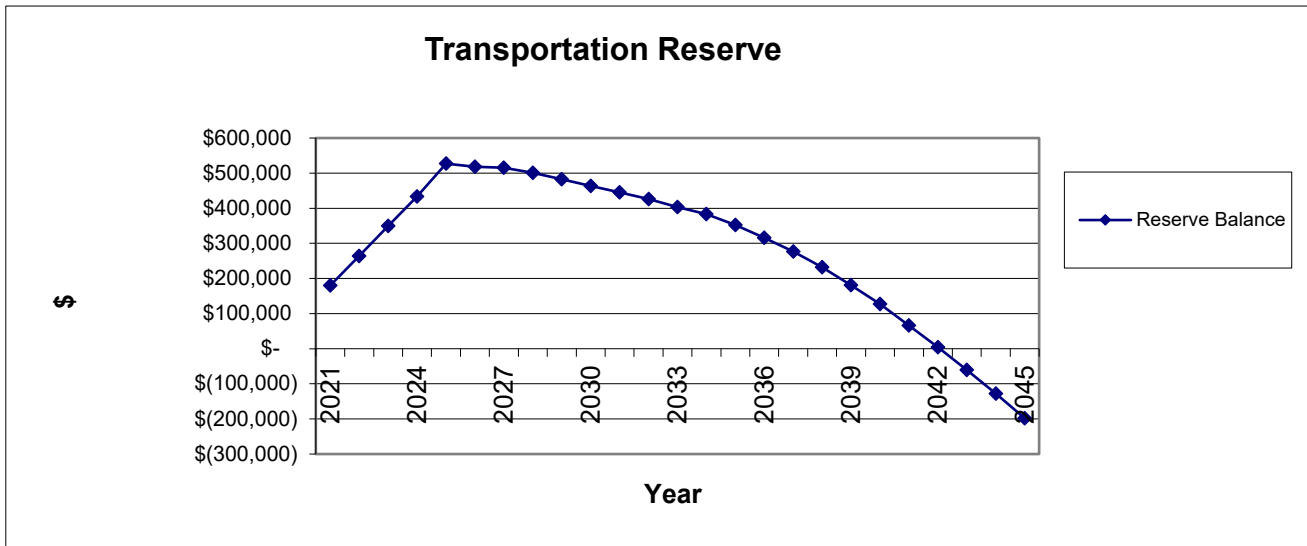
Item	Project Description	Developer Cost	1.1	1.2	2.1	3.1	3.2	4.1	4.2	5.1	5.2	6.1	6.2	7.1	7.2	8.1	8.2	9.1	10.1	10.2	11.1	12.1	13.1	14.1	14.2	15.1	15.2	16.1	16.2	17.1	18.1	19.1	20.1	21.1	22.1	23.1	24.1		
1	NIR Program - 94th & 95th Ave	\$ 11,532																																					
2	Pavement Overlay Projects	20,550																	1								1	1											
3	Sidewalk Replacement Projects	26,265				1	1										1	1	1											1	1								
4	Operations Heavy Equipment	43,780	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
5	8" Trash Pump (2021)	7,800																																					
6	Sand and Salt Shed (2021)	44,835	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
7	NIR Program - 2023 to 2025	16,000																																					
8	NIR Program	287,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
9	Pavement Overlay Projects	751,769	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
10	Sidewalk Replacement Projects	332,263	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
11	Heavy Equipment	686,880	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Total	\$ 2,228,674																																					

Item	Project Description	Developer Cost	25.1	26.1	26.2	27.1	28.1	29.1	30.1	31.1	32.1	33.1	34.1	35.1	36.1	37.1	38.1	39.1	39.2	40.1	41.1	42.1	43.1	44.1	44.2	45.1	45.2	45.3	46.1	46.2	47.1	47.2	48.1	49.1	50.0	51.0	52.0		
1	NIR Program - 94th & 95th Ave	\$ 11,532																																					
2	Pavement Overlay Projects	20,550																																					
3	Sidewalk Replacement Projects	26,265				1																																	
4	Operations Heavy Equipment	43,780	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
5	8" Trash Pump (2021)	7,800																																					
6	Sand and Salt Shed (2021)	44,835	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
7	NIR Program - 2023 to 2025	16,000																																					
8	NIR Program	287,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
9	Pavement Overlay Projects	751,769	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
10	Sidewalk Replacement Projects	332,263	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
11	Heavy Equipment	686,880	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
12	Total	\$ 2,228,674																																					

3.6 Development and Transportation Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of transportation infrastructure from time to time – front-ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender is repaid over time as offsite levies are collected from future development.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.96% interest allowance has been charged to the reserve when in a negative balance, unchanged from the previous model. Further, a 0.95% interest credit has been provided to reduce offsite levy rates for interest earned on positive reserve balances. Interest earning and charge rates should be updated each year to reflect the current economic context. The graph and table below outline transportation levy reserve balances over the 25-year development period.



4 WATER

4.1 Water Offsite Infrastructure

In order to support growth in the Town, water offsite infrastructure is required. Capital plans currently contain 17 water offsite infrastructure projects.

The estimated total cost of this infrastructure is comprised of: (a) actual construction costs to date, (b) debenture interest associated with financing, and (c) estimate cost of work yet to be completed. Total cost is ~ \$50.1 million (~\$54.4 million in 2019) as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff and engineering advisors. It is important to note that these costs represent “gross” costs, of which only a portion will go to support new development during the 25-year review period. The remainder of this section outlines how total costs are equitably apportioned to new development/growth.

Summary of Water Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	NIR Program - 94th and 95th Ave	\$ -	\$ -	\$ 1,153,200	\$ 1,153,200
2	WTP Equipment and System Upgrades	-	-	305,500	305,500
3	Meter Read Software	-	-	50,000	50,000
4	Water Line Replacements	-	9,600	200,000	209,600
5	Shaftesbury Water Main - Pt 1 (2021)	-	28,104	750,000	778,104
6	Shaftesbury Water Main - Pt 2 (2021)	-	28,104	750,000	778,104
7	NIR Program - 2023 to 2025	-	-	1,600,000	1,600,000
8	NIR Program	-	-	14,350,000	14,350,000
9	WTP Upgrades	-	217,800	2,750,000	2,967,800
10	Reservoir Upgrade - Reservoir 353	-	633,600	8,000,000	8,633,600
11	Transmission Upgrades	-	316,800	4,000,000	4,316,800
12	Distribution Upgrades (other than NIR)	-	198,926	2,511,686	2,710,612
13	Booster Station and PRV Upgrades	-	63,360	800,000	863,360
14	Heavy Equipment	-	31,680	400,000	431,680
15	Water Line Twinning on New Bridge	-	-	1,500,000	1,500,000
16	SCADA System	-	63,360	800,000	863,360
17	Reservoir Upgrade - Reservoir 400	-	633,600	8,000,000	8,633,600
	Total	\$ -	\$ 2,224,934	\$ 47,920,386	\$ 50,145,320

4.2 Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables the Town to recoup costs for infrastructure, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Peace River has or is expected to received special grants of ~\$6.0 million for water offsite infrastructure as shown in the table below (note, if the Town receives other grants in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is reduced to ~\$44.1 million (~\$42.4 million in 2019.)

Special Grants and Contributions for Water Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Grants or Other Contributions	Reduced Project Estimated Cost
1	NIR Program - 94th and 95th Ave	\$ 1,153,200	\$ -	\$ 1,153,200
2	WTP Equipment and System Upgrades	305,500	-	305,500
3	Meter Read Software	50,000	-	50,000
4	Water Line Replacements	209,600	-	209,600
5	Shaftesbury Water Main - Pt 1 (2021)	778,104	468,200	309,904
6	Shaftesbury Water Main - Pt 2 (2021)	778,104	468,200	309,904
7	NIR Program - 2023 to 2025	1,600,000	-	1,600,000
8	NIR Program	14,350,000	-	14,350,000
9	WTP Upgrades	2,967,800	-	2,967,800
10	Reservoir Upgrade - Reservoir 353	8,633,600	2,000,000	6,633,600
11	Transmission Upgrades	4,316,800	600,000	3,716,800
12	Distribution Upgrades (other than NIR)	2,710,612	502,337	2,208,274
13	Booster Station and PRV Upgrades	863,360	-	863,360
14	Heavy Equipment	431,680	-	431,680
15	Water Line Twinning on New Bridge	1,500,000	-	1,500,000
16	SCADA System	863,360	-	863,360
17	Reservoir Upgrade - Reservoir 400	8,633,600	2,000,000	6,633,600
	Total	\$ 50,145,320	\$ 6,038,737	\$ 44,106,582

4.3 Water Offsite Infrastructure Benefiting Parties

The water offsite infrastructure previously outlined will benefit various parties to varying degrees. There are three potential benefiting parties:

- Town of Peace River – a portion of the water infrastructure which is required to service existing development.
- Other Stakeholders (or oversizing) – other parties (such as neighboring municipalities and regional water requirements).
- Town of Peace River Developers – all growth related infrastructure (i.e., levyable water infrastructure costs).

The table below outlines the allocation of water offsite infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing water offsite infrastructure costs for grants and contribution described earlier.

Allocation of Water Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Town Share % (Existing Development)	Other Stakeholder & Oversizing Share %	OSL / New Development Share %
1	NIR Program - 94th and 95th Ave	\$ 1,153,200	95.0%	4.0%	1.0%
2	WTP Equipment and System Upgrades	305,500	86.7%	5.0%	8.3%
3	Meter Read Software	50,000	98.0%		2.0%
4	Water Line Replacements	209,600	95.0%	4.0%	1.0%
5	Shaftesbury Water Main - Pt 1 (2021)	309,904	86.7%	5.0%	8.3%
6	Shaftesbury Water Main - Pt 2 (2021)	309,904	86.7%	5.0%	8.3%
7	NIR Program - 2023 to 2025	1,600,000	95.0%	4.0%	1.0%
8	NIR Program	14,350,000	95.0%	4.0%	1.0%
9	WTP Upgrades	2,967,800	86.7%	5.0%	8.3%
10	Reservoir Upgrade - Reservoir 353	6,633,600	87.5%	10.0%	2.5%
11	Transmission Upgrades	3,716,800	86.7%	5.0%	8.3%
12	Distribution Upgrades (other than NIR)	2,208,274	86.7%	5.0%	8.3%
13	Booster Station and PRV Upgrades	863,360	86.7%	5.0%	8.3%
14	Heavy Equipment	431,680	90.0%		10.0%
15	Water Line Twinning on New Bridge	1,500,000	95.0%	3.0%	2.0%
16	SCADA System	863,360	95.0%		5.0%
17	Reservoir Upgrade - Reservoir 400	6,633,600	87.5%	10.0%	2.5%
Total		\$ 44,106,582			

4.4 Existing Receipts

Prior to allocating costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers.

The opening balance of the offsite levy reserve at Dec 31st, 2019 is \$651,535. These funds will be used for the funding of future projects.

Allocation of Developer Receipts to Various Offsite Infrastructure

Infrastructure/Reserve Type	Receipts Collected to Date to Apply to Projects
Transportation	\$ 148,998
Water	651,535
Sewer	196,104
Total	\$ 996,657

Offsite Levy Funds Collected and Applied

Item	Project Description	OSL / New Development Cost (Leviable Costs)	Offsite Levy Funds Collected to Present	Adjusted Developer (Levy) Cost
1	NIR Program - 94th and 95th Ave	\$11,532	\$ -	\$ 11,532
2	WTP Equipment and System Upgrades	\$25,357	-	25,357
3	Meter Read Software	\$1,000	-	1,000
4	Water Line Replacements	\$2,096	1,000	1,096
5	Shaftesbury Water Main - Pt 1 (2021)	\$25,722	-	25,722
6	Shaftesbury Water Main - Pt 2 (2021)	\$25,722	-	25,722
7	NIR Program - 2023 to 2025	\$16,000	-	16,000
8	NIR Program	\$143,500	-	143,500
9	WTP Upgrades	\$246,327	75,000	171,327
10	Reservoir Upgrade - Reservoir 353	\$165,840	50,000	115,840
11	Transmission Upgrades	\$308,494	75,000	233,494
12	Distribution Upgrades (other than NIR)	\$183,287	50,000	133,287
13	Booster Station and PRV Upgrades	\$71,659	10,000	61,659
14	Heavy Equipment	\$43,168	-	43,168
15	Water Line Twinning on New Bridge	\$30,000	-	30,000
16	SCADA System	\$43,168	-	43,168
17	Reservoir Upgrade - Reservoir 400	\$165,840	50,000	115,840
		\$1,508,712	\$ 311,000	\$ 1,197,172

4.5 Water Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy areas (see table below). Allocations are denoted with a "1" below applicable areas. Benefiting areas were determined by Town engineering staff and advisors. Water infrastructure is treated as part of a single water "system" and, therefore, allocated to each area.

Benefiting Areas for Water Offsite Infrastructure

Item	Project Description	Developer Cost	1.1	1.2	2.1	3.1	3.2	4.1	4.2	5.1	5.2	6.1	6.2	7.1	7.2	8.1	8.2	9.1	10.1	10.2	11.1	12.1	13.1	14.1	14.2	15.1	15.2	16.1	16.2	17.1	18.1	19.1	20.1	21.1	22.1	23.1	24.1		
1	NIR Program - 94th and 95th Ave	\$ 11,532																																					
2	WTP Equipment and System Upgrades	25,357	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3	Meter Read Software	1,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
4	Water Line Replacements	1,096	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
5	Shaftesbury Water Main - Pt 1 (2021)	25,722																			1	1	1																
6	Shaftesbury Water Main - Pt 2 (2021)	25,722																			1	1	1																
7	NIR Program - 2023 to 2025	16,000																																					
8	NIR Program	143,500	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
9	WTP Upgrades	171,327	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
10	Reservoir Upgrade - Reservoir 353	115,840	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
11	Transmission Upgrades	233,494	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12	Distribution Upgrades (other than NIR)	133,287	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	Booster Station and PRV Upgrades	61,659	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
14	Heavy Equipment	43,168	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
15	Water Line Twinning on New Bridge	30,000																																					
16	SCADA System	43,168	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
17	Reservoir Upgrade - Reservoir 400	115,840	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Total		\$ 1,197,172																																					

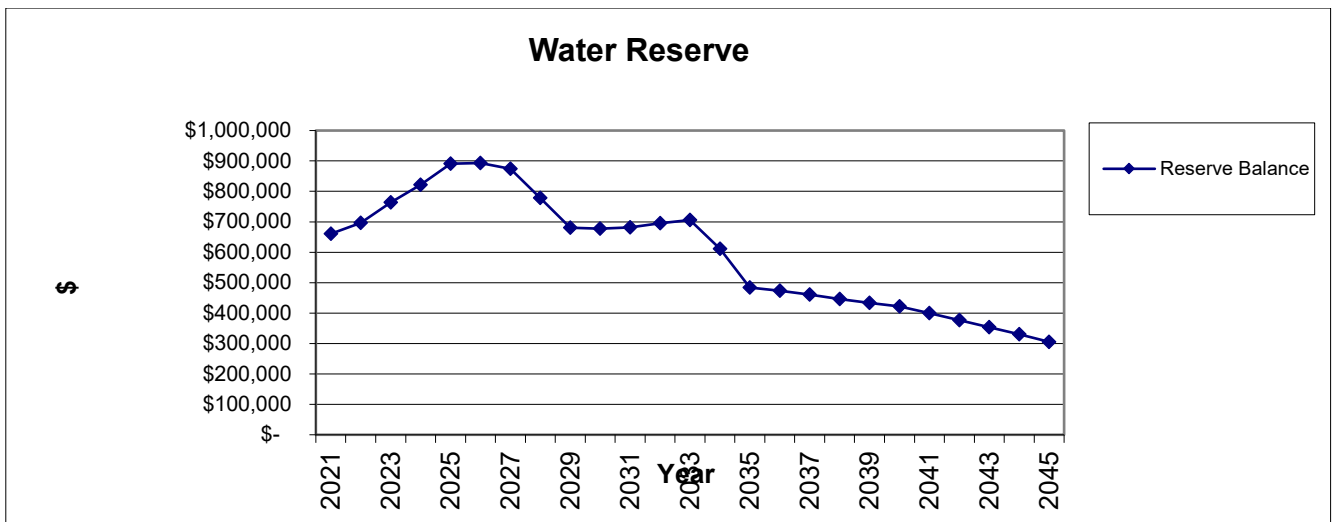
Item	Project Description	Developer Cost	25.1	26.1	26.2	27.1	28.1	29.1	30.1	31.1	32.1	33.1	34.1	35.1	36.1	37.1	38.1	39.1	39.2	40.1	41.1	42.1	43.1	44.1	44.2	45.1	45.2	45.3	46.1	46.2	47.1	47.2	48.1	49.1	50.0	51.0	52.0		
1	NIR Program - 94th and 95th Ave	\$ 11,532																							1	1	1	1	1	1	1	1	1	1	1	1	1		
2	WTP Equipment and System Upgrades	25,357	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3	Meter Read Software	1,000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
4	Water Line Replacements	1,096	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
5	Shaftesbury Water Main - Pt 1 (2021)	25,722	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
6	Shaftesbury Water Main - Pt 2 (2021)	25,722	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
7	NIR Program - 2023 to 2025	16,000																								1	1	1	1	1	1	1	1	1	1	1	1	1	
8	NIR Program	143,500	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
9	WTP Upgrades	171,327	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
10	Reservoir Upgrade - Reservoir 353	115,840	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
11	Transmission Upgrades	233,494	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12	Distribution Upgrades (other than NIR)	133,287	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	Booster Station and PRV Upgrades	61,659	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
14	Heavy Equipment	43,168	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
15	Water Line Twinning on New Bridge	30,000																								1	1	1	1	1	1	1	1	1	1	1	1	1	
16	SCADA System	43,168	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
17	Reservoir Upgrade - Reservoir 400	115,840	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Total		\$ 1,197,172																																					

4.6 Development and Water Staging Impacts

Water offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of water infrastructure from time to time—front-ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender is repaid over time as offsite levies are collected from future development.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.96% interest allowance has been charged to the reserve when in a negative balance, unchanged from the previous model. Further, a 0.95% interest credit has been provided to reduce offsite levy rates for interest earned on positive reserve balances. Interest earning and charge rates should be updated each year to reflect the current economic context. The graph and table below outline transportation levy reserve balances over the 25-year development period.

Anticipated Water Offsite Levy Reserve Balances



5 SEWER

5.1 Sanitary Offsite Infrastructure

In order to support growth in the Town, sanitary offsite infrastructure is required. Capital plans currently contain 18 sanitary offsite infrastructure projects.

The estimated total cost of this infrastructure is comprised: (a) actual construction costs to date, (b) debenture interest associated with financing, and (c) estimate cost of work yet to be completed. Total cost is approximately ~\$42.5 million (~\$50.9 million in 2019) as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by Town staff and engineering advisors. It is important to note that these costs represent “gross” costs, of which only a portion will go to support new development during the 25-year review period. The remainder of this section outlines how total costs are equitably apportioned to new development/growth.

Summary of Sanitary Offsite Infrastructure

Item	Project Description	Cost of Completed Work	Debenture Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
1	NIR Program (2021 - 2022)	\$ -	\$ -	\$ 1,153,200	\$ 1,153,200
2	Shaftesbury Sewer Main - Pt 1 (2021)	-	31,896	851,875	883,771
3	Shaftesbury Sewer Main - Pt 2 (2021)	-	31,896	851,875	883,771
4	Biosolids Dewater	-	-	664,100	664,100
5	Lift Station 4	-	-	1,922,300	1,922,300
6	Lift Station 7	-	-	1,281,500	1,281,500
7	Sewer Line Replacements	-	-	650,000	650,000
8	Sewer Treatment Plant Upgrades	-	-	2,010,000	2,010,000
9	NIR Program (2023 - 2025)	-	-	1,600,000	1,600,000
10	Secondary Clarifier Upgrade	-	324,000	1,800,000	2,124,000
11	NIR Program	-	-	14,350,000	14,350,000
12	2nd Aeration Tank Train	-	237,600	3,000,000	3,237,600
13	WWTP Upgrades	-	186,120	2,350,000	2,536,120
14	Lift Station Upgrades	-	316,800	4,000,000	4,316,800
15	Collection System Upgrades	-	237,600	3,000,000	3,237,600
16	Sewer Line Twinning on New Bridge	-	118,800	1,500,000	1,618,800
	Total	\$ -	\$ 1,484,712	\$ 40,984,850	\$ 42,469,562

5.2 Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables the Town to recoup costs for infrastructure, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). Town of Peace River has not received any special grants or contributions for sanitary offsite infrastructure as shown in the table below (note, if the Town receives grants in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is reduced to ~\$37.4 million (~\$40.2 million in 2019.)

Special Grants and Contributions for Sanitary Offsite Infrastructure

Item	Project Description	Total Project Estimated Cost	Grants or Other Contributions	Reduced Project Estimated Cost
1	NIR Program (2021 - 2022)	\$ 1,153,200	\$ -	\$ 1,153,200
2	Shaftesbury Sewer Main - Pt 1 (2021)	883,771	531,800	351,971
3	Shaftesbury Sewer Main - Pt 2 (2021)	883,771	531,800	351,971
4	Biosolids Dewater	664,100	-	664,100
5	Lift Station 4	1,922,300	-	1,922,300
6	Lift Station 7	1,281,500	-	1,281,500
7	Sewer Line Replacements	650,000	-	650,000
8	Sewer Treatment Plant Upgrades	2,010,000	-	2,010,000
9	NIR Program (2023 - 2025)	1,600,000	-	1,600,000
10	Secondary Clarifier Upgrade	2,124,000	531,000	1,593,000
11	NIR Program	14,350,000	-	14,350,000
12	2nd Aeration Tank Train	3,237,600	750,000	2,487,600
13	WWTP Upgrades	2,536,120	587,500	1,948,620
14	Lift Station Upgrades	4,316,800	1,000,000	3,316,800
15	Collection System Upgrades	3,237,600	750,000	2,487,600
16	Sewer Line Twinning on New Bridge	1,618,800	375,000	1,243,800
	Total	\$ 42,469,562	\$ 5,057,100	\$ 37,412,462

5.3 Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees. There are three potential benefiting parties:

- Town of Peace River – a portion of the sanitary infrastructure which is required to service existing development.
- Other Stakeholders (or oversizing) – other parties (such as neighboring municipalities) that benefit from infrastructure.
- Town of Peace River Developers – all growth related infrastructure (i.e., levyable sanitary infrastructure costs).

The table below outlines the allocation of sanitary offsite infrastructure costs to benefiting parties. Percentage allocations have been determined after reducing sanitary offsite infrastructure costs for grants described earlier. Most infrastructure supports new development.

Allocation of Sanitary Infrastructure to Benefiting Parties

Item	Project Description	Reduced Project Estimated Cost	Town Share % (Existing Development)	Other Stakeholder & Oversizing Share %	OSL / New Development Share %
1	NIR Program (2021 - 2022)	\$ 1,153,200	95.0%	4.0%	1.0%
2	Shaftesbury Sewer Main - Pt 1 (2021)	351,971	86.7%	5.0%	8.3%
3	Shaftesbury Sewer Main - Pt 2 (2021)	351,971	86.7%	5.0%	8.3%
4	Biosolids Dewater	664,100	98.0%		2.0%
5	Lift Station 4	1,922,300	86.7%	5.0%	8.3%
6	Lift Station 7	1,281,500	86.7%	5.0%	8.3%
7	Sewer Line Replacements	650,000	86.7%	5.0%	8.3%
8	Sewer Treatment Plant Upgrades	2,010,000	86.7%	5.0%	8.3%
9	NIR Program (2023 - 2025)	1,600,000	95.0%	4.0%	1.0%
10	Secondary Clarifier Upgrade	1,593,000	98.0%		2.0%
11	NIR Program	14,350,000	95.0%	4.0%	1.0%
12	2nd Aeration Tank Train	2,487,600	86.7%	5.0%	8.3%
13	WWTP Upgrades	1,948,620	86.7%	5.0%	8.3%
14	Lift Station Upgrades	3,316,800	86.7%	5.0%	8.3%
15	Collection System Upgrades	2,487,600	86.7%	5.0%	8.3%
16	Sewer Line Twinning on New Bridge	1,243,800	86.7%	5.0%	8.3%
Total		\$ 37,412,462			

5.4 Existing Receipts

Prior to allocating costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers.

The opening balance of the offsite levy reserve at Dec 31st, 2019 is \$196,104. These funds will be used for the funding of future projects.

Allocation of Developer Receipts to Various Offsite Infrastructure

Infrastructure/Reserve Type	Receipts Collected to Date to Apply to Projects
Transportation	\$ 148,998
Water	651,535
Sewer	196,104
Total	\$ 996,657

Offsite Levy Funds Collected and Applied

Item	Project Description	OSL / New Development Cost (Leviable Costs)	Offsite Levy Funds Collected to Present	Adjusted Developer (Levy) Cost
1	NIR Program (2021 - 2022)	\$ 11,532	\$ -	\$ 11,532
2	Shaftesbury Sewer Main - Pt 1 (2021)	29,214	-	29,214
3	Shaftesbury Sewer Main - Pt 2 (2021)	29,214	-	29,214
4	Biosolids Dewater	13,282	-	13,282
5	Lift Station 4	159,551	50,000	109,551
6	Lift Station 7	106,365	90,000	16,365
7	Sewer Line Replacements	53,950	50,000	3,950
8	Sewer Treatment Plant Upgrades	166,830	-	166,830
9	NIR Program (2023 - 2025)	16,000	-	16,000
10	Secondary Clarifier Upgrade	31,860	-	31,860
11	NIR Program	143,500	-	143,500
12	2nd Aeration Tank Train	206,471	-	206,471
13	WWTP Upgrades	161,735	6,104	155,631
14	Lift Station Upgrades	275,294	-	275,294
15	Collection System Upgrades	206,471	-	206,471
16	Sewer Line Twinning on New Bridge	103,235	-	103,235
	Total	\$ 1,714,503	\$ 196,104	\$ 1,518,399

5.5 Sanitary Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy areas (see tables below). Allocations are denoted with a "1" below applicable areas. Benefiting areas were determined by Town engineering staff and advisors. Sanitary infrastructure has been allocated to several benefiting land "basins".

Benefiting Areas for Sanitary Offsite Infrastructure

Item	Project Description	Developer Cost	1.1	1.2	2.1	3.1	3.2	4.1	4.2	5.1	5.2	6.1	6.2	7.1	7.2	8.1	8.2	9.1	10.1	10.2	11.1	12.1	13.1	14.1	14.2	15.1	15.2	16.1	16.2	17.1	18.1	19.1	20.1	21.1	22.1	23.1	24.1		
1	NIR Program (2021 - 2022)	\$ 11,532																																					
2	Shaftesbury Sewer Main - Pt 1 (2021)	29,214																																					
3	Shaftesbury Sewer Main - Pt 2 (2021)	29,214																																					
4	Biosolids Dewater	13,282	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
5	Lift Station 4	109,551	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
6	Lift Station 7	16,365	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
7	Sewer Line Replacements	3,950	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
8	Sewer Treatment Plant Upgrades	166,830	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
9	NIR Program (2023 - 2025)	16,000																																					
10	Secondary Clarifier Upgrade	31,860	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
11	NIR Program	143,500	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12	2nd Aeration Tank Train	206,471	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	WWTP Upgrades	155,631	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
14	Lift Station Upgrades	275,294	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
15	Collection System Upgrades	206,471	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
16	Sewer Line Twinning on New Bridge	103,235	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 1,518,399																																					

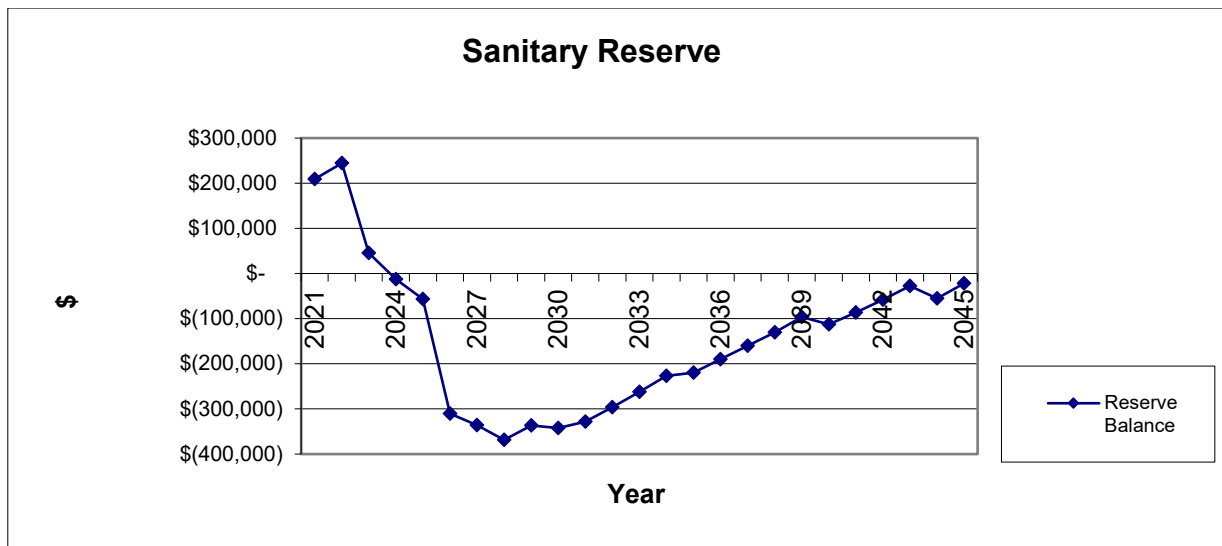
Item	Project Description	Developer Cost	25.1	26.1	26.2	27.1	28.1	29.1	30.1	31.1	32.1	33.1	34.1	35.1	36.1	37.1	38.1	39.1	39.2	40.1	41.1	42.1	43.1	44.1	44.2	45.1	45.2	45.3	46.1	46.2	47.1	47.2	48.1	49.1	50.0	51.0	52.0		
1	NIR Program (2021 - 2022)	\$ 11,532																																					
2	Shaftesbury Sewer Main - Pt 1 (2021)	29,214	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
3	Shaftesbury Sewer Main - Pt 2 (2021)	29,214	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
4	Biosolids Dewater	13,282	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
5	Lift Station 4	109,551	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
6	Lift Station 7	16,365	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
7	Sewer Line Replacements	3,950	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
8	Sewer Treatment Plant Upgrades	166,830	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
9	NIR Program (2023 - 2025)	16,000																																					
10	Secondary Clarifier Upgrade	31,860	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1		
11	NIR Program	143,500	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
12	2nd Aeration Tank Train	206,471	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
13	WWTP Upgrades	155,631	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
14	Lift Station Upgrades	275,294	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
15	Collection System Upgrades	206,471	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
16	Sewer Line Twinning on New Bridge	103,235	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
		\$ 1,518,399																																					

5.6 Development and Sanitary Staging Impacts

Sanitary offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front-ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender is repaid over time as offsite levies are collected from future development.

In order to compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.96% interest allowance has been charged to the reserve when in a negative balance, unchanged from the previous model. Further, a 0.95% interest credit has been provided to reduce offsite levy rates for interest earned on positive reserve balances. Interest earning and charge rates should be updated each year to reflect the current economic context. The graph and table below outline transportation levy reserve balances over the 25-year development period.

Anticipated Sanitary Offsite Levy Reserve Balances



6 SUMMARY OF INFRASTRUCTURE COSTS

The total cost of all offsite transportation, water, and sanitary infrastructure in the Town of Peace River has decreased from ~\$161.6 million to ~\$146.1 million. Of the \$146.1 million infrastructure cost, the Town’s existing residents and other stakeholders benefit from and pay for ~\$140.5 million or 96% (96% in 2019) of the cost, while developers (growth) benefit from and pay for ~\$5.6 million or 4.0% (4% in 2019) of the cost.

Since the last update, developer costs have decreased from \$6.5 million to \$5.6 million (a 14% decrease), primarily as a result of the changes in allocation methodology to capital projects over the 25 year horizon.

Comparison to Developer Costs since Last Update

Infrastructure CURRENT	Total Costs	Developer Costs	Infrastructure PREVIOUS	Total Costs	Developer Costs
Transportation	\$ 53,526,800	\$ 2,373,674	Transportation	\$ 56,305,124	\$ 2,031,309
Water	50,145,320	1,508,712	Water	54,397,622	2,250,566
Sewer	42,469,562	1,714,503	Sewer	50,904,833	2,252,341
Total	\$ 146,141,682	\$ 5,596,889	Total	\$ 161,607,579	\$ 6,534,217

7 SUMMARY OF OFFSITE LEVY RATES

The table below shows the combined offsite levy rates (per ha.) associated with construction of transportation, water, and sanitary offsite infrastructure for each offsite levy area. Rates vary from a low of \$35,032 (\$32,236 in 2019) per ha. to a high of \$54,758 (\$60,344 in 2019) per ha. The weighted average rate across all areas is \$37,297 (\$40,355 in 2019) per ha. (note, the weighted average rate is provided for information purposes only; developers are charged the rate applicable to their specific offsite levy area).

Area Reference #	Road Off Site Levy (per Ha)	Water Off Site Levy (per Ha)	Sewer Off Site Levy (per Ha)	Total (per Ha)	Area Reference #	Road Off Site Levy (per Ha)	Water Off Site Levy (per Ha)	Sewer Off Site Levy (per Ha)	Total (per Ha)
1	\$ 16,209	\$ 8,221	\$ 10,932	\$ 35,362	27	\$ 16,674	\$ 10,127	\$ 13,095	\$ 39,896
2	16,209	8,221	10,932	35,362	28	16,209	10,127	13,095	39,431
3	16,674	8,221	10,932	35,827	29	16,209	10,127	13,095	39,431
4	16,209	8,221	10,932	35,362	30	16,209	10,127	13,095	39,431
5	16,209	8,221	10,932	35,362	31	16,209	10,127	13,095	39,431
6	16,209	8,221	10,932	35,362	32	15,879	8,221	10,932	35,032
7	16,209	8,221	10,932	35,362	33	16,625	10,127	13,095	39,847
8	16,674	8,221	10,932	35,827	34	19,051	10,127	13,095	42,273
9	18,635	8,221	10,932	37,788	35	16,625	10,127	13,095	39,847
10	16,209	8,221	10,932	35,362	36	17,090	10,127	13,095	40,312
11	16,209	10,127	13,095	39,431	37	15,879	8,221	10,932	35,032
12	16,209	10,127	13,095	39,431	38	15,879	8,221	10,932	35,032
13	16,209	10,127	13,095	39,431	39	16,625	11,866	9,086	37,577
14	16,209	8,221	10,932	35,362	40	19,051	11,866	9,086	40,003
15	18,170	8,221	10,932	37,323	41	18,635	11,866	9,086	39,587
16	16,674	8,221	10,932	35,827	42	18,586	11,866	9,086	39,538
17	16,209	8,221	10,932	35,362	43	16,210	11,866	9,086	37,162
18	16,209	10,127	13,095	39,431	44	18,586	15,432	12,652	46,670
19	16,209	10,127	13,095	39,431	45	26,674	15,432	12,652	54,758
20	16,625	8,221	10,932	35,778	46	19,051	15,432	12,652	47,135
21	16,625	8,221	10,932	35,778	47	16,625	15,432	12,652	44,709
22	16,625	10,127	13,095	39,847	48	16,625	15,432	12,652	44,709
23	16,209	8,221	10,932	35,362	49	16,210	11,866	9,086	37,162
24	16,209	10,127	13,095	39,431	50	16,210	8,221	13,095	37,526
25	16,209	10,127	13,095	39,431	51	16,210	8,221	13,095	37,526
26	\$ 16,209	\$ 10,127	\$ 13,095	\$ 39,431	52	\$ 16,625	\$ 10,127	\$ 13,095	\$ 39,847

Each year the Town's rates fail to keep pace with inflation and other factors results in further rate decay, with taxpayers making up the ever-increasing financing gap. In the 2014 update, the Town adopted a phased in approach to rate changes, with full 100% rate recovery achieved by 2016. The table below shows the approved rates at the time against the rates provided for 2021.

Year	Rate Adjustment in Each Area	Approximate Weighted Average Rate
2014	70% of Full Cost Rate	\$ 58,348
2015	85% of Full Cost Rate	\$ 70,852
2016	100% of Full Cost Rate	\$ 83,355
2019	100% of Full Cost Rate	\$ 40,886
2021	100% of Full Cost Rate	\$ 37,297