



Offsite Levy Bylaw Update

2026

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1 Introduction

The Off-Site Levy Model and subsequently the Off-Site Levy Bylaw underwent a significant review in 2025. A key element of the updated bylaw is a more definitive requirement to provide annual reporting in accordance with the Municipal Government Act (MGA). The 2026 annual report will focus on the maintenance of the model with one exception. The following updates are including in the report:

- Review of levies collected to date.
- Review of infrastructure projects completed to date.
- Review of infrastructure project cost estimates.
- Review of relevancy of current infrastructure projects in the model.
- Review of developable area.
- Reserve balance reconciliation.

Methodology of the review is provided in detail in the next section.

1.1 Current Off-Site Levy Bylaw 3730/2025

The current offsite levy bylaw can be found here:

<https://www.reddeer.ca/city-services/engineering/offsite-levies/off-site-levy-supporting-documents/> under the bylaw tab.

2 Methodology

In simple terms, the off-site levy rate is calculated based on the total value of projects in a particular basin divided by the developable area. As projects are completed and levies are collected the cost of projects and developable areas are adjusted to reflect this in the calculation of the rate. Projects are completed and levies are collected annually and as such, the rate is adjusted on an annual basis.

2.1 Annual Rate Calculations

For this year's rate update the following data was input into the model:

- Levies collected in 2025.
- Projects completed in 2025.
- Known cost escalations in 2025.

Development staging and staging for each of the levy types was simply advanced into the future assuming the same growth rates that were applied in the development of the model in 2025. Projects that moved forward into the 25 year period were reviewed to determine if they should be included in the rate calculation, or deferred and excluded.

Cost estimates were updated in the year that they occurred if they were known and developable areas were adjusted if right of way was purchased or area structure plans provided more detailed area values.

3.0 2026 Rate Calculation

3.1 Levies Collected in 2025

Engineering collected offsite levies under four agreements in 2025:

- DA 2025-001 Timber Ridge Phase 6B – 2.88 hectares
- DA 2025-002 Evergreen 1C/MF Voluntary OSL Payment – 0.69 hectares
- DA 2025-003 Laredo Phase 5A Surface – 3.26 hectares
- DA 2025-004 Emerson Phase 1 – 2.08 hectares
- DA 2025-009 Timber Ridge School Site – 3.87 hectares

The total levies collected in 2025 are:

Basin	Transportation	Water	Sanitary	Storm
14	\$129,036.55	\$253,096.69	\$8,722.27	\$82,662.53
16	\$144,524.35	\$212,280.27	\$15,011.83	\$2,242.99
Total	\$273,560.90	\$465,376.96	\$23,734.10	\$84,905.52

3.2 Summary of Project Expenditures in 2025.

Transportation

There were no project expenditures for Transportation in 2025.

Water

There were no project expenditures for Water in 2025.

Sanitary

There were no project expenditures for Sanitary 2025.

Storm

- Item 49 - 48052- Storm Model Update

Total expenditures from Off-Site Levy reserves in 2025 was as follows:

Transportation	Water	Sanitary	Storm
\$0.00	\$0.00	\$0.00	\$121,874.00

3.3 Cost Estimate Adjustments in 2025

One project had its cost estimate adjusted in 2025, Item 22 in the Storm category. This was updated to reflect a change in staging and delivery. In order to support development of the first phase of Emerson, a portion of Item 22 will be constructed in 2026 by the developer and refunded through the levy. The first phase of this project's cost estimate is adjusted to \$403,000 and is staged in 2026. The total project cost is \$580,920 with the remainder staged in 2029.

This is a significant reduction in the overall project cost from 2025, which was \$1,866,000. In reviewing the servicing study for the Emerson development it was determined that significantly less length of stormwater pipe met the definition of a levy project. There are also efficiencies and costs reductions by having the developer deliver this project as part of their development phase which will both see a reduced rate for stormwater in Basin 14.

3.4 Project Staging Review

3.4.1 Transportation Projects

As the 25 year time frame in the model calculation has advanced a year, several projects are now within the 25 year time frame and therefore are included in the rate calculation. These projects are all Transportation projects and listed below:

- Item 5 – 40354 – 80 Av – Phase 2 – 77 St to 800m south of 77 St
- Item 8 – 40388 – Ross St from 20 Av to 600m east of 20 Av – 4 lane divided arterial
- Item 35 – Taylor Dr from Twp 391 to 800m north - 4 lane undivided arterial
- Item 39 – 30 Av from Northland Dr to Twp Rd 390
- Item 42 – 32 Street from 20 Av to east quarter line (900m) – 2 lanes
- Item 60 – New Roadway from Twp Rd 391 to 880 m north – 4 lane undivided arterial

There are two options with these projects; defer so they are out of the model or leave them in the model to start collecting levies. There are two projects, Item 35 and Item 60 that are not required to develop the initial phases of their basin and as such can be deferred. In both cases they were deferred to 2052.

The other four projects have the potential to support development in the next 25 years however at the back end of that time frame it is difficult to determine. A scenario was run, with the projects in the model and with the projects outside of the model to compare the impact to the rates.

These options were then discussed with BILD to determine which method was used in the 2026 rate calculation. After consultation with BILD it was determined they were not required to service the current growth area so the start years were adjusted to 2052. More information on these scenarios is found in the What We Heard report in Appendix A of this report.

In 2025 the City also completed an update to the Transportation Demand Model. This highlighted one project missing from the Off-Site Levy model at the intersection of 67th Street and 20th Avenue. Work completed during the planning for the North Highway Connector had identified an interchange at this location, however this was missing from the list of transportation projects in the model.

At this time, since many of the other interchange projects are well beyond the 25 year model period the interchange at 67th Street and 20th Avenue will not be included until further analysis is undertaken to determine necessity.

While it may be reasonable to expect that the roundabout is necessary to support development in the next 25 years there is too much uncertainty to include in the project in the rate with any confidence. For this year's update, the project will be included in the model but staged outside of the 25 year period so that the project cost is not included in the rate. Timing will be reviewed annually and brought into the rate calculation when there is more certainty on development timing.

The last update to Transportation projects was correction of the description of item 19, which has been changed to the 19th Street and 20th Avenue Roundabout.

3.4.2 Water Projects

No adjustments were made to water projects in this update.

3.4.3 Sanitary Projects

This is a house keeping item, to reflect a change in naming. We created a new project to NEW OSL Item 33 - 47029 HWY 11A SANI TRUNK 59-60 EXT, which was previously Item 11 - 47029 HWY 11A SANI TRUNK 59-60 EXT.

3.4.4 Storm Projects

As mentioned above, changes have been made to Item 22. Upon completion of the servicing study for the Emerson development it was determined that significantly less length was required and staging has been adjusted to complete the first phase of this project in 2026, while a short portion will remain in 2027.

The 2024 Transportation Model update will replace the 2016 Transportation Model documentation in Schedule D – Infrastructure Requirements Documents in the updated bylaw.

3.5 Development Staging Review

Although there has been a significant improvement in the collection of levies indicating an increase in development in 2025 compared to previous years it would be too early to consider an adjustment to staging assumptions made in the previous year's model update.

3.6 Developable Area Review

There were no updates to developable areas in 2025. We did review a scenario proposed by a developer which would swap an area in Basin 14 with an area in Basin 16. The review determined that changes would have a marginal impact on the rates and after reviewing with BILD it was determined that no changes would be made. Details of these scenarios are included in the What We Heard report in Appendix A.

3.7 Reserve Balance Reconciliation

In 2025 a reconciliation of the actual account balance (i.e., what's in our bank account) was completed to ensure accuracy of the reserve balance in the model. While this was an accounting exercise, in the spirit of transparency the transactions undertaken to reconcile the account with the model are listed below.

Transportation Reserve

- Corrected DA 2024-001 receipt to correct value of \$42,122.80.
- Removed \$7,818.01 in 2022 project expenses for Item 8 - J40388 - Ross Street from 20 Avenue to 600 metres. Project expense was entered in error.
- Removed transfer to operating expense in 2021 of \$13,114.33. Added in accounting correction where a credit was posted for \$3,953 in year 2021 for Item 2 - J40296 - 20th Ave (19 - 55 St) Berm/Landsc .
- Added in the following expenses to incurred in 2019 - \$13,370.01 and 2020 - \$261.56 for Item 1 - 40190P North Highway Connector Projects.
- Updated 2024 expenses to \$11,363 for Item 26 - 40419 - CP Rail Overpass (HWY 11A Between Taylor Drive & Gatez Ave).
- Removed \$102 expenses in 2020 which were entered in error for Item 18 - 19th Street from east Vermont Avenue to 20 Avenue - 2 lanes to 4 lanes.
- Added \$9,484.99 of accrued debenture interest in 2024 on the reconciliation tab.
- Reduced 2023 interest earned by \$2.00 on the reconciliation tab.
- Removed \$42,393.70 of calculated interest earned on development receipts on the reconciliation tab.
- Removed \$64,321.38 of calculated interest on project expenses on the reconciliation tab.
- Added expense in 2023 of \$287,538.15 for project 40298 ROSS ST E OF RIDEOUT AVE 20-AVE on the reconciliation tab.

Water Reserve

- Removed the following expenses in the water expenditure worksheet 1) 2021 - \$12,086.01 2) 2022 - \$153.75. The expenses were removed as they were "transfer to operating" expenses and should not be included as part of OSL expenses for Item 5 - 46019 Delburne RD WT TRNK BOWER.
- Updated the interim interest to actual amount of \$36,412, previous interest amount was \$36,093 for Item 5 - 46019 Delburne RD WT TRNK BOWER.
- Updated the interim interest to actual amount of \$32,997, previous interest was \$33,316 for Item 6 - 46020 - CENTRAL WATER PARK TRUNK.
- Updated funding source to 50% Developer and 50% MUNI on the Facility Tab and on the Project Expense Worksheet to match council approved funding of 50% OSL and 50% Muni for Item 7 - 46021 - NRDRWSC Supply Line.
- Corrected the interim financing cost to actual amount of \$0, previous value was negative \$8,292 for Item 7 - 46021 - NRDRWSC Supply Line.
- Corrected the 2021 expense to a positive value of \$28,637.48. The previous expense was reported as "negative" \$28,637.48 for Item 8 - 46022 WATER MODEL UPDATE 2021.
- Added a Total of \$29,351.43 of project expenses. The expenses were added to the following years: 2021: \$224.64, 2022: \$12,073.50, 2023: \$17,053.29. The costs are

related to Water Model project expenses that were charged to a different capital job. Expenses are for Item 8 - 46022 WATER MODEL UPDATE 2021.

- Changed the funding source On the Water Expenditure Tab for the project expenses from 2021-2023 to "Other" from "OSL". This was done to match the actual funding source that is reflected on the Facility Worksheet. The following expenses moved from OSL to Other: 2021: \$202,169, 2022: \$587,988, 2023: negative \$12,323. The OSL portion was reduced by \$777,834 for Item 18 - 46023 HWY 2A WATER TRUNK SERVICE.
- Added \$5,296.05 of accrued debenture interest in 2018 on the reconciliation tab.
- Added \$3,175.39 of accrued debenture interest in 2024 on the reconciliation tab.
- Removed \$6,428.81 of calculated interest earned on development receipts on the reconciliation tab.
- Removed \$64,321.38 of calculated interest on project expenses on the reconciliation tab.
- Added a DA receipt of \$35,738.48 in 2021 for 84 Burnt Park Drive (Local Improvement related to Sullivan Quarter) on the reconciliation tab.

Sanitary Reserve

- Moved expense in 2018 of \$23,010 to Item 33 - 47029 HWY 11A SANI TRUNK 59-60EXT.
- Added \$123,462.09 of expenses in 2024 to the "Sanitary Model Update" in the project expense tab.
- Removed \$1,332.93 transfer to operating expense on project expense tab in 2020 for Item 9 - 47027 EHC Timberlands Diversion.
- Updated interim interest to actual amount of \$55,966, previous amount was \$55,280 for Item 9 - 47027 EHC Timberlands Diversion.
- Removed \$2,070.72 transfer to operating expense in 2020 for Item 10 - 47028 30 Ave SANI TRNK (50-49).
- Updated interim interest costs to actual amount of \$234,980 for Item 10 - 47028 30 Ave SANI TRNK (50-49).
- Added \$28,624.17 of accrued debenture interest in 2018 on the reconciliation tab.
- Added \$19,634.14 of accrued debenture interest in 2024 on the reconciliation tab.
- Removed \$4,594.45 of calculated interest earned on development receipts on the reconciliation tab.
- Removed \$62,176.77 of calculated interest on project expenses on the reconciliation tab.
- Added a DA receipt of \$48,160.14 in 2021 for 84 Burnt Park Drive (Local Improvement related to Sullivan Quarter) on the reconciliation tab.

Storm Reserve

- Corrected DA receipt for storm for GH Dawe Expansion (56 Holt Street)/CORD DA2021-007 to be \$44,774.48.
- Added \$36,388.46 to "OTHER" in the 2018 expense column in the "Storm Expenditure Worksheet". The amount reflects an excavation credit that was received and was not properly accounted for on the expense worksheet. There is \$205,000 of "Other" Contributions on the facility page, which includes the excavation credit. This was for Item 8 - 48035 - EHN - NW26 Northland Dr Pon HS & 82 Trunk.

- Updated the interim interest expense to actual amount of \$82,626.31, the previous interest was \$80,551.95 for Item 8 - 48035 - EHN - NW26 Northland Dr Pon HS & 82 Trunk.
- Removed \$3,106.08 transfer to operating in 2019 expenses for Item 7 - 48032 EHN - 30AV STRM TRNK (81-84).
- Update the interim interest to actual amount of \$355,267, the previous interest amount was \$357,342 expenses for Item 7 - 48032 EHN - 30AV STRM TRNK (81-84).
- Added project expenses of 1) 2019 - \$26,764.25 2) 2020 - \$6,346.83 3) 2021 - \$295.20 to Storm Expenditures. The total expenses added was \$33,405.77. The expenses were missed in previous OSL updates. This was for Item 4 - 48017 Hazlett Lake Storm Management Plan.
- Added \$3,163.87 of accrued debenture interest in 2024 on the reconciliation tab.
- Removed \$6,428.81 of calculated interest earned on development receipts on the reconciliation tab.
- Removed \$57,367.08 of calculated interest on project expenses on the reconciliation tab
- Added expense in 2019 of \$30,625 for project 48033 – EHN – SW26 71st Pond 29 on the reconciliation tab.
- Added expense in 2024 of \$24,535.60 for project 48038 – N OF 11A Storm Servicing Study on the reconciliation tab.

A summary of the reserve balances are shown below

Balance	Transportation	Water	Sanitary	Storm
2024 Closing	\$15,016,439	\$(9,061,741)	\$(27,635,468)	\$(17,944,695)
2024 Reconciliation	\$(308,066)	\$(137,337)	\$(609,165)	\$(56,284)
2025 Opening Balance	\$14,708,373	\$(9,597,316)	(28,244,633)	\$(18,000,979)
2025 Project Expenditures	\$0	\$0.00	\$0.00	\$121,874.00
2025 Levies Collected	\$273,561	\$465,377	\$23,734	\$84,906
2025 Interest Paid	\$(220,535)	\$(67,139)	\$(118,773)	\$(88,300)
2025 Closing	\$14,761,399	\$(9,199,078)	\$(28,331,548)	\$(18,126,247)
Difference (2024 to 2025)	\$(255,040)	\$(137,337)	\$(696,080)	\$(181,552)

With the reserve balance reconciliation and project cost changes the following changes to developer costs are shown below:

	Developer Cost	
	2025	2026
Transportation	\$ 98,478,237	\$98,434,419
Water	\$ 123,340,053	\$124,625,403
Sanitary	\$ 80,399,189	\$81,042,104
Storm	\$ 204,348,649	\$205,058,193
Total	\$ 506,566,128	\$509,160,119

As a result, the 2026 calculated rates for 2026 are shown below.

3.9 2026 Offsite Levy Rates

Basin	Transportation	Water	Sanitary	Storm	Total
1	\$22,923.42	\$95,130.55	\$102,603.52	\$277,610.34	\$498,267.82
2	\$22,923.42	\$95,130.55	\$102,603.52	\$106,399.45	\$327,056.94
3	\$22,923.42	\$22,614.21	\$64,064.37	\$77,919.28	\$187,521.28
4	\$22,923.42	\$22,614.21	\$142,813.01	\$350.14	\$188,700.78
5	\$22,923.42	\$22,614.21	\$14,878.62	\$9,413.46	\$69,829.72
6	\$22,923.42	\$22,614.21	\$3,998.54	\$29,922.30	\$79,458.48
7	\$22,923.42	\$95,130.55	\$47,230.81	\$92,236.55	\$257,521.33
8	\$22,923.42	\$95,130.55	\$103,556.16	\$51,282.49	\$272,892.61
9	\$22,923.42	\$29,286.62	\$3,409.01	\$53,883.37	\$109,502.41
10	\$22,923.42	\$1,125.38	\$2,410.17	\$1,035.55	\$27,494.53
11	\$22,923.42	\$42,689.68	\$1,580.77	\$1,769.18	\$68,963.05
12	\$22,923.42	\$42,689.68	\$20,212.16	\$1,769.18	\$87,594.45
13	\$22,923.42	\$42,689.68	\$10,610.94	\$44,106.83	\$120,330.86
14	\$22,923.42	\$42,689.68	\$1,580.77	\$9,060.23	\$76,254.10
15					
16	\$22,923.42	\$31,981.29	\$2,410.17	\$361.87	\$57,676.74
17	\$22,923.42	\$49,327.21	\$25,481.06	\$227,789.87	\$325,521.56
18	\$22,923.42	\$49,327.21	\$108,754.81	\$173,319.47	\$354,324.90
19	\$22,923.42	\$31,981.29	\$108,754.81	\$138,736.55	\$302,396.06
20	\$22,923.42	\$27,767.76	\$0	\$0	\$50,691.18

In 2025 the average total off-levy rate was \$164,605 per hectare. Average rates are up slightly in 2026 with an average total off-site levy rate of per hectare of \$171,649.

While this average increased from the 2025 rate update, the impact will be minimal for basins where we are currently experiencing development. In 2025 only two basins saw levies paid, Basin 14 and 16. With the changes to the project in Basin 14, the total rate has decreased by \$2,247 per hectare. Basin 16 rates have increased by \$2,310 per hectare.

3.8 10 Year Capital Plan Projects

There is a direct correlation between the City's 10-year capital plan and the off-site levy model. This is a representation of projects that will support future growth areas in this City. The following projects are in the approved 2026 Capital Budget (2026 projects) and the 2026 Capital Plan (2027 to 2036 projects).

Project	OSL Reserve	Year	Supporting Basins
Item 22 – Trunk (SW26) 800m (750mm)	Storm	2026	14
Item 20 – Trunk (SE 27) 800m (450/525mm)	Storm	2028	14
Item 11 – Lift Station (SE5)	Sanitary	2033	8
Item 10 – Trunk (NE36/NW31) 1400m (600mm)	Water	2033	1,2,7,8,9
Item 14 – Trunk (RvrsdDr&NLD) 4400m (900mm)	Water	2033	1,2,3,4,5,6,7,8,9,20
Item 16 – Reservoir N of 11A (SE4)	Water	2033	1,2,7,8
Item 17 – Trunk (SW3/S4/SE35) 2900m (750mm)	Water	2033	1,2,7,8,9,20
Item 30 – Trunk (SE4) 350m (600mm)	Water	2033	1,2,7,8
Item 32 – Trunk (NE/NW3) 350m (750mm)	Sanitary	2033	7
Item 15 – Trunk (NW3&NE4) 1900m (750/450mm)	Sanitary	2033	7
Item 14 – Trunk (S3) (CP Rail – RD River)	Storm	2033	6,7,8,9
Item 9 – Hazlett Drainage Improvement	Storm	2034	5,6,7,8,9
Item 13 – Trunk Taylor&Hwy11A 200m (400mm)	Water	2034	1,2,7,8,9,20
Item 15 – Trunk (S4) 900m (750mm)	Water	2034	1,2,7,8
Item 7 – Highway 11A from QEII to Taylor Drive – 2 lanes to 4 lanes	Transportation	2035	7,8
Item 4 – 80 th Avenue – Phase 1 – Highway 11A to 77 Street	Transportation	2035	9
Item 9 – Highway 11A and Taylor Drive Roundabout	Transportation	2036	7,8

The first two projects on the list are required for further developments in Basin 14. The remaining projects are primarily required for supporting development in Basin 7 and 8 although supporting basins have more included. This is because the projects are required for the first phase of developments in Basin 7 and 8 but will also benefit development in other basins in the future. For water, storm and sanitary the supporting basin is the same as the benefitting basin in the model.

The Transportation supporting basins is different from the benefitting basin in the model because we are working in the philosophy that transportation projects is benefitting all basins. The supporting basin for transportation projects illustrate the direct basin that these projects will help start up.