



# 2014 Levies and Fees Report



Urban Development Institute  
EDMONTON REGION  
*Building communities together*



# A Comparison of Development Levies and Fees in Alberta

## Summary

This report was produced by UDI Edmonton Region utilizing survey data collected from municipalities from around Alberta. The purpose of this study was to compare Edmonton, Alberta with other locations around Alberta in terms of the fees and levies charged to developers as well as systems in place for developers to deal with boundary conditions and oversizing of infrastructure within their land.

The study was intended to quantitatively examine and compare average fees and levies as of September 2014; and not intended to evaluate “efficiency.” Generally, levies are comprised of the cost of infrastructure divided by the amount of land each holding represents in the basin or benefiting area. Some municipalities must build more infrastructure than others in order to reach new developments which accounts for some of the differences. However, over time more infrastructure has been added to levies in many municipalities and this quantitative analysis is meant to evaluate this. Also, the study should not be seen as a direct comparative analysis, nor used for financial forecasting or decision making, as complexity of municipal governments,

levy calculations and development models are highly variable and open to interpretation.

The study compared the Assessable Area Used in the Calculation of Fees and Levies, Security deposit, and any major fees, as well as drainage, water, roadway, and (if applicable) rec facility levies.

Levies are generally charged by a municipality at the time of the development agreement, usually as a condition of subdivision. Since this is potentially two years away from when a finished house is sold, interest and higher margins to account for added risk must be factored in.

In Edmonton, among neighbourhoods approved in the last ten years, median density is 35 du/nrha. \$100,000 of levies here create a direct tax of \$2857 per unit. However in many other municipalities and rural settings density is lower. If density were 18 du/nrha, the resulting tax per unit of \$100,000 of levies would be \$5555.55. Again, carrying costs and higher margins to account for risk would increase this burden on the homeowner, reducing affordability.

The review of 11 Albertan municipalities shows a range of methods and differences in fees and levies. Further review of what infrastructure is included in each of these and where they rank could be undertaken by city builders in these areas to further understand their competitiveness and openness for growth.



## Edmonton

<b>Assessable area:</b>	Gross development area less Municipal & Environmental Reserves, Public Utility Lots, arterial roads
<b>Security</b>	Ranges from 100% of construction costs for new developers to 10% for developers with 2 completed agreements in the past 5 years. Minimum \$20,000
<b>Inspection</b>	\$4,271/ha with a 3 ha minimum
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	Trunk sewers and other large drainage infrastructure is front ended by developers and cost shared through a Permanent Area Contribution (PAC) system. Assessments range from \$27/ha to \$189,035/ha for storm (\$36,254/ha weighted average), and \$130/ha to \$108,038/ha for sanitary (\$24,866/ha weighted average). Additional Overexpenditure payments may be required, which would be recovered from future developments. Expansion Assessment (EA) also applies to areas that do not have an approved Neighbourhood Structure Plan on January 1, 1998. EA average for 2014 is \$ 18,552/ha. Total approx. weighted average for Drainage Assessments is \$ 80,671/ha.
<b>Water levies</b>	\$0. Developers are responsible for the cost of installing all water mains 450mm in diameter and smaller. Partial rebates for water mains 300mm to 450mm diameter are paid by EPCOR based on a sliding scale. EPCOR is responsible for the cost of water mains larger than 450mm in diameter
<b>Roadway levies/assessments</b>	Arterial roads are front ended by developers and cost shared through an Arterial Roadway Assessment (ARA) system. Residential rates range from \$ 18,829/ha to \$ 280,171/ha, with a weighted average of \$183,698/ha. Additional Overexpenditure payments in residential areas may be required, but would be recovered from future developments. Industrial rates range from \$18,256/ha to \$208,512/ha, with a weighted average of \$122,408/ha. City-wide weighted average is \$ 148,137/ha.
<b>Traffic signs</b>	The City invoices the developer for 100% of the cost of providing and installing all traffic signs and pavement markings needed for the development
<b>Rec facilities and Parks levies</b>	\$ 0
<b>Development agreement fees</b>	Arterial Roadway Assessment Administration Fee of \$2000 per servicing agreement.
<b>Boundary conditions and oversizing:</b>	Cost shared through a Permanent Area Contribution (PAC) system

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## Calgary

<b>Assessable area:</b>	Gross development area less Environmental Reserves and expressway dedication
<b>Security</b>	100% of construction costs for new developers. 50% for developers with 3 completed agreements.
<b>Inspection</b>	\$2,458/ha
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	\$12,382 Storm (avg) \$47,628 Sanitary = \$ 60,010/ha
<b>Water levies</b>	\$ 26,274 +\$ 5000 Utility oversize fee =\$ 31,274/ha
<b>Roadway levies/assessments</b>	\$ 128,427 +\$ 11,800 Major Road Standard Oversize =\$140,227/ha
<b>Traffic signs</b>	\$ 687/ha
<b>Rec facilities and Parks levies</b>	\$ 79, 929/ha 'Community & Recreation Levy' for the construction of Fire/Police/EMS Stations, Rec Centres, Libraries, Transit Busses, etc +\$5,500 Community and District Parks =\$85,429/ha
<b>Development agreement fees</b>	\$ 0

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## St. Albert

<b>Assessable area:</b>	Gross development area less MR, ER, and arterial road
<b>Security</b>	20% of construction costs, plus 100% of landscaping costs. Plus \$10,000 each for landscaping and engineering as-built packages.
<b>Inspection</b>	\$3770.50/agreement
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	Storm levies are \$27,942/ha, however, there are many areas where this does not apply. Sanitary levies range from \$352/ha to \$58,646/ha, depending on the location of the development. <b>\$42,657/ha</b> total approx. average
<b>Water levies</b>	\$ 51,427
<b>Roadway levies/assessments</b>	\$ 133,562
<b>Traffic signs</b>	Responsibility of the Developer to install/complete
<b>Rec facilities and Parks levies</b>	\$ 0
<b>Development agreement fees</b>	\$4200/ha
<b>Boundary conditions and oversizing:</b>	Policies currently being developed.

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## Spruce Grove

<b>Assessable area:</b>	Gross development area less MR, ER, arterial roads
<b>Security</b>	10 % of total construction cost and 50% of development levies  Payment of levies is in 4 installments. 10% at servicing agreement. 30% + inflation at 8 months, 16 months, and 24 months
<b>Inspection Drawing Review</b>	\$ 2500/inspection \$ 2500/CCC or FAC
<b>Drainage levies/assess ments</b>	Developer pays for onsite. \$6k-13k average
<b>Water levies</b>	Developer pay for off-site water \$18,037/ha
<b>Roadway levies/assess ments</b>	City of SG builds arterials 52,480 /ha
<b>Traffic signs</b>	Responsibility of the Developer to install/complete
<b>Rec facilities and Parks levies</b>	\$9758/ha -13,200 funds development of park space within neighbourhoods – Developer grades levels and seeds, district \$9230/ha. Commercial cash in lieu: \$16,878/ha.
<b>Development agreement fees</b>	\$2500/development agreement Administrative studies: \$ 1351/ha.
<b>Boundary conditions and oversizing:</b>	Developer responsibility prior to FAC to notify City if infrastructure benefits other land owners.  + “Land acquisition fee”



## Parkland County

<b>Assessable area:</b>	Gross development area less any ER, arterial roads
<b>Security</b>	Prior to Development Agreement Execution - \$25,000 General Security until FAC plus 25% of stamped cost estimate for all off-site improvements. Prior to Endorsement - 150% of minor improvements/deficiencies only. Only major deficiency allowed to carry over is 2nd lift of asphalt. Bareland condominiums may receive endorsement prior to complete improvements subject to providing <b>100%</b> security.
<b>Inspection</b>	\$250/ha for serviced developments, \$200/ha for non- serviced. Midpoint of <b>\$225/ha.</b>
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	Sanitary Sewer / Storm mains and lift stations are front ended by developers and cost shared through an Off- Site Levy system. Weighted average sanitary rate across all basins and land uses is \$17,640. Storm levies are not usually charges, where they are charged they range from \$2,342 to \$39,791. <b>\$23,717/ha</b> total approx. average
<b>Water levies</b>	Developer pay for off-site water \$18,370/ha
<b>Roadway levies/assessments</b>	Arterial / Major Collector roads are front ended by developers and cost shared through a Roadway Development Assessment (RDA) system similar to the City of Edmonton. Industrial Assessments in Acheson range from \$24,500/ha to \$28,487/ha. Residential Assessments range from \$6,074/ha to \$21,983/ha. Average for Acheson approximately <b>\$26,493.50/ha</b> . Average for estate residential (Big Lake) <b>\$19,396.50/ha</b>
<b>Traffic signs</b>	Developers are responsible to install and pay 100% of the cost of traffic signs and pavement markings. Public works no longer offers services to private developers.
<b>Rec facilities and Parks levies</b>	\$0
<b>Development agreement fees</b>	<b>\$2,000.</b> Manager of Planning has discretion to reduce or increase fee based on complexity of application.  <ul style="list-style-type: none"> <li>- \$2,000 admin. fee</li> <li>- cost of Traffic Signs and Pavement Markings</li> <li>- Security</li> </ul>

## Leduc County

<b>Assessable area:</b>	Gross developable area less any ER or ERE and Arterial Road ROW as per Item 2.4, Page 3 of Bylaw 9-08 and Schedule B of Bylaw 23-09
<b>Security</b>	LOC is 100% of the Municipal Infrastructure Costs, plus GST, for Country Residential and Industrial Subdivisions. For Urban Residential subdivisions, the LOC is to be 15% of Municipal Infrastructure Costs, prior to endorsement and 125% after endorsement. The LOC can be reduced upon the completion of a Construction Completion Certificate inspection. The reduced LOC is equal to 100% of the costs to repair the deficiencies, plus 15% of the original LOC plus GST. Leduc County Council has accepted security requirements of a minimum of 15% of the Municipal Servicing costs, for qualified developers.
<b>Inspection Drawing Review</b>	As per attached Fee Schedule for all departments. Effective date September 1, 2014
<b>Drainage levies/assessments</b>	Leduc County's sanitary sewer component within the "Off-Site Levies" is <b>\$10,871/ha</b> , and only applies to lands in and adjacent to the Saunders Lake area. Other portions of Leduc's "Off-Site Levies" are used towards other storm and sanitary sewer facilities, and apply also to lands in and adjacent to Nisku Industrial Area and the Vistas. These portions are rolled into the water and roadways components below.
<b>Water levies</b>	Leduc County's water main component within the "Off-Site Levies" is \$26,196/ha, and applies to lands in and adjacent to Nisku Industrial Area, the Vistas, and Saunders Lake areas. The Water Levies included the treatment, transmission, and storage of water.
<b>Roadway levies/assessments</b>	Leduc County's roadway component within the "Off-Site Levies" is \$69,188/ha, and applies to lands in and adjacent to Nisku Industrial Area, the Vistas, and Saunders Lake areas. Also, there is a 'Rural Roads Surface Contribution' (RRSC) of \$7,500 / lot that applies to lands between TWSP Rd 500 to 510 and RRD 235 to HWY 21
<b>Traffic signs</b>	Traffic Signs and Pavement Markings are the responsibility of the Developer. Rural Addressing Sign - \$ 94.50 ea. Subdivision Entrance Sign - \$498.75 Rural Address Sign - Internal Road - \$23.10 / lot
<b>Rec facilities and Parks levies</b>	\$0
<b>Development agreement fees</b>	\$250.00/Lot or \$3,000/ha with written request required to initiate the Development Agreement preparation.
<b>Boundary conditions and oversizing:</b>	Oversizing and Boundary Conditions are reviewed by a third party engineering consultant with final approval from Leduc County Manager of Current Planning, Manager of Engineering, Manager of Finance and the County Manager



## City of Lethbridge (2012)

<b>Assessable area:</b>	Gross development area less MR, ER, arterial roads (or larger)
<b>Security</b>	The greater or \$25,000 or \$500 per lot.
<b>Inspection</b>	\$5250/ha Includes preparing and administering development agreements under 9.
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	Developers build storm ponds and recover from adjacent developers through boundary conditions. A Storm Offsite Levy of \$38,700/ha. Developers receive an oversize credit for pipes over 450mm. Sanitary Offsite Levy is \$37,700. Developers receive an oversize credit for all pipe over 300mm. The City generally builds and finances trunk infrastructure in Arterial Roadways and outside local development areas.
<b>Water levies</b>	\$41,600/ha. Developers receive an oversize credit for pipe over 250mm. The City generally builds and finances trunk infrastructure in Arterial Roadways and outside local development areas.
<b>Roadway levies/assessments</b>	\$77,000/ha. The City completes arterial roads all other roads are built by the developer as local roads. The developers receive a credit of approximately the raw value of land for arterial road right of way taken by the City.
<b>Traffic signs</b>	The City invoices the developer for 100% of the cost of providing and installing all traffic signs and pavement markings needed for the development
<b>Rec facilities and Parks levies</b>	\$0
<b>Development agreement fees</b>	Included in Inspection fees.

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## Sturgeon County (2012)

<b>Assessable area:</b>	Gross development area less MR, PUL, ER, arterial roads (or larger).
<b>Security</b>	25% of construction cost from all developers regardless of their track record.
<b>Inspection Drawing Review</b>	Inspection costs are tracked throughout the project, then charged 100% back to the developer.
<b>Drainage levies/assessments</b>	No levies, rather drainage infrastructure is front ended by Developers with endeavour to assist repayment for oversizing or cost sharing with others.
<b>Water levies</b>	No levies, rather water infrastructure is front ended by Developers with endeavour to assist repayment for oversizing or cost sharing with others.
<b>Roadway levies/assessments</b>	Off-Site Road Levy is \$10,560 per lot (0.5 acres) = \$52,188/ha
<b>Traffic signs</b>	Developers install and pay 100% of the cost of traffic signs and pavement markings.
<b>Rec facilities and Parks levies</b>	\$1,300 per lot (0.5 acres) = \$6,425/ha
<b>Development agreement fees</b>	\$2,500 per agreement.

## City of Fort Saskatchewan (2012)

<b>Assessable area:</b>	Gross development area less MR, PUL, ER, arterial roads (or larger)
<b>Security</b>	50% of construction costs. May be reduced at construction completion (CCC). At least 10% is held until final acceptance (FAC).
<b>Inspection</b>	\$0. This is typically covered with development agreement fee.
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	<p>Dependent on which area of the City the development is occurring in.</p> <p>Southfort: \$9,264/ha sanitary, \$25,487/ha storm Westpark: \$12,806/ha sanitary, \$6,042/ha storm Light Industrial: \$13,439/ha on-site sanitary, \$3,940/ha off-site sanitary, \$24,139/ha storm</p> <p><b>\$31,706/ha</b> total approx. average</p>
<b>Water levies</b>	<p>Dependent on which area of the City the development is occurring in.</p> <p>Southfort: \$12,517/ha Westpark: \$13,376/ha Light Industrial: \$23,999/ha</p> <p><b>\$16,631/ha</b> approx. average</p>
<b>Roadway levies/assessments</b>	<p>Dependent on which area of the City the development is occurring in. Southfort: \$95,069/ha Westpark: \$26,216/ha Light Industrial: \$3,051/ha</p> <p><b>\$41,445/ha</b> approx. average</p>
<b>Traffic signs</b>	Developers install and pay 100% of the cost of traffic signs and pavement markings.
<b>Rec facilities and Parks levies</b>	\$0, but is being considered for future
<b>Development agreement fees</b>	\$2,500 per agreement. \$1,000 per amending agreement. This also goes towards inspection fees and drawing review.

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## City of Red Deer (2012)

<b>Assessable area:</b>	Gross development area less ER and arterial roads (or larger)
<b>Security</b>	25% of construction cost from all developers regardless of their track record. These letters of credit can be partially reduced upon completion of construction and final acceptance. Minimum \$30,000.
<b>Inspection Drawing Review</b>	\$3,300/ha with minimum of \$3,500. This includes the preparation and administration of Development Agreements.
<b>Drainage levies/assessments</b>	Storm: \$65,721/ha Sanitary: \$21,012/ha Total: <b>\$86,733/ha</b>
<b>Water levies</b>	\$15,592/ha throughout the city
<b>Roadway levies/assessments</b>	Major Thoroughfare: \$95,054/ha
<b>Traffic signs</b>	The developer pays up front for 100% of the cost of providing and installing all traffic signs and pavement markings needed for the subdivision. Traffic signals on arterial intersections are funded through the levy.
<b>Rec facilities and Parks levies</b>	Approximately \$13,936/ha, but varies for each development
<b>Development agreement fees</b>	\$0. Included in Inspection Fees (#2 above)

## Regional Municipality of Wood Buffalo

<b>Assessable area:</b>	For residential development, Developer Charges for roads, water and sanitary are based on a per capita basis (\$/person), <b>see attachment 1</b> . Storm water management is assessed on an area basis where applicable (in most cases the developers build and fund their own storm water management systems). Fees for non-residential are based on an equivalency of 1,500 sq.ft of building floor area = 3.5 persons. Non-residential (Commercial and Industrial) is exempt from paying water and sewer treatment levies. Schools are exempt entirely.
<b>Security</b>	A Security of 50 % of the construction value of Public Infrastructure including Water, Sewer, Storm and Roads is required at the signing of the Development Agreement. Landscape requires 100 % security. Reduced to 10% at CCC plus full value of any outstanding work, plus the full value of any deficiencies.
<b>Inspection</b>	\$1,500 per gross ha. inspection fee
<b>Drawing Review</b>	
<b>Drainage levies/assessments</b>	Urban (avg.): \$2,764/person Rural (avg.): \$1,222/person  Storm levy only applies to Timberlea area at \$44,024/ha
<b>Water levies</b>	Urban (avg.): \$1,798/person Rural (avg.): \$2,172/person
<b>Roadway levies/assessments</b>	Urban (avg.): \$1,784/person Rural (avg.): \$960/person
<b>Traffic signs</b>	Developer installs these items within their subdivision. For major off-site roads installed by the Municipality, the costs for new roadwork including traffic signs and pavement markings are recovered by Developer Charges.
<b>Rec facilities and Parks levies</b>	\$0
<b>Development agreement fees</b>	\$2,500 per Development Agreement
<b>Boundary conditions and oversizing:</b>	Boundary conditions are determined by the appropriate studies, reports or analysis. Typically, cost recovery of oversizing installed by the 1 <sup>st</sup> developer that becomes a benefit to a subsequent developer is negotiated in the respective Development Agreements. This benefit is normally measured on a per capita basis, similar to Developer Charge rates, except for storm water management, which is assessed on an area basis.

## Appendix

### Regional Municipality of Wood Buffalo The Equivalent Land Use Per Capita Density

Land Use	People/Ha
Residential (1)	
• Single Family (12 Units/ha @ 3.5 people/unit)	42
• Low Density (44 Units/ha @ 3.5 people/unit)	154
• Medium Density (148 Units/ha @ 2.5 people/unit)	370
• High Density (296 Units/ha @ 2.5 people/unit)	740
• Hotel Apartment Rooms/Suites (@ 2.5 people/unit)	370 – 740 <sup>(2)</sup>
• Hotel/Motels (@1.5 people/unit)	370 <sup>(2)</sup>
Non Residential (1500 ft <sup>2</sup> = 1 single family unit equivalent)	
• Commercial	3.5 people/1500 ft <sup>2</sup> <sup>(1)</sup>
• Industrial	3.5 people/1500 ft <sup>2</sup> <sup>(1)</sup>
• Institutional	3.5 people/1500 ft <sup>2</sup> <sup>(1)</sup>

Note: (1) The cost of the Water Treatment and Wastewater Treatment Plants will only apply to residential land use.

(2) Apartment hotels/suites are considered to be equivalent to medium/high density units and Hotel/Motels are considered to be equivalent to medium density units.