



Policy Title:	Offsite Levy Policy	Policy Number:	610-07
Date of Adoption:	May 23, 2023	Motion Number:	212-2023
Date of Amendment:		Motion Number:	

1. Purpose:

- 1.1. The purpose of this Policy is to ensure a fair and transparent approach to the collection of Offsite Levies while maintaining consideration for both the Developer and the City.
- 1.2. This Policy will provide a framework which supports the general principle that growth and development should support itself while still encouraging new, unique, and affordable development opportunities within the City.
- 1.3. Funds generated through the collection of Offsite Levies will provide the City the necessary means to undertake capital projects required to support the growth of the City.

2. Definitions:

Administration	An employee or contract employee of the City of Lloydminster.
City Manager	The Commissioner of the City of Lloydminster as appointed by Council or designate.
City	The corporation of the City of Lloydminster.
Community Purposes	Refers to purposes for the benefit of the greater community, as determined by the City Manager, and include but not limited to municipal lands identified for cultural, recreational, protective services, City operations and maintenance, cemeteries, and City public utilities such as treatment plants.
Member of Council	An individual elected pursuant to <i>The Local Government Election Act, 2015 (Saskatchewan)</i> as a Member of Council.
Deferred Payments	Subject to eligibility within this Policy, payment of Offsite Levies may be paused.
Developer	The owner(s) of land being subdivided or developed including the individuals, corporations, employees, representatives together with the Developer's successors, successors in title, assigns or representatives.

New Development Area	The total area of undeveloped lands that are subject to off-site levies including Roads/Circulation and Public Utility Lots (PUL) and excluding Environmental Reserve (ER) and Municipal Reserve (MR).
Offsite Levies (OSL)	The amount calculated in accordance with the Offsite Levy Bylaw, as amended from time to time, that is to be paid by the Developer to the City as the Developer's contribution towards the costs of constructing off-site infrastructure projects defined and described within the Offsite Levy Bylaw.
Redevelopment Levies	Refers to redevelopment levies imposed and collected in accordance with the <i>Municipal Government Act (MGA)</i> .
Subdivision or Development	A change of use of land, or an act done in relation to land that results in or is likely to result in a change in the use of the land, or a change in the intensity of the use of land and an act done in relation to land that results in or is likely to result in, a change of the intensity of the use of the said land.
Subdivision Approval	Subdivision approval as granted through the Subdivision Authority Bylaw, as amended from time to time.

3. Scope:

3.1. This Policy applies to all members of Administration and all Developers within the City.

4. Tiering Developers

4.1. The City has established a system to acknowledge past performance and to credit Developers for successfully completed Development Agreements. To acknowledge this past performance a tiering system has been created as is identified below.

4.2. Tier 1 Developers:

4.2.1. Tier 1 Developers are those who:

- i. have successfully executed three (3) or more major Development Agreements with the City without default.
- ii. are eligible to request Deferred Payments.

- iii. are eligible for a reduction in the dollar amount of the Irrevocable Letters of Credit and/or Bonds required by the City.
 - a. are required to provide Irrevocable Letters of Credit and or Bonds, as outlined in Section 7, for 80% of the assessed Offsite Levies.
- iv. are required to comply with all provisions of the Development Agreement.

4.3. Tier 2 Developers:

4.3.1. Tier 2 Developers are those who:

- i. have successfully executed two (2) or less major Development Agreements with the City.
- ii. are not eligible for Deferred Payments.
 - a. Tier 2 Developers will be required to pay 50% of the Offsite Levies at the time of execution of the Development Agreement with the remaining 50% being due within six (6) months of the execution of the Development Agreement.
- iii. are not eligible for a reduction in the dollar amount of the Irrevocable Letters of Credit and/or Bonds.
 - a. are required to provide Irrevocable Letters of Credit and or Bonds, as outlined in Section 7, for 100% of the assessed Offsite Levies.
- iv. are required to comply with all provisions of the Development Agreement.

4.4. Should a Developer not meet the full requirements of Tier 1 as identified above, the Developer shall automatically be deemed to be Tier 2.

4.5. To assist in drawing new Developers to the City, all new Developers are encouraged to submit proof of successful Development Agreements with other municipalities to the City.

- 4.5.1. The City shall review the work completed and will conduct the necessary reference checks with the municipalities.
- 4.5.2. Upon review of the work completed a recommendation will be presented to the City Manager, or designate, for consideration regarding the approval of the Developer's Tier 1 status.

5. City Exempt Lands

- 5.1. If in the opinion of the City, a Subdivision or Development is unlikely to place a burden on the transportation network or any other forms of municipal infrastructure, then the City may make the recommendation to approve the exemption.
- 5.2. The City reserves the right to refuse any exemption request. Whether or not an exemption as set out in Section 5 applies shall be determined at the sole discretion of the City.
- 5.3. Community Purposed Lands - At the discretion of the City Manager, subdivisions and developments for Community Purposes may be exempt from the payment of Off-Site Levies. This shall not apply to lands intended for resale purposes.

6. Other Exempt Lands

- 6.1. Temporary Development or Uses as defined in the Land Use Bylaw, as amended from time to time, of a site or an approved use on a temporary basis that is not to be used beyond a twelve (12) month period.
- 6.2. The demolition or removal of existing structures.
- 6.3. Development involving the alterations of any structure if these alterations do not impact the original structure or use being considered. For example, if the original intended use was to be a single-family, it must remain the same intensity and use except for:
 - 6.3.1. where the existing structure is switching from a septic and/or water well system to a connection to City services.
- 6.4. Ancillary and minor improvements, including but not limited to fences, walls, berms, and signs. The intent of this exemption would include residential, commercial, and industrial development of this nature which is not deemed as impacting offsite infrastructure.
- 6.5. The replacement of an existing structure, with this replacement being reasonably constructed within twelve (12) months of the demolition or removal of the original structure. This is intended to exempt structures that are required to be rebuilt due to a fire or similar catastrophic event.

- 6.6. Agricultural/Farming structures. This will allow farms to modernize, develop, and grow without facing the required payment of Offsite Levies except in cases where connection to City services is requested.
- 6.7. Division of agricultural lands:
 - 6.7.1. The Subdivision of agricultural land resulting in lots that are larger than 16 ha (40 acres) in size and will be retained for agricultural purposes will be exempt.
- 6.8. All approved exemptions will require the registration of a Caveat to provide notification that Offsite Levies are payable should the use or intensity of development change.

7. Deferred Payments

- 7.1. Developers with a Tier 1 Developer status are eligible for the consideration of Deferred Payments associated with the following thresholds:
 - 7.1.1. should the value of the assessed Offsite Levies be greater than, or equal to one million dollars (\$1,000,000), a Tier 1 Developer may request to defer the payment of Offsite Levies.
 - i. the standard period of deferral is two (2) years, or such longer period as may be approved by the City Manager, or designate, but shall not exceed five (5) years.
 - ii. the Developer shall be required to enter into an Agreement with the City pertaining to Deferred Payments and abide by all terms and conditions.
 - 7.1.2. should the assessed value of Offsite Levies be less than one million dollars (\$1,000,000), a Tier 1 Developer will be required to pay 50% of the Offsite Levies at the time of execution of the Development Agreement with the remaining 50% being due within six (6) months of the execution of the Development Agreement.
- 7.2. The executed Development Agreement and/or a separate Deferral Agreement will be registered against the title to the lands that are the subject of the agreement.
- 7.3. Deferred Payment thresholds have been established regarding payment deadlines so that the expectations are clearly understood by the Developer in advance of pursuing this option.

8. Offsite Levies Repayment Indemnification

- 8.1. In order to secure the position of the City and enforce action on the Developer, should the Developer default on payments, the Developer shall provide the City with security that can easily be converted into useable funds should the need arise.
- 8.2. Failure of the Developer to make an Offsite Levy payment, as identified in the agreement, shall result in the security to be called upon and applied against the amount owed by the Developer. All Developers, regardless of Tier status shall be required to provide the City such security.
- 8.3. Irrevocable Letter of Credit:
 - 8.3.1. An Irrevocable Letter of Credit in the amount of the total balance owing by the Developer will be provided to the City upon execution of the Development Agreement. As Installment Payments are made, the Developer will provide a new Irrevocable Letter of Credit to the City for the outstanding Offsite Levy balance. An Irrevocable Letter of credit must be provided via a bank or lending institution satisfactory to the City.
 - 8.3.2. Should a Developer default on either of the Installment Payments, the City will claim the entire value of the Irrevocable Letter of Credit or Bond for the remainder of the Offsite Levy balance owed.
 - 8.3.3. The decision to accept alternate forms of OSL repayment indemnification shall lie solely with the City Manager.

9. Offsite Levy Infrastructure Front Ending & Endeavour to Assist

- 9.1. At the discretion of the City Manager, the City will review proposals made by the Developer to engage in front ending the cost of infrastructure associated with any development.
- 9.2. The City encourages any Developer to review the particulars of a Subdivision or Development with the City to determine what front ending arrangement, if applicable, may be agreed upon.

10. Penalty:

- 10.1. Any staff member found to be in violation of this policy may be subject to a disciplinary action. Such action may be dependent upon the nature of the breach of this policy; discipline may range from a verbal warning to dismissal with cause.

10.2. Any Member of Council found to be in violation of this policy may be dealt with utilizing the "*Code of Conduct Bylaw*" or provisions of "*The Lloydminster Charter*."

11. Responsibility:

11.1. City Council shall review and approve all policies.

11.2. City Administration shall administer the policy through the use of a supporting procedure.

11.3. Sponsoring Department is responsible for creating and amending a supporting procedure.