

OFFSITE LEVYANNUAL REPORT (Bylaw C-1040-18) 2019

City of Spruce Grove

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TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1 | INTRODUCTION | 3 |
| 1.1 | Bylaw C-1040-18 | 3 |
| 1.2 | Methodology | 3 |
| 2 | OFFSITE LEVY DEVELOPMENT LANDS AND STAGING | 4 |
| 2.1 | Development Staging | 6 |
| 3 | WATER OFFSITE INFRASTRUCTURE | 7 |
| 3.1 | Water Offsite Infrastructure Costs | 7 |
| 3.2 | Water Offsite Infrastructure Staging | 7 |
| 3.3 | Water Offsite Infrastructure Benefitting Parties | 8 |
| 3.4 | Existing Receipts and Adjusted Levy Cost - Water | 9 |
| 3.5 | Summary of Offsite Levy Cost - Water | 9 |
| 3.6 | Benefitting Areas - Water | 10 |
| 3.7 | Reserve Balance - Water | 10 |
| 4 | SANITARY OFFSITE INFRASTRUCTURE | 12 |
| 4.1 | Sanitary Offsite Infrastructure Costs | 12 |
| 4.2 | Sanitary Offsite Infrastructure Staging | 12 |
| 4.3 | Sanitary Offsite Infrastructure Benefitting Parties | 13 |
| 4.4 | Existing Receipts and Adjusted Levy Cost - Sanitary | 14 |
| 4.5 | Summary of Offsite Levy Cost - Sanitary | 14 |
| 4.6 | Benefitting Areas - Sanitary | 15 |
| 4.7 | Reserve Balance - Sanitary | 16 |
| 5 | TRANSPORTATION OFFSITE INFRASTRUCTURE | 17 |
| 5.1 | Transportation Offsite Infrastructure Costs | 17 |
| 5.2 | Transportation Offsite Infrastructure Staging | 18 |
| 5.3 | Transportation Offsite Infrastructure Benefitting Parties | 19 |
| 5.4 | Existing Receipts and Adjusted Levy Cost - Transportation | 20 |
| 5.5 | Summary of Offsite Levy Cost - Transportation | 22 |
| 5.6 | Benefitting Areas - Transportation | 22 |
| 5.7 | Reserve Balance - Transportation | 24 |
| 6 | SUMMARY OF OFFSITE LEVY RATES | 26 |

1 INTRODUCTION

1.1 Bylaw C-1040-18

The City of Spruce Grove enacted bylaw C-1040-18 on May 04, 2018 (Offsite Levy Bylaw) establishing Offsite Levy rates for transportation, water, and sanitary sewer offsite infrastructure.

The Bylaw stipulates that on or before December 31 in each calendar year, a report shall be provided to Council regarding the Offsite Levies imposed under this Bylaw, including:

- Offsite infrastructure constructed during the previous calendar year;
- Construction costs of Offsite Infrastructure constructed in the previous calendar year;
- Estimated costs for Offsite Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous report;
- Amount collected in Offsite Levies; and
- Specifics of the total of Offsite Levies being held by City and yet to be expended on Offsite Infrastructure, interest earned and commitments for future expenditures of such monies.

1.2 Methodology

City staff have reviewed and amended the list of offsite projects and updated cost estimates and actual costs for transportation, water, and sanitary sewer infrastructure including completed projects and future projects to support growth in The City of Spruce Grove.

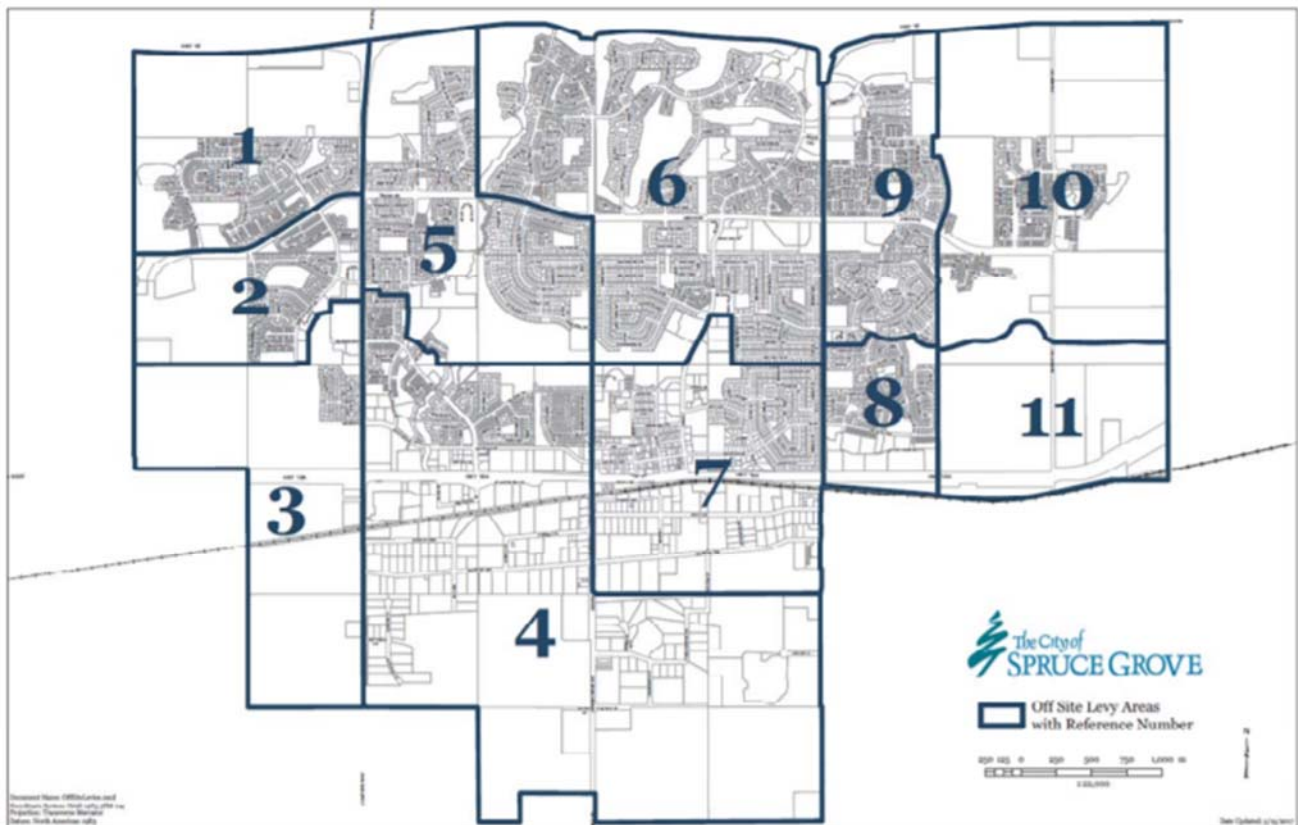
The information contained in the current bylaw was established to December 31, 2016 (the most current completed year-end). In this update, information pertaining to 2018 and prior is treated as an actual. Information pertaining to 2019 and beyond is being treated as an estimate. Upon completion of the 2020 update, 2019 information will be converted from estimates to actuals.

The City of Spruce Grove utilizes the CORVUS offsite levy model to manage offsite levy rates. These rates are not intended to stay static - they are based on assumptions and best available data at the time of modelling and are subject to change year over year. Should information used in this report change it will be reflected in future model updates and rates will be adjusted accordingly.

2 OFFSITE LEVY DEVELOPMENT LANDS AND STAGING

The City of Spruce Grove is divided into 11 offsite levy areas, as shown in the map below. These areas account for the location of infrastructure basins containing all development lands within the City. The 11 offsite levy areas take into consideration existing/planned infrastructure basins (transportation, water, sanitary, stormwater basins) as well as natural and manmade barriers (creeks, highways, etc.). All levy infrastructure costs are allocated to one or more areas.

Offsite Levy Areas



Total net development area, the amount of land available for development across all offsite levy areas, is approximately **961 net Ha.** (2018: ~799Ha) as outlined in the table below. In calculating net development area, only those lands remaining to be developed **that have not previously paid offsite levies** have been considered. Allowances have been made to net

development area calculations for environmental reserves, municipal reserves, and arterial road right of way.

Offsite Levy Net Development Area

| Area Ref. # | Development Area Location | Land Use | Net Development Area (ha.) | Area Developed to Date (ha.) | Development Area Next 25 Years (ha.) |
|--------------|---------------------------|----------------------------------|----------------------------|------------------------------|--------------------------------------|
| 1.1 | See Map | Commercial | 0.48 | - | 0.48 |
| 1.2 | See Map | Industrial | - | - | - |
| 1.3 | See Map | Residential - Low/Medium Density | 84.62 | 4.75 | 79.87 |
| 1.4 | See Map | Residential - High Density | 1.10 | - | 1.10 |
| 1.5 | See Map | Other | - | - | - |
| 2.1 | See Map | Commercial | - | - | - |
| 2.2 | See Map | Industrial | - | - | - |
| 2.3 | See Map | Residential - Low/Medium Density | 39.95 | 8.85 | 31.10 |
| 2.4 | See Map | Residential - High Density | 3.47 | - | 3.47 |
| 2.5 | See Map | Other | - | - | - |
| 3.1 | See Map | Commercial | 84.74 | - | 84.74 |
| 3.2 | See Map | Industrial | - | - | - |
| 3.3 | See Map | Residential - Low/Medium Density | 98.73 | - | 98.73 |
| 3.4 | See Map | Residential - High Density | 6.22 | - | 6.22 |
| 3.5 | See Map | Other | 10.66 | - | 10.66 |
| 4.1 | See Map | Commercial | - | - | - |
| 4.2 | See Map | Industrial | 220.00 | - | 220.00 |
| 4.3 | See Map | Residential - Low/Medium Density | 2.64 | - | 2.64 |
| 4.4 | See Map | Residential - High Density | - | - | - |
| 4.5 | See Map | Other | - | - | - |
| 5.1 | See Map | Commercial | - | - | - |
| 5.2 | See Map | Industrial | - | - | - |
| 5.3 | See Map | Residential - Low/Medium Density | 47.58 | 3.81 | 43.77 |
| 5.4 | See Map | Residential - High Density | 2.44 | - | 2.44 |
| 5.5 | See Map | Other | - | - | - |
| 6.1 | See Map | Commercial | - | - | - |
| 6.2 | See Map | Industrial | - | - | - |
| 6.3 | See Map | Residential - Low/Medium Density | 24.03 | 5.60 | 18.43 |
| 6.4 | See Map | Residential - High Density | 1.92 | - | 1.92 |
| 6.5 | See Map | Other | - | - | - |
| 7.1 | See Map | Commercial | - | - | - |
| 7.2 | See Map | Industrial | - | - | - |
| 7.3 | See Map | Residential - Low/Medium Density | - | - | - |
| 7.4 | See Map | Residential - High Density | - | - | - |
| 7.5 | See Map | Other | - | - | - |
| 8.1 | See Map | Commercial | 4.07 | - | 4.07 |
| 8.2 | See Map | Industrial | - | - | - |
| 8.3 | See Map | Residential - Low/Medium Density | - | - | - |
| 8.4 | See Map | Residential - High Density | - | - | - |
| 8.5 | See Map | Other | - | - | - |
| 9.1 | See Map | Commercial | 20.16 | 8.13 | 12.03 |
| 9.2 | See Map | Industrial | - | - | - |
| 9.3 | See Map | Residential - Low/Medium Density | 10.50 | 0.36 | 10.14 |
| 9.4 | See Map | Residential - High Density | 1.41 | - | 1.41 |
| 9.5 | See Map | Other | - | - | - |
| 10.1 | See Map | Commercial | 1.08 | 1.00 | 0.08 |
| 10.2 | See Map | Industrial | - | - | - |
| 10.3 | See Map | Residential - Low/Medium Density | 219.01 | 19.99 | 199.02 |
| 10.4 | See Map | Residential - High Density | 9.59 | - | 9.59 |
| 10.5 | See Map | Other | - | - | - |
| 11.1 | See Map | Commercial | 23.94 | - | 23.94 |
| 11.2 | See Map | Industrial | - | - | - |
| 11.3 | See Map | Residential - Low/Medium Density | 75.52 | - | 75.52 |
| 11.4 | See Map | Residential - High Density | - | - | - |
| 11.5 | See Map | Other | 19.57 | - | 19.57 |
| Total | | | 1,013.41 | 52.49 | 960.92 |

2.1 Development Staging

A rate planning period of 25 years was used for this review. Of the 961 net Ha of development area available, Planning and Infrastructure estimate that approximately 961 Ha. will develop during the next 25 years (100%). Anticipated development during the 25 year planning period is summarized in the table below.

Anticipated Development During the 25 Year Rate Planning Period

| Area Ref. # | Development Area Location | Land Use | Area Developed in Next 25 years (Net ha.) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 |
|-------------|---------------------------|----------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1.1 | See Map | Commercial | 0.477 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.48 | - | - | - | - | - | - | - | - | |
| 1.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1.3 | See Map | Residential - Low/Medium Density | 79,968 | - | 4.00 | 4.00 | 4.00 | 4.00 | - | - | - | - | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.62 | 1.60 | 1.65 | - | - | - | |
| 1.4 | See Map | Residential - High Density | 1,098 | - | - | - | - | - | - | - | - | - | 1.10 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.1 | See Map | Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.3 | See Map | Residential - Low/Medium Density | 31,104 | - | 2.53 | 2.53 | 2.53 | 2.80 | 2.80 | 2.80 | 2.80 | 2.80 | 1.90 | 1.90 | 1.90 | 1.90 | 1.91 | - | - | - | - | - | - | - | - | - | - | |
| 2.4 | See Map | Residential - High Density | 3,465 | - | - | - | - | 1.00 | 1.00 | 1.00 | 0.47 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3.1 | See Map | Commercial | 84,744 | 8.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.60 | 5.60 | 5.60 | 5.60 | 6.34 | 4.00 | 4.00 | 4.00 | 4.00 | - | - | - | - | - | - | |
| 3.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3.3 | See Map | Residential - Low/Medium Density | 98,730 | - | - | - | - | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.60 | 6.33 | - | - | - | - | - | |
| 3.4 | See Map | Residential - High Density | 6,219 | - | - | - | - | - | - | - | - | - | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | - | - | - | - | - | 0.75 | 0.75 | 0.75 | 0.97 | - | |
| 3.5 | See Map | Other | 10,656 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.10 | 2.10 | 2.10 | 2.10 | 0.66 | 1.60 | - | - | - | - | |
| 4.1 | See Map | Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 4.2 | See Map | Industrial | 220,000 | 8.00 | 9.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 8.80 | 9.60 | 8.00 |
| 4.3 | See Map | Residential - Low/Medium Density | 2,637 | - | - | - | - | 2.64 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 4.4 | See Map | Residential - High Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 4.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5.1 | See Map | Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5.3 | See Map | Residential - Low/Medium Density | 43,773 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 | 4.30 | 4.58 | 3.00 | 1.79 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5.4 | See Map | Residential - High Density | 2,439 | - | - | - | - | 0.50 | 0.50 | 0.50 | 0.50 | 0.44 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 5.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6.1 | See Map | Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6.3 | See Map | Residential - Low/Medium Density | 18,430 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.43 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6.4 | See Map | Residential - High Density | 1,917 | - | 1.00 | - | 0.92 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 6.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7.1 | See Map | Commercial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7.3 | See Map | Residential - Low/Medium Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7.4 | See Map | Residential - High Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 7.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8.1 | See Map | Commercial | 4,068 | - | - | - | 4.07 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8.3 | See Map | Residential - Low/Medium Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8.4 | See Map | Residential - High Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9.1 | See Map | Commercial | 12,030 | - | 2.40 | 2.20 | 2.00 | 2.00 | 2.00 | 1.43 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9.3 | See Map | Residential - Low/Medium Density | 10,143 | - | 0.91 | 0.91 | 0.93 | 0.93 | 0.93 | 0.93 | 0.93 | 1.28 | 1.20 | 1.19 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9.4 | See Map | Residential - High Density | 1,413 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 10.1 | See Map | Commercial | 0,080 | - | - | 0.08 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 10.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 10.3 | See Map | Residential - Low/Medium Density | 199,016 | 12.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 5.00 | 5.00 | 5.00 | 4.67 | 5.35 |
| 10.4 | See Map | Residential - High Density | 9,585 | - | 0.50 | 0.25 | 0.25 | - | - | - | - | - | 1.60 | 1.60 | 1.60 | 1.60 | 1.28 | 0.91 | - | - | - | - | - | - | - | - | - | |
| 10.5 | See Map | Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 11.1 | See Map | Commercial | 23,940 | - | 2.50 | 2.50 | 2.50 | - | - | - | - | 2.50 | 2.50 | 2.50 | 2.50 | - | - | - | - | - | - | - | - | - | - | 3.94 | - | |
| 11.2 | See Map | Industrial | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 11.3 | See Map | Residential - Low/Medium Density | 75,518 | - | 8.00 | 8.00 | 8.00 | 8.00 | - | - | - | - | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | - | - | - | - | - | 4.00 | 4.00 | 4.00 | 4.00 | 3.52 | |
| 11.4 | See Map | Residential - High Density | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 11.5 | See Map | Other | 19,566 | - | - | - | - | - | - | - | 1.75 | 1.75 | 1.75 | 1.77 | - | - | - | - | - | - | - | - | - | - | - | - | 6.00 | 6.55 |
| | | | 960.92 | 34.30 | 51.74 | 49.57 | 56.93 | 54.93 | 42.93 | 40.36 | 40.15 | 44.59 | 50.65 | 48.36 | 43.60 | 43.60 | 41.54 | 38.88 | 37.50 | 37.50 | 37.50 | 32.41 | 24.75 | 20.20 | 18.55 | 22.71 | 24.27 | 23.41 |

Though all current lands in Spruce Grove are anticipated to develop within the 25 year review period, annexation of additional municipal lands is very likely during the next 5 years. Accordingly, additional lands will be included in the staging forecast during future model updates.

3 WATER OFFSITE INFRASTRUCTURE

3.1 Water Offsite Infrastructure Costs

In order to support future growth in the City, water offsite infrastructure is required. The model contains 4 water offsite infrastructure projects. The estimated cost of this infrastructure is based upon:

- Actual construction costs to the cut-off date.
- Debenture interest associated with the financing, and
- Future cost estimates

The total cost is approximately **\$15.93 million** as outlined in the table below:

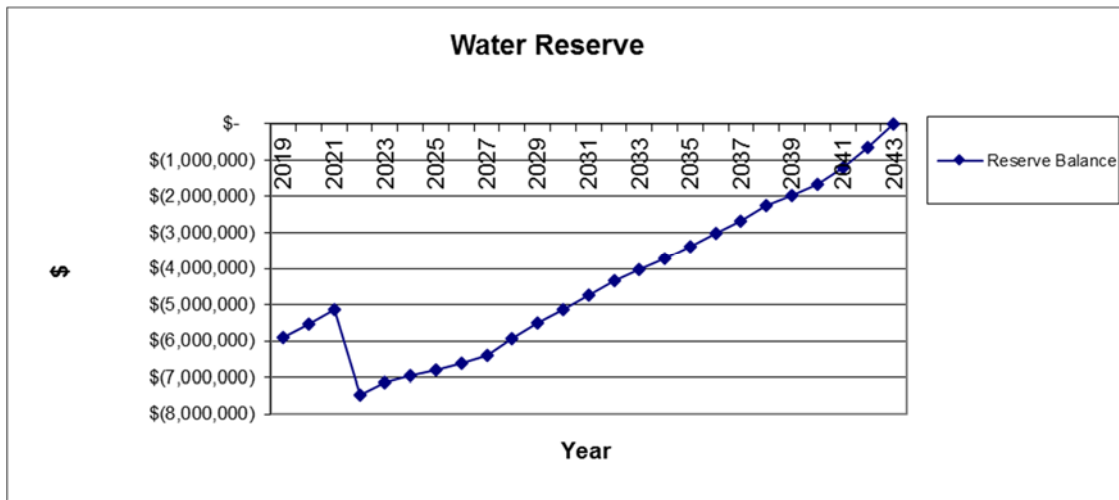
Summary of Water Offsite Infrastructure

| Item | Project Description | Cost of Completed Work | Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|--|------------------------|--------------------|--|------------------------------|
| 1 | Campsite Watermain Loop (41-99-17) | \$ 328,202 | \$ - | \$ - | \$ 328,202 |
| 2 | Campgrounds Watermain | \$ 776,587 | \$ - | \$ - | \$ 776,587 |
| 3 | New Growth Water Reservoir (CP_DP186) | \$ 11,241,131 | \$ 339,101 | \$ 600,000 | \$ 12,180,232 |
| 4 | Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A) | \$ - | \$ - | \$ 2,640,000 | \$ 2,640,000 |
| | | \$ 12,345,920 | \$ 339,101 | \$ 3,240,000 | \$ 15,925,022 |

3.2 Water Offsite Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing. Water offsite infrastructure will be constructed in a staged fashion over the 25 year development period. Existing reserve funds will not be sufficient to pay for construction of water infrastructure from time to time. Front ending of the infrastructure will be required. A front-ender is the party that constructs and pays for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.71% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 0.85% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph below outlines the forecast water levy reserve balances over the 25 year development period.



3.3 Water Offsite Infrastructure Benefitting Parties

The water offsite infrastructure previously outlined will benefit various parties to varying degrees. Four potential benefitting parties were identified:

- City of Spruce Grove - a portion of water infrastructure which is required to service existing development.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Spruce Grove Future Development (Financial Oversizing) - that portion of costs which benefits future development beyond the 25 year review period.
- City of Spruce Grove Future Development - all growth related infrastructure (i.e. levyable water infrastructure costs).

The table below outlines the allocation of water offsite levy infrastructure costs to benefitting parties.

Allocation of Water Offsite Infrastructure to Benefitting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|--|--------------------------------|--------------|-------------------------|--|-------------------------|
| 1 | Campsite Watermain Loop (41-99-17) | \$ 328,202 | | | 0.0% | 100.0% |
| 2 | Campgrounds Watermain | \$ 776,587 | | | 0.0% | 100.0% |
| 3 | New Growth Water Reservoir (CP_DP186) | \$ 12,180,232 | | | 0.0% | 100.0% |
| 4 | Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A) | \$ 2,640,000 | | | 0.0% | 100.0% |
| | | \$ 15,925,022 | | | | |

The allocation shown in the Financial Oversizing share column represents that portion of the cost that benefits development beyond the 25 year repayment period. Using the anticipated year of construction, costs beyond the 25 year allocation period are determined. For example, a project scheduled to be built in year 10 of the model will have 15 years' worth of

its costs included in the current rates and the final 10 years of costs would be deferred. During each model update, this will be adjusted and additional costs will be included in the new rates.

3.4 Existing Receipts and Adjusted Levy Cost - Water

Prior to allocating costs to benefitting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$10.87 million** in offsite levies prior to December 31, 2016 (the cut-off date established for bylaw C-1040-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2018, the City collected approximately **\$820 thousand** under the current bylaw, summarized in the table below. This results in a residual developer cost of **\$4.23 million**.

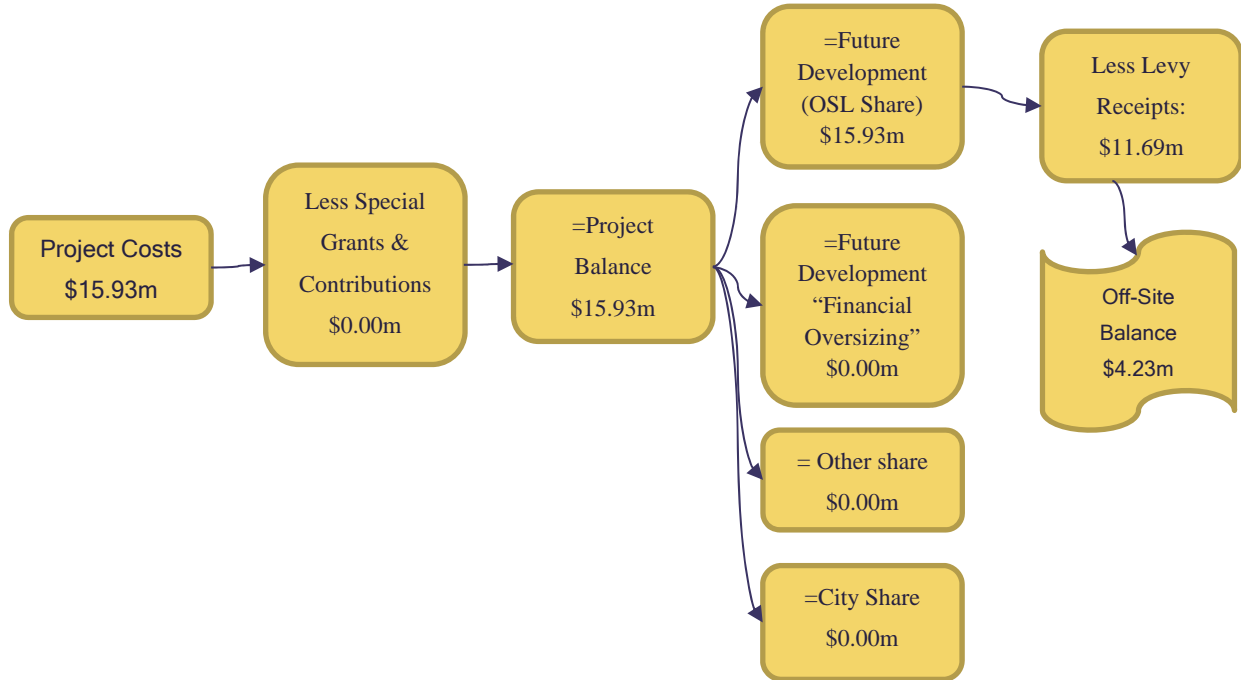
Water Offsite Levy Funds Collected to Date

| Item | Project Description | OSL / Developer Cost | Offsite Levy Funds Collected to Dec 31, 2016 | Offsite Levy Funds Collected Starting Jan 1, 2017 | Adjusted Developer (Levy) Cost |
|------|--|----------------------|--|---|--------------------------------|
| 1 | Campsite Watermain Loop (41-99-17) | \$ 328,202 | \$ 328,202 | \$ - | \$ - |
| 2 | Campgrounds Watermain | \$ 776,587 | \$ 776,587 | \$ - | \$ - |
| 3 | New Growth Water Reservoir (CP_DP186) | \$ 12,180,232 | \$ 9,766,932 | \$ 555,735 | \$ 1,857,565 |
| 4 | Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A) | \$ 2,640,000 | \$ - | \$ 264,230 | \$ 2,375,770 |
| | | \$ 15,925,022 | \$ 10,871,722 | \$ 819,966 | \$ 4,233,334 |

3.5 Summary of Offsite Levy Cost – Water

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately **\$4.23 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 3.3. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Water Offsite Levy Costs



3.6 Benefitting Areas – Water

Net developer costs for each development have been allocated to multiple benefitting offsite levy areas (see table below). Allocations are denoted with a “1” below applicable areas numbers. Benefitting areas were determined by City staff and advisors.

Benefitting Areas for Water Offsite Infrastructure

| Item | Project Description | Developer Cost | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 |
|------|---|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 | Campsite Watermain Loop (41-99-17) | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Campgrounds Watermain | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | New Growth Water Reservoir (CP_DP186) | \$ 1,857,565 | 1 | 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 Main 400mm - 1200m from Century Rd to Pioneer | \$ 2,375,770 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$ 4,233,334 | | | | | | | | | | | | | | | | | | | | | | | | | |

| Item | Project Description | Developer Cost | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 | 7.1 | 7.2 | 7.3 | 7.4 | 7.5 | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 | 10.1 | 10.2 | 10.3 | 10.4 | 10.5 | 11.1 | 11.2 | 11.3 | 11.4 | 11.5 | |
|------|---|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|--|
| 1 | Campsite Watermain Loop (41-99-17) | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Campgrounds Watermain | \$ - | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | | | | | | | | | | | | | | |
| 3 | New Growth Water Reservoir (CP_DP186) | \$ 1,857,565 | 1 | 1 | 1 | 1 | 1 | 1 | 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 Main 400mm - 1200m from Century Rd to Pioneer | \$ 2,375,770 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | \$ 4,233,334 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

3.7 Reserve Balance – Water

On December 31, 2018, the balance of the City’s Water reserve is **\$(964,003.24)** as shown in the table below. The amount takes into consideration expenditures up to end of 2018.

From end 2016 to end 2018 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

ACFA 20YR Borrowing Rate = 2.71%

TD 1 year GIC Rate = 0.85%

Water Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|---|-----------------|-----------------|------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 8,344,423.23 | \$(8,344,423.23) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 8,344,423.23 | | \$ - |
| Unused Receipts & Interest to December 31, 2016 | \$ 2,527,298.67 | | \$ 2,527,298.67 |
| Adjustments made during 2019 update - see updated continuity | | \$ 465,926.72 | \$ 2,061,371.95 |
| Opening Balance | | | \$ 2,061,371.95 |
| 2017 | | | \$ 2,061,371.95 |
| Interest on Opening Balance | \$ 175,216.62 | | \$ 2,236,588.57 |
| Project Expenditures (OSL Share) | | \$ 3,877,541.84 | \$(1,640,953.27) |
| Offsite Levy Receipts | \$ 650,685.58 | | \$ (990,267.69) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (990,267.69) |
| Debenture Interest Accrued This Year | | \$ - | \$ (990,267.69) |
| Interest on Project Expenditure | | \$ 26,270.35 | \$(1,016,538.04) |
| Interest on Offsite Levy Receipts | \$ 27,654.14 | | \$ (988,883.90) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (988,883.90) |
| Interest on Debenture Interest | | \$ - | \$ (988,883.90) |
| 2018 | | | \$ (988,883.90) |
| Interest on Opening Balance | | \$ 26,798.75 | \$(1,015,682.66) |
| Project Expenditures (OSL Share) | | \$ 123,955.19 | \$(1,139,637.85) |
| Offsite Levy Receipts | \$ 169,280.00 | | \$ (970,357.85) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (970,357.85) |
| Debenture Interest Accrued This Year | | \$ - | \$ (970,357.85) |
| Interest on Project Expenditure | | \$ 839.80 | \$ (971,197.64) |
| Interest on Offsite Levy Receipts | \$ 7,194.40 | | \$ (964,003.24) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (964,003.24) |
| Interest on Debenture Interest | | \$ - | \$ (964,003.24) |

Notes:

- ¼ year rule - expenditures are deemed to have been made in September of each year
- ½ year rule - receipts are deemed to have been made in June of each year

4 SANITARY OFFSITE INFRASTRUCTURE

4.1 Sanitary Offsite Infrastructure Costs

In order to support future growth in the City, sanitary offsite infrastructure is required. The model contains 7 sanitary offsite infrastructure projects. The estimated cost of this infrastructure is based upon:

- Actual construction costs to the cut-off date.
- Debenture interest associated with the financing, and
- Future cost estimates

The total cost is approximately **\$20.70 million** as outlined in the table below:

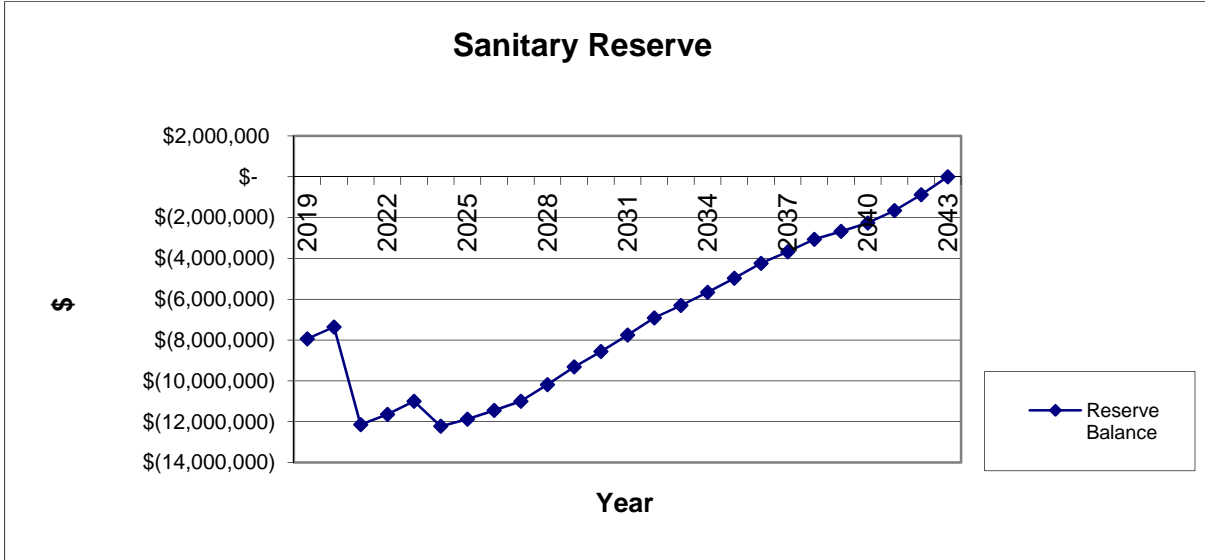
Summary of Sanitary Offsite Infrastructure

| Item | Project Description | Cost of Completed Work | Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|---|------------------------|--------------------|--|------------------------------|
| 1 | West Trunk Sanitary Sewer (42-99-12-06) - W of Campsite Rd to S Industrial Lands* | \$ 3,772,950 | \$ - | \$ - | \$ 3,772,950 |
| 2 | Pioneer Road Trunk Sewer (42-99-16-09) | \$ 2,964,966 | \$ - | \$ - | \$ 2,964,966 |
| 3 | Pioneer Road Sanitary Sewer Extension (41-01-01-14) | \$ 1,553,981 | \$ - | \$ - | \$ 1,553,981 |
| 4 | Pioneer Trunk Sewer Extension DP138 | \$ 3,983,988 | \$ - | \$ - | \$ 3,983,988 |
| 5 | Campsite West Trunk Sanitary Sewer (42-99-09) | \$ 1,358,031 | \$ - | \$ - | \$ 1,358,031 |
| 6 | Boundary Trunk Sewer | \$ 157,818 | \$ - | \$ 5,104,800 | \$ 5,262,618 |
| 7 | Pioneer Trunk Sewer Extension (McLeod to CNR) | \$ - | \$ - | \$ 1,800,000 | \$ 1,800,000 |
| | | \$ 13,791,733 | \$ - | \$ 6,904,800 | \$ 20,696,533 |

4.2 Sanitary Offsite Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing. Sanitary offsite infrastructure will be constructed in a staged fashion over the 25 year development period. Existing reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time. Front ending of the infrastructure will be required. A front-ender is the party that constructs and pays for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.71% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 0.85% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph below outlines the forecast sanitary levy reserve balances over the 25 year development period.



4.3 Sanitary Offsite Infrastructure Benefitting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees. Four potential benefitting parties were identified:

- City of Spruce Grove - a portion of sanitary infrastructure which is required to service existing development.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Spruce Grove Future Development (Financial Oversizing) - that portion of costs which benefits future development beyond the 25 year review period.
- City of Spruce Grove Future Development - all growth related infrastructure (i.e. levyable sanitary infrastructure costs).

The table below outlines the allocation of sanitary offsite levy infrastructure costs to benefitting parties.

Allocation of Sanitary Offsite Infrastructure to Benefitting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|---|--------------------------------|--------------|-------------------------|--|-------------------------|
| 1 | West Trunk Sanitary Sewer (42-99-12-06) - W of Campsite Rd to S Industrial Lands* | \$ 3,764,470 | | | 0.0% | 100.0% |
| 2 | Pioneer Road Trunk Sewer (42-99-16-09) | \$ 1,793,448 | | | 0.0% | 100.0% |
| 3 | Pioneer Road Sanitary Sewer Extension (41-01-01-14) | \$ 1,545,501 | | | 0.0% | 100.0% |
| 4 | Pioneer Trunk Sewer Extension DP138 | \$ 3,975,508 | | | 0.0% | 100.0% |
| 5 | Campsite West Trunk Sanitary Sewer (42-99-09) | \$ 1,349,551 | | | 0.0% | 100.0% |
| 6 | Boundary Trunk Sewer | \$ 5,254,138 | | | 0.0% | 100.0% |
| 7 | Pioneer Trunk Sewer Extension (McLeod to CNR) | \$ 1,791,520 | | | 20.0% | 80.0% |
| | | \$ 19,474,135 | | | | |

The allocation shown in the Financial Oversizing share column represents that portion of the cost that benefits development beyond the 25 year repayment period. Using the anticipated year of construction, costs beyond the 25 year allocation period are determined. For example, project 7, scheduled to be built in 2024, or year 5 of this model, will have 20 years' worth of its costs included in the current rates (80%) and the final 5 years of costs (20%) would be deferred. During each model update, this will be adjusted and additional costs will be included in the new rates.

4.4 Existing Receipts and Adjusted Levy Cost - Sanitary

Prior to allocating costs to benefitting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$4.76 million** in offsite levies prior to December 31, 2016 (the cut-off date established for bylaw C-1040-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2018, the City collected approximately **\$314 thousand** under the current bylaw, summarized in the table below. This results in a residual developer cost of **\$14.04 million**.

Sanitary Offsite Levy Funds Collected to Date

| Item | Project Description | OSL / Developer Cost | Offsite Levy Funds Collected to Dec 31, 2016 | Offsite Levy Funds Collected Starting Jan 1, 2017 | Adjusted Developer (Levy) Cost |
|------|---|----------------------|--|---|--------------------------------|
| 1 | West Trunk Sanitary Sewer (42-99-12-06) - W of Campsite Rd to S Industrial Lands* | \$ 3,764,470 | \$ 3,246,918 | \$ 38,161 | \$ 479,391 |
| 2 | Pioneer Road Trunk Sewer (42-99-16-09) | \$ 1,793,448 | | \$ 35,596 | \$ 1,757,852 |
| 3 | Pioneer Road Sanitary Sewer Extension (41-01-01-14) | \$ 1,545,501 | | \$ 30,698 | \$ 1,514,802 |
| 4 | Pioneer Trunk Sewer Extension DP138 | \$ 3,975,508 | | \$ 75,659 | \$ 3,899,849 |
| 5 | Campsite West Trunk Sanitary Sewer (42-99-09) | \$ 1,349,551 | \$ 1,358,031 | \$ - | \$ (8,480) |
| 6 | Boundary Trunk Sewer | \$ 5,254,138 | \$ 157,818 | \$ 105,825 | \$ 4,990,495 |
| 7 | Pioneer Trunk Sewer Extension (McLeod to CNR) | \$ 1,433,216 | \$ - | \$ 28,447 | \$ 1,404,769 |
| | | \$ 19,115,831 | \$ 4,762,766 | \$ 314,386 | \$ 14,038,678 |

4.5 Summary of Offsite Levy Cost – Sanitary

As shown in the figure below, the total cost for sanitary infrastructure that forms the basis of the rate is approximately **\$14.04 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 4.3. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

4.7 Reserve Balance – Sanitary

On December 31, 2018, the balance of the City's sanitary reserve is \$(7,519,308.29), as shown in the table below. The amount takes into consideration expenditures up to end of 2018.

From end 2016 to end 2018 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

ACFA 20YR Borrowing Rate = 2.71%

TD 1 year GIC Rate = 0.85%

Sanitary Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|---|-----------------|------------------|--------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 11,522,334.96 | \$ (11,522,334.96) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 4,762,766.14 | | \$ (6,759,568.82) |
| Adjustments made during 2019 update - see updated continuity | \$ 465,926.72 | \$ 76,821.50 | \$ (6,370,463.60) |
| | | | \$ (6,370,463.60) |
| Opening Balance | | | \$ (6,370,463.60) |
| 2017 | | | \$ (6,370,463.60) |
| Interest on Opening Balance | | \$ 172,639.56 | \$ (6,543,103.16) |
| Project Expenditures (OSL Share) | | \$ 756,872.34 | \$ (7,299,975.50) |
| Offsite Levy Receipts | \$ 278,601.18 | | \$ (7,021,374.32) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,021,374.32) |
| Debenture Interest Accrued This Year | | \$ - | \$ (7,021,374.32) |
| Interest on Project Expenditure | | \$ 5,127.81 | \$ (7,026,502.13) |
| Interest on Offsite Levy Receipts | \$ 11,840.55 | | \$ (7,014,661.58) |
| Bylaw (if any) | \$ - | | \$ (7,014,661.58) |
| Interest on Debenture Interest | | \$ - | \$ (7,014,661.58) |
| 2018 | | | \$ (7,014,661.58) |
| Interest on Opening Balance | | \$ 190,097.33 | \$ (7,204,758.91) |
| Project Expenditures (OSL Share) | | \$ 349,487.46 | \$ (7,554,246.37) |
| Offsite Levy Receipts | \$ 35,785.00 | | \$ (7,518,461.37) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,518,461.37) |
| Debenture Interest Accrued This Year | | \$ - | \$ (7,518,461.37) |
| Interest on Project Expenditure | | \$ 2,367.78 | \$ (7,520,829.15) |
| Interest on Offsite Levy Receipts | \$ 1,520.86 | | \$ (7,519,308.29) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,519,308.29) |
| Interest on Debenture Interest | | \$ - | \$ (7,519,308.29) |

Notes:

- ¼ year rule - expenditures are deemed to have been made in September of each year
- ½ year rule - receipts are deemed to have been made in June of each year

5 TRANSPORTATION OFFSITE INFRASTRUCTURE

5.1 Transportation Offsite Infrastructure Costs

In order to support future growth in the City, transportation offsite infrastructure is required. The model contains 48 transportation offsite infrastructure projects. The estimated cost of this infrastructure is based upon:

- Actual construction costs to the cut-off date.
- Debenture interest associated with the financing, and
- Future cost estimates

The total cost is approximately **\$133.97 million** as outlined in the table below:

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 | Campsite Road Twinning | \$ 137,529 | \$ - | \$ - | \$ 137,529 |
| 2 | Grove Drive - Century Road to Greystone | \$ 56,771 | \$ - | \$ - | \$ 56,771 |
| 3 | Traffic Signals - Campsite Road and McLeod Ave | \$ 203,441 | \$ - | \$ - | \$ 203,441 |
| 4 | Traffic Signals - Campsite Road and Grove Drive | \$ 104,864 | \$ - | \$ - | \$ 104,864 |
| 5 | Grove Drive Twinning/Widening - Campsite to Century | \$ 5,828,599 | \$ - | \$ - | \$ 5,828,599 |
| 6 | TLC Signalization | \$ 262,197 | \$ - | \$ - | \$ 262,197 |
| 7 | Century Road Widening/Landscaping | \$ 1,872,896 | \$ - | \$ - | \$ 1,872,896 |
| 8 | Grove Drive East/West | \$ 3,130,734 | \$ - | \$ - | \$ 3,130,734 |
| 9 | Traffic Signals - Jennifer Heil Way and Hawthorne Gate Intersection | \$ 200,970 | \$ - | \$ - | \$ 200,970 |
| 10 | Century Road South of Diamond Ave. | \$ 1,474,213 | \$ - | \$ - | \$ 1,474,213 |
| 11 | Traffic Signals - Highway 16A/Century Crossing | \$ 376,862 | \$ - | \$ - | \$ 376,862 |
| 12 | Century Road/ Grove Drive Intersection | \$ 1,546,798 | \$ - | \$ - | \$ 1,546,798 |
| 13 | Grove Drive East Extension | \$ 1,650,186 | \$ - | \$ - | \$ 1,650,186 |
| 14 | Traffic Signals - (1) Grove Dr and Greystone, and (2) Grove Dr and Harvest Ridge | \$ 370,210 | \$ - | \$ - | \$ 370,210 |
| 15 | Pioneer Rd - Grove Dr to Highway 16A with roundabout at McLeod Ave and Grove Dr | \$ 9,625,244 | \$ 2,477,708 | \$ 2,220,000 | \$ 14,322,952 |
| 16 | South Industrial Arterial - Tamarack Drive | \$ 760,710 | \$ - | \$ - | \$ 760,710 |
| 17 | Traffic Signals - Grove Drive and Deer Park | \$ 261,976 | \$ - | \$ - | \$ 261,976 |
| 18 | Widening Jennifer Heil Road/Campsite Rd from McLeod Ave to south of the CN rail | \$ 2,351,339 | \$ 540,819 | \$ - | \$ 2,892,158 |
| 19 | Tamarack Drive 2LAUD - 200m from Golden Spike Rd east | \$ - | \$ - | \$ 732,000 | \$ 732,000 |
| 20 | Tamarack Drive 2LAUD - 1400m from existing to Century Rd | \$ - | \$ - | \$ 5,124,000 | \$ 5,124,000 |
| 21 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd | \$ - | \$ - | \$ 5,856,000 | \$ 5,856,000 |
| 22 | Tamarack Drive 2LAUD - 90m from Golden Spike Rd west | \$ - | \$ - | \$ 329,400 | \$ 329,400 |
| 23 | Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd | \$ - | \$ - | \$ 5,490,000 | \$ 5,490,000 |
| 24 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd | \$ - | \$ - | \$ 5,856,000 | \$ 5,856,000 |
| 25 | Pioneer Road 2LAUD - 400m south of Hwy 16A | \$ - | \$ - | \$ 1,464,000 | \$ 1,464,000 |
| 26 | Pioneer Road 4LAUD - 400m south of Hwy 16A | \$ - | \$ - | \$ 1,464,000 | \$ 1,464,000 |
| 27 | Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr | \$ - | \$ - | \$ 5,124,000 | \$ 5,124,000 |
| 28 | Century Road 2LAUD - 2400m Hwy 16A to south boundary | \$ - | \$ - | \$ 8,784,000 | \$ 8,784,000 |
| 29 | Century Road 4LAUD - 2400m Hwy 16A to south boundary | \$ - | \$ - | \$ 8,784,000 | \$ 8,784,000 |
| 30 | Grove Drive East 4LAUD - 1000m to Pioneer Rd | \$ - | \$ - | \$ 3,660,000 | \$ 3,660,000 |

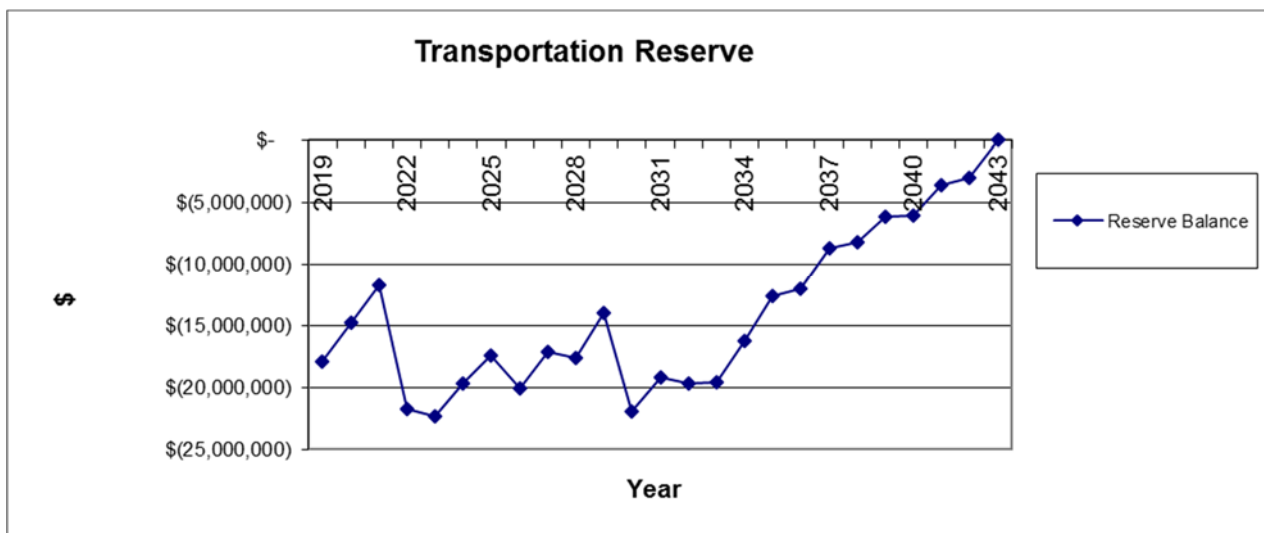
| Item | Project Description | Cost of Completed Work | Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|---|------------------------|---------------------|--|------------------------------|
| 31 | Grove Drive West 2LAUD - 600m to Boundary Rd | \$ 2,098,948 | \$ 487,366 | \$ 2,196,000 | \$ 4,782,314 |
| 32 | Grove Drive West 4LAUD - 1400m to Boundary Rd | \$ - | \$ - | \$ 5,124,000 | \$ 5,124,000 |
| 33 | Campsite Road 2LAUD - 1300m from CN to south boundary | \$ - | \$ - | \$ 4,758,000 | \$ 4,758,000 |
| 34 | Campsite Road 4LAUD - 1300m from CN to south boundary | \$ - | \$ - | \$ 4,758,000 | \$ 4,758,000 |
| 35 | Golden Spike Road 2LAUD - 1400m to south boundary | \$ - | \$ - | \$ 5,124,000 | \$ 5,124,000 |
| 36 | Golden Spike Road 4LAUD - 1400m to south boundary | \$ - | \$ - | \$ 5,124,000 | \$ 5,124,000 |
| 37 | Boundary Road 2LAUD - 1200m to Hwy16A | \$ - | \$ - | \$ 10,962,000 | \$ 10,962,000 |
| 38 | Traffic Signals - Boundary @ McLeod | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 39 | Traffic Signals - Hwy 16A - between Boundary & Campsite | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 40 | Traffic Signals - Campsite - between Grove Dr & Hwy 16 | \$ - | \$ - | \$ 600,000 | \$ 600,000 |
| 41 | Traffic Signals - Campsite @ Diamond | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 42 | Traffic Signals - Campsite @ Tamarack | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 43 | Traffic Signals - Golden Spike @ Diamond | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 44 | Traffic Signals - Golden Spike @ Tamarack | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 45 | Traffic Signals - Century @ Diamond | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 46 | Traffic Signals - Century @ Tamarack | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 47 | Traffic Signals - Grove Dr @ Greenbury Blvd | \$ - | \$ - | \$ 360,000 | \$ 360,000 |
| 48 | Arterial Toplift Asphalt | \$ - | \$ - | \$ 1,380,000 | \$ 1,380,000 |
| | | \$ 32,314,485 | \$ 3,505,894 | \$ 98,153,400 | \$ 133,973,779 |

5.2 Transportation Offsite Infrastructure Staging

The timing of construction is used to determine the impact of inflation on cost, the impact of forecast reserve balances, and the estimate of financial oversizing. Transportation offsite infrastructure will be constructed in a staged fashion over the 25 year development period. Existing reserve funds will not be sufficient to pay for construction of transportation

infrastructure from time to time. Front ending of the infrastructure will be required. A front-end is the party that constructs and pays for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a 2.71% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 0.85% interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph below outlines the forecast transportation levy reserve balances over the 25 year development period.



5.3 Transportation Offsite Infrastructure Benefitting Parties

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees. Four potential benefitting parties were identified:

- City of Spruce Grove - a portion of transportation infrastructure which is required to service existing development.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Spruce Grove Future Development (Financial Oversizing) - that portion of costs which benefits future development beyond the 25 year review period.
- City of Spruce Grove Future Development - all growth related infrastructure (i.e. levyable transportation infrastructure costs).

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefitting parties.

Allocation of Transportation Offsite Infrastructure to Benefitting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|--|--------------------------------|--------------|-------------------------|--|-------------------------|
| 1 | Campsite Road Twinning | \$ 137,529 | | | 0.0% | 100.0% |
| 2 | Grove Drive - Century Road to Greystone | \$ 56,771 | | | 0.0% | 100.0% |
| 3 | Traffic Signals - Campsite Road and McLeod Ave | \$ 203,441 | | | 0.0% | 100.0% |
| 4 | Traffic Signals - Campsite Road and Grove Drive | \$ 104,864 | | | 0.0% | 100.0% |
| 5 | Grove Drive Twinning/Widening - Campsite to Century | \$ 5,828,599 | | | 0.0% | 100.0% |
| 6 | TLC Signalization | \$ 262,197 | | | 0.0% | 100.0% |
| 7 | Century Road Widening/Landscaping | \$ 1,872,896 | | | 0.0% | 100.0% |
| 8 | Grove Drive East/West | \$ 3,130,734 | | | 0.0% | 100.0% |
| 9 | Traffic Signals - Jennifer Heil Way and Hawthorne Gate Intersection | \$ 200,970 | | | 0.0% | 100.0% |
| 10 | Century Road South of Diamond Ave. | \$ 1,322,252 | | | 0.0% | 100.0% |
| 11 | Traffic Signals - Highway 16A/Century Crossing | \$ 376,862 | | | 0.0% | 100.0% |
| 12 | Century Road/ Grove Drive Intersection | \$ 1,546,798 | | | 0.0% | 100.0% |
| 13 | Grove Drive East Extension | \$ 1,650,186 | | | 0.0% | 100.0% |
| 14 | Traffic Signals - (1) Grove Dr and Greystone, and (2) Grove Dr and Harvest Ridge | \$ 370,210 | | | 0.0% | 100.0% |
| 15 | Pioneer Rd - Grove Dr to Highway 16A with roundabout at McLeod Ave and Grove Dr | \$ 14,322,952 | | | 0.0% | 100.0% |
| 16 | South Industrial Arterial - Tamarack Drive | \$ 760,710 | | | 0.0% | 100.0% |
| 17 | Traffic Signals - Grove Drive and Deer Park | \$ 261,976 | | | 0.0% | 100.0% |
| 18 | Widening Jennifer Heil Road/Campsite Rd from McLeod Ave to south of the CN rail | \$ 2,892,158 | | | 0.0% | 100.0% |
| 19 | Tamarack Drive 2LAUD - 200m from Golden Spike Rd east | \$ 732,000 | | | 44.0% | 56.0% |
| 20 | Tamarack Drive 2LAUD - 1400m from existing to Century Rd | \$ 5,124,000 | | | 44.0% | 56.0% |
| 21 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd | \$ 5,856,000 | | | 92.0% | 8.0% |
| 22 | Tamarack Drive 2LAUD - 90m from Golden Spike Rd west | \$ 329,400 | | | 28.0% | 72.0% |
| 23 | Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd | \$ 5,490,000 | | | 28.0% | 72.0% |
| 24 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd | \$ 5,856,000 | | | 68.0% | 32.0% |

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|---|--------------------------------|--------------|-------------------------|--|-------------------------|
| 25 | Pioneer Road 2LAUD - 400m south of Hwy 16A | \$ 1,464,000 | | | 84.0% | 16.0% |
| 26 | Pioneer Road 4LAUD - 400m south of Hwy 16A | \$ 1,464,000 | | | 100.0% | 0.0% |
| 27 | Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr | \$ 5,124,000 | | | 52.0% | 48.0% |
| 28 | Century Road 2LAUD - 2400m Hwy 16A to south boundary | \$ 8,784,000 | | | 44.0% | 56.0% |
| 29 | Century Road 4LAUD - 2400m Hwy 16A to south boundary | \$ 8,784,000 | | | 92.0% | 8.0% |
| 30 | Grove Drive East 4LAUD - 1000m to Pioneer Rd | \$ 3,660,000 | | | 16.0% | 84.0% |
| 31 | Grove Drive West 2LAUD - 600m to Boundary Rd | \$ 4,782,314 | | | 0.0% | 100.0% |
| 32 | Grove Drive West 4LAUD - 1400m to Boundary Rd | \$ 5,124,000 | | | 76.0% | 24.0% |
| 33 | Campsite Road 2LAUD - 1300m from CN to south boundary | \$ 4,758,000 | | | 56.0% | 44.0% |
| 34 | Campsite Road 4LAUD - 1300m from CN to south boundary | \$ 4,758,000 | | | 100.0% | 0.0% |
| 35 | Golden Spike Road 2LAUD - 1400m to south boundary | \$ 5,124,000 | | | 36.0% | 64.0% |
| 36 | Golden Spike Road 4LAUD - 1400m to south boundary | \$ 5,124,000 | | | 84.0% | 16.0% |
| 37 | Boundary Road 2LAUD - 1200m to Hwy16A | \$ 10,962,000 | | | 12.0% | 88.0% |
| 38 | Traffic Signals - Boundary @ McLeod | \$ 360,000 | | | 92.0% | 8.0% |
| 39 | Traffic Signals - Hwy 16A - between Boundary & Campsite | \$ 360,000 | | | 12.0% | 88.0% |
| 40 | Traffic Signals - Campsite - between Grove Dr & Hwy 16 | \$ 600,000 | | | 16.0% | 84.0% |
| 41 | Traffic Signals - Campsite @ Diamond | \$ 360,000 | | | 48.0% | 52.0% |
| 42 | Traffic Signals - Campsite @ Tamarack | \$ 360,000 | | | 52.0% | 48.0% |
| 43 | Traffic Signals - Golden Spike @ Diamond | \$ 360,000 | | | 24.0% | 76.0% |
| 44 | Traffic Signals - Golden Spike @ Tamarack | \$ 360,000 | | | 48.0% | 52.0% |
| 45 | Traffic Signals - Century @ Diamond | \$ 360,000 | | | 28.0% | 72.0% |
| 46 | Traffic Signals - Century @ Tamarack | \$ 360,000 | | | 96.0% | 4.0% |
| 47 | Traffic Signals - Grove Dr @ Greenbury Blvd | \$ 360,000 | | | 16.0% | 84.0% |
| 48 | Arterial Toplift Asphalt | \$ 1,380,000 | | | 0.0% | 100.0% |
| | | \$ 133,821,818 | | | | |

The allocation shown in the Financial Oversizing share column represents that portion of the cost that benefits development beyond the 25 year repayment period. Using the anticipated year of construction, costs beyond the 25 year allocation period are determined. For example, project 39, scheduled to be built in 2022, or year 3 of this model, will have 22 years' worth of its costs included in the current rates (88%) and the final 3 years of costs (12%) would be deferred. During each model update, this will be adjusted and additional costs will be included in the new rates.

5.4 Existing Receipts and Adjusted Levy Cost - Transportation

Prior to allocating costs to benefitting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$18.90 million** in offsite levies prior to December 31, 2016 (the cut-off date established for bylaw C-1040-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2018, the City collected approximately **\$2.39 million** under the current bylaw, summarized in the table below. This results in a residual developer cost of **\$60.69 million**.

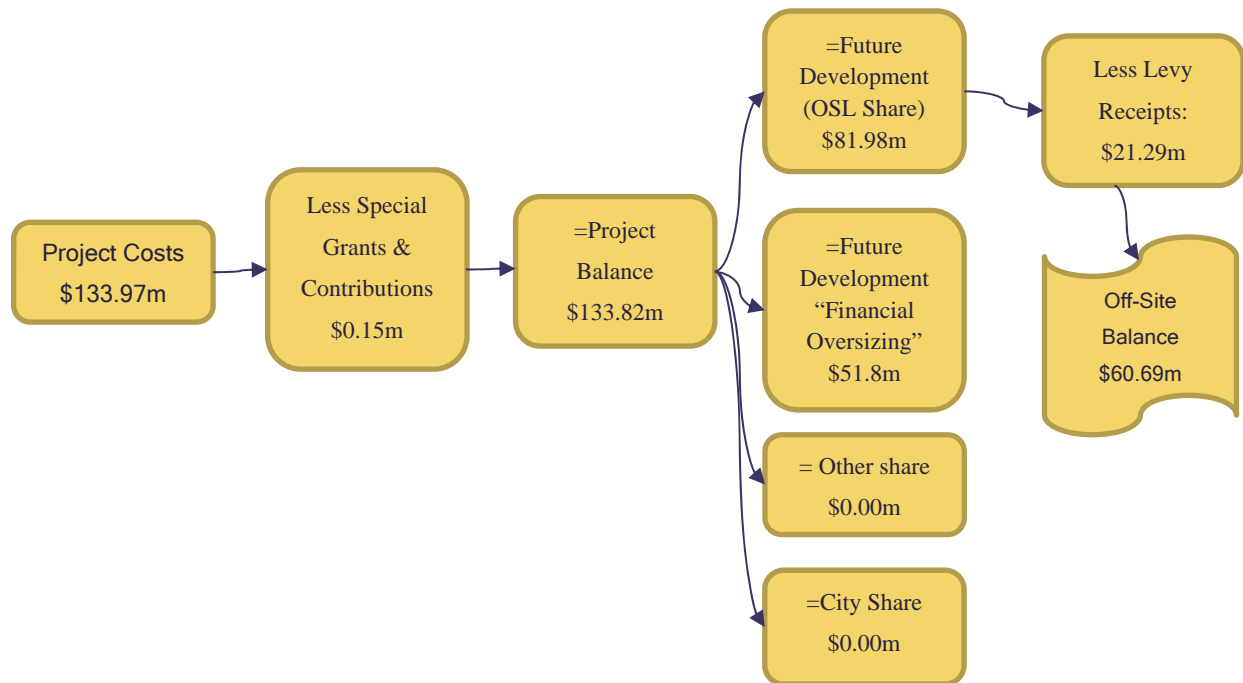
Transportation Offsite Levy Funds Collected to Date

| Item | Project Description | OSL / Developer Cost | Offsite Levy Funds Collected to Dec 31, 2016 | Offsite Levy Funds Collected Starting Jan 1, 2017 | Adjusted Developer (Levy) Cost |
|------|--|----------------------|--|---|--------------------------------|
| 1 | Campsite Road Twinning | \$ 137,529 | \$ 137,529 | \$ - | \$ - |
| 2 | Grove Drive - Century Road to Greystone | \$ 56,771 | \$ 56,771 | \$ - | \$ - |
| 3 | Traffic Signals - Campsite Road and McLeod Ave | \$ 203,441 | \$ 203,441 | \$ - | \$ - |
| 4 | Traffic Signals - Campsite Road and Grove Drive | \$ 104,864 | \$ 104,864 | \$ - | \$ - |
| 5 | Grove Drive Twinning/Widening - Campsite to Century | \$ 5,828,599 | \$ 5,828,599 | \$ - | \$ - |
| 6 | TLC Signalization | \$ 262,197 | \$ 262,197 | \$ - | \$ - |
| 7 | Century Road Widening/Landscaping | \$ 1,872,896 | \$ 1,872,896 | \$ - | \$ - |
| 8 | Grove Drive East/West | \$ 3,130,734 | \$ 3,130,734 | \$ - | \$ - |
| 9 | Traffic Signals - Jennifer Heil Way and Hawthorne Gate Intersection | \$ 200,970 | \$ 200,970 | \$ - | \$ - |
| 10 | Century Road South of Diamond Ave. | \$ 1,322,252 | \$ 1,322,252 | \$ - | \$ - |
| 11 | Traffic Signals - Highway 16A/Century Crossing | \$ 376,862 | \$ 376,862 | \$ - | \$ - |
| 12 | Century Road/ Grove Drive Intersection | \$ 1,546,798 | \$ 1,546,798 | \$ - | \$ - |
| 13 | Grove Drive East Extension | \$ 1,650,186 | \$ 1,650,186 | \$ - | \$ - |
| 14 | Traffic Signals - (1) Grove Dr and Greystone, and (2) Grove Dr and Harvest Ridge | \$ 370,210 | \$ 370,210 | \$ - | \$ - |
| 15 | Pioneer Rd - Grove Dr to Highway 16A with roundabout at McLeod Ave and Grove Dr | \$ 14,322,952 | \$ - | \$ 540,710 | \$ 13,782,242 |
| 16 | South Industrial Arterial - Tamarack Drive | \$ 760,710 | \$ - | \$ 36,806 | \$ 723,904 |
| 17 | Traffic Signals - Grove Drive and Deer Park | \$ 261,976 | \$ 137,529 | \$ 6,021 | \$ 118,425 |
| 18 | Widening Jennifer Heil Road/Campsite Rd from McLeod Ave to south of the CN rail | \$ 2,892,158 | \$ 1,696,507 | \$ 41,127 | \$ 1,154,524 |
| 19 | Tamarack Drive 2LAUD - 200m from Golden Spike Rd east | \$ 409,920 | \$ - | \$ 19,834 | \$ 390,086 |
| 20 | Tamarack Drive 2LAUD - 1400m from existing to Century Rd | \$ 2,869,440 | \$ - | \$ 138,836 | \$ 2,730,604 |
| 21 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd | \$ 468,480 | \$ - | \$ 22,667 | \$ 445,813 |
| 22 | Tamarack Drive 2LAUD - 90m from Golden Spike Rd west | \$ 237,168 | \$ - | \$ 11,475 | \$ 225,693 |
| 23 | Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd | \$ 3,952,800 | \$ - | \$ 191,253 | \$ 3,761,547 |
| 24 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd | \$ 1,873,920 | \$ - | \$ 90,668 | \$ 1,783,252 |
| 25 | Pioneer Road 2LAUD - 400m south of Hwy 16A | \$ 234,240 | \$ - | \$ 11,334 | \$ 222,906 |
| 26 | Pioneer Road 4LAUD - 400m south of Hwy 16A | \$ - | \$ - | \$ - | \$ - |
| 27 | Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr | \$ 2,459,520 | \$ - | \$ 119,002 | \$ 2,340,518 |
| 28 | Century Road 2LAUD - 2400m Hwy 16A to south boundary | \$ 4,919,040 | \$ - | \$ 238,004 | \$ 4,681,036 |
| 29 | Century Road 4LAUD - 2400m Hwy 16A to south boundary | \$ 702,720 | \$ - | \$ 34,001 | \$ 668,719 |
| 30 | Grove Drive East 4LAUD - 1000m to Pioneer Rd | \$ 3,074,400 | \$ - | \$ 148,752 | \$ 2,925,648 |
| 31 | Grove Drive West 2LAUD - 600m to Boundary Rd | \$ 4,782,314 | \$ - | \$ 93,502 | \$ 4,688,813 |
| 32 | Grove Drive West 4LAUD - 1400m to Boundary Rd | \$ 1,229,760 | \$ - | \$ 59,501 | \$ 1,170,259 |
| 33 | Campsite Road 2LAUD - 1300m from CN to south boundary | \$ 2,093,520 | \$ - | \$ 101,293 | \$ 1,992,227 |
| 34 | Campsite Road 4LAUD - 1300m from CN to south boundary | \$ - | \$ - | \$ - | \$ - |
| 35 | Golden Spike Road 2LAUD - 1400m to south boundary | \$ 3,279,360 | \$ - | \$ 158,669 | \$ 3,120,691 |
| 36 | Golden Spike Road 4LAUD - 1400m to south boundary | \$ 819,840 | \$ - | \$ 39,667 | \$ 780,173 |
| 37 | Boundary Road 2LAUD - 1200m to Hwy16A | \$ 9,646,560 | \$ - | \$ 187,003 | \$ 9,459,557 |
| 38 | Traffic Signals - Boundary @ McLeod | \$ 28,800 | \$ - | \$ 1,393 | \$ 27,407 |
| 39 | Traffic Signals - Hwy 16A - between Boundary & Campsite | \$ 316,800 | \$ - | \$ 15,328 | \$ 301,472 |
| 40 | Traffic Signals - Campsite - between Grove Dr & Hwy 16 | \$ 504,000 | \$ - | \$ 14,631 | \$ 489,369 |
| 41 | Traffic Signals - Campsite @ Diamond | \$ 187,200 | \$ - | \$ 9,058 | \$ 178,142 |
| 42 | Traffic Signals - Campsite @ Tamarack | \$ 172,800 | \$ - | \$ 8,361 | \$ 164,439 |
| 43 | Traffic Signals - Golden Spike @ Diamond | \$ 273,600 | \$ - | \$ 13,238 | \$ 260,362 |
| 44 | Traffic Signals - Golden Spike @ Tamarack | \$ 187,200 | \$ - | \$ 9,058 | \$ 178,142 |
| 45 | Traffic Signals - Century @ Diamond | \$ 259,200 | \$ - | \$ 12,541 | \$ 246,659 |
| 46 | Traffic Signals - Century @ Tamarack | \$ 14,400 | \$ - | \$ 697 | \$ 13,703 |
| 47 | Traffic Signals - Grove Dr @ Greenbury Blvd | \$ 302,400 | \$ - | \$ 14,631 | \$ 287,769 |
| 48 | Arterial Toplift Asphalt | \$ 1,380,000 | \$ - | \$ - | \$ 1,380,000 |
| | | \$ 81,981,506 | \$ 18,898,345 | \$ 2,389,060 | \$ 60,694,101 |

5.5 Summary of Offsite Levy Cost – Transportation

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately **\$60.69 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 5.3. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Transportation Offsite Levy Costs



5.6 Benefitting Areas – Transportation

Net developer costs for each development have been allocated to multiple benefitting offsite levy areas (see table below). Allocations are denoted with a "1" below applicable areas numbers. Benefitting areas were determined by City staff and advisors.

| Item | Project Description | Developer Cost | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 | 7.1 | 7.2 | 7.3 | 7.4 | 7.5 | 8.1 | 8.2 | 8.3 | 8.4 | 8.5 | 9.1 | 9.2 | 9.3 | 9.4 | 9.5 | 10.1 | 10.2 | 10.3 | 10.4 | 10.5 | 11.1 | 11.2 | 11.3 | 11.4 | 11.5 | |
|------|--|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|---|
| 1 | Campsite Road Twinning | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 2 | Grove Drive - Century Road to Greystone | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - Campsite Road and McLeod Ave | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - Campsite Road and Grove Drive | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Grove Drive Twinning/Widening - Campsite to Century | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | TLC Signalization | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Century Road Widening/Landscaping | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Grove Drive East/West | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - Jennifer Heil Way and Hawthorne Gate Intersection | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Century Road South of Diamond Ave. | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - Highway 16A/Century Crossing | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Century Road/ Grove Drive Intersection | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Grove Drive East Extension | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - (1) Grove Dr and Greystone, and (2) Grove Dr and Harvest Ridge | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Pioneer Rd - Grove Dr to Highway 16A with roundabout at McLeod Ave and Grove Dr | \$ 13,782,242 | 1 | 1 | 1 | 1 | 1 | 1 | 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 | South Industrial Arterial - Tamarack Drive | \$ 723,904 | 1 | 1 | 1 | 1 | 1 | 1 | 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 | Traffic Signals - Grove Drive and Deer Park | \$ 118,425 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 18 | Widening Jennifer Heil Road/Campsite Rd from McLeod Ave to south of the CN rail | \$ 1,154,524 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 19 | Tamarack Drive 2LAUD - 200m from Golden Spike Rd east | \$ 390,086 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 20 | Tamarack Drive 2LAUD - 1400m from existing to Century Rd | \$ 2,730,604 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 21 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd | \$ 445,813 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 22 | Tamarack Drive 2LAUD - 90m from Golden Spike Rd west | \$ 225,693 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 23 | Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd | \$ 3,761,547 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 24 | Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd | \$ 1,783,252 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 25 | Pioneer Road 2LAUD - 400m south of Hwy 16A | \$ 222,906 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 26 | Pioneer Road 4LAUD - 400m south of Hwy 16A | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 27 | Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr | \$ 2,340,518 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 28 | Century Road 2LAUD - 2400m Hwy 16A to south boundary | \$ 4,681,036 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 29 | Century Road 4LAUD - 2400m Hwy 16A to south boundary | \$ 668,719 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 30 | Grove Drive East 4LAUD - 1000m to Pioneer Rd | \$ 2,925,648 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 31 | Grove Drive West 2LAUD - 600m to Boundary Rd | \$ 4,688,813 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 32 | Grove Drive West 4LAUD - 1400m to Boundary Rd | \$ 1,170,259 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 33 | Campsite Road 2LAUD - 1300m from CN to south boundary | \$ 1,992,227 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 34 | Campsite Road 4LAUD - 1300m from CN to south boundary | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 35 | Golden Spike Road 2LAUD - 1400m to south boundary | \$ 3,120,691 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 36 | Golden Spike Road 4LAUD - 1400m to south boundary | \$ 780,173 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 37 | Boundary Road 2LAUD - 1200m to Hwy16A | \$ 9,459,557 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 38 | Traffic Signals - Boundary @ McLeod | \$ 27,407 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 39 | Traffic Signals - Hwy 16A - between Boundary & Campsite | \$ 301,472 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 40 | Traffic Signals - Campsite - between Grove Dr & Hwy 16 | \$ 489,369 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 41 | Traffic Signals - Campsite @ Diamond | \$ 178,142 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 42 | Traffic Signals - Campsite @ Tamarack | \$ 164,439 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 43 | Traffic Signals - Golden Spike @ Diamond | \$ 260,362 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 44 | Traffic Signals - Golden Spike @ Tamarack | \$ 178,142 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 45 | Traffic Signals - Century @ Diamond | \$ 246,659 | 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 |
| 46 | Traffic Signals - Century @ Tamarack | \$ 13,703 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 47 | Traffic Signals - Grove Dr @ Greenbury Blvd | \$ 287,769 | 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 |
| 48 | Arterial Toplift Asphalt | \$ 1,380,000 | 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 |
| | | \$ 60,694,101 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

5.7 Reserve Balance – Transportation

On December 31, 2018, the balance of the City’s transportation reserve is **\$(10,550,458.69)**, as shown in the table below. The amount takes into consideration expenditures up to end of 2018.

From end 2016 to end 2018 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

ACFA 20YR Borrowing Rate = 2.71%

TD 1 year GIC Rate = 0.85%

Transportation Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|---|------------------|------------------|--------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 23,395,137.23 | \$ (23,395,137.23) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 18,898,345.18 | | \$ (4,496,792.05) |
| Adjustments made during 2019 update - see updated continuity | \$ 556,372.94 | \$ 2,745.00 | \$ (3,943,164.11) |
| | | | \$ (3,943,164.11) |
| Opening Balance | | | \$ (3,943,164.11) |
| 2017 | | | \$ (3,943,164.11) |
| Interest on Opening Balance | | \$ 106,859.75 | \$ (4,050,023.86) |
| Project Expenditures (OSL Share) | | \$ 3,960,947.32 | \$ (8,010,971.18) |
| Offsite Levy Receipts | \$ 1,896,536 | | \$ (6,114,434.73) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (6,114,434.73) |
| Debenture Interest Accrued This Year | | \$ - | \$ (6,114,434.73) |
| Interest on Project Expenditure | | \$ 26,835.42 | \$ (6,141,270.15) |
| Interest on Offsite Levy Receipts | \$ 80,602.80 | | \$ (6,060,667.35) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (6,060,667.35) |
| Interest on Debenture Interest | | \$ - | \$ (6,060,667.35) |
| 2018 | | | \$ (6,060,667.35) |
| Interest on Opening Balance | | \$ 164,244.09 | \$ (6,224,911.43) |
| Project Expenditures (OSL Share) | | \$ 4,806,439.90 | \$ (11,031,351.33) |
| Offsite Levy Receipts | \$ 492,524.00 | | \$ (10,538,827.33) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (10,538,827.33) |
| Debenture Interest Accrued This Year | | \$ - | \$ (10,538,827.33) |
| Interest on Project Expenditure | | \$ 32,563.63 | \$ (10,571,390.96) |
| Interest on Offsite Levy Receipts | \$ 20,932.27 | | \$ (10,550,458.69) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (10,550,458.69) |
| Interest on Debenture Interest | | \$ - | \$ (10,550,458.69) |

Notes:

- ¼ year rule - expenditures are deemed to have been made in September of each year
- ½ year rule - receipts are deemed to have been made in June of each year

6 SUMMARY OF OFFSITE LEVY RATES

The table below shows the combined offsite levy rates (per hectare) associated with construction of transportation, water, and sanitary offsite infrastructure for each offsite levy area. Cumulative rates vary from a low of \$68,449 per hectare (Areas 6 and 7) to a high of \$110,360 per hectare (Areas 10 and 11). The weighted average rate total of all areas is \$88,730 per hectare. This is up from the \$86,497 per hectare at the last update.

Note: The weighted average is provided for information purposes only; developers are charged the rate applicable to their specific levy area.

Summary of Offsite Levies by Area

| Area # | Transportation Levies | Water Levies | Sanitary Levies | Total |
|--------|-----------------------|--------------|-----------------|------------|
| 1.0 | \$ 64,501 | \$ 3,948 | \$ - | \$ 68,449 |
| 2.0 | \$ 64,501 | \$ 3,948 | \$ 22,148 | \$ 90,597 |
| 3.0 | \$ 64,501 | \$ 3,948 | \$ 22,148 | \$ 90,597 |
| 4.0 | \$ 64,501 | \$ 3,948 | \$ 1,819 | \$ 70,268 |
| 5.0 | \$ 64,501 | \$ 3,948 | \$ 1,859 | \$ 70,308 |
| 6.0 | \$ 64,501 | \$ 3,948 | \$ - | \$ 68,449 |
| 7.0 | \$ 64,501 | \$ 3,948 | \$ - | \$ 68,449 |
| 8.0 | \$ 64,501 | \$ 18,572 | \$ - | \$ 83,073 |
| 9.0 | \$ 64,501 | \$ 3,948 | \$ - | \$ 68,449 |
| 10.0 | \$ 64,501 | \$ 18,572 | \$ 27,287 | \$ 110,360 |
| 11.0 | \$ 64,501 | \$ 18,572 | \$ 27,287 | \$ 110,360 |