

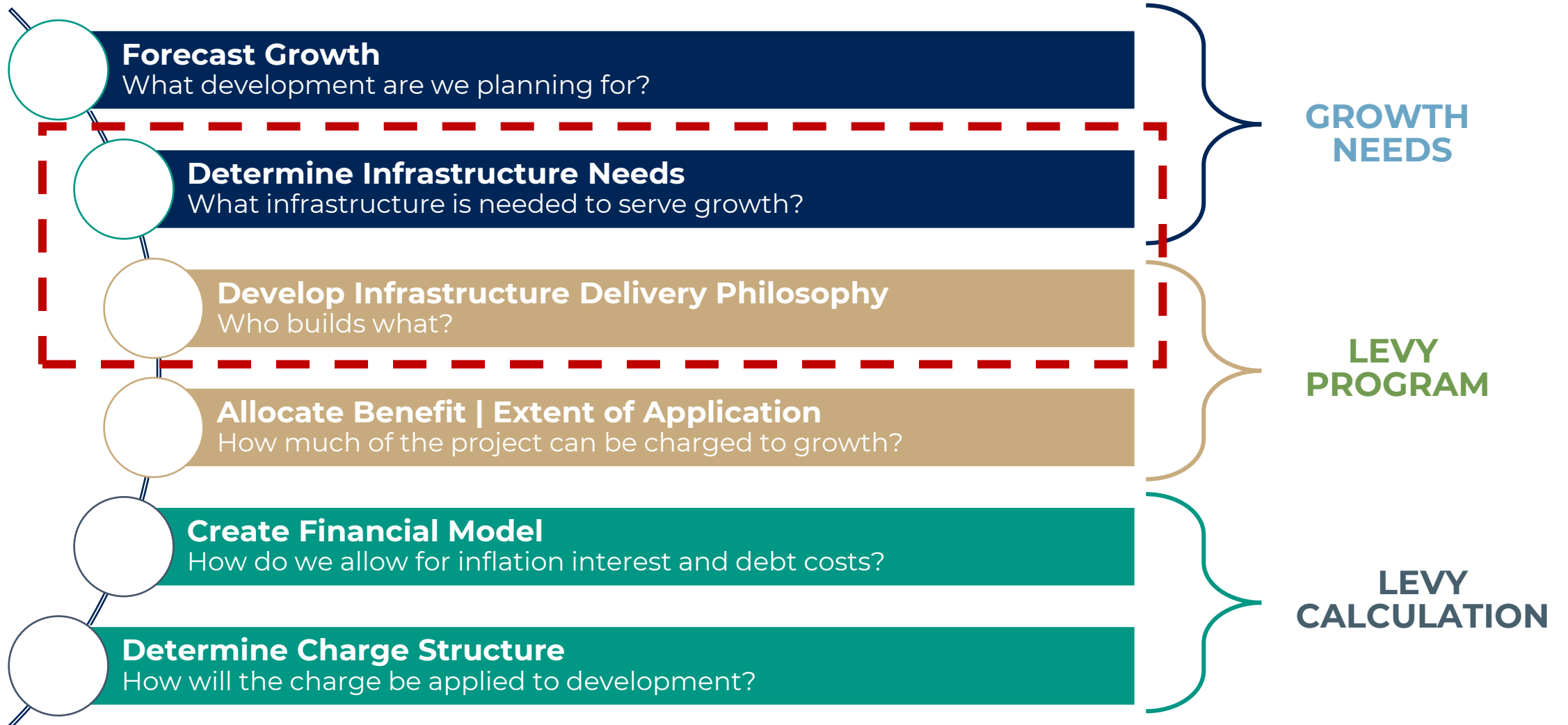


OSL Update

Developer Engagement Meeting

July 30, 2025

Approach



Approach

- The **Town's financial capacity is limited** with major infrastructure (W supply and WW treatment) underway and other infrastructure (recreation, etc.) on the horizon
- There is some **new off-site infrastructure being contemplated** through new growth areas, which alternative financing and funding approaches will need to be considered
- Off-Site infrastructure that is easily connected to triggering developer(s), and is a logical, incremental extension of development is more appropriate for Industry to take on **shared risk**

Total Projected Growth-Related Infrastructure Need - 25yr Window (\$2024)

Infrastructure Category	Total Project Costs
Sanitary Treatment	\$24,088,000
Sanitary Collection	\$45,162,000
Water Distribution	\$9,400,000
Water Supply	\$47,800,000
Water Storage	\$39,990,000
Transportation	\$110,283,000
Recreation	\$62,515,800
Total	\$339,238,800

Approach

OSL Package Shared with Industry

- Off-Site Levy package sent July 11, 2025
- Package included
 - Draft Off-Site Project List
 - proposed projects, approach to financing to funding, timing, allocation of benefit and allocation of project costs
 - Approach to Oversizing
 - Eligible projects, determination of oversize amount and cost recovery mechanics

General Feedback?

Approach

Overview of Financing and Funding Approach

Total Projected Growth-Related Infrastructure Need - 25yr Window (\$2024)

Infrastructure Category	Total Project Costs	Growth Share	Existing Share
Sanitary Treatment and Disposal	\$24,088,000	\$18,772,600	\$5,315,400
Sanitary Collection	\$45,162,000	\$45,162,000	\$0
Water Supply and Treatment	\$47,800,000	\$47,800,000	\$0
Water Distribution	\$9,400,000	\$8,428,500	\$971,500
Water Storage	\$39,990,000	\$39,990,000	\$0
Transportation	\$110,283,000	\$82,712,250	\$27,570,750
Recreation	\$62,515,800	\$36,388,602	\$26,127,198
Total	\$339,238,800	\$279,253,952	\$59,984,848

Approach

Overview of Financing and Funding Approach – Growth Share -

Infrastructure Category	Financing	Funding
Sanitary Treatment and Disposal	Town	OSL
Sanitary Collection	Town Industry	OSL Oversizing
Water Supply and Treatment	Town	OSL
Water Distribution	Industry	OSL Oversizing
Water Storage	Industry	OSL
Transportation	Town Industry	OSL Oversizing
Community Amenities	Town	

Approach

Overview of Financing and Funding Approach – Sharing the Risk -

Financing Approach - 25yr Window (\$2024)

Infrastructure Category	Front-Ended By Town	Front-Ended By Industry	Total
Sanitary Treatment and Disposal	\$24,088,000	\$0	\$24,088,000
Sanitary Collection	\$19,817,000	\$25,345,000	\$45,162,000
Water Supply and Treatment	\$47,800,000	\$0	\$47,800,000
Water Distribution	\$6,130,000	\$3,270,000	\$9,400,000
Water Storage	\$0	\$39,990,000	\$39,990,000
Transportation	\$50,328,750	\$59,954,250	\$110,283,000
Recreation	\$62,515,800	\$0	\$62,515,800
Total	\$210,679,550	\$128,559,250	\$339,238,800

Oversize Recovery

Considerations

Infrastructure Included

Local vs
Off-Site
Benefit

Creating
Recovery
Certainty

How to
handle
"unique"
infrastructure

Recovery Costs

Materials
and depth

Annual
inflation

Interest

Benefit Window

Equity

Recovery
Timing

Levy Rate

Alignment
with Master
Planning and
Levy Program

Oversize Recovery - Sanitary

Sanitary Sewers

Oversizing is eligible under the following two (2) scenarios:

- Pipe Diameter – When the internal diameter of the sanitary sewer pipe exceeds **375 millimeters**.
- Pipe Depth and Dual Systems – When sanitary sewer mains are installed deeper than six (6) meters and a dual sanitary system is required to service adjacent lots.

Determination of Cost Recovery Amount:

2025 City of Calgary DA Rates

Pipe Size (mm)	Depth (m)	Unit Cost	Material
375	3.5-4m	\$ 413	PVC
450	3.5-4m	\$ 477	PVC
525	3.5-4m	\$ 560	PVC
600	3.5-4m	\$ 647	PVC
675	3.5-4m	\$ 712	PVC
750	4.5-5m	\$ 879	CONC
900	4.5-5m	\$ 1,126	CONC
1050	4.5-5m	\$ 1,373	CONC



Oversize Recovery - Sanitary

Sanitary Collection - Oversize

Project Description		Growth Share - Project Costs	Pipe Length (m)	Oversize Cost Recovery
Code	Name	Project Cost Estimate (\$2024)		
43C	1050 mm (Crystal Green Lane to 610m into undeveloped land)	\$1,360,000	610	\$585,600
46	350 mm Siphon (32 Street/Railroad intersection - WWTP)	\$5,188,000	708	\$0
47	375 mm Forcemain	\$2,850,000	2258	\$0
48	900 mm Gravity Sewer	\$516,000	271	\$193,223
50A	675 mm Gravity Sewer	\$333,000	233	\$69,667
50B	675 mm Gravity Sewer	\$548,000	384	\$114,816
51	450 mm Gravity Sewer	\$271,000	287	\$18,368
53A	525 mm Gravity Sewer	\$421,000	396	\$58,212
53B	525 mm Gravity Sewer	\$625,000	588	\$86,436
55	450 mm Gravity Sewer	\$752,000	800	\$51,200
59	600 mm Gravity Sewer	\$231,000	189	\$44,226
60	675 mm Gravity Sewer (S-3, Highway 7/2A Intersection - Highway 7/32nd Street Intersection)	\$3,531,000	2474	\$739,726
61	750 mm Gravity Sewer (Highway 7/32nd Street Intersection - 32 Street/Railroad intersection)	\$1,472,000	920	\$428,720
65	675 mm Gravity Sewer	\$861,000	604	\$180,596
68	250 mm Siphon	\$5,404,000	618	\$0
69	525 mm Gravity Sewer	\$982,000	923	\$135,681
		\$25,345,000		\$2,706,471

Amount to be front-ended and funded by Developers

\$22,638,529

Amount to be front-end by Developers and funded through OSL Oversize

\$2,706,471

Amount to be front-end by the Town and funded through OSL

\$19,817,000

\$45,162,000



Oversize Recovery - Sanitary

Sanitary Modelling

Oversizing Rate = \$2,821 / ha (\$2026)

Assumptions

Project Cost Inflation 5% (2026, 2027); 2% (2028 onward)

Benefit Window 25yrs

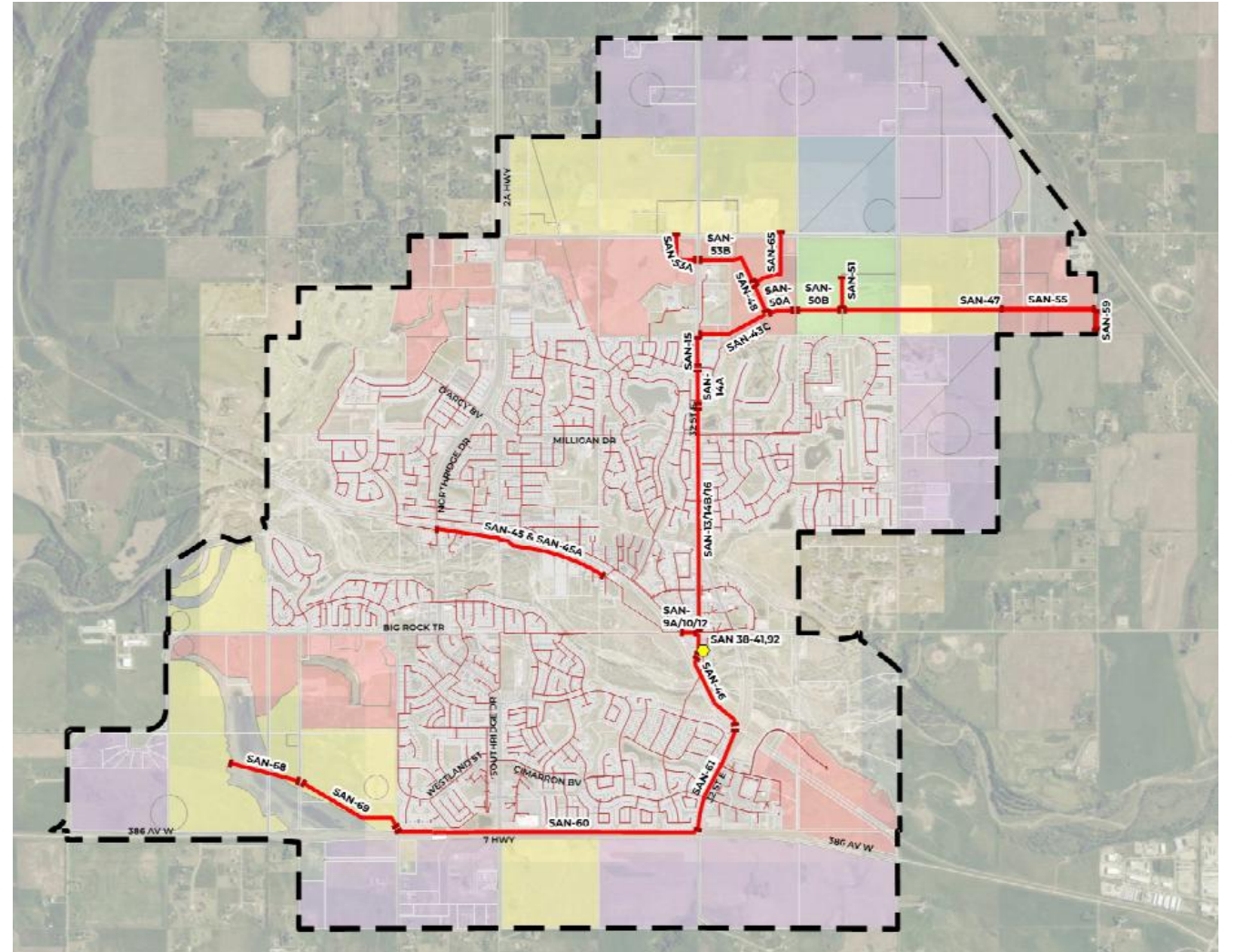
Interest No interest assumed

Year Beginning	Oversize Reserve Fund Opening Balance	Expenditures (Inflated Annually)	Assumed Annual Growth	Levy Rate (Inflated Annually)	Anticipated Oversize Revenue	Annual Cumulative Surplus (Deficit)
2026	\$0	\$0	28	\$2,821	\$39,501	\$39,501
2027	\$39,501	\$0	28	\$2,878	\$79,792	\$119,293
2028	\$119,293	\$459,808	28	\$2,935	\$112,988	-\$227,528
2029	-\$227,528	\$740,905	28	\$2,994	\$115,248	-\$853,185
2030	-\$853,185	\$371,709	28	\$3,054	\$117,553	-\$1,107,341
2046	-\$826,098	\$0	28	\$4,193	\$161,375	-\$664,723
2047	-\$664,723	\$0	28	\$4,276	\$164,602	-\$500,121
2048	-\$500,121	\$0	28	\$4,362	\$167,895	-\$332,226
2049	-\$332,226	\$0	28	\$4,449	\$171,252	-\$160,974
2050	-\$160,974	\$0	28	\$0	\$111,143	-\$49,831
2051	-\$49,831	\$0	28	\$0	\$49,831	-\$0

Oversize Recovery - Sanitary

Sanitary Modelling

Project	Front-Ending Timing	Anticipated Recovery Timing
43C	2028	2032
48	2028	2034
50A	2029	2035
50B	2029	2036
53B	2029	2037
65	2029	2038
53A	2030	2039
55	2030	2039
59	2030	2040
60	2031	2046
61	2041	2051



Oversize Recovery - Watermains

Watermains

Oversizing is eligible under the following two (2) scenarios:

- Pipe Diameter – When the internal diameter of the watermain and valves exceeds 300 millimeters.
- If a Pressure Reducing Valve (PRV) is included in a water main that qualifies for oversizing, the PRV is also eligible for 100% cost recovery.

Determination of Cost Recovery Amount:

2025 City of Calgary DA Rates			
Pipe Size (mm)	Depth (m)	Unit Cost	
300	0-3m	\$	517.00
400	0-3m	\$	672.00



Oversize Recovery - Watermains

Water Distribution - Oversize

Project Description		Growth Share - Project Costs	Pipe Length (m)	Oversize Cost Recovery
Code	Name	Project Cost Estimate (\$2024)		
6a	North Okotoks 400 mm Pipe 1160m	\$1,220,000	1160	\$179,800
6b	North Okotoks 400 mm Pipe 960m	\$1,000,000	960	\$148,800
6c	North Okotoks 400 mm Pipe 1000m	\$1,050,000	1000	\$155,000
		\$3,270,000		\$483,600

Amount to be front-ended and funded by Developers	\$2,786,400
Amount to be front-end by Developers and funded through OSL Oversize	\$483,600
Amount to be front-end by the Town and funded through OSL	\$5,158,500
	<u>\$8,428,500</u>

Oversize Recovery - Watermains

Watermain Modelling

Levy Rate = \$472 / ha (\$2026)

Assumptions	
Project Cost Inflation	5% (2026, 2027); 2% (2028 onward)
Benefit Window	25yrs
Interest	No interest assumed

Year Beginning	Oversize Reserve Fund Opening Balance	Expenditures (Inflated Annually)	Assumed Annual Growth	Inflation Rate	Levy Rate (Inflated Annually)	Anticipated Oversize Revenue	Annual Cumulative Surplus (Deficit)
2026	\$0	\$66,077	\$28	\$0	\$482	\$6,744	-\$59,333
2027	-\$59,333	\$155,508	\$28	\$0	\$491	\$13,623	-\$201,218
2028	-\$201,218	\$158,618	\$28	\$0	\$501	\$19,290	-\$340,545
2029	-\$340,545	\$0	\$28	\$0	\$511	\$19,676	-\$320,869
2030	-\$320,869	\$63,472	\$28	\$0	\$521	\$20,069	-\$364,271
2046	-\$141,037	\$0	\$28	\$0	\$716	\$27,551	-\$113,486
2047	-\$113,486	\$0	\$28	\$0	\$730	\$28,102	-\$85,384
2048	-\$85,384	\$0	\$28	\$0	\$745	\$28,664	-\$56,720
2049	-\$56,720	\$0	\$28	\$0	\$760	\$29,237	-\$27,483
2050	-\$27,483	\$0	\$28	\$0	\$0	\$18,975	-\$8,508
2051	-\$8,508	\$0	\$28	\$0	\$0	\$8,508	-\$0

Oversize Recovery - Transportation

Transportation

Applicable to **Arterial Road** classification roadways only. This includes arterials four lanes and above. Intersection improvements are also eligible and are calculated in the same way as arterial roads.

Determination of Cost Recovery Amount:

2025 City of Calgary DA Rates

Full Arterial Cost (6 lane) = \$ 5,680
Plus 10% for onsite stormwater = \$ 6,248

Full Arterial Cost (4 lane) = \$ 4,580
Plus 10% for onsite stormwater = \$ 5,038

Full Cost Collector = \$ 2,450 Plus 10% for onsite stormwater = \$ 2,695

Oversize Recovery - Transportation

Transportation - Oversize

Project Description		Growth Share - Project Costs	Road Length (m)	Oversize Cost Recovery
Code	Name	Project Cost Estimate (\$2024)		
5	Twinning of 32 Street from North Railway Street to 338 Avenue	\$9,329,250	3,270	\$7,661,610
9	338 Avenue Expansion from Northridge Drive to Highway 2	\$48,750,000	4,600	\$12,471,800
90	338 Ave and 32 Street Intersection Improvements (Roundabout)	\$1,875,000	36	\$184,027
		\$59,954,250		\$20,317,437

Amount to be front-ended and funded by Developers	\$39,636,813
Amount to be front-end by Developers and funded through OSL Oversize	\$20,317,437
Amount to be front-end by the Town and funded through OSL	\$22,758,000
	<u>\$82,712,250</u>

Oversize Recovery - Transportation

Transportation Modelling

Levy Rate = \$19,317 / ha (\$2026)

Assumptions	
Project Cost Inflation	5% (2026, 2027); 2% (2028 onward)
Benefit Window	25yrs
Interest	No interest assumed

Year Beginning	Oversize Reserve Fund Opening Balance	Expenditures (Inflated Annually)	Assumed Annual Growth	Inflation Rate	Levy Rate (Inflated Annually)	Anticipated Oversize Revenue	Annual Cumulative Surplus (Deficit)
2026	\$0	\$0	\$28	\$0	\$19,317	\$270,433	\$270,433
2027	\$270,433	\$79,888	\$28	\$0	\$19,703	\$546,275	\$736,821
2028	\$736,821	\$81,486	\$28	\$0	\$20,097	\$773,548	\$1,428,883
2029	\$1,428,883	\$0	\$28	\$0	\$20,499	\$789,019	\$2,217,902
2030	\$2,217,902	\$0	\$28	\$0	\$20,909	\$804,799	\$3,022,701
2046	-\$5,655,692	\$0	\$28	\$0	\$28,704	\$1,104,817	-\$4,550,875
2047	-\$4,550,875	\$0	\$28	\$0	\$29,278	\$1,126,913	-\$3,423,962
2048	-\$3,423,962	\$0	\$28	\$0	\$29,863	\$1,149,451	-\$2,274,511
2049	-\$2,274,511	\$0	\$28	\$0	\$30,460	\$1,172,440	-\$1,102,071
2050	-\$1,102,071	\$0	\$28	\$0	\$0	\$760,914	-\$341,157
2051	-\$341,157	\$0	\$28	\$0	\$0	\$341,157	-\$0

Oversize Recovery - Summary

Rate Overview

Draft Oversize Levy Summary	DRAFT Oversize Levy (\$2026/ha)
Infrastructure Type	
Sanitary Collection	\$2,821
Water Distribution	\$482
Transportation	\$18,938
Proposed Oversizing Levy	\$22,241

Oversize Recovery - Summary

Input

Recovery Timing

- Benefiting Window (25yrs) – balance benefiting lands, recovery timing, levy rate, etc.

Infrastructure Inclusion

- Transportation – Roundabout Oversize
 - CoC intersections calculated the same as arterial roads (i.e., lineal meter rates)

Key Next Steps

- **Input from Industry**
 - Information received to-date – growth, proposed OSL projects, approach to financing and funding
- **Oversizing Approach**
 - Continue to work on the mechanics around oversizing and share with Industry
- **Buildout Off-Site Levy Model and Rates**
 - Based on growth, projects, etc. shared to-date
- **Next Meeting**
 - Shift from August to September?