



# REGULAR COUNCIL MEETING AGENDA

## April 27, 2020

### 6:00 p.m.

Residents wishing to watch the live meeting may do so online at:  
[www.sprucegrove.org/LiveCouncil](http://www.sprucegrove.org/LiveCouncil)

#### CALL TO ORDER

1. **AGENDA**

2. **CONSENT AGENDA**

- a. Consent Agenda

3. **MINUTES**

- a. April 14, 2020 Regular Council Meeting Minutes

4. **PUBLIC HEARINGS**

5. **COUNCIL PRESENTATIONS**

6. **PUBLIC DELEGATIONS**

- a. Performance for Council - Poetry Reading - Wolanski

7. **PUBLIC QUESTION AND ANSWER PERIOD**

*To participate in the virtual meeting during the Public Question and Answer Period, residents can either verbally ask a question or submit a question by email to be asked on their behalf. To verbally ask a question, residents are required to pre-register by Monday, April 27 at 12 p.m. by email to [cityclerk@sprucegrove.org](mailto:cityclerk@sprucegrove.org) or by calling in to 587-336-0387. Residents can submit a question to be asked on their behalf by emailing [cityclerk@sprucegrove.org](mailto:cityclerk@sprucegrove.org) until the Public Question and Answer Period is complete.*

8. **COUNCILLOR STATEMENTS AND UPDATES**

**9. ADMINISTRATIVE UPDATES**

- a. COVID-19 Update - Farbrother

**10. BYLAWS**

- a. C-1113-20 - Supplementary Assessment Bylaw - Third Reading - Frostad
- b. C-1116-20 - 2020 Property Tax and Supplementary Property Tax Rate Bylaw - First Reading - Frostad
- c. C-1119-20 - Industrial Watermain Borrowing Bylaw - First Reading - Frostad
- d. C-1074-19 - City Centre Area Redevelopment Plan - Third Reading - Levasseur
- e. C-1117-20 - Off-site Levy Bylaw - First Reading - Levasseur

**11. BUSINESS ITEMS**

- a. 2019 Audited Financial Statements - Frostad

**12. INFORMATION ITEMS**

**13. CLOSED SESSION**

- a. Provincial Grant Opportunities - Levasseur

**14. BUSINESS ARISING FROM CLOSED SESSION**

**ADJOURNMENT**



# The City of **Spruce Grove**

## **Request for Decision**

### **Consent Agenda Item # 2. a.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** Consent Agenda

**Department:** Corporate Services

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#### **Request for Decision Summary**

All matters of business contained in the Consent Agenda are routine in nature and are voted on collectively. A particular matter of business may be removed from the Consent Agenda for debate or for a separate vote. Each and every matter of business contained in the Consent Agenda has a corresponding agenda report and the approved recommendation is recorded separately in the minutes of the meeting.

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#### **Proposed Motion**

That the recommendations contained in the following reports be approved:

Item 3.a. April 14, 2020 Regular Council Meeting Minutes

Item 10.b. C-1116-20 - 2020 Property Tax and Supplementary Property Tax Rate Bylaw – First Reading - Frostad

Item 10.c. C-1119-20 - Industrial Watermain Borrowing Bylaw - First Reading - Frostad

Item 10.e. C-1117-20 - Off-site Levy Bylaw - First Reading - Levasseur

#### **Background/Analysis**

n/a

#### **Options/Alternatives**

n/a

#### **Consultation/Engagement**

n/a

**Implementation/Communication**

n/a

**Impacts**

n/a

**Strategic Vision Element:****Related Goal:**

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**Fiscal Impact****Financial Implications:**

n/a

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**Attachments**

*No file(s) attached.*

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# The City of **Spruce Grove**

## **Request for Decision**

**Minutes    Item #   3. a.**

### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** April 14, 2020 Regular Council Meeting Minutes

**Department:** Corporate Services

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### **Request for Decision Summary**

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### **Proposed Motion**

That the April 14, 2020 Regular Council Meeting Minutes be approved as presented.
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### **Background/Analysis**

n/a

### **Options/Alternatives**

n/a

### **Consultation/Engagement**

n/a

### **Implementation/Communication**

n/a

### **Impacts**

n/a

### **Strategic Vision Element:**

**Related Goal:**

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### **Attachments**

April 14, 2020 Regular Council Meeting

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# THE CITY OF SPRUCE GROVE

Minutes of the Regular Meeting of Council  
held April 14, 2020  
Virtual Meeting

## Present:

Mayor Houston, and Councillors Acker, Gruhlke, McKenzie, Oldham, Rothe and Stevenson

## Also In Attendance:

Simon Farbrother, City Manager  
Wendy Boje, General Manager of Corporate Services  
Corey Levasseur, General Manager of Planning and Infrastructure  
David Wolanski, General Manager of Community and Protective Services  
Louise Frostad, Chief Financial Officer  
Jennifer Hetherington, Manager of Corporate Communications  
Tania Shepherd, Director of Integrated Planning and Strategic Services  
Carolynn Grey, City Clerk  
Lindsay O'Mara, Deputy City Clerk  
Marj Bradshaw, Recording Secretary

## CALL TO ORDER

Mayor Houston called the meeting to order at 6:01 p.m.

### 1. AGENDA

069-20 (CS) Moved by Councillor Rothe that the agenda be adopted as presented.

Unanimously Carried

### 2. CONSENT AGENDA

070-20 Moved by Councillor Acker that the recommendations contained in the following reports be approved:

- Item 3.a. March 23, 2020 Regular Council Meeting Minutes
- Item 11.c. Committee of the Whole Meeting - April 20, 2020
- Item 11.e. 2019 - 2020 Internal Board and Committee Appointments, Revised
- Item 11.f. March 23, 2020 Regular Council Meeting Motions
- Item 12.a. Various Board and Committee Meeting Minutes

Unanimously Carried



### 3. MINUTES

#### a. March 23, 2020 Regular Council Meeting Minutes

The following motion was approved on the consent agenda:

That the March 23, 2020 Regular Council Meeting Minutes be approved as presented.

### 4. PUBLIC HEARINGS

There were no Public Hearings scheduled on the agenda.

### 5. COUNCIL PRESENTATIONS

There were no Presentations scheduled on the agenda

### 6. PUBLIC DELEGATIONS

No Delegations came before Council.

### 7. PUBLIC QUESTION AND ANSWER PERIOD

#### a. Public Question and Answer Period Procedures (COVID-19 Suppression)

071-20 (CS)

Moved by Councillor Gruhlke that the Public Question and Answer Period Procedures (COVID-19 Suppression) be approved as presented.

Unanimously Carried

Pastor Brian Coldwell of Range Road 264 in Parkland County asked Council via telephone conference, several questions related to the proposed conversion therapy prohibition bylaw.

Mayor Houston and Administration provided Pastor Coldwell with responses to his questions.

Darlene Wurster of Creekside Close submitted an email to Council asking if any de-transitioning groups or individuals were consulting regarding the wording for the proposed conversion therapy prohibition bylaw.

Administration provided a response to Ms. Wurster's question.



Barbara Byers of Deer Park Crescent submitted an email to Council asking if the City is planning to open the Community Garden this year given the current situation with COVID-19 and any potential restrictions that may be in place.

Mayor Houston provided a response to Ms. Byers' question.

## 8. COUNCILLOR STATEMENTS AND UPDATES

No Council Updates were provided.

## 9. ADMINISTRATIVE UPDATE

### a. COVID-19 Pandemic Update

The City Manager provided Council with an update on the City's ongoing plans and services for the community in response to the COVID-19 Pandemic.

072-20

Moved by Councillor McKenzie that COVID-19 Pandemic Update be received as information.

Unanimously Carried

### b. Recommended Strategic Approach

The City Manager provided Council with a presentation on the City's recommended strategic approach moving forward, and the revised fiscal plan in response to COVID-19.

073-20

Moved by Councillor Rothe that the presentation on the recommended strategic approach be received as information.

Unanimously Carried

## 10. BYLAWS

### a. C-1113-20 – Supplementary Assessment Bylaw

074-20 (CS)

Moved by Councillor Oldham that second reading be given to Bylaw C-1113-20 – Supplementary Assessment Bylaw.

Unanimously Carried



075-20 (CS)

b. C-1118-20 – Operating Line of Credit Borrowing Bylaw Amendment

Moved by Councillor Acker that first reading be given to Bylaw C-1118-20 – Operating Line of Credit Borrowing Bylaw Amendment.

Unanimously Carried

c. C-1103-19 – Conversion Therapy Prohibition Bylaw

076-20 (CAPS/CS)

Moved by Councillor Stevenson that third reading be given to Bylaw C-1103-19 – Conversion Therapy Prohibition Bylaw.

In Favour      Opposed

Gruhlke	Acker
Houston	Rothe
McKenzie	
Oldham	
Stevenson	

Carried

## 11. BUSINESS ITEMS

a. COVID-19 Deferral of Utility and Tax Penalties

077-20 (CS)

Moved by Councillor Acker that penalties on all outstanding utility balances be suspended between April 1 and June 30, 2020 and resume July 1, 2020.

Unanimously Carried

078-20 (CS)

Moved by Councillor Gruhlke that penalties on tax accounts that demonstrate financial need related to COVID-19 be suspended between July 1 and September 30 and resume October 1, 2020.

Unanimously Carried

b. Spring Budget Adjustment

079-20 (CS)

Moved by Councillor McKenzie that the revised 2020 budget be approved with revenues of \$117,673,035, expenses of \$99,566,449, capital acquisitions of \$16,364,060 and transfers to accumulated surplus of \$1,742,526.

Unanimously Carried



Mayor Houston called for a recess at 8:15 p.m.

Mayor Houston reconvened the meeting at 8:23 p.m.

c. Committee of the Whole Meeting - April 20, 2020

The following motion was approved on the consent agenda:

That the Committee of the Whole Meeting scheduled for April 20, 2020 be cancelled.

d. CP-1017-19 Conversion Therapy Prohibition Policy

Moved by Councillor McKenzie that Policy CP-1017-19 – Prohibition on the Use of Municipal Resources for Conversion Therapy be approved.

<u>In Favour</u>	<u>Opposed</u>
Stevenson	Acker Grulhke Houston McKenzie Oldham Rothe
	Defeated

e. 2019 - 2020 Internal Board and Committee Appointments, Revised

The following motion was approved on the consent agenda:

That the revised 2019 - 2020 Internal Board and Committee Appointments be approved as presented.

f. March 23, 2020 Regular Council Meeting Motions

The following motions were approved on the consent agenda:

That the March 23, 2020 agenda be approved as amended.

That the March 9, 2020 Regular Council Meeting Minutes be approved as presented.

That the TransAlta Tri Leisure Centre Board Update be received as information.



That the update on the COVID-19 Pandemic be received as information.

That second reading be given to Bylaw C-1103-19 - Conversion Therapy Prohibition Bylaw, as amended.

That first reading be given to Bylaw C-1104-19 - 2019 Land Use Bylaw Review Amendments.

That second reading be given to Bylaw C-1106-20 - Committee Code of Conduct Bylaw.

That third reading be given to Bylaw C-1106-20 - Committee Code of Conduct Bylaw.

That first reading be given to Bylaw C-1113-20 - Supplementary Assessment Bylaw.

That the motion on the Property Acquisition Proposal be postponed to April 27, 2020.

That the 2020-2022 Corporate Plan initiative CE507 - Transit System Growth – Local Service, be amended to purchase one bus in 2020; and that Administration be directed to bring forward any financial implications that may be required through a spring budget adjustment.

That the update on 2020-2022 Corporate Plan initiative CE418.6 - Relocation of the Eco Centre to Public Works, be received as information.

That the update on 2020-2022 Corporate Plan initiative CE428.5 - Detailed Design and Construction of Snow Dump Site, be received as information.

That the following Spruce Grove residents be appointed to the Community Road Safety Advisory Committee for a three-year term ending December 31, 2022: Lorne Corbett, Nadia Geschke, Dave Hackett, Melissa Johnson, Ken Mark, Amber Prue and Denise Walker.

That Judy Bennett, Darlene Chartrand, Tina Groszko, Stewart Hennig, Richard Knowles and Raymond Ralph be appointed to the Assessment Review Boards for a one year term ending February 28, 2021.



That Raymond Ralph be appointed as Chairman to the Assessment Review Boards for a one year term ending February 28, 2021.

## 12. INFORMATION ITEMS

### a. Various Board and Committee Meeting Minutes

The following motion was approved on the consent agenda:

That the various board and committee meeting minutes presented be received as information.

080-20

Moved by Councillor Acker that Council go into Closed session at 8:35 p.m. under section 25(1)(c) and 27 of the Freedom of Information and Protection of Privacy Act, relating to matters harmful to the economic or other interests of the public body and privileged information.

Unanimously Carried

Mayor Houston called for a recess at 8:36 p.m.

Mayor Houston reconvened the meeting at 8:49 p.m.

The following persons were also in Closed Session to provide information or administrative support:

Simon Farbrother, Wendy Boje, Corey Levasseur, David Wolanski, Tania Shepherd,Carolynn Grey, Lindsay O'Mara and Marj Bradshaw.

## 13. CLOSED SESSION

### a. 2019 Annual Risk Report

081-20

Moved by Councillor Acker that Council come out of Closed Session at 9:06 p.m.

Unanimously Carried

## 14. BUSINESS ARISING FROM CLOSED SESSION

There was no business arising from Closed Session.





## ADJOURNMENT

082-20

Moved by Councillor Stevenson that the Regular Meeting adjourn at 9:08 p.m.

Unanimously Carried

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MAYOR

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RECORDING SECRETARY

DRAFT



## The City of Spruce Grove

### Request for Decision

Delegations Item # 6. a.

#### Regular Council Meeting Agenda

**Meeting Date:** 04/27/2020

**Title:** Performance for Council - Poetry Reading - Wolanski

**Department:** Community & Protective Services

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#### Request for Decision Summary

In keeping with Policy CP-1006-18, Cultural Performances for Council, this performance will recognize poet Kathryn Kautz.

#### Proposed Motion

That poet Kathryn Kautz be welcomed and thanked by Council for her poetry reading.
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#### Background/Analysis

The Cultural Performances for Council Policy was developed to acknowledge and recognize individuals or groups in the performing arts with performances before Council. Performers include, but are not limited to music, live art, dance and poetry.

April is National Poetry Month and was launched by the Academy of American Poets in April 1996 to remind the public that poets have an integral role to play in our culture and that poetry matters. Over the years, it has become the largest literary celebration in the world, with tens of millions of readers, students, K–12 teachers, librarians, booksellers, literary events curators, publishers, and, of course, poets, marking poetry's important place in our lives.

Now, as we face an unprecedented circumstance, National Poetry Month has taken on new meaning and importance. More and more people are turning to poetry at this moment, because poetry and inspiring language can help bring solace and needed strength.

Kathryn Kautz is one of the original members of the Write Night group that meets weekly at the Spruce Grove Public Library. Although her day job takes her into Edmonton, she is dedicated to supporting her local communities and is active in writing workshops, the Parkland Poets, and other artistic endeavours. Kathryn writes a variety of genres, often about all things magical and mystical. Within her prose, poetic passages appear and become stand alone poems that delight and inspire readers and listeners.

**Options/Alternatives**

n/a

**Consultation/Engagement**

n/a

**Implementation/Communication**

n/a

**Impacts**

n/a

**Strategic Vision Element:**

Where People Choose to Live - A dynamic city with an exceptional quality of life

**Related Goal:**

Spruce Grove has a diverse arts and culture environment that reflects the interests and needs of the community.

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**Attachments**

*No file(s) attached.*

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## The City of **Spruce Grove**

### **Request for Decision**

#### **Bylaws Item # 10. a.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** C-1113-20 - Supplementary Assessment Bylaw - Third Reading - Frostad

**Department:** Corporate Services

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#### **Request for Decision Summary**

The purpose of this report is to seek Council's authorization for supplementary assessments of new improvements for the purpose of taxation in 2020. This report will also introduce new legislation which allows for a supplementary assessment bylaw to remain in effect for subsequent years until it is repealed.

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#### **Proposed Motion**

That third reading be given to Bylaw C-1113-20 - Supplementary Assessment Bylaw.
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#### **Background/Analysis**

Introduced through Bill 25 - Red Tape Reduction Implementation Act, the Municipal Government Act (MGA) has been amended to include authorization for continuous bylaws. Historically, to authorize assessment on new improvements which are complete, occupied or in operation during the current year, but were not assessed at 100 per cent completion on the annual assessment prepared as of December 31 of the prior year, a Supplementary Assessment bylaw was required to be passed annually before May 1. The MGA now includes Section 325.1 which allows for the Supplementary Assessment Bylaw, if passed prior to May 1, to remain in effect for subsequent years until it is repealed.

In any year where the proposed budget amount to be raised through taxation is equal to or greater than the prior year, any reduction to taxable assessment, as with the elimination of supplemental assessments, would result in an increase to the annual tax rate. As such, consideration to continue with supplemental assessments or repeal the bylaw is well aligned with the corporate planning process and budget approval.

While supplemental assessment is an optional practice, it is common in most municipalities and has been the City's practice for over 15 years. Supplementary assessments are pro-rated to reflect the period from which the improvement is complete, occupied or in operation to December 31. An increase in property value subsequent to a

zoning change is due to market and is not included as supplemental assessment.

### **Options/Alternatives**

Council may opt to not authorize supplementary assessments which would require the budgeted supplementary revenue to be raised through annual taxes.

### **Consultation/Engagement**

n/a

### **Implementation/Communication**

Assessments are subject to review and appeal by the owner of an assessed property. The notification process for supplementary assessment is similar to the process for annual assessments and details of costs and procedures for an appeal are included with the notice.

Assessments are only calculated on improvements completed, occupied or in operation from January through to September. Each May, directly after the annual tax notices are issued, a combined tax and assessment notice is issued for construction completed up to April 30. Combined notices will also be mailed in October for new improvements completed between May to September 30.

Construction occurring between November and December is not assessed for supplementary however, the annual assessment issued the following year will reflect this growth.

### **Impacts**

An estimated 205 properties will receive a supplementary assessment in 2020.

### **Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

### **Related Goal:**

Spruce Grove has a robust, growing economic base that generates increased revenues to support the City's high standards for services and programs.

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### **Fiscal Impact**

#### **Financial Implications:**

The approved 2020-2022 Corporate Plan includes estimated revenue from the taxation of supplemental assessment in the amount of \$133,800.

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### **Attachments**

Proposed Bylaw C-1113-20 - Supplementary Assessment Bylaw

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## **THE CITY OF SPRUCE GROVE**

### **BYLAW C-1113-20**

#### **SUPPLEMENTARY ASSESSMENT BYLAW**

WHEREAS, pursuant to section 313 of the *Municipal Government Act*, RSA 2000 cM-26, as amended, provides that if a municipality wishes to require the preparation of supplementary assessments for improvements, the council must pass a supplementary assessment bylaw to authorize the preparation of supplementary assessments for the purpose of imposing a tax under Part 10 of the Act;

AND WHEREAS, section 313 of the Act provides that a supplementary assessment bylaw applies to the year in which it is passed, only if it is passed before May 1 of that year, and must not authorize assessments to be prepared for designated industrial property;

AND WHEREAS, section 325.1 of the Act provides for bylaws enacted under section 313 remain in force after the year in which they are enacted and apply in subsequent years until they are repealed;

AND WHEREAS, the Council for the City of Spruce Grove wishes to require the preparation of supplementary assessments for improvements for the purpose of imposing a tax;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled, hereby enacts as follows:

#### **1. DEFINITIONS**

- 1.1 “Act” means the *Municipal Government Act*, RSA 2000 cM-26 and amendments thereto.
- 1.2 “Assessment” means a value of property determined pursuant to Part 9, Division 4 of the Act and *Matters Relating to Assessment and Taxation Regulation, 2018, 203/2017*, as consolidated and amended.
- 1.3 “Council” means the Council of the City of Spruce Grove elected pursuant to the *Local Authorities Election Act*, RSA 2000 cL-21
- 1.4 “Municipal Assessor” means the designated officer appointed under section 284.2 of the Act.

1.5 “Improvement” means:

- (i) a structure;
- (ii) any thing attached or secured to a structure that would be transferred by sale without special mention;
- (iii) a designated manufactured home and;
- (iv) Machinery and Equipment.

1.6 “Machinery and Equipment” has the meaning given to it in the *Matters Relating to Assessment and Taxation Regulation, 2018, 203/2017*, as consolidated and amended.

1.7 “Supplementary Assessment” means Assessment of all new Improvements which are occupied or completed during the current year but were not assessed at 100 per cent completion on the current year’s annual Assessment. Valuations are pro-rated from the point of completion to December 31 of the current year.

2. **APPLICATION**

- 2.1 Supplementary Assessments shall be prepared for the purpose of imposing tax under Part 10 of the Act.
- 2.2 The Municipal Assessor shall prepare Supplementary Assessments for Improvements in accordance with section 314 of the Act.
- 2.3 A Supplementary Assessment roll shall be prepared in accordance with section 315 of the Act.
- 2.4 A Supplementary Assessment notice shall be prepared and issued to the assessed persons in accordance with sections 316 and 316.1 of the Act.

3. **SEVERABILITY**

- 3.1 Every provision of this bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed and the remainder provisions shall remain valid and enforceable.

4. **EFFECTIVE DATE**

- 4.1 This bylaw shall come into force and effect upon third reading and is duly signed.

First Reading Carried                      14 April 2020

Second Reading Carried                      14 April 2020

Third Reading Carried

Date Signed

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Mayor

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City Clerk





## The City of **Spruce Grove**

### **Request for Decision**

**Bylaws Item # 10. b.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** C-1116-20 - 2020 Property Tax and Supplementary Property Tax Rate  
Bylaw - First Reading - Frostad

**Department:** Corporate Services

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#### **Request for Decision Summary**

This request for decision seeks Council's approval of the 2020 property tax rates.

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#### **Proposed Motion**

That first reading be given to Bylaw C-1116-20 - 2020 Property Tax and Supplementary Property Tax Rate Bylaw.

#### **Background/Analysis**

##### Municipal Tax Rate

The Municipal Government Act, RSA 2000 cM-26, as amended authorizes a municipality to pass an annual property tax rate bylaw imposing a property tax sufficient to raise the necessary revenue to pay requisitions, expenditures and transfers as set out in the approved budget. The 2020 rates include a 0% municipal tax increase and a split rate of 1.3776.

The annual property tax bylaw sets out the assessed property values by class and calculates the tax rates required to raise budgeted tax revenue in accordance with property tax policies. The amount of the tax revenue required is established in the 2020 - 2022 Corporate Plan as amended April 14, 2020.

##### Education Requisition

At the time this report was created, Administration was engaged with Alberta Education to determine local education rates in light of over/under levy considerations due to the late provincial budget in 2019. Comparative statistics and local rates will be included in the report to Council for second reading which is scheduled for May 11.

##### Meridian Housing Foundation Requisition

The 2020 Housing Foundation requisition is \$9,949 higher than the 2019 requisition; a 3.3% increase (2019 requisition had increased 9.3%).

### Annexed Lands

Lands annexed from Parkland County must be taxed at the County's municipal tax rate until 2023 or until a portion becomes a new registered parcel of land as set out in the 2008 Lieutenant Governor in Council's Annexation Order. At the time this report was created, Parkland County rates were unavailable; 2020 rates are anticipated to be approved in time to be included in the report to Council for second reading of the tax rate bylaw, scheduled for May 11.

### Property Tax Policy

The City does not tax overall market value appreciation or depreciation; however individual market value changes will be different for each property with different impacts to their tax levies. On average, for the twelve months ending June 30, 2019, non-residential properties experienced an increase in market value of 0.11%, multi-family increased 4.02% and residential decreased 1.08%.

The 2020 bylaw includes a split rate of 1.3776 as per the Property Tax Distribution policy. As per policy, the split is based on the prior year's regional average split, or 25% of the total revenue requirement, whichever is higher. The 2019 regional split average was 1.3776, while 25% of the revenue requirement would be a split rate of 1.2389. Therefore, the higher split of 1.3776 was used to calculate the non-residential rate. The split rate used in the previous property tax rate bylaw was 1.418.

### Taxable Assessment Growth

Taxable assessment on new development was 102,083,300 comprised of 80,640,860 in residential, 142,500 in multi-family and 21,299,940 in non-residential assessment.

### **Options/Alternatives**

n/a

### **Consultation/Engagement**

As established by provincial legislation, the assessments have been prepared based on property sales between June 2018 and July 2019. Assessment notices were mailed on January 30 and the Assessment Open House was well attended on March 4 where the Assessors and Finance staff were available to discuss current assessments, comparable assessments and related concerns.

### **Implementation/Communication**

The City advertises the tax notice mailing through the Examiner, City website, social media and the reader boards. Tax notices must be mailed no later than May 24 and are due on June 30 (excluding those on pre-authorized payment plan).

### **Impacts**

n/a

### **Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

**Related Goal:**

Spruce Grove has a robust, growing economic base that generates increased revenues to support the City's high standards for services and programs.

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**Fiscal Impact****Financial Implications:**

The 2020 municipal tax requirement is \$41,072,390 comprised of annual tax revenue of \$40,887,462, estimated annexed lands revenue of \$51,128 and estimated supplementary tax revenue of \$133,800.

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**Attachments**

Proposed Bylaw C-1116-20 2020 Property Tax Bylaw

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## THE CITY OF SPRUCE GROVE

### BYLAW C-1116-20

#### **2020 PROPERTY TAX AND SUPPLEMENTARY PROPERTY TAX RATE BYLAW**

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26, as amended, a council shall pass a property tax bylaw annually to impose a tax in respect of property in the municipality to raise revenue to be used toward the payment of requisitions and expenditures and transfers set out in the approved budget of the municipality;

AND WHEREAS, the Act provides that if in any year a council passes a bylaw authorizing supplementary assessments to be prepared, the council shall, in the same year pass a bylaw authorizing a council to impose a supplementary tax in respect of that property and that the supplementary tax rates be the same as imposed in the property tax bylaw;

AND WHEREAS, Council passed Bylaw C-1113-20, the 2020 Supplementary Assessment Bylaw, to authorize supplementary assessments in order to levy property taxes on new Improvements;

AND WHEREAS, the 2020 budget set out a total revenue requirement of \$117,673,035;

AND WHEREAS, the estimated municipal revenues and transfers from all sources other than taxation is estimated at \$76,600,645, that the estimated revenue to be raised by supplementary taxation is \$133,800 and the estimated revenue to be raised by annual taxation is \$40,938,590;

AND WHEREAS, Council is authorized to sub-classify assessed property, and to establish different rates of taxation in respect to each sub-class of property, subject to the Act;

AND WHEREAS, the City annexed lands from Parkland County by Order in Council 390/2007 and the order stipulates that for taxation purposes in 2007 and subsequent years up to and including 2023, the annexed land and the assessable improvements to it must be assessed and taxed by the City on the same basis as if they had remained in Parkland County;

AND WHEREAS, the Act authorizes the recovery of costs related to the provincial assessor's operations and further provides that the tax rate be set by the Minister;

NOW THEREFORE, the Council of the City duly assembled, hereby enacts as follows:

**1. BYLAW TITLE**

- 1.1 This bylaw is called “2020 Property Tax and Supplementary Property Tax Rate Bylaw”.

**2. DEFINITIONS**

- 2.1 “Act” means the *Municipal Government Act*, RSA 2000 cM-26, as amended.
- 2.2 “Assessment” means a value of property determined pursuant to Part 9, Division 4 of the Act and Matters Relating to Assessment and Taxation Regulation, 2018, 203/2017, as amended.
- 2.3 “City” means the municipal corporation of the City of Spruce Grove in the Province of Alberta.
- 2.4 “City Manager” means the administrative head of the City.
- 2.5 “Council” means the Council of the City of Spruce Grove elected pursuant to the *Local Authorities Election Act*, RSA 2000 cL-21.
- 2.6 “Improvement” means:
- a. a structure;
  - b. any thing attached or secured to a structure that would be transferred without special mention by a transfer or sale of the structure;
  - c. a designated manufactured home; and
  - d. Machinery and equipment.

### 3. LEVY RATES OF TAXATION

3.1 The City Manager is hereby authorized to levy the following rates of taxation on assessment value of all property as shown on the assessment roll of the City.

	<u>Tax Levy</u>	<u>Assessment</u>	<u>Tax Rate (Mills)</u>
General Municipal:			
Residential/Farmland	29,229,782	4,629,297,540	6.3141
Multi-Family	1,878,745	215,505,600	8.7179
Non-Residential	9,471,626	1,086,463,500	8.7179
Tri Leisure Centre Debt	307,309	5,931,266,640	0.0518
Annexed Properties (Order in Council 390/2007)			
Residential/Farmland (Parkland County rate)		9,835,900	pending
Non-Residential (Parkland County rate)		<u>1,335,760</u>	pending
Total Municipal		<u><u>5,942,438,300</u></u>	
Education Requisition:			
Alberta School Foundation Fund			
Residential/Farmland (unavailable)	-	4,221,421,791	pending
Non-Residential (unavailable)	-	<u>925,321,321</u>	pending
	-	<u>5,146,743,113</u>	
Opted-Out School Board			
Residential/Farmland (unavailable)	-	633,217,249	pending
Non-Residential (unavailable)	-	<u>161,764,939</u>	pending
	-	<u>794,982,187</u>	
Total Education (unavailable)		<u><u>5,941,725,300</u></u>	
Meridian Foundation Requisition	311,207	5,941,725,300	0.0522
Designated Industrial Property Requisition	3,091	40,676,060	0.0760

**4. EFFECTIVE DATE**

- 4.1 This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading Carried [Click here to enter a date.](#)

Second Reading Carried [Click here to enter a date.](#)

Third Reading Carried [Click here to enter a date.](#)

Date Signed [Click here to enter a date.](#)

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Mayor

---

City Clerk



## The City of **Spruce Grove**

### **Request for Decision**

**Bylaws Item # 10. c.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** C-1119-20 - Industrial Watermain Borrowing Bylaw - First Reading -  
Frostad

**Department:** Corporate Services

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#### **Request for Decision Summary**

First reading of debenture Bylaw C-1119-20 - Industrial Watermain Borrowing Bylaw is being brought forward for Council's consideration. This bylaw will authorize the borrowing of up to \$2,160,000 for the construction of the Industrial Watermain and Surface Rehab project for 2020, as approved in the 2020-2022 Corporate Plan.

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#### **Proposed Motion**

That first reading be given to Bylaw C-1119-20 - Industrial Watermain Borrowing Bylaw.
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#### **Background/Analysis**

During the 2020 - 2022 Corporate Plan process, multi-year project CE 1474 - Industrial Watermain and Surface Rehab was approved by Council. The project summary indicates that groundwater issues are impacting road base and due to heavy traffic, the industrial area roads have started to deteriorate and are in need of repair. This is most evident in spring when the frost is coming out of the ground. Watermains within these roads were installed in the early 1970s and should be replaced with new PVC watermains prior to road construction as they are nearing the end of their expected life and have shown some evidence of wear. In 2020, construction of industrial watermain upgrades and surface rehabilitation has been planned for Diamond Avenue from Campsite Road to Golden Spike Road.

The entire proposed cost of this project for 2020 is \$3.6 million. The approved Corporate Plan funded this item \$2,160,000 from utility funded debt, and \$1,440,000 from Municipal Sustainability Initiative Funds. This bylaw will secure the utility funded debt portion of project funding.

#### **Options/Alternatives**



Council may choose not to give first reading to this bylaw. If this option is chosen, alternative sources of financing would have to be secured to finance the construction of the industrial watermain upgrades portion of this project, or the project may need to be delayed.

### **Consultation/Engagement**

N/A

### **Implementation/Communication**

In accordance with the Municipal Government Act, the bylaw will be advertised in the May 1, 2020 and May 8, 2020 editions of the Spruce Grove Examiner. A 15 day petition period will follow, ending May 23, 2020.

It is anticipated that second and third reading will be brought forward for Council's consideration on May 25, 2020.

### **Impacts**

Funds will be secured to complete the construction of industrial watermain upgrades in 2020.

### **Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

### **Related Goal:**

n/a

---

### **Fiscal Impact**

#### **Financial Implications:**

The City can currently borrow \$2,160,000 at a rate of 2.574% for a period of 20 years for an annual debenture payment of \$237,866 from the Alberta Capital Finance Authority. The borrowing was included in the 2020 budget approved by Council during corporate planning. This bylaw will require a payment structure that begins payments in 2021. These payments were appropriately included in the 2020 budget.

---

### **Attachments**

Proposed C-1119-20 - Industrial Watermain Borrowing Bylaw

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## **THE CITY OF SPRUCE GROVE**

### **BYLAW C-1119-20**

#### **INDUSTRIAL WATERMAIN BORROWING BYLAW**

WHEREAS, pursuant to the *Municipal Government Act*, RSA 2000 cM-26 and amendments thereto, the City of Spruce Grove wishes to authorize the financing, undertaking, and construction of the Industrial Watermain and Surface Rehab project as authorized by Council;

AND WHEREAS, plans and specifications have been prepared and the total cost of the project is estimated at three million, six hundred thousand dollars (\$3,600,000) and the City of Spruce Grove estimates that a debenture not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) will be applied to the project;

AND WHEREAS, in order to complete the Industrial Watermain and Surface Rehab project it will be necessary for the City of Spruce Grove to borrow a sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) for a period not to exceed twenty (20) years, from the Alberta Capital Finance Authority, or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw;

AND WHEREAS, the principal amount of the outstanding debt of the City of Spruce Grove at December 31, 2019 is forty-two million, one hundred and twenty-two thousand dollars (\$42,122,000) and no part of the principal or interest is in arrears;

AND WHEREAS, all required approvals for the project have been obtained and the project is in compliance with all Acts and Regulations of the Province of Alberta;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

#### **1. BYLAW TITLE**

1.1. This bylaw is called "Industrial Watermain Borrowing Bylaw."

#### **2. DEFINITIONS**

2.1. "City" means the municipal corporation of the City of Spruce Grove in the Province of Alberta.

2.2. "City Manager" means the administrative head of the City.

2.3. "Council" means the Mayor and Councillors duly elected pursuant to the provisions of the *Local Authorities Election Act*, RSA 2000 cL-21, as

amended.

### **3. AUTHORIZATION**

- 3.1. This bylaw authorizes the Council to incur indebtedness by the issuance of debenture(s) in an amount not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) for the purpose of financing the construction of the Industrial Watermain and Surface Rehab project.

### **4. BORROWING**

- 4.1. That for the purpose of financing the construction of the Industrial Watermain and Surface Rehab project a sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) be borrowed from the Alberta Capital Finance Authority, or another authorized financial institution by way of debenture on the credit and security of the City at large, of which the full sum of two million, one hundred and sixty thousand dollars (\$2,160,000) is to be paid by the City at large.
- 4.2. The sum not to exceed two million, one hundred and sixty thousand dollars (\$2,160,000) is to be paid by the City.
- 4.3. The City Manager is hereby authorized to issue debenture(s) on behalf of the City for the amount and purpose as authorized by this bylaw, namely the construction of the Industrial Watermain and Surface Rehab project.
- 4.4. The City shall repay the indebtedness according to the repayment structure in effect, namely annual or semi-annual payments of combined principal and interest instalments not to exceed twenty (20) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority, or another authorized financial institution on the date of the borrowing, and not to exceed three (3) percent.
- 4.5. The City shall levy and raise in each year a utility rate or rates sufficient to pay the principal and interest falling due on the indebtedness.
- 4.6. The indebtedness shall be contracted on the credit and security of the City.
- 4.7. The net amount borrowed under the bylaw shall be applied only to the construction of the Industrial Watermain and Surface Rehab project specified by this bylaw.

### **5. SEVERABILITY**

- 5.1. Every provision of this bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed and the remainder provisions shall remain valid and enforceable.

**6. EFFECTIVE DATE**

- 6.1. This bylaw shall come into full force and effect upon being given third reading and duly signed.

First Reading Carried \_\_\_\_\_, 2020

Second Reading Carried \_\_\_\_\_, 2020

Third Reading Carried \_\_\_\_\_, 2020

Date Signed \_\_\_\_\_, 2020

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



## The City of **Spruce Grove**

### **Request for Decision**

**Bylaws Item # 10. d.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** C-1074-19 - City Centre Area Redevelopment Plan - Third Reading -  
Levasseur

**Department:** Planning & Infrastructure

---

#### **Request for Decision Summary**

Third reading of Bylaw C-1074-19 – City Centre Area Redevelopment Plan, a statutory plan for the effective and managed redevelopment of Spruce Grove's city centre, is being brought forward for Council's consideration.

Administration supports this Bylaw.

---

#### **Proposed Motion**

That third reading be given to Bylaw C-1074-19 – City Centre Area Redevelopment Plan.
---

#### **Background/Analysis**

The City Centre Area Redevelopment Plan (ARP) received Council's second reading on February 10, 2020. It was then sent to the Edmonton Metropolitan Region Board for review, and the City received confirmation of their approval on April 10, 2020 (copy attached), which allows for Council's consideration of third reading.

City centre revitalization is identified as an important objective in Spruce Grove's Municipal Development Plan (MDP) for creating a mixed use hub of activity that would provide residents a distinct urban experience emphasizing mixed use development, walkability, a diverse and eclectic range of services, and higher residential density. The proposed ARP provides a vision and redevelopment concept through the use of four land use precincts that respect the area's existing commercial, institutional / recreational, and residential uses. This ARP also provides direction related to streets and mobility, urban design, built-form guidelines, and infrastructure.

Commercial redevelopment is planned through the ARP's McLeod Avenue Precinct that focuses on establishing a pedestrian oriented 'high street', and a First Avenue Precinct

that proposes a mix of high-quality retail and office development along the highly visible Highway 16A corridor. Both commercial areas encourage a vertical mixed-use development and a modern urban form emphasizing pedestrian activity and walkability. An Urban Living Precinct provides a residential area plan that encourages both redevelopment and infill opportunities to increase unit density over time to achieve an aspirational target of 100 dwelling units per net residential hectare (du/nrha) as required for urban centres in the Edmonton Metropolitan Region Growth Plan. The city centre is an important civic and public service area, and the ARP's Civic Precinct looks to intensify public service uses to reinforce the city centre's importance as a gathering space for community services. Overall, the City Centre ARP provides a comprehensive plan for redeveloping the city centre as an integrated mixed use area that ties public service delivery, interesting commercial developments, and residential density increases, together in an interesting way.

In recognition that the city centre is the oldest part of Spruce Grove, the ARP also identifies the need for major infrastructure upgrading to occur over time in its implementation plan. Furthermore, it will require land use district and development regulation amendments to the Land Use Bylaw for promoting the ARP's intended urban design goals. It is expected to take a minimum of 25 years to obtain the ARP's redevelopment vision.

### **Options/Alternatives**

Council may make changes to this Bylaw; however, as a statutory plan any changes may require re-circulation for approval of the Edmonton Metropolitan Region Board prior to Council's third reading.

### **Consultation/Engagement**

Development of the City Centre ARP was guided by a steering committee from various City departments and the City Centre Business Association, and it provided many opportunities for community and stakeholder input through workshops, presentations, design charrettes, and one-on-one meetings.

A public hearing was conducted on this bylaw on May 27, 2019, and Council closed that hearing requiring that additional consultation be undertaken with area residents to better understand their concerns about adding new density in the area. A second public hearing was held on February 10, 2020, and after receiving second reading the Bylaw was referred to the Edmonton Metropolitan Region Board for their approval considerations. A confirmation of the Edmonton Metropolitan Region Board's approval was received on April 10, 2020 (copy is attached to this report).

### **Implementation/Communication**

Administration will post this Bylaw on the City website and commence with actions identified within the redevelopment plan for its implementation.

### **Impacts**

Adoption of the City Centre ARP will provide a guide for the redevelopment of the lands within the MDP's city centre boundary. It also directs actions required to implement the plan including making changes to the Land Use Bylaw regulations, undertaking a parking management study, and undertaking planning for phased infrastructure and streetscape upgrading.

**Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

**Related Goal:**

Spruce Grove is a well-planned city, with a high ease of community connectivity and mobility for transportation and walkability.

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**Attachments**

Proposed Bylaw C-1074-19

EMRB Approval

Presentation

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**THE CITY OF SPRUCE GROVE**

**BYLAW C-1074-19**

**CITY CENTRE AREA REDEVELOPMENT PLAN**

WHEREAS, pursuant to the *Municipal Government Act*, R.S.A., 2000, c.M-26, a municipality may adopt and amend an area redevelopment plan;

AND WHEREAS, the City of Spruce Grove wishes to adopt Bylaw C-1074-19, the City Centre Area Redevelopment Plan;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

1. Bylaw C-1074-19 City Centre Area Redevelopment Plan be adopted as outlined in Schedule 1, which is attached to and forms part of this Bylaw.
2. This bylaw shall come into force and effect when it receives third reading and is duly signed.

First Reading    Carried April 23, 2019

Public Hearing    Held February 10, 2020

Second Reading    Carried February 10, 2020

Third Reading

Date Signed

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



City of Spruce Grove

# *City Centre Area Redevelopment Plan*



January 2020

**CUSHING  
TERRELL**  
ARCHITECTURE INC.

  
key planning strategies

  
The City of  
SPRUCE  
GROVE

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# 1.0 Introduction

## 1.1 Purpose and Intent of the ARP

The purpose of the City Centre Area Redevelopment Plan (CCARP) is to provide a tangible vision, direction and supportive principles to guide desired and expected new development and redevelopment in the City of Spruce Grove's City Centre area over the next fifteen plus years, with the likely realization that the CCARP is a plan for the next 25+ years.

This ARP provides a framework and supporting policies for the City Centre that will:

- provide a cohesive design plan that will allow for the desirable and orderly redevelopment of the City Centre area over time; and
- guide future public and private investment in the short (+/- 5 years), medium (5-10 years) and longer term (10-15+ years).

The CCARP will be an important guide that defines a renewed vision and plan for reinvigorating Spruce Grove's City Centre.

## 1.2 Plan Context

The City Centre, or Downtown as it has synonymously been referred to in the past in Spruce Grove has long been an essential part of the City's fabric. However, over the past twenty to thirty years, as the City began experiencing new growth and pressures for suburban models of commercial growth became in vogue, the City Centre felt the exodus of businesses and vitality.

Over the past decade in particular, Spruce Grove has consistently been one of the fastest growing communities in the province, which has led to the constant addition of new residential neighbourhoods as well as commercial growth on the periphery. Spruce Grove is now a well-established regional service centre for a wide trading region, yet its City Centre has not been the benefactor to-date of growth that would mirror the City's overall growth.

### 1.2.1 Plan Area

The CCARP Plan Area is illustrated in **Figure 1** and its boundary mirrors the boundaries of the City Centre as expressed in the Municipal Development Plan (MDP). The intent of the CCARP boundary is to encompass current and future commercial and mixed-use lands as a part of the wider defined City Centre area as laid out in the MDP.

The City Centre lies north of the well-traveled Highway 16A corridor and as a result has extremely high visibility and strong access points from all directions. Land uses are comprised of traditional local commercial office, retail, personal and professional services framed in the north by older single family residential as well as public and civic services. Recent redevelopments have taken place in the City Centre in the form of small mixed-use commercial as well as some more notable larger scale higher density multi-unit all of which have created a positive energy and vibe towards City Centre revitalization.



Figure 1 CCARP Area Boundary



### 1.2.2 Historic Context

In 1908 the Grand Trunk Pacific Railway came through Spruce Grove and a train station was built south of Highway 16A (historically referred to as Baseline Road) on the north side of the tracks, directly in line with what is now Main Street in the City Centre area. This resulted in moving all of the established businesses three quarters of a mile west to the present location of the City of Spruce Grove. With the establishment of the railroad, the community became a busy grain-trading center.



*Spruce Grove 1965*

*Spruce Grove was incorporated as a village in 1955, a town in 1971*

### 1.3 Public Participation

A highly collaborative partnership between the City Centre Business Association (CCBA) and the City of Spruce Grove has been fundamental to the evolution and formulation of the ARP. Over the past 30 years there have been numerous efforts to create a revitalization strategy; however, each of those efforts had limited support and engagement by the city centre business community. The success of the current ARP process has been the result of positive engagement by the business community and the establishment of an actively involved CCBA.



The CCARP over a period of 2+ years (and dating back on numerous occasions to the 2014 City Centre Revitalization Discussion Paper) has consulted the public to gather a range of ideas, as well as guidance to help to keep the CCARP grounded in reality, rather than simply a utopian dream. It is estimated that over the course of the last 2+ years over 500 individuals have participated in some form of engagement and input as it pertains to the City Centre and its future directions.



Although the CCARP was formally initiated in October 2017, the project team has been heavily involved since 2014 through multiple community engagement events with residents, business owners, property owners, high school students, Economic Development Advisory Committee (EDAC), City Centre Business Association (CCBA), and Spruce Grove and District Chamber of Commerce (SGDCC), in addition to City Staff, Administration and Council. This ongoing engagement collaboratively helped to define the needs and wants consistent with the desired ARP vision and intent.



In addition to the physical in-person engagement process, the project team in coordination with the City, utilized social media resources through the CCBA by way of Facebook and Twitter announcements and postings. The project team also facilitated the creation of a City Centre Revitalization/CCBA website which included project updates and on-line surveys. Engagement and consultation methods included:

- In-person open house questionnaires
- On-line surveys
- Talk bubbles

- 200-person consumer intercept survey
- Open house “dotmocracy” and “stick-it-to-me” imagery panels
- Visioning sessions
- One-on-one cafe chat sessions
- Council Issues & Opportunities Workshop
- Design charrette with styrofoam massing and aerial photo “ideation”
- Christmas “Wish List”
- Outdoor Winter Fest design charrette
- High school surveys
- ARP Resident Open House “What We Heard” Report Summaries

The initial stages of the CCARP entailed on-the-ground fieldwork with the entire project team to kickstart the essential background work required in the Infrastructure Assessment stage. Throughout the project duration, public engagement was undertaken comprising one-on-one cafe chats, two (2) design charrettes and (2) open houses. As well, weekly project touch points with the Client team that included project progress reports and presentations/workshops with City Planning & Engineering Staff, Council and the CCARP Steering Committee.

The following plans and initiatives have been referred to in the development of the CCARP:

- 1991 Central Area Redevelopment Plan
- 1997 Downtown Development Action Strategy
- 2014 City Centre Revitalization Discussion Paper
- 2016 Establishment of City Centre Business Association
- 2016/2017 City Centre Visioning Workshops

## 2.0 Planning Context

### 2.1 Enabling Acts & Plans

#### 2.1.1 Municipal Government Act (MGA)

The CCARP has been prepared in accordance with Sections 634 and 635 of the MGA, which indicates that a Council may designate an area of the municipality as a redevelopment area for the purpose of any or all of the following:

- i. reserving or improving land and buildings in the area;
- ii. rehabilitating buildings in the area;
- iii. removing buildings from the area;
- iv. constructing or replacing buildings in the area;
- v. establishing, improving or relocating roads, public utilities or other services in the area; and/or
- vi. facilitating any other development in the area.

The MGA further specifies that an ARP must describe:

- i. the objectives of the plan and how they are proposed to be achieved;
- ii. the proposed land uses for the redevelopment area;
- iii. if a redevelopment levy is to be imposed, the reasons for imposing it; and
- iv. any proposals for the acquisition of land for any municipal use, school facilities, parks and recreation facilities, or any other purposes the Council considers necessary.

The ARP is intended to guide development activity and reinvestment in the City Centre area, and to provide both short and long-term policy direction. This CCARP should be re-evaluated every five (5) years to ensure that it continues to reflect the City's objectives and vision for future development in the City Centre area.

#### 2.1.2 Edmonton Metropolitan Region Growth Plan (EMRGP)

This CCARP has also been prepared with an understanding of and in conformance with the EMRGP regional vision (October 2017) emphasizing responsible growth, integrating land use and infrastructure decisions, and building resilient, adaptable and complete communities. In particular, this ARP strives to create a framework of policies, guidelines and action items that will help the City meet the “Greenfield Density, Centres and Intensification Targets” of 100 dwelling units per net residential hectare. This directive is set out in Schedule 6 of the EMRGP for the City of Spruce Grove, in which the City is designated as a “metropolitan area”.

#### 2.1.3 Municipal Development Plan 2010 - 2020

The City's Municipal Development Plan (MDP) was revised and updated in 2010. The “*Your Bright Future*” plan offers a geographic definition of the City Centre and addressed revitalization in several sections. An objective of MDP Section 5; Form and Infrastructure is to “develop the City Centre as a mixed-use hub of activity with a distinct identity.” The initial concept for this area is to be one of the primary community gathering places and as a distinct urban experience that is mixed use, pedestrian friendly, and offers a diverse and eclectic range of services. An Area Redevelopment Plan for this area is part of the implementation plan for Your Bright Future.

Policies are guided toward developing an urban form with small-scale commercial uses, a pedestrian-oriented environment, consolidated lots, and the creation of an Area Redevelopment Plan. Performing a traffic analysis and parking study are some specific initiatives also mentioned in MDP Section 5. ***As part of the CCARP study, an independent Parking Study was conducted and is included in the separate Infrastructure Assessment Background Report.***



Under Economic Development, MDP Section 6 calls for the City Centre to be a mixed-use district that offers housing and services to complement the vehicle-oriented commerce and industry elsewhere in the City. Policies are geared to enhance business that serves local customers while also attracting regional users. The concept of mixed-use redevelopment is mentioned repeatedly as a vision for the City Centre. A specific task assigned under this section was to conduct a City Centre Revitalization Study focusing chiefly on economic development. *As part of the CCARP study, an Economic Benefits component was conducted and is included in a separate Economic Benefits & Costs Background Report.*

While the MDP currently lays the groundwork at a policy level for revitalization efforts, revisions to the MDP as a result of this City Centre ARP may be necessary as the community focuses more energy on City Centre-specific actions and investments.

## 2.2 Existing Conditions

The following provides a synopsis of the existing conditions in the City Centre ARP touching on Land Use, Parking, and Infrastructure & Utilities. Understanding and assessing existing land patterns, market conditions, infrastructure and future development potential allows for addressing challenges and opportunities necessary to make informed and desirable adjustments and maximize essential area investments.

### 2.2.1 Background Reports

The CCARP has been based on extensive background research and analysis including the review of past studies, the preparation of several new Background Reports (technical documents) and an Issues & Solutions exercise undertaken with the Steering Committee and City Council.

The CCARP is supported by the following specific Background Reports that have informed the policy directions and land use recommendations in this ARP:

1. Infrastructure Assessment Background Report (including Parking Study)
2. Land Use & Urban Form Background Report
3. Columbus Park Concept Plan Background Report
4. Economic Benefits & Costs Background Report.

### 2.2.2 Infrastructure & Utilities

Referring to the Infrastructure Assessment Background Report, the following summarizes the key findings pertaining to the existing conditions in the City Centre.

1. **Sanitary Sewer Assessment** - The sanitary sewer collection capacity is sufficient, however the infrastructure is primarily Vitrified Clay Tile (VCT) pipe that have reached its intended service life. It is recommended that all VCT pipe be replaced with the equivalent diameter PVC. These upgrades are not required immediately but should be done in conjunction with improvements to the streetscape and/or water distribution system.
2. **Water Distribution System Assessment** - The existing system does not meet the requirements for water distribution demand and fire flow. Critical upgrades to the water distribution system are required in order to meet the required capacities.
3. **Stormwater Collection/Drainage System Assessment** - The stormwater collection system for the City Centre is considered to have adequate capacity. Re-development should consider major system drainage and ponding at detailed design.
4. **Broadband Opportunity Assessment** - A separate, concurrent study by the City Centre has examined the future opportunity for increased broadband capacity. The City is looking at adding fibre optics conduits as part of the overall infrastructure improvements in the City Centre.

### 2.2.3 Parking

There is a total of 373 on-street parking spaces in the City Centre Study Area with 135 of the spaces located on McLeod Avenue (including 97 angled parking spaces between Queen Street and King Street), 139 spaces on First Avenue, 36 on Queen Street and 63 on Main Street. 198 of the stalls are angle and the remaining 175 are parallel parking.

At present, there are no parking restrictions on Main Street and Queen Street. McLeod Avenue and First Avenue are restricted to a two-hour time limit. For any parking restriction to be effective regular and consistent enforcement is required. Other salient findings include the following:

- Average duration during a typical weekday between 9 am - 6:30 pm was approximately 1.5 hours throughout the study area.
- Demand for parking spaces is highest during noon time and the afternoon.
- Average occupancy in City Centre Study Area is 51.6%.

### 2.2.4 Mobility

**McLeod Avenue** is the primary east-west vehicular corridor in Spruce Grove's City Centre and is actively used by traditional motorists, service vehicles, school buses, cyclists and transit service. Historically, McLeod Avenue has undergone a number of parking reconfigurations, though all have been done in the absence of any other public realm considerations. McLeod Avenue has the greatest retail potential, yet among the narrowest sidewalks. Changes to-date have been driven by maximizing the amount of on-street parking to support businesses and for the convenience for visitors, as opposed to maximizing the value and safety of the pedestrian experience.

The original vehicle artery of the City Centre, **First Avenue** is a street that today benefits from outstanding visibility from high volume Highway 16A traffic flow. First Avenue has transitioned over time to be a predominantly vehicle centric road with a combination of angled and parallel parking, but a lack of pedestrian orientation and connectivity.

**Queen Street** provides an important north-south function between First Avenue and Mohr Street. However, the potential for conflict at the intersection of Highway 16A/First Avenue and Queen Street with increased redevelopment is likely to become an issue for vehicular conflict and pedestrian safety.

As one of the primary and most traveled gateways to the City Centre, **King Street** represents an important access and egress route, but safety concerns do exist for vehicles turning in and out of First Avenue where pedestrian crossing conflicts can also arise.

As the City Centre has historically been focused on vehicular movement, pedestrian mobility has been overlooked in terms of sidewalk conditions, widths and even an absence of sidewalks where sidewalks should exist (e.g. Queen Street between McLeod Avenue to the Queen Street Professional Centre). Moreover, the length of certain blocks, namely McLeod Avenue between Calahoo Road and Queen Street present limited opportunities for mid-block, safe pedestrian crossings. Also, cycling has also been neglected in the past whereby no defined cycling network has been prepared or presented that is capable of connecting with the surrounding city trail network.

### 2.2.5 Land Use

The current area comprises the historic 'downtown', though lost over the years are those elements that typically would be associated with historic retention and cultural value. The current mix of buildings is commercial and services and a varied distribution of low, medium and emerging higher density residential uses. The City Centre is a dispersed node comprised of street-oriented retail, office and residential uses. One and two storey street fronted buildings contribute to a traditional retail environment, though external development continues to put pressure on the area as a retail node.

**Figure 2** illustrates the existing land use zoning in the ARP Study Area. The City Centre study area is currently comprised of six (6) land use districts; C1: City Centre Commercial, C2: Vehicle Oriented Commercial, R1: Mixed Low to Medium Density Residential, R2: Medium to High Density Residential, PS: Public Services and DC: Direct Control.

Recent redevelopments have helped to break the mold and present a future comprised of modern urban mixed-use and higher density residential formats. In particular, recent multi-unit residential projects such as Windsor Estates, King Street on The Park and The Nest have achieved a level of density at or above EMRB 'aspirational' targets. Windsor Estates (511 Queen Street) has 188 units at a density of approximately 94 du/nrha, while King Street on the Park (33 Fifth Avenue) has 174 units at a density of 228 du/nrha and The Nest (610 Calahoo Road) has 68 units at a density of 170 du/nrha.

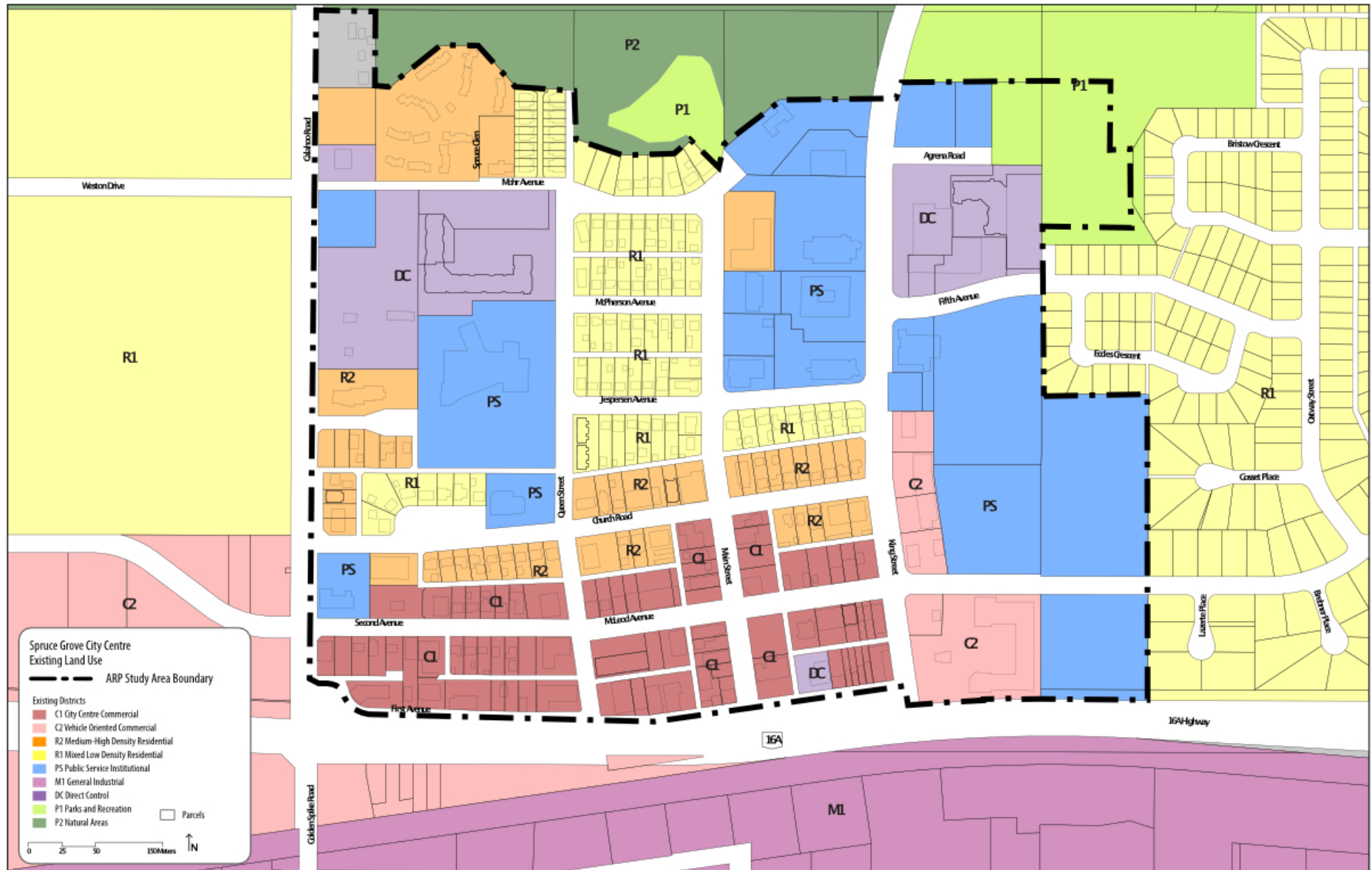
Notable land use components of the City Centre are the provision of public services, institutional and indoor recreation and cultural uses, all of which are strong attributes and necessary building blocks for promoting a complete community. There is a mix of City services, churches, day cares, seniors' centres, ice rinks, fitness centres, trails and a park amenity - Central Park which has historically been a focal point for significant City events.

One of the most notable land uses in the study area, outside of the commercial core is the older single-family residences which scatter the landscape. They present challenges for assembly and/or design guidelines as it relates to redevelopment and rezoning. Redevelopment of these single-family dwellings may or may not take the form of larger assemblies, but as is often the case in redeveloping city centres or downtowns, time can be the biggest obstacle for those who do not wish to move or simply wish to retain their home. With the proper ARP in place, the framework can be established to find the optimal redevelopment formats for these properties, but patience is required.

The Main Street and McLeod Avenue area is characterized by commercial, retail, and office development, contained within mostly older buildings, though there have been some recent modern building additions, such as the Triton Centre and McQueen Centre. First Avenue between Queen Street and Calahoo Road is an auto-oriented stretch and should continue to provide professional, medical services and complementary retail with distinct Highway 16A exposure and presence.

There are limitations to existing redevelopment between King Street and Main Street because of potential contamination issues along First Avenue (refer to Bylaw C-671-07 and Environmental Site Assessments conducted as part of properties at 315 and 309 First Avenue). These environmentally contaminated sites, while isolated limit and restrict redevelopment requiring creative and compatible adaptive re-use or extensive remediation efforts.

Figure 2 Current City Centre Land Use Districting



### 2.2.6 Columbus Park

Columbus Park is located at the southeast corner of Main Street and McLeod Avenue and though it is highly visible, it is under-utilized and largely unknown to the community, as voiced and confirmed by residents at multiple engagement events. The Park, centered around a decorative fountain with dated teal green metal benches and entry portal, is currently a network of raised planters and overgrown vegetation with hard spaces that do not allow for active or effective programming on a year-round basis.

### 2.2.7 Economic Conditions

Spruce Grove's regional-serving location and surrounding highway infrastructure ensure that the City has excellent and quick access to smaller towns located to the west and thus serves as a major commercial service and employment node for the region, reaching beyond its resident population to over 138,000 residents. Over the years 2011 to 2018 (using the City's Municipal Census), the City of Spruce Grove grew from 26,171 to 35,766; an average annual growth rate of 4.6%.

Although new commercial development and opportunities are taking place at the edges of the City, the City Centre represents an important future location for retail opportunities for local independent retailers as well as chain store operations. Restaurants, personal services and conveniences top the list of potential tenants that should be targeted and attracted in conjunction with ongoing redevelopment of the City Centre as part of this CCARP. Recent developments such as the Queen Street Professional Centre, the King Street Plaza, McQueen Centre, relocation of Main Street Law (on First Avenue) and other strategic recent strategic property acquisitions represent new developments that frame the City Centre with a mix of uses. Additionally, large scale multi-unit residential developments such as Windsor Estates and King Street on the Park are evidence of the feasibility and lure of higher density housing formats framing the City Centre. Further infill and redevelopment opportunities will become more opportunistic at older, underutilized properties/buildings along

McLeod Avenue and Main Street over the next decade. This will help to stimulate the revitalization of the City Centre area by making it more appealing for attracting and retaining new and exciting businesses in the City Centre.

The City Centre currently exhibits the following economic metrics for its commercial uses (*Source: City of Spruce Grove Retail & Office Market Study, 2017*):

Retail Inventory: 175,000 sf  
Retail Vacancy: 14,700 sf (8.4%)  
Number of Retail Businesses: 110

Office Inventory: 157,000 sf  
Office Vacancy: 13,905 sf (8.9%)  
Number of Office Businesses: 102

## 2.3 Challenges & Opportunities

The City Centre has fallen out of relevance in the community as the primary location of important community services, community life, office commercial and retail commercial shopping. This area is the historical 'downtown', and it is identified as such in the MDP and EMRGP. Assessment of the City Centre's existing conditions and an understanding through community engagement has identified a number of challenges that may inform a different direction and opportunity.

### *Challenges*

The following are the notable challenges affecting the City Centre in its current form:

- Vacant, underutilized and deteriorating commercial lands and buildings;
- Inconsistent and suburban strip centre development patterns in what ideally should be pedestrian-oriented commercial areas;
- Lack of accessible, flexible and usable public realm spaces that would support the City Centre being relevant as the primary location of important community events, office and commercial services, and retail shopping;
- Limited diversity in housing types and density that supports the City Centre's functioning within the City as a mixed-use urban centre;
- Aging and inadequate capacity of required infrastructure utilities;
- Inadequate zoning to enable mixed-use, innovative residential and enhanced building designs that embrace modern place-making principles;
- Local roads that include long blocks, multiple curb cuts, fragmented sidewalks, disjointed connections and overall barriers to connectivity and safety;

- Poorly maintained and serviced alleys that do not promote safe pedestrian mobility and connectivity through the City Centre; and
- Environmentally contaminated sites that limit and restrict redevelopment.

### *Opportunities*

The following have been identified as the more poignant opportunities to address the multitude of challenges in the City Centre:

- Create a vision and implementation plan to guide investment and redevelopment;
- Improve the area's streetscape and building quality and resulting streetfront experience;
- Enhance pedestrian focused connectivity, mobility, infrastructure and amenities to address area shortcomings;
- Provide a variety of housing format options to achieve increased residential density consistent with the aspirational targets of the Edmonton Metropolitan Regional Growth Plan and City Centre ARP vision;
- Define how required infrastructure improvements are to be paid for and implemented to enable the fulfillment of the area vision;
- Identify necessary land use, development regulations and urban and public realm design guidelines needed to support the attainment of the City Centre vision;
- Identify potential properties and partnerships that the City could use for future civic, cultural or off-street parking needs; and
- Plan, finance and build necessary infrastructure per the implementation plan requirements.

## 3.0 Vision, Objectives & Concept

### 3.1 Vision

The Vision, Principles and Objectives collectively describe a complete, long-term outcome for the City Centre at increasing levels of detail and specificity. Planning policy in the following sections supports the achievement of specific objectives, general principles, and the overarching vision described in the following. The vision statement for the City Centre is as follows:

*Spruce Grove's City Centre will be a welcoming, family-friendly City Centre brimming with year-round activity, festivals, events, shopping, dining and inviting green, open and public spaces with revitalized buildings and enhanced storefronts in a walkable environment. The City Centre will be a place where people of all ages come to shop, dine, work, live, socialize, interact and participate in a variety of community, arts and cultural experiences.*

The Spruce Grove City Centre is envisioned to become a modern contemporary urban city centre in its design and feel that exudes elements of a pedestrian friendly place with active community spaces. This will make it different, yet attractive and marketable to residents, investors, developers and businesses.

### 3.2 Objectives

The vision for the City Centre is based on the following guiding objectives:

1. Strengthen the City Centre's infrastructure, streetscape and built environment to elevate its operation as a cohesive, unique and desirable area for investment and living.

2. Ensure the City Centre remains relevant in the ever-changing commercial marketplace by focusing its commercial function to provide the most advantageous variety of goods, offices, services and access in a package attractive to all City residents.
3. Attract mixed-use commercial and higher density residential above development investment to the City Centre to increase housing supply, and provide for diversity in housing mix and price.
4. Emphasize the City Centre as a focal point for community celebrations by making it a vibrant year-round destination for shopping, obtaining services and arts & culture activity that will attract a variety of visitors, businesses and residents.
5. Promote mobility and street activity within the City Centre by facilitating convenient and efficient mobility and parking that emphasizes a comfortable, efficient and safe pedestrian environment.

### 3.3 Redevelopment Concept Plan

The CCARP vision is premised on creating an urban metropolitan environment that is progressive, modern and contemporary from its building form through to a streetscape that respects vehicles and parking, but prioritizes the movement and mobility of pedestrians. To support the overall vision and objectives, this section contains a redevelopment concept that will enable the evolution of a cohesive, modern redevelopment pattern over time.

The Land Use and Urban Form Concept presented in **Figure 3** identifies major initiatives proposed for redevelopment of the City Centre. The concept responds to the desire of residents for a modern urban and contemporary City Centre that doesn't necessarily emulate historic or small-town main streets, but rather looks to an economically sustainable urban future.



### 3.3.1 Major Redevelopment Initiatives

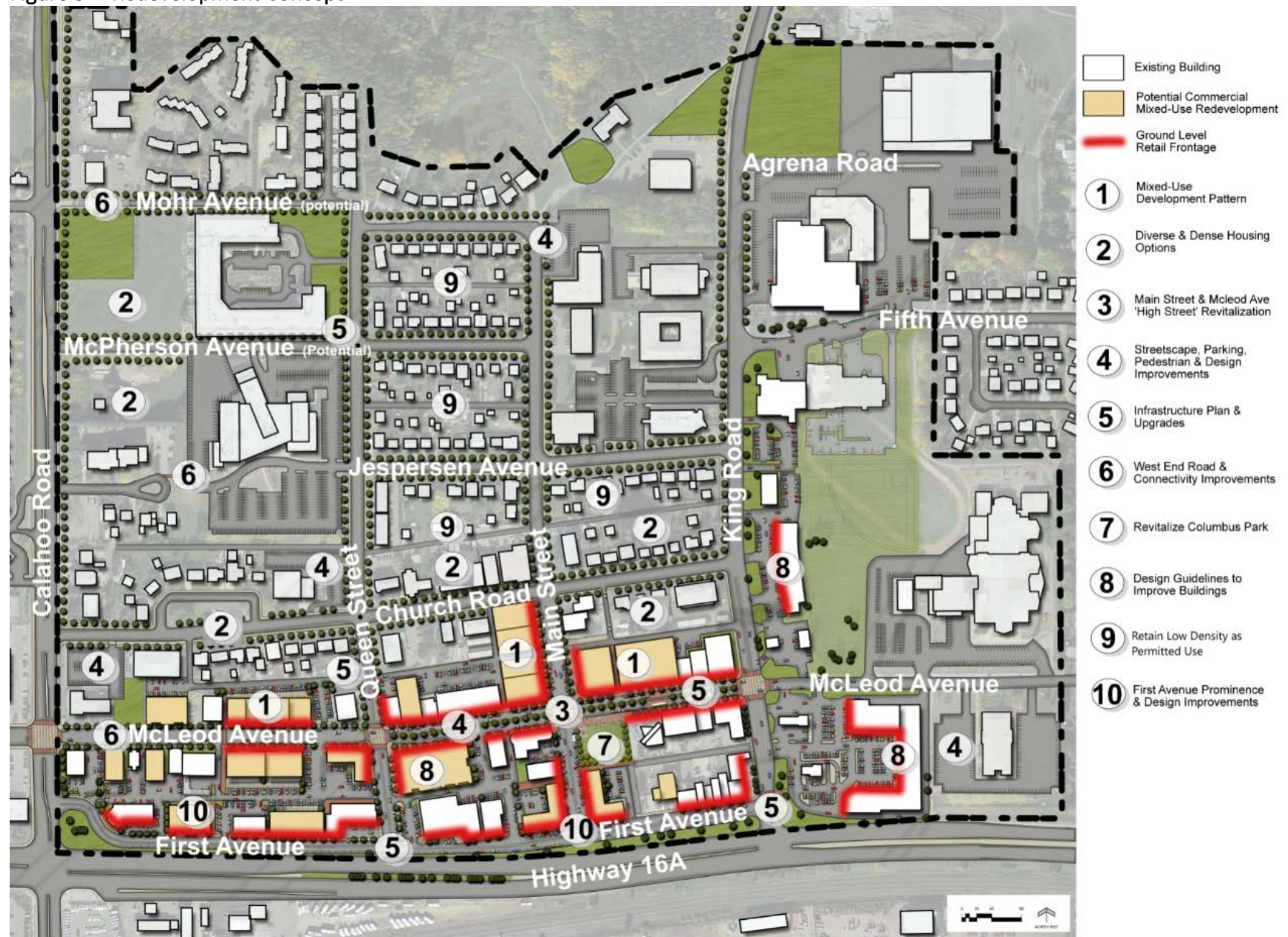
The CCARP Redevelopment Concept includes strategic initiatives supportive of the City Centre vision that have the potential unlock the future potential for the City Centre in terms of social and economic value. Each of the CCARP major planning initiatives are presented in the context of the City Centre and have actionable policies as well as Design and Public Realm guidelines. Within each initiative, multiple smaller actions could be undertaken to collectively make the overall implementation more meaningful and impactful.

The major redevelopment initiatives proposed for refocusing the City Centre, as shown in **Figure 3**, include the following:

1. **Mixed-Use Development Pattern** - through amended zoning promote best development practices by creating a framework for Mixed-Use that includes a diversity of housing formats.
2. **Diverse & Dense Housing Options** - provide a diversity of multi-unit housing formats, typologies and densities consistent with the EMRB's aspirational density targets, and appropriate for all ages to bring new vitality to City Centre.
3. **Main Street & McLeod Avenue 'High Street' Revitalization** - identifies a conversion of current parking along McLeod Avenue from King Street to Queen Street to parallel. This would create a framework for narrowing the street by widening sidewalks, introducing curb extensions or traffic calming circles, mid-block pedestrian crossings, eliminating the number of curb cuts, slowing traffic and accommodating future multi-modal transport including transit and bicycles.
4. **Streetscape, Parking & Pedestrian Design Improvements** - Incorporate branded wayfinding and directories to key buildings, areas, public spaces, parking and civic amenities. Connectivity is also inadequate in the City Centre as it relates to areas in the periphery such as Queen Street Place or City Hall. Connectivity can be achieved through the thoughtful placement and articulation of sidewalk patios and parklets. The City Centre can be more walkable by prioritizing pedestrian mobility throughout, but particularly at the intersections along McLeod Avenue and First Avenue.
5. **Infrastructure Rehabilitation** - make upgrades to area's aging infrastructure to fully realize the future potential of the City Centre in terms of redevelopment, reinvestment and reinvigoration. This can include additional sidewalks, as well as road and utilities upgrades.
6. **West End Road and Connectivity Improvements** - refers to the area along McLeod Avenue and First Avenue between Queen Street and Calahoo Road allowing for better north south pedestrian mobility including a potential network of connections north to McPherson Avenue and Mohr Avenue.
7. **Revitalize Columbus Park** - places are shaped by the people who use them and remembered by the statements and amenities that greet them; the City Centre can and should have more cultural content in place anchored near or around a redesigned Columbus Park.
8. **Urban Design Guidelines to Improve Buildings** - represents one of the most important opportunities to create urban form and design that is consistent with the vision for a modern urban city centre, not just within the commercial core, but equally important in the residential periphery within a 10-minute walk.
9. **Retain Low Density Residential** - to balance a multitude of objectives, local interests, and aspirations the range of housing shall retain some areas for low density housing forms with an ability to add some medium density housing forms over time.
10. **First Avenue Prominence** - distinctly different from McLeod Avenue and charting a new path that captures highway commercial visibility with guidelines that provide a transition into the City Centre. This will provide connectivity to McLeod Avenue and pedestrian safety by closing off the vehicle access from Highway 16A at Queen Street and restricting access from Highway 16A at King Street to First Avenue.



Figure 3 Redevelopment Concept



## 4.0 Redevelopment Policies

### 4.1 Introduction

The Land Use and corresponding Redevelopment Plan represents a potential built-form outcome for the Spruce Grove City Centre. It was developed with careful consideration of the plan context; the strengths, weaknesses, opportunities, and challenges identified for the study area; the vision articulated by city residents, business, CCBA, Staff and Council; and the interface with the public realm concept.

The general objectives of the Redevelopment Policies are as follows:

- a. Support intensification and densification through mixed and multi-purpose developments in the City Centre that ensure new utility and overall rehabilitated infrastructure is efficiently utilized.
- b. Integrate a diversity of land uses in the City Centre including residential uses that allow for human scale activation of public spaces like Columbus Plaza.
- c. Create an environment that establishes economic viability and vitality for City Centre businesses that can be sustained year-round and beyond regular business hours.
- d. Achieve a high standard of architectural and urban design quality for all new infill development and redevelopment projects.
- e. Promote a safe, convenient, walkable pedestrian-scale City Centre for residents, visitors and employees.

The redevelopment intent and policies are provided in the themes of **Land Use, Streets & Mobility, Urban Design & Public Realm, and Built Form**. In support of the redevelopment concept presented in Section 3.0, the combination of the Redevelopment Concept and Policies will work together to guide the evolution of the City Centre towards a future with vertical mixed-use development, increased density and housing diversity, and an uplifted, modern streetscape and built form.

### 4.2 Land Use

The envisioned Land Use patterns support opportunities provided by the area's regional location, its long-standing retail and commercial presence, its desire for an expanded cultural sector, its goal to have stronger public transit, its proximity to Highway 16A, potential of Columbus Plaza, and its central location in the community adjacent to established residential neighbourhoods and a large industrial employment base.

The contextual relationship of the older existing single-family residential north of Church Road is examined towards fulfilling redevelopment and densification to provide a noticeable increase in local population within a 5 to 10-minute walk of the City Centre core. This is important because of the role that a growing resident base in short walkable proximity can have on business support on a year-round basis.

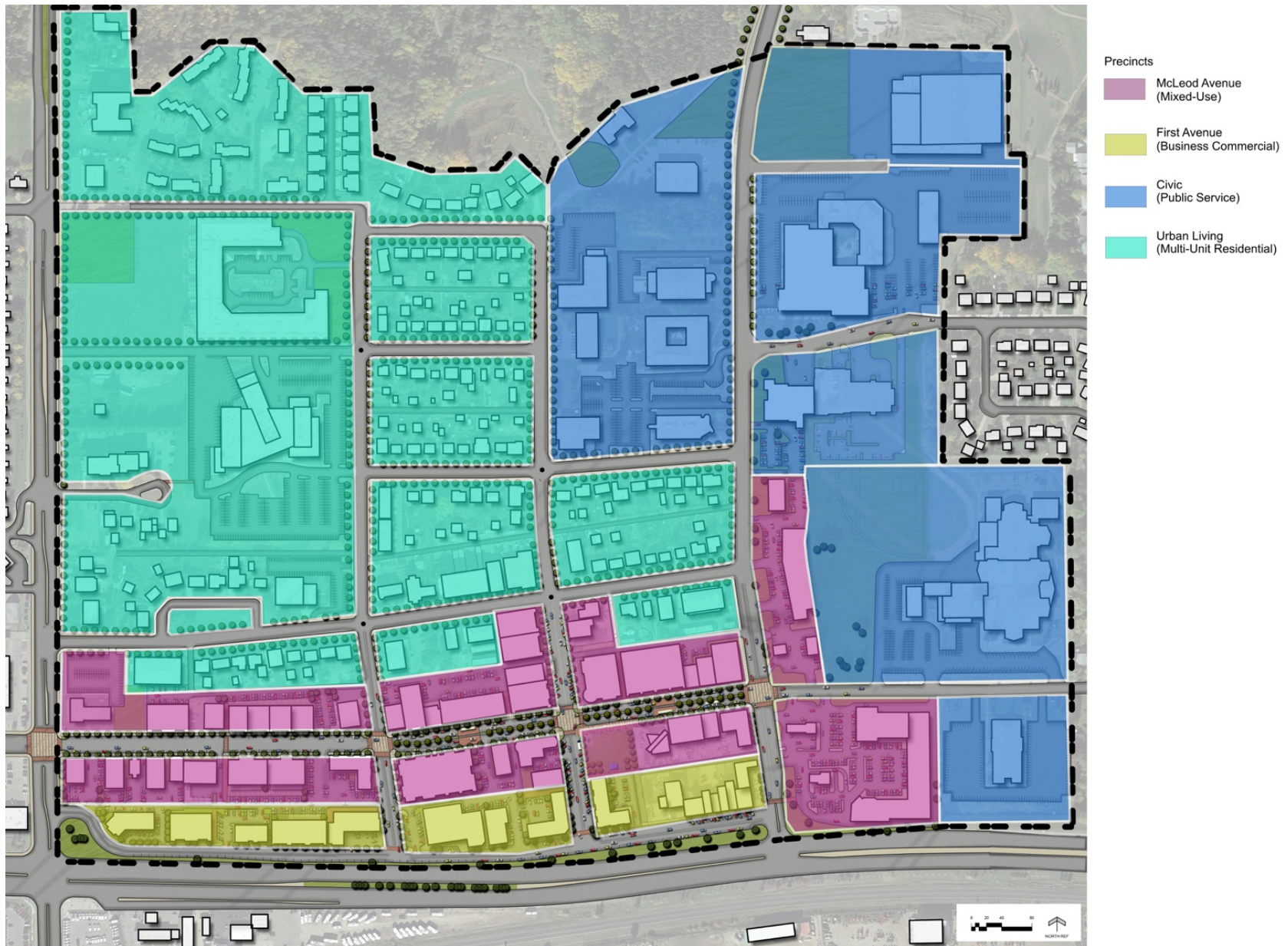
The redevelopment concept demonstrates how implementation of the CCARP land use and urban form policies enables success beyond that which the city has been able to realize despite past attempts.

#### 4.2.1 Planning Precincts

The City Centre's land use has been divided into four (4) planning precincts as shown in **Figure 4**. These precincts provide objectives, policies, and development guidelines to encourage and guide desired changes to the City Centre's form and mix of compatible residential, commercial, and institutional uses.



Figure 4 Planning Precincts & Land Use



#### 4.2.1.1 McLeod Avenue Precinct

##### *A 'high street' with a vertical mixed-use opportunity*

The City Centre intersection at 'Main & McLeod' is intended to be the area's 'place to be', and the McLeod Avenue Precinct encompasses it and adjacent commercial areas that are to be characterized by compact, street-oriented development.

This precinct is the short-term priority area for streetscape revitalization and infrastructure upgrades that are intended to 'kick-start' the area's redevelopment and enhance this area as the City's commercial 'high street'. Beyond the 'Main & McLeod' starting point, the extension of redevelopment along McLeod Avenue in both directions will contribute as important gateways to this energized central core and a focal point for cultural activities.



The land uses within a block of the 'Main & McLeod' intersection shall be characterized by high energy retail shops. (e.g. convenience, specialty, personal and professional services), food & beverage, and opportunity for mixed-use residential and/or office uses above. Land uses moving east and west from 'Main & McLeod' shall accept an expanded range of commercial uses, and these may include vertical mixed-use residential over office developments.

At the Precinct's east King Street gateway, redevelopment will pursue supportive streetscape and built form enhancements, and over the longer-term transition to a vertical mixed-use node where culture and entertainment can take place.

McLeod Avenue west of Queen Street shall continue the 'high street' vision by extending mixed-use street-oriented development; however, its form expands to allow for offices, larger commercial developments, and the possibility of live/work units at ground level.



The timely completion of McLeod Avenue's streetscape improvement efforts are critical for presenting a good 'first' impression of the area, and all new development must contribute to the pursuit of a high-quality and walkable built environment. The McLeod Avenue Precinct supports businesses that can serve the wider community while still maintaining and enhancing opportunities for a majority of smaller scale locally-owned shops. The west McLeod Avenue areas shall allow for the possibility of live/work businesses (i.e. artisans, craftsmen, personal services) as mixed-use development, and this combined with any vertical mixed use residential units in the Precinct will support the City Centre achieving the EMRGP's 'aspirational' density target (refer to Area 3 in Figure 7). An expression of the potential urban form looking east at 'Main & McLeod' from Main Street is conceptually shown in Figure 5.

**Figure 5 Street Concept McLeod Avenue Eastward**





## *Policies*

- a. Land Use Bylaw shall be amended to provide opportunities for mixed-use commercial and/or commercial/residential development, while ensuring retail and commercial uses are maintained and prominent at street level.
- b. Development shall contribute to a high-quality, urban form and pedestrian environment.
- c. Auto-oriented uses shall be prohibited.
- d. At-grade surface parking lots fronting McLeod Avenue are prohibited.
- e. Diverse retail and commercial uses with narrow storefronts shall be the predominant form at the street level of buildings between Queen Street and King Street on McLeod Avenue and along Main Street.
- f. Outdoor dining spaces and seating shall be encouraged for restaurants.
- g. Ground floor retail uses between Queen Street and King Street may permit development with larger wrap around tenant spaces to provide larger anchor opportunities.

### **4.2.1.2 First Avenue Precinct**

#### *An attractive local business services street*

The First Avenue Precinct is envisioned as an attractive street for local business that shall continue its traditional street level commercial and retail development form while providing new opportunity for above ground mixed-use office/retail commercial development. This area's visual exposure to Highway 16A presents an opportunity to attract and promote the City Centre to the traveling public, and development with interesting vertical storefront expressions and a layered streetscape will help support this outcome.

Land uses in the First Avenue Precinct shall emphasize ground level office, professional, or medical services that take advantage of the high visibility to Highway 16A. Street-level retail and food and beverage uses remain acceptable; however, it is recognized that this single-sided roadway is less conducive to pedestrian shopping and may be better suited for businesses less reliant on clustering.



## *Policies*

- a. Update Land Use Bylaw to establish a mix of retail and office type uses. Retail or commercial uses should be provided on the ground floor of any new development.
- b. Vertical storefront expressions and attractive signage shall be required facing Highway 16A.
- c. Development shall contribute to a high-quality urban form and pedestrian environment.
- d. Auto-oriented uses shall be prohibited.
- e. At-grade surface parking lots associated with a development and fronting First Avenue are prohibited.
- f. Mixed-use development with office above commercial shall be prioritized.
- g. New developments adjacent to Columbus Park shall provide an open, safe, well-lit pedestrian friendly interface to the public space.
- h. Small and medium-scale retail/commercial bays shall be the predominant form at ground level.

### 4.2.1.3 Urban Living Precinct

#### *Urban living experience through densification*

The Urban Living Precinct provides Spruce Grove a unique residential living experience consisting of a range of housing forms situated in a truly mixed-use city centre. It pursues residential densification over time by promoting the strategic implementation of higher density housing while accommodating some existing low density housing.

This Precinct supports the City Centre achieving a residential density of 100 dwelling units per residential hectare (du/nrha), as the target for metropolitan areas 'urban centres' as defined within the Edmonton Metropolitan Region Growth Plan (EMRGP). The CCARP promotes achieving these targets by defining a transition toward higher densities using of a variety of housing forms and density that respects the existing residents. It also supports the City Centre transition to higher residential densities by promoting individuality, rather than sameness, to avoid a sterile urban form.

The Urban Living Precinct area has been transitioning toward higher densities by infill development of multi-family buildings occurring without a redevelopment plan, and **Figure 6** provides an account of the changes. This recent move to higher density is trending at a level lower than the EMRBGP's target for city centres, but it does serve as the foundation upon which future density can be built.

Attaining the City Centre's aspirational residential density target shall be done using two transition areas, as shown in **Figure 7**. Area 1 will emphasize medium to high density building forms; and, Area 2 will retain low density forms (i.e. Single Detached Dwelling) with an ability to add medium density housing forms. The Urban Living Precinct's redevelopment plan seeks to balance a multitude of objectives, local interests, and density aspirations. It will promote new density, allow a diverse mix of redevelopment opportunity, and facilitate a neighbourhood transition over a reasonable time.

The McLeod Avenue Precinct also encourages vertical mixed-use residential developments, and it is anticipated that some additional residential density will occur here to provide an uptick in City Centre density supportive of achieving the EMRGP's 'aspirational' target (see Area 3, Figure7).

#### *Policies*

- a. Residential lands shall work toward achieving a density target of 100 du/nrha as set out by the EMRGP for a city centre.
- b. Establish Medium to High Density Residential districting on lands shown in Area 1, **Figure 7**, and ensure removal of low density residential use exemptions in this area.
- c. Establish Low to Medium Density Residential districting on the lands shown in Area 2, **Figure 7** that includes Single-Detached and Semi-Detached Dwellings as permitted uses and the ability for infill Medium Density Residential uses as currently defined in the existing R-1 District.
- d. Encourage a range of housing forms that accommodate different income levels, age groups, households and lifestyles.
- e. Developments shall contribute positively to a high-quality urban form and pedestrian environment by use of design guidelines.
- f. Existing institutional, quasi-institutional (e.g. funeral homes), public service, and health related land uses compatible with residential land uses may be continued.



Figure 6 Multi-Family Residential Transition

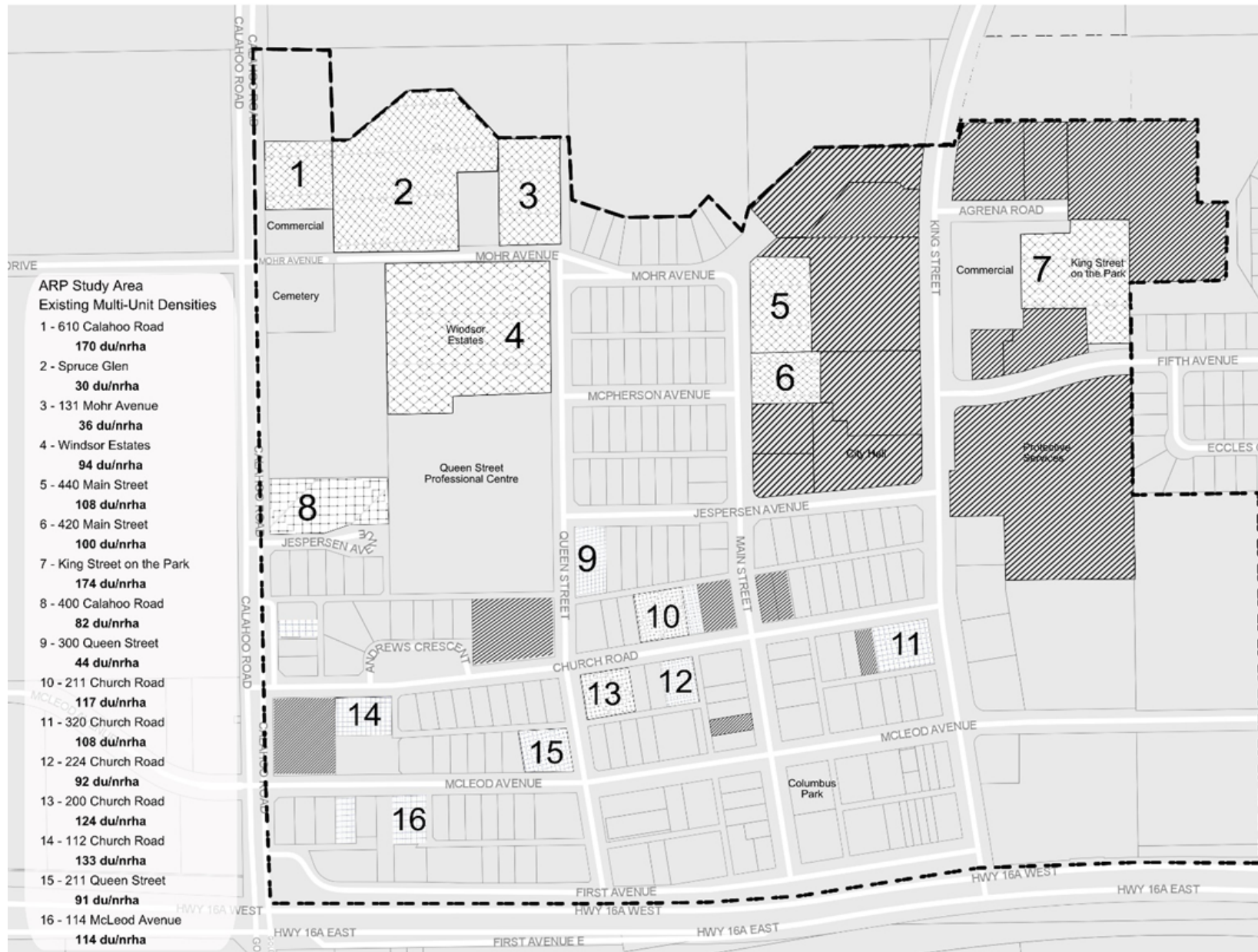




Figure 7 Future Aspirational Residential Density





#### 4.2.1.4 Civic Precinct

##### *Convergence of government & community institutional*

The Civic Precinct within the City Centre focuses is on government and other institutional uses that provide community services available to all residents.

The Civic Precinct is largely developed, but it still provides some opportunity for infill and intensification to bolster its contribution to the diverse mix of City Centre land uses. Redevelopment in this Precinct shall contribute to achieving a 'sense of place' associated with its unique civic service identity, and its being an interesting and important place that will be recognized community wide. Urban design and streetscape enhancements shall occur overtime to add interest, and these upgrades should be accelerated in conjunction with any municipal upgrading activities.

A Strategic Plan and Needs Assessment study by the City was recently prepared to examine the Library and Cultural needs. Public Facilities in the ARP area are well utilized and near capacity. Many city departments are located in other satellite buildings and not in the City Hall building. This may permeate into opportunities or requirements for additional space for City departments.

##### *Policies*

- a. New stand-alone, single-use commercial buildings are prohibited.
- b. Civic, institutional and recreational uses should be continued, and given opportunities for expansion on currently zoned PS lands.
- c. City shall look for opportunities to locate more public and cultural service spaces in the City Centre.



## 4.3 Streets and Mobility

Redevelopment in the city centre envisions a livable and walkable place, and transportation solutions that support this require that the needs of vehicles, pedestrians, and cyclists are balanced. A proper balance of these mobility objectives with street design upgrades will work to achieving safety, mobility, and a desirable public realm.

The ARP's Redevelopment Concept (Figure 3) defines street-scape, parking, and west end road and connectivity improvements as desirable end results. To support this plan a Mobility Concept is provided in **Figure 8** that identifies elements to be undertaken and considered for realizing a balanced future mobility network. Achieving the ARP's Redevelopment Concept reflects a long-term implementation of the Mobility Concept, the policies included in this section, the background reports used to inform the ARP's development, and new studies required to confirm the Concept.

### 4.3.1 Streets

The existing street network should be the focus of reconfiguration efforts to accommodate broader mobility objectives. It must consider pedestrians and cyclists, while supporting future urban growth, transit and increased traffic flow in the City Centre. These considerations will ensure that a satisfactory level of service is maintained for vehicles, while providing straightforward and efficient access to the City Centre for residents who choose to cycle or walk.

#### *McLeod Avenue*

McLeod Avenue is the primary east-west vehicular corridor in the City Centre and is actively used by traditional motorists, service vehicles, school buses, cyclists and transit service. Historically, McLeod Avenue has undergone a number of parking reconfigurations done in the absence of any other public realm considerations like increasing the sidewalk widths. These changes were been driven by maximizing the amount of on-street parking to support businesses and visitor convenience rather than maximizing the value of the pedestrian experience. A transformed McLeod Avenue typology will support the City Centre vision (see **Figure 9**).

#### *First Avenue*

The original vehicle artery of the City Centre, First Avenue is a street that today benefits from outstanding visibility from high volume Highway 16A traffic flow. First Avenue has transitioned over time to be a predominantly vehicle centric road with angled and parallel parking, but a lack of pedestrian orientation.

#### *King Street*

As one of the primary gateways to the City Centre, King Street represents an important access and egress route. However, safety concerns for vehicles turning into and out of First Avenue and pedestrian crossing conflicts should be assessed.

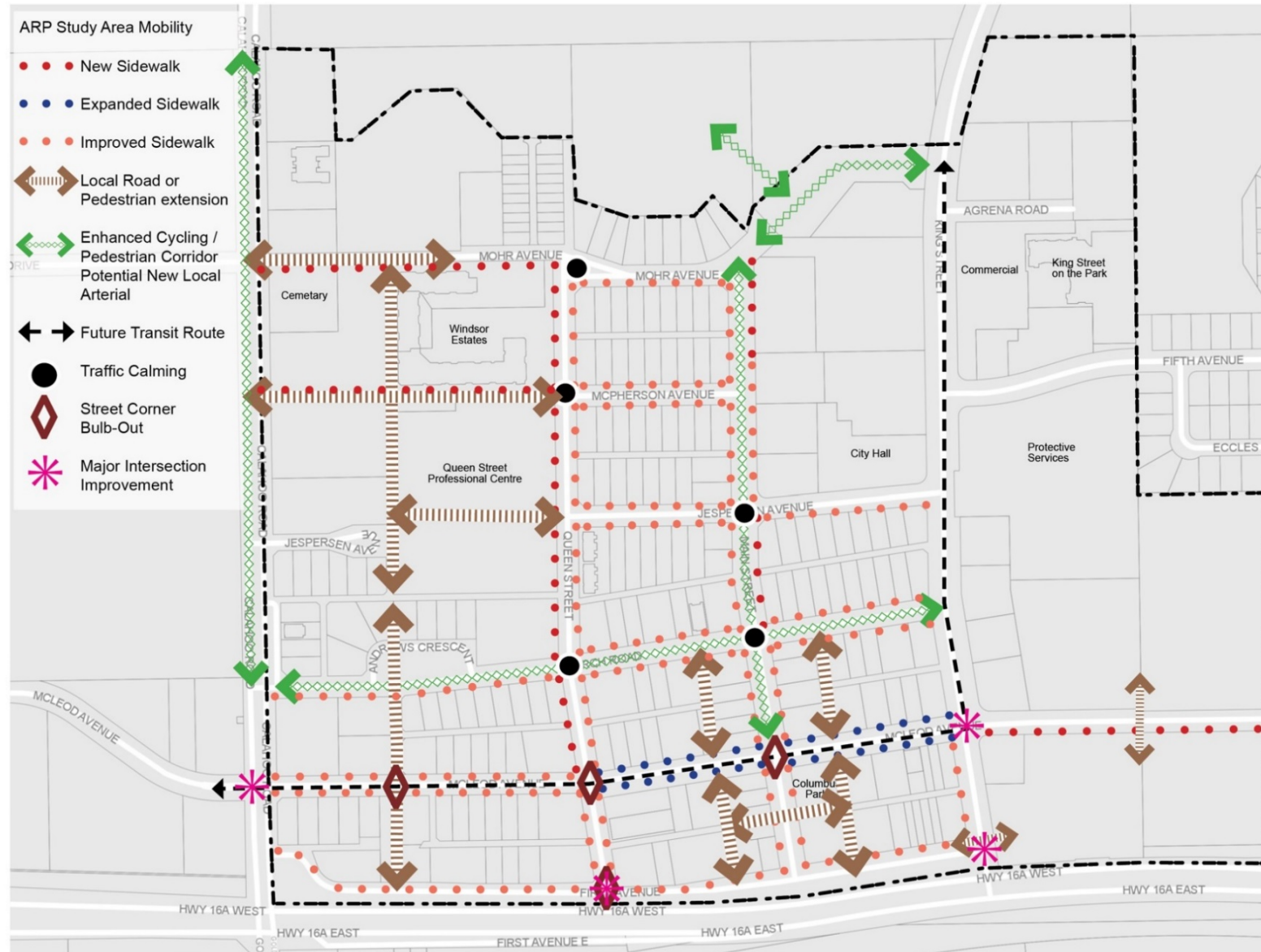
#### *Queen Street*

Queen Street is an important north-south connection between First Avenue and Mohr Street; however, conflicts at the intersection of Highway 16A / First Avenue and Queen Street is likely to become an issue for vehicular and pedestrian safety with increased growth from redevelopment. The McLeod Avenue and Queen Street intersection is an important internal focal point for City Centre enhancement. It is noted that certain components of the Mobility Concept, such as the closure of Queen Street at Highway 16A or parklets, may best be pursued as pilot projects to test the results before implementing them permanently.

#### *Policies:*

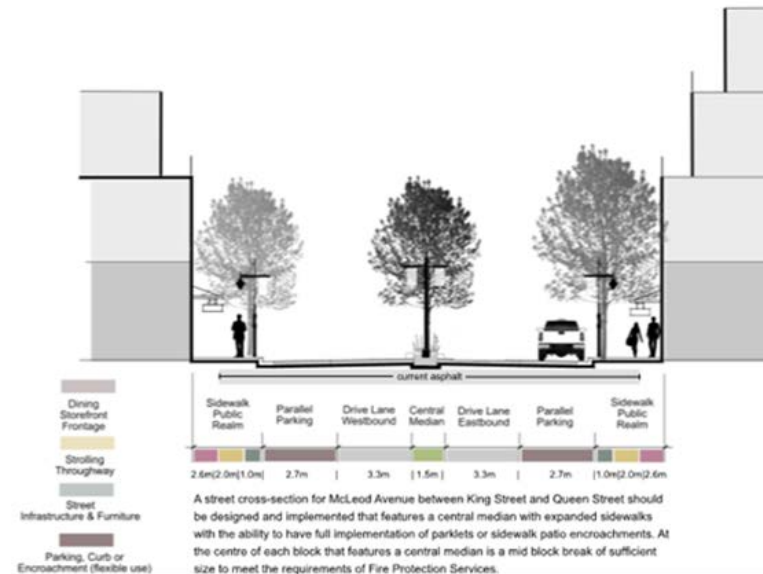
- a. To facilitate a transit corridor, angle parking shall be eliminated and replaced with parallel parking along McLeod Avenue between King and Queen Streets.
- b. A central landscaped median shall be placed down the middle of McLeod Avenue between King Street and Queen Street while accommodating necessary Fire Service requirements.
- c. The number of driveways shall be avoided on McLeod Avenue and First Avenue and require all new developments or redevelopments to access parking from laneways, where possible.

Figure 8 Mobility Concept



- d. A mid-block pedestrian/road connection shall be reviewed along McLeod Avenue between Queen Street and Calahoo Road.
- e. McLeod Avenue, Queen Street and Main Street shall have bulb outs for traffic calming.
- f. McLeod Avenue/King Street and McLeod Avenue/Calahoo Road shall have intersection improvements.
- g. Review closing right-in and right-out vehicular traffic flow at Highway 16A/First Avenue and Queen Street and if feasible implement a one-year pilot project to evaluate impacts on traffic flow and business.
- h. Review a central median at King Street and First Avenue to eliminate “chicane-style” access from Highway 16A westbound and if feasible implement a one-year pilot project to evaluate impacts on traffic flow and business.
- i. A study shall be conducted to determine the feasibility of extending McPherson Avenue from Queen Street to Calahoo Road to ensure future mobility flow for vehicles, pedestrians and cyclists.
- j. Review local road connections in the area bounded by Mohr Avenue, Queen Street, First Avenue and Calahoo Road for future multi-modal improvements.
- k. Traffic calming consisting of smaller traffic calming with non-locking knockdown bollards shall be reviewed and if feasible, implemented along Church Road, Mohr Avenue and Jespersen Avenue.
- l. On-Street cycling shall be encouraged within the City Centre that links to the Heritage Trail network.

**Figure 9 McLeod Avenue Street Typology & Cross-Section**



### 4.3.2 Laneways

In the conventional sense, laneways within a City Centre serve businesses and residences by providing access to service entrances of buildings, private parking, and other back of house activities, such as waste and recycling collection.

In many cities now, laneways themselves are becoming activated as recreational and cultural spaces. Within Spruce Grove’s City Centre these functions prevail, however there are laneways that serve as access to public areas, most notably Columbus Park.

#### *Policies:*

- a. Principles supporting Crime Prevention Through Environmental Design (CPTED) to provide elements of safety and multi-modal forms of transport shall be implemented.
- b. Review use of laneways for burying of overhead utilities.
- c. Commercial developments shall access parking by laneways.
- d. Mid-way between Queen Street and Calahoo Road on McLeod Avenue, provide through access to shorten block length.



- e. The City shall secure a right-of-way extension of the laneway between Queen Street and Calahoo Road (between McLeod Avenue and First Avenue) to extend the full length.
- f. Private waste and recycling storage facilities located within laneway rights-of-ways shall be prohibited.
- g. Private parking within laneway right-of-ways shall be prohibited.



### 4.3.3 Pedestrian Mobility

Public sidewalks refer to paved areas on public lands intended for pedestrian travel alongside streets or roadways. In certain areas where pedestrian mobility is of high importance, like McLeod Avenue, public sidewalks may be enhanced through widening, special surface treatments, unique lighting, and the installation of site furnishings. It is recommended that sidewalks are designed primarily for pedestrian circulation, but must accommodate disabled persons using motorized scooters or wheelchairs.

Main Street will play a pivotal role in the establishment of the “four corners” at McLeod Avenue and Main Street. As such, the sidewalks are important in terms of how they connect with and flow to the envisioned sidewalks along McLeod Avenue. Similarly, Queen Street provides a necessary and central pedestrian link between First Avenue and McLeod Avenue and is the critical anchor to the future public and pedestrian realm along McLeod Avenue. Other streets in the ARP are also critical for pedestrian mobility and should be closely examined as part of redevelopments where sidewalks do not exist.

#### *McLeod Avenue (King Street to Queen Street)*

McLeod Avenue is the main thoroughfare in the City Centre with the greatest retail street level frontage today and in the future, yet among the narrowest sidewalks. McLeod Avenue between King

Street and Queen Street should become the active pedestrian spine in the City Centre and will require major improvements to the pedestrian sidewalk realm.

#### *McLeod Avenue (Queen Street to Calahoo Road)*

McLeod Avenue extending from Queen Street to Calahoo Road is envisioned to become a live-work residential/commercial street, along which sidewalks will be important to have a more defined street infrastructure & furniture zone 3 edge. The length of the road between Queen Street and Calahoo Road will necessitate the introduction of a mid-block crossing to enable safer north-south pedestrian transitions.

#### *First Avenue*

As a predominantly vehicle centric road with a sidewalk only on the north side, storefront visibility is critical for businesses along this street. The future of First Avenue is tied to commercial and office uses, where pedestrian movement and safety will still be important for workers and visitors. It is less imperative however for First Avenue to have an external dining and storefront frontage, but the overall sidewalk widths should be widened, where possible to optimal standards of 2 metres.

#### *Queen Street and Main Street*

Main Street will play a pivotal role in the establishment of the “four corners” at McLeod Avenue and Main Street. As such, sidewalks are important in terms of how they connect with and flow to the envisioned sidewalks along McLeod Avenue.

Similarly, Queen Street provides a necessary and central pedestrian link between First Avenue and McLeod Avenue and is the critical anchor to the future public and pedestrian realm along McLeod Avenue. Sidewalks along Main Street and Queen Street do not presently have significant retail frontage exposure, but future redevelopment and infill, particularly along Main Street, north and south of McLeod Avenue will see the need for strong storefront visibility and presence to grow and along with it the role of the sidewalk in a manner similar to that recommended for McLeod Avenue between King Street and Queen Street.

#### ***Policies***

- a. Pedestrian safety shall be prioritized in all aspects of public realm design and implementation.
- b. To facilitate pedestrian movement, sidewalks shall be widened along First Avenue, Main Street, Queen Street, King Street and McLeod Avenue at the same time as required infrastructure improvements.
- c. Sidewalks should be provided on both sides of the streets throughout the Urban Living Precinct with a 2 metre separation between the curb and the sidewalk to allow for landscaping (trees or grass boulevard) and snow removal.
- d. Install a new sidewalk on the west side of Queen Street, north of McLeod Avenue and extending north to the Queen Street Professional Building and extending to Mohr Avenue.
- e. Install a new sidewalk on the east side of Main Street, north of Church Street and extending north to Jespersen Avenue.
- f. Sidewalks shall be adequately illuminated to ensure a high level of pedestrian safety and comfort.
- g. Obstructions to sidewalks, including driveway aisles and above ground utilities shall be minimized for pedestrian safety and visibility.
- h. Private utilization of public sidewalks shall be allowed for temporary patio, retail, display, or other non-permanent uses. All private uses must submit for approval with the City through an established protocol.

#### **4.3.4 Parking and Access**

Parking in the City Centre is sufficient for future development, however improvements to address transit, employee and customer utilization and signage are needed. However, the impending arrival of transit for which angled parking is not compatible, will result in a loss of approximately 40 parking spaces along McLeod Avenue between King Street and Queen Street. Therefore, shared parking would be a creative solution to parking management with limited cost implications, while ensuring on-street parking is utilized by those who need it most. Moreover, a Parking Management Plan will be critical to ensure that all available on and off-street parking options are identified. Businesses should also play a role by engaging with and encouraging staff to use available off-site parking areas.

#### ***Policies***

- a. Review current cash-in-lieu policy for new development to determine alternatives for future land acquisition or shared parking.
- b. Review time limit restrictions for City Centre on-street commercial parking areas as appropriate.
- c. Following a reasonable period of time for businesses and customers to get accustomed to any new parking changes, City shall monitor and address any issues that arise through a Parking Management Plan.
- d. City shall pursue partnerships or opportunities to utilize vacant lots or other underutilized spaces during business hours to provide off-street parking spaces.
- e. Parking Patios shall be permitted for on-street parking spaces on McLeod Avenue if not removing more than 2 parking spaces per block, and no more than 4 in total between King Street and Calahoo Road.

## 4.4 Urban Design

Urban Design components comprising civic, open and public spaces and facilities represents a valuable asset to the overall redevelopment. They support a diversity of activities for all users on a daily and year-round basis.

### 4.4.1 Open Spaces and Parks

Open spaces, parks and plazas are intended for public uses such as social gatherings, public events, as well as passive and active recreation. The City Centre has a collection of valuable, yet in some respects underutilized open spaces. These include most notably Central Park, Columbus Park, trail connections and an urban community garden. The current open green space beside Broxton School is to be used by the school for playing fields.

#### *Policies:*

- a. Integrate public open spaces in City Centre with citywide systems
- b. Open spaces and parks should have clear legible public access, be flexible in terms of use, and consider sun transition/angles and year-round cultural activities in their design.
- c. Public and private open space and parks shall follow to Crime Prevention Through Environmental Design (CPTED) principles.
- d. Public open spaces shall encourage installation of public art and other cultural elements consistent with the City's Cultural Master Plan.
- e. Property owners shall be encouraged to prepare vacant lot strategies in the commercial areas to animate, screen or active private open space.

### 4.4.2 Columbus Park

In the context of Spruce Grove, Columbus Park is a valuable open space asset in the City Centre and its location is highly visible at the intersection at Main Street and McLeod Avenue. A Conceptual Plan for Columbus Park as a new year-round, flexible plaza space that will fulfill the role of becoming a focal gathering, socializing and interacting public space, capable of hosting events and festivities on-site is shown in **Figure 10**. The Conceptual Plan provides a flat, open and flexible green space that is available for use in four seasons for a variety of events or for passive daily use.

#### *Policies:*

- a. Redevelop Columbus Park as a key, flexible year-round public open space.
- b. Columbus Park shall adhere to Crime Prevention Through Environmental Design (CPTED) principles.
- c. Fixtures and elements should be designed and/or located to receive as much sunlight as the surrounding environment will permit and provide shaded areas where appropriate.
- d. Site lines should be designed and/or located to reduce glare and minimized wind conditions from adjacent properties.



Figure 10 Columbus Park Redevelopment Concept



## Columbus Plaza

City Centre Area Redevelopment Plan



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#### 4.4.3 Parklets

Parklets are rapidly becoming a place-making 'must-have' where parking spaces or open spaces are temporarily converted into a public space where people gather, making a safer and more enjoyable public realm. The temporary nature of these spaces could allow for mobility of the space itself and for city maintenance in winter months to be effective and unencumbered.



##### *Policies:*

- Temporary/movable parklets shall be permitted in the McLeod Avenue Precinct.
- A pilot project shall be implemented for a period of no less than one year (Spring to Fall) that identifies a location for the testing of a parklet project that would be maintained and overseen by the CCBA.
- Design criteria shall be determined through Land Use Bylaw amendments.

#### 4.5 Public Realm

The public realm creates a vibrant commercial core by attracting pedestrians, motorists, transit users and cyclists to spend time in Spruce Grove's City Centre. In order for the infill, redevelopment and overall revitalization to be a successful catalyst, the public realm must be attractive for all types of users and facilitate a wide variety of community and cultural events and activities year-round.

The public realm consists of any publicly owned exterior spaces such as streets, sidewalks, laneways, green and open spaces. Infrastructure renovations are identified in the supporting Infrastructure Assessment Background Report as a necessary condition for redevelopment in the City Centre.

#### 4.5.1 Streetscape

The Redevelopment Concept (refer to **Figure 3**) illustrates a cohesive urban design vision for the streets, sidewalks and laneways.

Streetscapes are defined as the spaces between the buildings on either side of a street. Streetscapes define the street character as a link between public and private spaces. It is important that streetscapes be designed to reflect the character of the neighbourhood and offer a safe, comfortable environment for pedestrians.



##### *Policies*

- Plan for and make streetscape improvements to the McLeod Avenue Precinct as the initial ARP catalyst project.
- Plan for and make streetscape improvements in a phased manner to upgrade respective precincts over time.
- Add more street trees to beautify the City Centre.
- Identify and undertake installation of consistent pedestrian-scale street lighting and weather-appropriate furniture fixtures in commercial areas.
- In non-commercial precincts, ensure a consistent identify in street lighting and furniture fixtures.

### 4.5.2 Infrastructure

The network of utilities and services comprising water, sewer, gas, broadband etc. are integral to making sure that any redevelopment can take place.

Infrastructure capacity in the City Centre has been exceeded and therefore must be upgraded to have redevelopment take place. Along with necessary improvements to the infrastructure it is imperative that phasing and timing of construction be managed to limit the disruptions on local businesses. The most cost and time efficient process for the City Centre ARP will ultimately be to undertake streetscape improvements at the same time as infrastructure improvements.

#### *Policies*

- a. Undertake a Capital Improvement Plan (CIP) to refine cost and phasing for infrastructure improvements throughout the ARP.
- b. Plan and install necessary infrastructure upgrading requirements for McLeod Avenue streetscape revitalization as part of the overall catalyst project.
- c. Utilize the CIP to make future upgrade decisions supportive of the ARP Concept and in a way that maximizes construction efficiencies and minimizes business disruptions.

### 4.5.3 Wayfinding

Wayfinding signage is one of the most visible and cost-effective programs to provide consumers and visitors with ease of mobility, awareness of parking and businesses, and overall enjoyment.

#### *Policies*

- a. A wayfinding strategy shall be developed in cooperation between the CCBA and the City.
- b. A consistent and creative City Centre Wayfinding Program shall be introduced with directional signage placed at strategic points in the commercial precincts with the primary anchoring point for a City Centre directory at Columbus Park.
- c. A unique modern style for street signage, which reflects the envisioned contemporary modern image of the City Centre shall be established.
- d. Wayfinding shall feature prominently the locations and distances to off-street parking areas in and around the City Centre area.



## 4.6 Built Form

The built form provides the requisite descriptive narrative to direct a look and feel in the architectural expression that is consistent with the vision as a modern, urban City Centre. These built form policies comprise categories ranging from height and step backs, to frontage and articulation, to transparency and massing, to site design and parking. The policy directions are descriptive to allow for enough flexibility so as to allow for freedom of expression and differentiation within pragmatic and allowable regulations. These guidelines shall be used to inform the Land Use Bylaw amendment required to regulate development with the City Centre's diverse precincts.

### 4.6.1 Commercial Guidelines

These guidelines apply to all commercial precincts except where specifically noted otherwise.

#### Height, Setbacks and Step Backs

- a. McLeod Avenue between King Street and Calahoo Road, building height shall be limited to a maximum of four (4) storeys, excluding roof top gardens, with a stepping back 3 metres from the storey beneath commencing at a height of 3 storeys.
- b. On the east side of King Street between First Avenue and Jespersen Avenue, building height shall be limited to a maximum of six (6) storeys, excluding roof top gardens.
- c. Height of a new building should be compatible with neighbouring buildings. A corner building may be taller than adjacent buildings to define a primary entrance point to the block.
- d. Buildings shall be built to the front and side property line, in order to maintain an active interface for pedestrians. Front setbacks up to two (2) metres may be considered to provide outdoor amenity space (e.g. patios, plazas) where sidewalks are two (2) metres or less to accommodate accessibility features (e.g. ramps) in the absence of wider sidewalks.

#### Frontage and Articulation

- a. Individual commercial tenancies shall be defined clearly with articulated entrances and consistent sign treatment.
- b. Entrances to buildings shall be provided facing the adjacent street, universally-accessible, and clearly visible to create an identity and sense of arrival.
- c. At least 100% of the ground fronting McLeod Avenue between King Street and Queen Street of any building (excluding lobby, mechanical room or access to floors above) shall be occupied by one or more of the following - Retail, Personal Service, Food Store or Eating & Drinking Establishment.
- d. Buildings with frontage exceeding 15 metres in length shall be avoided, where possible, to maintain a pedestrian scale of building rhythm.
- e. Larger buildings shall be divided into 'modules' or sections that reflect a more traditional scale along the streetscape by breaking up the roof-line or facades.
- f. Where a building of more than 15 metres in width is unavoidable, the building shall be divided into increments of no more than 8.3 metres to 10 metres through articulation of the facade. This should be achieved through combinations or breaks in materials.
- g. Variation in roof lines shall be encouraged.
- h. Buildings shall accentuate the corners of significant street intersections through the use of both prominent building massing, addressing the intersection as well as the streetfronts and building features to provide visual icons within the City Centre area. This should be strongly emphasized at the intersections of McLeod Avenue & Main Street and McLeod Avenue & Queen Street.
- i. New development adjacent to Columbus Plaza shall provide an active pedestrian entrance and frontage onto the plaza.
- j. Lobbies for residential or office components of mixed-use buildings may be accommodated at the ground floor, provided their street frontage does not exceed 10 metres.

- k. The character of the precinct shall be defined as a high-quality environment that is distinguished by its organized, but varied façades with superior detailing and signage.
- l. Building façades along streets that are mainly commercial and/or retail in nature shall be highly transparent and articulated at street level to actively engage pedestrians and create amenity and visual interest.
- m. Architectural components shall be used to differentiate one face of a building from another. The design of structures should be architecturally compatible with other structures through the use of similar and complementary forms, materials and scale.
- n. The façades of multi-tenant buildings shall be organized to provide a strong and consistent rhythm and unified exterior to the streetscape. Flat, undifferentiated building faces should be avoided.
- o. Facade height maximum shall be 8 metres.
- p. Streetfront level storefront shall be a minimum floor to ceiling height of 3.6 metres to a maximum of 4.5 metres.
- q. Building design shall include modern forms of architectural detailing or features that support the envisioned modern character of the precinct including elements such as cornices, parapets, pilasters, window fenestration, window features, and entrances.
- r. Architectural details such as recesses, overhangs, signage, lighting, planters, banners, and canopies shall be utilized to create articulation and visual interest on building façades.
- s. The rear facade of a building facing First Avenue or Columbus Plaza shall use materials of a standard similar to the front facade of the building.
- t. Lobbies for residential or office components of mixed-use buildings shall be accommodated at the ground floor, provided their street frontage does not exceed 15 metres along First Avenue.
- u. Building façades along First Avenue shall have some transparency and be articulated at street level to actively

engage pedestrians as well as passing Highway 16A motorists, and create amenity and visual interest.

- v. Architectural components shall be used to differentiate one face of a building from another. The design of structures should be architecturally compatible with other structures through the use of similar and complementary forms, materials and scale.



### Transparency and Massing

- a. For new buildings, or where a storefront is being remodeled, a minimum of 60% of the ground level facade and sides of buildings adjacent to public rights-of-ways shall be transparent (windows and doors) to allow visibility to the inside of the building and add to the safety of the public realm.
- b. Highly reflective glass is not appropriate at street level and shall be prohibited.
- c. A minimum of 40% glazing for business frontage at grade shall be used to facilitate interaction with pedestrians along McLeod Avenue between Queen Street & Calahoo Road and along McLeod Avenue and the east side of King Street between First Avenue and Jespersen Avenue.



- d. Window covering materials (paper, paint, tint, films, coating, wood or metal panels) is not acceptable that blocks more than 20% of the storefront window.
- e. Ground floor storefronts shall be required to have a canopy or awning as part of the building facade. Overhead elements should be provided on building façades over portions of the adjacent sidewalk for weather protection for pedestrians. These should be individualized for specific developments.
- f. Awnings and canopies shall be designed to match the main structural elements of the lower facade and overall design of the storefront.
- g. Awnings shall not extend across multiple storefronts and/or multiple buildings and should fit the width and shape of any storefront or window openings that it covers.
- h. Dome canopies/awnings or retractable awnings are not considered appropriate and shall be prohibited in the McLeod Avenue precinct.
- i. All blank walls are to be treated, either with cladding that is complementary to the cladding of the building and adds interest to the look and texture of the wall and building, or with artwork, where appropriate.
- j. Where rear building flanking walls are visible, through rear lane access and/or rear parking, guidelines shall be designed to improve and beautify the rear building facade.
- k. A minimum of 50% glazing at grade along First Avenue shall be used to facilitate interaction with pedestrians and promote safety.

#### **Site Design and Parking**

- a. Current cash-in-lieu policy shall be reviewed as part of a Parking Management Plan to ensure appropriate parking requirements and alternatives are considered.
- b. Parking (either surface, structured or internalized) shall be permitted at the rear of buildings.
- c. Vehicular access to individual sites shall be taken from the rear in order to maintain a continuous pedestrian environment along storefronts. If a site does not have access to the rear, access

points to structured vehicle parking should be focused on streets or side that have less pedestrian activity, in order to reduce potential conflicts.

- d. Vehicle access points to underground or above ground/podium parking structures shall be taken from the rear of sites wherever possible.
- e. Where possible, vehicular access points may be consolidated to serve multiple buildings within a block, in order to reduce interruptions to the pedestrian environment along adjacent street.
- f. Surface parking areas shall be screened from view of adjacent pedestrian areas with landscaped edges.
- g. Loading and waste storage areas shall be located at the rear of all buildings, and shall be screened from view from adjacent properties and pedestrian areas.

#### **4.6.2 Institutional Guidelines**

These guidelines apply to all institutional areas except where specifically noted otherwise.

##### **Height and Step Backs**

- a. Larger setbacks shall be permitted in order to provide added space for pedestrian access or an outdoor public space such as a small courtyard or patio space. This should be reviewed and permitted on a case-by-case basis.

##### **Frontage & Articulation**

- a. Entrances to buildings shall be provided facing the adjacent street, and should be clearly visible to create an identity and sense of arrival.
- b. Entrances shall be universally-accessible, and utilize elements such as detailing, paving materials, lighting, signage and canopies to be welcoming and provide weather protection.
- c. Variation in roof lines shall be encouraged.
- d. Buildings shall accentuate the corners of significant street intersections through the use of both prominent building massing, addressing the intersection as well as the streetfronts

and building features to provide visual icons within the City Centre area.

- e. Architectural components shall be used to differentiate one face of a building from another. The design of structures should be architecturally compatible with other structures through the use of similar and complementary forms, materials and scale.
- f. Building design shall include modern forms of architectural detailing or features that support the envisioned modern character of the precinct.

#### **Transparency & Massing**

- a. All blank walls are to be treated, either with cladding that is complementary to the cladding of the building and adds interest to the look and texture of the wall and building, or with artwork, where appropriate.
- b. Where rear building flanking walls are visible, through rear lane access and/or rear parking, guidelines shall be designed to improve and beautify the rear building facade.

#### **Site Design & Parking**

- a. Parking (either surface or structured) shall be permitted at either the rear or side of buildings, and/or may be internalized.
- b. Vehicular access to individual sites shall be taken from the side or rear. If a site does not have access to the rear, access points to structured vehicle parking should be focused on streets or side that have less pedestrian activity, in order to reduce potential conflicts.
- c. Vehicle access points to underground or above ground/podium parking structures shall be taken from the rear of sites wherever possible.
- d. Loading and waste storage areas shall be located at the rear of all buildings, and shall be screened from view from adjacent properties and pedestrian areas.

### **4.6.3 Residential Guidelines**

These guidelines apply to all residential areas except where specifically noted otherwise.

#### **Height and Step Backs**

- a. Larger setbacks shall be permitted in order to provide added space for pedestrian access or an outdoor public space such as a small courtyard or patio space. This should be reviewed and permitted on a case-by-case basis.
- b. Ground-oriented multi-unit residential, including live-work along McLeod Avenue shall be built with a front building setback of 3 m and a rear lot setback of 6 metres).
- c. Ground-oriented multi-unit residential, including live-work along McLeod Avenue shall establish the main floor at a minimum of 1.0 m above the adjacent street level to promote privacy for the units yet still maintain “eyes on the street” from the unit. These entrances are to be spaced frequently and combined with steps, terraces, or stoops.
- d. Building height shall be limited to a minimum of two storeys and a maximum of six (6) storeys (not to exceed 20 metres), and excluding roof top gardens, throughout the precinct.
- e. Height of a new building shall be compatible with neighbouring buildings. A corner building may be taller than adjacent buildings to define a primary entrance point to the block.
- f. Multi-unit condominium or apartment buildings shall not exceed 40 metres of continuous frontage.
- g. Variations in the setback of individual units up to 2 metres shall be employed to emphasize individual unit identity.
- h. Breaks in frontage shall accommodate sidewalk connections to ensure block permeability and accessibility between the street and laneways/alleys.
- i. All new buildings and additions shall be built to R-2 Zoning setback and site coverage standards.
- j. Step-backs are not required although step-backs shall be used for private amenity space or as green roof areas where desired.

### Frontage & Articulation

- a. Variation in roof lines shall be encouraged.
- b. Buildings shall accentuate the corners of significant street intersections through the use of both prominent building massing, addressing the intersection as well as the streetfronts and building features to provide visual icons within the City Centre area.
- c. Lobbies for residential or office components of mixed-use buildings may be accommodated at the ground floor, provided their street frontage does not exceed 10 metres.
- d. The character of the precinct shall be defined as a high-quality environment that is distinguished by its organized, but varied façades with superior detailing and signage.
- e. Architectural components shall be used to differentiate one face of a building from another. The design of structures should be architecturally compatible with other structures through the use of similar and complementary forms, materials and scale.
- f. Building design shall include modern forms of architectural detailing or features that support the envisioned modern character of the precinct including elements such as cornices, parapets, pilasters, window fenestration, window features, and entrances.

### Transparency & Massing

- a. All at-grade residential units are encouraged and shall be able to provide visual privacy from any public or internal sidewalks without the need for high or non-transparent privacy fences or walls that detract from the active street edge. Alternatively, entrances may be raised to 2 metres above grade.
- b. Balconies shall be integral to the overall form and design of the development, and should not project beyond front property line.
- c. Variations in architectural detailing (e.g., materials, colours) shall be used to create individual unit identity while maintaining a design consistency in the overall development.

- d. New buildings shall have as their fundamental cladding brick, wood, or glass and materials should be compatible with and complement adjacent buildings.
- e. Vinyl siding is not an acceptable cladding material.

### Site Design & Parking

- a. Residential parking requirements shall be 1 space per dwelling unit or as determined through a Parking Management Plan.
- b. Parking (either surface or structured) shall be permitted at either the rear or side of buildings, and/or may be internalized.
- c. Vehicular access to individual sites shall be taken from the rear in order to maintain a continuous pedestrian environment along storefronts. If a site does not have access to the rear, access points to structured vehicle parking should be focused on streets or side that have less pedestrian activity, in order to reduce potential conflicts.
- d. Vehicle access points to underground or above ground/podium parking structures shall be taken from the rear of sites wherever possible.
- e. Visitor parking may be accommodated with surface stalls accessed from a rear lane
- f. Loading and waste storage areas shall be located at the rear of all buildings, and shall be screened from view from adjacent properties and pedestrian areas.



## 4.7 Signage

As with the building and site design guidelines, the individuality of each precinct is also manifest in the type of signage that shall or shall not be permitted in each respective precinct. Signage for buildings is only applicable to the commercial components of the McLeod Avenue and First Avenue Precincts.



### McLeod Avenue Precinct

- a. Signage shall be pedestrian-oriented, using framing/structural materials consistent with the associated building and/or with the adjacent public realm streetscape elements (e.g. light standards or street furnishings).
- b. Consideration shall be made to signage that is consistent with the modern character intent of the area, (e.g. façade-mounted signs, projection/blade signs, overhang signs, or awning signs).
- c. Projecting or blade signs shall be hung from high-quality brackets, which are black or silver in colour and mounted so they hang perpendicular to the building.
- d. Projection/blade signage at a minimum height of 2.7 metres to a maximum height of 3.3 metres shall be required for all streetfront retail businesses fronting McLeod Avenue. For live

work buildings with walk up addresses, the height shall be measured from the horizontal plane of the business.

- e. The surface area of the signage band (fascia or entablature sign) shall not exceed 20% of the storey's wall area.
- f. Window signs along the east side of King Street between First Avenue and Jespersen Avenue shall be limited to not more than 40% of the window display to accommodate passing motorists.
- g. Buildings on corner lots shall have signs that address both of the adjacent streets.
- h. Sandwich boards shall be permitted as long as a minimum clear sidewalk space of 1 metre can be maintained between the sign, the pedestrian realm and the building facade. The maximum size should not exceed 1 sq. m., with a maximum height of 1.3 metres.
- i. Large A-frame portable signs are to be prohibited.
- j. Building walls shall not be treated as billboards.
- k. Building and tenant identification signs shall be organized as distinct architectural elements, reinforcing rhythm and character of the building façades.
- l. Building signage shall be limited in scale and integrated with the design of the building façades. For single tenant buildings, one corporate I.D. sign will be permitted per building or view plane.
- m. Building signage shall reflect the character of the building function to assist in orientation and character.
- n. Overhead stand-alone pylon or highway-type signage is not permitted.
- o. Roof-mounted signs are not permitted.
- p. The use of internally illuminated fluorescent box signage is not permitted.
- q. Corporate awnings advertising particular products are not considered acceptable as signage for awnings.
- r. Ground level storefront signage shall allow for larger fonts and fascia signage along the east side of King Street between First Avenue and Jespersen Avenue.

- s. For freestanding, single use retail along the east side of King Street between First Avenue and Jespersen Avenue the use of internally illuminated fluorescent box signage shall be permitted.
- t. For mixed-use multi-tenant developments, the use of illuminated fluorescent box signage is not permitted.

#### **First Avenue Precinct**

- a. Signage shall be pedestrian vehicle oriented, using framing/structural materials consistent with the associated building and/or with the adjacent public realm streetscape elements (e.g. light standards or street furnishings).
- b. Consideration shall be made to signage that is consistent with the heritage character of the precinct, and historical sign installation methods (e.g. façade-mounted signs or awning signs).
- c. Buildings on corner lots shall have signs that address both of the adjacent streets.
- d. Building and tenant identification signs shall be organized as distinct architectural elements, reinforcing rhythm and character of the building façades.
- e. Building signage shall be limited in scale and integrated with the design of the building façades. For single tenant buildings, one corporate I.D. sign will be permitted per building or view plane.
- f. Building signage shall reflect the character of the building function to assist in orientation and character.
- g. Ground level storefront signage shall allow for larger fonts and fascia signage.
- h. Maximum freestanding sign height in this precinct shall be 7.5 metres, to allow for Highway 16A visibility and exposure.
- i. The surface area of the signage band (fascia or entablature sign) shall not exceed 20% of the storey's wall area.
- j. Window signs shall be limited to not more than 40% of the window display to accommodate passing Highway 16A motorists.
- k. The use of internally illuminated fluorescent box signage shall be permitted.
- l. Building walls perpendicular to First Avenue, but not fronting First Avenue shall be used for billboard businesses within the premises.
- m. Neon signs are often associated with early to mid-twentieth century commercial businesses/buildings and may still have a place in Spruce Grove. Special consideration shall be given to allow buildings located along First Avenue to incorporate neon signage, where appropriate on a case-by-case basis.
- n. Sandwich boards shall be permitted as long as a minimum clear sidewalk space of 1 metre can be maintained between the sign, the pedestrian realm and the building facade.

## 5.0 Implementation

The implementation of the City Centre ARP's redevelopment concept (Section 3) and policies (Section 4) will be achieved using the following implementation plan to realize the dreams, vision and potential for the City Centre. Implementation priorities and responsibilities are outlined in the following subsections, and the elements of the implementation strategy include: leadership, detailed planning; regulatory framework; implementation team; phasing; and, monitoring.

### 5.1 Redevelopment Leadership

Achieving the City Centre ARP's vision, goals, and objectives will require leadership focused on moving the plan forward over time. A leadership group should be established and tasked with ensuring City departments, landowners, businesses, and other stakeholders adhere to the City Centre ARP's priorities and regulations.

### 5.2 City Centre Improvements Plan

The City Centre ARP envisions a mixed-use, pedestrian friendly, and aesthetically pleasing urban environment across the entire plan area. Achieving what is intended will take many years accomplish, and it will be through actions initiated by the City of Spruce Grove and through private sector projects undertaken with the Plan Area.

To understand and facilitate what improvements are intended within the public realm a comprehensive utility and streetscape design plan will be provided as the City Centre Improvements Plan. This plan will outline what road and municipal infrastructure will be required across the City Centre to achieve the City Centre ARP's vision, and it will be relied on to inform decisions on both City and private development initiatives. Furthermore, the City Centre Improvements Plan will support future detailed planning and construction priorities.

### 5.3 Detailed Planning and Construction

Detailed planning that builds upon the ARP's vision and policies is required to execute, enhance, and update the Plan's direction.

The detailed planning will consider ARP identified initiatives regarding infrastructure and roads, streetscaping, parking, wayfinding, and beautification that include:

- City Centre Streetscape Improvements
  - i. Design Utility and Streetscape Improvements (Phased)
  - ii. Construct Utility and Streetscape Improvements (Phased)
- Columbus Park Redevelopment
  - i. Landscape and Engineering Design
  - ii. Park Construction
- Mobility Improvement Plan and Monitoring
  - i. Queen Street/Highway 16A access closure and First Avenue east-west stop removal (Pilot Project).
  - ii. Close left turns northbound from King Street to First Avenue (Pilot Project).
  - iii. Pedestrian mobility enhancements and upgrade planning
  - iv. West ARP road and pedestrian connections review and plan.
- Parking Management Plan
  - i. Create plan to inform and optimize commercial parking supply.
  - ii. Identify future parking needs and supply solutions.
- Wayfinding and Street Banner Program
- City Centre Branding Study

## 5.4 Regulatory Framework

Achieving the City Centre ARP vision requires appropriate regulatory mechanism to implement the land use, built form upgrading, and mobility changes intended.

The City of Spruce Grove Land Use Bylaw is the regulatory tool for implementing the ARP's redevelopment plan, and the following amendment is required:

- new City Centre land use districting will be established based on the ARP's policy direction including utilizing its four (4) land use precincts and recommended built form design guidelines.

## 5.5 Phasing

The City Centre ARP is intended to facilitate a redevelopment over a significant period of time (i.e. 30 or more years), and its transformation will be dependent on the progress of necessary infrastructure upgrades.

The phasing of urban realm improvements and infrastructure will be essential to the progression of development. In the initial stages this phasing will be informed by the initiatives identified in **Table 1 - Implementation Actions Timeline**, and the understanding that refinements required upon further review, municipal budgeting, and private sector investment are possible.

## 5.6 Monitoring and Amendment

The policies within the City Centre ARP shall be monitored regularly to ensure they remain current and relevant. Where determined necessary the ARP may be altered thorough the bylaw amendment process, and all proposed amendments shall be presented to City Council for their consideration.

**Table 1 Implementation Actions Timeline (3 pages)**

Implementation Action		Type of Action	Lead Responsibility (does not negate cooperation of other internal departments)	Funding Source
SHORT TERM (0 - 5 Years)				
<b>1.0</b>	<b>INFRASTRUCTURE &amp; TRANSPORTATION</b>			
1.1	Undertake a Capital Improvement Plan to refine cost and phasing for infrastructure improvements throughout ARP Study Area	Study (Internal)	Engineering	Capital Budget
1.2	Undertake Water, Utility improvements along McLeod Ave between King St & Queen St	Capital Project	Engineering	Utilities Fund
1.3	Undertake Water, Utility improvements along Main St between First Ave & Church Rd	Capital Project	Engineering	Utilities Fund
1.4	Convert on-street parking along McLeod Ave from angle to parallel between King St & Queen St	Capital Project	Engineering	Capital Budget
1.5	Streetscape reconfiguration along McLeod Ave between King St & Queen St	Capital Project	Engineering	Capital Budget
1.6	Undertake improvements to 4-way stop intersection at McLeod Ave & Main St and McLeod Ave & Queen St including curb extensions (bulb outs)	Capital Project	Engineering & Public Works	Capital Budget
1.7	Create a City Centre Parking Management Plan to optimize parking supply	Study (Internal)	Economic Development	City Operating Budget
1.8	Introduce new pedestrian-scale lighting along McLeod Ave between King St & Queen St and along Main St between First Ave & Church Rd	Capital Project	Engineering	Capital Budget
1.9	Pilot project to close of Queen St at Hwy 16A and remove east-west stop along First Ave	Capital Project	Engineering	Capital Budget
1.10	Pursue partnerships with property owners and other underutilized spaces (e.g. Churches) to provide off-street parking areas	Study (Internal)	Economic Development	n/a
<b>2.0</b>	<b>PUBLIC REALM</b>			
2.1	Sidewalk improvements including width increase along McLeod Ave between King St & Queen St	Capital Project	Engineering	Capital Budget
2.2	Sidewalk improvements along Main St between First Ave & Church Rd	Capital Project	Engineering	Capital Budget
2.3	Columbus Plaza Detailed Design and Construction	Capital Project	Engineering (in cooperation with Economic Development & Cultural Services)	Capital Budget and/or Development Levies
2.4	Introduce a CPTED policy for laneways/alleys in the City Centre	Study (Internal)	Planning & Development	City Operating Budget
2.5	Assess feasibility for a sidewalk patio incentive program	Study (Internal)	Economic Development	City Operating Budget
2.6	Undertake a Street Banner program with schools and local artists for public art throughout City Centre	Capital Project	Cultural Services	Federal/Provincial Arts Grants and Local Businesses
2.7	Streetscape improvements along McLeod Ave between King St & Queen St	Capital Project	Engineering	Capital Budget
2.8	Streetscape improvements along Main St between First Ave & Church Rd	Capital Project	Engineering	Capital Budget
2.9	Update Bylaw for sidewalk patios, parking encroachment and/or parklets at strategic locations	Regulatory	Planning & Development	City Operating Budget
2.10	Undertake design study for City Centre Branding & Wayfinding Program	Study (internal)	Planning & Development	City Operating Budget
2.11	Selection and installation of consistent street furniture elements in City Centre	Capital Project	Engineering	Capital Budget
<b>3.0</b>	<b>LAND USE &amp; URBAN FORM</b>			
3.1	Amendments to full Land Use Bylaw and Zoning	Regulatory	Planning & Development	City Operating Budget
3.2	Detailed Design Guidelines	Regulatory	Planning & Development	City Operating Budget
3.3	Identify potential property acquisitions for future off-street parking needs	Study (internal)	Economic Development	Cash-in-Lieu
3.4	Identify other potential property acquisitions needed to implement ARP	Study (internal)	Economic Development	Capital Budget
3.5	Review and amend value for existing Cash-in-Lieu policy for parking	Study (internal)	Planning & Development	Cash-in-Lieu
3.6	Establish a vacant lot strategy for interim uses	Study (internal)	Economic Development	City Operating Budget
3.7	Update Bylaw for minimum parking requirements for residential and retail	Regulatory	Planning & Development	City Operating Budget
Continued...				

**Table 1 Implementation Actions Timeline Continued**

Implementation Action		Type of Action	Lead Responsibility (does not negate cooperation of other internal departments)	Funding Source
MEDIUM TERM (6 - 10 Years)				
<b>4.0</b>	<b>INFRASTRUCTURE &amp; TRANSPORTATION</b>			
4.1	Water, Utility improvements along First Ave between King St & Calahoo St	Capital Project	Engineering	Utilities Fund
4.2	Water, Utility improvements along Church Rd between King St & Calahoo Rd	Capital Project	Engineering	Utilities Fund
4.3	Water, Utility improvements along McLeod Ave between Queen St & Calahoo Rd	Capital Project	Engineering	Capital Budget
4.4	Introduce a median along King St & Hwy 16A at First Ave with improved pedestrian crossing	Capital Project	Engineering	Capital Budget
4.5	Undertake improvements to intersection at McLeod Ave & King St	Capital Project	Engineering	Capital Budget
4.6	Sidewalk improvements along McLeod Ave between Queen St & Calahoo Rd including addition of new sidewalks on Queen St and Main St from Church St from McLeod to Jespersen	Capital Project	Engineering	Capital Budget
4.7	Streetscape improvements along Queen St between First Ave & Church Rd and King St between First Ave & Church Rd	Capital Project	Engineering	Capital Budget
4.8	Introduce a mid-block crossing on McLeod Ave mid-way between Queen St & Calahoo Rd	Capital Project	Engineering	Capital Budget
4.9	Introduce new pedestrian-scale lighting along First Ave and remainder of McLeod Ave to Calahoo Rd	Capital Project	Engineering	Capital Budget
4.10	Undertake improvements to intersections at First Ave & King St and First Ave & Queen St	Capital Project	Engineering	Capital Budget
4.11	Undertake study to examine feasibility of introducing a bike lane or shared road network along Church Rd	Study (internal)	Engineering	City Operating Budget
4.12	Introduce designated Transit Stops along McLeod Ave	Capital Project	Environment & Transit	City Operating Budget
<b>5.0</b>	<b>PUBLIC REALM</b>			
5.1	Streetscape improvements along First Ave between King St & Calahoo Rd	Capital Project	Engineering	Capital Budget
5.2	Streetscape improvements along King St and Queen St between First Ave & Church Rd	Capital Project	Engineering	Capital Budget
5.3	Introduce wayfinding and signage throughout City Centre and on Hwy 16A on approaches to City Centre	Capital Project	Planning & Development	City Operating Budget
5.4	Assess feasibility of a CPTED (Crime Prevention Through Environmental Design) incentive	Regulatory	Protective Services	City Operating Budget
<b>6.0</b>	<b>LAND USE &amp; URBAN FORM</b>			
6.1	Identify potential property acquisitions for future off-street parking needs (ongoing)	Study (internal)	Economic Development	Cash-in-Lieu
6.2	Assess feasibility for an incentives program for façade improvements	Study (internal)	Economic Development	City Operating Budget
6.3	Assess feasibility for an incentives program specific to Urban Residential Mixed-Use Development/Redevelopment or Live/Work Residential Development/Redevelopment	Study (internal)	Economic Development	City Operating Budget
6.4	Engage in discussions with key land/property owners for potential building acquisitions for City Services	Study (internal)	Economic Development	n/a
6.5	Ongoing monitoring and review of Land Use Bylaw and Design Guidelines and Update ARP if required	Study (internal)	Planning & Development	City Operating Budget
6.6	Develop a concept plan for the Church Rd corridor between King St and Calahoo Rd	Study (internal)	Engineering	City Operating Budget

*Continued...*



**Table 1 Implementation Actions Timeline Continued**

Implementation Action		Type of Action	Lead Responsibility (does not negate cooperation of other internal departments)	Funding Source
LONG TERM (11 - 15+ Years)				
<b>7.0</b>	<b>INFRASTRUCTURE &amp; TRANSPORTATION</b>			
7.1	Water, Utility improvements elsewhere in ARP Shadow Area (Urban Living Precinct) - Queen St, Jespersen Ave,	Capital Project	Engineering	Utilities Fund
7.2	Undertake improvements to intersection at McLeod Ave & Calahoo Rd	Capital Project	Engineering	Capital Budget
7.3	Undertake feasibility study for extension of McPherson Ave to Calahoo Rd from Queen St or extension of Mohr Ave to Calahoo Rd from Queen St	Capital Project	Engineering	Capital Budget
<b>8.0</b>	<b>PUBLIC REALM</b>			
8.1	Extend streetscape improvements along Church Rd between King St and Calahoo Rd and along Queen St to the Queen Street Professional Building	Capital Project	Engineering	Capital Budget
<b>9.0</b>	<b>LAND USE &amp; URBAN FORM</b>			
9.1	Ongoing monitoring and review of Land Use Bylaw and Design Guidelines and Update ARP if required	Study (Internal)	Planning & Development	City Operating Budget
9.2	Assess City Services capacity needs (e.g. Library, City Hall and Community Services)	Study (Internal)	Facilities & Fleet	City Operating Budget
				<i>Table End.</i>

## 6.0 Planning Terminology

**Access:** The accessibility to and within the site for vehicles, cycles, and pedestrians in terms of the positioning and treatment of access and circulation routes, and how these fit into the surrounding access network.

**Articulation:** The articulation and design of a building façade creates identity for individual units within a larger building and can provide the adjacent public realm with a pedestrian scale.

**Bollard:** A short vertical post or similar structure that can define areas in the streetscape and provide an attractive design element. Bollards are often used to separate pedestrians or streetscape elements from vehicles.

**Building Height:** The vertical distance of the highest point of the roof or any rooftop deck, fence, railing, widow's walk, or other rooftop structure or feature above the mean finished grade of the ground adjoining the building.

**Building Lot Coverage:** An area within the property boundaries of a lot or tract within which an allowed building or structure may be placed (does not include paved surfaces).

**Bulb-out:** A bulb-out (also known as curb extension) is used to extend the sidewalk, thereby reducing the crossing distance for pedestrians, and allowing pedestrians and approaching vehicles to see one another when vehicles parked in a parking lane would otherwise block visibility. Bulb-outs are also used as a traffic calming measure.

**Catalytic Project:** Redevelopment projects and programs aimed at increasing economic and community value within areas, districts, or neighborhoods of a municipality. These projects leverage a significant and visible investment in the area, increase the value of surrounding properties, and support comprehensive planning goals.

**Character:** Special physical characteristics of a structure or area (e.g. architecture, landscaping, natural features, open space, types and

styles of housing, number and size of roads and sidewalks) that set it apart from its surroundings and contribute to its individuality.

**Charette:** An intensive focused workshop in which designers, property owners, developers, public officials, citizens, and other stakeholders work together to brainstorm and envision potential projects of benefit to the community.

**Connection:** The linkages within the community that bring together and move pedestrians, bicycles, vehicles, etc. from one area to another.

**Crime Prevention Through Environmental Design (CPTED):** a multi-disciplinary approach to deterring criminal behaviour through environmental design, which relies upon the ability to influence offender decisions that precede criminal acts, mostly within the built environment.

**Curb Cut:** A curb break, or a place or way provided for vehicular ingress (entrance) or egress (exit) between property and an abutting public street.

**Density:** The number of dwelling units on a site expressed in dwelling units per net residential hectare (du/nrha).

**Dining/Storefront Zone:** Building façades, entrances, and windows to create an interface between buildings and the public realm. The design of these elements as they relate to the adjacent sidewalks and streets affects street activity and perceptions of scale, variety, and rhythm. Allowed uses within the frontage zone include sidewalk cafes, non-permanent signage, retail displays, and landscaping.

**Facade:** The face of a building. All wall planes of a building which are visible from one side or perspective. The front facade faces and is most closely parallel to the front lot line.

**Facade (Street Level):** The portions of a Facade which face and are most closely parallel to a street lot line, that engage pedestrians and help to create street activity through features such as storefront windows, welcoming storefront signs, etc.

**Gateway:** An urban design feature or area that provides visual access, direction and/or celebration of the community for those entering. Within the CCARP, there are three areas that have been defined as being appropriate for such features, which could include (but is not limited to) architectural detailing, signage, streetscape elements, and public art.

**Green Space:** An open urban space with plant life or the natural environment; also, any natural area, landscaped area, yard, garden or park accessible to the public.

**Guidelines:** Statements of planning intent that are more detailed than policies, but not as strict as rules and regulations.

**High Density Land Use:** Compact or clustered development, resulting in a higher overall number of units built in the same area and possibly reducing the demand for development in other areas. Higher density development does not necessarily mean multifamily development or high-rise buildings. Higher densities can be achieved by building homes on smaller lots, by building attached homes (rowhouses or townhomes) or by building multi-unit structures (apartment buildings or condominiums).

**Infill Development:** The construction of a building on a vacant parcel located in a predominately built up area. The local zoning regulations determine whether the new building fits harmoniously into the neighborhood.

**Infrastructure:** The services and facilities for which the municipality has capital investment and maintenance responsibilities, including roadways, sidewalks, bridges, street lights and traffic signals, transit buses, solid waste management systems, potable water distribution systems, storm sewers, sanitary sewers, sports fields, playgrounds, arenas, pools, police and emergency response stations, vehicles and equipment, civic buildings, parks, boulevard trees, and computer and telecommunications equipment.

**Land Use Bylaw:** A bylaw of a municipality passed by Council as a Land Use Bylaw pursuant to the provisions of the Municipal

Government Act and intended to control and regulate the use and development of land and buildings within the municipality.

**Laneway:** A narrow roadway between buildings, hedges, or fences. Also referred to as an Alleyway.

**Live Work Dwelling:** A dwelling unit used for both dwelling purposes and any nonresidential use permitted in the zoning district in which the unit is located, provided that not more than two persons who do not reside in the unit are employed on the premises.

**Materiality:** The quality of colours, materials, and finishes convey the character and durability of a building.

**Mixed-Use Development:** The development of a tract of land or building or structure with two or more differing uses such as residential, office, retail, service, public, or entertainment, in a compact urban form.

**Multi-modal:** Allowing for a range of different modes of travel such as walking, cycling, driving, and public transit.

**Municipal Development Plan (MDP):** The principal statutory land use plan for the entire municipality, adopted by Council, in accordance with the provisions of the Municipal Government Act.

**Node:** A central or connecting point at which pathways intersect or branch.

**Pedestrian Friendly:** The density, layout, and infrastructure that encourages walking and biking within a subdivision or development, including short setbacks, front porches, sidewalks, and bike paths.

**Precincts:** Distinct areas of town that are characterized by a specific land use pattern and character.

**Policy:** An official plan of action adopted by an individual or group, which for land use plans adopted by municipalities in Alberta can be distinguished as either statutory plans (Municipal Development Plans, Area Structure Plans, or Inter-municipal Development Plans) or non-statutory plans.

**Public Art:** Public art refers to art placed in public settings for the purpose of enriching the community by evoking meaning in the public realm. Public art can take a variety of forms: (1) Architectural design elements (carvings, embedded relief sculptures); (2) Landscape features; (3) Streetscape design (benches, artist gardens); (4) Sculptures (site-specific monumental works); (5) Civic enhancement projects (placed symbols, wayfinding signs and markers); (6) Exhibits, extemporaneous performances, indigenous artwork “found objects” located in public spaces; (7) Community Art (engravings, murals, vernacular pieces); (8) Ephemeral Art (sidewalk poetry, ice sculpture).

**Public Realm:** The region, sphere, or domain within which anything occurs, prevails, or dominates available to anyone. From a land use standpoint, public realm is all public open space and rights-of-way (streets, sidewalks, alleys, hike and bike trails, etc.); also, public space that is formed by architecture or landscape features to create commons, courtyards, quadrangles, urban parks, etc.

**Redevelopment Incentive:** Measure that can be taken, usually by a governing agency, to encourage certain types of developments.

**Revitalization:** Re-establishing the economic and social vitality of urban areas through infill, legislation, tax incentives, commercial development, etc., within existing urban areas to take advantage of existing investments in infrastructure and reduce the negative impacts of urban sprawl.

**Setback:** The minimum distance by which any building or structure must be separated from a street right-of-way or lot line.

**Shared Parking:** A public or private parking area used jointly by two or more businesses, retail shops, etc.

**Street Edge:** The vertical face formed by building facades, street trees, and screening walls that is aligned along a street and forms a comfortable people-scaled space.

**Street Infrastructure & Furniture Zone:** The area between the roadway curb face and border of the Strolling Throughway Zone.

Allowed uses within this zone can include public site furnishings, transit stops, landscaping, sidewalk cafes, and patio.

**Streetscape:** The treatment of space between buildings and street that defines the public realm. Streetscape elements may include building frontage/Facade, public art, outdoor cafes, transit stops or shelters, landscaping (trees, planters, fountains, etc.), sidewalk pavers, special embedded street paving, street furniture (benches, kiosks, etc.), signs, awnings, and street lighting.

**Strolling Throughway Zone:** An area that has been reserved for pedestrian travel only.

**Traffic Calming:** Measures taken to reduce the adverse impact of motor vehicles on built-up areas. Traffic calming usually involves reducing vehicle speeds, providing more space for pedestrians and cyclists, and improving the local environment and safety by installing speed bumps, bulb-outs, traffic circles, alternate paving materials at crosswalks, etc., to slow traffic.

**Utilities:** Either (1) municipal and regional utilities such as water and sanitary sewer, or (2) “shallow” utilities such as gas, telephone, and electric.

**Walkability:** The measure of the overall walking conditions in an area, also the extent to which the built environment is friendly to pedestrians. Increased walkability has been proven to have individual and community health benefits, as well as economic benefits.

**Wayfinding:** The ways in which people orient themselves in physical space and navigate from place to place. Wayfinding can include signage or other graphic communication, tactile elements, and provisions for special-needs users to help users choose a path within the built environment.



# Edmonton Metropolitan Region Board

Regional Action. Global Opportunity.

April 14, 2020

City of Spruce Grove  
315 Jespersen Avenue  
Spruce Grove, Alberta T7X 3E8

Attn: Mark Puczko, Senior Planner

**Re: REF Application 2020-003, City of Spruce Grove  
City Centre Area Redevelopment Plan**

Dear Mr. Puczko,

Thank you for your recent application submitted under the Regional Evaluation Framework (REF).

An EMRB Administration Recommendation to approve the subject application was issued on March 13, 2020. In accordance with the April 10, 2014 Edmonton Metropolitan Region Board amended REF Administrative Procedures, the approval recommendation was subject to a 28-day appeal period ending on April 10, 2020.

We are pleased to advise that an appeal was not submitted. In this regard, please accept this letter as Edmonton Metropolitan Region Board approval and deemed disposition of the subject REF application.


Best regards,

Karen Wichuk  
Chief Executive Officer

cc: Edmonton Metropolitan Region Board Members  
Dr. Jodi L. Abbott, Chair, EMRB Chair  
EMRB CAOs  
Lovatt Planning Consultants Inc.

[www.emrb.ca](http://www.emrb.ca)

#1100 Bell Tower, 10104 – 103 Avenue Edmonton AB T5J 0H8  
Phone: 780.638.6000 | Email: [info@emrb.ca](mailto:info@emrb.ca)

A large, stylized teal graphic on the left side of the slide, consisting of several overlapping, curved, brushstroke-like shapes that point towards the top right.

Bylaw C-1074-19

# City Centre Area Redevelopment Plan

City of Spruce Grove  
Regular Council Meeting  
C-1074-19 – 3rd Reading  
April 27, 2020





# City Centre Location



» The 'city centre' boundaries are defined in the MDP.



# MDP Planning Direction

- » Spruce Grove's MDP in Section 5.3 identifies city centre revitalization as an important initiative within Spruce Grove.
- » The City Centre objective is a mixed-use activity hub with a distinct identity.
- » The MDP specifically identified need for Area Redevelopment Plan to guide these efforts, and that it would focus on:
  - » Small-scale service-oriented businesses targeted primarily at the local population with a limited regional customer base
  - » Pedestrian orientation
  - » Use of streets as public spaces
  - » Civic and open space uses
  - » Mixed-use development, and
  - » Higher density residential development.
- » This proposed City Centre ARP provides a guide for redevelopment that considers: land use, mobility, urban design, building design guidelines, and implementation.

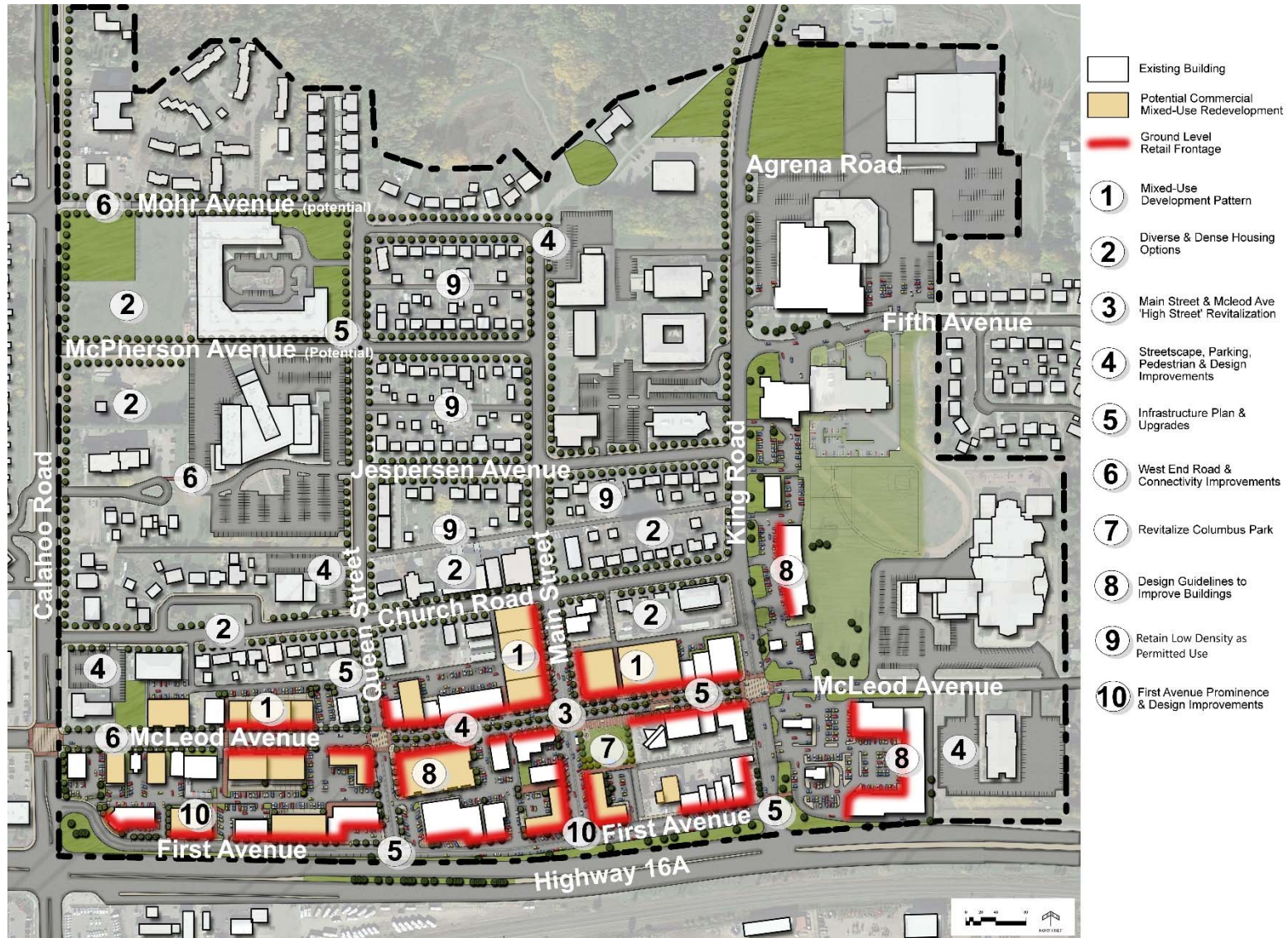




3<sup>rd</sup> Reading

Bylaw C-1074-19

# Concept Plan



City of Spruce Grove • 3<sup>rd</sup> Reading • April 27, 2020



# Benefits of ARP

- » Safer, walkable streets and mobility.
- » Increased population & employment.
- » Higher quality streets and buildings for business and residents.
- » Direct investment in necessary infrastructure upgrades.
- » Provides a plan for redevelopment of vacant and underutilized parcels of land and buildings.
- » Provides a gathering place for civic and cultural activities (e.g. Columbus Park as a flexible, functional space).
- » Increased assessed values and property tax revenue over time to pay back infrastructure costs.



3<sup>rd</sup> Reading

Bylaw C-1074-19

# Recommendation

» Administration **supports 3<sup>rd</sup> Reading** of this proposed Bylaw.



# The City of Spruce Grove

## Request for Decision

### Bylaws Item # 10. e.

#### Regular Council Meeting Agenda

**Meeting Date:** 04/27/2020

**Title:** C-1117-20 - Off-site Levy Bylaw - First Reading - Levasseur

**Department:** Planning & Infrastructure

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#### Request for Decision Summary

First reading of Bylaw C-1117-20, Off-site Levy Bylaw, is being brought forward for Council's consideration. This new bylaw is intended to replace Bylaw C-1078-19.

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#### Proposed Motion

That first reading be given to Bylaw C-1117-20 Off-site Levy Bylaw.
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#### Background/Analysis

As per the existing Off-site Levy Bylaw (C-1078-19), the City shall conduct an annual review of Off-site Levy rates. City Engineering, Planning, and Finance departments have updated the rates for 2020 utilizing the CORVUS model. The 2020 Off-site Levy Report and Current Bylaw C-1078-19 are attached for review. Based on the updated model, rates for 2020 are proposed to reduce approximately 9% from 2019.

#### 2020 Weighted Average

	Transportation Levies (/Net Ha.)	Water Levies (/Net Ha.)	Sanitary Levies (/Net Ha.)	Total (/Net Ha.)	
High	\$63,001	\$2,987	\$26,999	\$92,988	
Low	\$63,001	\$1,187	\$ -	\$64,189	
Weighted Average	\$63,001	\$1,807	\$15,472	\$80,281	

#### 2019 Weighted Average

	Transportation Levies (/Net Ha.)	Water Levies (/Net Ha.)	Sanitary Levies (/Net Ha.)	Total (/Net Ha.)	
High	\$64,501	\$18,572	\$27,287	\$110,360	
Low	\$64,501	\$3,948	\$ -	\$68,449	
Weighted Average	\$64,501	\$8,997	\$15,231	\$88,730	



## **Options/Alternatives**

Council may choose not to give first reading to this bylaw. If this option is chosen, existing Off-site levy rates would remain in place.

## **Consultation/Engagement**

This Bylaw was developed as a result of the cooperation between Planning, Engineering and Finance. Urban Development Institute has reviewed the 2020 report and are providing feedback. City administration is reviewing the information and will address any questions in a future update.

## **Implementation/Communication**

The City will advertise the proposed Off-Site Levy bylaw through The Grove Examiner and City website between first and second readings.

## **Impacts**

The 2020 Off-site Levy Bylaw will provide fair rates and a solid methodology to support the program, utilizing the CORVUS model, within the guidelines of the Municipal Government Act.

## **Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

## **Related Goal:**

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### **Attachments**

[2020 Off-site Levy Bylaw](#)

[Bylaw C-1117-20 - Schedule "A" - Map](#)

[Bylaw C-1117-20 - Schedule B - Report](#)

[2019 Off-site Levy Bylaw](#)

[2019 Off Site Levy Bylaw - Redline](#)

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# **THE CITY OF SPRUCE GROVE**

## **BYLAW C-1117-20**

### **OFF-SITE LEVY BYLAW**

WHEREAS, pursuant to section 648 of the *Municipal Government Act*, RSA, 2000, cM-26, and amendments thereto a council may pass a bylaw for the imposition and payment of off-site levies in respect of land that is to be developed or subdivided;

AND WHEREAS, Council deems it necessary and expedient to collect Off-Site Levies to pay for the capital cost of infrastructure required to service the Growth of the City;

AND WHEREAS, the City has engaged in consultation with landowners and representatives of the development industry to address and define existing and future infrastructure required for Growth of the City and the allocation of the capital costs of such infrastructure;

AND WHEREAS, Council has received the City of Spruce Grove Off-Site Levy Annual Report, 2020, which sets out a fair and equitable calculation of Off-Site Levies in accordance with the *Municipal Government Act* and the Off-Site Levies Regulation;

AND WHEREAS, Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act*;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

#### **1. BYLAW TITLE**

1.1 This bylaw is called "Off-Site Levy Bylaw".

#### **2. DEFINITIONS**

2.1 "Act" means the *Municipal Government Act*, RSA 2000 cM-26 and amendments thereto.

2.2 "Bylaw" means this Off-Site Bylaw.

2.3 "City Manager" means the administrative head of the City of Spruce Grove.

- 2.4 “City” means the municipal corporation of the City of Spruce Grove in the Province of Alberta.
- 2.5 “Council” means the Council of the City elected pursuant to the *Local Authorities Election Act*, RSA 2000 cL-21, and amendments thereto.
- 2.6 “Developable Land” means all land within the Development Area;
- a. upon which Development takes place after the date of enactment of this Bylaw; or
  - b. for which Subdivision approval is obtained after the date of enactment of this Bylaw;
- but excludes:
- a. all Developed Land; and
  - b. all land designated as:
    - (i) Environmental Reserve;
    - (ii) School Reserve;
    - (iii) Municipal Reserve; or
    - (iv) arterial road right of way.
- 2.7 “Developed Land” means land that has been subject to Development or a Subdivision prior to the date this Bylaw comes into force, and in respect of which Off-Site Levies for the same category of infrastructure have been imposed and collected.
- 2.8 “Development” means “development” as defined in section 616(b) of Act.
- 2.9 “Development Agreement” means “development agreement” as referred to in ss. 650 and 655 of the Act.
- 2.10 “Development Area” includes the area of land within the municipal boundaries of the City identified in Schedule “A” to this Bylaw.
- 2.11 “Growth” means;
- a. the creation of new Lots through Subdivision; and
  - b. the occurrence of Development.
- 2.12 “Lot” means “lot” as defined in section 616(m) of the Act.
- 2.13 “Off-Site Infrastructure” means those components and projects referred to in the Report, in relation to water facilities, sanitary sewer facilities and roads and related transportation infrastructure to be paid for in whole or

in part by Off-Site Levies under this Bylaw.

2.14 “Off-Site Levies” means the off-site levies imposed pursuant to this Bylaw.

2.15 “Off-Site Levies Regulation” means the Off-Site Levies Regulation, Alberta Regulation 187/2017, as amended or repealed and replaced from time to time.

2.16 “Report” means the City of Spruce Grove Off-Site Levy Annual Report, 2020, prepared by City of Spruce Grove Administration, attached as Schedule “B” to this Bylaw.

2.17 “Subdivision” means “subdivision” as defined in section 616(ee) the Act.

### **3. OBJECT OF LEVY**

3.1 The object of the Off-Site Levies is to provide funds to pay for all or part of the capital costs of the Off-Site Infrastructure required for Growth, as determined in the Report.

### **4. ESTABLISHMENT AND IMPOSITION OF OFF-SITE LEVIES**

4.1 The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report attached as Schedule ‘B’ and hereby made part of this Bylaw.

4.2 The amount of the Off-Site Levies imposed is as calculated in the Report.

4.3 The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.

4.4 Subject to this Bylaw, the obligation to pay the Off-Site Levies shall be a condition imposed on the Development Permit for Development of Developable Land and the Subdivision approval for Subdivision of Developable Land to enter into a Development Agreement which provides for payment of the Off-Site Levies.

4.5 Unless otherwise agreed to in the Development Agreement, payment of the Off-Site Levies imposed under this Bylaw is due:

- a. in the case of Subdivision, at or prior to endorsement of the Subdivision plan; and
- b. in the case of Development, at or prior to execution of the Development Agreement.

### **5. AUTHORITY OF THE GENERAL MANAGER OF PLANNING AND INFRASTRUCTURE**

- 5.1 The General Manager of Planning and Infrastructure is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
- a. enter into Development Agreements on behalf of the City with respect to, among other things, the collection of Off-Site Levies;
  - b. defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and
  - c. delegate the authority to enforce and administer this Bylaw to another employee of the City.

## **6. DEVELOPMENT AGREEMENT**

- 6.1 Council may, from time to time adopt policies or guidelines for the assistance and direction of the City Manager in determining which Development and Subdivision applications require a Development Agreement.
- 6.2 Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the owner, as the case may be, shall enter into a Development Agreement with the City that provides for the payment of Off-Site Levies in accordance with this Bylaw or that provides for the deferred payment of Off-Site Levies, in which case the Development Agreement shall require security for the payment of the deferred Off-Site Levies.

## **7. ANNUAL REPORT**

- 7.1 On or before December 31 in each calendar year, the City Manager shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:
- a. Off-Site Infrastructure constructed during the previous calendar year;
  - b. construction costs of Off-Site Infrastructure constructed in the previous calendar year;
  - c. estimated construction costs for Off-Site Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;
  - d. amount collected in Off-Site Levies; and
  - e. specifics of total value of Off-Site Levies being held by City and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies.

**8. ACCOUNTING**

- 8.1 All funds collected pursuant to this Bylaw shall be accounted for in a special fund for each category of infrastructure and expended only as permitted under the Act.

**9. REVIEW**

- 9.1 The City shall review the rates for Off-Site Levies annually and, if required, shall amend this Bylaw accordingly to update the rates for Off-Site Levies.

**10. GENERAL**

- 10.1 Nothing in this Bylaw precludes the City from:
- a. imposing further or different levies, duly enacted by bylaw, on any portion of the Developable Lands in respect of which the City has not collected Off-Site Levies for that category of Off-Site Infrastructure;
  - b. deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for the payment of such deferred Off-Site Levies; or
  - c. reducing or forgiving payment of the Off-Site Levies required pursuant to this Bylaw, or otherwise providing for credits for other Off-Site Infrastructure or oversize infrastructure constructed by a developer in calculating and/or collecting the Off-Site Levies that become payable pursuant to this Bylaw.

**11. TRANSITION**

- 11.1 This Bylaw applies to:
- a. any Subdivision where the date of Subdivision approval occurs on or after the date this Bylaw comes into force; and
  - b. any Development where the date of issuance of a development permit occurs on or after the date this Bylaw comes into force.
- 11.2 Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.
- 11.3 Any Off-Site Levies payable under a Development Agreement entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of the previous Off-Site Levy bylaw.

**12. SEVERABILITY**



- 12.1 Every provision of this bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed and the remainder provisions shall remain valid and enforceable.

**13. EFFECTIVE DATE**

- 13.1 This Bylaw shall come into force and effect when it receives third reading and is duly signed.

**14. REPEAL OF BYLAW C-1078-19**

- 14.1 Bylaw C-1078-19 is hereby repealed.

First Reading Carried\_\_\_\_\_, 20\_\_\_\_

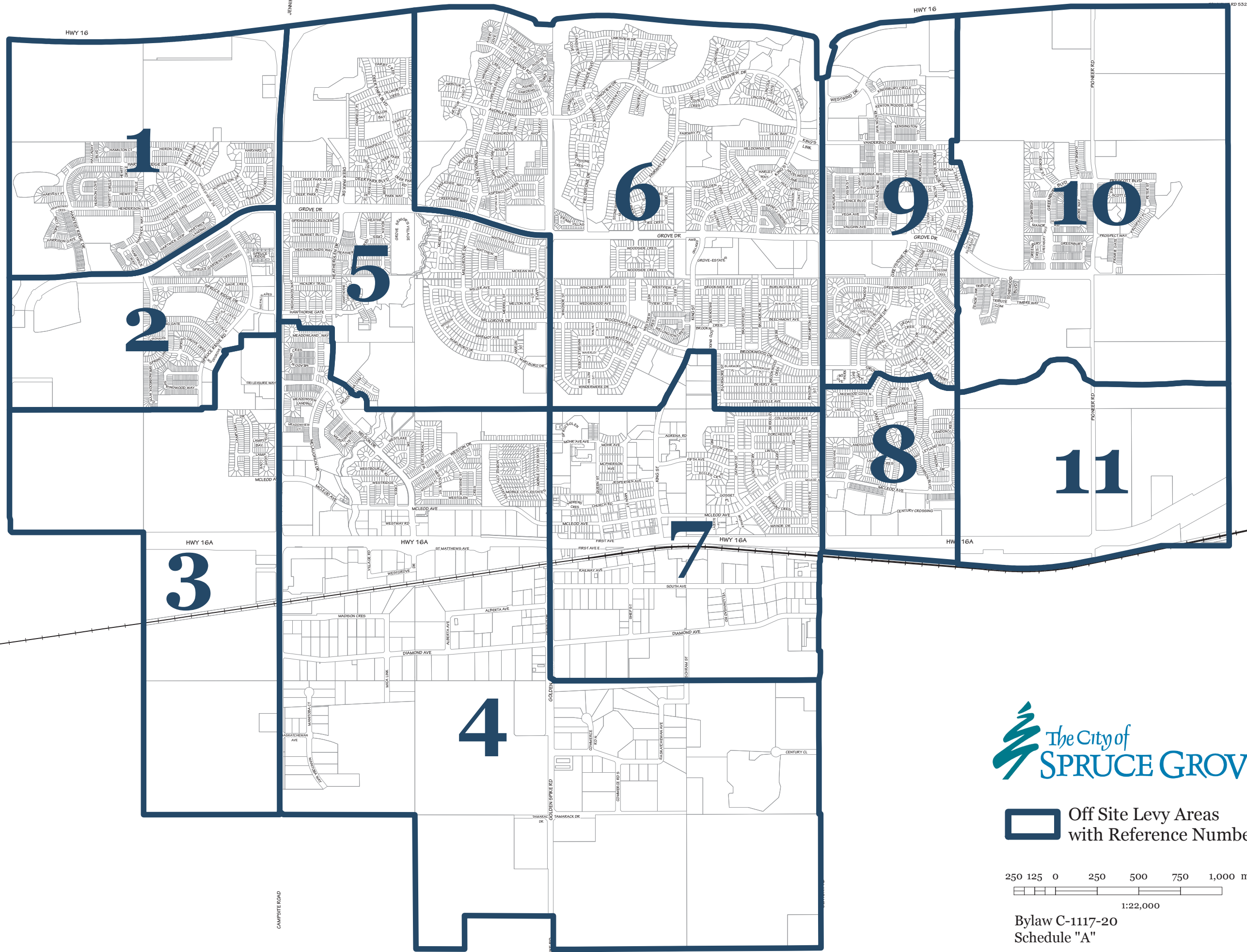
Second Reading Carried\_\_\_\_\_, 20\_\_\_\_.

Third Reading Carried\_\_\_\_\_, 20\_\_\_\_.

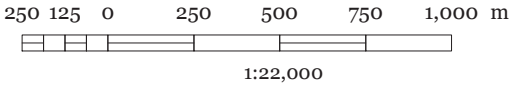
Date Signed\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



 Off Site Levy Areas  
with Reference Number



Bylaw C-1117-20  
Schedule "A"





# OFF-SITE LEVY ANNUAL REPORT (Bylaw C-1117-20) 2020

## City of Spruce Grove

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Darren Flynn

Supervisor of Municipal Infrastructure

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# 1 INTRODUCTION

## 1.1 Bylaw C-1078-19

The City of Spruce Grove enacted bylaw C-1078-19 on September 4, 2019 (Off-site Levy Bylaw) establishing Off-site Levy rates for transportation, water, and sanitary sewer Off-site infrastructure.

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

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

## 1.2 Methodology

City staff have reviewed and amended the list of Off-site 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, 2018 (the most current completed year-end). In this update, information pertaining to 2019 and prior is treated as an actual. Information pertaining to 2020 and beyond is being treated as an estimate. Upon completion of the 2021 update, 2020 information will be converted from estimates to actuals.

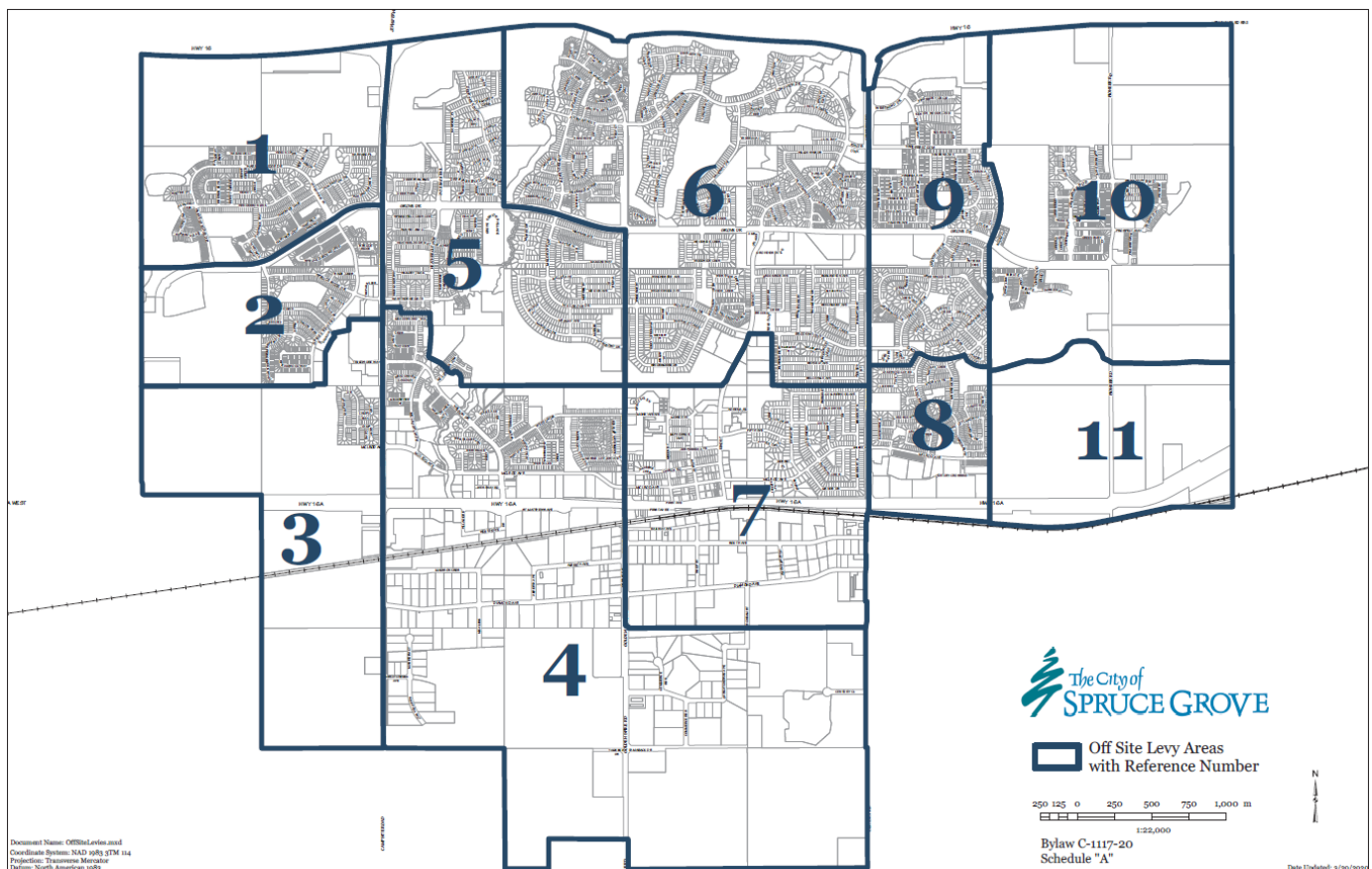
The City of Spruce Grove utilizes the CORVUS Off-site levy model to manage Off-site levy rates. These rates are not intended to stay static - they are based on assumptions and best available data at the time of modelling and are subject to change year over year. Should information used in this report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



## 2 OFF-SITE LEVY DEVELOPMENT LANDS AND STAGING

The City of Spruce Grove is divided into 11 Off-site 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 Off-site 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 Off-site levy infrastructure costs are allocated to one or more areas.

Off-site Levy Areas



Total net development area, the amount of land available for development across all Off-site levy areas, is approximately **959.8 net Ha.** (2019: ~961Ha) as outlined in the table below. In calculating net development area, only those lands remaining to be developed **that have not previously paid Off-site levies** have been considered. Allowances have been made to net



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

#### Off-site 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	21.13	197.88
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
<b>Total</b>			<b>1,013.41</b>	<b>53.63</b>	<b>959.80</b>

## 2.1 Development Staging

A rate planning period of 25 years was used for this review. Of the 959.8 net Ha of development area available, Planning and Infrastructure estimate that 959.8 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.)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
1.1	See Map	Commercial	0.477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.48	-	-	-	-	-	-	-	-	-	-	
1.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.3	See Map	Res idential - Low/Medium Dens ity	79.898	-	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	Res idential - High Dens ity	1.098	-	-	-	-	-	-	-	-	-	-	1.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	See Map	Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.3	See Map	Res idential - Low/Medium Dens ity	31.104	2.20	2.53	2.53	2.53	2.80	2.80	2.80	2.80	0.60	1.90	1.90	1.90	1.90	1.91	-	-	-	-	-	-	-	-	-	-	-	
2.4	See Map	Res idential - High Dens ity	3.465	-	-	-	-	1.00	1.00	1.00	0.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3.1	See Map	Commercial	84.744	5.67	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	4.00	2.33	-	-	-	-	-	-	
3.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3.3	See Map	Res idential - Low/Medium Dens ity	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	6.60	6.60	6.60	6.60	6.60	6.60	6.60	
3.4	See Map	Res idential - High Dens ity	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	10.650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.10	2.10	2.10	2.10	0.66	1.60	-	-	-	-	-	
4.1	See Map	Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.2	See Map	Indus trial	220.000	5.72	9.60	11.08	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	8.80	
4.3	See Map	Res idential - Low/Medium Dens ity	2.937	-	-	-	2.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.4	See Map	Res idential - High Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5.1	See Map	Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5.3	See Map	Res idential - Low/Medium Dens ity	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	Res idential - High Dens ity	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	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.3	See Map	Res idential - Low/Medium Dens ity	18.430	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.4	See Map	Res idential - High Dens ity	1.917	-	1.00	-	0.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.1	See Map	Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.3	See Map	Res idential - Low/Medium Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.4	See Map	Res idential - High Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.1	See Map	Commercial	4.008	-	-	-	4.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.3	See Map	Res idential - Low/Medium Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.4	See Map	Res idential - High Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.1	See Map	Commercial	12.030	1.45	2.40	2.20	2.00	2.00	2.00	1.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.3	See Map	Res idential - Low/Medium Dens ity	10.143	-	0.91	0.91	0.93	0.93	0.93	0.93	0.93	0.93	1.28	1.20	1.19	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.4	See Map	Res idential - High Dens ity	1.413	-	-	-	-	-	-	-	-	-	1.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9.5	See Map	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.1	See Map	Commercial	0.080	-	-	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.3	See Map	Res idential - Low/Medium Dens ity	197.878	5.17	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.69	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	8.00	8.00	
10.4	See Map	Res idential - High Dens ity	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	2.50	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	See Map	Indus trial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	See Map	Res idential - Low/Medium Dens ity	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	4.00	3.52	
11.4	See Map	Res idential - High Dens ity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.5	See Map	Other	19.500	-	-	-	-	-	-	-	-	1.75	1.75	1.75	1.77	-	-	-	-	-	-	-	-	-	-	-	-	6.00	
				959.78	37.01	51.74	51.85	56.93	46.93	42.91	40.93	42.15	41.58	50.65	48.36	43.60	43.60	41.54	38.88	37.50	37.50	37.50	34.74	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 OFF-SITE INFRASTRUCTURE

### 3.1 Water Off-site Infrastructure Costs

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

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

The total cost is approximately **\$14.0 million** as outlined in the table below:

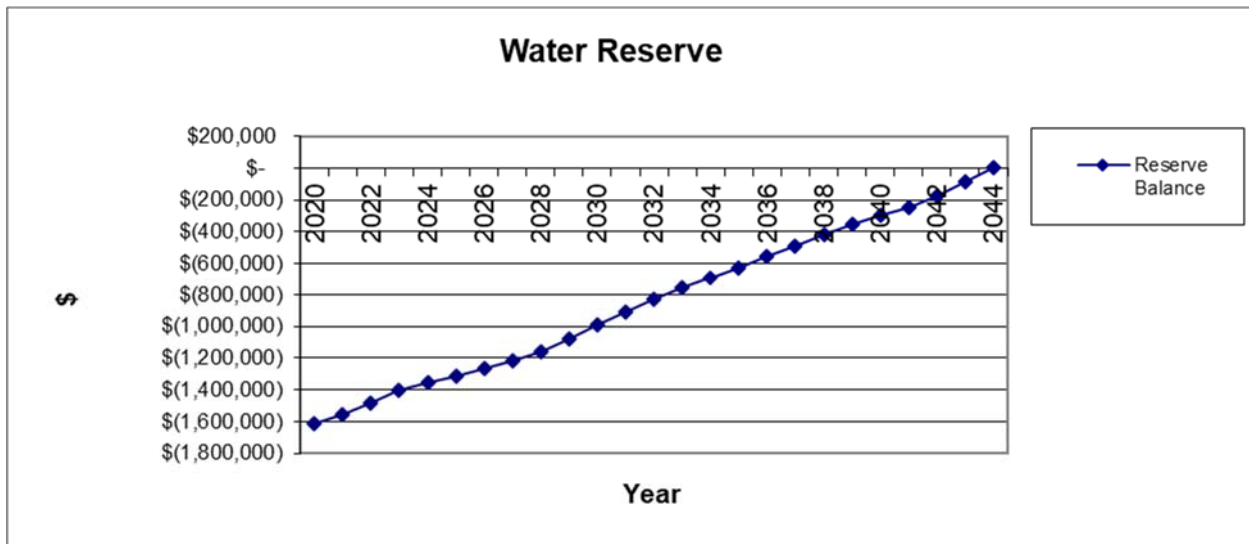
Summary of Water Off-site Infrastructure

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)	\$ 11,634,365	\$ 203,954	\$ -	\$ 11,838,319
4	Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A)	\$ 1,071,905	\$ -	\$ -	\$ 1,071,905
		<b>\$ 13,811,060</b>	<b>\$ 203,954</b>	<b>\$ -</b>	<b>\$ 14,015,014</b>

### 3.2 Water Off-site 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. Construction of the Water off-site infrastructure outlined in this report has been completed. Existing reserve funds were not sufficient to fully pay for the construction of water infrastructure, requiring The City to front-end projects. 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 off-site infrastructure construction, a 2.50% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 2.40% 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 Off-site Infrastructure Benefitting Parties

The water Off-site 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 off-site levy infrastructure costs to benefitting parties.

Allocation of Water Off-site 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)	\$ 11,838,319			0.0%	100.0%
4	Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A)	\$ 1,071,905			0.0%	100.0%
		<b>\$ 14,015,014</b>				

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 off-site levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$10.87 million** in off-site levies prior to December 31, 2016 (the cut-off date established for bylaw C-1044-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2019, the City collected approximately **\$844 thousand**, summarized in the table below. This results in a residual developer cost of roughly **\$2.3 million**.

Water Off-site Levy Funds Collected to Date

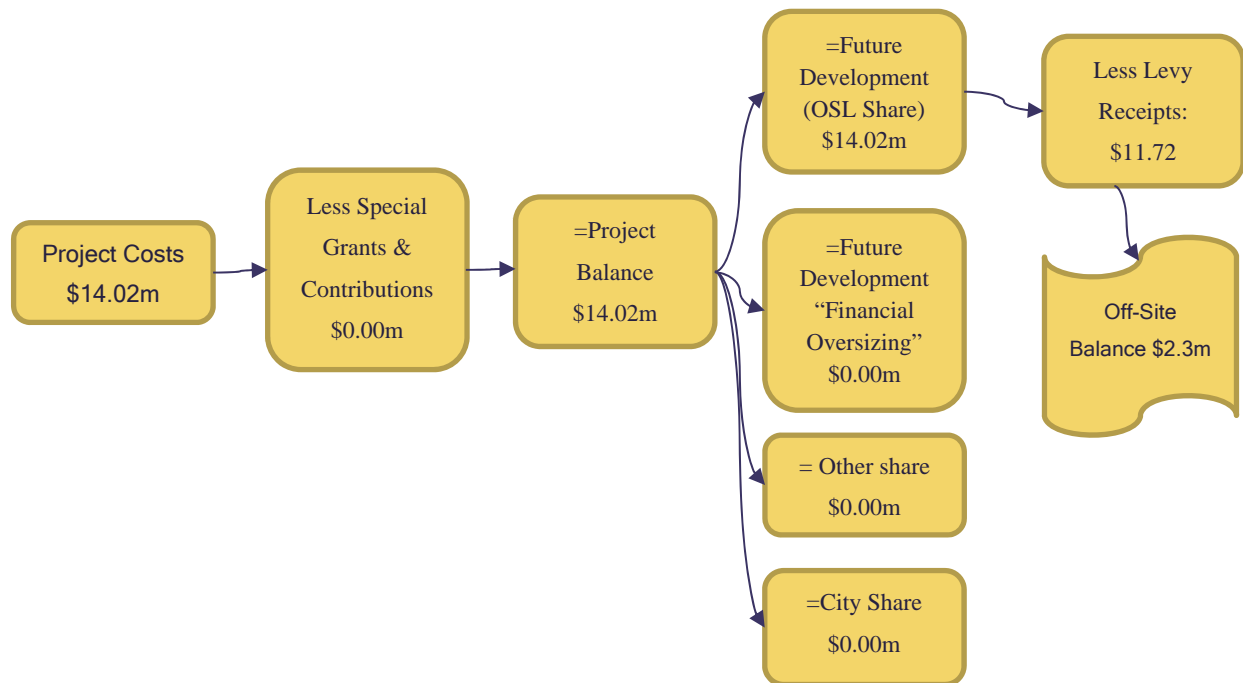
Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2016	Offsite Levy Funds Collected Starting Jan 1, 2017	Adjusted Developer (Levy) Cost
1	Campsite Watermain Loop (41-99-17)	\$ 328,202	\$ 328,202	\$ -	\$ -
2	Campgrounds Watermain	\$ 776,587	\$ 776,587	\$ -	\$ -
3	New Growth Water Reservoir (CP_DP186)	\$ 11,838,319	\$ 9,766,932	\$ 560,755	\$ 1,510,631
4	Water Main 400mm - 1200m from Century Rd to Pioneer Rd (along Hwy 16A)	\$ 1,071,905	\$ -	\$ 282,826	\$ 789,079
		<b>\$ 14,015,014</b>	<b>\$ 10,871,722</b>	<b>\$ 843,581</b>	<b>\$ 2,299,711</b>

### 3.5 Summary of Off-site Levy Cost – Water

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately **\$2.3 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 3.3. The off-site levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



### Total Water Off-site Levy Costs



### 3.6 Benefitting Areas – Water

Net developer costs for each development have been allocated to multiple benefitting off-site 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 Off-site 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)	\$ 1,510,631	1	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	\$ 789,079																									
		\$ 2,299,711																									

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												1	1	1	1	1
3	New Growth Water Reservoir (CP_DP186)	\$ 1,510,631	1	1	1	1	1	1	1	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	\$ 789,079												1	1	1	1	1															
		\$ 2,299,711																															

### 3.7 Reserve Balance – Water

On December 31, 2019, the balance of the City’s Water reserve was \$(1,411,995.60) as shown in the table below. The amount takes into consideration expenditures up to the end of 2019.



2019 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

CIBC Borrowing Rate = 2.50%

HISA interest = 2.40%

Water Off-site 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
<b>Opening Balance</b>			<b>\$ 2,061,371.95</b>
<b>2017</b>			<b>\$ 2,061,371.95</b>
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)
<b>2018</b>			<b>\$ (988,883.90)</b>
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)
<b>2019</b>			<b>\$ (964,003.24)</b>
Interest on Opening Balance		\$ -	\$ (964,003.24)
Project Expenditures (OSL Share)		\$ 1,465,139.78	\$ (2,429,143.02)
Offsite Levy Receipts	\$ 23,657.88		\$ (2,405,485.14)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ 990,472.52		\$ (1,415,012.62)
Debenture Interest Accrued This Year		\$ -	\$ (1,415,012.62)
Interest on Project Expenditure		\$ 9,152.55	\$ (1,424,165.17)
Interest on Offsite Levy Receipts	\$ 283.89		\$ (1,423,881.27)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ 11,885.67		\$ (1,411,995.60)
Interest on Debenture Interest		\$ -	<b>\$ (1,411,995.60)</b>

Notes:

- $\frac{1}{4}$  year rule - expenditures are deemed to have been made in September of each year
- $\frac{1}{2}$  year rule - receipts are deemed to have been made in June of each year

## 4 SANITARY OFF-SITE INFRASTRUCTURE

### 4.1 Sanitary Off-site Infrastructure Costs

In order to support future growth in the City, sanitary off-site infrastructure is required. The model contains 7 sanitary off-site 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 **\$21.15 million** as outlined in the table below:

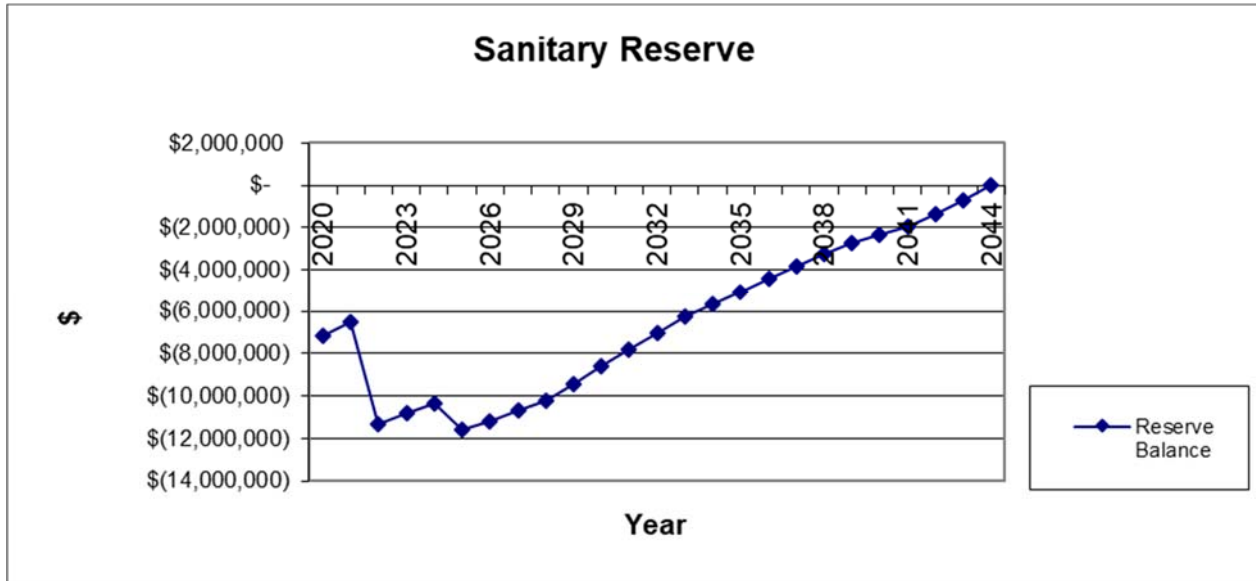
Summary of Sanitary Off-site Infrastructure

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*	\$ 4,229,130	\$ -	\$ -	\$ 4,229,130
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
		<b>\$ 14,247,913</b>	<b>\$ -</b>	<b>\$ 6,904,800</b>	<b>\$ 21,152,713</b>

### 4.2 Sanitary Off-site 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 off-site 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-end is the party that constructs and pays for infrastructure that benefits other parties.

To compensate parties for capital they provide in front-ending off-site infrastructure construction, a 2.50% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 2.40% 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 Off-site Infrastructure Benefitting Parties

The sanitary off-site 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 off-site levy infrastructure costs to benefitting parties.

Allocation of Sanitary Off-site 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*	\$ 4,220,650			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			16.0%	84.0%
		<b>\$ 19,930,315</b>				

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 4 of this model, will have 21 years' worth of its costs included in the current rates (84 %) and the final 4 years of costs (16 %) 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 off-site levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$4.76 million** in off-site levies prior to December 31, 2016 (the cut-off date established for bylaw C-1044-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2019, the City collected approximately **\$314 thousand**, summarized in the table below. This results in a residual developer cost of **\$14.57 million**.

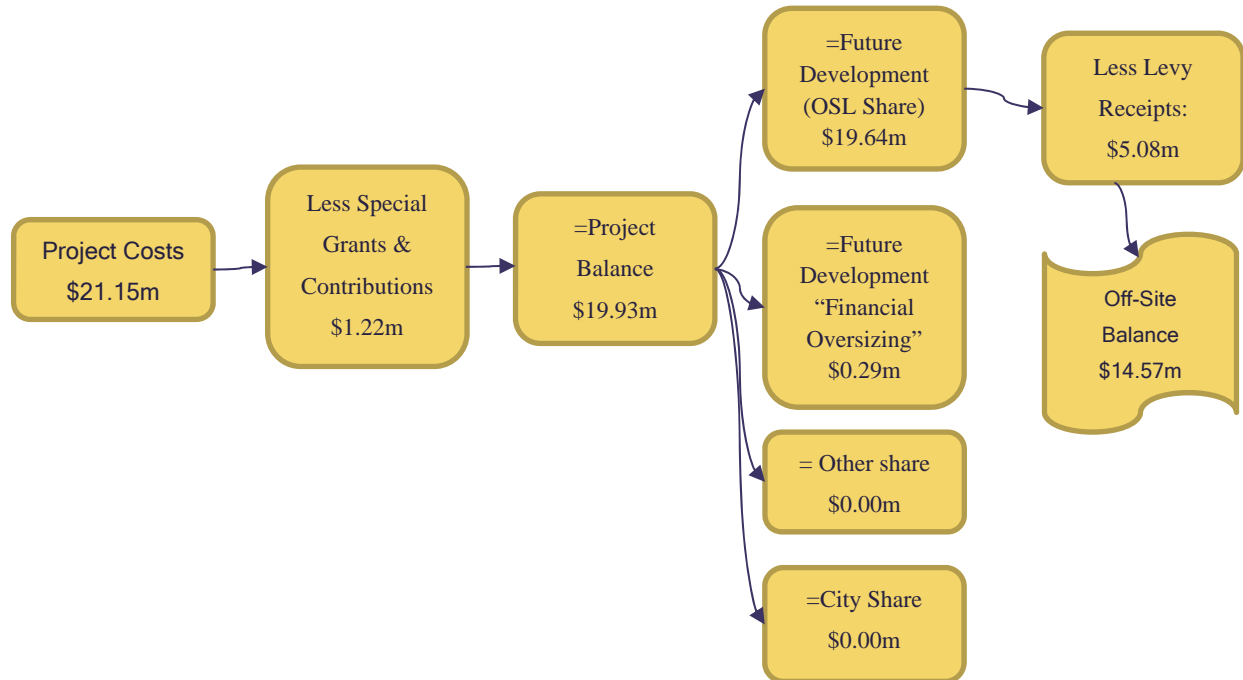
Sanitary Off-site Levy Funds Collected to Date

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*	\$ 4,220,650	\$ 3,246,918	\$ 38,161	\$ 935,571
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)	\$ 1,504,877	\$ -	\$ 28,447	\$ 1,476,430
		<b>\$ 19,643,672</b>	<b>\$ 4,762,766</b>	<b>\$ 314,386</b>	<b>\$ 14,566,519</b>

#### 4.5 Summary of Off-site Levy Cost – Sanitary

As shown in the figure below, the total cost for sanitary infrastructure that forms the basis of the rate is approximately **\$14.57 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 4.3. The off-site levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

### Total Sanitary Off-site Levy Costs



## 4.6 Benefitting Areas – Sanitary

Net developer costs for each development have been allocated to multiple benefitting off-site 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 Sanitary Off-site 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	West Trunk Sanitary Sewer (42-99-12-06) - W of Campsite Rd to S Industrial Lands*	\$ 935,571																1	1	1	1	1	1	1	1	1	
2	Pioneer Road Trunk Sewer (42-99-16-09)	\$ 1,757,852																									
3	Pioneer Road Sanitary Sewer Extension (41-01-01-14)	\$ 1,514,802																									
4	Pioneer Trunk Sewer Extension DP138	\$ 3,899,849																									
5	Campsite West Trunk Sanitary Sewer (42-99-09)	\$ (8,480)																1	1	1	1	1					
6	Boundary Trunk Sewer	\$ 4,990,495						1	1	1	1	1	1	1	1	1	1										
7	Pioneer Trunk Sewer Extension (McLeod to CNR)	\$ 1,476,430																									
		\$ 14,566,519																									

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	West Trunk Sanitary Sewer (42-99-12-06) - W of Campsite Rd to S Industrial Lands*	\$ 935,571																														
2	Pioneer Road Trunk Sewer (42-99-16-09)	\$ 1,757,852																					1	1	1	1	1	1	1	1	1	1
3	Pioneer Road Sanitary Sewer Extension (41-01-01-14)	\$ 1,514,802																					1	1	1	1	1	1	1	1	1	1
4	Pioneer Trunk Sewer Extension DP138	\$ 3,899,849																					1	1	1	1	1	1	1	1	1	1
5	Campsite West Trunk Sanitary Sewer (42-99-09)	\$ (8,480)																														
6	Boundary Trunk Sewer	\$ 4,990,495																														
7	Pioneer Trunk Sewer Extension (McLeod to CNR)	\$ 1,476,430																					1	1	1	1	1	1	1	1	1	1
		\$ 14,566,519																														



## 4.7 Reserve Balance – Sanitary

On December 31, 2019, the balance of the City's sanitary reserve was \$(7,597,300.91), as shown in the table below. The amount takes into consideration expenditures up to the end of 2019.

2019 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

CIBC Borrowing Rate = 2.50%

HISA interest = 2.40%

### Sanitary Off-site 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	\$ -	\$ (6,293,642.10)
			\$ (6,293,642.10)
<b>Opening Balance</b>			<b>\$ (6,293,642.10)</b>
<b>2017</b>			\$ (6,293,642.10)
Interest on Opening Balance		\$ 170,557.70	\$ (6,464,199.80)
Project Expenditures (OSL Share)		\$ 756,872.34	\$ (7,221,072.14)
Offsite Levy Receipts	\$ 278,601.18		\$ (6,942,470.96)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ -		\$ (6,942,470.96)
Debenture Interest Accrued This Year		\$ -	\$ (6,942,470.96)
Interest on Project Expenditure		\$ 5,127.81	\$ (6,947,598.77)
Interest on Offsite Levy Receipts	\$ 11,840.55		\$ (6,935,758.22)
Bylaw (if any)	\$ -		\$ (6,935,758.22)
Interest on Debenture Interest		\$ -	\$ (6,935,758.22)
<b>2018</b>			\$ (6,935,758.22)
Interest on Opening Balance		\$ 187,959.05	\$ (7,123,717.27)
Project Expenditures (OSL Share)		\$ 349,487.46	\$ (7,473,204.73)
Offsite Levy Receipts	\$ 35,785.00		\$ (7,437,419.73)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ -		\$ (7,437,419.73)
Debenture Interest Accrued This Year		\$ -	\$ (7,437,419.73)
Interest on Project Expenditure		\$ 2,367.78	\$ (7,439,787.51)
Interest on Offsite Levy Receipts	\$ 1,520.86		\$ (7,438,266.64)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ -		\$ (7,438,266.64)
Interest on Debenture Interest		\$ -	\$ (7,438,266.64)

<b>2019</b>			\$ (7,438,266.64)
Interest on Opening Balance		\$ 187,515.25	\$ (7,625,781.89)
Project Expenditures (OSL Share)		\$ 456,180.08	\$ (8,081,961.97)
Offsite Levy Receipts	\$ -		\$ (8,081,961.97)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ 481,730.00		\$ (7,600,231.97)
Debenture Interest Accrued This Year		\$ -	\$ (7,600,231.97)
Interest on Project Expenditure		\$ 2,849.70	\$ (7,603,081.67)
Interest on Offsite Levy Receipts	\$ -		\$ (7,603,081.67)
Interest Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ 5,780.76		\$ (7,597,300.91)
Interest on Debenture Interest		\$ -	\$ (7,597,300.91)

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 OFF-SITE INFRASTRUCTURE

### 5.1 Transportation Off-site Infrastructure Costs

In order to support future growth in the City, transportation off-site infrastructure is required. The model contains 51 transportation off-site 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 **\$125,176,857 million** as outlined in the table below:

Summary of Transportation Off-site 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	\$ 10,766,718	\$ 1,539,252	\$ -	\$ 12,305,970
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	\$ 2,401,347	\$ 343,084	\$ -	\$ 2,744,431
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	\$ 1,079,755	\$ 158,479	\$ 4,560,294	\$ 5,798,529
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

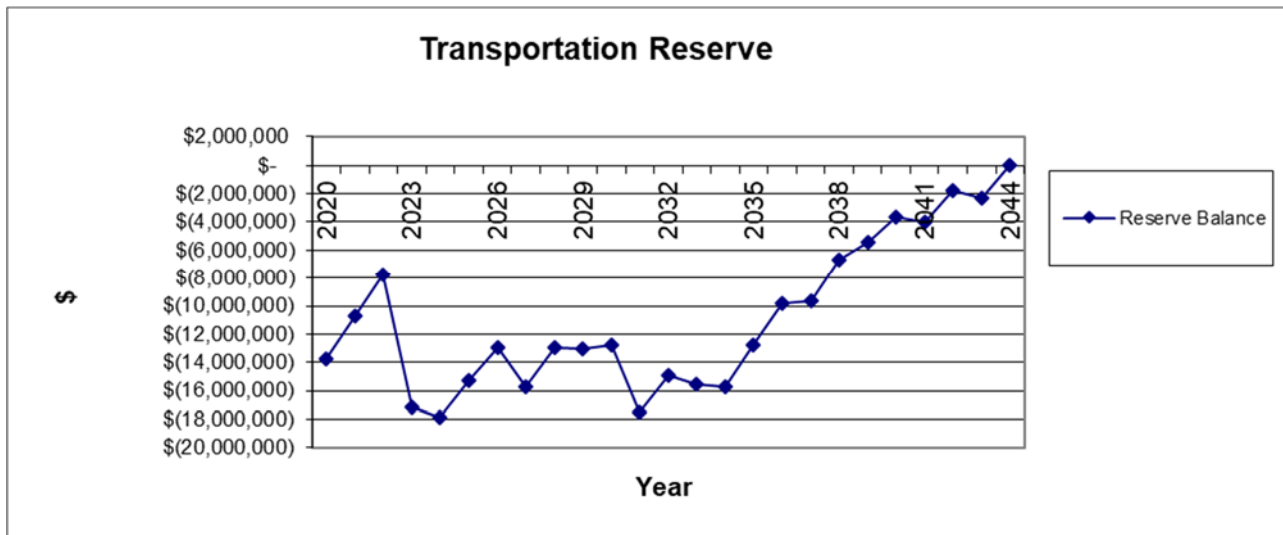
Item	Project Description	Cost of Completed Work	Debt Interest	Estimated Cost of Work Yet to be Completed	Total Project Estimated Cost
26	Pioneer Road 4LAUD - 400m south of Hwy 16A	\$ -	\$ -	\$ 1,484,000	\$ 1,484,000
27	Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr	\$ -	\$ -	\$ 5,124,000	\$ 5,124,000
28	Century Road 2LAUD - 2400m Hwy 16A to south boundary	\$ -	\$ -	\$ 4,485,000	\$ 4,485,000
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	\$ -	\$ -	\$ 3,120,000	\$ 3,120,000
31	Grove Drive West 2LAUD - 600m to Boundary Rd	\$ 2,078,348	\$ 297,177	\$ -	\$ 2,375,526
32	Grove Drive West 4LAUD - 1400m to Boundary Rd	\$ -	\$ -	\$ 2,210,000	\$ 2,210,000
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	\$ -	\$ -	\$ 3,900,000	\$ 3,900,000
35	Golden Spike Road 2LAUD - 1400m to south boundary	\$ -	\$ -	\$ 4,400,000	\$ 4,400,000
36	Golden Spike Road 4LAUD - 1400m to south boundary	\$ -	\$ -	\$ 5,124,000	\$ 5,124,000
37	Boundary Road 2LAUD - 1200m to Hwy 16A	\$ 18,576	\$ 2,726	\$ 10,895,570	\$ 10,916,872
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	\$ 232,366	\$ 34,105	\$ -	\$ 266,472
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	\$ 684,270	\$ 100,433	\$ -	\$ 784,703
49	Pioneer Road Top Lift Asphalt	\$ -	\$ -	\$ 1,602,000	\$ 1,602,000
50	Campsite Road Functional Plan	\$ -	\$ -	\$ 240,000	\$ 240,000
51	Century Road 2LAUD - Century Close to south boundary	\$ -	\$ -	\$ 4,299,000	\$ 4,299,000
		\$ 35,500,336	\$ 2,475,257	\$ 87,201,264	\$ 125,176,857

## 5.2 Transportation Off-site 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 off-site 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 off-site infrastructure construction, a 2.50% interest allowance has been charged to the reserve when it is forecast to be in negative balance. Further, a 2.40% 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 Off-site Infrastructure Benefitting Parties

The transportation off-site 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 following table outlines the allocation of transportation off-site levy infrastructure costs to benefitting parties.

## Allocation of Transportation Off-site 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	\$ 12,305,970			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	\$ 2,744,431			0.0%	100.0%
19	Tamarack Drive 2LAUD - 200m from Golden Spike Rd east	\$ 732,000			40.0%	60.0%
20	Tamarack Drive 2LAUD - 1400m from existing to Century Rd	\$ 5,124,000			40.0%	60.0%
21	Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd	\$ 5,798,529			88.0%	12.0%
22	Tamarack Drive 2LAUD - 90m from Golden Spike Rd west	\$ 329,400			24.0%	76.0%
23	Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd	\$ 5,490,000			24.0%	76.0%
24	Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd	\$ 5,856,000			64.0%	36.0%
25	Pioneer Road 2LAUD - 400m south of Hwy 16A	\$ 1,464,000			80.0%	20.0%
26	Pioneer Road 4LAUD - 400m south of Hwy 16A	\$ 1,464,000			96.0%	4.0%
27	Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr	\$ 5,124,000			48.0%	52.0%
28	Century Road 2LAUD - 2400m Hwy 16A to south boundary	\$ 4,485,000			40.0%	60.0%
29	Century Road 4LAUD - 2400m Hwy 16A to south boundary	\$ 8,784,000			88.0%	12.0%
30	Grove Drive East 4LAUD - 1000m to Pioneer Rd	\$ 3,120,000			12.0%	88.0%
31	Grove Drive West 2LAUD - 600m to Boundary Rd	\$ 2,375,526			0.0%	100.0%
32	Grove Drive West 4LAUD - 1400m to Boundary Rd	\$ 2,210,000			72.0%	28.0%
33	Campsite Road 2LAUD - 1300m from CN to south boundary	\$ 4,758,000			52.0%	48.0%
34	Campsite Road 4LAUD - 1300m from CN to south boundary	\$ 3,900,000			96.0%	4.0%
35	Golden Spike Road 2LAUD - 1400m to south boundary	\$ 4,400,000			32.0%	68.0%
36	Golden Spike Road 4LAUD - 1400m to south boundary	\$ 5,124,000			80.0%	20.0%
37	Boundary Road 2LAUD - 1200m to Hwy16A	\$ 10,916,872			8.0%	92.0%
38	Traffic Signals - Boundary @ McLeod	\$ 360,000			88.0%	12.0%
39	Traffic Signals - Hwy 16A - between Boundary & Campsite	\$ 360,000			8.0%	92.0%
40	Traffic Signals - Campsite - between Grove Dr & Hwy 16	\$ 266,472			12.0%	88.0%
41	Traffic Signals - Campsite @ Diamond	\$ 360,000			44.0%	56.0%
42	Traffic Signals - Campsite @ Tamarack	\$ 360,000			48.0%	52.0%
43	Traffic Signals - Golden Spike @ Diamond	\$ 360,000			20.0%	80.0%
44	Traffic Signals - Golden Spike @ Tamarack	\$ 360,000			44.0%	56.0%
45	Traffic Signals - Century @ Diamond	\$ 360,000			24.0%	76.0%
46	Traffic Signals - Century @ Tamarack	\$ 360,000			92.0%	8.0%
47	Traffic Signals - Grove Dr @ Greenbury Blvd	\$ 360,000			12.0%	88.0%
48	Arterial Toplift Asphalt	\$ 784,703			0.0%	100.0%
49	Pioneer Road Top Lift Asphalt	\$ 1,602,000			12.0%	88.0%
50	Campsite Road Functional Plan	\$ 240,000			12.0%	88.0%
51	Century Road 2LAUD - Century Close to south boundary	\$ 4,299,000			40.0%	60.0%
		<b>\$ 125,024,896</b>				

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 2 of this model, will have 23 years'



worth of its costs included in the current rates (92 %) and the final 3 years of costs (8 %) 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 off-site levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City collected **\$18.90 million** in off-site levies prior to December 31, 2016 (the cut-off date established for bylaw C-1044-18). These levies have been allocated to the projects for which they were collected.

For the period of January 1, 2017 to December 31, 2019, the City collected approximately **\$2.46 million**, summarized in the table below. This results in a residual developer cost of **\$58.61 million**.

Transportation Off-site Levy Funds Collected to Date

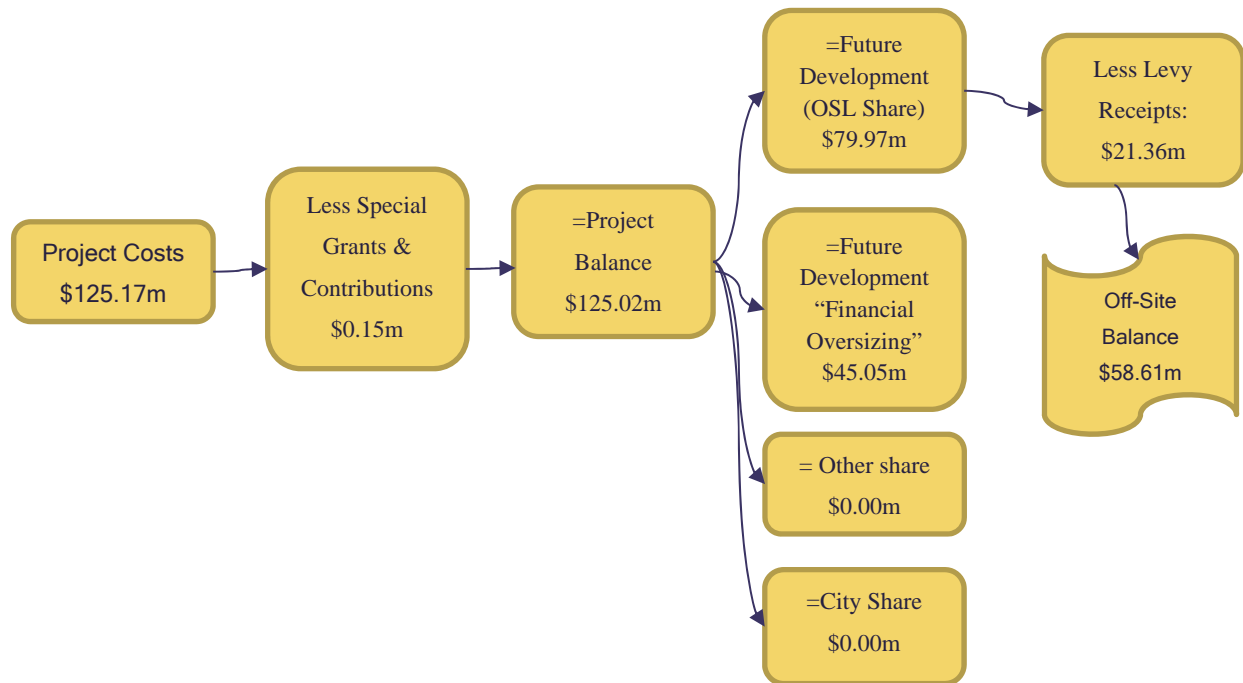
Item	Project Description	OSL / Developer Cost	Offsite Levy Funds Collected to Dec 31, 2016	Offsite Levy Funds Collected Starting Jan 1, 2017	Adjusted Developer (Levy) Cost
1	Campsite Road Twinning	\$ 137,529	\$ 137,529	\$ -	\$ -
2	Grove Drive - Century Road to Greystone	\$ 56,771	\$ 56,771	\$ -	\$ -
3	Traffic Signals - Campsite Road and McLeod Ave	\$ 203,441	\$ 203,441	\$ -	\$ -
4	Traffic Signals - Campsite Road and Grove Drive	\$ 104,884	\$ 104,884	\$ -	\$ -
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	\$ 12,305,970	\$ -	\$ 556,292	\$ 11,749,677
16	South Industrial Arterial - Tamarack Drive	\$ 760,710	\$ -	\$ 37,625	\$ 723,085
17	Traffic Signals - Grove Drive and Deer Park	\$ 261,976	\$ 137,529	\$ 6,155	\$ 118,292
18	Widening Jennifer Heil Road/Campsite Rd from McLeod Ave to south of the CN rail	\$ 2,744,431	\$ 1,696,507	\$ 42,432	\$ 1,005,491
19	Tamarack Drive 2LAUD - 200m from Golden Spike Rd east	\$ 439,200	\$ -	\$ 20,275	\$ 418,925
20	Tamarack Drive 2LAUD - 1400m from existing to Century Rd	\$ 3,074,400	\$ -	\$ 141,923	\$ 2,932,477
21	Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Century Rd	\$ 695,823	\$ -	\$ 23,171	\$ 672,652
22	Tamarack Drive 2LAUD - 90m from Golden Spike Rd west	\$ 250,344	\$ -	\$ 11,730	\$ 238,614
23	Tamarack Drive 2LAUD - 1500m from existing to Campsite Rd	\$ 4,172,400	\$ -	\$ 195,506	\$ 3,976,894

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
24	Tamarack Drive 4LAUD - 1600m from Golden Spike Rd to Campsite Rd	\$ 2,108,160	\$ -	\$ 92,684	\$ 2,015,476
25	Pioneer Road 2LAUD - 400m south of Hwy 16A	\$ 292,800	\$ -	\$ 11,586	\$ 281,214
26	Pioneer Road 4LAUD - 400m south of Hwy 16A	\$ 58,560	\$ -	\$ -	\$ 58,560
27	Pioneer Road 4LAUD - 1400m Hwy 16A to Grove Dr	\$ 2,664,480	\$ -	\$ 121,648	\$ 2,542,832
28	Century Road 2LAUD - 2400m Hwy 16A to south boundary	\$ 2,691,000	\$ -	\$ 243,296	\$ 2,447,704
29	Century Road 4LAUD - 2400m Hwy 16A to south boundary	\$ 1,054,080	\$ -	\$ 34,757	\$ 1,019,323
30	Grove Drive East 4LAUD - 1000m to Pioneer Rd	\$ 2,745,600	\$ -	\$ 152,060	\$ 2,593,540
31	Grove Drive West 2LAUD - 600m to Boundary Rd	\$ 2,375,528	\$ -	\$ 98,803	\$ 2,276,723
32	Grove Drive West 4LAUD - 1400m to Boundary Rd	\$ 618,800	\$ -	\$ 60,824	\$ 557,976
33	Campsite Road 2LAUD - 1300m from CN to south boundary	\$ 2,283,840	\$ -	\$ 103,546	\$ 2,180,294
34	Campsite Road 4LAUD - 1300m from CN to south boundary	\$ 156,000	\$ -	\$ -	\$ 156,000
35	Golden Spike Road 2LAUD - 1400m to south boundary	\$ 2,992,000	\$ -	\$ 162,197	\$ 2,829,803
36	Golden Spike Road 4LAUD - 1400m to south boundary	\$ 1,024,800	\$ -	\$ 40,549	\$ 984,251
37	Boundary Road 2LAUD - 1200m to Hwy 16A	\$ 10,043,522	\$ -	\$ 197,698	\$ 9,845,824
38	Traffic Signals - Boundary @ McLeod	\$ 43,200	\$ -	\$ 1,424	\$ 41,776
39	Traffic Signals - Hwy 16A - between Boundary & Campsite	\$ 331,200	\$ -	\$ 15,669	\$ 315,531
40	Traffic Signals - Campsite - between Grove Dr & Hwy 16	\$ 234,495	\$ -	\$ 15,185	\$ 219,310
41	Traffic Signals - Campsite @ Diamond	\$ 201,600	\$ -	\$ 9,259	\$ 192,341
42	Traffic Signals - Campsite @ Tamarack	\$ 187,200	\$ -	\$ 8,547	\$ 178,653
43	Traffic Signals - Golden Spike @ Diamond	\$ 288,000	\$ -	\$ 13,532	\$ 274,468
44	Traffic Signals - Golden Spike @ Tamarack	\$ 201,600	\$ -	\$ 9,259	\$ 192,341
45	Traffic Signals - Century @ Diamond	\$ 273,600	\$ -	\$ 12,820	\$ 260,780
46	Traffic Signals - Century @ Tamarack	\$ 28,800	\$ -	\$ 712	\$ 28,088
47	Traffic Signals - Grove Dr @ Greenbury Blvd	\$ 316,800	\$ -	\$ 14,957	\$ 301,843
48	Arterial Toplift Asphalt	\$ 784,703	\$ -	\$ 1,560	\$ 783,143
49	Pioneer Road Top Lift Asphalt	\$ 1,409,760	\$ -	\$ -	\$ 1,409,760
50	Campsite Road Functional Plan	\$ 211,200	\$ -	\$ -	\$ 211,200
51	Century Road 2LAUD - Century Close to south boundary	\$ 2,579,400	\$ -	\$ -	\$ 2,579,400
		<b>\$ 79,970,288</b>	<b>\$ 18,898,345</b>	<b>\$ 2,457,681</b>	<b>\$ 58,614,262</b>

## 5.5 Summary of Off-site Levy Cost – Transportation

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately **\$58.61 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in section 5.3. The off-site levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

### Total Transportation Off-site Levy Costs



## 5.6 Benefitting Areas – Transportation

Net developer costs for each development have been allocated to multiple benefitting off-site 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 Transportation Off-site 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 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
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
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
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
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
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
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
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
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
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
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
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
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
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
15	Pioneer Rd - Grove Dr to Highway 16A with roundabout at McLeod Ave and Grove Dr	\$ 11,749,677	1	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	\$ 723,085	1	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	\$ 118,292	1	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	\$ 1,005,491	1	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	\$ 418,925	1	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	\$ 2,932,477	1	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	\$ 672,652	1	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	\$ 238,614	1	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	\$ 3,976,894	1	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	\$ 2,015,476	1	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	\$ 281,214	1	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	\$ 58,560	1	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	\$ 2,542,832	1	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	\$ 2,447,704	1	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	\$ 1,019,323	1	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	\$ 2,593,540	1	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	\$ 2,276,723	1	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	\$ 557,976	1	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	\$ 2,180,294	1	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	\$ 156,000	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
35	Golden Spike Road 2LAUD - 1400m to south boundary	\$ 2,829,803	1	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	\$ 984,251	1	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	\$ 9,845,824	1	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	\$ 41,776	1	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	\$ 315,531	1	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	\$ 219,310	1	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	\$ 192,341	1	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	\$ 178,653	1	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	\$ 274,468	1	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	\$ 192,341	1	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	\$ 260,780	1	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	\$ 28,088	1	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	\$ 301,843	1	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	\$ 783,143	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
49	Pioneer Road Top Lift Asphalt	\$ 1,409,760	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
50	Campsite Road Functional Plan	\$ 211,200	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
51	Century Road 2LAUD - Century Close to south boundary	\$ 2,579,400	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
		\$ 58,614,262																									

[illegible]

## 5.7 Reserve Balance – Transportation

On December 31, 2019, the balance of the City's transportation reserve was **\$(13,771,602.05)**, as shown in the table below. The amount takes into consideration expenditures up to the end of 2019.

2019 interest impacts on the reserve were captured in alignment with the interest earning and charging rates in effect at that time:

CIBC Borrowing Rate = 2.50%

HISA interest = 2.40%

### Transportation Off-site 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)
<b>Opening Balance</b>			<b>\$ (3,943,164.11)</b>
<b>2017</b>			<b>\$ (3,943,164.11)</b>
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)
<b>2018</b>			<b>\$ (6,060,667.35)</b>
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)
<b>2019</b>			<b>\$ (10,550,458.69)</b>
Interest on Opening Balance		\$ 84,957.10	\$ (10,635,415.79)
Project Expenditures (OSL Share)		\$ 3,185,850.06	\$ (13,821,265.85)
Offsite Levy Receipts	\$ 68,740.52		\$ (13,752,525.33)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ -		\$ (13,752,525.33)
Debenture Interest Accrued This Year		\$ -	\$ (13,752,525.33)
Interest on Project Expenditure		\$ 19,901.61	\$ (13,772,426.94)
Interest on Offsite Levy Receipts	\$ 824.89		\$ (13,771,602.05)
Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any)	\$ -		\$ (13,771,602.05)
Interest on Debenture Interest		\$ -	<b>\$ (13,771,602.05)</b>

#### 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 OFF-SITE LEVY RATES

The table below shows the combined off-site levy rates (per hectare) associated with construction of transportation, water, and sanitary off-site infrastructure for each off-site levy area. Cumulative rates vary from a low of \$64,189 per hectare (Areas 6 and 7) to a high of \$92,988 per hectare (Areas 10 and 11). The weighted average rate total of all areas is \$80,281 per hectare. This is down from the \$88,730 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 Off-site Levies by Area

Area #	Transportation Levies	Water Levies	Sanitary Levies	Total
1.0	\$ 63,001	\$ 1,187	\$ -	\$ 64,189
2.0	\$ 63,001	\$ 1,187	\$ 21,657	\$ 85,846
3.0	\$ 63,001	\$ 1,187	\$ 21,657	\$ 85,846
4.0	\$ 63,001	\$ 1,187	\$ 3,509	\$ 67,697
5.0	\$ 63,001	\$ 1,187	\$ 3,548	\$ 67,736
6.0	\$ 63,001	\$ 1,187	\$ -	\$ 64,189
7.0	\$ 63,001	\$ 1,187	\$ -	\$ 64,189
8.0	\$ 63,001	\$ 2,987	\$ -	\$ 65,989
9.0	\$ 63,001	\$ 1,187	\$ -	\$ 64,189
10.0	\$ 63,001	\$ 2,987	\$ 26,999	\$ 92,988
11.0	\$ 63,001	\$ 2,987	\$ 26,999	\$ 92,988

Off-site Levies Variance by Area

	Transportation Levies (/Net Ha.)	Water Levies (/Net Ha.)	Sanitary Levies (/Net Ha.)	Total (/Net Ha.)
High	\$ 63,001	\$ 2,987	\$ 26,999	\$ 92,988
Low	\$ 63,001	\$ 1,187	\$ -	\$ 64,189
Weighted Average	\$ 63,001	\$ 1,807	\$ 15,472	\$ 80,281

## **THE CITY OF SPRUCE GROVE**

### **BYLAW C-1078-19**

#### **OFF-SITE LEVY BYLAW**

WHEREAS, pursuant to the *Municipal Government Act*, RSA, 2000, cM-26, Section 648 of the *Municipal Government Act* allows Council to pass a bylaw for the imposition and payment of off-site levies in respect of land that is to be developed or subdivided;

AND WHEREAS, Council deems it necessary and expedient to collect Off-Site Levies to pay for the capital cost of infrastructure required to service the Growth of the City;

AND WHEREAS, the City has engaged in consultation with landowners and representatives of the development industry to address and define existing and future infrastructure required for Growth of the City and the allocation of the capital costs of such infrastructure;

AND WHEREAS, Council has received the City of Spruce Grove Off-Site Levy Annual Report, 2019, which sets out a fair and equitable calculation of Off-Site Levies in accordance with the *Municipal Government Act* and the Off-Site Levies Regulation;

AND WHEREAS, Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act*;

AND WHEREAS, the City of Spruce Grove wishes to repeal Bylaw C-1040-18, the Offsite Levy Bylaw for the City of Spruce Grove;

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

#### **1. BYLAW TITLE**

1.1 This bylaw is called "Off-Site Levy Bylaw".

#### **2. DEFINITIONS**

2.1 "Bylaw" means this Off-Site Bylaw.

2.2 "Chief Administrative Officer" means the Administrative Head of the City of

Spruce Grove as set out in the City Manager's Bylaw C-1075-19, as amended from time to time.

- 2.3 "City" means the municipal corporation of the City of Spruce Grove, in the Province of Alberta.
- 2.4 "Council" means the Council of the City elected pursuant to the *Local Authorities Election Act*.
- 2.5 "Developable Land" means all land within the Development Area;
- a. upon which Development takes place after the date of enactment of this Bylaw; or
  - b. for which Subdivision approval is obtained after the date of enactment of this Bylaw;
- but excludes:
- c. all Developed Land; and
  - d. all land designated as:
    - (i) Environmental Reserve;
    - (ii) School Reserve;
    - (iii) Municipal Reserve; or
    - (iv) Arterial Road Right of Way.
- 2.6 "Developed Land" means land that has been subject to Development or a Subdivision prior to the date this Bylaw comes into force, and in respect of which Off-Site Levies for the same category of infrastructure have been imposed and collected.
- 2.7 "Development" means "development" as defined in the *Municipal Government Act*.
- 2.8 "Development Agreement" means "development agreement" as referred to in ss. 650 and 655 of the *Municipal Government Act*.
- 2.9 "Development Area" includes the area of land within the municipal boundaries of the City identified in Schedule "A" to this Bylaw.
- 2.10 "Growth" means;

- a. the creation of new Lots through Subdivision; and
- b. the occurrence of Development.

2.11 “Lot” means “lot” as defined in the *Municipal Government Act*.

2.12 “*Municipal Government Act*” means the *Municipal Government Act*, RSA 2000, cM 26, as amended or repealed and replaced from time to time.

2.13 “Off-Site Infrastructure” means those components and projects referred to in the Report, in relation to water facilities, sanitary sewer facilities and roads and related transportation infrastructure to be paid for in whole or in part by Off-Site Levies under this Bylaw.

2.14 “Off-Site Levies” means the off-site levies imposed pursuant to this Bylaw;

2.15 “Off-Site Levies Regulation” means the Off-Site Levies Regulation, Alta. Reg. 187/2017, as amended or repealed and replaced from time to time.

2.16 “Report” means the City of Spruce Grove Off-Site Levy Annual Report, 2019, prepared by City of Spruce Grove Administration, attached as Schedule “B” to this Bylaw.

2.17 “Subdivision” means “subdivision” as defined in the *Municipal Government Act*.

### **3. OBJECT OF LEVY**

3.1 The object of the Off-Site Levies is to provide funds to pay for all or part of the capital costs of the Off-Site Infrastructure required for Growth, as determined in the Report.

### **4. OPERATIVE CLAUSE(S)**

4.1 The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report attached as Schedule ‘B’ and hereby made part of this Bylaw.

4.2 The amount of the Off-Site Levies imposed is as calculated in the Report.

4.3 The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.

4.4 Subject to this Bylaw, the obligation to pay the Off-Site Levies shall be a condition imposed on the Development Permit for Development of Developable Land and the Subdivision Approval for Subdivision of

Developable Land to enter into a Development Agreement which provides for payment of the Off-Site Levies.

- 4.5 Unless otherwise agreed to in the Development Agreement, payment of the Off-Site Levies imposed under this Bylaw is due:
- a. in the case of Subdivision, at or prior to endorsement of the subdivision plan; and
  - b. in the case of Development, at or prior to execution of the Development Agreement.

**5. AUTHORITY OF THE GENERAL MANAGER OF PLANNING AND INFRASTRUCTURE**

- 5.1 The General Manager of Planning and Infrastructure is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
- a. enter into Development Agreements on behalf of the City with respect to, among other things, the collection of Off-Site Levies;
  - b. defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and
  - c. delegate the authority to enforce and administer this Bylaw to another employee of the City.

**6. DEVELOPMENT AGREEMENT**

- 6.1 Council may, from time to time adopt policies or guidelines for the assistance and direction of the Chief Administrative Officer in determining which Development and Subdivision applications require a Development Agreement.
- 6.2 Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the owner, as the case may be, shall enter into a Development Agreement with the City that provides for the payment of Off-Site Levies in accordance with this Bylaw or that provides for the deferred payment of Off-Site Levies, in which case the Development Agreement shall require security for the payment of the deferred Off-Site Levies.

**7. ANNUAL REPORT**

- 7.1 On or before December 31 in each calendar year, the Chief Administrative Officer shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:
- a. Off-Site Infrastructure constructed during the previous calendar year;
  - b. construction costs of Off-Site Infrastructure constructed in the previous calendar year;
  - c. estimated construction costs for Off-Site Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;
  - d. amount collected in Off-Site Levies; and
  - e. Specifics of total value of Off-Site Levies being held by City and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies.

**8. ACCOUNTING**

- 8.1 All funds collected pursuant to this Bylaw shall be accounted for in a special fund for each category of infrastructure and expended only as permitted under the *Municipal Government Act*.

**9. REVIEW**

- 9.1 The City shall review the rates for Off-Site Levies annually and, if required, shall amend this Bylaw accordingly to update the rates for Off-Site Levies.

**10. GENERAL**

- 10.1 Nothing in this Bylaw precludes the City from:
- a. Imposing further or different levies, duly enacted by bylaw, on any portion of the Developable Lands in respect of which the City has not collected Off-Site Levies for that category of Off-Site Infrastructure;
  - b. deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for the payment of such deferred Off-Site Levies; or
  - c. reducing or forgiving payment of the Off-Site Levies required pursuant to this Bylaw, or otherwise providing for credits for other



Off-Site Infrastructure or oversize infrastructure constructed by a developer in calculating and/or collecting the Off-Site Levies that become payable pursuant to this Bylaw.

- 10.2 In the event that any provision of this Bylaw is declared invalid or void by any Court having competent jurisdiction, then such invalid or void provision shall be severed from the Bylaw and the remaining provisions of the Bylaw shall be maintained and deemed valid.

## **11. TRANSITION**

- 11.1 This Bylaw applies to:

- a. any Subdivision where the date of subdivision approval occurs on or after the date this Bylaw comes into force; and
- b. any Development where the date of issuance of a development permit occurs on or after the date this Bylaw comes into force.

- 11.2 Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.

- 11.3 Any Off-Site Levies payable under a Development Agreement entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of the previous Off-Site Levy bylaw.

## **12. EFFECTIVE DATE**

- 12.1 This Bylaw shall come into force and effect when it receives third reading and is duly signed.

## **13. REPEAL OF BYLAW C-1040-18**

- 13.1 Bylaw C-1040-18 and all amendments thereto are hereby repealed.

First Reading Carried 24 June 2019

Second Reading Carried 12 August 2019

Third Reading Carried 12 August 2019

Date Signed 04 September 2019

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

## **THE CITY OF SPRUCE GROVE**

### **BYLAW ~~C-1078-19C-~~1117-20**

#### **OFF-SITE LEVY BYLAW**

WHEREAS, pursuant to section 648 of the *Municipal Government Act*, RSA, 2000, cM-26, and amendments thereto, ~~Section 648 of the *Municipal Government Act* allows a~~ council ~~to~~may pass a bylaw for the imposition and payment of off-site levies in respect of land that is to be developed or subdivided;

AND WHEREAS, Council deems it necessary and expedient to collect Off-Site Levies to pay for the capital cost of infrastructure required to service the Growth of the City;

AND WHEREAS, ~~T~~the City has engaged in consultation with landowners and representatives of the development industry to address and define existing and future infrastructure required for Growth of the City and the allocation of the capital costs of such infrastructure;

AND WHEREAS, Council has received the City of Spruce Grove Off-Site Levy Annual Report, 2020, which sets out a fair and equitable calculation of Off-Site Levies in accordance with the *Municipal Government Act* and the Off-Site Levies Regulation;

AND WHEREAS, Council has advertised its intention to consider the enactment of this Bylaw pursuant to the requirements of the *Municipal Government Act*;

~~AND WHEREAS, the City of Spruce Grove wishes to repeal Bylaw C-1078-19, the Off-site Levy Bylaw for the City of Spruce Grove;~~

NOW THEREFORE, the Council for the City of Spruce Grove, duly assembled hereby enacts as follows:

#### **1. BYLAW TITLE**

1.1 This bylaw is called "Off-Site Levy Bylaw".

#### **2. DEFINITIONS**

2.1 "Act" means the *Municipal Government Act*, RSA 2000 cM-26 and amendments thereto.

~~“Municipal Government Act” means the Municipal Government Act, RSA 2000, cM 26, as amended or repealed and replaced from time to time.~~

2.2 “Bylaw” means this Off-Site Bylaw.

2.3 “City Manager” means the administrative head of the City of Spruce Grove.

~~“Chief Administrative Officer” means the Administrative Head of the City of Spruce Grove as set out in the City Manager’s Bylaw C-1075-19, as amended from time to time.~~

2.4 “City” means the municipal corporation of the City of Spruce Grove in the Province of Alberta.

2.5 “Council” means the Council of the City elected pursuant to the *Local Authorities Election Act*, RSA 2000 cL-21, and amendments thereto.

2.6 “Developable Land” means all land within the Development Area;

- a. upon which Development takes place after the date of enactment of this Bylaw; or
- b. for which Subdivision approval is obtained after the date of enactment of this Bylaw;

but excludes:

- a. all Developed Land; and
  - b. all land designated as:
    - (i) Environmental Reserve;
    - (ii) School Reserve;
    - (iii) Municipal Reserve; or
    - (iv) arterial road right of way.
- 2.7 “Developed Land” means land that has been subject to Development or a Subdivision prior to the date this Bylaw comes into force, and in respect of which Off-Site Levies for the same category of infrastructure have been imposed and collected.
- 2.8 “Development” means “development” as defined in section 616(b) of Act.

~~the Municipal Government Act.~~

- 2.9 “Development Agreement” means “development agreement” as referred to in ss. 650 and 655 of the ~~Act. Municipal Government Act.~~
- 2.10 “Development Area” includes the area of land within the municipal boundaries of the City identified in Schedule “A” to this Bylaw.
- 2.11 “Growth” means;
- a. the creation of new Lots through Subdivision; and
  - b. the occurrence of Development.
- 2.12 “Lot” means “lot” as defined in section 616(m) of the Act. Municipal Government Act.
- 2.13 “Off-Site Infrastructure” means those components and projects referred to in the Report, in relation to water facilities, sanitary sewer facilities and roads and related transportation infrastructure to be paid for in whole or in part by Off-Site Levies under this Bylaw.
- 2.14 “Off-Site Levies” means the off-site levies imposed pursuant to this Bylaw.
- 2.15 “Off-Site Levies Regulation” means the Off-Site Levies Regulation, Alberta Regulation 187/2017, as amended or repealed and replaced from time to time.
- 2.16 “Report” means the City of Spruce Grove Off-Site Levy Annual Report, 2020, prepared by City of Spruce Grove Administration, attached as Schedule “B” to this Bylaw.
- 2.17 “Subdivision” means “subdivision” as defined in section 616(ee) the Act. Municipal Government Act.

**3. OBJECT OF LEVY**

- 3.1 The object of the Off-Site Levies is to provide funds to pay for all or part of the capital costs of the Off-Site Infrastructure required for Growth, as determined in the Report.

**4. OPERATIVE CLAUSES ESTABLISHMENT AND IMPOSITION OF OFF-SITE LEVIES**

- 4.1 The Off-Site Levies are hereby established and imposed in respect of all Developable Land on the basis set out in the Report attached as

Schedule 'B' and hereby made part of this Bylaw.

- 4.2 The amount of the Off-Site Levies imposed is as calculated in the Report.
- 4.3 The Off-Site Levies will be assessed on all Developable Land on a per hectare basis.
- 4.4 Subject to this Bylaw, the obligation to pay the Off-Site Levies shall be a condition imposed on the Development Permit for Development of Developable Land and the Subdivision approval for Subdivision of Developable Land to enter into a Development Agreement which provides for payment of the Off-Site Levies.
- 4.5 Unless otherwise agreed to in the Development Agreement, payment of the Off-Site Levies imposed under this Bylaw is due:
  - a. in the case of Subdivision, at or prior to endorsement of the Subdivision plan; and
  - b. in the case of Development, at or prior to execution of the Development Agreement.

## 5. **AUTHORITY OF THE GENERAL MANAGER OF PLANNING AND INFRASTRUCTURE**

- 5.1 The General Manager of Planning and Infrastructure is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:
  - a. enter into Development Agreements on behalf of the City with respect to, among other things, the collection of Off-Site Levies;
  - b. defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and
  - c. delegate the authority to enforce and administer this Bylaw to another employee of the City.

## 6. **DEVELOPMENT AGREEMENT**

- 6.1 Council may, from time to time adopt policies or guidelines for the assistance and direction of the ~~City Manager Chief Administrative Officer~~ in determining which Development and Subdivision applications require a Development Agreement.



- 6.2 Where it is determined that a Development Agreement is appropriate for any application for Development or Subdivision, the developer or the owner, as the case may be, shall enter into a Development Agreement with the City that provides for the payment of Off-Site Levies in accordance with this Bylaw or that provides for the deferred payment of Off-Site Levies, in which case the Development Agreement shall require security for the payment of the deferred Off-Site Levies.

## **7. ANNUAL REPORT**

- 7.1 On or before December 31 in each calendar year, the City Manager ~~Chief Administrative Officer~~ shall provide an annual report to Council regarding the Off-Site Levies imposed under this Bylaw, including:
- a. Off-Site Infrastructure constructed during the previous calendar year;
  - b. construction costs of Off-Site Infrastructure constructed in the previous calendar year;
  - c. estimated construction costs for Off-Site Infrastructure yet to be constructed and an explanation as to any adjustments to the estimates since the previous annual report;
  - d. amount collected in Off-Site Levies; and
  - e. specifics of total value of Off-Site Levies being held by City and yet to be expended on Off-Site Infrastructure, interest earned and commitments for future expenditures of such monies.

## **8. ACCOUNTING**

- 8.1 All funds collected pursuant to this Bylaw shall be accounted for in a special fund for each category of infrastructure and expended only as permitted under the Act. Municipal Government Act.

## **9. REVIEW**

- 9.1 The City shall review the rates for Off-Site Levies annually and, if required, shall amend this Bylaw accordingly to update the rates for Off-Site Levies.

## **10. GENERAL**

10.1 Nothing in this Bylaw precludes the City from:

- a. imposing further or different levies, duly enacted by bylaw, on any portion of the Developable Lands in respect of which the City has not collected Off-Site Levies for that category of Off-Site Infrastructure;
- b. deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for the payment of such deferred Off-Site Levies; or
- c. reducing or forgiving payment of the Off-Site Levies required pursuant to this Bylaw, or otherwise providing for credits for other Off-Site Infrastructure or oversize infrastructure constructed by a developer in calculating and/or collecting the Off-Site Levies that become payable pursuant to this Bylaw.

~~10.2 In the event that any provision of this Bylaw is declared invalid or void by any Court having competent jurisdiction, then such invalid or void provision shall be severed from the Bylaw and the remaining provisions of the Bylaw shall be maintained and deemed valid.~~

**11. TRANSITION**

11.1 This Bylaw applies to:

- a. any Subdivision where the date of ~~s~~Subdivision approval occurs on or after the date this Bylaw comes into force; and
- b. any Development where the date of issuance of a development permit occurs on or after the date this Bylaw comes into force.

11.2 Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.

11.3 Any Off-Site Levies payable under a Development Agreement entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of the previous Off-Site Levy bylaw.

**12. SEVERABILITY**

12.1 Every provision of this bylaw is independent of all other provisions and if any provision is declared invalid by a Court, then the invalid provisions shall be severed and the remainder provisions shall remain valid and enforceable.

**13. EFFECTIVE DATE**

13.1 This Bylaw shall come into force and effect when it receives third reading and is duly signed.

**14. REPEAL OF BYLAW ~~C-1044-18~~ C-1078-19**

14.1 Bylaw ~~C-1044-18~~C-1078-19 is ~~and all amendments thereto are~~ hereby  
repealed.

First Reading Carried\_\_\_\_\_, 20\_\_\_\_

Second Reading Carried\_\_\_\_\_, 20\_\_\_\_.

Third Reading Carried\_\_\_\_\_, 20\_\_\_\_.

Date Signed\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk



## The City of **Spruce Grove**

### **Request for Decision**

**Business Items    Item #   11. a.**

#### **Regular Council Meeting Agenda**

**Meeting Date:** 04/27/2020

**Title:** 2019 Audited Financial Statements - Frostad

**Department:** Corporate Services

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#### **Request for Decision Summary**

This request for decision seeks approval of the 2019 audited consolidated financial statements as prepared by administration and audited by KPMG LLP.

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#### **Proposed Motion**

That the audited consolidated financial statements of the City of Spruce Grove for the year ended December 31, 2019 be approved as presented.
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#### **Background/Analysis**

The consolidated financial statements have been prepared and are presented by administration, which is responsible for their accuracy, objectivity, and completeness. The consolidated financial statements represent the financial position of the City of Spruce Grove (City) at December 31, 2019, as well as the results of its financial operations, changes in net financial assets, and changes in financial position for the year.

KPMG LLP, the City's independent auditor, has audited the consolidated financial statements and expressed an unqualified opinion on the financial statements as presented. KPMG will be presenting to council an explanation of the Auditor's Report, the Audit Findings Report, and answer any questions about the financial statements at the April 27, 2020 council meeting.

Administration will provide council with an overview and answer questions about the financial statements.

#### **Options/Alternatives**

Should council have any matters they wish to discuss in confidence with the auditors prior to voting on the recommended motion, council can opt to pass the following motion to go into closed session:

That Council go into Closed Session under section 24 (1), of the *Freedom of Information and Protection of Privacy Act*, respecting advice from officials.

**Consultation/Engagement**

N/A

**Implementation/Communication**

Typically, the Municipal Government Act requires the City to publish the financial statements and submit a copy to the Minister of Municipal Affairs no later than May 1, 2020. This date has been amended in 2020 to October 1 due to the Pandemic, however the City is prepared to proceed as originally required. A summary of these financial statements will be published in the Summer 2020 issue of City Pulse that is expected to be released in mid-May. In addition, a copy of these financial statements will be posted on the City's website.

**Impacts**

N/A

**Strategic Vision Element:**

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

**Related Goal:**

n/a

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**Attachments**

[2019 Audited Consolidated Financial Statements](#)

[2019 Audit Findings Report](#)

[Auditor Presentation](#)

[Management Discussion Analysis](#)

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Consolidated Financial Statements of

**The City of Spruce Grove**

For the Year Ended December 31, 2019



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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of Spruce Grove

### ***Opinion***

We have audited the consolidated financial statements of the City of Spruce Grove (the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**DRAFT**

Edmonton, Canada  
April 27, 2020

## MANAGEMENT'S REPORT

The consolidated financial statements of the City of Spruce Grove (the "City") are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements include amounts that are based on the best estimates and judgments of management. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

Management maintains systems of accounting and administrative controls to provide reasonable assurance that the transactions are appropriately authorized, accurately recorded, that assets are properly accounted for and safeguarded and that the consolidated financial statements reliably report the City's operating and financial results.

City Council has approved the information contained in the consolidated financial statements.

KPMG LLP, have been appointed by City Council to provide an independent audit opinion on the consolidated financial statements.

Louise Frostad, CPA, CMA

Chief Financial Officer

Simon Farbrother

City Manager

April 27, 2020

Spruce Grove, Canada

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

December 31, 2019  
(in thousands of dollars)

	2019	2018 (Note 25)
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 2)	\$ 8,539	\$ 4,077
Accounts Receivable (Note 3)	17,099	30,157
Investments (Note 4)	32,470	37,514
Land Held for Resale (Note 5)	1,746	1,746
	<b>59,854</b>	<b>73,494</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	13,769	16,942
Deferred Revenue (Note 7)	31,579	40,356
Liability for Contaminated Sites (Note 8)	1,300	4,180
Long-Term Debt (Note 9)	42,122	38,464
	<b>88,770</b>	<b>99,942</b>
<b>Net Debt</b>	<b>(28,916)</b>	<b>(26,448)</b>
<b>Non-Financial Assets</b>		
Inventory and Prepaid Expenses	1,082	1,097
Tangible Capital Assets (Note 11)	543,773	518,609
	<b>544,855</b>	<b>519,706</b>
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 515,939</b>	<b>\$ 493,258</b>

**Subsequent Event (Note 27)**

The accompanying notes are an integral part of these consolidated financial statements.



**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual (Note 25)
<b>Revenue</b>			
Property Taxes (Schedule 1)	\$ 40,448	\$ 40,372	\$ 37,961
Sales and User Fees	26,049	24,183	23,996
Sales to Other Governments	2,662	2,667	2,665
Franchise Fees	5,709	5,443	4,578
Fines	4,782	3,484	3,939
Government Transfers - Operating (Schedule 2)	3,263	3,440	3,530
Licenses and Permits	2,225	1,609	1,736
Rentals	2,112	2,311	2,091
Penalties	833	970	868
Other	908	1,592	1,197
Investment Income	222	506	115
Local Improvement Levies	-	-	6
	<b>89,213</b>	<b>86,577</b>	<b>82,682</b>
<b>Expenses (Schedule 3)</b>			
General Government	13,995	11,644	12,972
Protective Services	18,157	17,981	16,031
Transportation and Roadway Services	30,692	29,268	28,237
Utilities	21,310	18,896	17,664
Community Services	13,959	13,623	14,404
Development Services	3,540	3,199	3,558
	<b>101,653</b>	<b>94,611</b>	<b>92,866</b>
<b>Annual Deficit before the Undernoted</b>	<b>(12,440)</b>	<b>(8,034)</b>	<b>(10,184)</b>
Loss on Disposal and Transfers of Tangible Capital Assets (Note 11)	-	(2,788)	(106)
Government Transfers - Capital (Schedule 2)	22,824	19,948	5,554
Contributed Tangible Capital Assets	13,795	11,581	9,651
Developer Contribution and Levies	5,735	1,974	905
	<b>42,354</b>	<b>30,715</b>	<b>16,004</b>
<b>Annual Surplus</b>	<b>29,914</b>	<b>22,681</b>	<b>5,820</b>
Accumulated Surplus, Opening	493,258	493,258	487,438
<b>Accumulated Surplus, Closing</b>	<b>\$ 523,172</b>	<b>\$ 515,939</b>	<b>\$ 493,258</b>

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019 Budget (Note 26)	<b>2019 Actual</b>	2018 Actual (Note 25)
<b>Annual surplus</b>	\$ 29,914	\$ <b>22,681</b>	\$ 5,820
<b>Change in Inventory and Prepaid Expenses</b>	(61)	<b>15</b>	(306)
<b>Tangible Capital Assets</b>			
Contributed	(13,795)	<b>(11,581)</b>	(9,651)
Purchased	(46,316)	<b>(33,858)</b>	(29,846)
Proceeds on Disposal	-	<b>463</b>	205
Loss on Disposal and Transfers	-	<b>2,788</b>	106
Amortization	16,074	<b>17,024</b>	15,450
	(44,037)	<b>(25,164)</b>	(23,736)
<b>Change in Net Debt</b>	(14,184)	<b>(2,468)</b>	(18,222)
Net Debt, Opening	(26,448)	<b>(26,448)</b>	(8,226)
<b>Net Debt, Closing</b>	\$ (40,632)	\$ <b>(28,916)</b>	\$ (26,448)

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019	2018 (Note 25)
<b>Cash Provided by (Used For):</b>		
<b>Operating Activities</b>		
Annual Surplus	\$ 22,681	\$ 5,820
<b>Items not involving cash:</b>		
Amortization	17,024	15,450
Loss on Disposal and Transfers of Tangible Capital Assets	2,788	106
Contributed Tangible Capital Assets	(11,581)	(9,651)
<b>Change in non-cash working capital balances:</b>		
Decrease (Increase) in Accounts Receivable	13,058	(11,315)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(3,173)	2,350
(Decrease) Increase in Deferred Revenue	(8,777)	17,354
Decrease in Liability for Contaminated Sites	(2,880)	-
Decrease (Increase) in Inventory and Prepaid Expenses	15	(306)
	29,155	19,808
<b>Capital Activities</b>		
Purchased Tangible Capital Assets	(33,858)	(29,846)
Proceeds on Disposal of Tangible Capital Assets	463	205
	(33,395)	(29,641)
<b>Investing Activities</b>		
Purchased Investments	(34,276)	(23,395)
Proceeds on Disposal of Investments	39,320	17,716
	5,044	(5,679)
<b>Financing Activities</b>		
Long-term Debt Issued	5,600	15,129
Long-term Debt Repaid	(1,942)	(1,198)
	3,658	13,931
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	4,462	(1,581)
Cash and Cash Equivalents, Opening	4,077	5,658
<b>Cash and Cash Equivalents, Closing</b>	\$ 8,539	\$ 4,077

The accompanying notes are an integral part of these consolidated financial statements.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

The City of Spruce Grove (the "City") is a municipality in the Province of Alberta, Canada and operates under the provisions of the *Municipal Government Act*.

**1. Significant Accounting Policies**

The consolidated financial statements of the City of Spruce Grove are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards. Significant accounting policies adopted by the City are as follows:

**a. Reporting Entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations which are owned or controlled by the City, and are, therefore, accountable for the administration of their financial affairs and resources.

The reporting entity includes all divisions and departments that comprise City operations, the City of Spruce Grove Library Board and the TransAlta Tri Leisure Centre. Inter-organizational transactions and balances between these entities have been eliminated.

The City is associated with various other boards, commissions and other organizations that are not part of the government reporting entity.

Property taxes levied include requisitions for education and seniors housing organizations that are not part of the government reporting entity. The consolidated financial statements exclude any trusts under administration for the benefit of external parties.

**b. Financial Assets**

**i. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and cash equivalents that are highly liquid. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes.

**ii. Investments**

Investments are recorded at amortized cost. Should there be a loss in value that is not considered temporary, the respective investment is written down to recognize the loss.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the deferred revenue balance.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**b. Financial Assets (continued)**

**iii. Land Held for Resale**

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes amounts for acquisition, sales commission and interest. Interest is capitalized whenever external debt is issued to finance the acquisition of land held for resale. Repayments of interest from third parties reduces the amount of capitalized interest.

**c. Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

**i. Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the tangible capital assets. The cost, less residual value of tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful life as follows:

Asset	Useful Life in Years
Engineered Structures	20 - 75
Machinery & Equipment	4 - 20
Buildings	25 - 50
Vehicles	8 - 25
Land Improvements	15 - 25
Leasehold Improvements	Life of the Lease

Amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Construction in progress is not amortized until the asset is available for productive use.

**ii. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

**iii. Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**c. Non-Financial Assets (continued)**

**iv. Works of Art and Cultural and Historic Assets**

Works of art and cultural and historic assets are not recorded as tangible capital assets and are not amortized.

**v. Inventory**

Inventory is comprised of supplies held for consumption and is recorded at the lower of cost and replacement cost.

**d. Revenue Recognition**

**i. Revenue**

Revenues are recognized in the period in which they are earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

**ii. Tax Revenue**

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisition over-levies and under-levies arise from the difference between the actual tax levy made to cover each requisition and the actual amount requisitioned. Where the actual levy differs from the requisition, the requisition tax rate is adjusted in the subsequent year.

**iii. Developer Contributions**

Developer contributions are recognized as revenue in the period they are used for the purpose specified.

**iv. Developer Offsite Levies**

Offsite levies are collected from developers upon the execution of a development agreement as per the offsite levy bylaw. These funds are restricted to fund the construction of specific infrastructure and are recognized as revenue once the infrastructure has been built and the City has provided a construction completion certificate.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**d. Revenue Recognition (continued)**

**v. Government Transfers**

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. These transfers are not the result of an exchange transaction, and are not expected to be repaid in the future, or the result of a direct financial return. Revenue is recognized in the period when events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**e. Expenses**

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

**f. Liability for Contaminated Sites**

A liability for remediation of a contaminated site is recognized at the financial statement date, when:

- (a) an environmental standard exists;
- (b) contaminations exceed the environmental standard;
- (c) the municipality owns the land; or is directly responsible; or accepts responsibility;
- (d) it is expected that future economic benefits will be given up; and
- (e) the liability can be reasonably estimated.

The liability is estimated to cover remediation, post remediation operation, maintenance and monitoring costs based on information available at the financial statement date.

In some cases, environmental standards are created by internal policy and voluntary compliance with such environmental standards may create a liability.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**1. Significant Accounting Policies (continued)**

**g. Use of Estimates**

The preparation of the consolidated financial statements of the City requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results may differ from those estimates.

Estimates have been used to determine provisions for accrued liabilities, liability for contaminated sites, useful lives of tangible capital assets, fair values of contributed tangible capital assets, and provisions made for allowances for doubtful receivable accounts.

In addition, developer contributions and offsite levies utilize forecasted development costs, staging and financing requirements.

**h. Changes in Accounting Policies**

The City has prospectively adopted PS 3430, Restructuring Transactions effective January 1, 2019. The adoption of this standard has not resulted in any measurement or disclosure changes in the consolidated financial statements.

**i. Future Accounting Standard Pronouncements**

The following summarizes upcoming changes to Canadian public sector accounting standards. In 2020, the City will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translation (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

Standard	Name	Effective Date
PS1201	Financial Statement Presentation	April 1, 2021
PS3450	Financial Instruments	April 1, 2021
PS2601	Foreign Currency Translation	April 1, 2021
PS3041	Portfolio Investments	April 1, 2021
PS3280	Asset Retirement Obligations	April 1, 2021
PS3400	Revenue	April 1, 2022

**CITY OF SPRUCE GROVE**  
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**2. Cash and Cash Equivalents**

	<b>2019</b>	<b>2018</b>
Cash	<b>\$ 4,783</b>	\$ 4,037
Cash Equivalents	<b>3,756</b>	40
	<b>\$ 8,539</b>	\$ 4,077

Cash equivalents include investments that have an effective interest rate of 2.40% (2018 - 2.05%) that mature in less than 3 months.

**3. Accounts Receivable**

	<b>2019</b>	<b>2018</b>
<b>Property Taxes</b>		
Current Taxes and Grants in Place of Taxes	<b>\$ 2,247</b>	\$ 1,859
Arrears	<b>490</b>	618
	<b>2,737</b>	2,477
<b>Other</b>		
Government Transfers	<b>4,174</b>	14,769
Local Improvements	<b>3,991</b>	4,271
Trade and Other	<b>3,215</b>	3,623
Utility	<b>2,194</b>	2,059
Developer Contributions and Levies	<b>588</b>	2,210
Goods and Services Tax	<b>251</b>	684
Interest Receivable	<b>223</b>	294
Allowance for Doubtful Accounts	<b>(274)</b>	(230)
	<b>14,362</b>	27,680
	<b>\$ 17,099</b>	\$ 30,157

**CITY OF SPRUCE GROVE**  
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**4. Investments**

	Amortized Cost 2019	Market Value 2019	Amortized Cost 2018	Market Value 2018
Bonds	\$ 13,026	\$ 13,134	\$ 12,662	\$ 12,419
GICs	1,190	1,190	13,293	13,313
Notes	6,335	6,377	6,267	5,933
Other	11,919	11,919	5,292	5,301
	<b>\$ 32,470</b>	<b>\$ 32,620</b>	<b>\$ 37,514</b>	<b>\$ 36,966</b>

Investments in bonds have effective interest rates of 2.35% to 3.29% with maturity dates from February 2020 to April 2029. Investments in guaranteed investment certificates (GICs) have effective interest rates ranging from 1.50% to 1.91% and with maturity dates from February 2020 to May 2020.

Note investments have variable interest rates and maturity dates. Three of these notes are based on any positive price return of the S&P/TSX 60 Index, with maturity dates ranging from May 2022 to July 2023. Another note is auto-callable, with an interest rate based on Canadian Growers Index with a maturity date as of August 2029. The City also has an investment in a low volatility index deposit note earning returns based on the CDN Equity Index with a maturity date of August 2022.

Other investments include a premier investment account (PIA), a tiered-rate interest account with interest based on monthly average prime less a percentage based on the average monthly balance held in the account. Included in this investment is a high interest notice account, which is currently paying 1.20% and requires 31 days' notice to redeem. There is also an investment in a High Interest Savings Account ("HISA") with CIBC which is currently paying 2.40% and requires no notice to redeem.

**CITY OF SPRUCE GROVE**  
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**5. Land Held for Resale**

The City hold an interest in lands in the amount of \$1,746 (2018 - \$1,746) representing the costs related to the Westwind land assembly undertaken by the City. The City has entered into an option agreement with the developer to dispose of the assembled land in parcels. That agreement is set to expire on March 21, 2020. The developer and the City are currently in the process of exchanging letters of understanding extending the deadline to November 2020 in order to allow for further negotiation of a longer term.

During the year, interest on long-term debt in the amount of \$18 (2018 - \$17) was capitalized and subsequently reimbursed by the developer.

**6. Accounts Payable and Accrued Liabilities**

	<b>2019</b>	2018
Trade and Accrued Liabilities	<b>\$ 6,256</b>	\$ 7,986
Wages and Benefits	<b>3,107</b>	2,764
Holdbacks	<b>2,403</b>	3,456
Deposits	<b>1,226</b>	1,081
Developer Commitments	<b>729</b>	1,601
Debenture Interest	<b>48</b>	54
	<b>\$ 13,769</b>	\$ 16,942

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**7. Deferred Revenue**

	2018	Amount Received and Receivable	Interest and Other	Amounts Recognized	2019
<b>Developer Contributions</b>					
Administration	\$ 86	\$ 2	\$ 2	\$ -	\$ 90
Neighborhood Parks	970	11	19	173	827
Municipal Reserve	186	-	4	-	190
Parks - South	1,659	-	40	-	1,699
Regional Parks	-	11	-	11	-
Cash in Lieu of Parking	103	-	2	-	105
Downtown Redevelopment	3	-	-	-	3
	3,007	24	67	184	2,914
<b>Developer Offsite Levies</b>					
Water	225	1,014	-	1,239	-
Transportation	-	69	-	69	-
Sewer	-	482	-	482	-
	225	1,565	-	1,790	-
<b>Developer Contributions and Offsite Levies</b>	3,232	1,589	67	1,974	2,914
<b>Government Transfers - Capital</b>					
Gas Tax Fund	2,072	4,042	26	2,946	3,194
Other	1,318	1,347	23	2,549	139
Sustainability	31,763	5,255	642	14,453	23,207
	35,153	10,644	691	19,948	26,540
<b>Government Transfers - Operating</b>					
Policing	25	701	-	701	25
Social	-	821	-	821	-
Sustainability	-	239	-	239	-
Other	145	1,651	1	1,679	118
	170	3,412	1	3,440	143
<b>Other Revenue</b>					
Sponsorships	691	567	-	525	733
Property Taxes	189	9,836	-	9,561	464
User Fees	921	5,758	-	5,894	785
	1,801	16,161	-	15,980	1,982
	\$ 40,356	\$ 31,806	\$ 759	\$ 41,342	\$ 31,579



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
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**8. Liability for Contaminated Sites**

	2019	2018
Historic Public Works Yard - salt impacted soil	\$ 200	\$ 2,480
Pioneer Cemetery - salt impacted soil	1,100	1,100
Historic Nuisance Grounds - site closure and post closure	-	600
	<b>\$ 1,300</b>	<b>\$ 4,180</b>

The fair value of the liability for contaminated sites is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted using the consumer price index. Subsequent to the initial measurement, the obligation will be adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation are recognized in the consolidated statement of operations and accumulated surplus.

There was a reduction in the estimate that resulted in a \$1,878 decrease to the liability which is reflected as a reduction in the general government expenses in the consolidated statement of operations and accumulated surplus, finance department in schedule 3 and contracted and general services in the segmented disclosure note 14.

The estimated undiscounted future remediation expenditures is \$1,300 and a discount rate of 3.00% (2018 - 3.00%) has been used. The City plans to remediate the sites over a 4-year period with an expected completion date of December 31, 2023 (2018 - December 31, 2023).

**CITY OF SPRUCE GROVE**  
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**9. Long-Term Debt**

	<b>2019</b>	2018
<b>Alberta Capital Finance Authority</b>		
Agrena	\$ 855	\$ 1,023
Library	801	943
Local Improvements	3,941	4,255
Public Works Facility	4,650	4,813
Storm Upgrades	2,200	-
TransAlta Tri Leisure Centre	601	858
Protective Services Facility	5,683	6,000
	<b>18,731</b>	17,892
<b>CIBC</b>		
Development Facility	14,049	12,250
RCMP Facility	8,703	7,650
	<b>22,752</b>	19,900
<b>Other</b>		
Other	187	220
Westwind Land Assembly	452	452
	<b>639</b>	672
	<b>\$ 42,122</b>	\$ 38,464

The required repayments for the Alberta Capital Finance Authority debt and expected repayments for all other debt are as follows:

	Principal	Interest	Total
2020	\$ 3,401	\$ 1,120	\$ 4,521
2021	3,011	998	4,009
2022	2,810	904	3,714
2023	2,810	825	3,635
2024	2,706	751	3,457
Subsequent	27,384	4,278	31,662
	<b>\$ 42,122</b>	<b>\$ 8,876</b>	<b>\$ 50,998</b>

Debenture debt is repayable to the Alberta Capital Finance Authority and bears interest at rates ranging from 2.68% to 6.38% per annum and matures in periods 2021 to 2039. Debenture debt is issued on the credit and security of the City.

**CITY OF SPRUCE GROVE**  
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**9. Long-Term Debt (continued)**

In 2019, the City converted the infrastructure loan facility with Canadian Imperial Bank of Canada ("CIBC") that was used to provide funds for new development transportation and water infrastructure projects, into a fixed term loan with CIBC with an effective interest rate of 2.50% and matures May 2034.

In 2019, the City converted the second infrastructure loan facility with CIBC that was used to provide funds to pay for its share of the costs to build a new RCMP facility with the Town of Stony Plain into a fixed term loan with CIBC with an effective interest rate of 2.59% and matures in July 2039.

In 2010, the City borrowed \$8.9 million from Pacific Western Bank of Canada (now Versabank) to finance the purchase of the Westwind Lands. This loan bears interest at prime plus 0.9%. The terms of this loan are interest only payments for 10 years, with principal payments due when land is sold and not later than March 2020. The interest only payments were extended five years as authorized by Council on March 9, 2020. The City has entered into an agreement with a developer to reimburse any interest incurred on this loan.

The City has an existing revolving demand facility with CIBC for \$5 million. The City does not have an outstanding balance as of December 31, 2019.

Interest on long-term debt amounted to \$1,283 (2018 - \$915). The City's interest expense for the year is \$1,265 (2018 - \$898) while the remaining \$18 (2018 - \$17) relates to Westwind lands and was capitalized as part of land held for resale during the year. The City's total cash payment for interest in 2019 is \$1,294 (2018 - \$951).

**10. Debt Limits**

Section 276 (2) of the Municipal Government Act requires that debt and debt limits are defined by Alberta Regulation 255/200 for the City be disclosed as follows:

	2019	2018
<b>Total Debt Limit</b>		
(1.5 times revenue, as defined in the regulation)	\$ 128,643	\$ 125,224
Total Debt	<b>(42,122)</b>	(38,464)
<b>Amount of Debt Limit Unused</b>	<b>86,521</b>	86,760
<b>Debt Servicing Limit</b>		
(0.25 times revenue, as defined in the regulation)	21,440	20,871
Debt Servicing	<b>(4,521)</b>	(3,248)
<b>Amount of Debt Servicing Limit Unused</b>	<b>\$ 16,919</b>	\$ 17,623

Revenue as defined in Alberta Regulation 255/2000 is calculated using the total revenue for the reporting year less capital government transfers and contributed tangible capital assets recognized in the year.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

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**11. Tangible Capital Assets**

<b>2019</b>	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	<b>2019</b>
<b>Cost</b>									
Balance, Opening	\$ 156,227	\$ 24,348	\$ 872	\$ 66,675	\$ 391,911	\$ 24,771	\$ 8,917	\$ 22,621	<b>\$ 696,342</b>
Acquired	700	1,011	1	12,504	12,150	2,787	2,052	2,653	<b>33,858</b>
Contributed	2,227	219	-	-	9,061	74	-	-	<b>11,581</b>
Disposals and Transfers	(2,428)	-	-	-	(1,251)	(1,068)	(188)	-	<b>(4,935)</b>
Transfers	-	327	132	21,481	102	-	494	(22,536)	<b>-</b>
<b>Balance, Closing</b>	<b>156,726</b>	<b>25,905</b>	<b>1,005</b>	<b>100,660</b>	<b>411,973</b>	<b>26,564</b>	<b>11,275</b>	<b>2,738</b>	<b>736,846</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	9,648	872	15,714	134,851	13,424	3,224	-	<b>177,733</b>
Amortization	-	1,231	11	2,150	10,770	2,157	705	-	<b>17,024</b>
Disposals and Transfers	-	-	-	-	(787)	(733)	(164)	-	<b>(1,684)</b>
<b>Balance, Closing</b>	<b>-</b>	<b>10,879</b>	<b>883</b>	<b>17,864</b>	<b>144,834</b>	<b>14,848</b>	<b>3,765</b>	<b>-</b>	<b>193,073</b>
<b>Net Book Value, Closing</b>	<b>\$ 156,726</b>	<b>\$ 15,026</b>	<b>\$ 122</b>	<b>\$ 82,796</b>	<b>\$ 267,139</b>	<b>\$ 11,716</b>	<b>\$ 7,510</b>	<b>\$ 2,738</b>	<b>\$ 543,773</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**11. Tangible Capital Assets (continued)**

2018	Land	Land Improvements	Leasehold Improvements	Buildings	Engineered Structures	Machinery & Equipment	Vehicles	Construction in Progress	2018
<b>Cost</b>									
Balance, Opening	\$ 153,434	\$ 23,789	\$ 872	\$ 66,675	\$ 366,422	\$ 24,540	\$ 8,854	\$ 14,973	\$ <b>659,559</b>
Acquired	76	482	-	-	10,045	2,217	335	16,691	<b>29,846</b>
Contributed	2,717	112	-	-	6,761	61	-	-	<b>9,651</b>
Disposals and Transfers	-	(35)	-	-	(360)	(2,047)	(272)	-	<b>(2,714)</b>
Transfers	-	-	-	-	9,043	-	-	(9,043)	<b>-</b>
<b>Balance, Closing</b>	<b>156,227</b>	<b>24,348</b>	<b>872</b>	<b>66,675</b>	<b>391,911</b>	<b>24,771</b>	<b>8,917</b>	<b>22,621</b>	<b>696,342</b>
<b>Accumulated Amortization</b>									
Balance, Opening	-	8,307	872	14,243	125,217	13,136	2,911	-	<b>164,686</b>
Amortization	-	1,377	-	1,471	9,941	2,084	577	-	<b>15,450</b>
Disposals and Transfers	-	(36)	-	-	(307)	(1,796)	(264)	-	<b>(2,403)</b>
<b>Balance, Closing</b>	<b>-</b>	<b>9,648</b>	<b>872</b>	<b>15,714</b>	<b>134,851</b>	<b>13,424</b>	<b>3,224</b>	<b>-</b>	<b>177,733</b>
<b>Net Book Value, Closing</b>	<b>\$ 156,227</b>	<b>\$ 14,700</b>	<b>\$ -</b>	<b>\$ 50,961</b>	<b>\$ 257,060</b>	<b>\$ 11,347</b>	<b>\$ 5,693</b>	<b>\$ 22,621</b>	<b>\$ 518,609</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
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**11. Tangible Capital Assets (continued)**

**a. Construction in Progress**

Construction in progress having a value of \$2,738 (2018 - \$22,621) has not been amortized. Amortization of these assets will commence when the assets are put into service.

**b. Contributed Tangible Capital Assets**

Contributed tangible capital assets have been recognized at fair value at the date of contribution. Contributed tangible capital assets consisting of land, land improvements, roads, stormwater, water and wastewater infrastructure received during the year have a value of \$11,581 (2018 - \$9,651).

**c. Disposal and Transfers of Tangible Capital Assets**

In 2019, loss on disposal and transfers of tangible capital assets on the consolidated statement of operations and accumulated surplus includes \$2,400 related to three parcels of land that were classified as school reserve and were subsequently transferred to Parkland School Division.

**d. Cultural and Historical Tangible Capital Assets**

The City owns original artworks that are on permanent display at City Center. The artworks were purchased by the City and have significant cultural and historical value in perpetuity.

**12. Accumulated Surplus**

	Budget (Note 26)	2019	2018
Municipal	\$ 13,252	\$ 21,069	\$ 16,954
Utility	1,353	7,778	8,792
Developer (Note 13)	(14,116)	(15,011)	(13,084)
	489	13,836	12,662
Investment in Tangible Capital Assets	522,683	502,103	480,596
	\$ 523,172	\$ 515,939	\$ 493,258



**CITY OF SPRUCE GROVE**  
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**13. Developer Deficit**

	2018	Transfer In	Transfer Out	Other Adjustments	2019
Transportation	\$ (3,400)	\$ 69	\$ (2,825)	\$ 1,383	\$ (4,773)
Sewer	(7,380)	482	(456)	(188)	(7,542)
Water	-	1,239	(1,435)	(149)	(345)
Regional Parks	(2,304)	11	-	(58)	(2,351)
Neighborhood Parks	-	173	(173)	-	-
	<b>\$ (13,084)</b>	<b>\$ 1,974</b>	<b>\$ (4,889)</b>	<b>\$ 988</b>	<b>\$ (15,011)</b>

Other adjustments include long-term debt issued to fund transportation and water infrastructure projects, as well as associated interest and principal payments. It also includes adjustments made to appropriately present receipts, expenditures and interest charges in the City's offsite levy fund balances.

The City paid for certain transportation and water infrastructure projects on behalf of developers and financed this development with long-term debt in order to advance the construction of these projects. The developer deficits are expected to be repaid with proceeds from future developer levies. Long-term debt in the amount of \$14,049 (2018 - \$12,250) was taken out by the City as offsite levy fund balances are currently insufficient to pay for future development's share of these project costs.

**14. Segmented Disclosure**

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the financial statements. Allocation methodologies are employed in the preparation of the segmented financial information. User charges and other revenue have been allocated to the segment based upon the segment that generated that revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges and developer levies are allocated to the segment for which the transfer was made. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

**a. General Government**

General government is comprised of Council and General Administration. Council makes decisions regarding delivery and service levels on behalf of the municipality in order to balance the needs and wants of City residents in a financially responsible manner. General Administration is responsible for the administration of the municipality as a whole.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**14. Segmented Disclosure (continued)**

**b. Protective Services**

Protective Services is comprised of Safe City – Enforcement Services, Police and Fire. Safe City – Enforcement Services provides enforcement in the areas of Provincial Acts and Municipal Bylaws; developing proactive educational safe city programs; and management of the Automated Traffic Enforcement contract. Fire is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; detection or extinguishment of fires; and advanced life support to Alberta Health Services 24/7.

**c. Transportation and Roadway Services**

Transportation and Roadway Services is comprised of the Engineering Services and the Public Works departments. They are responsible for the planning, development and maintenance of roadway systems.

**d. Utilities**

The City is responsible for environmental programs such as the engineering, operation and maintenance of Water, Wastewater and Stormwater networks and facilities and Solid Waste Management .

**e. Community Services**

Community Services provides recreational and cultural services, activities which promote the health and well being of its citizens, and activities related to parks and cemetery maintenance and operation.

**f. Development Services**

Development Services is comprised of Planning and Development Services and Economic Development. Planning and Development Service manages long term planning, current planning and subdivision, development permits and safety code disciplines. Economic Development is responsible for facilitating programs and services intended to help local businesses prosper and grow, and attract new business and investment in the City.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. Segmented Disclosure (continued)**

2019	General Governmen t	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total	Budget (Note 26)
<b>Revenue</b>								
Property Taxes	\$ 40,063	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 40,372	40,448
Sales and User Fees	135	1,071	777	19,821	2,295	84	24,183	26,049
Sales to Other Governments	-	2,667	-	-	-	-	2,667	2,662
Franchise Fees	5,443	-	-	-	-	-	5,443	5,709
Fines	-	3,484	-	-	-	-	3,484	4,782
Government Transfers - Operating	-	701	842	-	1,858	39	3,440	3,263
Licenses and Permits	-	3	68	34	-	1,504	1,609	2,225
Rentals	-	4	393	-	1,913	1	2,311	2,112
Penalties	885	-	6	79	-	-	970	833
Other	357	1	437	37	432	328	1,592	908
Investment Income	350	-	25	-	33	98	506	222
	47,233	7,931	2,548	19,971	6,840	2,054	86,577	89,213
<b>Expenses</b>								
Salaries, Wages & Benefits	8,465	8,636	7,466	2,093	7,736	2,201	36,597	37,000
Contracted & General Services	1,772	2,145	5,306	3,926	3,017	853	17,019	22,032
Materials, Goods & Supplies	153	685	2,891	473	1,236	14	5,452	5,992
Purchases from Other Governments	-	5,439	2,250	8,832	-	-	16,521	18,686
Transfers to Government, Agencies & Other Org	66	26	-	-	84	-	176	260
Bank Charges	141	-	-	-	26	-	167	167
Interest on Long-Term Debt	12	-	1,030	2	126	95	1,265	1,038
Other	339	-	-	11	40	-	390	404
Amortization	696	1,050	10,325	3,559	1,358	36	17,024	16,074
	11,644	17,981	29,268	18,896	13,623	3,199	94,611	101,653
<b>Annual Surplus (Deficit) before Undernoted</b>								
	35,589	(10,050)	(26,720)	1,075	(6,783)	(1,145)	(8,034)	(12,440)
Loss on Disposal of Tangible Capital Assets	(43)	-	(298)	(28)	-	(2,419)	(2,788)	-
Government Transfers - Capital	(7)	-	19,954	-	1	-	19,948	22,824
Contributed Tangible Capital Assets	-	-	5,751	3,529	74	2,227	11,581	13,795
Developer Contribution and Levies	-	-	253	1,721	-	-	1,974	5,735
	(50)	-	25,660	5,222	75	(192)	30,715	42,354
<b>Annual Surplus (Deficit)</b>	<b>\$ 35,539</b>	<b>\$ (10,050)</b>	<b>\$ (1,060)</b>	<b>\$ 6,297</b>	<b>\$ (6,708)</b>	<b>\$ (1,337)</b>	<b>\$ 22,681</b>	<b>29,914</b>

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

**14. Segmented Disclosure (continued)**

2018	General Government	Protective Services	Transportation & Roadway Services	Utilities	Community Services	Development Services	Total
<b>Revenue</b>							
Property Taxes	\$ 37,652	\$ -	\$ -	\$ -	\$ 309	\$ -	\$ 37,961
Sales and User Fees	140	1,092	916	19,198	2,501	149	23,996
Sales to Other Governments	-	2,665	-	-	-	-	2,665
Franchise Fees	4,578	-	-	-	-	-	4,578
Fines	-	3,939	-	-	-	-	3,939
Government Transfers - Operating	-	742	764	-	1,767	257	3,530
Licenses and Permits	-	4	64	42	-	1,626	1,736
Rentals	-	9	145	-	1,936	1	2,091
Penalties	806	-	-	62	-	-	868
Other	186	32	375	63	390	151	1,197
Investment Income	(32)	-	16	-	28	103	115
Local Improvement Levies	-	-	-	-	-	6	6
	43,330	8,483	2,280	19,365	6,931	2,293	82,682
<b>Expenses</b>							
Salaries, Wages & Benefits	8,058	8,395	7,190	1,460	7,591	2,216	34,910
Contracted & General Services	3,537	2,150	5,707	3,238	3,208	1,185	19,025
Materials, Goods & Supplies	205	541	3,016	245	1,370	25	5,402
Purchases from Other Governments	-	4,553	1,991	9,312	-	-	15,856
Transfers to Government, Agencies & Other Org	89	26	-	-	728	-	843
Bank Charges	138	-	-	-	26	-	164
Interest on Long-Term Debt	6	-	637	-	154	101	898
Other	298	-	-	11	9	-	318
Amortization	641	366	9,696	3,398	1,318	31	15,450
	12,972	16,031	28,237	17,664	14,404	3,558	92,866
<b>Annual (Deficit) Surplus before Undernoted</b>	30,358	(7,548)	(25,957)	1,701	(7,473)	(1,265)	(10,184)
Loss on Disposal of Tangible Capital Assets	(38)	-	(69)	(72)	73	-	(106)
Government Transfers - Capital	778	-	4,251	-	525	-	5,554
Contributed Tangible Capital Assets	-	-	2,327	4,546	61	2,717	9,651
Developer Contribution and Levies	-	-	656	249	-	-	905
	740	-	7,165	4,723	659	2,717	16,004
<b>Annual (Deficit) Surplus</b>	\$ 31,098	\$ (7,548)	\$ (18,792)	\$ 6,424	\$ (6,814)	\$ 1,452	\$ 5,820

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019

(in thousands of dollars)

**15. Salary and Benefits Disclosure**

Disclosure of salaries and benefits for municipal officials and the chief administrative officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	<b>2019</b>	<b>2019</b>	2018	2018
	<b>Salaries</b>	<b>Benefits</b>	Salaries	Benefits
Mayor Houston	\$ 123,285	\$ 16,954	\$ 111,740	\$ 15,944
Councillor Gruhlke	56,303	13,125	49,272	11,715
Councillor McKenzie	61,139	13,254	51,197	11,872
Councillor Oldham	53,296	13,063	48,772	11,836
Councillor Rothe	52,235	12,879	50,527	11,748
Councillor Stevenson	56,751	10,311	56,365	9,022
Councillor Turton	13,943	3,741	46,545	11,639
Councillor Acker	23,427	5,995	-	-
	<b>440,379</b>	<b>89,322</b>	414,418	83,776
Former Chief Administrative Officer	129,016	25,826	237,585	46,802
Interim Chief Administrative Officer	31,532	6,963	-	-
Current Chief Administrative Officer	134,291	19,370	-	-
	<b>294,839</b>	<b>52,159</b>	237,585	46,802
	<b>\$ 735,218</b>	<b>\$ 141,481</b>	\$ 652,003	\$ 130,578

Salaries include remuneration and per diem paid to elected officials, including a basic honorarium, and a meeting per diem. Benefits include the employer's share of all benefits paid on behalf of elected officials and include Canada Pension Plan, health care, extended health care, dental, group life, accidental death and dismemberment insurance, dependent life insurance, a home office expense allowance, car allowance, and WCB coverage. Employees are also eligible for Employment Insurance, Long Term Disability, Local Authorities Pension Plan, APEX Plus Pension Plan and memberships to the TransAlta Tri Leisure Centre. Council is eligible for a matching RRSP contribution of up to 4% of their annual salary.

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**16. Local Authorities Pension Plan**

Employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Public Sector Pension Plans Act. LAPP is financed by employer and employee contributions and by investment earnings of the LAPP fund.

The City is required to make current service contributions to LAPP of 9.39% (2018 - 10.39%) of eligible pensionable earnings up to the year's maximum pension earnings and 13.84% (2018 - 14.84%) on pensionable earnings above this amount. Employees are required to make current service contributions of 8.39% (2018 - 9.39%) of pensionable salary up to the year's maximum pensionable earnings and 12.84% (2018 - 13.84%) on pensionable salary above this amount. Contributions for current service are recorded as expenses in the year in which they become due.

Total current service contributions by the City to LAPP in 2019 were \$2,340 (2018 - \$2,458). Total current service contributions by the employees of the City to LAPP in 2019 were \$2,128 (2018 - \$2,254). Total optional service contributions by the City to LAPP in 2019 were \$73 (2018 - \$158).

City employees are able to buy back their first year of service within five years from their start date with LAPP. The City is obligated to pay the employer portion of any prior service buy-back. In 2019, the City's potential liability for optional service buy-back is \$48 (2018 - \$86).

At December 31, 2018, LAPP disclosed a surplus of \$3.5 billion.

**17. APEX Supplementary Pension Plan**

The APEX supplementary pension plan, and Alberta Urban Municipality Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pensions Plans Act commenced on January 1, 2003 and provides supplementary pension benefits to a prescribed class of employees (approximately 116 beneficiaries). The plan supplements the Local Authorities Pension Plan.

The prescribed class of employees and the City make contributions. Employees and the City are required to make current service contributions to APEX of 2.84% and 3.78% respectively of pensionable earnings up to \$151 (2018 - \$147).

Total current service contributions by the City to APEX in 2019 were \$394 (2018 - \$378). Total current service contributions by the employees of the City in 2019 were \$296 (2018 - \$284).

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**18. TransAlta Tri Leisure Centre**

The City, Parkland County and the Town of Stony Plain jointly developed, constructed, and are now operating the TransAlta Tri Leisure Centre (the "TLC"). The building is jointly owned by the City, Parkland County and the Town of Stony Plain. The City's proportionate share of the building is 42.0% (2018 - 42.0%).

The Tri-Municipal Leisure Facility Corporation (the "Corporation") operates and manages the TLC. The City, Parkland County and Town of Stony Plain provide annual contributions for a total of \$2,442 (2018 - \$1,852) to support the operations of the TLC, with the City's proportionate share being 49.5% - (2018 - 49.5%).

The City's proportionate share (49.5%) of the financial position and operations of the TLC is as follows:

	2019	2018
<b>Financial Position</b>		
Financial Assets	\$ 1,385	\$ 1,259
Liabilities	(693)	(754)
<b>Net Financial Assets</b>	<b>692</b>	505
Non Financial Assets	1,211	1,283
<b>Accumulated Surplus</b>	<b>1,903</b>	1,788
<b>Operations</b>		
Revenue	4,370	4,689
Expenses	(4,255)	(4,115)
<b>Annual Surplus</b>	<b>\$ 115</b>	\$ 574

**19. Related Parties**

Transactions with related parties are included within these consolidated financial statements.

Related parties include key management personnel which the City has determined to include the Mayor, Council and members of the City's senior leadership team. In the normal course of operations, key management personnel incur various costs on behalf of the City. Such transactions between the City and key management personnel are recorded at a value similar to that which would have been arrived at if the parties were unrelated.

**20. Alberta Municipal Insurance Exchange**

The City is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of the membership, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.



**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**21. Developer Agreements**

Developers have entered into agreements with the City in the amount of approximately \$176,000 and are committed to installing and constructing certain works to serve the development of lands within the City. The City has taken security from the developers in the form of letters of credit in the amount of \$24,000 to secure the performance by the developers under the agreements.

**22. Financial Instruments**

The City's financial instruments consist of accounts receivable, investments, accounts payable and accrued liabilities, liability for contaminated sites, and long-term debt. It is management's opinion that the City is not exposed to significant interest or currency risks arising from these financial instruments.

The City is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that taxpayers and entities to which the City provides services may experience financial difficulty and be unable to fulfil their obligations. The large number of diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying values of all the City's financial instruments approximate their fair value.

**23. Contractual Obligations**

As at December 31, 2019, authorized costs for capital projects and transfers committed through a purchase order or other contractual agreement, but not yet expended, amounts to \$1,474.

The City has ongoing operating leases for facilities. The future minimum payments are as follows:

Year	Basic Rent
2020	\$ 298
2021	230
2022	230
2023	122
2024	68
Thereafter	406
	<u>\$ 1,354</u>

**24. Contingent Liabilities**

The City is defendant in various lawsuits as at December 31, 2019. Where the occurrence of future events is considered likely to result in a loss with respect to an existing condition, and the amount of the loss can be reasonably estimated, amounts have been included within accrued liabilities. Where the resulting losses, if any, cannot be determined or the occurrence of future events is unknown, amounts have not been recorded. No amounts have been recorded at December 31, 2019 (2018 - nil).

**CITY OF SPRUCE GROVE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended December 31, 2019  
(in thousands of dollars)

**25. Comparative Information**

During the year, the City reclassified comparative information in its consolidated statement of operations and accumulated surplus and in note 13 segmented disclosure to better align its reporting of revenues and expenses by function with current accountabilities.

In addition, certain other comparative information has been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

**26. Budget**

City Council approved the 2019 - 2021 Corporate Plan on November 26, 2018, which formally approved revenues, expenses and tangible capital asset acquisitions for 2019.

**27. Subsequent Event**

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these consolidated financial statements, the City has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Deferred utility and tax payments without penalty for up to 90 days
- Eliminated the 3.9% tax increase included in the 2020 approved budget
- The City is in the process of extending the existing revolving demand facility with CIBC to supplement operating cash flow
- TransAlta Tri Leisure Centre was temporarily closed to the public March 14, 2020 indefinitely
- City of Spruce Grove Public Library was temporarily closed to the public March 13, 2020 indefinitely
- Temporarily closed all facilities for walk-in access from March 20, 2020 indefinitely
- Experienced temporary decline in the fair value of investments and investment income
- Working from home requirements have been setup for those able to do so, as well as segregated work units
- Temporarily suspended fares on Spruce Grove Transit routes; with one route being permanently cancelled
- Some part-time and seasonal employees have been temporarily or permanently terminated
- Deferred the first reading of a proposed business improvement area tax bylaw

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. Estimates and assumptions have been made by management to try and quantify the financial effect of these activities on the consolidated financial statements. The City prepared a spring budget adjustment that will incorporate some reductions and deferrals to better reflect the financial impacts of COVID-19.

**CITY OF SPRUCE GROVE**  
**SCHEDULE 1 - PROPERTY TAXES**  
For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual
<b>Property Taxes</b>			
Residential	\$ 44,439	\$ <b>43,641</b>	\$ 41,648
Non-Residential			
Commercial	10,821	<b>10,673</b>	10,024
Industrial	2,404	<b>2,360</b>	2,274
Linear	317	<b>334</b>	318
Agricultural	2	<b>2</b>	2
	57,983	<b>57,010</b>	54,266
<b>Less Requisitions</b>			
Alberta Education	14,745	<b>13,996</b>	13,734
Evergreen Catholic Schools	2,556	<b>2,341</b>	2,296
Meridian Foundation	234	<b>301</b>	275
	17,535	<b>16,638</b>	16,305
	\$ 40,448	\$ <b>40,372</b>	\$ 37,961

**CITY OF SPRUCE GROVE**  
**SCHEDULE 2 - GOVERNMENT TRANSFERS**

For the Year Ended December 31, 2019

(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual
<b>Government Transfers - Capital</b>			
Gas Tax Fund	\$ 3,384	\$ 2,946	\$ 2,419
Other	2,250	2,549	26
Sustainability	17,190	14,453	3,109
	22,824	19,948	5,554
<b>Government Transfers - Operating</b>			
Policing	675	701	688
Social	821	821	821
Sustainability	231	239	237
Other	1,536	1,679	1,784
	3,263	3,440	3,530
	\$ 26,087	\$ 23,388	\$ 9,084

**CITY OF SPRUCE GROVE**  
**SCHEDULE 3 - EXPENSES BY DEPARTMENT**

For the Year Ended December 31, 2019  
(in thousands of dollars)

	2019 Budget (Note 26)	2019 Actual	2018 Actual
<b>General Government</b>			
City Clerk	\$ 1,679	\$ 613	\$ 1,512
City Manager	574	620	668
Corporate Communications	1,068	1,028	971
Corporate Services Administration	716	553	746
Council	715	690	646
Finance	3,090	938	3,092
Human Resources	1,476	1,663	1,559
Information Services	4,677	4,463	3,778
Integrated Planning and Strategic Services	-	1,076	-
	13,995	11,644	12,972
<b>Protective Services</b>			
Fire	8,178	8,965	7,871
Municipal Enforcement and Safe City	3,721	2,896	3,156
Police	6,258	6,120	5,004
	18,157	17,981	16,031
<b>Transportation and Roadway Services</b>			
Engineering	1,564	1,851	2,294
Facilities and Fleet Management	6,328	6,158	5,295
Planning and Infrastructure Administration	693	680	635
Public Works	18,920	18,064	17,765
Transit and Sustainability	3,187	2,515	2,248
	30,692	29,268	28,237
<b>Utilities</b>			
Storm Utility	80	1,153	-
Waste	3,601	2,752	2,970
Wastewater	4,909	4,543	4,618
Water	12,720	10,448	10,076
	21,310	18,896	17,664
<b>Community Services</b>			
Agrena/Sports Park	1,856	1,758	1,757
Community and Protective Services Administration	564	302	1,040
Community Social Development	679	578	405
Culture	1,559	1,540	1,554
Family and Community Support Services	1,292	1,368	1,374
Leisure Centre	4,450	4,580	4,878
Library	1,904	1,785	1,754
Recreation	1,655	1,712	1,642
	13,959	13,623	14,404
<b>Development Services</b>			
Economic and Business Development	1,289	1,055	1,397
Planning and Development	2,251	2,144	2,161
	3,540	3,199	3,558
	\$ 101,653	\$ 94,611	\$ 92,866

# City of Spruce Grove

Audit Findings Report  
for the year ended December 31, 2019

*KPMG LLP*

Prepared for the Council meeting on April 27, 2020

[kpmg.ca/audit](https://kpmg.ca/audit)



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# Executive summary

## Purpose of this report<sup>1</sup>

The purpose of this Audit Findings Report is to assist the Mayor and Council (“Council”) in the review of the results of our audit of the consolidated financial statements of the City of Spruce Grove (the “City”) as at and for the year ended December 31, 2019. This Audit Findings Report builds on the Audit Plan we presented to Council on November 7, 2019.

### Changes from the Audit Plan

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and dislocating impact. As such, enhanced subsequent events procedures were warranted.

There have been no other significant changes regarding our Audit Planning Report that was previously presented to you.

### Finalizing the Audit

As of April 27, 2020, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include:

- Completing our discussions with Council;
- Obtaining evidence of Council’s approval of the consolidated financial statements;
- Completing our subsequent events review to the date of Council’s approval of the consolidated financial statements; and
- Obtaining a signed management representation letter.

We will update Council on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditors’ report

will be dated upon the completion of any remaining procedures (expected April 27, 2020).

### Areas of audit focus

We discussed with you at the start of the audit a number of areas of audit focus:

- Recognition of revenue amounts subject to external restrictions;
- Completeness, existence and accuracy of property assessments and taxation;
- Accuracy and valuation of investments;
- Accuracy and valuation of contributed tangible capital assets;
- Completeness, existence and accuracy of operating costs and accounts payable and accrued liabilities;
- Existence and accuracy of capital expenditures related to approved capital projects;
- Completeness, existence and accuracy of debt;
- Completeness and accuracy of environmental obligations and other contingencies;
- Completeness and accuracy of salaries and benefits note disclosures; and
- Fraud risk from management override of controls.

These matters have been addressed in our audit.

<sup>1</sup> This Audit Findings Report should not be used for any other purpose or by anyone other than Council. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

# Executive summary (continued)

## Significant accounting policies and practices

There is one new accounting standard that has been adopted in the current year: *PSAS3430 Restructuring Transactions*. Note 1(h) to the financial statements describes the adoption of the new accounting standard for the year-ended December 31, 2019.

Note 1(i) to the financial statements describes future accounting standards which may impact the City's reporting in the future.

There were not any other changes to significant accounting policies and practices to bring to your attention.

## Critical accounting estimates

Overall, we are satisfied with the reasonability of critical accounting estimates.

## Adjustments and differences

Materiality for fiscal 2019 was set at \$2,800,000. We identified adjustments that were communicated to management and subsequently corrected in the consolidated financial statements. We identified one difference which remains uncorrected which is not considered to be material and does not impact our audit report on the consolidated financial statements of the City.

We proposed certain adjustments with regards to the City's consolidated financial statement disclosures. The most substantive of these changes were accepted by management and included in the consolidated financial statements.

## Control and other observations

We identified one control deficiency that we determined may be of significance to Council.

We have identified other observations we believe may be of interest to Council. None of these deficiencies or observations impact our audit report on the consolidated financial statements of the City.

## Additional reporting responsibilities

We have been engaged to report on the following for the year ended December 31, 2019:

- Municipal Financial Information Return (FIR) for the City;
- Local Authorities Pension Plan (LAPP) special reporting;
- APEX special reporting; and
- Family and Community Support Services (FCSS) special reporting.

The consolidated financial statements include the City's proportionate share of the Tri-Municipal Leisure Facility Corporation (a Part 9 Company operating as the TransAlta Tri Leisure Centre) and the Spruce Grove Public Library which are audited by other auditors.

## Independence

We are independent with respect to the City, within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation.

# Areas of audit focus and results

We highlight our significant findings in respect of significant financial reporting risks as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.

Area of focus	Why are we focusing here?	Our response and significant findings
Recognition of revenue amounts subject to external restrictions	There is a risk of inappropriate revenue recognition of amounts received with external restrictions attached to them (special taxes and levies, government transfers and other amounts).	<ul style="list-style-type: none"> <li>We reviewed the recognition of amounts subject to external restrictions, including government transfers and development levies, to ensure they are recognized appropriately.</li> <li>We confirmed all significant government transfers, and examined related agreements.</li> <li>We obtained an understanding of the developer levy model and the process the City has in place to recognize revenue related to developer levies. The developer levy model utilizes forecasted development costs, staging and financing requirements to calculate the levy. Changes to these estimated inputs directly impacts deferred development levies and levy revenue.</li> </ul> <p>We identified two misstatements relating to prior period offsite levies and government transfers. Refer to the '<i>Adjustments and differences</i>' section of the report.</p>
Completeness, existence and accuracy of property assessments and taxation	There is a risk that property assessments and approved tax rates are not applied appropriately.	<ul style="list-style-type: none"> <li>We evaluated the application of assessments through the tax roll and taxation rates established by the City.</li> </ul> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>
Accuracy and valuation of investments	There is a risk that investments are not appropriately valued; specifically, impairment of investments is not appropriately assessed and valuation adjustments are not recorded where appropriate.	<ul style="list-style-type: none"> <li>We have tested the existence and accuracy of investment accounts through external confirmations, including the cost and market value of investments.</li> <li>We recalculated investment premiums/discounts for investments recorded at amortized cost.</li> <li>We have tested management's assessment of impairment and considered if any potential impairment of the investments exists.</li> </ul> <p>We provided management with recommendations on the consolidated financial statement disclosures that have been incorporated into the consolidated financial statements.</p> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>

# Areas of audit focus and results (continued)

Area of focus	Why are we focusing here?	Our response and significant findings
Accuracy and valuation of contributed tangible capital assets	There is a risk that contributions of tangible capital assets are not appropriately captured in the consolidated financial statements.	<ul style="list-style-type: none"> <li>We obtained an understanding of the process by which departments capture tangible capital assets which are contributed from developers and other parties and assessed the consistency of the process applied across all departments.</li> <li>We tested a sample of developments which were completed by the City during the year to assess whether the assets have been appropriately recorded.</li> <li>We reviewed the value ascribed to assets contributed to the City for reasonableness.</li> <li>We reviewed a sample of developments currently ongoing at the City to ensure they have been appropriately excluded as contributed assets during the year.</li> </ul> <p>We identified one misstatement relating to additions that were not captured as part of tangible capital assets. Refer to the <i>'Adjustments and differences'</i> section of the report.</p>
Completeness, existence and accuracy of operating costs and accounts payable and accrued liabilities	There is a risk that appropriate cut-off of accounts payable and accrued liabilities is not achieved.	<ul style="list-style-type: none"> <li>We used our understanding of the City's operations, our discussions with management and our review of Council minutes to evaluate the completeness of accruals as at December 31, 2019.</li> <li>We performed work over the City's budgeting process and obtained a detailed understanding of significant variances from the approved budget.</li> <li>Our year-end procedures included a search for unrecorded liabilities (primarily through a review of unprocessed transactions and payments subsequent to year-end) and a detailed analysis of key accruals.</li> </ul> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>
Existence and accuracy of capital expenditures related to planned capital projects	There is a risk that capital expenditures are not appropriately recorded in the financial statements and are not appropriately recorded related to approved capital projects.	<ul style="list-style-type: none"> <li>We reviewed a sample of capital expenditures and ensured they were applied against the appropriate capital projects.</li> </ul> <p>No misstatements were identified as a result of performing the above procedure; however, we did note that improvements could be considered to the capital budgeting process of the City. Refer to the <i>'Control and other observations'</i> section of this report.</p>

# Areas of audit focus and results (continued)

Area of focus	Why are we focusing here?	Our response and significant findings
Completeness, existence and accuracy of debt	There is a risk that there is a breach in compliance with debt and that the debt is not appropriately recorded in the financial statements.	<ul style="list-style-type: none"> <li>• We used our understanding of the City's operations, discussions with management and review of Council minutes to determine if completeness of debt has been achieved.</li> <li>• We confirmed all significant outstanding debt obligations and other key features of debt, including amounts outstanding at period end, interest rates, debt maturity and repayment terms, restrictive covenants, and assets pledged and guarantees, etc.</li> <li>• We assessed compliance with restrictive covenants for all debt agreements, including debt limit regulation.</li> </ul> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>
Completeness and accuracy of environmental obligations and other contingencies	There is a risk that environmental obligations and other contingent liabilities are not appropriately identified and reasonably estimated.	<ul style="list-style-type: none"> <li>• We reviewed the City's update of land and other assets for the potential risk of contamination and determination of a resulting obligations, if any.</li> <li>• We are satisfied that the City has procedures in place to ensure consistent and accurate identification of environmental obligations and other contingencies.</li> </ul> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>
Completeness and accuracy of the salaries and benefits note disclosures	There is a risk that salaries and benefits note disclosures are not complete and accurately reported.	<ul style="list-style-type: none"> <li>• We reviewed a sample of employment contracts to ensure salaries and benefits are appropriately disclosed.</li> </ul> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>
Fraud risk from management override of controls	<p>This is a presumed risk.</p> <p>We have not identified any specific risks relating to this audit.</p>	<ul style="list-style-type: none"> <li>• We evaluated the design and implementation of controls surrounding journal entries, and tested entries made at the end of the reporting period.</li> </ul> <p>We identified a finding related to the initiation and posting of journal entries. Refer to the 'Control and other observations' section of this report.</p> <p>No misstatements or other findings were identified as a result of performing the above procedures.</p>

# Critical accounting estimates

Management is required to disclose information in the consolidated financial statements about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities within the next financial year. Generally, these are considered to be “critical accounting estimates.”

We have summarized our assessment of the subjective areas.

Asset / Liability	KPMG Comment
Environmental obligations and other contingencies	The City obtained information from external and internal resources who specialize in assessing potential environmental obligations and other contingencies. There have been no significant changes in how the obligations are estimated year over year.
Useful lives of tangible capital assets	The City estimates the useful life of tangible capital assets and reviews the amortization policy on a regular basis. There have been no changes to the manner in which the estimate is determined.
Accrued liabilities	The City estimates accrued liabilities based on expenses and payables incurred throughout the year. There is no change in the way the City estimates accrued liabilities from the prior year.
Allowance for doubtful accounts receivable	The City estimates allowance for doubtful accounts (taxes and other) based on historical collections and examination of aged balances due over 90 days. There have been no changes in the manner in which this estimate is determined.
Fair value of contributed tangible capital assets	The City typically relies on the value of the contributed tangible capital asset as outlined on tender amounts or historical costing information obtained from developers or other sources and applied to quantities as measured by the planning and development services department using the GIS system. There have been no changes to the manner in which the estimate is determined.
Deferred revenue and revenue recognized related to development charges and levies	The City utilizes forecasted development costs, staging and financing requirements to determine levy rates for development and related amounts to be recognized as revenue. There have been no changes in the manner in which the rates are calculated by the City's development model.

# Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the City's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter.

We also highlight the following:

Form, arrangement, and content of the financial statements	<p>The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards.</p> <p>As disclosed in Note 1(h) of the City's consolidated financial statements, a new Canadian public sector accounting standard came into effect for the City's year ending December 31, 2019, PS34390 – Restructuring Transactions. We reviewed the City's assessment regarding the new standard and concur with management's conclusion that the adoption of this accounting standard did not result in any changes to the measurement or disclosures in the consolidated financial statements.</p>
Application of accounting pronouncements issued but not yet effective	<p>As described in Note 1(i) of the City's consolidated financial statements, a number of new Canadian public sector accounting standards will be in effect beginning with the City's December 31, 2021 year end and beyond. These new standards include: PS1201 – Financial Statement Presentation; PS2601 – Foreign Currency Transactions; PS3041 – Portfolio Investments; PS3450 – Financial Instruments; PS3280 – Asset Retirement Obligations; and PS3400 – Revenue.</p> <p>Although it is not anticipated these new accounting standards will result in significant measurement differences in the City's consolidated financial statements in future years, additional disclosures will likely need to be provided.</p>



# Adjustments and differences

Differences and adjustments include disclosure differences and adjustments.

Professional standards require that we request of management and Council that all identified differences be corrected. We have already made this request of management.

## Corrected adjustments

The management representation letter includes all adjustments identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

Further, we proposed certain adjustments with regards to the City's consolidated financial statement disclosures. The most substantive of these changes were accepted by management and included in the consolidated financial statements.

# Adjustments and differences (continued)

## Uncorrected differences

Based on both qualitative and quantitative considerations, management has represented to us that the differences —individually and in the aggregate—are, in their judgment, not material to the financial statements. We concur with management's representation that the differences are not material to the financial statements. Accordingly, the differences have no effect on our auditors' report.

As at December 31, 2019	Annual Surplus Increase (Decrease)	Financial position Increase (Decrease)		
Description of differences greater than \$139,000 individually		Assets	Liabilities	Opening Accumulated Surplus
<b>Materiality - \$2,800,000</b>				
To record the uncorrected misstatement for the overstatement of developer contributions and levies for revenues related to prior years that was adjusted in the current year.	\$ (1,472,000)	—	—	\$ 1,472,000
<b>Total differences</b>	<b>\$ (1,472,000)</b>	<b>—</b>	<b>—</b>	<b>\$ 1,472,000</b>

# Control and other observations

We have highlighted the matters below that we would like to bring to your attention:

Item	Observations and Recommendations (2017 and 2018)	2019 Update
<b>Capital budgeting, including budgeting for contributed tangible capital assets</b>	<p><b>Observation:</b> We noted that the budgeted amount for the acquisition of tangible capital assets does not reflect actual acquisitions for the year. This is because the capital budget is based on projects approved which may span multiple years instead of planned cash flow for the year including carry forward amounts from prior years.</p> <p>We acknowledged that the City has controls in place to monitor the progress of capital projects in progress and that these results are reported to Council on a regular basis. However, this underlying understanding of the timing of capital projects does not translate to the capital budget approved by Council and the amounts that are ultimately reported within the consolidated financial statements of the City. Capital budget processes that are not fully integrated with internal and external financial reporting expose the City to potential operational, taxation, investing and financing implications.</p> <p><b>Recommendation:</b> We recommended that the City review the components of its capital plan. These components include its processes for capital budget amendments, its historic capital priorities including approved but delayed capital projects, and the carryforward amounts that are brought forward into the upcoming fiscal year to ensure the City has the capacity and funds necessary to execute and complete the capital projects.</p>	<p>In 2019, we noted that the budgeted acquisition of tangible capital asset compared to the actual acquisition of tangible capital assets resulted in an approximately \$12.5 million variance on the consolidated financial statements which represents and improvement over prior years.</p> <p>As the City is still in the process of reviewing its budgeting processes, we will follow up on the final implementation of this recommendation in 2020.</p>

# Control and other observations (continued)

Item	Observations and Recommendations (2017 and 2018)	2019 Update
<b>Alignment of internal and external financial reporting</b>	<p><b>Observation:</b> Although the City is not required to prepare an overall annual report, the majority of municipalities do so which includes an overview of their annual operational results and achievements, key performance indicators (KPIs) and metrics, as well as audited financial statements. Annual reports provide a reporting mechanism for a municipality to communicate qualitative and quantitative results, both annually and on a longer term basis.</p> <p>We note that the City does include summary financial information in its <i>Citypulse</i> publication. In addition to <i>Citypulse</i>, and as per Council direction, Administration is developing KPIs for the City and is assessing how such measures might be tracked and communicated both internally and externally. Furthermore, the City has begun reporting quarterly non-consolidated financial results on its external website through a tool called <i>Open Books</i>, which is designed to make the City's financial reporting more accessible to the public.</p> <p><b>Recommendation:</b> We recommended that management consider preparing a more comprehensive annual report for its citizens and shareholders. An annual report is a fully integrated report, and therefore, is a City-wide initiative, requiring data and analysis from many relevant places. We understand that the City continues to maintain and track such relevant data, however the coordination of data for an annual report has not yet occurred. As Administration considers an integrated reporting mechanism, it should ensure that the annual report is consistent with its internal and external financial statements, and that relevant KPIs and other metrics are presented.</p>	<p>In the current year, we noted no inconsistencies with the <i>Open Books</i> platform used by management. However, although this is an improvement to the City's external reporting, the platform does not present relevant KPIs and other metrics, items that should be included in an annual report.</p> <p>We will continue to follow-up on this matter as part of the 2020 audit process.</p>

# Control and other observations (continued)

Item	Observations and Recommendations (2017 and 2018)	2019 Update
<p><b>Completeness/Accuracy of the City's budget preparation workbooks</b></p>	<p><b>Observation:</b> We noted unusual variances when comparing current year budgeted to actual figures for utilities and sales and user fees. It was determined that these operating budget variances were a result of formula errors in the City's workbook used to prepare the 2017 budget.</p> <p>We further noted that there were differences in the 2018 consolidated budget figures due to unposted elimination entries for related party transactions with the Tri-Leisure Centre and Spruce Grove Public Library. It was determined that the City does not prepared a consolidated budget reconciliation to identify unusual differences.</p> <p><b>Recommendation:</b> We recommended that the City enhance its review processes with respect to its budget workbooks to ensure there are no formula or other errors in the preparation of future operating budgets and also perform a consolidated budget reconciliation.</p>	<p>In the current year, we noted that management remediated the formula errors identified in 2018 and also performed a consolidated budget reconciliation to enhance its review process. However, we noted differences between the re-calculated consolidated budget figures and the amounts presented within the consolidated financial statements. It was identified that two accounts were excluded from the budget calculation. Management has corrected this discrepancy in the consolidated financial statements.</p> <p>As such, our recommendation for the City to continue to enhance its review processes remain.</p> <p>We will continue to follow-up on this matter as part of the 2020 audit process.</p>

# Control and other observations (continued)

Item	Observations and Recommendations (2017 and 2018)	2019 Update
<b>Implementation of an asset management system that is integrated with the City's financial reporting</b>	<p><b>Observation:</b> During our audit of the City's tangible capital assets (TCAs), we identified the following matters:</p> <ul style="list-style-type: none"> <li>• Currently, the City does not maintain an integrated asset management system that integrates to the City's financial records and internal and external reporting. The City records and tracks TCAs manually, using a series of excel spreadsheets which are susceptible to error;</li> <li>• Certain contributed TCAs from prior years were not identified in the City's financial records; however, knowledge of these contributes TCAs existed within the City's engineers;</li> <li>• There is no formal review of work in progress TCAs at year end to ensure any completed TCAs that are in use are appropriated transferred to the correct asset class on a timely basis; and</li> <li>• There is no formal reconciliation of land recorded in the City records to Alberta Land Titles.</li> </ul> <p>In 2018, we noted improvements in reconciling land recorded in the City records to Alberta Land Titles, such that management has implemented a formal reconciliation process. However, it was noted that this process took place at a time prior to year-end and there was a lack of formal process to reconcile land for the remaining period to year end.</p> <p><b>Recommendation:</b> An integrated asset management system would improve City processes by reducing the likelihood of manual errors and reducing the communication gap and burden between Finance and other City departments.</p> <p>We also recommend that management continue to improve this process by performing the initial reconciliation after the typical "construction season" and developing a process to ensure completeness and accuracy of land recorded in the City records for the remaining portion of the year.</p>	<p>Consistent with prior years, we understand that the City intends to implement an integrated asset management system and will transition various asset classes to the new system over time. We are supportive of this transition and recommend that management continue with integrating this system.</p> <p>In the current year, we noted improvements to the formal reconciliation process of reconciling City records to Alberta Land Titles. A formal process was in place and no errors resulted in the reconciliation.</p> <p>We will continue to follow-up on the integration of the system as part of the 2020 audit process.</p>

# Control and other observations (continued)

Item	Observations and Recommendations (2017 and 2018)	2019 Update
<b>Operating segments presentation and disclosure</b>	<p><b>Observation:</b> The City's consolidated financial statements are prepared in accordance with Public Sector Accounting Standards (PSAS), which includes the requirement to report segments. PSAS defines segments as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. The determination of segments required the application of professional judgment as there are not prescribed segments. While PSAS has a list of factors to consider, a starting point for segments could be the major classifications of activities that are used in creating, presenting, or managing budget information. Managing segments in this manner reflects the existing accountability framework for government and the way operations are managed.</p> <p>In 2017 and 2018, the City reported its operating segments as Municipal, Utility and Development. These segments do not provide meaningful information as intended, as they do not appear to align directly to the City's budget, or how they manage City operations.</p> <p><b>Recommendation:</b> We recommended that the City review its segment disclosures with the intent of aligning the reported segments to how the City manages and reports its operations. Once meaningful segments are identified, these segments should be reported consistently throughout the consolidated financial statements and any related internal and external financial information that is reported.</p>	<p>In the current year, we noted that the segmented disclosures in Note 14 were aligned with how the City manages and reports its operations (i.e. separated through General Government, Protective Services, etc.). This provides meaningful information that align with the City's operations.</p> <p>We consider this matter resolved and it will be removed from future reporting.</p>



# Control and other observations (continued)

Item	Observations and Recommendations (2018)	2019 Update
<b>Journal entry control</b>	<p><b>Observation:</b> During our audit of the City's journal entry process, we noted a lack of preventative system controls in place to ensure that all journal entries posted into the accounting system have been approved by an appropriate individual, or that the initiation and posting of journal entries is appropriately segregated between individuals. Further, the City currently does not have a manual review process whereby journal entries are required to be reviewed prior to the entries being posted.</p> <p>The City has an alternative process in place whereby the financial team prepares a detailed variance analysis of financial results on a monthly basis that would identify any significant inappropriate journal entries. This control is considered to be a mitigating control.</p> <p>The potential implications from a lack of appropriate preventative controls can be pervasive such that inappropriate journal entries may go undetected. During our audit work, no misstatements or other inappropriate journal entries were identified.</p> <p><b>Recommendation:</b> We understand that the City is currently in the process of updating and revising internal policies and processes. As part of this activity, we recommend that the City review its current journal entry review process to identify and remediate areas where a lack of segregation of duties may be present, as well as investigate system controls that can be implemented to require approval of journal entry by an appropriate individual prior to posting.</p>	<p>During the current year, we did not identify any changes to this process, however no misstatements or other inappropriate journal entries were identified. The City is planning to reform all policies in the 2020 year, with the journal entry process being part of this reform. As such, our recommendation still remains in regards to this process.</p> <p>We will continue to follow-up on this matter as part of the 2020 audit process.</p>

# Control and other observations (continued)

Item	Observations and Recommendations (2018)	2019 Update
<b>Policy updates</b>	<p><b>Observation:</b> During our audit, we obtained an understanding of the City's suite of financial and non-financial policies, and compared to policies that would be expected. Through these procedures, we noted various policies that had not been updated in a number of years and as a result, were lacking key pieces of information that should be considered in order to provide appropriate strategic direction to management.</p> <p><b>Recommendation:</b> We understand that the City is currently in the process of updating and revising certain internal policies and processes. We are supportive of this transition, and enhancement to processes and quality of information. We recommend that while updating and revising internal policies and process, we encourage the City to consider appropriate segregation of duties in all financial processes (i.e. journal entries, purchasing &amp; receiving, etc.) as well as implementing formal Conflict of Interest policies and procedures.</p>	<p>During the current year, we did not identify any changes to the internal policies and processes, The City is planning to reform all policies in the 2020 year, with the journal entry process being part of this reform. As such, our recommendation still remains.</p> <p>We will continue to follow-up on this matter as part of the 2020 audit process.</p>

# Audit response to COVID-19 Pandemic

## Subsequent events

**Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. As such enhanced subsequent events procedures are warranted.**

## Our audit approach

There are two types of subsequent events, with the accounting treatment dependent on the categorization as follows:

- Events that provide future evidence of conditions that existed at the financial statement date. For these conditions, the financial statements should be adjusted for measurable impact to the assets, liabilities, revenues and expenditures.
- Events that are indicative of conditions that rose subsequent to the financial statement date. For these conditions, disclosures, at a minimum, should include a description of the event and an estimate of the financial impact, when practicable or a statement that an estimate cannot be made.

## Audit response

- Management should work with the audit team to customize language for a subsequent events note.
- An assessment for any financial indicators of financial implications should be undertaken and documented by management.
- A list of any financial implications and actions undertaken by the entity should be disclosed in the notes, examples may include:
  - Experienced temporary declines in the fair value of investments and investment income
  - Closure of facilities to the date of the auditors' report based on public health recommendations to slow the transmission
  - Temporary and or permanent termination of employees
  - Mandatory working from home requirements for those able to do so
  - Others as appropriate
- A statement as to whether or not these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. Along with measurement of an estimated impact on the financial effect or indication if one is not practicable at this time.

Management has included a subsequent events note in its financial statements that appropriately describes and responds to the above matter.

## Resources for Management Finance and Audit committee members

Please visit our COVID-19 website for resources. This site is being updated daily based on information being released by Federal, Provincial and Municipal news releases. <https://home.kpmg/ca/en/home/insights/2020/03/the-business-implications-of-coronavirus.html>

# Appendices

**Appendix 1: Required communications**

**Appendix 2: Audit Quality and Risk Management**

**Appendix 3: Preparing for PSAB Standard Changes**



# Appendix 1: Other Required Communications

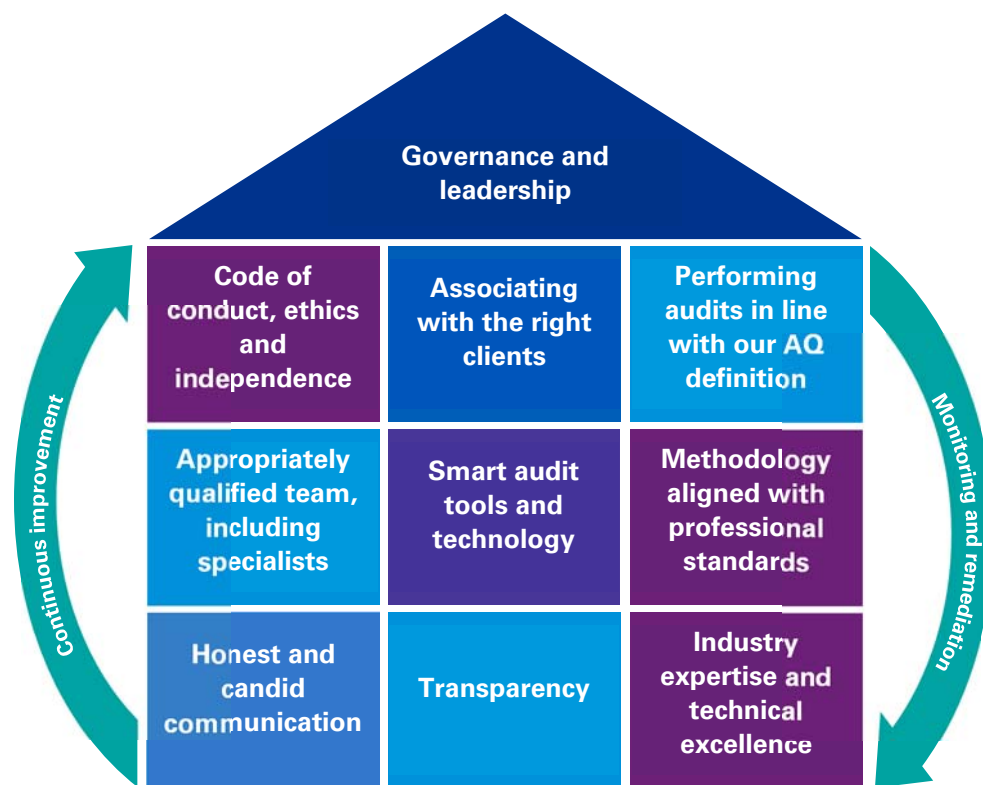
In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

Auditors' report	Management representation letter
The conclusion of our audit is set out in our draft auditors' report as attached.	In accordance with professional standards, a copy of the management representation letter are provided to Council. The management representation letter is attached.
Audit quality	
Audit Quality (AQ) is at the core of everything we do at KPMG. Appendix 2 provides more information on AQ.	
The following links are external audit quality reports for reference:	
<ul style="list-style-type: none"><li>• <a href="#">CPAB Audit Quality Insights Report (October 2019) (formerly the "Big Four Firm Public Report")</a></li><li>• <a href="#">Auditing in the Crypto-Asset Sector: 2019 Inspections Insights (Nov 2019)</a></li></ul>	

# Appendix 2: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarizes the key elements of our quality control system.



Audit Quality Framework

## What do we mean by audit quality?

Audit Quality (AQ) is at the core of everything we do at KPMG.

We believe that it is not just about reaching the right opinion, but how we reach that opinion.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.

Our AQ Framework summarises how we deliver AQ. Visit our [Audit Quality Resources page](#) for more information including access to our [Audit Quality and Transparency report](#).

## Appendix 3: Preparing for PSAB Standard Changes



# Preparing for PSAB Standard Changes

Are you ready to implement PSAB's impactful series of new standards?



Public sector entities are preparing to implement three significant Public Sector Accounting standards through 2022. These standards will impact not only your accounting policies, but also how Finance engages key stakeholders.

## Asset Retirement Obligations

PS3280 addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites by public sector entities.

PS3280 will apply to fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted. Three transition options are available – retroactive, modified retroactive, prospective.

Asset retirement activities are defined to include all activities related to an asset retirement obligation. These may include but are not limited to:

- decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed
- decontamination created by the normal use of the tangible capital asset
- post-retirement activities such as monitoring
- constructing other tangible capital assets in order to perform postretirement activities

With the introduction of PS3280 PSAB has withdrawn existing Section PS3270, solid waste landfill closure and post-closure liability.

Some examples of asset retirement obligations which fall under scope of proposed PS3280 include:

- |  |  |
|--|--|
| ▪ end of lease provisions (from a lessee perspective)      | ▪ closure and post-closure obligations associated with landfills |
| ▪ removal of radiologically contaminated medical equipment | ▪ septic beds  |
| ▪ wastewater or sewage treatment facilities                | ▪ fuel storage tank removal                                      |
| ▪ firewater holding tanks                                  |  |

Under PS3280, an asset retirement obligation should be recognized when, as at the financial reporting date, ALL of the following criteria are met:

- |   |   |
|---|---|
| ▪ there is a legal obligation to incur retirement costs in relation to a tangible capital asset | ▪ it is expected that future economic benefits will be given up |
| ▪ the past transaction or event giving rise to the liability has occurred                       | ▪ a reasonable estimate of the amount can be made               |

Whether you are an education or health institution or a government entity (federal, provincial, municipal or Indigenous) this accounting standard will have implications for your organization if you report under the Public Sector Accounting Standards.

# Are You Ready?

1. *Has a project plan been developed for the implementation of this section?*
2. *Has Finance communicated with key stakeholders, including Council or Board on the impact of this section?*
3. *Does Finance communicate with representatives of the Public Works, Asset Management, Facilities Management or Legal functions through the financial reporting process?*
4. *Has a complete inventory been developed of all inactive or active assets or sites, to provide a baseline for scoping of potential retirement obligations?*
5. *If a complete inventory has been developed, does it reconcile back to information currently reported in the entity's financial statements for tangible capital assets or contaminated sites?*
6. *Does your entity have data on non-recorded assets or sites (ie: assets which were originally expensed on purchase, or recorded at no book value) which could have retirement obligations?*
7. *Does your entity have an active solid waste landfill site?*
8. *If yes, does your entity have an existing estimate of the full costs to retire and monitor the landfill site?*
9. *Is your entity aware of any of its buildings which have asbestos?*
10. *If so, does your entity have information to inform a cost estimate to remove/ treat the asbestos?*
11. *Is your entity aware of underground fuel storage tanks or boilers which must be removed at end of life?*
12. *If so, does your entity have information to inform a cost estimate to remove the tanks?*
13. *Is your entity aware of any lease arrangements where it will be required to incur costs to return the premises to pre-existing conditions at the end of the lease?*
14. *Has your entity determined if it has any sewage or wastewater treatment plants which have closure plans or environmental approvals which require full or partial retirement of the plant at the end of its life?*
15. *Is your entity aware of any other contractual or legal obligations to retire or otherwise dismantle or remove an asset at the end of its life?*

## Revenues

PS3400 outlines a framework describing two categories of revenue – transactions with performance obligations (exchange transactions) and transactions without performance obligations (unilateral transactions).

- This section will apply to fiscal years beginning on or after April 1, 2022, with earlier adoption permitted.
- This Section may be applied retroactively or prospectively.
- This section will not impact the present accounting for taxation revenues and government transfers.

Transactions which give rise to one or more performance obligations are considered to be exchange transactions. Performance obligations are defined as enforceable promises to provide goods or services to a payer as a result of exchange transactions. Revenue from an exchange transaction would be recognized when the public sector entity has satisfied the performance obligation(s), at a point in time or over a period of time.

If no performance obligations are present, the transaction would represent unilateral revenue, and be recognized when the public sector entity has the authority to claim or retain an inflow of economic resources and a past event gives rise to a claim of economic resources.

Public sector entities will need to review their revenue recognition policies for in-scope transaction types. Impacted areas may include:

- Development charges
- Permits
- Licences
- Advertising programs

## Are You Ready?

1. *Has the entity identified any revenue-generating transactions other than taxation or government transfer revenues which create performance obligations (ie: the entity is required to provide a good or service to earn that revenue)?*
2. *If so, has the entity reviewed its accounting policies for these transactions to verify revenue is recognized only as performance obligations are being met?*
3. *Has the entity quantified the impact of any change in accounting policy, or determined that there is no impact?*

## Financial Instruments

PS3450 establishes standards on how to account for and report all types of financial instruments including derivatives.

- This Section applies to fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.
- Government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of the CPA Canada Public Sector Accounting Handbook applied this Section to fiscal years beginning on or after April 1, 2012.
- This section must be adopted with Section PS 2601, Foreign Currency Translation.
- Specific transition requirements are outlined in the section.

This section prescribes a fair value measurement framework for derivatives, and equity instruments that are quoted in an active market.

Where an entity manages risks, the investment strategy, or performance of a group of financial assets, financial liabilities or both on a fair value basis, they may also be measured at fair value.

Other financial instruments are measured at cost/ amortized cost.

Changes in the fair value of a financial instrument in the fair value category are recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the financial instrument is derecognized.

- Upon derecognition, the remeasurement gain or loss is realized in the Statement of Operations.

## Are You Ready?

1. *Does the entity hold any financial assets which are equity or derivative instruments?*
2. *Has the entity determined if it has any embedded derivatives that might arise from existing contractual arrangements?*
3. *Does the entity have other financial assets which it assesses performance of based on fair value, and for which it might elect a fair value measure?*
4. *If yes to any of the above three questions, does the entity have readily observable market data to inform a fair value measure?*
5. *Has the entity reviewed existing financial instrument note disclosure in the financial statements to determine any required revisions to meet the requirements of this section?*
6. *Does the entity enter into transactions involving foreign exchange?*
7. *Does the entity hold any monetary assets and monetary liabilities, or non-monetary assets denominated in a foreign currency?*

## Enhance Finance Capacity with KPMG Learning

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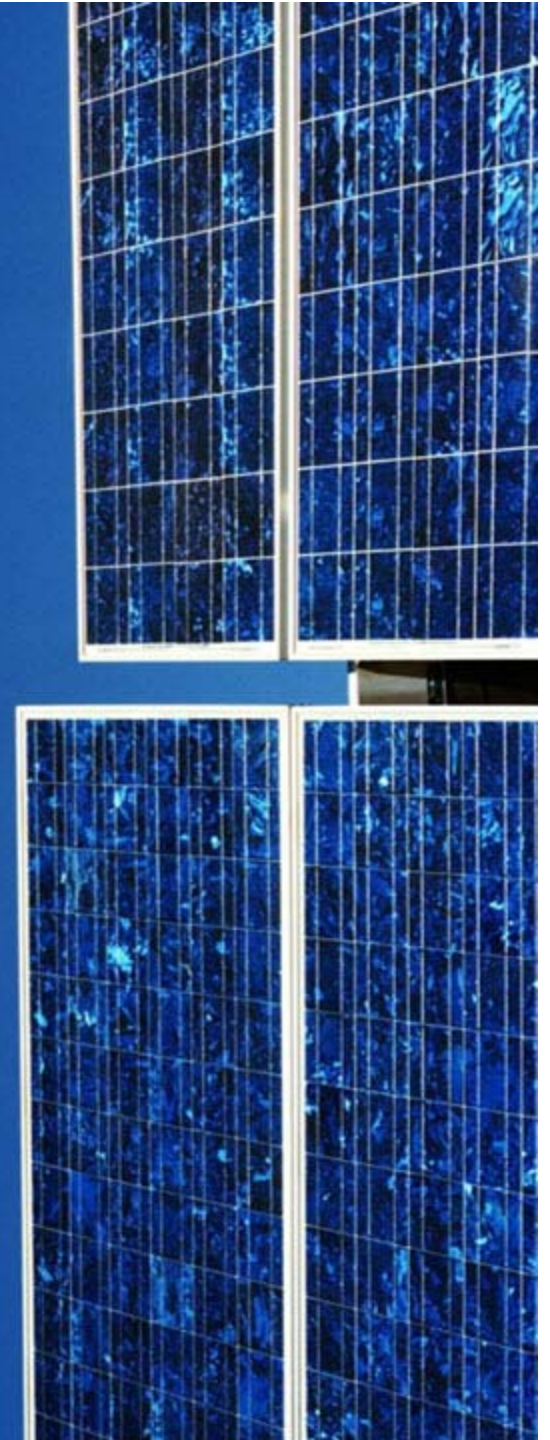


# The City of Spruce Grove

December 31, 2019 External Audit Completion Summary

*KPMG LLP*

Presented to Council - April 27, 2020



# The City of Spruce Grove

## KPMG Audit Report

We completed our audit and have provided our audit opinion (dated April 27, 2020) on the consolidated financial statements of the City of Spruce Grove for the year ended December 31, 2019.

We are satisfied that the consolidated financial statements are fairly presented.

We are satisfied that significant accounting policies, estimates and disclosures in the consolidated financial statements are appropriate.

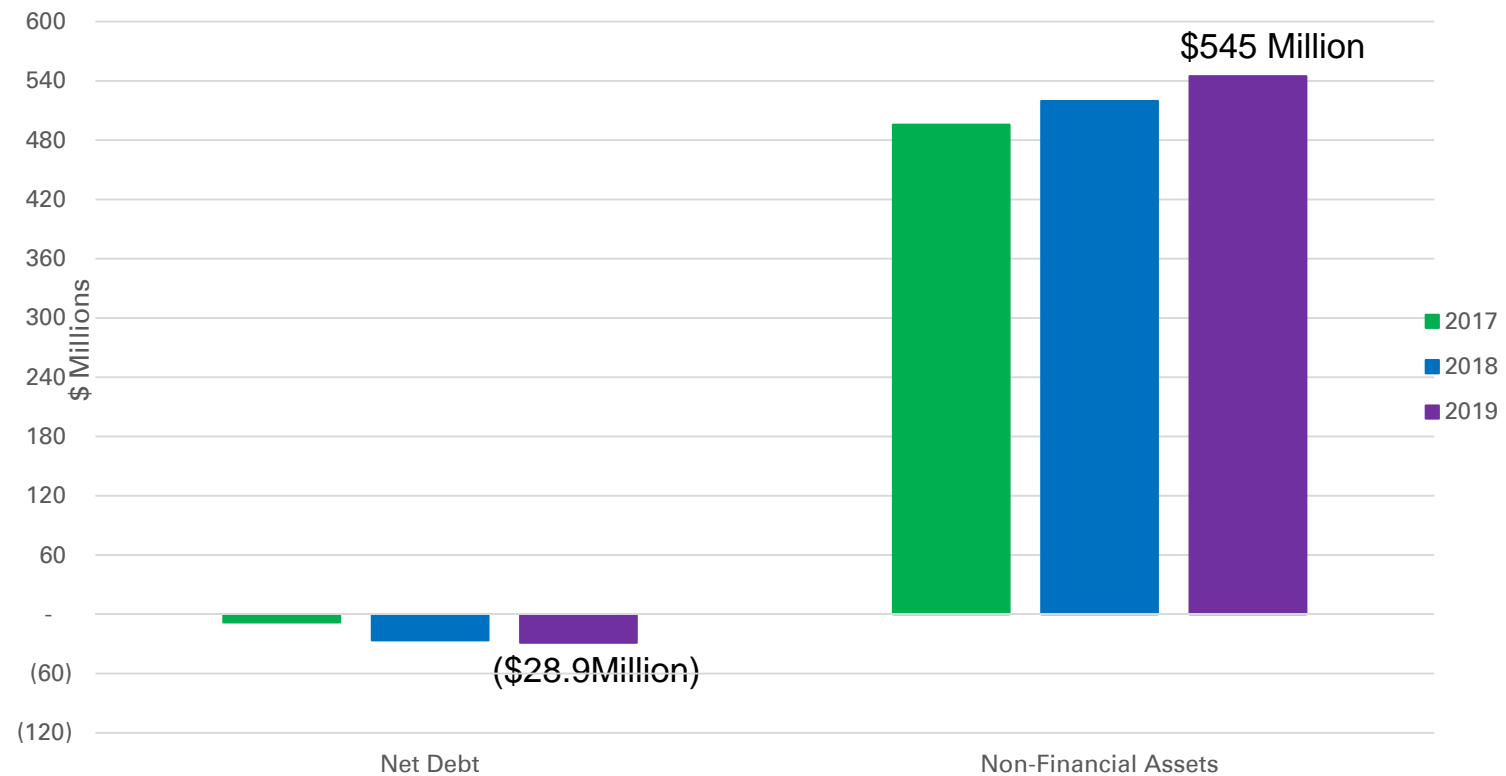
In addition, we have provided or will provide separate reports on the following:

- Municipal Financial Information Return for the City;
- Local Authorities Pension Plan – compliance audit;
- APEX Supplementary Pension Plan – compliance audit; and
- Family and Community Support Services – grant audit.



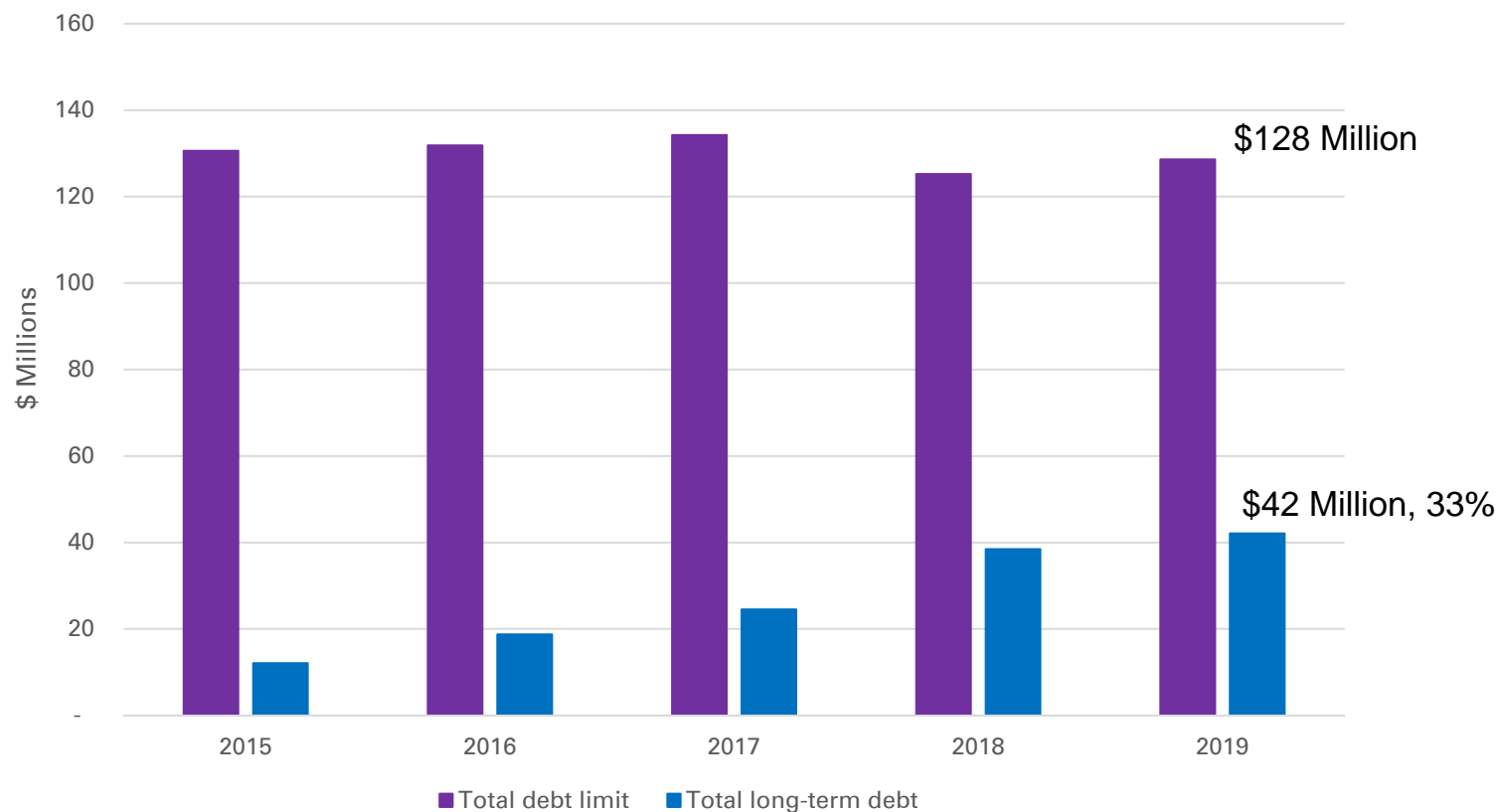
# The City of Spruce Grove

## 2019 Results - Net Debt and Non-Financial Assets



# The City of Spruce Grove

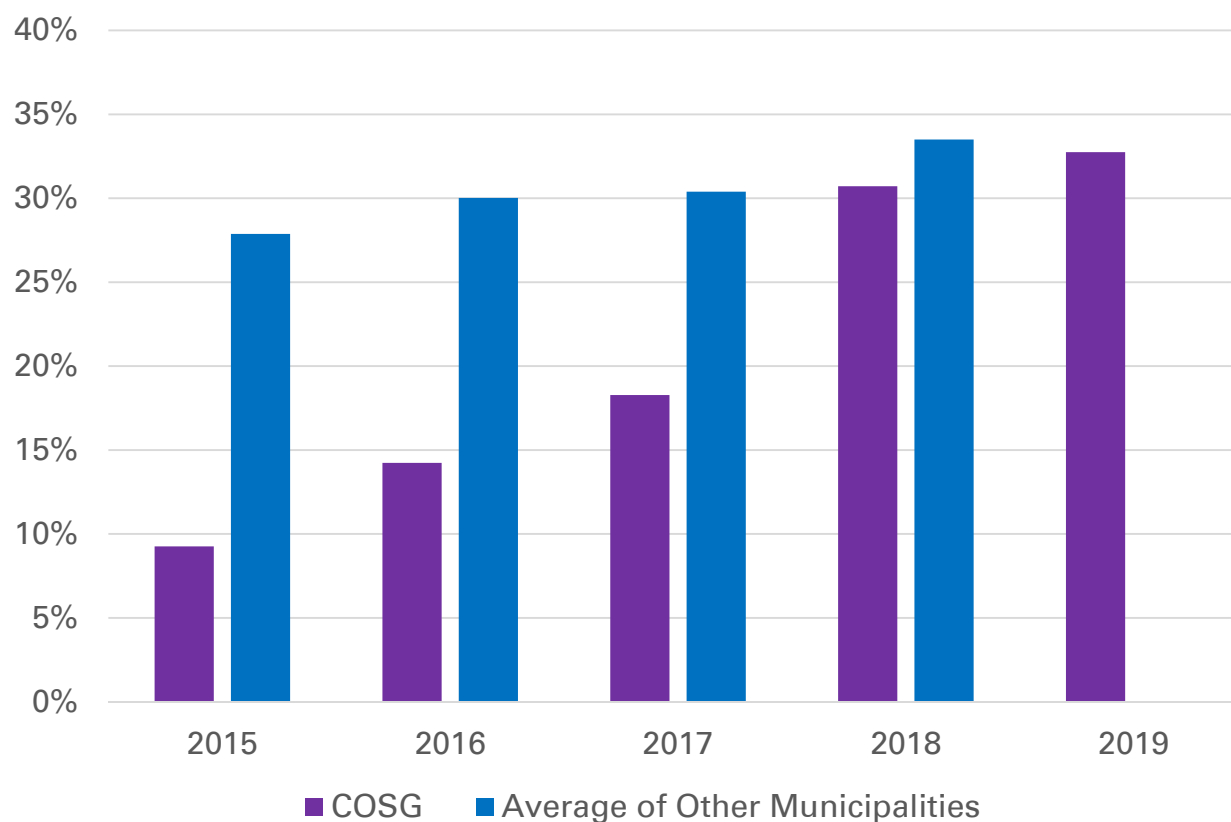
## 2019 Results - Long-term debt



- New debt in 2019 - \$5.6M (2018 - \$15.1M), 2019 repayments of approximately \$1.9M (2018 – \$1.9M)

# The City of Spruce Grove

## 2019 Results - % of Debt Limit Utilized



- Other Municipalities include City of Leduc, City of Edmonton, City of St. Albert, Parkland County and Strathcona County

# The City of Spruce Grove

## 2019 Results - Operating Revenue

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Property Taxes	\$ 40,448	\$ 40,372	\$ 37,961
Sales and User Fees	26,049	24,183	23,996
Sales to Other Governments	2,662	2,667	2,665
Franchise Fees	5,709	5,443	4,578
Fines	4,782	3,484	3,939
Government Transfers - operating	3,263	3,440	3,530
Licenses and Permits	2,225	1,609	1,736
Rentals, Penalties and Other	3,853	4,873	4,156
Local Improvement Levies	-	-	6
Interest	<u>222</u>	<u>506</u>	<u>115</u>
<b>Total Revenue</b>	<b>\$ <u>89,213</u></b>	<b>\$ <u>86,577</u></b>	<b>\$ <u>82,682</u></b>

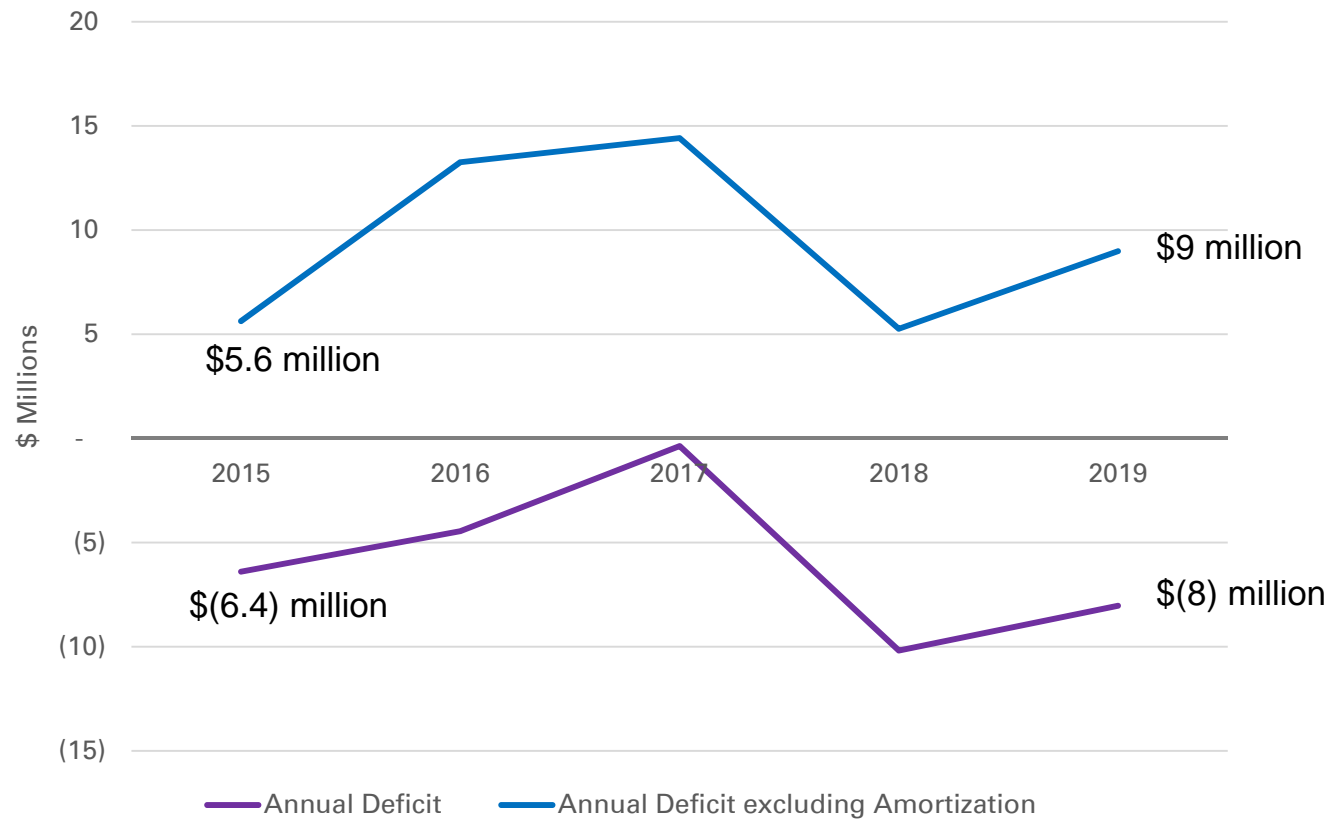
# The City of Spruce Grove

## 2019 Results - Expenses

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Salaries, Wages & Benefits	\$ 37,000	\$ 36,597	\$ 34,910
Contracted & General Services	22,032	17,019	19,025
Materials, Goods & Supplies	5,992	5,452	5,402
Purchases from Other Governments	18,686	16,521	15,856
Transfers to Government, Agencies & Other	260	176	843
Bank Charges	167	167	164
Interest on Long-Term Debt	1,038	1,265	898
Other	404	390	318
Amortization	<u>16,074</u>	<u>17,024</u>	<u>15,450</u>
<b>Total Expenses</b>	<b>\$ <u>101,653</u></b>	<b>\$ <u>94,611</u></b>	<b>\$ <u>92,866</u></b>

# The City of Spruce Grove

## 2019 Results – Annual Deficit before Other Revenue Items



# The City of Spruce Grove

## 2019 Results - Statement of Operations

	Budget (\$'000s)	2019 (\$'000s)	2018 (\$'000s)
Revenue	\$ 89,213	\$ 86,577	\$ 82,682
Expenses	(101,653)	(94,611)	(92,866)
Loss on Disposal of Tangible Capital Assets	-	(2,788)	(106)
Government Transfers - Capital	22,824	19,948	5,554
Contributed Tangible Capital Assets	13,795	11,581	9,651
Developer Contributions and Levies	<u>5,735</u>	<u>1,974</u>	<u>905</u>
<b>Annual Surplus</b>	<b>\$ <u>29,914</u></b>	<b>\$ <u>22,681</u></b>	<b>\$ <u>5,820</u></b>



# The City of Spruce Grove

## 2019 Results - Accumulated Surplus

	2019 (\$'000s)	2018 (\$'000s)
<b>Municipal</b>	<b>\$ 21,069</b>	<b>\$ 16,954</b>
<b>Utility</b>	<b>7,778</b>	<b>8,792</b>
<b>Developer Deficit</b>	<b><u>(15,011)</u></b>	<b><u>(13,084)</u></b>
	<b>13,836</b>	<b>12,662</b>
<b>Investment in Tangible Capital Assets</b>	<b><u>502,103</u></b>	<b><u>480,596</u></b>
	<b>\$ <u>515,939</u></b>	<b>\$ <u>493,258</u></b>

# The City of Spruce Grove

## 2019 Results - Changes in Net Debt

	Budget (\$'000)	2019 (\$'000s)	2018 (\$'000s)
Annual Surplus	\$ 29,914	\$ 22,681	\$ 5,820
Change in Inventory and Prepaid Expenses	(61)	15	(306)
Contributions of Tangible Capital Assets	(13,795)	(11,581)	(9,651)
Acquisition of Tangible Capital Assets	(46,316)	(33,858)	(29,846)
Loss on Disposal of Tangible Capital Assets	-	2,788	106
Amortization of Tangible Capital Assets	16,074	17,024	15,450
Proceeds from Disposal of Tangible Capital Assets	=	463	205
Change in Net Debt	\$ (14,184)	(2,468)	(18,222)
Net Debt, Opening	<u>(26,448)</u>	<u>(26,448)</u>	<u>(8,226)</u>
Net Debt, Closing	\$ <u>(40,632)</u>	\$ <u>(28,916)</u>	\$ <u>(26,448)</u>



# Thank you

We would like to take this opportunity to thank  
City Administration for their hard work  
in making the 2019 audit a success.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

## **Management Discussion & Analysis**

### **Audited Consolidated Financial Statements – December 31, 2019**

Another financial year has come to a close for the City of Spruce Grove. This document is designed to provide a management overview of the Audited Consolidated Financial Statements for the year ending December 31, 2019. Section 276 of the Municipal Government Act outlines financial reporting requirements for municipalities. The statements being discussed in this document ensure the City of Spruce Grove meets those requirements. The secondary goal of this document is open and transparent reporting to all stakeholders. Achieving this goal will help stakeholders to increase their trust in the governance decisions of City Council and the financial management of the City. This document is also intended to provide insight into financial condition thus allowing Council to make informed future decisions.

The City is engaged in many relationships that have an impact on financial decisions. The City's closest relationships exist with its tri-municipal region partners, the Town of Stony Plain, and Parkland County. There are joint service agreements and shared commitments to capital projects. One facility that showcases this tri-municipal relationship is the Transalta Tri-Leisure Center; jointly built and operated by the municipalities through a Part IX company. The City's proportionate share of that facility's operation is consolidated in the financial statements being discussed. The City of Spruce Grove Library is also consolidated within these statements.

#### **Roles and Responsibilities**

Management bears full responsibility for the preparation of the consolidated financial statements and the integrity, relevance and comparability of the data within the statements. These statements are prepared in accordance with the Canadian Generally Accepted Accounting Principles (GAAP) and standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The external audit firm of KPMG LLP is appointed by City Council to express an audit opinion on the financial statements. The Auditors issued an unqualified opinion on these statements; this indicates they had no reason to withhold an audit opinion.

#### **2019 Financial Discussion**

The City of Spruce Grove made progress on major capital infrastructure in 2019. Some of the key projects included Storm System Upgrades in Brookwood, work on the Water Main expansion from Century Road to Pioneer Road, Transit System growth in local service, Water Rehab projects, completion of the new portion of the Protective Services facility, and completion of the RCMP facility jointly built with the Town of Stony Plain. The City looks forward to the completion of the renovation portion of the Protective Services facility in 2020. This will integrate the bays from the previous facility into the new facility.

The City of Spruce Grove's financial position has shifted downward from a Net Debt position in 2018 of \$26.4M to a Net Debt position at the close of 2019 of \$28.9M. Being in a Net Debt position implies that future dollars will be required to pay for past decisions. As the Net Debt is less than actual Long-Term Debt, the future dollars required at this time are for debt payments and not for operations.

The actual debt of the municipality is \$42.1M in 2019, up from \$38.4M in 2018. The allowable long-term debt under section 276(2) of the Municipal Government Act for the City of Spruce Grove is \$128.6M. By City policy, the self-imposed debt limit is 50% of the provincial limit, therefore \$64.3M. With the City's 2019 borrowing balance of \$42.1M, it is currently below both of these limits. Actual borrowing represents 32.7% of the provincial limit and 65.5% of the municipal limit. Debt per Capita has increased from \$1,103 in 2018 to \$1,178 in 2019.

The ratio of Financial Assets to Liabilities also reflects the increased Net Debt position. At the close of 2018, the ratio of Financial Assets to Liabilities was .74. This ratio has declined to .67 in 2019. This means that for every dollar of overall liabilities, the City currently has sixty-seven cents available for repayment of the liabilities. If Long-Term Debt were taken out of this ratio, the City would have \$1.20 for every dollar of liabilities in 2018 and \$1.28 for every dollar of liabilities in 2019. This reflects that currently available assets are still able to cover current liabilities and future dollars are only required for debt repayment, which is to be expected.

The Accumulated Surplus of the municipality is \$516M of which investment in Tangible Capital Assets represents \$502M; the cash surplus position of the municipality is therefore \$13.8M or 2.7% of overall surplus. The cash surplus position has increased from 2018 to 2019. This is still of some concern because the amount of cash position recommended for cash flow management and emergency preparedness is two to three months of expenses. For the city, the recommended amount would therefore be between \$16-24M. With the current \$14M cash surplus position, the city is short of this recommended position by \$2-10M at the close of 2019. The cash surplus position of \$14M is made up of a municipal surplus of \$21M, a utility surplus of \$8M and a developer deficit of \$15M. By city policy, the municipal surplus is to be 20% of expenses. The expenses for 2019 were \$94.6M. The municipal surplus should therefore be \$18.9M. It is currently \$21M which represents 22% of expenses and is therefore currently meeting the policy directive.

Operating results in 2019 show an excess of expenses over revenues of \$8M before other capital items of \$30.7M, resulting in an overall annual surplus of \$22.7M. This surplus is due in large part to Contributed Tangible Assets of \$11.6M and Government Transfers for Capital of \$19.9M. The overall annual surplus is \$7.2M short of the budgeted surplus of \$30M. The following comments are relevant to this discussion:

- Revenue was short of budget by \$2.6M due to a few items. There was a shortfall of fines and permit revenue - due to the unpredictable nature of these revenues, as they are dependent on the number of infractions. Development permits were down due to a slowdown in economic activity. Sales and user fees were also lower than anticipated as the implementation of the new storm utility rate was delayed to September 1<sup>st</sup>, 2020 and water sales came in under budget as the volume consumed was lower than anticipated.
- Budget savings in all expense line items represented can be primarily attributed to cost deferrals and reductions undertaken in 2019 during corporate planning.
- Contributed Tangible Capital Assets came in less than budgeted, as did Developer Contributions and Levies, some of which was representative of a slow-down in developer activity in the community.
- Due to the timing of capital projects, the amount of Government Transfers – Capital accessed in the 2019 year also came in under budget.

Overall revenue per capita in 2019 increased from \$2,319 to \$2,420. Included in this revenue was property taxes; the per capita for property taxes increased from \$1,061 to \$1,129. Expenses per capita in 2019 increased from \$2,597 to \$2,645. Expenses per capita exceeded revenues per capita, hence the deficit from operations before other capital items.

### **Looking Forward**

Council priorities for 2020 – 2022 called for Sustainable Growth. To accomplish this, Council called for the establishment of a fiscal sustainability framework to ensure prudent and sustainable growth. This will develop a reliable foundation upon which the city can establish its long-term financial planning. The City has also undertaken a Reframe 2020 exercise that is intended to serve as a springboard to set strategic priorities, bring greater clarity to service delivery, and ensure value for money for citizens. This exercise has initially resulted in a pause on capital spending and a review of operational spending, amongst other priorities. This will also help to prepare the City for sustainable growth.

As 2020 unfolds however, the realities created by the COVID-19 pandemic have resulted in a further pause related to spending and measures that are intended to provide financial relief for citizens. The City is deferring the application of penalties on outstanding utility accounts and providing a process for residents to seek deferral of tax penalties if they have been financially impacted by COVID-19. Council also elected to forego the 3.9% tax increase previously approved in budget and elected to reduce this impact to 0%. A new Storm Utility intending to be implemented for April 1 is also being delayed to September 1 to alleviate financial pressure. These COVID-19 decisions will likely require the City to undertake some short-term borrowing for cash flow support. This reality effectively demonstrates the ongoing need for the City to build a healthy municipal fund through future policy decisions.

Past policy decisions positioned the City to become reliant on debt and reduced reserves for future spending. In the past, the City paid for development of key infrastructure in advance of development revenue generation in order to encourage growth. These decisions and practices enabled the City to advance its infrastructure and prepare for future growth but also left the City in an accumulated surplus position that is not optimal for ongoing operation and therefore is not sustainable long-term. The City is now entering into a time where it can slow its capital spending and also allow development to catch up to the infrastructure already provided. The City will need to rebuild a municipal fund that is healthy enough to carry two to three months of expenses and to help to provide for some future capital spending. The City will also need to continue to develop its asset management information, thus paving the way for robust long-term capital planning and evidence based decision making.

The City has been working hard to advance financial literacy for all its decision makers and continually assess its financial condition. This is expected to continue with Council through quarterly reporting and annual updates. The development of a sustainable fiscal policy framework will aid decision making and will contribute to sustainable financial health for the City in the future.

Louise Frostad

Chief Financial Officer

April 16, 2020





# The City of Spruce Grove

## Request for Decision

Closed Session Item # 13. a.

### Regular Council Meeting Agenda

**Meeting Date:** 04/27/2020

**Title:** Provincial Grant Opportunities - Levasseur

**Department:** Planning & Infrastructure

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### Request for Decision Summary

Briefing note will be distributed under separate cover.

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### Proposed Motion

That Council go into Closed Session under Section 24(1) of the Freedom of Information and Protection of Privacy Act, RSA 2000, c. F-25 respecting advice from officials.
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### Background/Analysis

### Options/Alternatives

### Consultation/Engagement

### Implementation/Communication

### Impacts

### Strategic Vision Element:

This topic relates to all three of the City's strategic vision elements contained in Council's Strategic Plan

### Related Goal:

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### Attachments

*No file(s) attached.*

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