



Industry Bulletin

March 2024

## **Established Areas Linear Levy Pilot**

The following is an update to the August 2023 Industry [Bulletin](#) “*Updates to the Proposed Water Established Area Levy (2023)*”.

The City is pleased to introduce a three-year (2024-2026) pilot to support eligible local-sized utility (water and sanitary) upgrades triggered by redevelopment in the Established Areas. The pilot will be funded by a combination of The City (funded through utility rates) and other funding partners. The pilot is being implemented to reduce servicing barriers to immediately support residential housing unit development in the Established Areas, and to provide opportunity to test the prior levy parameter assumptions identified in the “*Established Areas Local-sized Linear Levy Comprehensive Proposal (2021)*”. The City will monitor the pilot throughout the three-year period to determine the next steps for this initiative.

The following are the details of the Established Areas Linear Levy Pilot:

Industry developers can immediately start conversations on funding eligibility with the Development Engineering Utility Generalist (DEUG) in Community Planning once a water or wastewater upgrade has been identified for their development permit application. For applications already in process but not yet released, eligibility for funding can be requested following publication of this Bulletin and The City will decide if it qualifies for this pilot.

- a) Eligible projects include public, local-sized water and sanitary upgrades in the Established Area triggered by residential unit development that is determined by The City to improve available fire flow or sanitary capacity for the projected growth.
- b) Servicing connections, private or onsite infrastructure, main extensions required for servicing a parcel, or master planned areas do not qualify for funding.
- c) The pilot project will run from Mar. 4, 2024 to Sept. 1, 2026. Development applications with construction drawing submissions during this time can be considered for reimbursement in the pilot pending an eligibility review by Utilities Infrastructure Planning.
- d) The developer must comply with fair, open and transparent procurement practices complying with applicable law, trade agreement, or policy when seeking tenders for construction.
- e) If a developer believes that their Established Area project may be eligible for pilot funding, they must submit a reimbursement request application form to Development Commitments with their construction drawing submission. Project eligibility will be confirmed at this time but funding commitment will follow later. Eligibility will be determined at the sole discretion of The City.
- f) Developers are still responsible for construction of the upgrades triggered by their development permit application. As part of the development permit process, the developer will be required to enter into a reimbursement agreement along with an indemnification agreement with Development Commitments. Under unique circumstances The City may deliver the project.

- g) Funding commitment will be confirmed upon approval of the indemnification and reimbursement agreements in the development permit approval stage.
- h) Funding commitments will be made on a first come first served basis, subject to annual availability of funds.
- i) No developer linear levy contributions to the investment pool are required during the pilot period. The Water Treatment and Wastewater Treatment levies will get paid as usual for applications within the Established Area as outlined in the Offsite Levy bylaw.
- j) Funding reimbursement will be made following construction subject to annual fund availability.
- k) The developer must submit an itemized invoice and the issuance of the Construction Completion Certificate (CCC) to Development Commitments and a building permit submission to Community Planning before reimbursement will be considered.
- l) Reimbursement will be based on the actual invoice amount submitted by the developer with limitations as follows:
  - Up to a maximum of \$2,100 per linear meter as a first threshold, AND
  - Up to a maximum of \$1.0 million per development permit application as a second threshold.
  - Costs that exceed the maximum thresholds will be the obligation of the developer.

Additional details on the submission process and a reimbursement request form are currently being developed and will be posted on the Water Development Resources website as they become available at: [Water Development Resources - Development](#). Terms of the pilot and funding availability will be monitored, and any necessary adjustments communicated back to Industry.

An annual update will be provided for Industry during the pilot.

Questions or comments about the Established Area Linear Levy Pilot can be directed to Marie Standing at [marie.standing@calgary.ca](mailto:marie.standing@calgary.ca) or Kylee van der Poorten at [kylee.vanderpoorten@calgary.ca](mailto:kylee.vanderpoorten@calgary.ca).