



Urban Development Institute
EDMONTON REGION



#324 Birks Building
10113 – 104 Street
Edmonton, AB T5J 1A1

info@udiedmonton.com
www.udiedmonton.com

Enclosure 3

P 780.428.6146
F 780.425.9548

June 1, 2020

(sent via email)

Strathcona County
Planning and Development Services
Strathcona County, 2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

Attention: Jessica Jones
Manager, Land Development Engineering

Re: Draft 2020 Offsite Development Levies

Please accept this letter as general support of the noted subject line given there have been no major changes to the levy rates. This *general support* is given with a couple of important caveats:

1. For the last number of years, we have stressed that we do not support a levy model that uses differential earning and interest rates or inflation. We continue to maintain that such items have no place in a levy or model that provides for annual cost reviews and updates that ultimately capture appropriate changes to costs (be it up or down) in real time.
2. Regarding *North of Yellowhead*, it appears that potential cost savings have not been captured. These cost savings were initially identified last year but were not captured in 2019 because it was too early to confirm said numbers. UDI requests a County commitment that acknowledges a mid-year update may be required (for this component of the overall *Offsite Levy Bylaw*) upon confirmation of the cost savings.

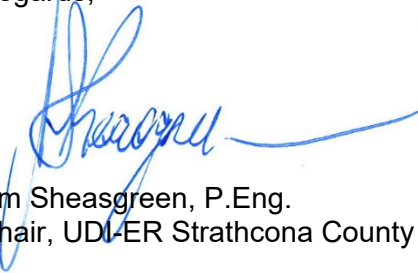
We understand that the County is undergoing a review of the levy model this year in anticipation of having a new model for 2021 rates and beyond. This is very much

supported as it has been a matter UDI has advocated for several years. We appreciate that we will have a role in this review, the formulation of a new model and for the opportunity to comment as details arise. It is extremely important for us to work together on a model that meets all needs and interests.

As we have seen in the last 75+ days, a lot can change in our environments in a very short period and this recent time is evidence that levies should not be calculated with long periods (15, 20 or 25 years) in mind when it comes to assumptions for interest rates, inflation or even pace of development.

Thank you for the opportunity to provide our input and comments on the *2020 Offsite Levy* matter and we look forward to a continued partnership on this important initiative.

Regards,



Jim Sheasgreen, P.Eng.
Chair, UDI-ER Strathcona County Committee

Cc: UDI-ER Strathcona County Committee
Mike Kohl, Chair - UDI-ER
Rick Preston, Executive Director - UDI-ER
Deanna Kwong, Manager Industry Relations - UDI-ER