



City of Chestermere
PROVINCE OF ALBERTA

Bylaw #020-26

Bylaw #020-26

City of Chestermere Off-Site Levy Bylaw

A BYLAW OF THE CITY OF CHESTERMERE, IN THE PROVINCE OF ALBERTA, TO ESTABLISH OFF-SITE LEVIES FOR LAND THAT IS TO BE SUBDIVIDED OR DEVELOPED WITHIN THE CITY OF CHESTERMERE

WHEREAS the Municipal Government Act gives Municipalities the power to enact Bylaws and impose the payment of Off-Site Levies in respect of land that is to be developed or subdivided;

AND WHEREAS the Municipal Government Act authorizes a Council collect Off-Site Levies to pay for the capital cost of infrastructure required to service the Growth of the City;

AND WHEREAS Council 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 allocations of the capital costs of such infrastructure;

AND WHEREAS Council has received the Report, which set out a fair and equitable calculation of Off-Site Levy 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

NOW, THEREFORE THE COUNCIL OF THE CITY OF CHESTERMERE, DULY ASSEMBLED, HEREBY ENACTS AS FOLLOWS:

1. TITLE

1.1 This Bylaw shall be known and referred to as the "Chestermere Off-Site Levy Bylaw".

2. DEFINITIONS

2.1 "Bylaw" means this Off-Site Levy bylaw;

2.2 "Chief Administrative Officer" means the Chief Administrative Officer for the City, regardless of the specific title that may be conferred on that officer from time to time;

2.3 "City" means the City of Chestermere;

2.4 "Council" means the Council for the City;

- 2.5 “Developable Land”** means all land contained within the Development Area:
2.5.1 upon which Development takes place after the date of enactment of this Bylaw; or
2.5.2 for which Subdivision approval is obtained after the date of enactment of this Bylaw;
2.5.3 excluding all Developed Land;
- 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 infrastructure have been paid;
- 2.7 “Development”** means development as defined in the *Municipal Government Act*;
- 2.8 “Development Agreement”** means development agreement as referred to in 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:
2.10.1 the creation of new Lots through Subdivision; and
2.10.2 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, c. M 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, storm water sewer facilities, transportation facilities, recreation facilities, and fire facilities to be paid for in whole or in part by Off-Site Levies under the Bylaw;
- 2.14 “Off-Site Levies”** means the Off-Site Levies imposed pursuant to this Bylaw;
- 2.15 “Off-Site Levy Regulation”** means the Principles and Criteria for 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 Chestermere: Offsite Levy Rates Update, May 26, 2026, prepared by City of Chestermere, attached as Schedule “C” to this Bylaw; and
- 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. IMPOSITION OF LEVY

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.

4.2 The amount of the Off-Site Levies imposed is as calculated in the Report and set out in Schedule “B”.

4.3 The Off-Site Levies will be assessed on all Developable Land on a per hectare basis, excluding those portions of Developable Land that are designated pursuant to a Subdivision as:

4.3.1 environmental reserve;

4.3.2 school reserve;

4.3.3 municipal reserve;

4.3.4 arterial road right of way; or

4.3.5 public utility lots dedicated for Off-Site Levies project.

4.4 Unless otherwise agreed, payment of Off-Site Levies imposed under this Bylaw is due.

4.5 In the case of Subdivision, at or prior to plan endorsement.

4.6 In the case of Development, as a condition of the issuance of the development permit.

5. AUTHORITY OF THE CHIEF ADMINISTRATIVE OFFICER

5.1 The Chief Administrative Officer is delegated the authority to enforce and administer this Bylaw, including, but not limited to the authority to:

5.1.1 enter into Development Agreements on behalf of the City with respect to, among other things, the collection of Off-Site Levies;

5.1.2 defer or waive collection of Off-Site Levies imposed pursuant to this Bylaw; and

5.1.3 require security for payment of any deferred Levies.

5.2 The Chief Administrative Officer may delegate the authority to enforce and administer this Bylaw.

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 deferral of Off-Site Levies, including requiring security for the payment of such deferred 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:

7.1.1 Off-Site Infrastructure constructed during the previous calendar year;

7.1.2 Construction costs of Off-Site Infrastructure constructed in the previous calendar year;

7.1.3 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;

7.1.4 Amount collected in Off-Site Levies; and

7.1.5 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:

- 10.1.1** 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;
- 10.1.2** deferring collection of Off-Site Levies on any portion of Developable Lands, including requiring security for payment of such deferred Levies; or
- 10.1.3** 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 Schedules "A" and "B" to this Bylaw, and specifically, without restricting the generality of the foregoing, the rates for Off-Site Levies set out in the Report, may be updated or amended from time to time by resolution of Council.

10.3 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:

- 11.1.1** any Subdivision where the date of subdivision approval occurs on or after the date this Bylaw comes into force; and
- 11.1.2** any Development where the date of issuance of a development permit occurs on or after the date this Bylaw comes into force.
- 11.1.3** Development Agreements entered into prior to the enactment of this Bylaw shall remain valid and in effect.

11.2 Any Off-Site Levies payable under Development Agreements entered into prior to the enactment of this Bylaw, are confirmed and shall continue to be payable notwithstanding the repeal of previous Off-Site levy bylaws pursuant to Sub-section (d).

11.3 Bylaw #013-25 is hereby repealed.

12. EXECUTION

This Bylaw shall take effect and come into force effective after final reading and signature thereof by the Mayor and Chief Administrative Office.

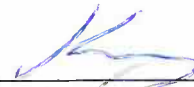
READ A FIRST TIME: May 26, 2026
READ A SECOND TIME: June 9, 2026
READ A THIRD TIME: June 9, 2026

RESOLUTION NUMBERS:

260526-22
260609-29
260609-30

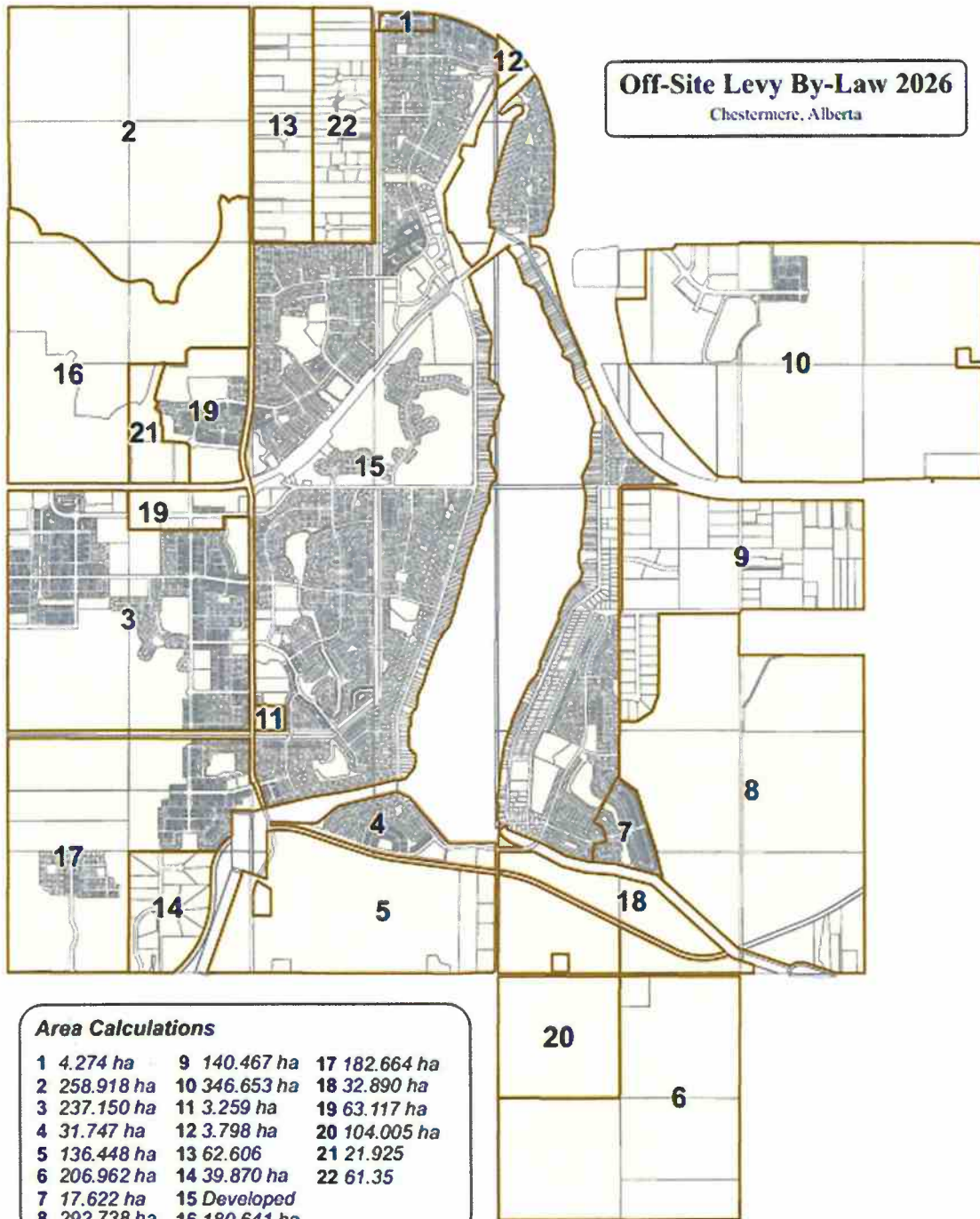


Mayor, Shannon Dean



Chief Administrative Officer, Kent Edney

SCHEDULE A



SCHEDULE B

Summary by Development Area

| Area # | 2026 Off Site Levy per Hectare | | | | | | | Total |
|--------|--------------------------------|--------------|-----------------|-------------------|-------------------|-------------|----------------|------------|
| | Transportation Levies | Water Levies | Sanitary Levies | Stormwater Levies | Recreation Levies | Fire Levies | Library Levies | |
| 1 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,238 |
| 2 | \$ 115,907 | \$ 63,055 | \$ 111,461 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 438,747 |
| 3 | \$ 115,907 | \$ 63,055 | \$ 73,294 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 432,095 |
| 4 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 299,808 |
| 5 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 69,329 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 369,137 |
| 6 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 134,612 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 486,832 |
| 7 | \$ 115,907 | \$ 63,055 | \$ 30,094 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 288,475 |
| 8 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 454,551 |
| 9 | \$ 115,907 | \$ 63,055 | \$ 132,566 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 493,278 |
| 10 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 454,569 |
| 11 | \$ 115,907 | \$ 63,055 | \$ 73,294 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 331,675 |
| 12 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,238 |
| 13 | \$ 115,907 | \$ 63,055 | \$ 111,461 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 438,747 |
| 14 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 102,674 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 402,483 |
| 15 | \$ 115,907 | \$ 63,055 | \$ 94,431 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,812 |
| 16 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 66,651 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 425,175 |
| 17 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 400,228 |
| 18 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 88,498 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 440,719 |
| 19 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 458,944 |
| 20 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 57,158 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 409,378 |
| 21 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 59,474 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 417,998 |
| 22 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 421,143 |

SCHEDULE C

City of Chestermere: Off-Site Levy Rates 2026 Report, May 2026

Prepared by the City of Chestermere

May, 2026

Off-Site Levy Rates

2026

CITY OF CHESTERMERE



Document Information

| Version | | |
|---------|---------------|-------------------------------------|
| Number | Revision Date | Description |
| 1.0 | April 27 2026 | Draft Issued for Stakeholder Review |
| 2.0 | May 26, 2026 | Issue for Bylaw 020-26 |

Acknowledgements

Chestermere Administration would like to thank all Stakeholder including City of Chestermere staff, developers, and the Building Industry and Land Development Association (BILD) who supported the work of this rate update. Chestermere also acknowledges that Chestermere’s off-site levy (OSL) model and reporting is based on offsite levy model and report template developed by CORVUS Business Advisors Inc. and is used in the development of this report.

Disclaimer

City of Chestermere has relied upon many third-party reports provided by engineering/consulting advisors to provide most of the data and information used to construct the offsite levy model and create the rates, such as planning data and assumptions, development forecasts and assumptions, infrastructure costs and costs estimates, allocations to benefiting parties, allocation to benefiting areas, historical financial details, and other assumptions etc. As such, City of Chestermere makes no guarantee as to the accuracy of the input data and information provided by these groups or the results that stem from this data and information.

Offsite levy rates are not intended to stay static; they are based upon educated assumptions and the best available information of the day. Planning assumptions, cost estimates etc. can change each year. Accordingly, the Municipal Government Act requires that offsite levy rates be updated with the most available information on a regular basis and a status report provided to Council annually. When information changes, it will be reflected in a future update, and rates adjusted accordingly.

Tables in this report are directly from the OSL model. The model rounds displayed rates to the nearest dollar, while calculations use full precision. Minor discrepancies, less than 0.001%, may occur in totals due to this rounding, and for the purpose of this report are considered insignificant.

Contents

1 INTRODUCTION..... 1

2 KEY FINDINGS 8

3 RATES 11

4 RECOMMENDATIONS 12

APPENDIX B: WATER OFFSITE INFRASTRUCTURE 23

APPENDIX C: SANITARY OFFSITE INFRASTRUCTURE..... 33

APPENDIX D: TRANSPORTATION OFFSITE INFRASTRUCTURE 41

APPENDIX E: STORMWATER OFFSITE INFRASTRUCTURE 55

APPENDIX F: RECREATION OFFSITE INFRASTRUCTURE..... 65

APPENDIX G: FIRE STATIONS OFFSITE INFRASTRUCTURE..... 73

APPENDIX H: LIBRARY OFFSITE INFRASTRUCTURE 79

APPENDIX H: RATE COMPARISON..... 86

1 INTRODUCTION

Bylaw 013-25 amended by the City of Chestermere (“the City”) in 2025 defines offsite levy charges for roads, water, sanitary, stormwater, recreation, fire and library infrastructure in the municipality. The City wishes to update this bylaw, amending certain infrastructure in alignment with the City’s current capital plans, ensuring updated costs and development forecasts are reflected fairly and equitably in rates, and amending other key inputs and variables thereby ensuring a financially sustainable community.

This report outlines the methodology and information used to update the offsite levy charges for the City, as well as other key findings and recommendations.

The City maintains various capital plans, and these plans have been used to generate key inputs for this offsite levy rates review. City staff and their engineering advisors reviewed existing plans and identified offsite projects for roads, fire, water, sanitary, stormwater, recreation, and library¹.

The City’s review also included:

- Incorporation of offsite levy area measurements and land development forecasts.
- Incorporation of infrastructure costs and allocation percentages for existing development, new development, and other parties.
- Reconciliation of offsite levy reserve opening balances.
- Development of offsite levy rates and associated report using Chestermere’s offsite levy model.
- Review of offsite levy rates with development industry, staff, and Council.

Offsite levy rates within the City’s offsite levy model are forecast using a rolling 25-year review period. During this review, a cut-off date of **December 31st, 2025** was established (the most recent year-end when the project commenced), and so the 25-year review period stems from **2026 to 2050**. Project expenditures, offsite levy receipts, and other financial records were collected as “actuals” from City financial records up to the specified cut-off date. Any financial details beyond the cut-off date are considered estimates. Upon completion of the City’s next rate update, information from January 1st, 2026, up to the new cut-off date will be converted from estimates to actuals.

Costs that benefit development prior to and within the review period are included in rates. Costs that benefit development beyond the review period (called “financial oversizing”) are excluded from rates. In future years, when rates are updated, and the rolling 25-year period moves further out, offsite infrastructure costs beyond 2050 will gradually find their way into rates.

¹ It is not within OSL scope of work to review or assess capital plans. Infrastructure requirements, costs, allocations etc. are determined by the municipality and their engineering/consulting advisors through various technical document.

2 KEY FINDINGS

Key findings pertaining to the update of City offsite levy rates are as follows:

- Offsite infrastructure costs to be included in the offsite levy bylaw totals approximately **\$832.16 million** (current dollars). An overview of offsite infrastructure costs and maps is provided in Appendices B1, C1, D1, E1, F1, G1, H1.
- Before determining how the infrastructure costs will be allocated to parties that benefit (e.g., existing development, new development, other municipalities etc.), financing provided by way of special ear-marked grants and other contributions are deducted from offsite infrastructure costs. For this update, the City has identified approximately **\$14.29 million** in special grants and contributions. An overview of special grants and contributions and resulting net costs is provided in Appendices B2, C2, D2, E2, F2, G2 and H2.
- The residual benefit allocated to existing development (the City’s share) is approximately **\$88.32 million**. The share allocated to other stakeholders for joint benefiting projects have been excluded from the model calculation at this time. (e.g. Rockyview and Alberta Transportation contributions to the Highway 1 interchanges).
- That portion of cost which is allocated to future development totals approximately **\$729.56 million** {\$336.56 million (oversizing) + \$392.99 million (in rates)} and is based on the allocations shown in Appendices B4, C4, D4, E4, F4, and G4. However, a portion of the cost allocated to future development is beyond the 25-year review period (called “financial oversizing”). Financial oversizing is determined based on the anticipated year of construction (construction staging) which is provided in Appendices B3, C3, D3, E3, F3, G3, and H3.
- Of the **\$729.56 million** in total offsite infrastructure costs allocated to future development, the share allocated to future development that is included in rates today (the offsite levy share) is approximately **\$393.00 million**, as shown in the table below. A complete summary of offsite infrastructure net cost “flow-thru” is provided in Appendices B6, C6, D6, E6, F6, G6, H6.

Summary of Infrastructure Costs & Allocations

| Infrastructure | Special Grants & Contributions | Muni Share of Costs | Other Stakeholders' Share of Costs | Developer Cost Beyond 25 Yrs (Financial Oversizing) | Developer Costs (In Rates) | Total Costs |
|----------------|--------------------------------|---------------------|------------------------------------|---|----------------------------|----------------|
| Transportation | \$ 6,389,024 | \$ 28,392,722 | \$ - | \$ 114,564,724 | \$ 108,957,756 | \$ 258,304,226 |
| Water | \$ 3,499,537 | \$ - | \$ - | \$ 78,723,268 | \$ 66,904,529 | \$ 149,127,333 |
| Sanitary | \$ 4,399,274 | \$ 6,833,439 | \$ - | \$ 65,280,148 | \$ 69,144,621 | \$ 145,657,481 |
| Stormwater | \$ - | \$ - | \$ - | \$ 37,952,339 | \$ 77,391,314 | \$ 115,343,653 |
| Recreation | \$ - | \$ 39,413,138 | \$ - | \$ 39,230,513 | \$ 46,195,250 | \$ 124,838,900 |
| Fire | \$ - | \$ - | \$ - | \$ - | \$ 14,891,479 | \$ 14,891,479 |
| Police | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Library | \$ - | \$ 13,680,000 | \$ - | \$ 808,400 | \$ 9,511,600 | \$ 24,000,000 |
| Total | \$ 14,287,835 | \$ 88,319,298 | \$ - | \$ 336,559,391 | \$ 392,996,548 | \$ 832,163,073 |

Before allocating infrastructure costs to benefitting lands, offsite levy costs must be reduced by the amount of levies collected to date. Up to December 31st, 2025, the City has collected approximately **\$97.60 million** as shown in Appendices B5, C5, D5, E5, F5, G5, and H5.

Summary of Offsite Levy Collections

| Levies Collected To Cut-off Date | |
|----------------------------------|----------------------|
| Transportation | \$ 31,261,649 |
| Water | \$ 19,294,232 |
| Sanitary | \$ 15,475,779 |
| Stormwater | \$ 15,338,937 |
| Recreation | \$ 13,812,410 |
| Fire | \$ 2,191,875 |
| Police | \$ - |
| Library | \$ 224,429 |
| Total | \$ 97,599,312 |

To facilitate the allocation of infrastructure costs to those lands that benefit from the infrastructure, the City is parsed into **22** offsite levy areas. The area boundaries, numbering schema, and area measurements are described in *Appendix A* along with an offsite levy map; and an overview of offsite infrastructure allocations to each benefitting area is provided in Appendices B7, C7, D7, E7, F7, G7, and H7.

To calculate offsite levy rates, it is necessary to forecast the amount of land that will develop during the 25-year review period. Land development forms the denominator of the rate calculation. A larger denominator reduces rates but could potentially result in under-collection thereby placing an increased burden on tax payers. A smaller denominator increases rates but could potentially result in over-collection thereby placing an increased burden on future development. Accordingly, land development forecasts need to be (a) reasonable and reflect current planning assumptions including the current pace of development in the community, and (b) updated regularly.

For this update, the City is forecasting development of approximately **727.9 ha.** over the 25-year review period. The land development forecast and underpinning assumptions are shown in *Appendix A*. This represents a **38.1 ha decrease** since the 2025 update, which moderates the increase in rates as discussed further below.

Offsite Levy Accounts. The City is managing offsite levy receipts and withdrawals via 7 accounts, in alignment with MGA requirements (i.e., one account for each infrastructure type). The reason that an account is required for each infrastructure type is because offsite levies can only be used for the type of infrastructure for which they were collected (e.g., water levies can only be used to construct water offsite infrastructure, not sanitary infrastructure etc.). An overview of updated account balances is shown in Appendices B8, C8, D8, E8, F8, G8, and H8.

Interest. Offsite levy accounts (both actual and forecast) are impacted by interest. Actual

reserve inflows and forecast account balances that are in a positive position earn interest (as required by the MGA). Actual reserve outflows and forecast account balances that are in a negative position are charged interest (forecast balances that are negative indicate that front-ending will be required).

An overview of account interest rates and forecast balances over the 25-year review period is shown in Appendices B9, C9, D9, E9, F9, G9 and H9.

Front-ending. Front-ending is an extremely important concept that underpins rigorous management of offsite levies. Front-ending represents debts owed by future development to the municipality for past construction undertaken by the municipality on behalf of future development—i.e., a municipality will often pay for its share of an offsite infrastructure project in addition to that portion of the project which benefits future development when offsite levy reserve balances are insufficient to pay for future development’s share of the project.

Because front-ending balances represent debts owed to the municipality, they need to be clearly reflected in official City documents such as levy account balances, financial statements (e.g., front-ending notes), or accounts receivables, etc. This documentation enables the City to collect on these debts as future development occurs, and offsite levies are collected.

At end 2025, the overall net front-ending due to the City was **\$34.46 million**. A complete reconciliation of balances for each of the 7 accounts is provided in Appendices B8, C8, D8, E8, F8, G8 and H8.

Summary of Account Balances & Front-ending

| Account/Reserve | Account Balance | Front-ending Due |
|-----------------|-----------------------|----------------------|
| Transportation | \$ 9,369,970 | \$ - |
| Water | \$ (872,591) | \$ 872,591 |
| Sanitary | \$ (33,584,624) | \$ 33,584,624 |
| Stormwater | \$ 7,437,541 | \$ - |
| Recreation | \$ 12,253,123 | \$ - |
| Fire | \$ 2,205,157 | \$ - |
| Police | \$ - | \$ - |
| Library | \$ 226,561 | \$ - |
| Total | \$ (2,964,862) | \$ 34,457,215 |

3 RATES

For future development to pay for its share of the **\$832.16 million** infrastructure costs either built already or contained in the City’s future capital plans, rates are **\$431,720 per net hectare** on a weighted average basis. These rates reflect the actual cost of infrastructure required to facilitate development in the City. A comparison of offsite levy rates with other municipalities is summarized in *Appendix G*.

Since the last update, rates have increased an weighted average of **~5.32%**. The reason for this increase is increase of infrastructure costs, change of project timing, and additional projects within the 25-year review period. The land development forecast has decreased **~4.97%**.

Summary of Offsite Levy Charges (Per Net Ha) ²

| | Transportation Charges | Water Charges | Sanitary Charges | Storm Charges | Recreation Charges | Fire Charges | Library Charges | Total |
|-------------------------|------------------------|---------------|------------------|---------------|--------------------|--------------|-----------------|------------|
| High | \$ 115,907 | \$ 63,055 | \$ 132,566 | \$ 134,612 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 493,278 |
| Low | \$ 115,907 | \$ 63,055 | \$ 30,094 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 288,475 |
| Weighted Average | \$ 115,907 | \$ 63,055 | \$ 87,950 | \$ 85,389 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 431,720 |

² Highs, lows, and weighted averages are shown for information purposes only. Developers pay the actual offsite levy charges pertaining to their specific offsite levy area.

Summary of Offsite Levy Charges by Area (Per Net Ha) ³

| Area # | Transportation Levies | Water Levies | Sanitary Levies | Stormwater Levies | Recreation Levies | Fire Levies | Library Levies | Total |
|--------|-----------------------|--------------|-----------------|-------------------|-------------------|-------------|----------------|------------|
| 1 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,238 |
| 2 | \$ 115,907 | \$ 63,055 | \$ 111,461 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 438,747 |
| 3 | \$ 115,907 | \$ 63,055 | \$ 73,294 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 432,095 |
| 4 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 299,808 |
| 5 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 69,329 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 369,137 |
| 6 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 134,612 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 486,832 |
| 7 | \$ 115,907 | \$ 63,055 | \$ 30,094 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 288,475 |
| 8 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 454,551 |
| 9 | \$ 115,907 | \$ 63,055 | \$ 132,566 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 493,278 |
| 10 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ 102,331 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 454,569 |
| 11 | \$ 115,907 | \$ 63,055 | \$ 73,294 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 331,675 |
| 12 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,238 |
| 13 | \$ 115,907 | \$ 63,055 | \$ 111,461 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 438,747 |
| 14 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 102,674 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 402,483 |
| 15 | \$ 115,907 | \$ 63,055 | \$ 94,431 | \$ - | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 352,812 |
| 16 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 66,651 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 425,175 |
| 17 | \$ 115,907 | \$ 63,055 | \$ 41,427 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 400,228 |
| 18 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 88,498 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 440,719 |
| 19 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 100,420 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 458,944 |
| 20 | \$ 115,907 | \$ 63,055 | \$ 93,839 | \$ 57,158 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 409,378 |
| 21 | \$ 115,907 | \$ 63,055 | \$ 100,143 | \$ 59,474 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 417,998 |
| 22 | \$ 115,907 | \$ 63,055 | \$ 93,857 | \$ 68,905 | \$ 45,190 | \$ 19,930 | \$ 14,300 | \$ 421,143 |

³Area # refers to areas outline on the figure presented in Appendix A.

4 RECOMMENDATIONS

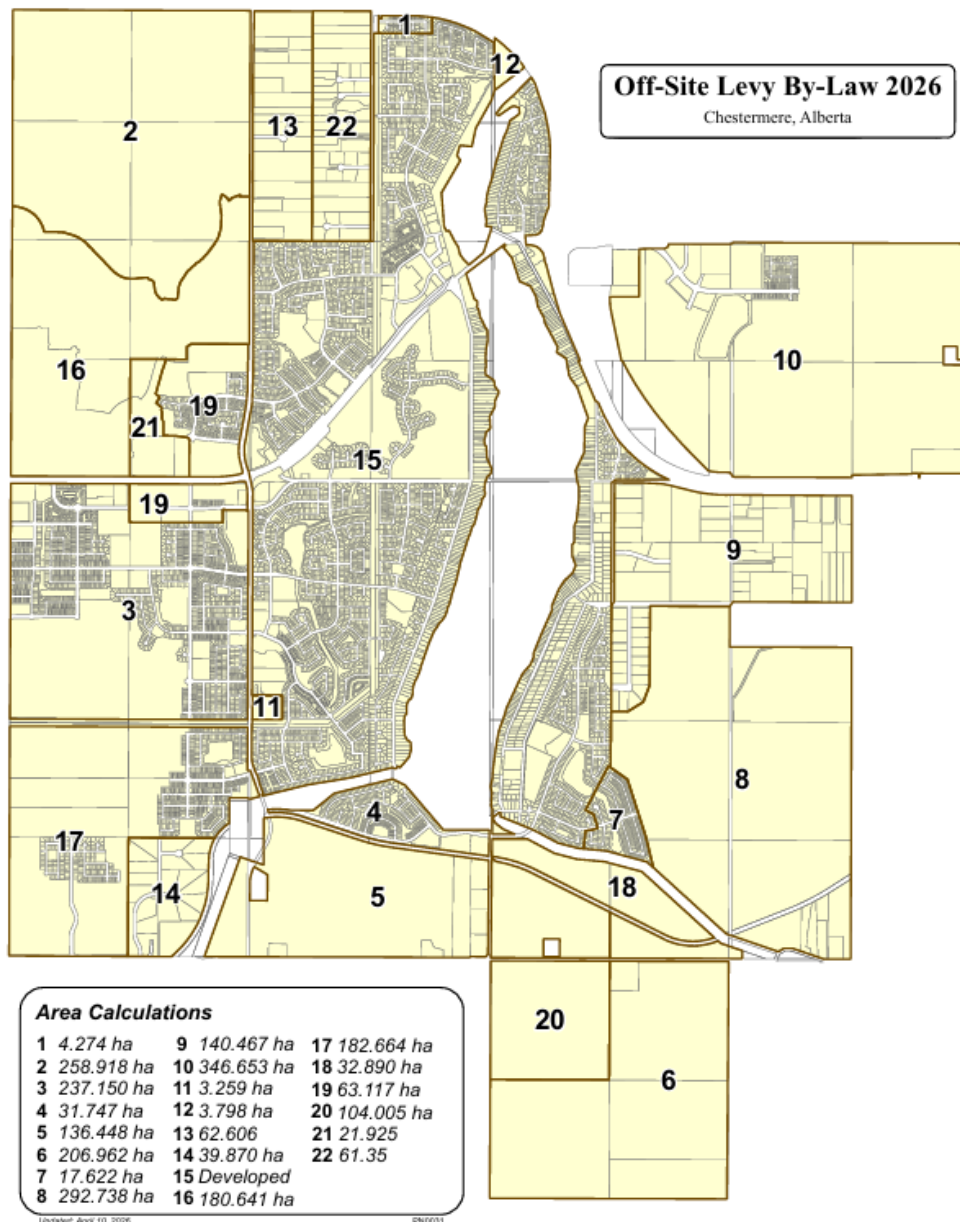
City Administration recommends the following:

1. Implement the updated offsite levy rates outlined in Section 3.
2. To include Developer Front Ended Projects into the model, asset contributions and credits into the next update.
3. Consider comprehensive funding models for infrastructure projects.

A1. Offsite Levy Areas

The City is parsed into **22** offsite levy areas, as shown in the map below. Areas take into consideration existing/planned infrastructure basins as well as natural and man-made barriers (e.g., rivers, highways, etc.). All offsite levy infrastructure costs are allocated to one or more areas.

Offsite Levy Areas



Total net development area, the amount of land available for development across all offsite levy areas, is approximately **2047 net ha**. In calculating net development area only, those lands remaining to be developed (at Dec 31, 2016) that have not previously paid offsite levies have been considered (as required by legislation/regulation). Further, allowances have been made to net development area calculations for environmental reserves, municipal reserves, arterial road right of way and public utility lots dedicated for off-site levy projects.

City of Chestermere Offsite Levy Rates Update

Offsite Levy Net Development Area

| Area Ref. # | Development Area Location | Land Use | Gross Area (ha.) | Environmental Reserves (ha.) | Sub-total | Municipal Reserves | Arterial Right of Way | Net Development Area (ha.) |
|-------------|----------------------------|-----------------------------------|------------------|------------------------------|-----------|--------------------|-----------------------|----------------------------|
| 1.1 | Westmere | Residential - Low Density | 3.79 | | 3.79 | - | | 3.79 |
| 1.2 | Westmere | Residential - Medium/High Density | | | - | - | | - |
| 1.3 | Westmere | Commercial | 0.47 | | 0.47 | - | | 0.47 |
| 1.4 | Westmere | Industrial | | | - | - | | - |
| 1.5 | Westmere | Other | | | - | - | | - |
| 2.1 | North Waterbridge | Residential - Low Density | 115.53 | | 115.53 | 11.55 | | 103.98 |
| 2.2 | North Waterbridge | Residential - Medium/High Density | | | - | - | | - |
| 2.3 | North Waterbridge | Commercial | 24.87 | | 24.87 | - | | 24.87 |
| 2.4 | North Waterbridge | Industrial | 118.60 | | 118.60 | - | 7.20 | 111.40 |
| 2.5 | North Waterbridge | Other | | | - | - | | - |
| 3.1 | Chelsea & Dawson's Landing | Residential - Low Density | 214.66 | 9.53 | 205.13 | 27.73 | | 177.40 |
| 3.2 | Chelsea & Dawson's Landing | Residential - Medium/High Density | 12.45 | | 12.45 | 1.25 | | 11.21 |
| 3.3 | Chelsea & Dawson's Landing | Commercial | 10.51 | | 10.51 | - | | 10.51 |
| 3.4 | Chelsea & Dawson's Landing | Industrial | | | - | - | - | - |
| 3.5 | Chelsea & Dawson's Landing | Other | | | - | - | - | - |
| 4.1 | South Shore | Residential - Low Density | 31.75 | | 31.75 | 3.18 | 2.07 | 26.50 |
| 4.2 | South Shore | Residential - Medium/High Density | | | - | - | | - |
| 4.3 | South Shore | Commercial | | | - | - | | - |
| 4.4 | South Shore | Industrial | | | - | - | | - |
| 4.5 | South Shore | Other | | | - | - | | - |
| 5.1 | Edgewater | Residential - Low Density | 134.29 | 6.50 | 127.79 | 12.78 | 1.71 | 113.30 |
| 5.2 | Edgewater | Residential - Medium/High Density | | | - | - | | - |
| 5.3 | Edgewater | Commercial | 2.16 | | 2.16 | - | | 2.16 |
| 5.4 | Edgewater | Industrial | | | - | - | | - |
| 5.5 | Edgewater | Other | | | - | - | | - |
| 6.1 | South Industrial | Residential - Low Density | | | - | - | | - |
| 6.2 | South Industrial | Residential - Medium/High Density | | | - | - | | - |
| 6.3 | South Industrial | Commercial | | | - | - | | - |
| 6.4 | South Industrial | Industrial | 211.53 | 14.00 | 197.53 | 19.75 | 4.20 | 173.58 |
| 6.5 | South Industrial | Other | | | - | - | | - |
| 7.1 | Kinniburgh | Residential - Low Density | 11.35 | | 11.35 | 1.09 | - | 10.26 |
| 7.2 | Kinniburgh | Residential - Medium/High Density | | | - | - | - | - |
| 7.3 | Kinniburgh | Commercial | | | - | - | - | - |
| 7.4 | Kinniburgh | Industrial | | | - | - | - | - |
| 7.5 | Kinniburgh | Other | | | - | - | - | - |
| 8.1 | Sierra Vista | Residential - Low Density | 292.74 | 39.00 | 253.74 | 25.37 | - | 228.37 |
| 8.2 | Sierra Vista | Residential - Medium/High Density | | | - | - | - | - |
| 8.3 | Sierra Vista | Commercial | | | - | - | - | - |
| 8.4 | Sierra Vista | Industrial | | | - | - | - | - |
| 8.5 | Sierra Vista | Other | | | - | - | - | - |
| 9.1 | East Acreages | Residential - Low Density | 67.60 | 21.80 | 45.80 | - | | 45.80 |
| 9.2 | East Acreages | Residential - Medium/High Density | 51.70 | 12.50 | 39.20 | - | | 39.20 |
| 9.3 | East Acreages | Commercial | 14.30 | 1.70 | 12.60 | - | | 12.60 |
| 9.4 | East Acreages | Industrial | - | | - | - | | - |
| 9.5 | East Acreages | Other | 6.54 | | 6.54 | - | | 6.54 |

City of Chestermere Offsite Levy Rates Update

| | | | | | | | | |
|------|------------------------|-----------------------------------|--------|------|--------|-------|------|--------|
| 10.1 | Mountain View Park | Residential - Low Density | 100.17 | | 100.17 | 10.02 | | 90.15 |
| 10.2 | Mountain View Park | Residential - Medium/High Density | 81.19 | | 81.19 | 8.12 | | 73.07 |
| 10.3 | Mountain View Park | Commercial | 40.00 | | 40.00 | 4.00 | | 36.00 |
| 10.4 | Mountain View Park | Industrial | 120.44 | | 120.44 | 12.04 | | 108.40 |
| 10.5 | Mountain View Park | Other | 4.86 | | 4.86 | 0.49 | | 4.37 |
| 11.1 | Goodacre | Residential - Low Density | | | - | - | | - |
| 11.2 | Goodacre | Residential - Medium/High Density | 3.26 | | 3.26 | | | 3.26 |
| 11.3 | Goodacre | Commercial | | | - | | | - |
| 11.4 | Goodacre | Industrial | | | - | - | | - |
| 11.5 | Goodacre | Other | | | - | - | | - |
| 12.1 | North East Westmere | Residential - Low Density | 3.80 | | 3.80 | 0.38 | 0.20 | 3.22 |
| 12.2 | North East Westmere | Residential - Medium/High Density | | | - | - | | - |
| 12.3 | North East Westmere | Commercial | | | - | - | | - |
| 12.4 | North East Westmere | Industrial | | | - | - | | - |
| 12.5 | North East Westmere | Other | | | - | - | | - |
| 13.1 | North Acreages | Residential - Low Density | 61.33 | 2.00 | 59.33 | 5.93 | 1.20 | 52.20 |
| 13.2 | North Acreages | Residential - Medium/High Density | | | - | - | | - |
| 13.3 | North Acreages | Commercial | | | - | - | | - |
| 13.4 | North Acreages | Industrial | 1.25 | | 1.25 | - | | 1.25 |
| 13.5 | North Acreages | Other | | | - | - | | - |
| 14.1 | Paradise Meadows | Residential - Low Density | 36.53 | | 36.53 | 3.65 | - | 32.88 |
| 14.2 | Paradise Meadows | Residential - Medium/High Density | | | - | - | - | - |
| 14.3 | Paradise Meadows | Commercial | | | - | - | - | - |
| 14.4 | Paradise Meadows | Industrial | | | - | - | - | - |
| 14.5 | Paradise Meadows | Other | - | | - | - | - | - |
| 15.1 | Existing Development | Residential - Low Density | 2.17 | | 2.17 | - | - | 2.17 |
| 15.2 | Existing Development | Residential - Medium/High Density | | | - | - | - | - |
| 15.3 | Existing Development | Commercial | | | - | - | - | - |
| 15.4 | Existing Development | Industrial | | | - | - | - | - |
| 15.5 | Existing Development | Other | | | - | - | - | - |
| 16.1 | BridgePort | Residential - Low Density | 149.52 | 7.68 | 141.84 | 18.75 | 1.36 | 121.73 |
| 16.2 | BridgePort | Residential - Medium/High Density | | | - | - | - | - |
| 16.3 | BridgePort | Commercial | 31.12 | | 31.12 | - | 0.13 | 30.99 |
| 16.4 | BridgePort | Industrial | - | | - | - | - | - |
| 16.5 | BridgePort | Other | - | | - | - | - | - |
| 17.1 | Waterford | Residential - Low Density | 174.56 | 2.60 | 171.96 | 18.69 | 5.03 | 148.24 |
| 17.2 | Waterford | Residential - Medium/High Density | | | - | - | - | - |
| 17.3 | Waterford | Commercial | 8.19 | | 8.19 | - | - | 8.19 |
| 17.4 | Waterford | Industrial | | | - | - | - | - |
| 17.5 | Waterford | Other | | | - | - | - | - |
| 18.1 | South East Chestermere | Residential - Low Density | 29.02 | 3.32 | 25.70 | 2.57 | - | 23.13 |
| 18.2 | South East Chestermere | Residential - Medium/High Density | | | - | - | - | - |
| 18.3 | South East Chestermere | Commercial | 3.87 | | 3.87 | - | - | 3.87 |
| 18.4 | South East Chestermere | Industrial | | | - | - | - | - |
| 18.5 | South East Chestermere | Other | | | - | - | - | - |
| 19.1 | BridgePort-East | Residential - Low Density | 32.34 | | 32.34 | 5.63 | 1.44 | 25.27 |
| 19.2 | BridgePort-East | Residential - Medium/High Density | 6.63 | | 6.63 | - | - | 6.63 |
| 19.3 | BridgePort-East | Commercial | 24.15 | | 24.15 | - | - | 24.15 |
| 19.4 | BridgePort-East | Industrial | | | - | - | - | - |
| 19.5 | BridgePort-East | Other | | | - | - | - | - |

City of Chestermere Offsite Levy Rates Update

| | | | | | | | | |
|------|-----------------------|-----------------------------------|-----------------|---------------|-----------------|---------------|--------------|-----------------|
| 20.1 | Webster | Residential - Low Density | - | - | - | - | - | - |
| 20.2 | Webster | Residential - Medium/High Density | - | - | - | - | - | - |
| 20.3 | Webster | Commercial | 14.00 | - | 14.00 | - | - | 14.00 |
| 20.4 | Webster | Industrial | 90.00 | - | 90.00 | 9.00 | 21.30 | 59.70 |
| 20.5 | Webster | Other | - | - | - | - | - | - |
| 21.1 | Brideport-Central | Residential - Low Density | 8.37 | - | 8.37 | 0.84 | - | 7.53 |
| 21.2 | Brideport-Central | Residential - Medium/High Density | - | - | - | - | - | - |
| 21.3 | Brideport-Central | Commercial | 13.56 | - | 13.56 | 1.36 | - | 12.20 |
| 21.4 | Brideport-Central | Industrial | - | - | - | - | - | - |
| 21.5 | Brideport-Central | Other | - | - | - | - | - | - |
| 22.1 | North Acreages - East | Residential - Low Density | 61.33 | 2.00 | 59.33 | 5.93 | 0.60 | 52.80 |
| 22.2 | North Acreages - East | Residential - Medium/High Density | - | - | - | - | - | - |
| 22.3 | North Acreages - East | Commercial | - | - | - | - | - | - |
| 22.4 | North Acreages - East | Industrial | - | - | - | - | - | - |
| 22.5 | North Acreages - East | Other | - | - | - | - | - | - |
| | | Total | 2,426.49 | 122.63 | 2,303.87 | 210.10 | 46.45 | 2,047.33 |

Summary of Offsite Levy Net Development Area

| Description | ha. |
|--------------------------|----------|
| Gross Development Area | 2,426.49 |
| Less Environment Reserve | 122.63 |
| Less Municipal Reserve | 210.10 |
| Less ROW Allowance | 46.45 |
| Net Development Area | 2,047.33 |

*Note: 1 Hectare (ha.) = ~2.47 Acres

Net development area definitions will be applied in determining offsite levy obligations of developers on application for subdivision or development within the City of Chestermere. Net development area is defined as follows:

- Gross Area – The area of lands to be developed in hectares that have not previously paid an offsite levy.
 - Less: Any environmental reserves contained within the development area.
 - Less: Any allowance for Municipal Reserves.
 - Less: Arterial road right of way that bisects the development lands.
 - Less: Public utility lots dedicated to off-site levy projects.
- Equals: Net Developable Area, which is the area subject to offsite levies.

A2. Development Staging

A rate planning period of 25-years underpins the offsite levy model and rate calculations. Many municipalities use this planning period as it provides a reasonable timeframe to recoup the costs associated with offsite levy infrastructure construction, and it aligns with the timeframes of many municipal capital planning and construction cycles.

Of the **2047.33 net ha.** of development area available across all offsite levy development areas, planners estimate that approximately **727.90 net ha. (35.6%)** will develop during the next 25-years (the rate planning period) as shown in the tables below.

Summary of Anticipated Development during the 25-year Rate Planning Period

| | | |
|-------------------------------|----------|-------|
| Developed Since Model Created | 370.93 | 18.1% |
| Developed In Next 25 Years | 727.90 | 35.6% |
| Developed Beyond 25 Years | 948.50 | 46.3% |
| Net Development Area | 2,047.33 | |

Anticipated Development During the 25-year Rate
Planning Period

| Area Ref. # | Area Developed in Next 25 years (Net ha.) | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | |
|-------------|---|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|-------|-------|-------|------|-------|
| 1.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 1.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1 | 103.977 | - | - | - | - | - | - | - | - | - | - | 10.00 | 10.00 | 10.00 | 10.00 | 15.00 | 10.00 | 15.00 | 2.16 | 15.00 | 6.82 | - | - | - | - | - | - |
| 2.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.3 | 10.600 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.00 | - | 5.60 | - | - | - | - | - | - | - | - | - |
| 2.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.1 | 17.690 | 1.57 | 6.50 | 4.70 | 4.92 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.2 | 1.480 | 1.48 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5.1 | 113.297 | - | - | - | - | - | - | - | 10.00 | 8.30 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | - | 5.00 | 5.00 | 5.00 | 5.24 | 10.46 | 10.49 | 10.00 | 12.98 | 0.83 | |
| 5.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.4 | 60.000 | - | - | - | - | - | - | 15.00 | 15.00 | - | 15.00 | - | - | - | 15.00 | - | - | - | - | - | - | - | - | - | - | - | - |
| 6.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7.1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8.1 | 32.230 | - | - | - | - | - | - | - | - | 11.00 | 2.23 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3.50 | 15.50 |
| 8.2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.1 | 45.000 | - | 9.00 | 4.50 | 4.50 | - | - | - | 5.00 | 4.00 | - | - | - | 4.50 | - | - | 3.00 | - | 3.57 | - | 2.43 | 4.50 | - | - | - | - | - |
| 9.2 | 13.500 | - | - | - | - | - | 4.50 | - | - | - | - | 4.50 | - | - | - | 4.50 | - | - | - | - | - | - | - | - | - | - | - |
| 9.3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.4 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

APPENDIX B: WATER OFFSITE INFRASTRUCTURE

B1. Water Offsite Infrastructure Costs

To support future growth, water offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$149.13 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25- year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Water Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|---|--|---------------------------|--|------------------------------|
| 1 | East Calgary Regional Water Line - Tie-In and Oversizing | \$ 2,126,144 | \$ - | \$ - | \$ 2,126,144 |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | \$ 16,176,483 | \$ 852,589 | \$ - | \$ 17,029,071 |
| 3 | NW Water Reservoir & Pump Station Phase 1 | \$ - | \$ - | \$ 18,759,000 | \$ 18,759,000 |
| 4 | New Water Supply Main from Calgary | \$ - | \$ - | \$ 4,525,400 | \$ 4,525,400 |
| 5 | Main Pump Station Upgrade | \$ 1,920,258 | \$ - | \$ - | \$ 1,920,258 |
| 6 | Distribution Trunk in Chestermere Blvd (North) | \$ - | \$ - | \$ 14,560,140 | \$ 14,560,140 |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chestermere Blvd | \$ - | \$ - | \$ 3,765,826 | \$ 3,765,826 |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | \$ 1,737,594 | \$ - | \$ - | \$ 1,737,594 |
| 9 | Distribution trunk in Range Rd. 281 | \$ - | \$ - | \$ 7,880,000 | \$ 7,880,000 |
| 10 | Main Pump Station Upgrade Phase 2 | \$ - | \$ - | \$ 2,487,000 | \$ 2,487,000 |
| 11 | Main Pump Station Upgrade Phase 3 | \$ - | \$ - | \$ 563,200 | \$ 563,200 |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR) | \$ - | \$ - | \$ 3,861,000 | \$ 3,861,000 |
| 13 | NW Reservoir Supply Main | \$ - | \$ - | \$ 4,667,000 | \$ 4,667,000 |
| 14 | NW Reservoir and Pump Station | \$ - | \$ - | \$ 18,687,900 | \$ 18,687,900 |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | \$ - | \$ - | \$ 20,634,900 | \$ 20,634,900 |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | \$ - | \$ - | \$ 18,687,900 | \$ 18,687,900 |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterbury Road) | \$ - | \$ - | \$ 3,735,000 | \$ 3,735,000 |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford Blvd to TWP 240 | \$ - | \$ - | \$ 3,500,000 | \$ 3,500,000 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - |
| | | \$ 21,960,478 | \$ 852,589 | \$ 126,314,266 | \$ 149,127,333 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

****Financing interest costs to date are included in the cost of work completed for Project #2.

***** Project numbering may be out of sequence as rows containing deleted projects are hidden.

B2. Water Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive approximately **\$3.50 million** in special grants and contributions for water offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$145.63 million**.

| Item | Project Description | Total Project Estimated Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|---|------------------------------|---------------------------|-----------------------------------|---------------------|--------------------------------|
| 1 | East Calgary Regional Water Line - Tie-In and Oversizing | \$ 2,126,144 | \$ - | \$ - | \$ - | \$ 2,126,144 |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | \$ 17,029,071 | \$ 1,850,941 | \$ - | \$ - | \$ 15,178,130 |
| 3 | NW Water Reservoir & Pump Station Phase 1 | \$ 18,759,000 | \$ - | \$ - | \$ - | \$ 18,759,000 |
| 4 | New Water Supply Main from Calgary | \$ 4,525,400 | \$ - | \$ - | \$ - | \$ 4,525,400 |
| 5 | Main Pump Station Upgrade | \$ 1,920,258 | \$ - | \$ - | \$ - | \$ 1,920,258 |
| 6 | Distribution Trunk in Chestermere Blvd (North) | \$ 14,560,140 | \$ - | \$ - | \$ - | \$ 14,560,140 |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chestermere Blvd | \$ 3,765,826 | \$ - | \$ - | \$ - | \$ 3,765,826 |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | \$ 1,737,594 | \$ 1,648,596 | \$ - | \$ - | \$ 88,998 |
| 9 | Distribution trunk in Range Rd. 281 | \$ 7,880,000 | \$ - | \$ - | \$ - | \$ 7,880,000 |
| 10 | Main Pump Station Upgrade Phase 2 | \$ 2,487,000 | \$ - | \$ - | \$ - | \$ 2,487,000 |
| 11 | Main Pump Station Upgrade Phase 3 | \$ 563,200 | \$ - | \$ - | \$ - | \$ 563,200 |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR) | \$ 3,861,000 | \$ - | \$ - | \$ - | \$ 3,861,000 |
| 13 | NW Reservoir Supply Main | \$ 4,667,000 | \$ - | \$ - | \$ - | \$ 4,667,000 |
| 14 | NW Reservoir and Pump Station | \$ 18,687,900 | \$ - | \$ - | \$ - | \$ 18,687,900 |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | \$ 20,634,900 | \$ - | \$ - | \$ - | \$ 20,634,900 |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | \$ 18,687,900 | \$ - | \$ - | \$ - | \$ 18,687,900 |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterbury Road) | \$ 3,735,000 | \$ - | \$ - | \$ - | \$ 3,735,000 |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford Blvd to TWP 240 | \$ 3,500,000 | \$ - | \$ - | \$ - | \$ 3,500,000 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 149,127,333 | \$ 3,499,537 | \$ - | \$ - | \$ 145,627,797 |

Special Grants and Contributions for Water Offsite Infrastructure

B3. Water 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Water Infrastructure Staging

| Item | Project Description | Construction Start Year |
|------|---|-------------------------|
| 1 | East Calgary Regional Water Line - Tie-In and Oversizing | 2009 |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | 2009 |
| 3 | NW Water Reservoir & Pump Station Phase 1 | 2036 |
| 4 | New Water Supply Main from Calgary | 2044 |
| 5 | Main Pump Station Upgrade | 2024 |
| 6 | Distribution Trunk in Chestermere Blvd (North) | 2025 |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chestermere Blvd | 2023 |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | 2018 |
| 9 | Distribution trunk in Range Rd. 281 | 2036 |
| 10 | Main Pump Station Upgrade Phase 2 | 2030 |
| 11 | Main Pump Station Upgrade Phase 3 | 2083 |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR | 2045 |
| 13 | NW Reservoir Supply Main | 2036 |
| 14 | NW Reservoir and Pump Station | 2081 |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | 2058 |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | 2099 |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterbury Road) | 2032 |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford Blvd to TWP 240 | 2027 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

B4. Water Offsite Infrastructure Benefiting Parties

The water offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) – all growth-related infrastructure (i.e., leviable water infrastructure costs) during the 25-year rate planning period.

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

Allocation of Water Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|---|--------------------------------|--------------|-------------------------|--|-------------------------|
| 1 | East Calgary Regional Water Line - Tie-In and Oversizing | \$ 2,126,144 | | | 0.0% | 100.0% |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | \$ 15,178,130 | | | 0.0% | 100.0% |
| 3 | NW Water Reservoir & Pump Station Phase 1 | \$ 18,759,000 | | | 40.0% | 60.0% |
| 4 | New Water Supply Main from Calgary | \$ 4,525,400 | | | 72.0% | 28.0% |
| 5 | Main Pump Station Upgrade | \$ 1,920,258 | | | 0.0% | 100.0% |
| 6 | Distribution Trunk in Chestermere Blvd (North) | \$ 14,560,140 | | | 0.0% | 100.0% |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chestermere Blvd | \$ 3,765,826 | | | 0.0% | 100.0% |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | \$ 88,998 | | | 0.0% | 100.0% |
| 9 | Distribution trunk in Range Rd. 281 | \$ 7,880,000 | | | 40.0% | 60.0% |
| 10 | Main Pump Station Upgrade Phase 2 | \$ 2,487,000 | | | 16.0% | 84.0% |
| 11 | Main Pump Station Upgrade Phase 3 | \$ 563,200 | | | 100.0% | 0.0% |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR) | \$ 3,861,000 | | | 76.0% | 24.0% |
| 13 | NW Reservoir Supply Main | \$ 4,667,000 | | | 40.0% | 60.0% |
| 14 | NW Reservoir and Pump Station | \$ 18,687,900 | | | 100.0% | 0.0% |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | \$ 20,634,900 | | | 100.0% | 0.0% |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | \$ 18,687,900 | | | 100.0% | 0.0% |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterbury Road) | \$ 3,735,000 | | | 24.0% | 76.0% |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford Blvd to TWP 240 | \$ 3,500,000 | | | 4.0% | 96.0% |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | | | 0.0% | 100.0% |
| | | \$ 145,627,797 | | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

B5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$66.09 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$19.29 million** (\$7.97 million + \$11.32 million) in offsite levies to date and results in an adjusted offsite levy cost of approximately **\$47.61 million**.

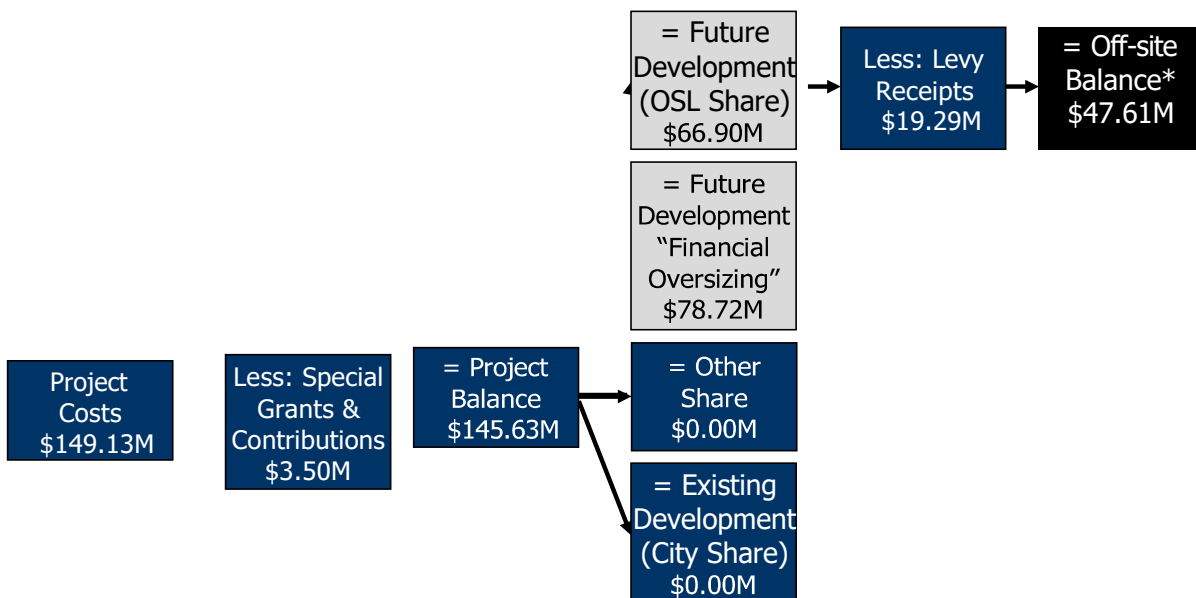
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| 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 | East Calgary Regional Water Line - Tie-In and Oversizing | \$ 2,126,144 | \$ - | \$ 546,840 | \$ 1,579,304 |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | \$ 15,178,130 | \$ 6,440,676 | \$ 2,247,257 | \$ 6,490,197 |
| 3 | NW Water Reservoir & Pump Station Phase 1 | \$ 11,255,400 | \$ - | \$ 1,782,143 | \$ 9,473,257 |
| 4 | New Water Supply Main from Calgary | \$ 1,267,112 | \$ - | \$ 321,518 | \$ 945,594 |
| 5 | Main Pump Station Upgrade | \$ 1,920,258 | \$ - | \$ 682,160 | \$ 1,238,098 |
| 6 | Distribution Trunk in Chestermere Blvd (North) | \$ 14,560,140 | \$ - | \$ 2,875,112 | \$ 11,685,029 |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chestermere Blvd | \$ 3,765,826 | \$ - | \$ 1,522,964 | \$ 2,242,862 |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | \$ 88,998 | \$ - | \$ 78,055 | \$ 10,943 |
| 9 | Distribution trunk in Range Rd. 281 | \$ 4,728,000 | \$ - | \$ 257,612 | \$ 4,470,388 |
| 10 | Main Pump Station Upgrade Phase 2 | \$ 2,089,080 | \$ - | \$ 347,975 | \$ 1,741,105 |
| 11 | Main Pump Station Upgrade Phase 3 | \$ - | \$ - | \$ 32,728 | \$ (32,728) |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR) | \$ 926,640 | \$ - | \$ 59,937 | \$ 866,703 |
| 13 | NW Reservoir Supply Main | \$ 2,800,200 | \$ - | \$ 410,633 | \$ 2,389,567 |
| 14 | NW Reservoir and Pump Station | \$ - | \$ - | \$ - | \$ - |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | \$ - | \$ - | \$ - | \$ - |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | \$ - | \$ - | \$ - | \$ - |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterbury Road) | \$ 2,838,600 | \$ - | \$ 70,810 | \$ 2,767,790 |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford Blvd to TWP 240 | \$ 3,360,000 | \$ - | \$ 86,761 | \$ 3,273,239 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ 1,531,052 | \$ - | \$ (1,531,052) |
| | | \$ 66,904,529 | \$ 7,971,727 | \$ 11,322,505 | \$ 47,610,296 |

B6. Summary of Water Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for water infrastructure that forms the basis of the rate is approximately **\$47.6 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section B4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Water Offsite Levy Costs



B7. Water Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff and their engineering advisors. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Water Offsite Infrastructure

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|------|--|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | East Calgary Regional Water Line - Tie-in and Oversizing | \$ 1,579,304 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Water Reservoir Expansion & ECRW Line Tie-In to Reservoir | \$ 6,490,197 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | NW Water Reservoir & Pump Station Phase 1 | \$ 9,473,257 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | New Water Supply Main from Calgary | \$ 945,594 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | Main Pump Station Upgrade | \$ 1,238,098 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | Distribution Trunk in Chestermere Blvd (North) | \$ 11,685,029 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 7 | Distribution trunk in Rainbow Road (West) Waterford Blvd to Chest | \$ 2,242,862 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 8 | Distribution trunk in Twp Rd. 240 (South) Phase 1 | \$ 10,943 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | Distribution trunk in Range Rd. 281 | \$ 4,470,388 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | Main Pump Station Upgrade Phase 2 | \$ 1,741,105 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 11 | Main Pump Station Upgrade Phase 3 | \$ (32,728) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | Distribution trunk in Twp Rd. 240 (South) Phase 2 (from stub to RR | \$ 866,703 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 13 | NW Reservoir Supply Main | \$ 2,389,567 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 14 | NW Reservoir and Pump Station | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 15 | W7 SE Reservoir & Pump Station Phase 1 | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 16 | W8 SE Reservoir and Pump Station Phase 2 | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 17 | W11 Distribution trunk in Twp Rd. 240 Phase 3 (from RR to Waterf | \$ 2,767,790 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 18 | W9 Part 2 - Distribution Trunk in Rainbow Road (West) Waterford B | \$ 3,273,239 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ (1,531,052) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | \$ 47,610,296 | | | | | | | | | | | | | | | | | | | | | | |

B8. Reserve Balance

The balance of the City's water reserve at December 31st, 2025 is **-\$0.87 M**. This updated balance takes into consideration expenditures up to the end of 2025 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

Water Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|-----------------|------------------|--------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 14,803,503.78 | \$ (14,803,503.78) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 6,440,675.57 | | \$ (8,362,828.21) |
| Debenture Interest Expenditure to December 31, 2016 | | \$ - | \$ (8,362,828.21) |
| Unallocated Receipts to December 31, 2016 | \$ 1,531,051.62 | | \$ (6,831,776.59) |
| Opening Balance | | | \$ (6,831,776.59) |
| 2017 | | | \$ (6,831,776.59) |
| Interest on Opening Balance | | \$ 204,953.30 | \$ (7,036,729.89) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 210,820.89 | \$ (7,247,550.78) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 5,741.00 | \$ (7,253,291.78) |
| Offsite Levy Receipts | \$ 203,415.22 | | \$ (7,049,876.56) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,049,876.56) |
| Debenture Interest Expenditure | | \$ - | \$ (7,049,876.56) |
| Interest on Project Expenditure | | \$ 1,624.21 | \$ (7,051,500.77) |
| Interest on Offsite Levy Receipts | \$ 1,017.08 | | \$ (7,050,483.70) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,050,483.70) |
| Interest on Debenture Expenditure | | \$ - | \$ (7,050,483.70) |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|-----------------|-------------------|
| 2018 | | | \$ (7,050,483.70) |
| Interest on Opening Balance | | \$ 218,564.99 | \$ (7,269,048.69) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 219,168.97 | \$ (7,488,217.66) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (5,741.01) | \$ (7,482,476.65) |
| Offsite Levy Receipts | \$ 432,178.89 | | \$ (7,050,297.76) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,050,297.76) |
| Debenture Interest Expenditure | | \$ - | \$ (7,050,297.76) |
| Interest on Project Expenditure | | \$ 1,654.07 | \$ (7,051,951.83) |
| Interest on Offsite Levy Receipts | \$ 4,321.79 | | \$ (7,047,630.04) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,047,630.04) |
| Interest on Debenture Expenditure | | \$ - | \$ (7,047,630.04) |
| 2019 | | | \$ (7,047,630.04) |
| Interest on Opening Balance | | \$ 218,476.53 | \$ (7,266,106.57) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 201,952.99 | \$ (7,468,059.56) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (0.99) | \$ (7,468,058.57) |
| Offsite Levy Receipts | \$ 299,903.32 | | \$ (7,168,155.25) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,168,155.25) |
| Debenture Interest Expenditure | | \$ - | \$ (7,168,155.25) |
| Interest on Project Expenditure | | \$ 1,565.13 | \$ (7,169,720.38) |
| Interest on Offsite Levy Receipts | \$ 2,999.03 | | \$ (7,166,721.34) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,166,721.34) |
| Interest on Debenture Expenditure | | \$ - | \$ (7,166,721.34) |
| 2020 | | | \$ (7,166,721.34) |
| Interest on Opening Balance | | \$ 222,168.36 | \$ (7,388,889.71) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 276,243.43 | \$ (7,665,133.14) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (1,943.43) | \$ (7,663,189.71) |
| Offsite Levy Receipts | \$ 155,887.63 | | \$ (7,507,302.08) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,507,302.08) |
| Interest on Project Expenditure | | \$ 2,125.83 | \$ (7,509,427.90) |
| Interest on Offsite Levy Receipts | \$ 1,558.88 | | \$ (7,507,869.02) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,507,869.02) |
| 2021 | | | \$ (7,507,869.02) |
| Interest on Opening Balance | | \$ 195,204.59 | \$ (7,703,073.62) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 191,409.16 | \$ (7,894,482.78) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (0.16) | \$ (7,894,482.62) |
| Offsite Levy Receipts | \$ 478,703.93 | | \$ (7,415,778.69) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,415,778.69) |
| Interest on Project Expenditure | | \$ 1,244.16 | \$ (7,417,022.85) |
| Interest on Offsite Levy Receipts | \$ 2,393.52 | | \$ (7,414,629.33) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (7,414,629.33) |
| 2022 | | | \$ (7,414,629.33) |
| Interest on Opening Balance | | \$ 387,377.19 | \$ (7,802,006.52) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 169,871.00 | \$ (7,971,877.52) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ (7,971,877.52) |
| Offsite Levy Receipts | \$ 2,321,590.50 | | \$ (5,650,287.02) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (5,650,287.02) |
| Interest on Project Expenditure | | \$ 2,216.82 | \$ (5,652,503.84) |
| Interest on Offsite Levy Receipts | \$ 23,215.91 | | \$ (5,629,287.93) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (5,629,287.93) |
| 2023 | | | \$ (5,629,287.93) |
| Interest on Opening Balance | | \$ 281,220.31 | \$ (5,910,508.24) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 1,601,118.94 | \$ (7,511,627.18) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ (7,511,627.18) |
| Offsite Levy Receipts | \$ 2,935,491.40 | | \$ (4,576,135.78) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (4,576,135.78) |
| Interest on Project Expenditure | | \$ 19,973.96 | \$ (4,596,109.74) |
| Interest on Offsite Levy Receipts | \$ 40,543.67 | | \$ (4,555,566.07) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (4,555,566.07) |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|---------------|-------------------|
| 2024 | | | \$ (4,555,566.07) |
| Interest on Opening Balance | | \$ 229,600.53 | \$ (4,785,166.60) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 381,725.37 | \$ (5,166,891.97) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ (5,166,891.97) |
| Offsite Levy Receipts | \$ 3,212,083.30 | | \$ (1,954,808.67) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (1,954,808.67) |
| Interest on Project Expenditure | | \$ 4,809.74 | \$ (1,959,618.41) |
| Interest on Offsite Levy Receipts | \$ 32,120.83 | | \$ (1,927,497.58) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (1,927,497.58) |
| 2025 | | | \$ (1,927,497.58) |
| Interest on Opening Balance | | \$ 85,966.39 | \$ (2,013,463.97) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ (2,013,463.97) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 152,811.00 | \$ (2,166,274.97) |
| Offsite Levy Receipts | \$ 1,283,250.83 | | \$ (883,024.14) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (883,024.14) |
| Interest on Project Expenditure | | \$ 1,757.33 | \$ (884,781.46) |
| Interest on Offsite Levy Receipts | \$ 12,190.88 | | \$ (872,590.58) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (872,590.58) |

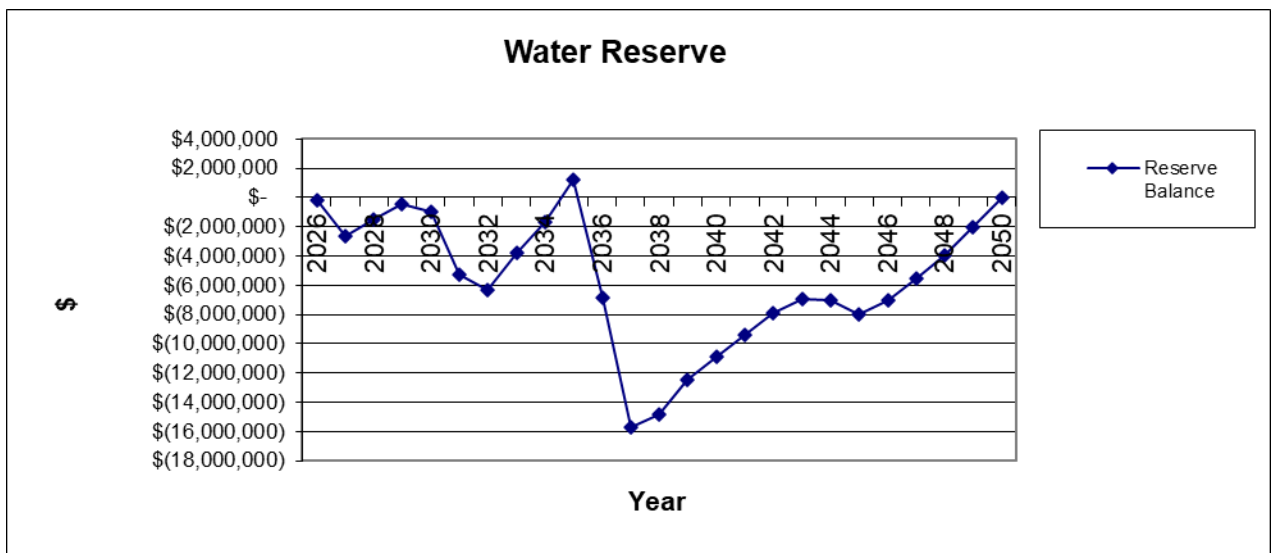
B9. Development and Water Infrastructure Staging Impacts

Water offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of water infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality’s front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast water levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers)

Anticipated Water Offsite Levy Reserve Balances⁴



Anticipated Water Offsite Levy Reserve Balances

| | | | Opening Balance | \$ (872,591) |
|-------------|-----------------|--------------------|-----------------|-----------------|
| Year | Receipts | Expenditure | Interest | Balance |
| 2026 | \$ 3,916,950 | \$ 3,187,404 | \$ (6,380) | \$ (149,424) |
| 2027 | \$ 2,714,063 | \$ 5,065,007 | \$ (111,516) | \$ (2,611,884) |
| 2028 | \$ 2,790,100 | \$ 1,622,044 | \$ (64,395) | \$ (1,508,222) |
| 2029 | \$ 2,742,542 | \$ 1,669,083 | \$ (19,390) | \$ (454,153) |
| 2030 | \$ 2,361,156 | \$ 2,871,549 | \$ (43,019) | \$ (1,007,566) |
| 2031 | \$ 3,255,994 | \$ 7,322,152 | \$ (226,288) | \$ (5,300,012) |
| 2032 | \$ 2,672,250 | \$ 3,423,795 | \$ (269,899) | \$ (6,321,456) |
| 2033 | \$ 2,762,069 | \$ 55,622 | \$ (161,229) | \$ (3,776,239) |
| 2034 | \$ 2,242,983 | \$ 38,157 | \$ (70,085) | \$ (1,641,497) |
| 2035 | \$ 2,843,852 | \$ 39,263 | \$ 22,099 | \$ 1,185,190 |
| 2036 | \$ 1,636,458 | \$ 9,373,679 | \$ (292,221) | \$ (6,844,251) |
| 2037 | \$ 2,115,689 | \$ 10,293,026 | \$ (669,963) | \$ (15,691,551) |
| 2038 | \$ 2,177,044 | \$ 666,288 | \$ (632,463) | \$ (14,813,259) |
| 2039 | \$ 3,565,998 | \$ 685,610 | \$ (532,206) | \$ (12,465,077) |
| 2040 | \$ 2,775,581 | \$ 705,493 | \$ (463,617) | \$ (10,858,605) |
| 2041 | \$ 2,614,033 | \$ 725,952 | \$ (400,085) | \$ (9,370,610) |
| 2042 | \$ 2,550,366 | \$ 747,005 | \$ (337,499) | \$ (7,904,748) |
| 2043 | \$ 2,022,577 | \$ 768,668 | \$ (296,627) | \$ (6,947,466) |
| 2044 | \$ 2,109,713 | \$ 1,850,852 | \$ (298,312) | \$ (6,986,917) |
| 2045 | \$ 2,060,939 | \$ 2,702,104 | \$ (340,212) | \$ (7,968,295) |
| 2046 | \$ 2,069,663 | \$ 820,708 | \$ (299,683) | \$ (7,019,023) |
| 2047 | \$ 1,745,811 | \$ - | \$ (235,185) | \$ (5,508,397) |
| 2048 | \$ 1,714,837 | \$ - | \$ (169,193) | \$ (3,962,753) |
| 2049 | \$ 2,005,522 | \$ - | \$ (87,292) | \$ (2,044,523) |
| 2050 | \$ 2,044,523 | \$ - | \$ (0) | \$ (0) |

⁴In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX C: SANITARY OFFSITE INFRASTRUCTURE

C1. Sanitary Offsite Infrastructure Costs

To support future growth, sanitary offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$145.66 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Sanitary Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|--|--|---------------------------|--|------------------------------|
| 1 | Lift Station #13 | \$ 14,849,120 | \$ 1,573,800 | \$ - | \$ 16,422,920 |
| 2 | Lift Station #13 Forcemain | \$ 11,012,161 | \$ 284,593 | \$ - | \$ 11,296,755 |
| 3 | Great Plains Sanitary Trunk | \$ 7,223,849 | \$ 246,578 | \$ - | \$ 7,470,427 |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | \$ 8,327,883 | \$ 381,418 | \$ - | \$ 8,709,301 |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | \$ 134,056 | \$ - | \$ 10,896,536 | \$ 11,030,592 |
| 6 | Lift Station #14 Phase 1 | \$ 9,088 | \$ - | \$ 4,298,000 | \$ 4,307,088 |
| 7 | Lift Station #14 Forcemain | \$ 1,038,927 | \$ - | \$ - | \$ 1,038,927 |
| 8 | Lift Station #13 - Pump Upgrade 1 | \$ - | \$ - | \$ 1,423,000 | \$ 1,423,000 |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | \$ - | \$ - | \$ 9,774,000 | \$ 9,774,000 |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | \$ - | \$ - | \$ 1,046,804 | \$ 1,046,804 |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | \$ 1,359,367 | \$ - | \$ - | \$ 1,359,367 |
| 12 | Lift Station #14 Phase 2 | \$ - | \$ - | \$ 21,985,700 | \$ 21,985,700 |
| 13 | New Discharge Forcemain to Calgary | \$ - | \$ - | \$ 3,985,300 | \$ 3,985,300 |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | \$ - | \$ - | \$ 7,362,300 | \$ 7,362,300 |
| 15 | Lift Station #10 Decommissioning | \$ - | \$ - | \$ 3,400,100 | \$ 3,400,100 |
| 16 | East Acreages Interim Lift Station | \$ - | \$ - | \$ 3,828,000 | \$ 3,828,000 |
| 17 | East Chestermere Gravity Trunk Line | \$ - | \$ - | \$ 11,031,900 | \$ 11,031,900 |
| 18 | Lift Station 13 Twinning | \$ - | \$ - | \$ 13,565,200 | \$ 13,565,200 |
| 19 | Lift Station #14 Forcemain Twinning | \$ - | \$ - | \$ 5,955,400 | \$ 5,955,400 |
| 20 | Lift Station #10 to Discharge #2 Modifications | \$ - | \$ - | \$ 664,400 | \$ 664,400 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - |
| | | \$ 43,954,451 | \$ 2,486,390 | \$ 99,216,640 | \$ 145,657,481 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

****Financing interest costs to date are included in the cost of work completed for Projects #1, #2, #3, and #4.

***** Project numbering may be out of sequence as rows containing deleted projects are hidden.

C2. Sanitary Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$4.40 million** in special grants and contributions (\$3.30 million + \$1.10 million) for sanitary offsite levy infrastructure as shown in the table below (note, if the City receives additional grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$141.26 million**.

Special Grants and Contributions for Sanitary Offsite Infrastructure

| Item | Project Description | Total Project Estimated Cost | Special Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|--|------------------------------|---------------------|-----------------------------------|---------------------|--------------------------------|
| 1 | Lift Station #13 | \$ 16,422,920 | \$ - | \$ - | \$ - | \$ 16,422,920 |
| 2 | Lift Station #13 Forcemain | \$ 11,296,755 | \$ 2,261,781 | \$ - | \$ - | \$ 9,034,974 |
| 3 | Great Plains Sanitary Trunk | \$ 7,470,427 | \$ - | \$ - | \$ 1,100,000 | \$ 6,370,427 |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | \$ 8,709,301 | \$ - | \$ - | \$ - | \$ 8,709,301 |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | \$ 11,030,592 | \$ - | \$ - | \$ - | \$ 11,030,592 |
| 6 | Lift Station #14 Phase 1 | \$ 4,307,088 | \$ - | \$ - | \$ - | \$ 4,307,088 |
| 7 | Lift Station #14 Forcemain | \$ 1,038,927 | \$ 1,037,493 | \$ - | \$ - | \$ 1,434 |
| 8 | Lift Station #13 - Pump Upgrade 1 | \$ 1,423,000 | \$ - | \$ - | \$ - | \$ 1,423,000 |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | \$ 9,774,000 | \$ - | \$ - | \$ - | \$ 9,774,000 |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | \$ 1,046,804 | \$ - | \$ - | \$ - | \$ 1,046,804 |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | \$ 1,359,367 | \$ - | \$ - | \$ - | \$ 1,359,367 |
| 12 | Lift Station #14 Phase 2 | \$ 21,985,700 | \$ - | \$ - | \$ - | \$ 21,985,700 |
| 13 | New Discharge Forcemain to Calgary | \$ 3,985,300 | \$ - | \$ - | \$ - | \$ 3,985,300 |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | \$ 7,362,300 | \$ - | \$ - | \$ - | \$ 7,362,300 |
| 15 | Lift Station #10 Decommissioning | \$ 3,400,100 | \$ - | \$ - | \$ - | \$ 3,400,100 |
| 16 | East Acreages Interim Lift Station | \$ 3,828,000 | \$ - | \$ - | \$ - | \$ 3,828,000 |
| 17 | East Chestermere Gravity Trunk Line | \$ 11,031,900 | \$ - | \$ - | \$ - | \$ 11,031,900 |
| 18 | Lift Station 13 Twinning | \$ 13,565,200 | \$ - | \$ - | \$ - | \$ 13,565,200 |
| 19 | Lift Station #14 Forcemain Twinning | \$ 5,955,400 | \$ - | \$ - | \$ - | \$ 5,955,400 |
| 20 | Lift Station #10 to Discharge #2 Modifications | \$ 664,400 | \$ - | \$ - | \$ - | \$ 664,400 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 145,657,481 | \$ 3,299,274 | \$ - | \$ 1,100,000 | \$ 141,258,207 |

*The contribution of \$1.10 million for Project #3 was provided by the City of Calgary.

C3. Sanitary 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 (described in the section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Sanitary Infrastructure Staging

| Item | Project Description | Construction Start Year |
|------|---|-------------------------|
| 1 | Lift Station #13 | 2015 |
| 2 | Lift Station #13 Forcemain | 2017 |
| 3 | Great Plains Sanitary Trunk | 2016 |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | 2017 |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | 2019 |
| 6 | Lift Station #14 Phase 1 | 2027 |
| 7 | Lift Station #14 Forcemain | 2020 |
| 8 | Lift Station #13 - Pump Upgrade 1 | 2030 |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | 2034 |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | 2025 |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | 2023 |
| 12 | Lift Station #14 Phase 2 | 2055 |
| 13 | New Discharge Forcemain to Calgary | 2059 |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | 2047 |
| 15 | Lift Station #10 Decommissioning | 2060 |
| 16 | East Acreages Interim Lift Station | 2027 |
| 17 | East Chestermere Gravity Trunk Line | 2040 |
| 18 | Lift Station 13 Twinning | 2061 |
| 19 | Lift Station #14 Forcemain Twinning | 2055 |
| 20 | Lift Station #10 to Discharge #2 Modifications | 2039 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

C4. Sanitary Offsite Infrastructure Benefiting Parties

The sanitary offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) – all growth-related infrastructure (i.e., leviable sanitary infrastructure costs) during the 25-year rate planning period.

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

Allocation of Sanitary Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|--|--------------------------------|--------------|-------------------------|--|-------------------------|
| 1 | Lift Station #13 | \$ 16,422,920 | 20.0% | | 0.0% | 80.0% |
| 2 | Lift Station #13 Forcemain | \$ 9,034,974 | 20.0% | | 0.0% | 80.0% |
| 3 | Great Plains Sanitary Trunk | \$ 6,370,427 | | | 0.0% | 100.0% |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | \$ 8,709,301 | 20.0% | | 0.0% | 80.0% |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | \$ 11,030,592 | | | 0.0% | 100.0% |
| 6 | Lift Station #14 Phase 1 | \$ 4,307,088 | | | 4.0% | 96.0% |
| 7 | Lift Station #14 Forcemain | \$ 1,434 | | | 0.0% | 100.0% |
| 8 | Lift Station #13 - Pump Upgrade 1 | \$ 1,423,000 | | | 16.0% | 84.0% |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | \$ 9,774,000 | | | 32.0% | 68.0% |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | \$ 1,046,804 | | | 0.0% | 100.0% |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | \$ 1,359,367 | | | 0.0% | 100.0% |
| 12 | Lift Station #14 Phase 2 | \$ 21,985,700 | | | 100.0% | 0.0% |
| 13 | New Discharge Forcemain to Calgary | \$ 3,985,300 | | | 100.0% | 0.0% |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | \$ 7,362,300 | | | 84.0% | 16.0% |
| 15 | Lift Station #10 Decommissioning | \$ 3,400,100 | | | 100.0% | 0.0% |
| 16 | East Acreages Interim Lift Station | \$ 3,828,000 | | | 4.0% | 96.0% |
| 17 | East Chestermere Gravity Trunk Line | \$ 11,031,900 | | | 56.0% | 44.0% |
| 18 | Lift Station 13 Twinning | \$ 13,565,200 | | | 100.0% | 0.0% |
| 19 | Lift Station #14 Forcemain Twinning | \$ 5,955,400 | | | 100.0% | 0.0% |
| 20 | Lift Station #10 to Discharge #2 Modifications | \$ 664,400 | | | 52.0% | 48.0% |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | | | 0.0% | 100.0% |
| | | \$ 141,258,207 | | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

C5. Existing Receipts & Adjusted Levy Cost

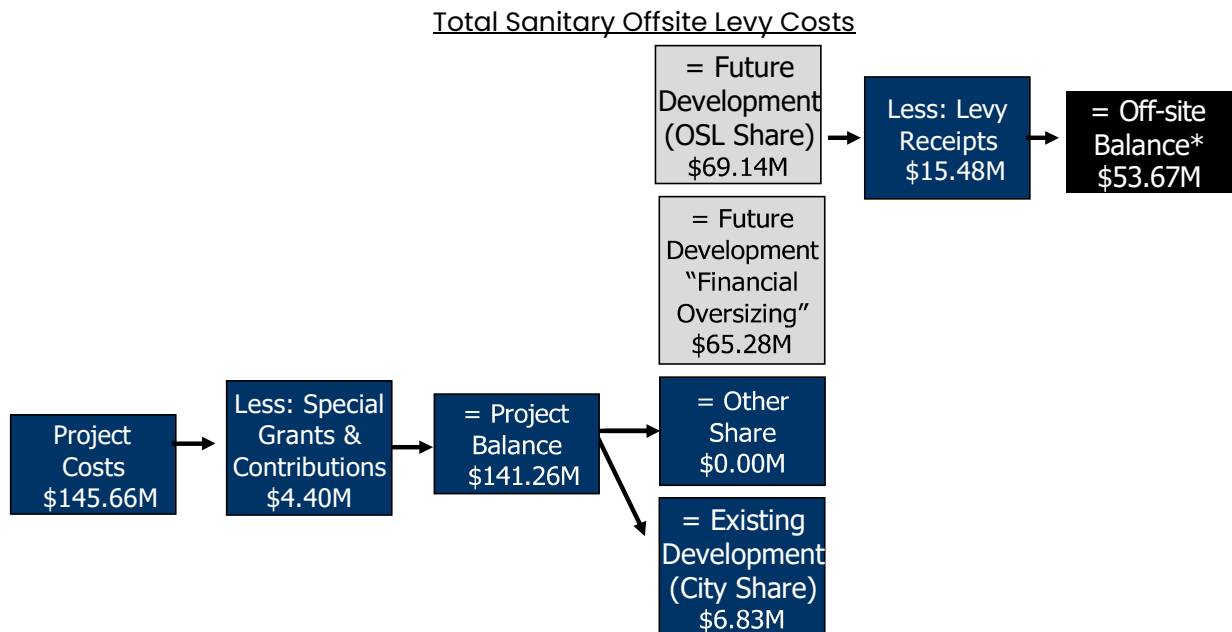
Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$69.14 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$15.48 million** (\$6.69 million + \$8.78 million) in offsite levies to date and results in an adjusted offsite levy cost of approximately **\$53.67 million**.

Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| 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 | Lift Station #13 | \$ 13,138,336 | \$ 2,724,818 | \$ 2,399,705 | \$ 8,013,812 |
| 2 | Lift Station #13 Forcemain | \$ 7,227,979 | \$ 240,241 | \$ 1,600,937 | \$ 5,386,802 |
| 3 | Great Plains Sanitary Trunk | \$ 6,370,427 | \$ 3,379,289 | \$ 689,167 | \$ 2,301,971 |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | \$ 6,967,441 | \$ 347,258 | \$ 1,554,641 | \$ 5,065,543 |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | \$ 11,030,592 | \$ - | \$ 1,281,900 | \$ 9,748,692 |
| 6 | Lift Station #14 Phase 1 | \$ 4,134,805 | \$ - | \$ - | \$ 4,134,805 |
| 7 | Lift Station #14 Forcemain | \$ 1,434 | \$ - | \$ 1,289 | \$ 145 |
| 8 | Lift Station #13 - Pump Upgrade 1 | \$ 1,195,320 | \$ - | \$ 177,690 | \$ 1,017,630 |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | \$ 6,646,320 | \$ - | \$ 519,597 | \$ 6,126,723 |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | \$ 1,046,804 | \$ - | \$ - | \$ 1,046,804 |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | \$ 1,359,367 | \$ - | \$ 378,146 | \$ 981,221 |
| 12 | Lift Station #14 Phase 2 | \$ - | \$ - | \$ - | \$ - |
| 13 | New Discharge Forcemain to Calgary | \$ - | \$ - | \$ - | \$ - |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | \$ 1,177,968 | \$ - | \$ - | \$ 1,177,968 |
| 15 | Lift Station #10 Decommissioning | \$ - | \$ - | \$ 166,403 | \$ (166,403) |
| 16 | East Acreages Interim Lift Station | \$ 3,674,880 | \$ - | \$ - | \$ 3,674,880 |
| 17 | East Chestermere Gravity Trunk Line | \$ 4,854,036 | \$ - | \$ - | \$ 4,854,036 |
| 18 | Lift Station 13 Twinning | \$ - | \$ - | \$ - | \$ - |
| 19 | Lift Station #14 Forcemain Twinning | \$ - | \$ - | \$ - | \$ - |
| 20 | Lift Station #10 to Discharge #2 Modifications | \$ 318,912 | \$ - | \$ 14,700 | \$ 304,212 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - |
| | | \$ 69,144,621 | \$ 6,691,606 | \$ 8,784,173 | \$ 53,668,841 |

6. Summary of Sanitary Offsite Levy Cost Flow-through

As shown in the figure below, the total costs for sanitary infrastructure that forms the basis of the rate is approximately **\$53.67 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section C4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).



C7. Sanitary Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Sanitary Offsite Infrastructure

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|------|--|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | Lift Station #13 | \$ 8,013,812 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Lift Station #13 Forcemain | \$ 5,386,802 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | Great Plains Sanitary Trunk | \$ 2,301,971 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | Rainbow Road Gravity Sewer Trunk Phase 1 | \$ 5,065,543 | 1 | 1 | 1 | 1 | 1 | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | Rainbow Road Gravity Sewer Trunk Phase 2 | \$ 9,748,692 | 1 | 1 | 1 | 1 | | | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | Lift Station #14 Phase 1 | \$ 4,134,805 | | | | | | 1 | 1 | | | | | | | | | | | 1 | | 1 | | |
| 7 | Lift Station #14 Forcemain | \$ 145 | | | | | | 1 | 1 | | | | | | | | | | | 1 | | 1 | | |
| 8 | Lift Station #13 - Pump Upgrade 1 | \$ 1,017,630 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | Rainbow Road Gravity Sewer Trunk Phase 3 | \$ 6,126,723 | 1 | 1 | | | | | | | | 1 | | 1 | 1 | | 1 | 1 | | | 1 | 1 | 1 | 1 |
| 10 | Rainbow Road Gravity Sewer Trunk Phase 4 | \$ 1,046,804 | | 1 | | | | | | | | | | 1 | | | 1 | | | | 1 | | 1 | |
| 11 | Lift Station #10 to LS #13 & H2S System Upgrade | \$ 981,221 | 1 | 1 | 1 | 1 | 1 | | 1 | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | Lift Station #14 Phase 2 | \$ - | | | | | | 1 | 1 | 1 | | | | | | | | | | 1 | | 1 | | |
| 13 | New Discharge Forcemain to Calgary | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 14 | S5 Rainbow Road Gravity Sewer Trunk Phase 5 | \$ 1,177,968 | | 1 | | | | | | | | | | 1 | | | | | | | | | | |
| 15 | Lift Station #10 Decommissioning | \$ (166,403) | 1 | 1 | | | | | | | | 1 | | 1 | 1 | | | 1 | | | 1 | | 1 | 1 |
| 16 | East Acreages Interim Lift Station | \$ 3,674,880 | | | | | | | | | | | | | | | | | | | | | | |
| 17 | East Chestermere Gravity Trunk Line | \$ 4,854,036 | | | | | | 1 | 1 | 1 | | | | | | | | | | 1 | | 1 | | |
| 18 | Lift Station 13 Twinning | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 19 | Lift Station #14 Forcemain Twinning | \$ - | | | | | | 1 | 1 | 1 | | | | | | | | | | 1 | | 1 | | |
| 20 | Lift Station #10 to Discharge #2 Modifications | \$ 304,212 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | \$ 53,668,841 | | | | | | | | | | | | | | | | | | | | | | |

C8. Reserve Balance

The balance of the City's sanitary reserve at December 31st, 2025 is **-\$33,584,624**. This updated balance takes into consideration expenditures up to end-2025 and assumes that front-ending debts will be drawn down via a withdrawal of all available cash in the account.

Sanitary Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|---------------|------------------|---------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 15,968,042.91 | \$ (15,968,042.91) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 405,561.30 | | \$ (15,562,481.61) |
| Debenture Interest Expenditure to December 31, 2016 | | \$ - | \$ (15,562,481.61) |
| Unallocated Receipts to December 31, 2016 | \$ - | | \$ (15,562,481.61) |
| Opening Balance | | | \$ (15,562,481.61) |
| 2017 | | | \$ (15,562,481.61) |
| Interest on Opening Balance | | \$ 466,874.45 | \$ (16,029,356.06) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 8,289,228.79 | \$ (24,318,584.85) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (1.31) | \$ (24,318,583.54) |
| Offsite Levy Receipts | \$ 52,496.69 | | \$ (24,266,086.85) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (24,266,086.85) |
| Debenture Interest Expenditure | | \$ - | \$ (24,266,086.85) |
| Interest on Project Expenditure | | \$ 62,169.21 | \$ (24,328,256.05) |
| Interest on Offsite Levy Receipts | \$ 262.48 | | \$ (24,327,993.57) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (24,327,993.57) |
| Interest on Debenture Expenditure | | \$ - | \$ (24,327,993.57) |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|---------------|-----------------|--------------------|
| 2018 | | | \$ (24,327,993.57) |
| Interest on Opening Balance | | \$ 754,167.80 | \$ (25,082,161.37) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 4,746,247.66 | \$ (29,828,409.03) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (29,828,410.83) |
| Offsite Levy Receipts | \$ 252,507.40 | | \$ (29,575,903.43) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (29,575,903.43) |
| Debenture Interest Expenditure | | \$ - | \$ (29,575,903.43) |
| Interest on Project Expenditure | | \$ 36,783.43 | \$ (29,612,686.87) |
| Interest on Offsite Levy Receipts | \$ 2,525.07 | | \$ (29,610,161.79) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (29,610,161.79) |
| Interest on Debenture Expenditure | | \$ - | \$ (29,610,161.79) |
| 2019 | | | \$ (29,610,161.79) |
| Interest on Opening Balance | | \$ 917,915.02 | \$ (30,528,076.81) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 703,441.26 | \$ (31,231,518.07) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (31,231,516.94) |
| Offsite Levy Receipts | \$ 207,904.86 | | \$ (31,023,612.08) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (31,023,612.08) |
| Debenture Interest Expenditure | | \$ - | \$ (31,023,612.08) |
| Interest on Project Expenditure | | \$ 5,451.66 | \$ (31,029,063.75) |
| Interest on Offsite Levy Receipts | \$ 2,079.05 | | \$ (31,026,984.70) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (31,026,984.70) |
| Interest on Debenture Expenditure | | \$ - | \$ (31,026,984.70) |
| 2020 | | | \$ (31,026,984.70) |
| Interest on Opening Balance | | \$ 961,836.53 | \$ (31,988,821.22) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 1,135,902.86 | \$ (33,124,724.08) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (33,124,723.13) |
| Offsite Levy Receipts | \$ 476,101.53 | | \$ (32,648,621.60) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (32,648,621.60) |
| Interest on Project Expenditure | | \$ 8,803.24 | \$ (32,657,424.84) |
| Interest on Offsite Levy Receipts | \$ 4,761.02 | | \$ (32,652,663.83) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (32,652,663.83) |
| 2021 | | | \$ (32,652,663.83) |
| Interest on Opening Balance | | \$ 848,969.26 | \$ (33,501,633.09) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 669,320.91 | \$ (34,170,954.00) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (34,171,213.84) |
| Offsite Levy Receipts | \$ 426,254.36 | | \$ (33,744,959.48) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (33,744,959.48) |
| Interest on Project Expenditure | | \$ 6,150.85 | \$ (33,751,110.34) |
| Interest on Offsite Levy Receipts | \$ - | | \$ (33,751,110.34) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (33,751,110.34) |
| 2022 | | | \$ (33,751,110.34) |
| Interest on Opening Balance | | \$ 1,761,807.96 | \$ (35,512,918.30) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 266,953.37 | \$ (35,779,871.67) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (35,779,871.67) |
| Offsite Levy Receipts | \$ 562,526.02 | | \$ (35,217,345.65) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (35,217,345.65) |
| Interest on Project Expenditure | | \$ 3,483.74 | \$ (35,220,829.39) |
| Interest on Offsite Levy Receipts | \$ 5,625.26 | | \$ (35,215,204.13) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (35,215,204.13) |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|-----------------|--------------------|
| 2023 | | | \$ (35,215,204.13) |
| Interest on Opening Balance | | \$ 1,418,069.99 | \$ (36,633,274.12) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 88,372.96 | \$ (36,721,647.08) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| Offsite Levy Receipts | \$ 1,599,301.87 | | \$ (36,721,647.08) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (35,122,345.21) |
| Interest on Project Expenditure | | \$ 3,240.99 | \$ (35,125,586.20) |
| Interest on Offsite Levy Receipts | \$ 15,993.02 | | \$ (35,109,593.18) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (35,109,593.18) |
| 2024 | | | \$ (35,109,593.18) |
| Interest on Opening Balance | | \$ 1,769,523.50 | \$ (36,879,116.68) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 725,578.68 | \$ (37,604,695.36) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| Offsite Levy Receipts | \$ 2,831,602.82 | | \$ (37,604,695.36) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (34,773,092.54) |
| Interest on Project Expenditure | | \$ 9,142.29 | \$ (34,782,234.83) |
| Interest on Offsite Levy Receipts | \$ 28,316.03 | | \$ (34,753,918.80) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ (34,753,918.80) |
| 2025 | | | \$ (34,753,918.80) |
| Interest on Opening Balance | | \$ 1,550,024.78 | \$ (36,303,943.58) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ (36,303,943.58) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| Offsite Levy Receipts | \$ 2,375,477.92 | \$ (317,731.61) | \$ (35,986,211.97) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (33,610,734.05) |
| Interest on Project Expenditure | | \$ (3,542.71) | \$ (33,607,191.34) |
| Interest on Offsite Levy Receipts | \$ 22,567.04 | | \$ (33,584,624.30) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (33,584,624.30) |

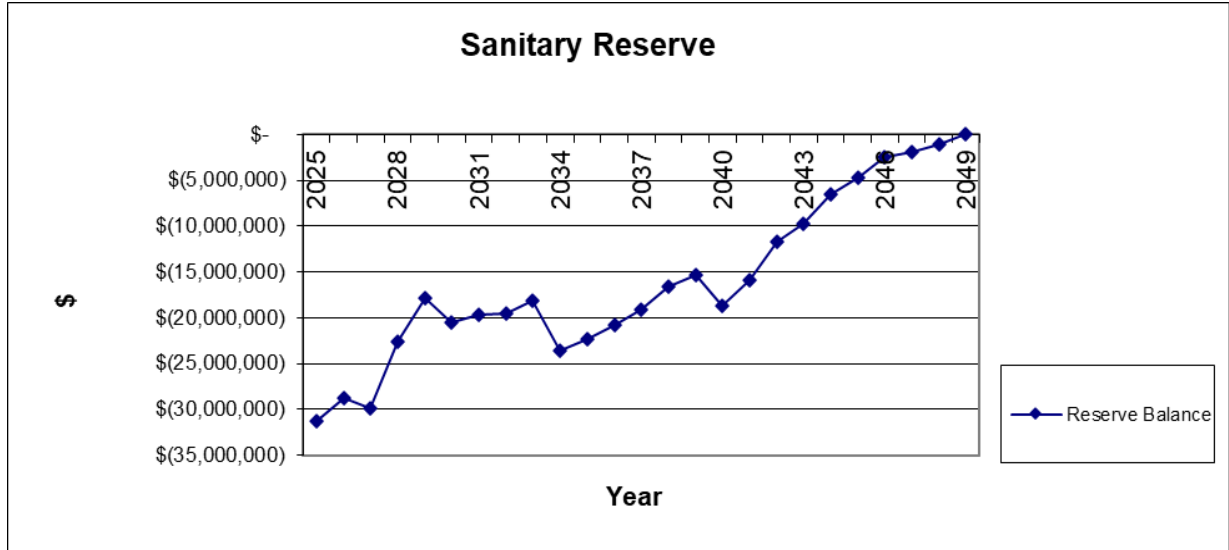
C9. Development and Sanitary Infrastructure Staging Impacts

Sanitary offsite infrastructure will be constructed in staged fashion over the 25-year development period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of sanitary infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast sanitary levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Sanitary Offsite Levy Reserve Balances⁵



Anticipated Sanitary Offsite Levy Reserve Balances

| | | Opening Balance | | | \$ (33,584,624) |
|------|--------------|-----------------|----------------|---------|-----------------|
| Year | Receipts | Expenditure | Interest | Balance | |
| 2026 | \$ 4,964,017 | \$ 265,589 | \$ (1,288,324) | \$ | (30,174,520) |
| 2027 | \$ 3,811,429 | \$ 8,302,287 | \$ (1,546,076) | \$ | (36,211,453) |
| 2028 | \$ 3,947,008 | \$ 266,185 | \$ (1,450,866) | \$ | (33,981,497) |
| 2029 | \$ 4,196,081 | \$ 258,438 | \$ (1,339,956) | \$ | (31,383,810) |
| 2030 | \$ 3,273,533 | \$ 1,590,144 | \$ (1,324,639) | \$ | (31,025,059) |
| 2031 | \$ 4,377,448 | \$ 257,268 | \$ (1,199,958) | \$ | (28,104,837) |
| 2032 | \$ 3,595,092 | \$ 247,877 | \$ (1,104,190) | \$ | (25,861,813) |
| 2033 | \$ 3,717,436 | \$ 237,726 | \$ (998,242) | \$ | (23,380,344) |
| 2034 | \$ 3,025,580 | \$ 8,598,808 | \$ (1,291,329) | \$ | (30,244,901) |
| 2035 | \$ 3,959,797 | \$ 233,353 | \$ (1,182,723) | \$ | (27,701,180) |
| 2036 | \$ 2,553,101 | \$ 221,227 | \$ (1,131,471) | \$ | (26,500,778) |
| 2037 | \$ 3,074,321 | \$ 227,643 | \$ (1,054,973) | \$ | (24,709,073) |
| 2038 | \$ 3,408,952 | \$ 39,275 | \$ (951,737) | \$ | (22,291,133) |
| 2039 | \$ 5,182,742 | \$ 502,870 | \$ (785,462) | \$ | (18,396,723) |
| 2040 | \$ 4,525,566 | \$ 7,274,186 | \$ (943,082) | \$ | (22,088,425) |
| 2041 | \$ 4,387,851 | \$ 21,396 | \$ (790,400) | \$ | (18,512,369) |
| 2042 | \$ 3,954,998 | \$ 22,017 | \$ (650,241) | \$ | (15,229,628) |
| 2043 | \$ 2,870,902 | \$ 11,328 | \$ (551,704) | \$ | (12,921,758) |
| 2044 | \$ 3,143,507 | \$ - | \$ (436,110) | \$ | (10,214,362) |
| 2045 | \$ 3,099,652 | \$ - | \$ (317,316) | \$ | (7,432,026) |
| 2046 | \$ 2,435,584 | \$ - | \$ (222,841) | \$ | (5,219,284) |
| 2047 | \$ 1,596,163 | \$ 2,147,120 | \$ (257,353) | \$ | (6,027,594) |
| 2048 | \$ 1,717,750 | \$ - | \$ (192,219) | \$ | (4,502,063) |
| 2049 | \$ 1,671,677 | \$ - | \$ (126,235) | \$ | (2,956,622) |
| 2050 | \$ 2,956,622 | \$ - | \$ (0) | \$ | (0) |

⁵In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it Acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX D: TRANSPORTATION OFFSITE INFRASTRUCTURE

D1. Transportation Offsite Infrastructure Costs

To support future growth, transportation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$258.30 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Transportation Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Cost |
|------|---|--|---------------------------|--|--------------------|
| 1 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | \$ 1,045,273 | \$ - | \$ - | \$ 1,045,273 |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | \$ 581,327 | \$ - | \$ - | \$ 581,327 |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | \$ 570,000 | \$ - | \$ - | \$ 570,000 |
| 4 | Project removed and cost estimate added to Item 10 | \$ - | \$ - | \$ - | \$ - |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City boundary (includes 1 cannal crossing) | \$ 11,729,224 | \$ - | \$ - | \$ 11,729,224 |
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP Rd 240 (includes rail crossing upgrade) | \$ - | \$ - | \$ 9,896,000 | \$ 9,896,000 |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | \$ 5,575,238 | \$ - | \$ 853,106 | \$ 6,428,343 |
| 8 | Project removed and cost estimate added to Item 6 | \$ - | \$ - | \$ - | \$ - |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for 2 lane urban included in scope) | \$ - | \$ - | \$ 14,733,950 | \$ 14,733,950 |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | \$ 7,842,210 | \$ - | \$ - | \$ 7,842,210 |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | \$ - | \$ - | \$ 4,273,000 | \$ 4,273,000 |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | \$ 28,400 | \$ - | \$ 33,543,000 | \$ 33,571,400 |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | \$ - | \$ - | \$ 11,752,000 | \$ 11,752,000 |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | \$ - | \$ - | \$ 10,029,800 | \$ 10,029,800 |
| 15 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 16 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 17 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | \$ - | \$ - | \$ 47,349,500 | \$ 47,349,500 |
| 19 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 20 | Project removed and cost estimate added to Item 19 & 30 | \$ - | \$ - | \$ - | \$ - |
| 21 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | \$ - | \$ - | \$ 5,398,000 | \$ 5,398,000 |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | \$ - | \$ - | \$ 6,587,900 | \$ 6,587,900 |

City of Chestermere Offsite Levy Rates Update

| | | | | | |
|-----|--|---------------|------|----------------|----------------|
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | \$ - | \$ - | \$ 6,226,000 | \$ 6,226,000 |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | \$ - | \$ - | \$ 9,050,800 | \$ 9,050,800 |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Windermere Drive | \$ - | \$ - | \$ 9,763,600 | \$ 9,763,600 |
| 27 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | \$ - | \$ - | \$ 18,301,800 | \$ 18,301,800 |
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | \$ - | \$ - | \$ 1,788,000 | \$ 1,788,000 |
| 30 | Project Removed | \$ - | \$ - | \$ - | \$ - |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | \$ - | \$ - | \$ 6,173,000 | \$ 6,173,000 |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | \$ - | \$ - | \$ 5,360,300 | \$ 5,360,300 |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to A | \$ - | \$ - | \$ 3,088,800 | \$ 3,088,800 |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to M | \$ - | \$ - | \$ 6,255,000 | \$ 6,255,000 |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to V | \$ - | \$ - | \$ 5,187,000 | \$ 5,187,000 |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | \$ - | \$ - | \$ 5,003,000 | \$ 5,003,000 |
| 37 | Township Road 240, Railroad Crossing to Western Headworks | \$ - | \$ - | \$ 2,087,000 | \$ 2,087,000 |
| 38 | Township Road 240, Railroad Crossing to Western Headworks | \$ - | \$ - | \$ 1,530,000 | \$ 1,530,000 |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal Cr | \$ - | \$ - | \$ 6,702,000 | \$ 6,702,000 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - |
| | | \$ 27,371,671 | \$ - | \$ 230,932,556 | \$ 258,304,226 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

**** Project numbering may be out of sequence as rows containing deleted projects are hidden.

D2. Transportation Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$6.39 million** in special grants and contributions (\$6.09 million + \$0.29 million) for transportation offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$251.92 million**.

Special Grants and Contributions for Transportation Offsite Infrastructure

| Item | Project Description | Total Project Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Cost |
|------|---|--------------------|---------------------------|-----------------------------------|---------------------|----------------------|
| 1 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | \$ 1,045,273 | \$ - | \$ - | \$ - | \$ 1,045,273 |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | \$ 581,327 | \$ - | \$ - | \$ - | \$ 581,327 |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | \$ 570,000 | \$ - | \$ - | \$ - | \$ 570,000 |
| 4 | Project removed and cost estimate added to Item 10 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City boundary (includes 1 cannal crossing) | \$ 11,729,224 | \$ 6,094,495 | \$ 294,529 | \$ - | \$ 5,340,199 |

City of Chestermere Offsite Levy Rates Update

| | | | | | | |
|-----|---|-----------------------|---------------------|-------------------|-------------|-----------------------|
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP Rd 240 (includes rail crossing upgrade) | \$ 9,896,000 | \$ - | \$ - | \$ - | \$ 9,896,000 |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | \$ 6,428,343 | \$ - | \$ - | \$ - | \$ 6,428,343 |
| 8 | Project removed and cost estimate added to Item 6 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for 2 lane urban included in scope) | \$ 14,733,950 | \$ - | \$ - | \$ - | \$ 14,733,950 |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | \$ 7,842,210 | \$ - | \$ - | \$ - | \$ 7,842,210 |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | \$ 4,273,000 | \$ - | \$ - | \$ - | \$ 4,273,000 |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | \$ 33,571,400 | \$ - | \$ - | \$ - | \$ 33,571,400 |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | \$ 11,752,000 | \$ - | \$ - | \$ - | \$ 11,752,000 |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | \$ 10,029,800 | \$ - | \$ - | \$ - | \$ 10,029,800 |
| 15 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 16 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 17 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | \$ 47,349,500 | \$ - | \$ - | \$ - | \$ 47,349,500 |
| 19 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 20 | Project removed and cost estimate added to Item 19 & 30 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 21 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | \$ 5,398,000 | \$ - | \$ - | \$ - | \$ 5,398,000 |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | \$ 6,587,900 | \$ - | \$ - | \$ - | \$ 6,587,900 |
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | \$ 6,226,000 | \$ - | \$ - | \$ - | \$ 6,226,000 |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | \$ 9,050,800 | \$ - | \$ - | \$ - | \$ 9,050,800 |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Windermere Drive | \$ 9,763,600 | \$ - | \$ - | \$ - | \$ 9,763,600 |
| 27 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | \$ 18,301,800 | \$ - | \$ - | \$ - | \$ 18,301,800 |
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | \$ 1,788,000 | \$ - | \$ - | \$ - | \$ 1,788,000 |
| 30 | Project Removed | \$ - | \$ - | \$ - | \$ - | \$ - |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | \$ 6,173,000 | \$ - | \$ - | \$ - | \$ 6,173,000 |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | \$ 5,360,300 | \$ - | \$ - | \$ - | \$ 5,360,300 |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to A | \$ 3,088,800 | \$ - | \$ - | \$ - | \$ 3,088,800 |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to M | \$ 6,255,000 | \$ - | \$ - | \$ - | \$ 6,255,000 |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to V | \$ 5,187,000 | \$ - | \$ - | \$ - | \$ 5,187,000 |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | \$ 5,003,000 | \$ - | \$ - | \$ - | \$ 5,003,000 |
| 37 | Township Road 240, Railroad Crossing to Western Headworks | \$ 2,087,000 | \$ - | \$ - | \$ - | \$ 2,087,000 |
| 38 | Township Road 240, Railroad Crossing to Western Headworks | \$ 1,530,000 | \$ - | \$ - | \$ - | \$ 1,530,000 |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal C | \$ 6,702,000 | \$ - | \$ - | \$ - | \$ 6,702,000 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 258,304,226 | \$ 6,094,495 | \$ 294,529 | \$ - | \$ 251,915,202 |

D3. Transportation 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Transportation Infrastructure Staging

| Item | Project Description | Construction Start Year |
|------|--|-------------------------|
| 1 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | 2006 |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | 2012 |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | 2014 |
| 4 | Project removed and cost estimate added to Item 10 | |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City boundary (includes 1 cannal crossing) | 2019 |
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP Rd 240 (includes rail crossing upgrade) | 2036 |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | 2024 |
| 8 | Project removed and cost estimate added to Item 6 | |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for 2 lane urban included in scope) | 2026 |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | 2024 |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | 2035 |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | 2030 |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | 2033 |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | 2056 |
| 15 | Project Removed | |
| 16 | Project Removed | |
| 17 | Project Removed | |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | 2051 |
| 19 | Project Removed | |
| 20 | Project removed and cost estimate added to Item 19 & 30 | |
| 21 | Project Removed | |

| | | |
|----|---|------|
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | 2034 |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | 2037 |
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | 2029 |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | 2038 |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Windermere Drive | 2041 |
| 27 | Project Removed | |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | 2047 |
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | 2032 |
| 30 | Project Removed | |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | 2035 |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | 2037 |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to AltaLink ROW | 2048 |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to Marina Drive Phase 2 | 2032 |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to West Chestermere Dr | 2031 |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | 2036 |
| 37 | Township Road 240, Railroad Crossing to Western Headworks Canal Including Crossings, 2-lane urban | 2034 |
| 38 | Township Road 240, Railroad Crossing to Western Headworks Canal to Rainbow Road | 2034 |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal Crossing Bridge | 2036 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

D4. Transportation Offsite Infrastructure Benefiting Parties

The transportation offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by the City’s staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.*
- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) – all growth-related infrastructure (i.e., leviable transportation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of transportation offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

City of Chestermere Offsite Levy Rates Update

*Other Stakeholder share removed from total project cost and is not included in the offsite levy model

Allocation of Transportation Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|---|----------------------|--------------|-------------------------|--|-------------------------|
| 1 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | \$ 1,045,273 | | | 0.0% | 100.0% |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | \$ 581,327 | | | 0.0% | 100.0% |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | \$ 570,000 | | | 0.0% | 100.0% |
| 4 | Project removed and cost estimate added to Item 10 | \$ - | | | 0.0% | 100.0% |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City boundary (includes 1 cannal crossing) | \$ 5,340,199 | | | 0.0% | 100.0% |
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP Rd 240 (includes rail crossing upgrade) | \$ 9,896,000 | | | 40.0% | 60.0% |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | \$ 6,428,343 | 50.0% | | 0.0% | 50.0% |
| 8 | Project removed and cost estimate added to Item 6 | \$ - | | | 0.0% | 100.0% |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for 2 lane urban included in scope) | \$ 14,733,950 | | | 0.0% | 100.0% |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | \$ 7,842,210 | | | 0.0% | 100.0% |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | \$ 4,273,000 | | | 36.0% | 64.0% |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | \$ 33,571,400 | 75.0% | | 4.0% | 21.0% |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | \$ 11,752,000 | | | 28.0% | 72.0% |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | \$ 10,029,800 | | | 100.0% | 0.0% |
| 15 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 16 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 17 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | \$ 47,349,500 | | | 100.0% | 0.0% |
| 19 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 20 | Project removed and cost estimate added to Item 19 & 30 | \$ - | | | 0.0% | 100.0% |
| 21 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | \$ 5,398,000 | | | 32.0% | 68.0% |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | \$ 6,587,900 | | | 44.0% | 56.0% |
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | \$ 6,226,000 | | | 12.0% | 88.0% |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | \$ 9,050,800 | | | 48.0% | 52.0% |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Windermere Drive | \$ 9,763,600 | | | 60.0% | 40.0% |
| 27 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | \$ 18,301,800 | | | 84.0% | 16.0% |

City of Chestermere Offsite Levy Rates Update

| Item | Project Description | Reduced Project Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|--|-----------------------|--------------|-------------------------|--|-------------------------|
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | \$ 1,788,000 | | | 24.0% | 76.0% |
| 30 | Project Removed | \$ - | | | 0.0% | 100.0% |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | \$ 6,173,000 | | | 36.0% | 64.0% |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | \$ 5,360,300 | | | 44.0% | 56.0% |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to | \$ 3,088,800 | | | 88.0% | 12.0% |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to | \$ 6,255,000 | | | 24.0% | 76.0% |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to | \$ 5,187,000 | | | 20.0% | 80.0% |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | \$ 5,003,000 | | | 40.0% | 60.0% |
| 37 | Township Road 240, Railroad Crossing to Western Headworks | \$ 2,087,000 | | | 32.0% | 68.0% |
| 38 | Township Road 240, Railroad Crossing to Western Headworks | \$ 1,530,000 | | | 32.0% | 68.0% |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal C | \$ 6,702,000 | | | 40.0% | 60.0% |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | | | 0.0% | 100.0% |
| | | \$ 251,915,202 | | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

D5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$108.96 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$31.26 million** (\$4.93 million + \$26.3 million) in offsite levies to date, and results in an adjusted offsite levy cost of approximately **\$77.70 million**.

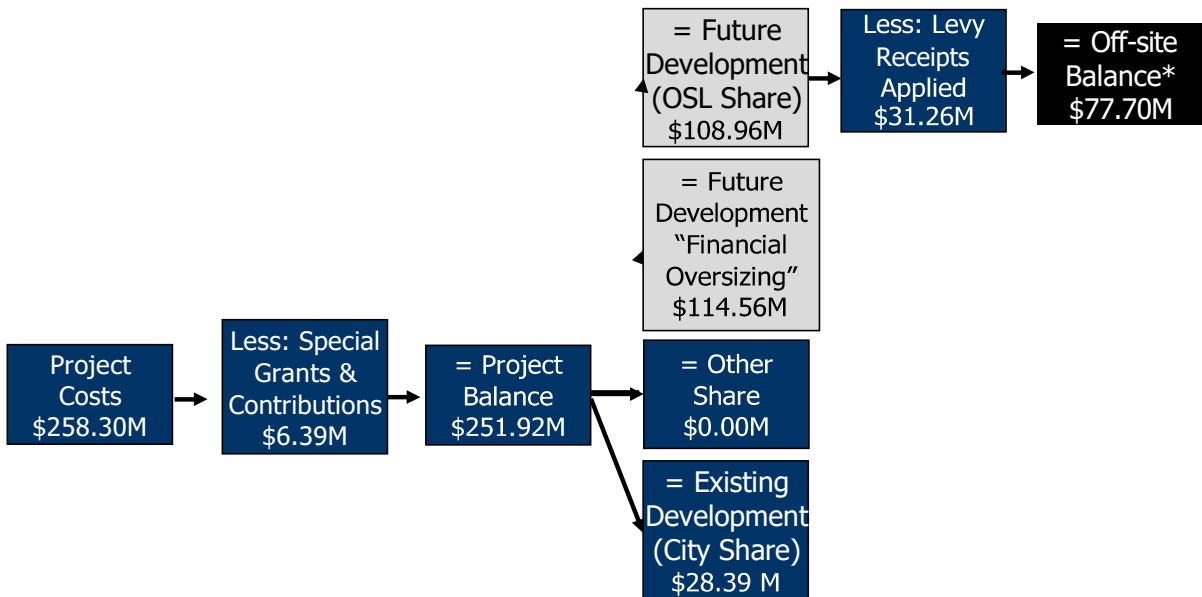
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| 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 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | \$ 1,045,273 | \$ 1,044,741 | \$ 172 | \$ 360 |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | \$ 581,327 | \$ 581,327 | \$ - | \$ - |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | \$ 570,000 | \$ 444,000 | \$ 40,617 | \$ 85,383 |
| 4 | Project removed and cost estimate added to Item 10 | \$ - | \$ - | \$ 279 | \$ (279) |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City boundary (includes 1 cannal crossing) | \$ 5,340,199 | \$ 150,730 | \$ 1,404,911 | \$ 3,784,558 |
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP Rd 240 (includes rail crossing upgrade) | \$ 5,937,600 | \$ - | \$ 1,411,797 | \$ 4,525,803 |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | \$ 3,214,172 | \$ - | \$ 855,593 | \$ 2,358,579 |
| 8 | Project removed and cost estimate added to Item 6 | \$ - | \$ - | \$ 2,073 | \$ (2,073) |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for 2 lane urban included in scope) | \$ 14,733,950 | \$ - | \$ 4,155,129 | \$ 10,578,821 |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | \$ 7,842,210 | \$ - | \$ 2,133,460 | \$ 5,708,750 |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | \$ 2,734,720 | \$ - | \$ 587,528 | \$ 2,147,192 |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | \$ 7,049,994 | \$ - | \$ 1,392,272 | \$ 5,657,722 |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | \$ 8,461,440 | \$ - | \$ 1,712,850 | \$ 6,748,590 |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | \$ - | \$ - | \$ 160,471 | \$ (160,471) |
| 15 | Project Removed | \$ - | \$ - | \$ 67,013 | \$ (67,013) |
| 16 | Project Removed | \$ - | \$ - | \$ 31,995 | \$ (31,995) |
| 17 | Project Removed | \$ - | \$ - | \$ 3,390 | \$ (3,390) |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | \$ - | \$ - | \$ 46,065 | \$ (46,065) |
| 19 | Project Removed | \$ - | \$ - | \$ 352,353 | \$ (352,353) |
| 20 | Project removed and cost estimate added to Item 19 & 30 | \$ - | \$ - | \$ 691 | \$ (691) |
| 21 | Project Removed | \$ - | \$ - | \$ 2,764 | \$ (2,764) |
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | \$ 3,670,640 | \$ - | \$ 1,327,275 | \$ 2,343,365 |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | \$ 3,689,224 | \$ - | \$ 404,505 | \$ 3,284,719 |
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | \$ 5,478,880 | \$ - | \$ 1,413,891 | \$ 4,064,989 |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | \$ 4,706,416 | \$ - | \$ 959,121 | \$ 3,747,295 |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Windermere Drive | \$ 3,905,440 | \$ - | \$ 773,561 | \$ 3,131,879 |
| 27 | Project Removed | \$ - | \$ - | \$ 284,030 | \$ (284,030) |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | \$ 2,928,288 | \$ - | \$ 329,103 | \$ 2,599,185 |
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | \$ 1,358,880 | \$ - | \$ 1,147,822 | \$ 211,058 |
| 30 | Project Removed | \$ - | \$ - | \$ 619,209 | \$ (619,209) |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | \$ 3,950,720 | \$ - | \$ 644,664 | \$ 3,306,056 |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | \$ 3,001,768 | \$ - | \$ 1,350,417 | \$ 1,651,351 |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to AltaLink ROW | \$ 370,656 | \$ - | \$ 601,379 | \$ (230,723) |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to Marina Drive Phase 2 | \$ 4,753,800 | \$ - | \$ 475,049 | \$ 4,278,751 |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to West Chestermere Dr | \$ 4,149,600 | \$ - | \$ 513,223 | \$ 3,636,377 |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | \$ 3,001,800 | \$ - | \$ 363,915 | \$ 2,637,885 |
| 37 | Township Road 240, Railroad Crossing to Western Headworks Canal Including Crossings, 2-lane urban | \$ 1,419,160 | \$ - | \$ 176,625 | \$ 1,242,535 |
| 38 | Township Road 240, Railroad Crossing to Western Headworks Canal to Rainbow Road | \$ 1,040,400 | \$ - | \$ 103,773 | \$ 936,627 |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal Crossing Bridge | \$ 4,021,200 | \$ - | \$ 487,544 | \$ 3,533,656 |
| 100 | Unallocated Offsite Leves Collected to Dec 31, 2016 | \$ - | \$ 2,704,322 | \$ - | \$ (2,704,322) |
| | | \$ 108,957,756 | \$ 4,925,120 | \$ 26,336,529 | \$ 77,696,108 |

D6. Summary of Transportation Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for transportation infrastructure that forms the basis of the rate is approximately **\$77.70 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section D4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Transportation Offsite Levy Costs



D7. Transportation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Transportation Offsite Infrastructure

| Item | Project Description | Developer Cost | | | | | | | | | | | | | | | | | | | | | | |
|------|---|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 1 | Rainbow Rd Twinning - Chestermere Blvd to Merganser Drive West | \$ 360 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 2 | Rainbow Rd 2 lane rural to 2 lane urban at Goodacre location | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 3 | Rainbow Rd Tie in and Signalization at Chestermere Blvd | \$ 85,383 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 4 | Project removed and cost estimate added to Item 10 | \$ (279) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 5 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 1,2,3) Rainbow Rd to East City bounda | \$ 3,784,558 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 6 | Rainbow Rd 2 lane rural to 2 lane urban Western Headworks cannal crossing to TWP R | \$ 4,525,803 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 7 | Rainbow Rd 2 lane rural bridge to 2 lane urban bridge (Western Headworks crossing) | \$ 2,358,579 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 8 | Project removed and cost estimate added to Item 6 | \$ (2,073) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 9 | Chestermere Blvd 2 lane rural to 4 lane rural Range Rd 284 to Rainbow Rd (potential for | \$ 10,578,821 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 10 | Rainbow Rd 2 lane urban to 4 lane urban Merganser Drive West to Waterford Blvd | \$ 5,708,750 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 11 | Rainbow Rd 2 lane urban to 4 lane urban Waterford Blvd to TWP Rd 240 | \$ 2,147,192 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 12 | Chestermere Blvd 2 lane urban to 4 lane urban bridge over Chestermere Lake | \$ 5,657,722 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 13 | Rainbow Rd 2 lane rural to 2 lane urban Windermere Drive to Highway 1 | \$ 6,748,590 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 14 | Highway 1 & Rainbow Rd interchange (50% of half diamond) | \$ (160,471) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 15 | Project Removed | \$ (67,013) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 16 | Project Removed | \$ (31,995) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 17 | Project Removed | \$ (3,390) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 18 | Highway 1 & Highway 791 1 interchange (1/4 share) | \$ (46,065) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 19 | Project Removed | \$ (352,353) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 20 | Project removed and cost estimate added to Item 19 & 30 | \$ (691) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 21 | Project Removed | \$ (2,764) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 22 | TWP Rd 240 2 lane rural to 2 lane urban (Phase 4) Rainbow Rd to West City boundary (includes 1 cannal crossing and 1 rail crossing) | \$ 2,343,365 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 23 | Rainbow Rd 2 lane urban to 4 lane urban Highway 1 to Windermere Drive | \$ 3,284,719 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 24 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Chelsea Parade | \$ 4,064,989 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 25 | Range Rd 284 2 lane rural to 2 lane urban TWP Rd 240 to AltaLink ROW | \$ 3,747,295 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 26 | Range Rd 284 2 lane rural to 2 lane urban Chestermere Blvd to Memorial Drive/Winderm | \$ 3,131,879 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 27 | Project Removed | \$ (284,030) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 28 | Highway 1 & Range Rd 284 interchange (1/4 share) | \$ 2,599,185 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 29 | Chestermere Blvd 2 lane rural to 4 lane rural Rainbow Rd to Highway 1 (potential for 2 lane urban included in scope) | \$ 211,058 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 30 | Project Removed | \$ (619,209) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 31 | Rainbow Rd 2 lane urban bridge to 4 lane urban bridge (Western Headworks crossing) | \$ 3,306,056 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 32 | Rainbow Rd 2 lane urban to 4 lane urban Chestermere Blvd to Windermere Drive | \$ 1,651,351 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 33 | Range Rd 284 2 lane rural to 2 lane urban Chelsea Parade to AltaLink ROW | \$ (230,723) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 34 | Chestermere Blvd 4 lane rural to 4 lane urban Rainbow Rd to Marina Drive Phase 2 | \$ 4,278,751 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 35 | Chestermere Blvd 4 lane rural to 4 lane urban Marina Drive to West Chestermere Dr | \$ 3,636,377 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 36 | Range Road 281, TWP Road 241A to TWP Road 240 | \$ 2,637,885 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 37 | Township Road 240, Railroad Crossing to Western Headworks Canal Including Crossings, 2-lane urban | \$ 1,242,535 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 38 | Township Road 240, Railroad Crossing to Western Headworks Canal to Rainbow Road | \$ 936,627 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 39 | Range Road 281, TWP Road 241A to TWP Road 240 Canal Crossing Bridge | \$ 3,533,656 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ (2,704,322) | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| | | \$ 77,696,108 | | | | | | | | | | | | | | | | | | | | | | |

D8. Reserve Balance

The balance of the City’s transportation reserve at December 31st, 2025 is **\$9,369,969.79**. This updated balance takes into consideration public facilities fees collected and transferred to the recreation account, and expenditures up to end-2025.

Transportation Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|-----------------|-----------------|--------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ 2,221,329.74 | \$ (2,221,329.74) |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ 2,220,798.53 | | \$ (531.21) |
| Debenture Interest Expenditure to December 31, 2016 | | \$ - | \$ (531.21) |
| Unallocated Receipts to December 31, 2016 | \$ 2,704,321.55 | | \$ 2,703,790.34 |
| Opening Balance | | | \$ 2,703,790.34 |
| 2017 | | | \$ 2,703,790.34 |
| Interest on Opening Balance | \$ 27,037.90 | | \$ 2,730,828.24 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 3,298,011.83 | \$ (567,183.59) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (143,227.94) | \$ (423,955.65) |
| Offsite Levy Receipts | \$ 84,552.03 | | \$ (339,403.62) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (339,403.62) |
| Debenture Interest Expenditure | | \$ - | \$ (339,403.62) |
| Interest on Project Expenditure | | \$ 23,660.88 | \$ (363,064.50) |
| Interest on Offsite Levy Receipts | \$ 422.76 | | \$ (362,641.74) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (362,641.74) |
| Interest on Debenture Expenditure | | \$ - | \$ (362,641.74) |
| 2018 | | | \$ (362,641.74) |
| Interest on Opening Balance | | \$ 11,241.89 | \$ (373,883.63) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 708,001.90 | \$ (1,081,885.53) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 18,788.10 | \$ (1,100,673.63) |
| Offsite Levy Receipts | \$ 184,398.64 | | \$ (916,274.99) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (916,274.99) |
| Debenture Interest Expenditure | | \$ - | \$ (916,274.99) |
| Interest on Project Expenditure | | \$ 5,632.62 | \$ (921,907.61) |
| Interest on Offsite Levy Receipts | \$ 1,843.99 | | \$ (920,063.63) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (920,063.63) |
| Interest on Debenture Expenditure | | \$ - | \$ (920,063.63) |
| 2019 | | | \$ (920,063.63) |
| Interest on Opening Balance | | \$ 28,521.97 | \$ (948,585.60) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 1,678,261.16 | \$ (2,626,846.76) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 35,185.42 | \$ (2,662,032.18) |
| Offsite Levy Receipts | \$ 333,135.66 | | \$ (2,328,896.52) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (2,328,896.52) |
| Debenture Interest Expenditure | | \$ - | \$ (2,328,896.52) |
| Interest on Project Expenditure | | \$ 13,279.21 | \$ (2,342,175.73) |
| Interest on Offsite Levy Receipts | \$ 3,331.36 | | \$ (2,338,844.37) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (2,338,844.37) |
| Interest on Debenture Expenditure | | \$ - | \$ (2,338,844.37) |
| 2020 | | | \$ (2,338,844.37) |
| Interest on Opening Balance | | \$ 72,504.18 | \$ (2,411,348.55) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 208,769.05 | \$ (2,620,117.60) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (0.05) | \$ (2,620,117.55) |
| Offsite Levy Receipts | \$ 1,442,110.57 | | \$ (1,178,006.98) |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | 96691.73 | \$ (1,274,698.71) |
| Interest on Project Expenditure | | \$ 1,617.96 | \$ (1,276,316.67) |
| Interest on Offsite Levy Receipts | \$ 14,421.11 | | \$ (1,261,895.56) |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ (1,261,895.56) |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|------------------|-------------------|
| 2021 | | | \$ (1,261,895.56) |
| Interest on Opening Balance | | \$ 32,809.28 | \$ (1,294,704.85) |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 341,661.79 | \$ (1,636,366.64) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 0.21 | \$ (1,636,366.85) |
| Offsite Levy Receipts | \$ 3,141,436.84 | | \$ 1,505,069.99 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 1,505,069.99 |
| Interest on Project Expenditure | | \$ 2,220.80 | \$ 1,502,849.19 |
| Interest on Offsite Levy Receipts | \$ 15,707.18 | | \$ 1,518,556.37 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 1,518,556.37 |
| 2022 | | | \$ 1,518,556.37 |
| Interest on Opening Balance | \$ 30,523.46 | | \$ 1,549,079.83 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 240,751.77 | \$ 1,308,328.06 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (66,088.11) | \$ 1,374,416.17 |
| Offsite Levy Receipts | \$ 2,585,122.63 | | \$ 3,959,538.81 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 3,959,538.81 |
| Interest on Project Expenditure | | \$ 3,141.81 | \$ 3,956,397.00 |
| Interest on Offsite Levy Receipts | \$ 25,851.23 | | \$ 3,982,248.23 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 3,982,248.23 |
| 2023 | | | \$ 3,982,248.23 |
| Interest on Opening Balance | \$ 79,797.29 | | \$ 4,062,045.52 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 3,012,113.00 | \$ 1,049,932.52 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ (127,806.00) | \$ 1,177,738.52 |
| Offsite Levy Receipts | \$ 7,207,685.08 | | \$ 8,385,423.60 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 8,385,423.60 |
| Interest on Project Expenditure | | \$ 37,576.11 | \$ 8,347,847.49 |
| Interest on Offsite Levy Receipts | \$ 72,076.85 | | \$ 8,419,924.34 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 8,419,924.34 |
| 2024 | | | \$ 8,419,924.34 |
| Interest on Opening Balance | \$ 168,550.82 | | \$ 8,588,475.16 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 10,464,954.87 | \$ (1,876,479.71) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | \$ (1,876,479.71) |
| Offsite Levy Receipts | \$ 6,639,906.81 | | \$ 4,763,427.10 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 4,763,427.10 |
| Interest on Project Expenditure | | \$ 131,858.43 | \$ 4,631,568.67 |
| Interest on Offsite Levy Receipts | \$ 66,399.07 | | \$ 4,697,967.74 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 4,697,967.74 |
| 2025 | | | \$ 4,697,967.74 |
| Interest on Opening Balance | \$ 89,261.39 | | \$ 4,787,229.13 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 4,787,229.13 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 178,274.67 | \$ 4,608,954.46 |
| Offsite Levy Receipts | \$ 4,718,180.39 | | \$ 9,327,134.84 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 9,327,134.84 |
| Interest on Project Expenditure | | \$ 1,987.76 | \$ 9,325,147.08 |
| Interest on Offsite Levy Receipts | \$ 44,822.71 | | \$ 9,369,969.79 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 9,369,969.79 |

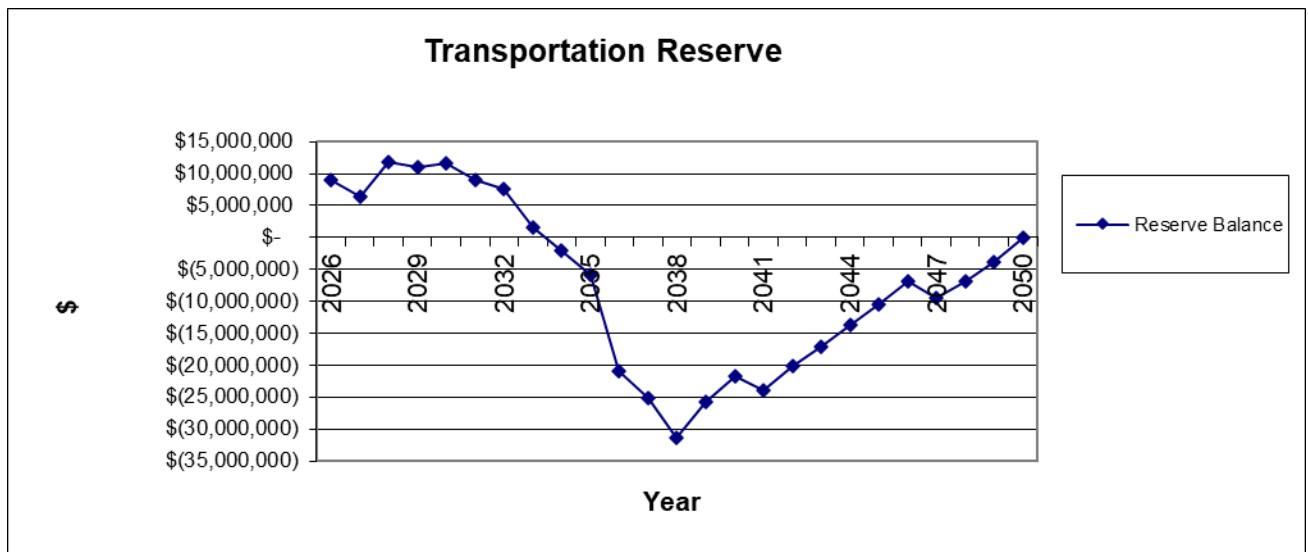
D9. Development and Transportation Infrastructure Staging Impacts

Transportation offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of transportation infrastructure from time to time-front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality's front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast transportation levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Transportation Offsite Levy Reserve Balances⁶



Anticipated Transportation Offsite Levy Reserve Balances

| | | | Reserve Balance | \$ 9,369,970 |
|------|--------------|---------------|-----------------|-----------------|
| Year | Receipts | Expenditure | Interest | Balance |
| 2026 | \$ 7,200,123 | \$ 7,784,817 | \$ 166,920 | \$ 8,952,196 |
| 2027 | \$ 4,988,980 | \$ 7,580,617 | \$ 120,851 | \$ 6,481,409 |
| 2028 | \$ 5,128,751 | \$ - | \$ 220,593 | \$ 11,830,753 |
| 2029 | \$ 5,041,330 | \$ 5,969,499 | \$ 207,149 | \$ 11,109,733 |
| 2030 | \$ 4,340,267 | \$ 3,952,030 | \$ 218,461 | \$ 11,716,431 |
| 2031 | \$ 5,985,156 | \$ 8,853,856 | \$ 168,107 | \$ 9,015,838 |
| 2032 | \$ 4,912,120 | \$ 6,449,873 | \$ 142,084 | \$ 7,620,169 |
| 2033 | \$ 5,077,225 | \$ 11,165,949 | \$ 29,097 | \$ 1,560,542 |
| 2034 | \$ 4,123,044 | \$ 7,705,444 | \$ (90,175) | \$ (2,112,033) |
| 2035 | \$ 5,227,557 | \$ 8,647,058 | \$ (246,706) | \$ (5,778,239) |
| 2036 | \$ 3,008,132 | \$ 17,249,593 | \$ (892,879) | \$ (20,912,580) |
| 2037 | \$ 3,889,052 | \$ 7,107,969 | \$ (1,076,265) | \$ (25,207,762) |
| 2038 | \$ 4,001,834 | \$ 8,747,566 | \$ (1,335,926) | \$ (31,289,420) |
| 2039 | \$ 6,555,004 | \$ - | \$ (1,103,155) | \$ (25,837,570) |
| 2040 | \$ 5,102,062 | \$ - | \$ (924,804) | \$ (21,660,312) |
| 2041 | \$ 4,805,105 | \$ 5,996,538 | \$ (1,019,188) | \$ (23,870,933) |
| 2042 | \$ 4,688,074 | \$ - | \$ (855,555) | \$ (20,038,414) |
| 2043 | \$ 3,717,894 | \$ - | \$ (727,895) | \$ (17,048,416) |
| 2044 | \$ 3,878,066 | \$ - | \$ (587,398) | \$ (13,757,747) |
| 2045 | \$ 3,788,410 | \$ - | \$ (444,632) | \$ (10,413,970) |
| 2046 | \$ 3,804,446 | \$ - | \$ (294,785) | \$ (6,904,309) |
| 2047 | \$ 3,209,143 | \$ 5,337,485 | \$ (402,856) | \$ (9,435,506) |
| 2048 | \$ 3,152,207 | \$ 347,600 | \$ (295,738) | \$ (6,926,637) |
| 2049 | \$ 3,686,543 | \$ 357,680 | \$ (160,461) | \$ (3,758,235) |
| 2050 | \$ 3,758,235 | \$ - | \$ (0) | \$ (0) |

⁶ In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX E: STORMWATER OFFSITE INFRASTRUCTURE

E1. Stormwater Offsite Infrastructure Costs

To support future growth, stormwater offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$115.34 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Stormwater Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|--|--|---------------------------|--|------------------------------|
| 6 | Phase 0 - Storm outfall prelim engineering | \$ 1,034,463 | \$ - | \$ 1,166,080 | \$ 2,200,543 |
| 7 | Phase 1 - Centralized stormwater reservoir Phase 1 | \$ - | \$ - | \$ 14,060,000 | \$ 14,060,000 |
| 8 | Phase 2 - Outlet forcemain & pump station Phase 1 | \$ - | \$ - | \$ 30,692,227 | \$ 30,692,227 |
| 9 | Phase 3 - Centralized stormwater reservoir expansion Phase 2 | \$ - | \$ - | \$ 5,624,000 | \$ 5,624,000 |
| 10 | NW Storm Trunk Phase A | \$ - | \$ - | \$ 2,342,160 | \$ 2,342,160 |
| 11 | NW Storm Trunk Phase B1 | \$ 3,168,062 | \$ - | \$ - | \$ 3,168,062 |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow Fall UnderDrain | \$ - | \$ - | \$ 3,461,645 | \$ 3,461,645 |
| 13 | NW Storm Trunk Phase D - Project Deleted | \$ - | \$ - | \$ - | \$ - |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe to Southshore | \$ - | \$ - | \$ 1,664,948 | \$ 1,664,948 |
| 15 | NW Storm Trunk Phase F | \$ - | \$ - | \$ - | \$ - |
| 16 | SW Storm Trunk Phase A | \$ - | \$ - | \$ 2,147,000 | \$ 2,147,000 |
| 17 | SE Storm Trunk Phase A | \$ - | \$ - | \$ 10,544,600 | \$ 10,544,600 |
| 18 | NE Storm Trunk Phase A-E | \$ - | \$ - | \$ 8,186,000 | \$ 8,186,000 |
| 19 | NW Stormwater Trunk Phase B2 | \$ 1,416,926 | \$ - | \$ 1,445,040 | \$ 2,861,966 |
| 20 | Land for Centralized facility | \$ 43,832 | \$ - | \$ 4,000,000 | \$ 4,043,832 |
| 21 | Rainbow Falls Underdrain | \$ 2,544,969 | \$ - | \$ - | \$ 2,544,969 |
| 22 | Phase 4 - Centralized stormwater reservoir expansion Stage 3 | \$ - | \$ - | \$ 21,801,700 | \$ 21,801,700 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - |
| | | \$ 8,208,252 | \$ - | \$ 107,135,401 | \$ 115,343,653 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

**** Project numbering may be out of sequence as rows containing deleted projects are hidden.

E2. Stormwater Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** in special grants and contributions for stormwater offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total

reduced project estimated cost is **\$115.34 million**.

Special Grants and Contributions for Stormwater Offsite Infrastructure

| Item | Project Description | Total Project Estimated Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|--|------------------------------|---------------------------|-----------------------------------|---------------------|--------------------------------|
| 6 | Phase 0 - Storm outfall prelim engineering | \$ 2,200,543 | \$ - | \$ - | \$ - | \$ 2,200,543 |
| 7 | Phase 1 - Centralized stormwater reservoir Phase 1 | \$ 14,060,000 | \$ - | \$ - | \$ - | \$ 14,060,000 |
| 8 | Phase 2 - Outlet forcemain & pump station Phase 1 | \$ 30,692,227 | \$ - | \$ - | \$ - | \$ 30,692,227 |
| 9 | Phase 3 - Centralized stormwater reservoir expansion Phase 2 | \$ 5,624,000 | \$ - | \$ - | \$ - | \$ 5,624,000 |
| 10 | NW Storm Trunk Phase A | \$ 2,342,160 | \$ - | \$ - | \$ - | \$ 2,342,160 |
| 11 | NW Storm Trunk Phase B1 | \$ 3,168,062 | \$ - | \$ - | \$ - | \$ 3,168,062 |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow Fall UnderDrain | \$ 3,461,645 | \$ - | \$ - | \$ - | \$ 3,461,645 |
| 13 | NW Storm Trunk Phase D - Project Deleted | \$ - | \$ - | \$ - | \$ - | \$ - |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe to Southshore | \$ 1,664,948 | \$ - | \$ - | \$ - | \$ 1,664,948 |
| 15 | NW Storm Trunk Phase F | \$ - | \$ - | \$ - | \$ - | \$ - |
| 16 | SW Storm Trunk Phase A | \$ 2,147,000 | \$ - | \$ - | \$ - | \$ 2,147,000 |
| 17 | SE Storm Trunk Phase A | \$ 10,544,600 | \$ - | \$ - | \$ - | \$ 10,544,600 |
| 18 | NE Storm Trunk Phase A-E | \$ 8,186,000 | \$ - | \$ - | \$ - | \$ 8,186,000 |
| 19 | NW Stormwater Trunk Phase B2 | \$ 2,861,966 | \$ - | \$ - | \$ - | \$ 2,861,966 |
| 20 | Land for Centralized facility | \$ 4,043,832 | \$ - | \$ - | \$ - | \$ 4,043,832 |
| 21 | Rainbow Falls Underdrain | \$ 2,544,969 | \$ - | \$ - | \$ - | \$ 2,544,969 |
| 22 | Phase 4 - Centralized stormwater reservoir expansion Stage 3 | \$ 21,801,700 | \$ - | \$ - | \$ - | \$ 21,801,700 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 115,343,653 | \$ - | \$ - | \$ - | \$ 115,343,653 |

E3. Stormwater 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Stormwater Infrastructure Staging

| Item | Project Description | Construction Start Year | Developer Share Before Oversizing Calculation |
|------|--|-------------------------|---|
| 6 | Phase 0 - Storm outfall prelim engineering | 2024 | 100.0% |
| 7 | Phase 1 - Centralized stormwater reservoir Phase 1 | 2027 | 100.0% |
| 8 | Phase 2 - Outlet forcemain & pump station Phase 1 | 2036 | 100.0% |
| 9 | Phase 3 - Centralized stormwater reservoir expansion Phase 2 | 2049 | 100.0% |
| 10 | NW Storm Trunk Phase A | 2026 | 100.0% |
| 11 | NW Storm Trunk Phase B1 | 2022 | 100.0% |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow Fall UnderDrain | 2026 | 100.0% |
| 13 | NW Storm Trunk Phase D - Project Deleted | | 100.0% |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe to Southshore | 2026 | 100.0% |
| 15 | NW Storm Trunk Phase F | | 100.0% |
| 16 | SW Storm Trunk Phase A | 2032 | 100.0% |
| 17 | SE Storm Trunk Phase A | 2040 | 100.0% |
| 18 | NE Storm Trunk Phase A-E | 2030 | 100.0% |
| 19 | NW Stormwater Trunk Phase B2 | 2025 | 100.0% |
| 20 | Land for Centralized facility | 2026 | 100.0% |
| 21 | Rainbow Falls Underdrain | 2024 | 100.0% |
| 22 | Phase 4 - Centralized stormwater reservoir expansion Stage 3 | 2040 | 100.0% |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

E4. Stormwater Offsite Infrastructure Benefiting Parties

The stormwater offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) – all growth-related infrastructure (i.e., leviable stormwater infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of stormwater offsite levy infrastructure costs to

benefiting parties. Project allocations were determined by City staff.

Allocation of Stormwater Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) | OSL / Developer Share % |
|------|--|--------------------------------|--------------|-------------------------|--|-------------------------|
| 6 | Phase 0 - Storm outfall prelim engineering | \$ 2,200,543 | | | 0.0% | 100.0% |
| 7 | Phase 1 - Centralized stormwater reservoir Phase 1 | \$ 14,060,000 | | | 4.0% | 96.0% |
| 8 | Phase 2 - Outlet forcemain & pump station Phase 1 | \$ 30,692,227 | | | 40.0% | 60.0% |
| 9 | Phase 3 - Centralized stormwater reservoir expansion Phase 2 | \$ 5,624,000 | | | 92.0% | 8.0% |
| 10 | NW Storm Trunk Phase A | \$ 2,342,160 | | | 0.0% | 100.0% |
| 11 | NW Storm Trunk Phase B1 | \$ 3,168,062 | | | 0.0% | 100.0% |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow Fall UnderDrain | \$ 3,461,645 | | | 0.0% | 100.0% |
| 13 | NW Storm Trunk Phase D - Project Deleted | \$ - | | | 0.0% | 100.0% |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe to Southshore | \$ 1,664,948 | | | 0.0% | 100.0% |
| 15 | NW Storm Trunk Phase F | \$ - | | | 0.0% | 100.0% |
| 16 | SW Storm Trunk Phase A | \$ 2,147,000 | | | 24.0% | 76.0% |
| 17 | SE Storm Trunk Phase A | \$ 10,544,600 | | | 56.0% | 44.0% |
| 18 | NE Storm Trunk Phase A-E | \$ 8,186,000 | | | 16.0% | 84.0% |
| 19 | NW Stormwater Trunk Phase B2 | \$ 2,861,966 | | | 0.0% | 100.0% |
| 20 | Land for Centralized facility | \$ 4,043,832 | | | 0.0% | 100.0% |
| 21 | Rainbow Falls Underdrain | \$ 2,544,969 | | | 0.0% | 100.0% |
| 22 | Phase 4 - Centralized stormwater reservoir expansion Stage 3 | \$ 21,801,700 | | | 56.0% | 44.0% |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | | | 0.0% | 100.0% |
| | | \$ 115,343,653 | | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

E5. Existing Receipts & Adjusted Levy Cost

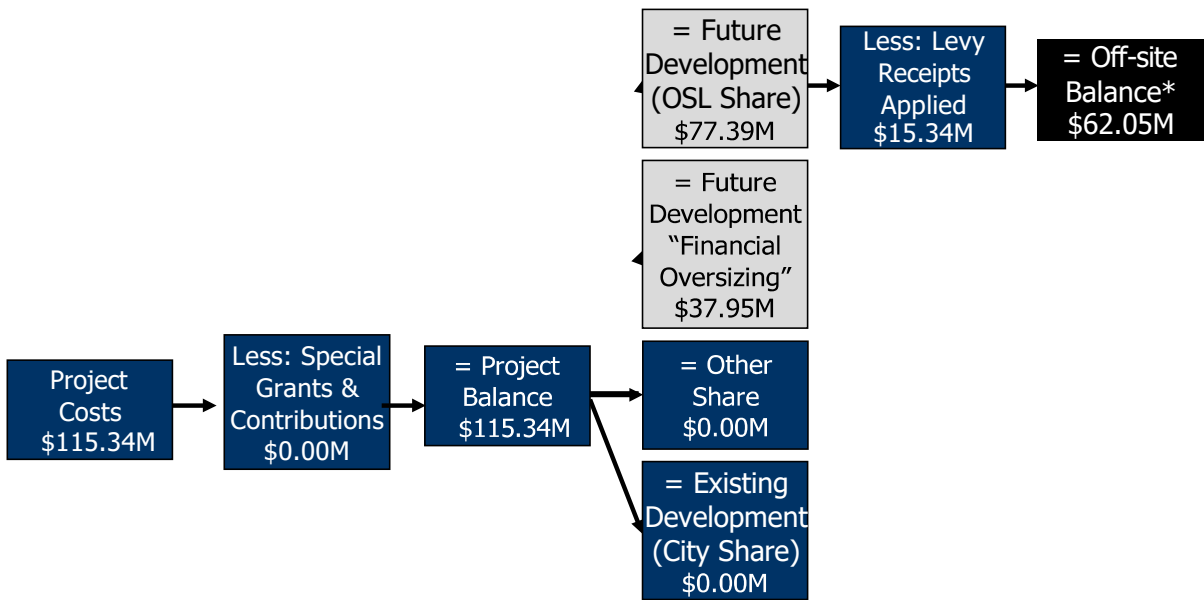
Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$77.39 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$15.34 million** in offsite levies to date (0.59 million + \$14.75 million), and results in an adjusted offsite levy cost of approximately **\$62.05 million**.

| 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 |
|------|--|----------------------|--|---|--------------------------------|
| 6 | Phase 0 - Storm outfall prelim engineering | \$ 2,200,543 | \$ - | \$ 401,523 | \$ 1,799,020 |
| 7 | Phase 1 - Centralized stormwater reservoir Phase 1 | \$ 13,497,600 | \$ - | \$ 1,693,568 | \$ 11,804,032 |
| 8 | Phase 2 - Outlet forcemain & pump station Phase 1 | \$ 18,415,336 | \$ - | \$ 6,228,317 | \$ 12,187,019 |
| 9 | Phase 3 - Centralized stormwater reservoir expansion Phase 2 | \$ 449,920 | \$ - | \$ 2,033,933 | \$ (1,584,013) |
| 10 | NW Storm Trunk Phase A | \$ 2,342,160 | \$ - | \$ 312,770 | \$ 2,029,390 |
| 11 | NW Storm Trunk Phase B1 | \$ 3,168,062 | \$ - | \$ 571,440 | \$ 2,596,622 |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow Fall UnderDrain | \$ 3,461,645 | \$ - | \$ 794,209 | \$ 2,667,436 |
| 13 | NW Storm Trunk Phase D - Project Deleted | \$ - | \$ - | \$ - | \$ - |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe to Southshore | \$ 1,664,948 | \$ - | \$ 179,901 | \$ 1,485,047 |
| 15 | NW Storm Trunk Phase F | \$ - | \$ - | \$ - | \$ - |
| 16 | SW Storm Trunk Phase A | \$ 1,631,720 | \$ - | \$ - | \$ 1,631,720 |
| 17 | SE Storm Trunk Phase A | \$ 4,639,624 | \$ - | \$ - | \$ 4,639,624 |
| 18 | NE Storm Trunk Phase A-E | \$ 6,876,240 | \$ - | \$ 1,083,705 | \$ 5,792,535 |
| 19 | NW Stormwater Trunk Phase B2 | \$ 2,861,966 | \$ - | \$ 503,185 | \$ 2,358,781 |
| 20 | Land for Centralized facility | \$ 4,043,832 | \$ - | \$ 619,895 | \$ 3,423,938 |
| 21 | Rainbow Falls Underdrain | \$ 2,544,969 | \$ - | \$ 212,945 | \$ 2,332,024 |
| 22 | Phase 4 - Centralized stormwater reservoir expansion Stage 3 | \$ 9,592,748 | \$ - | \$ - | \$ 9,592,748 |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 2016 | \$ - | \$ 589,476 | \$ - | \$ (589,476) |
| | | \$ 77,391,314 | \$ 589,476 | \$ 14,749,461 | \$ 62,052,377 |

E6. Summary of Stormwater Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for stormwater infrastructure that forms the basis of the rate is approximately **\$62.05 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section E4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Stormwater Offsite Levy Costs



E7. Stormwater Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|------|--|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | CSMI - Stage 1 | \$ (24,500) | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | CSMI - Stage 2 | \$ (38,055) | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | CSMI - Stage 3 | \$ (32,771) | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | CSMI - Stage 4 | \$ (17,172) | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | CSMI - Stage 5 | \$ (1,572) | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 6 | Phase 0 - Storm outfall prelim engineering | \$ 1,799,020 | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 7 | Phase 1 - Centralized stormwater reservoir Phase | \$ 11,804,032 | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 8 | Phase 2 - Outlet forcemain & pump station Phase | \$ 12,187,019 | 1 | 1 | | 1 | 1 | | 1 | 1 | 1 | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | Phase 3 - Centralized stormwater reservoir expans | \$ (1,584,013) | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 10 | NW Storm Trunk Phase A | \$ 2,029,390 | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 11 | NW Storm Trunk Phase B1 | \$ 2,596,622 | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 12 | NW Storm Trunk Phase C-Waterford to Rainbow F | \$ 2,667,436 | | | 1 | | | | | | | | | | | 1 | | | 1 | | 1 | | | |
| 13 | NW Storm Trunk Phase D - Project Deleted | \$ - | | | | | | | | | | | | | | | | | | | | | | |
| 14 | NW Storm Trunk Phase E - Splitter MH and Pipe t | \$ 1,485,047 | 1 | 1 | | | | | | | | | | | 1 | 1 | | 1 | 1 | | 1 | | 1 | 1 |
| 15 | NW Storm Trunk Phase F | \$ - | | | | | | | | | | | | | | | | | | | | | | |
| 16 | SW Storm Trunk Phase A | \$ 1,631,720 | | | | | 1 | | | | | | | | | | | | | | | | | |
| 17 | SE Storm Trunk Phase A | \$ 4,639,624 | | | | | | 1 | | | | | | | | | | | | | | | | |
| 18 | NE Storm Trunk Phase A-E | \$ 5,792,535 | | | | | | | | 1 | 1 | 1 | | | | | | | | 1 | | | | |
| 19 | NW Stormwater Trunk Phase B2 | \$ 2,358,781 | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 20 | Land for Centralized facility | \$ 3,423,938 | 1 | 1 | | 1 | 1 | | | | | | | | 1 | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 21 | Rainbow Falls Underdrain | \$ 2,332,024 | 1 | 1 | | | | | | | | | | | 1 | 1 | | 1 | 1 | | 1 | | | 1 |
| 22 | Phase 4 - Centralized stormwater reservoir expans | \$ 9,592,748 | | | | | | | | 1 | 1 | 1 | | | | | | | | | | | | |
| 100 | Unallocated Offsite Levies Collected to Dec 31, 20 | \$ (589,476) | | | 1 | | 1 | | | | | | | | | | | 1 | 1 | | 1 | | 1 | |
| | | \$ 62,052,377 | | | | | | | | | | | | | | | | | | | | | | |

E8. Reserve Balance

The balance of the City’s stormwater reserve at December 31st, 2025 is **\$7,437,541.23**. This updated balance takes into consideration public facilities fees collected and transferred to the recreation account, and expenditures up to end-2025.

Stormwater Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|---------------|------|----------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ - | \$ - |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ - | | \$ - |
| Debenture Interest Expenditure to December 31, 2016 | | \$ - | \$ - |
| Unallocated Receipts to December 31, 2016 | \$ 589,475.63 | | \$ 589,475.63 |
| Opening Balance | | | \$ 589,475.63 |
| 2017 | | | \$ 589,475.63 |
| Interest on Opening Balance | \$ 5,894.76 | | \$ 595,370.39 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 595,370.39 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ 595,370.39 |
| Offsite Levy Receipts | \$ 13,786.32 | | \$ 609,156.71 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 609,156.71 |
| Debenture Interest Expenditure | | \$ - | \$ 609,156.71 |
| Interest on Project Expenditure | | \$ - | \$ 609,156.71 |
| Interest on Offsite Levy Receipts | \$ 68.93 | | \$ 609,225.64 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 609,225.64 |
| Interest on Debenture Expenditure | | \$ - | \$ 609,225.64 |
| 2018 | | | \$ 609,225.64 |
| Interest on Opening Balance | \$ 12,184.51 | | \$ 621,410.15 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 621,410.15 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ 621,410.15 |
| Offsite Levy Receipts | \$ - | | \$ 621,410.15 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 621,410.15 |
| Debenture Interest Expenditure | | \$ - | \$ 621,410.15 |
| Interest on Project Expenditure | | \$ - | \$ 621,410.15 |
| Interest on Offsite Levy Receipts | \$ - | | \$ 621,410.15 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 621,410.15 |
| Interest on Debenture Expenditure | | \$ - | \$ 621,410.15 |
| 2019 | | | \$ 621,410.15 |
| Interest on Opening Balance | \$ 12,428.20 | | \$ 633,838.35 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 633,838.35 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ 633,838.35 |
| Offsite Levy Receipts | \$ 142,624.03 | | \$ 776,462.38 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 776,462.38 |
| Debenture Interest Expenditure | | \$ - | \$ 776,462.38 |
| Interest on Project Expenditure | | \$ - | \$ 776,462.38 |
| Interest on Offsite Levy Receipts | \$ 1,426.24 | | \$ 777,888.62 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 777,888.62 |
| Interest on Debenture Expenditure | | \$ - | \$ 777,888.62 |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|-----------------|-----------------|
| 2020 | | | \$ 777,888.62 |
| Interest on Opening Balance | \$ 15,557.77 | | \$ 793,446.40 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 161,084.14 | \$ 632,362.26 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ (0.14) | \$ 632,362.40 |
| Offsite Levy Receipts | \$ 280,547.84 | | \$ 912,910.24 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 912,910.24 |
| Interest on Project Expenditure | | \$ 1,248.40 | \$ 911,661.84 |
| Interest on Offsite Levy Receipts | \$ 2,805.48 | | \$ 914,467.31 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 914,467.31 |
| 2021 | | | \$ 914,467.31 |
| Interest on Opening Balance | \$ 9,144.67 | | \$ 923,611.99 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 1,179,246.73 | \$ (255,634.74) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ 0.27 | \$ (255,635.01) |
| Offsite Levy Receipts | \$ 523,788.59 | | \$ 268,153.58 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 268,153.58 |
| Interest on Project Expenditure | | \$ 7,665.11 | \$ 260,488.47 |
| Interest on Offsite Levy Receipts | \$ 2,618.94 | | \$ 263,107.41 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 263,107.41 |
| 2022 | | | \$ 263,107.41 |
| Interest on Opening Balance | \$ 5,262.15 | | \$ 268,369.56 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 432,824.00 | \$ (164,454.44) |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ - | \$ (164,454.44) |
| Offsite Levy Receipts | \$ 706,338.26 | | \$ 541,883.82 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 541,883.82 |
| Interest on Project Expenditure | | \$ 5,648.35 | \$ 536,235.47 |
| Interest on Offsite Levy Receipts | \$ 7,063.38 | | \$ 543,298.85 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 543,298.85 |
| 2023 | | | \$ 543,298.85 |
| Interest on Opening Balance | \$ 10,865.98 | | \$ 554,164.83 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 511,721.88 | \$ 42,442.95 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ (56,047.88) | \$ 98,490.83 |
| Offsite Levy Receipts | \$ 4,518,190.22 | | \$ 4,616,681.05 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 4,616,681.05 |
| Interest on Project Expenditure | | \$ 56,047.88 | \$ 4,560,633.17 |
| Interest on Offsite Levy Receipts | \$ 45,181.90 | | \$ 4,605,815.07 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 4,605,815.07 |
| 2024 | | | \$ 4,605,815.07 |
| Interest on Opening Balance | \$ 92,116.30 | | \$ 4,697,931.37 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ 2,601,230.29 | \$ 2,096,701.08 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | | \$ 2,096,701.08 |
| Offsite Levy Receipts | \$ 5,318,149.33 | | \$ 7,414,850.41 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 7,414,850.41 |
| Interest on Project Expenditure | | \$ 32,775.50 | \$ 7,382,074.91 |
| Interest on Offsite Levy Receipts | \$ 53,181.49 | | \$ 7,435,256.40 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 7,435,256.40 |
| 2025 | | | \$ 7,435,256.40 |
| Interest on Opening Balance | \$ 141,269.87 | | \$ 7,576,526.27 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 7,576,526.27 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ 3,378,192.30 | \$ 4,198,333.97 |
| Offsite Levy Receipts | \$ 3,246,036.75 | | \$ 7,444,370.72 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 7,444,370.72 |
| Interest on Project Expenditure | | \$ 37,666.84 | \$ 7,406,703.88 |
| Interest on Offsite Levy Receipts | \$ 30,837.35 | | \$ 7,437,541.23 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 7,437,541.23 |

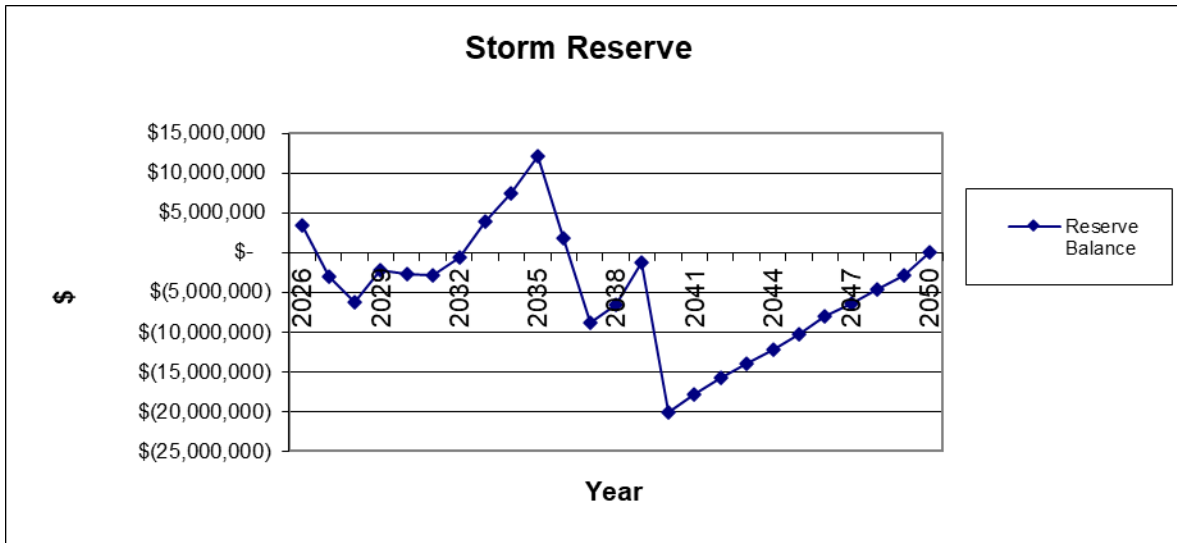
E9. Development and Stormwater Infrastructure Staging Impacts

Stormwater offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of stormwater infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality’s front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast stormwater levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Stormwater Offsite Levy Reserve Balances⁷



Anticipated Stormwater Offsite Levy Reserve Balances

| | | Opening Balance | | | \$ 7,437,541 |
|------|--------------|-----------------|--------------|-----------------|--------------|
| Year | Receipts | Expenditure | Interest | Balance | |
| 2026 | \$ 5,065,339 | \$ 9,120,540 | \$ 64,264 | \$ 3,446,605 | |
| 2027 | \$ 4,375,475 | \$ 10,787,189 | \$ (132,244) | \$ (3,097,352) | |
| 2028 | \$ 4,222,857 | \$ 7,145,906 | \$ (268,510) | \$ (6,288,911) | |
| 2029 | \$ 4,155,187 | \$ - | \$ (95,164) | \$ (2,228,888) | |
| 2030 | \$ 3,521,173 | \$ 3,854,629 | \$ (114,281) | \$ (2,676,624) | |
| 2031 | \$ 3,841,852 | \$ 3,966,413 | \$ (124,933) | \$ (2,926,118) | |
| 2032 | \$ 4,343,500 | \$ 1,937,037 | \$ (23,177) | \$ (542,831) | |
| 2033 | \$ 4,427,891 | \$ - | \$ 73,816 | \$ 3,958,876 | |
| 2034 | \$ 3,283,812 | \$ - | \$ 137,611 | \$ 7,380,299 | |
| 2035 | \$ 4,457,933 | \$ - | \$ 224,926 | \$ 12,063,159 | |
| 2036 | \$ 1,991,310 | \$ 12,254,720 | \$ 34,195 | \$ 1,833,943 | |
| 2037 | \$ 2,299,457 | \$ 12,610,107 | \$ (378,061) | \$ (8,854,768) | |
| 2038 | \$ 2,578,114 | \$ - | \$ (279,939) | \$ (6,556,593) | |
| 2039 | \$ 5,329,173 | \$ - | \$ (54,743) | \$ (1,282,163) | |
| 2040 | \$ 3,260,718 | \$ 21,236,969 | \$ (858,925) | \$ (20,117,340) | |
| 2041 | \$ 2,993,235 | \$ - | \$ (763,735) | \$ (17,887,840) | |
| 2042 | \$ 2,790,348 | \$ - | \$ (673,348) | \$ (15,770,840) | |
| 2043 | \$ 2,407,690 | \$ - | \$ (595,996) | \$ (13,959,146) | |
| 2044 | \$ 2,309,006 | \$ - | \$ (519,596) | \$ (12,169,736) | |
| 2045 | \$ 2,395,808 | \$ - | \$ (435,917) | \$ (10,209,845) | |
| 2046 | \$ 2,535,991 | \$ - | \$ (342,254) | \$ (8,016,108) | |
| 2047 | \$ 1,915,901 | \$ - | \$ (272,069) | \$ (6,372,276) | |
| 2048 | \$ 1,881,898 | \$ - | \$ (200,271) | \$ (4,690,649) | |
| 2049 | \$ 2,428,013 | \$ 434,169 | \$ (120,278) | \$ (2,817,082) | |
| 2050 | \$ 3,263,843 | \$ 446,760 | \$ 0 | \$ 0 | |

⁷ In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX F: RECREATION OFFSITE INFRASTRUCTURE

F1. Recreation Offsite Infrastructure Costs

To support future growth, recreation offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$124.84 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Recreation Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|---|--|---------------------------|--|------------------------------|
| 1 | Land, Phase 1 | \$ 3,929,908 | \$ - | \$ - | \$ 3,929,908 |
| 2 | Rec Facility Phase 1 | \$ - | \$ - | \$ 47,948,589 | \$ 47,948,589 |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | \$ - | \$ - | \$ 70,860,403 | \$ 70,860,403 |
| 4 | Land Phase 2 (7 ac) | \$ - | \$ - | \$ 2,100,000 | \$ 2,100,000 |
| 100 | Additional Public Facility Fees | \$ - | \$ - | \$ - | \$ - |
| | | \$ 3,929,908 | \$ - | \$ 120,908,992 | \$ 124,838,900 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

**** Project numbering may be out of sequence as rows containing deleted projects are hidden.

F2. Recreation Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** million in special grants and contributions for recreation offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$124.84 million**.

Special Grants and Contributions for Recreation Offsite Infrastructure

| Item | Project Description | Total Project Estimated Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|---|------------------------------|---------------------------|-----------------------------------|---------------------|--------------------------------|
| 1 | Land, Phase 1 | \$ 3,929,908 | \$ - | \$ - | \$ - | \$ 3,929,908 |
| 2 | Rec Facility Phase 1 | \$ 47,948,589 | \$ - | \$ - | \$ - | \$ 47,948,589 |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | \$ 70,860,403 | \$ - | \$ - | \$ - | \$ 70,860,403 |
| 4 | Land Phase 2 (7 ac) | \$ 2,100,000 | \$ - | \$ - | \$ - | \$ 2,100,000 |
| 100 | Additional Public Facility Fees | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 124,838,900 | \$ - | \$ - | \$ - | \$ 124,838,900 |

F3. Recreation 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Recreation Infrastructure Staging

| Item | Project Description | Construction Start Year |
|------|---|-------------------------|
| 1 | Land, Phase 1 | 2025 |
| 2 | Rec Facility Phase 1 | 2027 |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | 2044 |
| 4 | Land Phase 2 (7 ac) | 2039 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

F4. Recreation Offsite Infrastructure Benefiting Parties

The recreation offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.

- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) - all growth-related infrastructure (i.e., leviable recreation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of recreation offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

Allocation of Recreation Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) |
|------|---|--------------------------------|--------------|-------------------------|--|
| 1 | Land, Phase 1 | \$ 3,929,908 | 38.0% | | 0.0% |
| 2 | Rec Facility Phase 1 | \$ 47,948,589 | 38.0% | | 2.5% |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | \$ 70,860,403 | 27.0% | | 52.6% |
| 4 | Land Phase 2 (7 ac) | \$ 2,100,000 | 27.0% | | 38.0% |
| 100 | Additional Public Facility Fees | \$ - | | | 0.0% |
| | | \$ 124,838,900 | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

F5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$46.20 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$13.81 million** (\$2.24 million + \$11.57 million) in offsite levies and park facility fees to date, and results in an adjusted offsite levy cost of approximately **\$32.38 million**.

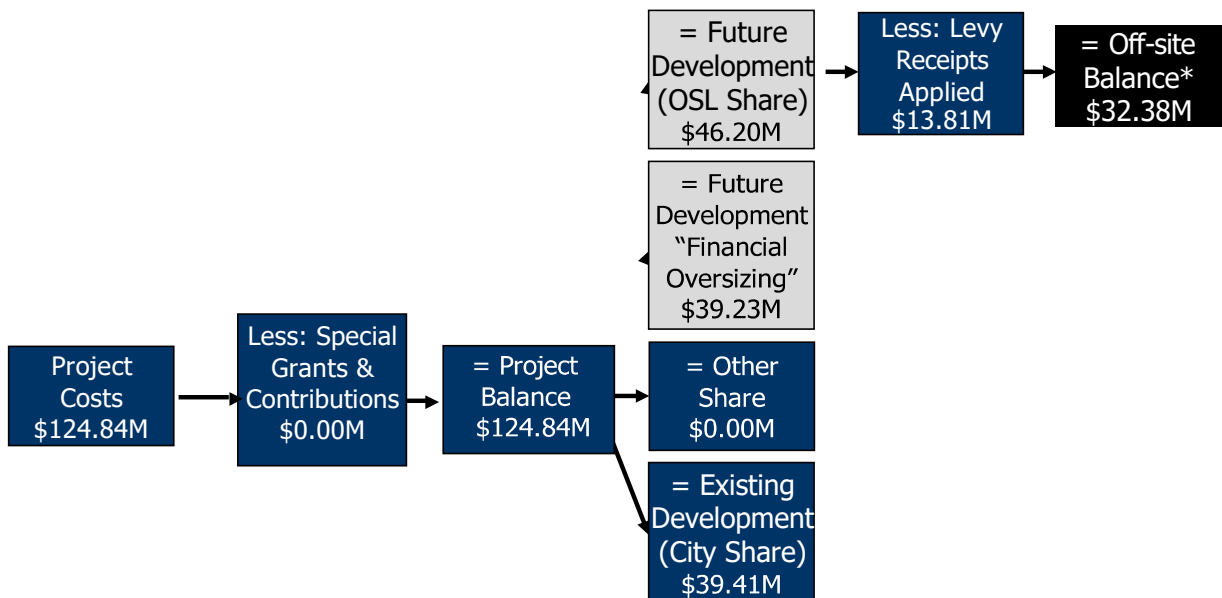
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| Item | Project Description | OSL / Developer Cost | Public Facility Fees Collected to Dec 31, 2021 | Offsite Levy Funds Collected Starting Jan 1, 2019 | Adjusted Developer (Levy) Cost |
|------|---|----------------------|--|---|--------------------------------|
| 1 | Land, Phase 1 | \$ 2,436,543 | \$ - | \$ 190,687 | \$ 2,245,856 |
| 2 | Rec Facility Phase 1 | \$ 28,539,000 | \$ 2,244,088 | \$ 7,083,860 | \$ 19,211,052 |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | \$ 14,483,866 | \$ - | \$ 4,265,534 | \$ 10,218,333 |
| 4 | Land Phase 2 (7 ac) | \$ 735,840 | \$ - | \$ 28,241 | \$ 707,599 |
| 100 | Additional Public Facility Fees | \$ - | \$ - | \$ - | \$ - |
| | | \$ 46,195,250 | \$ 2,244,088 | \$ 11,568,322 | \$ 32,382,840 |

F6. Summary of Recreation Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for recreation infrastructure that forms the basis of the rate is approximately **\$32.38 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section F4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Recreation Offsite Levy Costs



F7. Recreation Infrastructure Benefiting Areas

Net developer costs for each project have been allocated to multiple benefiting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefiting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefiting area are used to determine rates.

Benefiting Areas for Recreation Offsite Infrastructure

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|------|---|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | Land, Phase 1 | \$ 2,245,856 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Rec Facility Phase 1 | \$ 19,211,052 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | Rec Facility Phase 2, Arenas (3 sheets) | \$ 10,218,333 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 4 | Land Phase 2 (7 ac) | \$ 707,599 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 100 | Additional Public Facility Fees | \$ - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | \$ 32,382,840 | | | | | | | | | | | | | | | | | | | | | | |

F8. Reserve Balance

The balance of the City’s recreation reserve at December 31st, 2025 is approximately **\$12,253,123.41 million**. This updated balance takes into consideration public facilities fees collected and transferred to the recreation account, and expenditures up to end-2025.

Recreation Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|-----------------|------|-----------------|
| 2019 | | | \$ - |
| Interest on Opening Balance | \$ - | | \$ - |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ - |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ - |
| Offsite Levy Receipts | \$ 305,200.23 | | \$ 305,200.23 |
| Public Facilities Fees Added To Rec Levy Account | \$ 2,243,289.63 | \$ - | \$ 2,548,489.86 |
| Debenture Interest Expenditure | | \$ - | \$ 2,548,489.86 |
| Interest on Project Expenditure | | \$ - | \$ 2,548,489.86 |
| Interest on Offsite Levy Receipts | \$ 3,052.00 | | \$ 2,551,541.86 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ 22,432.90 | | \$ 2,573,974.76 |
| Interest on Debenture Expenditure | | \$ - | \$ 2,573,974.76 |
| 2020 | | | \$ 2,573,974.76 |
| Interest on Opening Balance | \$ 51,479.50 | | \$ 2,625,454.25 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 2,625,454.25 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ 2,625,454.25 |
| Offsite Levy Receipts | \$ 644,729.83 | | \$ 3,270,184.08 |
| Public Facilities Fees Added To Rec Levy Account | \$ 278,797.50 | | \$ 3,548,981.58 |
| Interest on Project Expenditure | | \$ - | \$ 3,548,981.58 |
| Interest on Offsite Levy Receipts | \$ 6,447.30 | | \$ 3,555,428.88 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ 2,787.98 | | \$ 3,558,216.86 |

City of Chestermere Offsite Levy Rates Update

| | | | |
|--|-----------------|-----------------|------------------|
| 2021 | | | \$ 3,558,216.86 |
| Interest on Opening Balance | \$ 35,582.17 | | \$ 3,593,799.03 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 3,593,799.03 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ - | \$ 3,593,799.03 |
| Offsite Levy Receipts | \$ 1,246,776.78 | | \$ 4,840,575.81 |
| Public Facilities Fees Added To Rec Levy Account | \$ 122,000.00 | | \$ 4,962,575.81 |
| Interest on Project Expenditure | | \$ - | \$ 4,962,575.81 |
| Interest on Offsite Levy Receipts | \$ 6,233.88 | | \$ 4,968,809.69 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ 610.00 | | \$ 4,969,419.69 |
| 2022 | | | \$ 4,969,419.69 |
| Interest on Opening Balance | \$ 99,388.39 | | \$ 5,068,808.08 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 5,068,808.08 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ - | \$ 5,068,808.08 |
| Offsite Levy Receipts | \$ 1,474,636.67 | | \$ 6,543,444.76 |
| Public Facilities Fees Added To Rec Levy Account | | | \$ 6,543,444.76 |
| Interest on Project Expenditure | \$ - | | \$ 6,543,444.76 |
| Interest on Offsite Levy Receipts | \$ 14,746.37 | | \$ 6,558,191.12 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 6,558,191.12 |
| 2023 | | | \$ 6,558,191.12 |
| Interest on Opening Balance | \$ 137,982.28 | | \$ 6,696,173.40 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 6,696,173.40 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ - | \$ 6,696,173.40 |
| Offsite Levy Receipts | \$ 3,178,515.85 | | \$ 9,874,689.25 |
| Public Facilities Fees Added To Rec Levy Account | | | \$ 9,874,689.25 |
| Interest on Project Expenditure | | \$ - | \$ 9,874,689.25 |
| Interest on Offsite Levy Receipts | \$ 31,785.16 | | \$ 9,906,474.41 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 9,906,474.41 |
| 2024 | | | \$ 9,906,474.41 |
| Interest on Opening Balance | \$ 204,947.94 | | \$ 10,111,422.35 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 10,111,422.35 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ - | \$ 10,111,422.35 |
| Offsite Levy Receipts | \$ 2,773,547.35 | | \$ 12,884,969.70 |
| Public Facilities Fees Added To Rec Levy Account | | | \$ 12,884,969.70 |
| Interest on Project Expenditure | | \$ - | \$ 12,884,969.70 |
| Interest on Offsite Levy Receipts | \$ 27,735.47 | | \$ 12,912,705.17 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | | | \$ 12,912,705.17 |
| 2025 | | | \$ 12,912,705.17 |
| Interest on Opening Balance | \$ 245,341.40 | | \$ 13,158,046.57 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 13,158,046.57 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | | |
| | | \$ 2,436,543.09 | \$ 10,721,503.48 |
| Offsite Levy Receipts | \$ 1,544,118.26 | | \$ 12,265,621.75 |
| Public Facilities Fees Added To Rec Levy Account | \$ - | | \$ 12,265,621.75 |
| Interest on Project Expenditure | | \$ 27,167.46 | \$ 12,238,454.29 |
| Interest on Offsite Levy Receipts | \$ 14,669.12 | | \$ 12,253,123.41 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 12,253,123.41 |

F9. Development and Recreation Infrastructure Staging Impacts

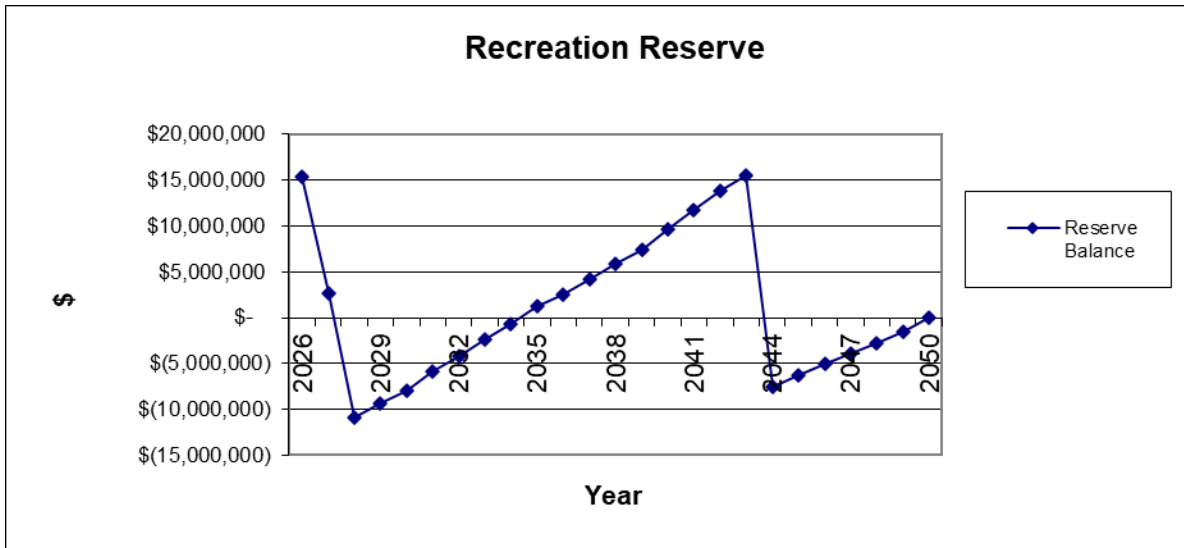
Recreation offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these

construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of recreation infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality’s front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast recreation levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Recreation Offsite Levy Reserve Balances⁸



Anticipated Recreation Offsite Levy Reserve Balances

| | | Opening Balance | | | \$ 12,253,123 |
|------|--------------|-----------------|--------------|-----------------|---------------|
| Year | Receipts | Expenditure | Interest | Balance | |
| 2026 | \$ 2,807,209 | \$ - | \$ 286,146 | \$ 15,346,479 | |
| 2027 | \$ 1,945,121 | \$ 14,683,316 | \$ 49,557 | \$ 2,657,841 | |
| 2028 | \$ 1,999,615 | \$ 15,109,132 | \$ (466,145) | \$ (10,917,820) | |
| 2029 | \$ 1,965,531 | \$ - | \$ (399,272) | \$ (9,351,560) | |
| 2030 | \$ 1,692,198 | \$ - | \$ (341,608) | \$ (8,000,970) | |
| 2031 | \$ 2,333,513 | \$ - | \$ (252,769) | \$ (5,920,225) | |
| 2032 | \$ 1,915,154 | \$ - | \$ (178,626) | \$ (4,183,697) | |
| 2033 | \$ 1,979,526 | \$ - | \$ (98,306) | \$ (2,302,477) | |
| 2034 | \$ 1,607,507 | \$ - | \$ (30,996) | \$ (725,966) | |
| 2035 | \$ 2,038,138 | \$ - | \$ 24,931 | \$ 1,337,104 | |
| 2036 | \$ 1,172,821 | \$ - | \$ 47,689 | \$ 2,557,613 | |
| 2037 | \$ 1,516,277 | \$ - | \$ 77,404 | \$ 4,151,294 | |
| 2038 | \$ 1,560,249 | \$ - | \$ 108,519 | \$ 5,820,062 | |
| 2039 | \$ 2,555,688 | \$ 1,067,046 | \$ 138,865 | \$ 7,447,569 | |
| 2040 | \$ 1,989,210 | \$ - | \$ 179,299 | \$ 9,616,077 | |
| 2041 | \$ 1,873,431 | \$ - | \$ 218,301 | \$ 11,707,809 | |
| 2042 | \$ 1,827,803 | \$ - | \$ 257,177 | \$ 13,792,788 | |
| 2043 | \$ 1,449,545 | \$ - | \$ 289,604 | \$ 15,531,938 | |
| 2044 | \$ 1,511,994 | \$ 24,230,438 | \$ (320,518) | \$ (7,507,024) | |
| 2045 | \$ 1,477,038 | \$ - | \$ (268,937) | \$ (6,298,923) | |
| 2046 | \$ 1,483,291 | \$ - | \$ (214,777) | \$ (5,030,410) | |
| 2047 | \$ 1,251,192 | \$ - | \$ (168,553) | \$ (3,947,771) | |
| 2048 | \$ 1,228,993 | \$ - | \$ (121,257) | \$ (2,840,035) | |
| 2049 | \$ 1,437,322 | \$ - | \$ (62,561) | \$ (1,465,274) | |
| 2050 | \$ 1,465,274 | \$ - | \$ (0) | \$ (0) | |

⁸ In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX G: FIRE STATIONS OFFSITE INFRASTRUCTURE

G1. Fire Offsite Infrastructure Costs

To support future growth, fire facility offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$14.89 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Fire Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|---|--|---------------------------|--|------------------------------|
| 1 | Purchase Land | \$ - | \$ - | \$ 1,836,000 | \$ 1,836,000 |
| 2 | Fire Hall 117 | \$ 58,479 | \$ - | \$ 12,229,000 | \$ 12,287,479 |
| 3 | Fire Hall 117 Training Facility | \$ - | \$ - | \$ 768,000 | \$ 768,000 |
| 100 | Unallocated Offsite Levies - NOT USED (DO NOT DELETE) | \$ - | \$ - | \$ - | \$ - |
| | | \$ 58,479 | \$ - | \$ 14,833,000 | \$ 14,891,479 |

*Costs estimates are reflected in current dollars.

**Estimates include engineering costs and contingencies.

***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.

**** Project numbering may be out of sequence as rows containing deleted projects are hidden.

G2. Fire Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** million in special grants and contributions for fire offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$14.89 million**.

Special Grants and Contributions for Fire Offsite Infrastructure

| Item | Project Description | Total Project Estimated Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|---|------------------------------|---------------------------|-----------------------------------|---------------------|--------------------------------|
| 1 | Purchase Land | \$ 1,836,000 | \$ - | \$ - | \$ - | \$ 1,836,000 |
| 2 | Fire Hall 117 | \$ 12,287,479 | \$ - | \$ - | \$ - | \$ 12,287,479 |
| 3 | Fire Hall 117 Training Facility | \$ 768,000 | \$ - | \$ - | \$ - | \$ 768,000 |
| 100 | Unallocated Offsite Levies - NOT USED (DO NOT DELETE) | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | \$ 14,891,479 | \$ - | \$ - | \$ - | \$ 14,891,479 |

G3. Fire 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Fire Infrastructure Staging

| Item | Project Description | Construction Start Year |
|------|---------------------------------|-------------------------|
| 1 | Purchase Land | 2026 |
| 2 | Fire Hall 117 | 2026 |
| 3 | Fire Hall 117 Training Facility | 2026 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

G4. Fire Offsite Infrastructure Benefiting Parties

The fire offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit

from the infrastructure.

- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) - all growth-related infrastructure (i.e., leviable recreation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of fire offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

Allocation of Fire Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) |
|------|---------------------------------|--------------------------------|--------------|-------------------------|--|
| 1 | Purchase Land | \$ 1,836,000 | | | 0.0% |
| 2 | Fire Hall 117 | \$ 12,287,479 | | | 0.0% |
| 3 | Fire Hall 117 Training Facility | \$ 768,000 | | | 0.0% |
| | | \$ 14,891,479 | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

G5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$14.89 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$2.19 million** in offsite levies to date, and results in an adjusted offsite levy cost of approximately **\$12.70 million**.

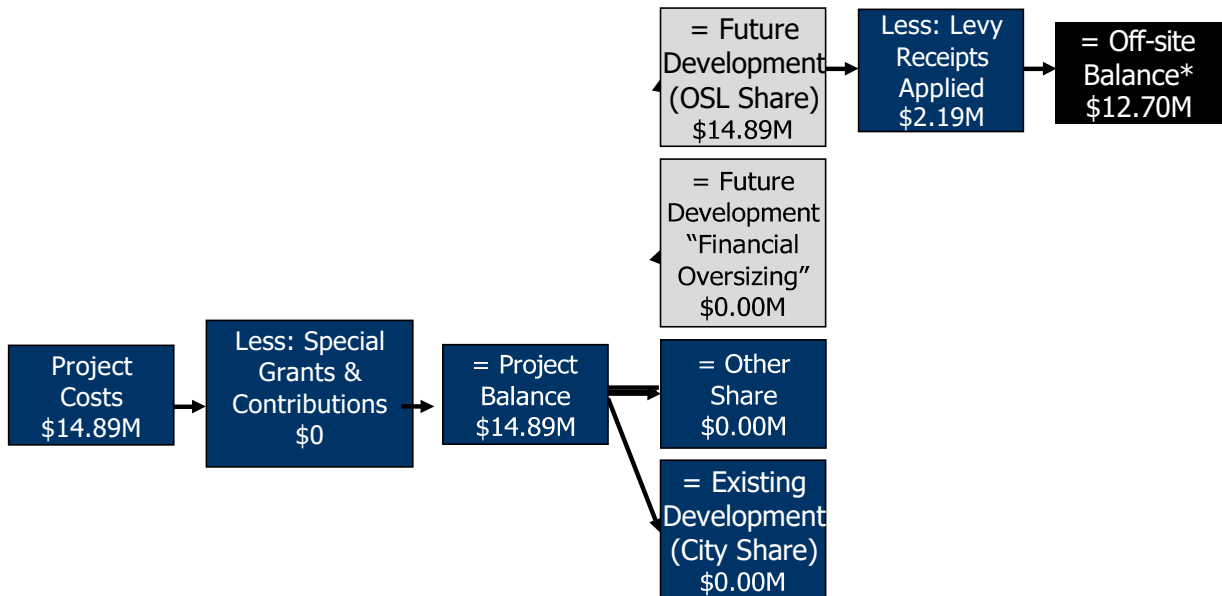
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| 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 | Purchase Land | \$ 1,836,000 | \$ - | \$ 290,280 | \$ 1,545,720 |
| 2 | Fire Hall 117 | \$ 12,287,479 | \$ - | \$ 1,852,541 | \$ 10,434,938 |
| 3 | Fire Hall 117 Training Facility | \$ 768,000 | \$ - | \$ 49,055 | \$ 718,945 |
| 100 | Unallocated Offsite Levies - NOT USED (DO NOT DELETE) | \$ - | \$ - | \$ - | \$ - |
| | | \$ 14,891,479 | \$ - | \$ 2,191,875 | \$ 12,699,604 |

G6. Summary of Fire Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for fire infrastructure that forms the basis of the rate is approximately **\$12.74 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section F4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Fire Offsite Levy Costs



G7. Fire Infrastructure Benefitting Areas

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefitting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefiting Areas for Fire Offsite Infrastructure

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|------|---------------------------------|----------------|---|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | Purchase Land | \$ 1,545,720 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Fire Hall 117 | \$ 10,434,938 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | Fire Hall 117 Training Facility | \$ 718,945 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | \$ 12,699,604 | | | | | | | | | | | | | | | | | | | | | | | |

G8. Reserve Balance

The balance of the City’s fire reserve at December 31st, 2025 is **\$2,205,157.14**. This updated balance takes into consideration public facilities fees collected and transferred to the fire account, and expenditures up to end-2025.

Fire Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|-----------------|--------------|------------------------|
| Offsite Levy Expenditures to December 31, 2016 | | \$ - | \$ - |
| Offsite Levy Receipt Allocations to December 31, 2016 | \$ - | | \$ - |
| Debenture Interest Expenditure to December 31, 2016 | | \$ - | \$ - |
| Unallocated Receipts to December 31, 2016 | \$ - | | \$ - |
| Opening Balance | | | \$ - |
| 2023 | | | \$ - |
| Interest on Opening Balance | | | \$ - |
| Project Expenditures (OSL Share) | | \$ - | \$ - |
| Offsite Levy Receipts | \$ 357,188.92 | | \$ 357,188.92 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 357,188.92 |
| Debenture Interest Expenditure This Year | | \$ - | \$ 357,188.92 |
| Interest on Project Expenditure | | \$ - | \$ 357,188.92 |
| Interest on Offsite Levy Receipts | \$ 3,571.89 | | \$ 360,760.81 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 360,760.81 |
| Interest on Debenture Interest Expenditure | | \$ - | \$ 360,760.81 |
| 2024 | | | \$ 360,760.81 |
| Interest on Opening Balance | \$ 22,582.21 | | \$ 383,343.02 |
| Project Expenditures (OSL Share) | | \$ 33,157.35 | \$ 350,185.67 |
| Offsite Levy Receipts | \$ 1,129,110.39 | | \$ 1,479,296.06 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 1,479,296.06 |
| Debenture Interest Expenditure This Year | | \$ - | \$ 1,479,296.06 |
| Interest on Project Expenditure | | \$ 417.78 | \$ 1,478,878.28 |
| Interest on Offsite Levy Receipts | \$ 11,291.10 | | \$ 1,490,169.38 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 1,490,169.38 |
| Interest on Debenture Interest Expenditure | | \$ - | \$ 1,490,169.38 |
| 2025 | | | \$ 1,490,169.38 |
| Interest on Opening Balance | \$ 28,313.22 | | \$ 1,518,482.60 |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ 1,518,482.60 |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ 25,322.00 | \$ 1,493,160.60 |
| Offsite Levy Receipts | \$ 705,575.92 | | \$ 2,198,736.51 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 2,198,736.51 |
| Interest on Project Expenditure | | \$ 282.34 | \$ 2,198,454.17 |
| Interest on Offsite Levy Receipts | \$ 6,702.97 | | \$ 2,205,157.14 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 2,205,157.14 |

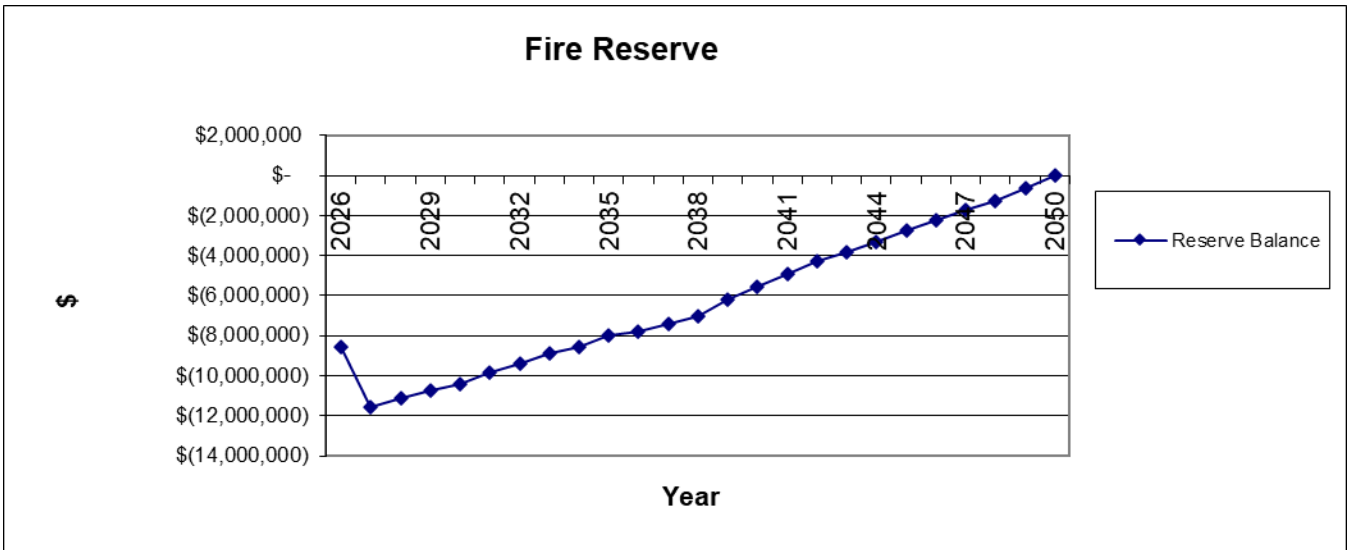
G9. Development and Fire Infrastructure Staging Impacts

Fire offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of fire infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality’s front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast fire levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Fire Offsite Levy Reserve Balances⁹



⁹ In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

Anticipated Fire Offsite Levy Reserve Balances

| | | Opening Balance | | \$ 2,205,157 |
|------|--------------|-----------------|--------------|-----------------|
| Year | Receipts | Expenditure | Interest | Balance |
| 2026 | \$ 1,238,045 | \$ 11,627,609 | \$ (365,025) | \$ (8,549,432) |
| 2027 | \$ 857,844 | \$ 3,358,522 | \$ (492,835) | \$ (11,542,945) |
| 2028 | \$ 881,877 | \$ - | \$ (475,484) | \$ (11,136,552) |
| 2029 | \$ 866,845 | \$ - | \$ (458,029) | \$ (10,727,736) |
| 2030 | \$ 746,299 | \$ - | \$ (445,172) | \$ (10,426,609) |
| 2031 | \$ 1,029,134 | \$ - | \$ (419,127) | \$ (9,816,602) |
| 2032 | \$ 844,628 | \$ - | \$ (400,150) | \$ (9,372,125) |
| 2033 | \$ 873,017 | \$ - | \$ (379,060) | \$ (8,878,168) |
| 2034 | \$ 708,948 | \$ - | \$ (364,347) | \$ (8,533,567) |
| 2035 | \$ 898,867 | \$ - | \$ (340,508) | \$ (7,975,208) |
| 2036 | \$ 517,241 | \$ - | \$ (332,625) | \$ (7,790,592) |
| 2037 | \$ 668,713 | \$ - | \$ (317,636) | \$ (7,439,515) |
| 2038 | \$ 688,106 | \$ - | \$ (301,113) | \$ (7,052,521) |
| 2039 | \$ 1,127,118 | \$ - | \$ (264,273) | \$ (6,189,676) |
| 2040 | \$ 877,288 | \$ - | \$ (236,933) | \$ (5,549,321) |
| 2041 | \$ 826,227 | \$ - | \$ (210,650) | \$ (4,933,744) |
| 2042 | \$ 806,104 | \$ - | \$ (184,093) | \$ (4,311,733) |
| 2043 | \$ 639,283 | \$ - | \$ (163,791) | \$ (3,836,241) |
| 2044 | \$ 666,825 | \$ - | \$ (141,356) | \$ (3,310,773) |
| 2045 | \$ 651,408 | \$ - | \$ (118,608) | \$ (2,777,972) |
| 2046 | \$ 654,166 | \$ - | \$ (94,722) | \$ (2,218,528) |
| 2047 | \$ 551,805 | \$ - | \$ (74,336) | \$ (1,741,059) |
| 2048 | \$ 542,015 | \$ - | \$ (53,477) | \$ (1,252,522) |
| 2049 | \$ 633,893 | \$ - | \$ (27,591) | \$ (646,220) |
| 2050 | \$ 646,220 | \$ - | \$ 0 | \$ 0 |

⁹ In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX H: LIBRARY OFFSITE INFRASTRUCTURE

H1. Library Offsite Infrastructure Costs

To support future growth, library offsite infrastructure is required. The estimated cost of this infrastructure is based upon: (a) actual construction costs to the cut-off date, (b) debenture interest associated with financing, and (c) future cost estimates. Total cost is approximately **\$24.00 million** as outlined in the table below. Actual costs, debenture interest (if any), and cost estimates were provided by City staff. It is important to note that these costs represent “gross” costs, of which only a portion will go to support future development during the 25-year review period. The remainder of this section outlines how the “net” costs for future development are determined.

Summary of Library Offsite Infrastructure

| Item | Project Description | Cost of Completed Work & Historical Interest | Future Debenture Interest | Estimated Cost of Work Yet to be Completed | Total Project Estimated Cost |
|------|-------------------------|--|---------------------------|--|------------------------------|
| 1 | New Library @27,400 s.f | \$ - | \$ - | \$ 23,000,000 | \$ 23,000,000 |
| 2 | Land Purchase | \$ - | \$ - | \$ 1,000,000 | \$ 1,000,000 |
| | | \$ - | \$ - | \$ 24,000,000 | \$ 24,000,000 |

*Costs estimates are reflected in current dollars.
 **Estimates include engineering costs and contingencies.
 ***Offsite levy project details, allocations, etc. were determined by City staff and their engineering/consulting advisors.
 **** Project numbering may be out of sequence as rows containing deleted projects are hidden.

H2. Library Offsite Infrastructure Grants & Contributions to Date

The MGA enables the City to allocate the costs of offsite infrastructure to future development, other than those costs that have been provided by way of special grant or contribution (i.e., contributed infrastructure). The City has/will receive **\$0.00** million in special grants and contributions for library offsite levy infrastructure as shown in the table below (note, if the City receives other grants or contributions in the future, it will be reflected in one of the annual updates and rates adjusted accordingly). The result is that the total reduced project estimated cost is **\$24.00 million**.

Special Grants and Contributions for Library Offsite Infrastructure

| Item | Project Description | Total Project Estimated Cost | Special Provincial Grants | Developer Agreement Contributions | Other Contributions | Reduced Project Estimated Cost |
|------|-------------------------|------------------------------|---------------------------|-----------------------------------|---------------------|--------------------------------|
| 1 | New Library @27,400 s.f | \$ 23,000,000 | \$ - | \$ - | \$ - | \$ 23,000,000 |
| 2 | Land Purchase | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |
| | | \$ 24,000,000 | \$ - | \$ - | \$ - | \$ 24,000,000 |

H3. Library 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 (described in the Section that follows). The City anticipates construction of offsite infrastructure as outlined in the table below. Note, if this schedule is adjusted in the future, it will be reflected in one of the annual rate/bylaw updates.

Library Infrastructure Staging

| Item | Project Description | Year of Construction |
|------|-------------------------|----------------------|
| 1 | New Library @27,400 s.f | 2028 |
| 2 | Land Purchase | 2027 |

*The share of projects beyond the 25-year review period are not included in rates today (see financial oversizing in next section).

**Costs are inflated to the year of construction using an inflation rate of 2.9% for the next year, and 2.9% thereafter.

H4. Library Offsite Infrastructure Benefiting Parties

The library offsite infrastructure previously outlined will benefit various parties to varying degrees as determined by City staff and engineering advisors. The potential benefiting parties include:

- City of Chestermere – that portion of cost which is required to service existing residents.
- Other Stakeholders - other parties (such as neighboring municipalities) that benefit from the infrastructure.
- City of Chestermere Future Development (Financial Oversizing) - that portion of cost which benefits future development beyond the 25-year review period.
- City of Chestermere Future Development (in Rates) – all growth-related infrastructure (i.e., leviable recreation infrastructure costs) during the 25-year rate planning period.

The table below outlines the allocation of library offsite levy infrastructure costs to benefiting parties. Project allocations were determined by City staff.

Allocation of Library Infrastructure to Benefiting Parties

| Item | Project Description | Reduced Project Estimated Cost | Muni Share % | Other Stakeholder Share | Developer Share Beyond 25 Yrs (Financial Oversizing %) |
|------|-------------------------|--------------------------------|--------------|-------------------------|--|
| 1 | New Library @27,400 s.f | \$ 23,000,000 | 57.0% | | 3.4% |
| 2 | Land Purchase | \$ 1,000,000 | 57.0% | | 1.7% |
| | | \$ 24,000,000 | | | |

*Allocations to future development (vs municipal share etc.) were determined by City staff and their engineering/consulting advisors.

**Financial oversizing is determined by separating out the pro rata portion of developer cost beyond the 25-year review period, in comparison with the anticipated year of construction. As the years move forward and rates are updated, these additional developer costs will be included in rate calculations. For example, a project which is slated to be constructed in year 20 of the 25-year review period will have 20% (5/25) of its costs in rates today, and 80% (20/25) of its costs will sit beyond the 25-year review period.

H5. Existing Receipts & Adjusted Levy Cost

Using the offsite levy share percentages shown in the previous section and applying those percentages to project costs results in an offsite levy cost of approximately **\$9.51 million**. However, prior to allocating these costs to benefiting areas, existing offsite levy receipts collected from developers need to be considered in determining the residual/net costs to developers. The City has collected **\$0.22 million** in offsite levies to date, and results in an adjusted offsite levy cost of approximately **\$9.29million**.

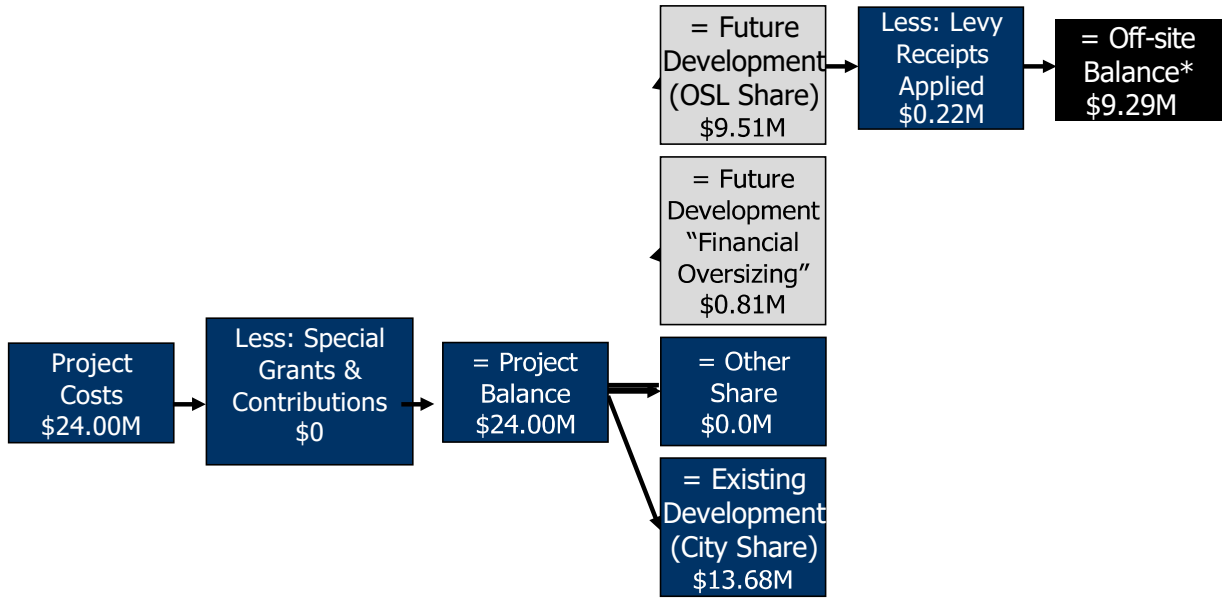
Offsite Levy Funds Collected to Date & Adjusted Levy Cost

| 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 | New Library @27,400 s.f | \$ 9,098,800 | \$ - | \$ 214,672 | \$ 8,884,128 |
| 2 | Land Purchase | \$ 412,800 | \$ - | \$ 9,758 | \$ 403,042 |
| | | \$ 9,511,600 | \$ - | \$ 224,429 | \$ 9,287,171 |

H6. Summary of Library Offsite Levy Cost Flow-through

As shown in the figure below, the total cost for fire infrastructure that forms the basis of the rate is approximately **\$9.29 million**. The cost allocations to each benefitting party are based on the benefitting percentages shown in Section F4. The offsite levy balance (due from developers) is allocated to various benefitting areas (as described in the next section).

Total Library Offsite Levy Costs



H7. Library Infrastructure Benefitting Areas

Net developer costs for each project have been allocated to multiple benefitting offsite levy area (see tables below). Allocations are denoted with a "1" below applicable area numbers. Benefitting areas were determined by City staff. The lands anticipated to develop over the 25-years in each offsite levy benefitting area are used to determine rates.

Benefitting Areas for Library Offsite Infrastructure

| Item | Project Description | Developer Cost | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 20 | 21 | 22 |
|------|-------------------------|----------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| 1 | New Library @27,400 s.f | \$ 8,884,128 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 2 | Land Purchase | \$ 403,042 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | | \$ 9,287,171 | | | | | | | | | | | | | | | | | | | | | | | |

H8. Reserve Balance

The balance of the City’s library reserve at December 31st, 2025 is **\$0.23 million**. This updated balance takes into consideration public facilities fees collected and transferred to the

Library account, and expenditures up to end-2025.

Library Offsite Levy Reserve Balance

| Description | Dr | Cr | Balance |
|--|---------------|------|---------------|
| Offsite Levy Expenditures to December 31, 2024 | | \$ - | \$ - |
| Offsite Levy Receipt Allocations to December 31, 2024 | \$ - | | \$ - |
| Debenture Interest Expenditure to December 31, 2024 | | \$ - | \$ - |
| Unallocated Receipts to December 31, 2024 | \$ - | | \$ - |
| Opening Balance | | | \$ - |
| 2025 | | | \$ - |
| Interest on Opening Balance | \$ - | | \$ - |
| Project Expenditures (OSL Share) As Reflected by City | | \$ - | \$ - |
| Net Project Expenditures (OSL Share) In Addition to Amount Reflected By City | | \$ - | \$ - |
| Offsite Levy Receipts | \$ 224,429.38 | | \$ 224,429.38 |
| Offsite Levy Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 224,429.38 |
| Interest on Project Expenditure | | \$ - | \$ 224,429.38 |
| Interest on Offsite Levy Receipts | \$ 2,132.08 | | \$ 226,561.46 |
| Interest on Receipts Collected Under Old Agreement or Old Bylaw (if any) | \$ - | | \$ 226,561.46 |

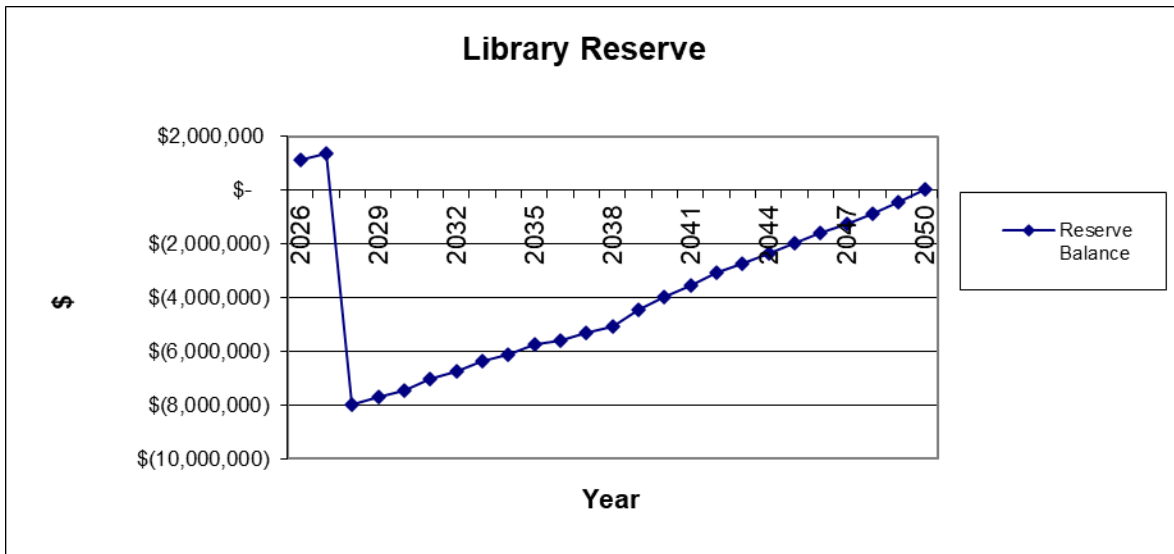
H9. Development and Library Infrastructure Staging Impacts

Library offsite infrastructure will be constructed in staged fashion over the 25-year review period. We have reviewed the availability of offsite levy funds to meet these construction requirements and found that offsite levy reserve funds will not be sufficient to pay for construction of library infrastructure from time to time—front ending of infrastructure will be required. A front-ender is the party that constructs and pays up front for infrastructure that benefits other parties. The front-ender (be it a municipality or a developer) is reimbursed over time as levies are collected, and in accordance with the municipality’s front-ending repayment policies.

To compensate parties for capital they provide in front-ending offsite infrastructure construction, a **4.46%** interest allowance has been charged to the reserve when it is forecast to be in a negative balance. Further, a **1.90%** interest credit has been provided to the reserve when it is forecast to be in a positive balance. The graph and table below outline the forecast fire levy reserve balances over the 25-year development period.

If necessary, an interest staging adjustment has been applied to rates (slightly positive or slightly negative) to ensure that the forecast reserve balance at the end of the 25-year review period always returns to break-even (i.e., developers are not charged too much thereby providing a windfall to the City, nor are they charged too little thereby placing an unequitable burden on taxpayers).

Anticipated Library Offsite Levy Reserve Balances¹⁰



Anticipated Library Offsite Levy Reserve Balances

| Year | Receipts | Expenditure | Opening Balance | | Balance |
|------|------------|--------------|-----------------|--|---------------|
| | | | Interest | | |
| | | | | | \$ 226,561 |
| 2026 | \$ 888,310 | \$ - | \$ 21,183 | | \$ 1,136,054 |
| 2027 | \$ 615,511 | \$ 424,771 | \$ 25,209 | | \$ 1,352,003 |
| 2028 | \$ 632,756 | \$ 9,634,182 | \$ (341,164) | | \$(7,990,588) |
| 2029 | \$ 621,970 | \$ - | \$ (328,640) | | \$(7,697,259) |
| 2030 | \$ 535,477 | \$ - | \$ (319,415) | | \$(7,481,197) |
| 2031 | \$ 738,414 | \$ - | \$ (300,728) | | \$(7,043,511) |
| 2032 | \$ 606,029 | \$ - | \$ (287,112) | | \$(6,724,594) |
| 2033 | \$ 626,399 | \$ - | \$ (271,980) | | \$(6,370,175) |
| 2034 | \$ 508,677 | \$ - | \$ (261,423) | | \$(6,122,920) |
| 2035 | \$ 644,946 | \$ - | \$ (244,318) | | \$(5,722,292) |
| 2036 | \$ 371,126 | \$ - | \$ (238,662) | | \$(5,589,828) |
| 2037 | \$ 479,809 | \$ - | \$ (227,907) | | \$(5,337,927) |
| 2038 | \$ 493,723 | \$ - | \$ (216,051) | | \$(5,060,255) |
| 2039 | \$ 808,718 | \$ - | \$ (189,619) | | \$(4,441,155) |
| 2040 | \$ 629,463 | \$ - | \$ (170,001) | | \$(3,981,694) |
| 2041 | \$ 592,826 | \$ - | \$ (151,143) | | \$(3,540,011) |
| 2042 | \$ 578,387 | \$ - | \$ (132,088) | | \$(3,093,712) |
| 2043 | \$ 458,692 | \$ - | \$ (117,522) | | \$(2,752,542) |
| 2044 | \$ 478,453 | \$ - | \$ (101,424) | | \$(2,375,513) |
| 2045 | \$ 467,392 | \$ - | \$ (85,102) | | \$(1,993,223) |
| 2046 | \$ 469,371 | \$ - | \$ (67,964) | | \$(1,591,816) |
| 2047 | \$ 395,926 | \$ - | \$ (53,337) | | \$(1,249,227) |
| 2048 | \$ 388,901 | \$ - | \$ (38,371) | | \$(898,697) |
| 2049 | \$ 454,824 | \$ - | \$ (19,797) | | \$(463,669) |
| 2050 | \$ 463,669 | \$ - | \$ (0) | | \$(0) |

¹⁰In determining staging adjustments, the offsite levy model also applies inflation to future rates. In so doing it acknowledges that rates must keep pace with inflation just as costs do. Also, it acknowledges

that an offsite levy rate of \$X paid today is not worth the same as the equivalent \$X rate paid in the future (i.e., it is discounted).

APPENDIX H: RATE COMPARISON

The table below compares the City of Chestermere offsite levy rates to rates in other municipalities.

| Municipality / Area | Average Per Ha. |
|--|-------------------------------------|
| City of Beaumont (roads, water, sewer, fire) | \$272,815 – \$301,897(2026) |
| City of Lacombe (roads, water, sewer, storm, fire) | \$59,298 – \$101,399 (2026) |
| City of Brooks (water, sewer, storm) | \$56,164 – \$116,746 (2023) |
| City of Spruce Grove (roads, water, sewer, recreation, library) | \$128,309 – \$191,405 (2025) |
| City of Fort Saskatchewan (South Fort) (roads, water, sewer, storm) | \$29,961 – \$61,904 (2019) |
| City of Fort Saskatchewan (Future Urban Area) (road, water, sewer, storm) | \$77,396 – \$320,372 (2025) |
| City of Cold Lake (roads, water, sewer, storm) | \$84,057 (2010) |
| City of Lloydminster (roads, water, sewer, storm) | \$167,906 (2025) |
| City of Medicine Hat (roads, sewer, storm, water) | \$48,813 – \$168,307(2022) |
| Town of Strathmore (roads, water, sewer, storm) | \$139,337 – \$172,297 (2024) |
| City of Leduc (roads, water, sewer, fire) | \$115,521 – \$243,160 (2025) |
| Town of Okotoks (roads, water, sewer, recreation) | \$278,870 (2025) |
| Town of Cochrane (roads, water, sewer, storm, recreation, police, fire, library) | \$350,663 – \$449,942 (2026) |
| City of Red Deer (roads, water, sewer, storm) | \$27,495 – \$498,268 (2026) |
| Town of High River (roads, water, sewer, facilities) | \$97,400- \$256,700 (2023) |
| Strathcona County (North of Yellowhead) (roads, water, sewer) | \$397,117 (2025) |
| Strathcona County (Ardrossan) (roads, water, sewer) | \$260,221 (2025) |
| City of Lethbridge (roads, water, sewer, storm) | \$318,000 (2026) |
| City of Chestermere (roads, water, sewer, storm, recreation, fire, library) | \$288,475 – \$493,278 (2026) |
| City of St. Albert (roads, water, sewer, storm) | \$287,976 – \$539,717 (2026) |
| City of Airdrie (roads, water, sewer, storm) | \$225,471 – \$463,878 (2026) |
| City of Airdrie (fire, recreation) | \$21,085 – \$166,471 (2026) |
| City of Edmonton (roads, water, sewer, storm) | \$400,000+ |
| City of Edmonton (fire) | \$12,816 – \$42,032 (2025) |
| City of Calgary Green Field Area (roads, water, sewer, storm, library, emergency services, police, recreation) | \$472,916 (2026) |

Information adapted from recent online sources. Note, some municipalities have updated (or are in the process of updating) levy rates, but these rates were not available online at the time of writing.