



# Community Services Levies Working Group: Calgary Public Libraries Preliminary Rate

July 27, 2023



# Today's Agenda

1. Welcome & Agenda Overview
2. Preliminary Levy Rate
3. Methodology
4. Discussion



# Meeting Norms

- **Presentations:** Please hold questions until the end.
- **Tone:** Keep a positive tone. Discuss ideas on addressing issues.
- **Listen & Respect:** Every voice is an important voice. Everyone participants, no one dominates
- **Sounds:** Mute your mic when you are not talking (online). Speak-up so that those online can hear (in-person).
- **Sights:** You are encouraged to turn on your camera if you are online.
- **Discussion:** If you would like to comment or have a question, please raise your hand (in-person/online). We will get to you in order as best as we can.



# Preliminary Levy Rate – Calgary Public Libraries

	2024 Rate (Inflation-Adjusted) (\$/ha)	Preliminary 2024 Bylaw Rate (\$/ha)	Change (%)
Calgary Public Library Levy Rate	7,541	5,837	-23%



# Levy Rate Model



Annual Calculation  $\longrightarrow$   
using escalation and discount rates

Starting Balance	\$	
Capital Expenditures	Minus	
Developer Contributions ( <b>levy rate</b> x ha)	Plus	
Investment Income / (Interest expense)	Plus / (Minus)	
Ending Balance	= \$	= \$0



# Major Model Assumptions

Item	Description
Planned land	<ul style="list-style-type: none"> <li>• Includes all current ASP land</li> <li>• Includes all projects directly aligned with growth</li> <li>• Model period to 2055, plus 3 years for levy payment schedule</li> </ul>
Land Absorption	<ul style="list-style-type: none"> <li>• All leviable land will sign a development agreement (DA) by the end of the model period</li> <li>• Steady decline in DA's from 2027 to the end of the model period</li> </ul>
Expenditures	<ul style="list-style-type: none"> <li>• All projects will be built within the model period</li> <li>• Some years will have a negative levy balance</li> <li>• Other funding to deliver projects will be available as needed</li> </ul>
Levy Rate	<ul style="list-style-type: none"> <li>• Balances expenditures with revenues to achieve \$0 at the end of the model period</li> </ul>
Incoming Levy Balance	<ul style="list-style-type: none"> <li>• Equates to the “previously levied” land / population i.e. supports the portion of costs not being paid by the remaining leviable land</li> </ul>



# Key Model Variables

Item	Influencing Factors
Expenditures	<ul style="list-style-type: none"><li>• Priority projects, corporate prioritization, Council approvals</li></ul>
Land absorption	<ul style="list-style-type: none"><li>• Annual fluctuations</li></ul>
Escalation rate	<ul style="list-style-type: none"><li>• 5-year rolling average</li></ul>
Discount rate	<ul style="list-style-type: none"><li>• 5-year rolling average</li></ul>
Payment schedule	<ul style="list-style-type: none"><li>• Community Services is paid in year 3</li></ul>



# Benefit Calculation

**Benefit Measurement:** Calgary Public Libraries benefit is measured using the share of population in benefiting areas.

**Benefiting Areas include:** With adequate level of service in the Established Area, 100% of benefit is assigned to the greenfield, and is split based on the forecast population in lands that have already signed development agreements and paid off-site levies (levied lands), and lands that have not yet signed development agreements and paid off-site levies (leviable lands).

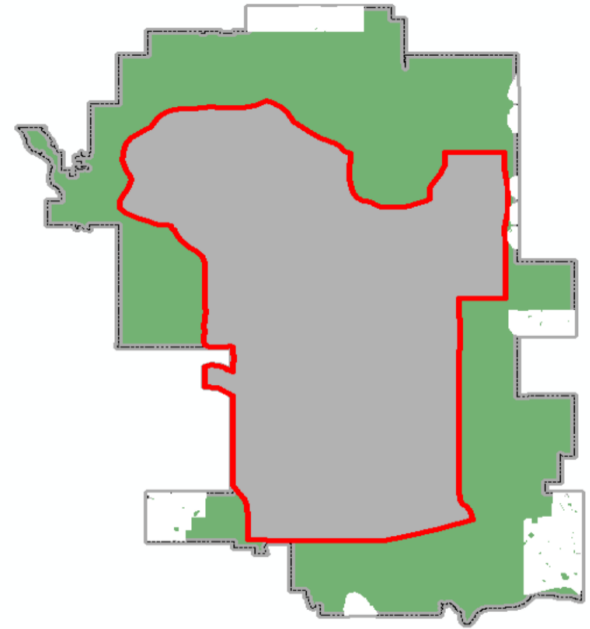
**Benefit Allocation Calculation**  $\text{Benefit} = (\text{Sum of forecast population in all leviable lands in approved ASPs}) / (\text{Sum of forecast population and in all greenfield ASP lands})$







# Benefit Calculation



Benefit share calculation			
Facility type	Greenfield approved ASP full build-out population	Leviable lands full build-out population	Benefit share, %
Calgary Public Library	946,835	416,991	44.04%



**Thank you!**