



# Off-site Levy Bylaw Review

## Preliminary Transportation Rate

May 31, 2023



# Today's Agenda

1. Welcome & Agenda Overview
2. Levy Rate Model Adjustments
3. Bylaw Continuity
4. Past Estimates vs Actuals
5. Levy Rate Model Discussion
6. Discussion & Next Steps



# Meeting Norms

- **Presentations:** 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.



# Levy Rate Model Adjustments

Tab	Action	Impact
4 Leviale Infrastructure	Added flag to identify new projects	For information
5 Forecast Data	Corrected glitch in distribution of 2076 population to some Transportation Zones in future ASP lands	Tab 6: Greenfield benefit 50.9% Tab 7: Levy rate \$153,675
8 Bylaw Continuity	New tab showing relationship of balances from 2016 bylaw with balances from 2024 bylaw	For information



# Bylaw Continuity

- See spreadsheet



# Past Estimates vs Actuals

Location	OSL Estimate	Actual	Variance \$	Variance %	GF / EA	Benefit	Levy % of Estimate	Levy % of Actual
Glenmore Trail west of Ogden Road to Barlow Trail (widening plus 2 interchanges)	180,000,000	122,976,442	-57,023,558	-9%	EA	15.3%	27,540,000	18,815,396
Macleod Tr / 162 AV SW Interchange	65,000,000	71,583,715	6,583,715	10%	EA	15.3%	9,945,000	10,952,308
McKnight Boulevard NE - Widen from 4 to 6 Lanes - 12 to 19 St, 19 St to Barlow	5,975,000	16,938,704	10,963,704	183%	EA	17.0%	1,015,750	2,879,580
TCH/Bowfort Road Interchange	71,700,000	66,617,296	-5,082,704	-7%	EA	15.3%	10,970,100	10,192,446
South Crosstown	20,000,000	21,693,251	1,693,251	8%	EA	15.3%	3,060,000	3,319,067
North Crosstown	50,000,000	27,778,346	-22,221,654	-44%	EA	15.3%	7,650,000	4,250,087
South West Crosstown	40,000,000	75,885,981	35,885,981	90%	EA	15.3%	6,120,000	11,610,555
144 Avenue at West Nose Creek	25,000,000	60,000,000	35,000,000	140%	GF	60.3%	15,075,000	36,180,000
88 Street SE skeletal road extension	17,000,000	21,808,139	4,808,139	28%	GF	60.3%	10,251,000	13,150,308
Deerfoot & 212 Avenue Ramps	16,000,000	26,943,413	10,943,413	68%	GF	60.3%	9,648,000	16,246,878
Stoney Trail and Shaganappi Trail NW upgrade	15,000,000	22,500,000	7,500,000	50%	GF	60.3%	9,045,000	13,567,500
Stoney Trail and 80 Avenue NE flyover	8,500,000	11,901,771	3,401,771	40%	GF	60.3%	5,125,500	7,176,768
Stoney Trail and Centre Street upgrade	15,000,000	16,000,000	1,000,000	7%	GF	60.3%	9,045,000	9,648,000
Stoney Trail and 14 Street NW upgrade	40,000,000	27,714,622	-12,285,378	-31%	GF	60.3%	24,120,000	16,711,917
<b>TOTALS</b>	<b>569,175,000</b>	<b>590,341,680</b>					<b>137,900,350</b>	<b>167,131,656</b>
	<b>% Difference:</b>	<b>4%</b>					<b>% Difference:</b>	<b>21%</b>



# Levy Rate Model Discussion

- See OSL Transportation Levy Rate Model spreadsheet, Tab 8



# Discount Rate

- Projected long term rate of return of 4.29%
  - *Expected asset class rate of return x weight = weighted average rate of return*
- Expected rate of return based on long-term capital market assumptions from major institutional investors
- Develop an internal consensus, and adjust for cash flow yield and expected realized gains

## Representative Sources:

- <https://www.blackrock.com/institutions/en-us/insights/charts/capital-market-assumptions>
- <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/portfolio-insights/ltcma/ltcma-full-report.pdf>
- <https://www.ssga.com/library-content/pdfs/long-term-asset-forecast-q3-2022.pdf>

Asset Mix for Off-site Levy Balances	
Money Market	0%
ST Fixed Income	25%
Canadian Fixed Income	25%
Global Fixed Income	25%
Real Assets	15%
Equity	10%
<b>Total</b>	<b>100%</b>





# Escalation Rate

- Non-residential building construction price index for Calgary
- Uses data from 1981 – 2022, excluding 2006-2009 (hyperinflationary period)
- Five-year averages calculated to smooth out the values
- 3.58% captures 90% of occurrences



# Next Steps

- 5A Network
- Greenfield Traffic Signals
- Transit Buses
- Additional levy rate model Q&A



**Thank you!**