



COUNCIL – AGENDA REPORT

Meeting Date: 17 June 2025
Subject: Community Facilities Off-Site Levy
Directorate: Community Infrastructure

Issue:

Council is being asked to give three readings to Bylaw B-24/2025 being a bylaw to establish off-site levy rates for Community Facilities.

Subsequently, Council is being asked to make a Motion of Council, for Administration to return to Council by January 31, 2026 to update bylaw B-24/2025 following further engagement with BILD Calgary Region (BILD CR) on Community Facilities levy rates.

Policy / Council Direction:

This initiative represents Phase 2 of a two-phase process to update the City's off-site levy framework. Council endorsed this phased approach on September 20, 2021.

Background:

Off-site levies are financial contributions collected from developers to fund infrastructure required to support growth. These levies currently apply to transportation, water, wastewater and stormwater infrastructure. Off-site infrastructure costs are shared among all developers in Airdrie.

The *Municipal Government Act* (MGA) governs off-site levies and mandates that a bylaw must outline the purpose and calculation method for each levy. In 2018, the MGA was amended to allow municipalities to collect levies for Community Facilities, including fire stations, police stations, recreation centres, and libraries.

The City's current Off-site Levy Bylaw, B-11/2019) does not include Community Facilities, such as the Southwest Recreation Centre and Fire Station.

Levy Rate Determination

Historically, the City has followed a "Growth pays for Growth" philosophy for off-site levies, meaning that levies were determined so that new growth pays 100% of the costs for infrastructure improvements to enable said growth.

In keeping with the approach, Administration determined levy rates for Community Facilities, and specifically the Southwest Recreation Centre and NE Fire Station, in this manner. The resulting charges for off-site levies would be \$256,460/ha (103,788/acre) in a “Growth pays for Growth” scenario.

Public Engagement and Feedback “What we Heard”

Public open houses were held on May 15 and May 22 in Council Chambers, with additional information available on the City’s website. Written feedback was received from BILD CR and Genesis Land Development Corp. Administration has also summarized conversations held with attendees at the open house. Key themes from all feedback include:

- **Housing Affordability:** Concerns were raised that increased levy rates, and specifically the inclusion of the full Community Facilities rate, may impact affordability. Administration acknowledges this and continues to pursue grant funding to offset infrastructure costs. However, many factors influencing housing prices are beyond municipal control (e.g., market forces, material and labour costs). Ultimately, the levy rates reflect required growth funding, and subsidizing levies through the tax base would also affect affordability for all residents.
- **Comparability to Calgary:** Concerns were raised that Airdrie’s proposed rates may exceed Calgary’s, potentially reducing competitiveness. Administration notes that developers in Calgary are responsible for constructing certain infrastructure (e.g., arterial roads valued at approximately \$100,000/ha) that are levy-funded in Airdrie, which offsets some of the cost differences.
- **Development Viability:** Some developers expressed that the proposed rates may render certain developments uneconomical. Administration emphasizes that the levies reflect the actual cost of infrastructure required to support growth.
- **Impact on Non-Residential Development:** Feedback indicated that higher non-residential levies may deter commercial and industrial investment. Administration clarifies that levy rates are based on benefitting areas, with non-residential lands generally assigned the lowest rates in the City.

However, Administration acknowledges that even with non-residential benefitting areas being on the lower end of levy rates in the City, the proposed levy rates may still adversely impact regional competitiveness for this land use type. Off-site levy review puts two competing governance principles against each other that of cost recovery associated with growth, and that of economic prosperity through non-residential development. Council may have to consider other actions to instigate non-residential development, depending on market reception to the revised rates.

- **Further Engagement on the Community Facilities Levy:** Some developers indicated that further engagement should be complete prior to approving the community facilities levy. Administration has met with the BILD CR group nearly 40 times since the initiation of the Phase 2 levy process. Specific details regarding the community facilities levy were first shared with the group in February 2024, followed by several additional meetings through to the present.

Interim Levy Rate Proposal

On May 23, 2025, Administration received a letter from BILD CR outlining a request for further engagement on the Community Facilities levy rate. In BILD CR's letter they outlined a proposed interim levy rate, based on levy rates charged for similar facilities in Calgary, of \$3,979.46 per unit. This translates into a per area levy of \$78,668/ha (\$31,836/acre) assuming 8 units per acre. The interim rates would allow for further engagement with BILD CR over the next few months on items such as benefit allocation.

The proposed interim rates do not reflect the "Growth pays for Growth" philosophy that the City has traditionally followed in establishing levy rates, but the interim rate is 3.3 times more than the voluntary contribution of \$1,200 per unit the City currently collects for recreation facilities and would substantially increase funding as compared to current contribution rates.

Administration is supportive of the interim approach and engaging with BILD CR further on the levy rate. Furthermore, Administration is proposing that the interim levy rate be only applied to residential and mixed-use developments to help mitigate levy rate increases on non-residential development.

Bylaw B-24/2025 reflects the interim levy rates. Administration is also requesting that Council direct Administration to return to Council by January 31, 2026 with updated levy rates for Community Facilities.

Council Committee Routed Through:

None.

Administration Recommendation:

That Council:

1. gives three readings to Bylaw B-24/2025, establishing off-site levy rates for Community Facilities, specifically the Northeast Fire Station and Southwest Recreation Centre; and
2. directs Administration to return by January 31, 2026 with updated off-site levy rates for Community Facilities.

Alternatives/Implications:

1. Council could choose to provide alternative direction.

Budget Implications:

The updated levy rates will be incorporated into future capital and operating budgets, directly impacting projected revenue streams used to calculate the City's debt limits and reserve balances for growth-related infrastructure. By aligning levy revenues with eligible capital projects, the City can reduce its reliance on tax-supported debt financing. This is particularly significant for major community infrastructure currently budgeted through the tax base, such

as the Northeast Fire Station and Southwest Recreation Centre, where levy contributions will offset a portion of the required debt payments and alleviate pressure on the general tax base.

Without updated levy rates, the City may face a funding shortfall for critical infrastructure, which could lead to delays in project delivery or require increased reliance on the tax base. This would place additional pressure on both the capital and operating budgets.

Communications and Engagement:

This bylaw has been advertised in accordance to legislative requirements of the *Municipal Government Act*.

If approved, the updated levy rates and development charges will be published on the City's website and incorporated into Subdivision Servicing Agreements. Administration will collaborate with Corporate Communications to ensure clear and timely dissemination of information to stakeholders.

Administration would also immediately engage BILD to set clear terms of reference, including schedule, to bring an updated Community Facilities bylaw to Council by January 31, 2026.

Recommendation:

That Council:

1. gives three readings to Bylaw B-24/2025, being a bylaw to establish off-site levies for Community Facilities; and
2. directs Administration to return to Council by January 31, 2026 with updated levy rates for Community Facilities.

Andrew Dormer, P.Eng. Team Leader, Engineering Services

Staff Presenter:	Rick Wiljamaa, P.Eng. and Brad Anderson
External Presenter:	N/A
Department:	Engineering Services
Reviewed by:	Rick Wiljamaa, Capital Projects and Infrastructure Brad Anderson, Recreation Services Mike Pirie, Fire Chief Meghan Bigney, Finance Lorne Stevens, Community Infrastructure
Attachments:	#1: Bylaw B-24/2025 #2: Letter of Support BILD CR

Linked Document:

[Schedule B HarGroup Community Facilities Off-site Levy Study](#)