



COUNCIL – AGENDA REPORT

Meeting Date:	21 April 2026
Subject:	Bylaw B-09/2026 - Community Recreation and Fire Hall Facilities Off-Site Levy Bylaw Amendment
Directorate:	Community Services

Issue:

Council is being asked to give three readings to Bylaw B-09/2026, being a bylaw to amend Community Recreation and Fire Hall Facilities Off-Site Levy B-24/2025, by updating off-site levy rates for community recreation and fire station facilities.

Policy / Council Direction:

This report responds to Council's direction of June 17, 2025, when Council approved interim Community Facilities Off-Site Levy rates through Bylaw B-24/2025 and directed Administration to return to Council following additional engagement with BILD Calgary Region (BILD) to refine the levy methodology and rates.

This work concludes the community facilities component of the phased approach to updating off-site levies as endorsed by Council in September 2021.

Background:

In June 2025, Council approved interim community facilities and fire hall facilities off-site Levy rates to allow growth-related funding for the Highland Park Fire Station and the Southwest Recreation Centre, while enabling further engagement with the development industry. At that time, Administration acknowledged concerns raised by BILD related to housing affordability, market competitiveness, and the cumulative impact of off-site levies on development viability.

Council directed Administration to work collaboratively with BILD to review assumptions, benefit allocations and capital cost estimates and to return with an updated levy recommendation.

Work Undertaken Since June 2025

Following Council's direction, Administration established a bi-weekly working process with the Airdrie BILD Off-Site Levy Sub-Committee. Between July 2025 and February 2026, Administration and BILD met regularly to review the Community Facilities Off-Site Levy Study, test assumptions, and refine the levy model.

Key areas of work undertaken during this period included:

- Updating capital cost estimates for the Highland Park Fire Station and the Southwest Recreation Centre, including incorporating an updated Class D cost estimate for the recreation facility.
- Refining service level assumptions, benefit horizons, and benefiting area calculations to better align with current growth projections and infrastructure timing.
- Removing the Fire Training Centre component from the Community Facilities levy calculation, recognizing its broader municipal benefit and distinct functional role.
- Updating residual benefit allocations for recreation amenities to better reflect existing unmet demand and future growth requirements.
- Reviewing land absorption rates, population growth forecasts, and cost escalation assumptions used in levy modeling.
- Testing full growth pays for growth scenarios and alternative partial-recovery scenarios to assess affordability and competitiveness impacts.
- Confirmation of benefiting area adjustments and finalized grant funding assumptions for hard infrastructure facilities, completed by ISL Engineering following the conclusion of Phase 2 industry engagement.

This collaborative process informed the updated [Community Facilities Off-Site Levy Study](#) which replaces the version previously presented to Council.

Updated Levy Analysis and Recommended Rate

Updated modeling completed by HarGroup Management Consultants and Nichols Applied Management confirms that full recovery of eligible growth-related community facility costs would result in a Community Facilities Off-Site Levy rate of approximately \$294,000 per hectare on residential and mixed-use lands and \$21,085 per hectare on non-residential lands for the fire portion only.

Administration recognizes that implementing a full growth-pays-for-growth rate on residential and mixed-use lands at this time would represent a significant increase over the interim rate and could negatively impact development affordability and market competitiveness.

As a result, Administration is recommending a Community Facilities Off-site Levy rate of \$131,000 per hectare for residential and mixed-use lands, which represents partial recovery of eligible growth-related costs, while maintaining full recovery of growth-related fire station costs on non-residential development at \$21,085 per hectare.

At the time the recommendation was finalized, the anticipated decrease in hard infrastructure levies were approximately \$52,000 per hectare. Administration intentionally avoided increasing the Community Facilities Off-site Levy beyond the recommended rate to maintain levy stability and consistent messaging throughout the engagement process with industry. This recommended approach was formally communicated to BILD in February 2026 (attached to this report).

Subsequent to the completion of industry engagement, updated calculations confirmed that the actual reduction in hard infrastructure levies is approximately \$88,000 per hectare. While this

creates theoretical capacity to increase the Community Facilities Off-site Levy without increasing the overall weighted average levy burden, Administration is not revising its recommendation.

Maintaining the recommended rate reflects Administration's commitment to transparency, consistency, and good-faith engagement with industry, balances affordability and competitiveness considerations, and preserves flexibility for future Council review as market conditions and infrastructure timing evolve.

Levy rates will continue to vary by benefiting area, consistent with the Off-site Levy framework and differences in infrastructure needs and timing.

Engagement and Industry Input

The bi-weekly engagement process provided ongoing opportunities for industry input and refinement of the levy model. BILD consistently emphasized the importance of maintaining Airdrie's competitive position while recognizing the need to fund critical community infrastructure to support growth.

Feedback received at the conclusion of the engagement process (see Attachment # 2) and at the public open house held on March 26, 2026, generally supported maintaining overall levy levels comparable to 2025, while identifying ongoing concerns with the Community Facilities component. These concerns included:

- Population-based benefit allocation for the Southwest Recreation Centre
- Early-year facility utilization assumptions
- Financial risk associated with leading infrastructure
- Overall scale and cost of the recreation facility

Administration considered these concerns in developing the recommendation by:

- Applying benefit allocations consistent with established service standards, documented unmet demand, anticipated future demand, and defined benefit horizons under the MGA
- Recognizing that while early-year utilization may be lower, facility sizing and capital investment are driven by long-term population-based demand
- Allocating a portion of recreation costs as residual benefit for use by the existing population
- Recommending partial rather than full recovery of eligible growth-related costs for residential and mixed-use development
- Confirming that cost escalation and future scope changes remain subject to separate Council approvals through the capital budgeting process
- Only including non-residential development in the calculation off-site levies for fire facilities. Unlike fire services, which respond to both people and buildings, recreation facility demand is not materially influenced by non-residential floor area or employment density. Recreation facilities are planned, sized and programmed primarily around resident population, household formation and age cohort demand.

Administration believes the engagement process met and exceeded the good faith consultation requirements of the MGA. Stakeholder consent is not required to establish levy rates, and Council retains full discretion to set the rates it considers appropriate. The recommendation before Council

represents Administration's best professional judgment after extensive engagement, technical analysis, and consideration of stakeholder input, and seeks to balance growth funding, affordability, and long-term financial sustainability.

Impacts of Bill 28

On April 2, 2026, the Government of Alberta introduced Bill 28, the *Municipal Affairs and Housing Statutes Amendment Act, 2026*, which includes amendments to section 648 of the *Municipal Government Act* clarifying permissible off-site levy expenditures. The amendments add section 648(2.11), which restricts the use of off-site levies for operational costs, items not permanently affixed to a facility, commercial retail spaces not required for a facility's core service delivery; and capital works constructed to a standard higher than that required under applicable building codes. The City already limits levy funding to eligible capital costs, excludes non-permanently affixed items where applicable, and designs and constructs facilities in compliance with building code requirements. The Southwest Recreation Centre will include commercial retail spaces, for which developers will be credited the construction value of those spaces. Bill 28 is expected to come into force upon proclamation following Royal Assent, with implementation anticipated later in 2026.

Council Committee Routed Through:

This report was not routed through a Council Committee.

Administration Recommendation:

That Council gives three readings to Bylaw B-09/2026, being a bylaw to amend the Community Recreation and Fire Hall Facilities Off-site Levy Bylaw B-24/2025 to update the community recreation and fire hall facilities off-site levy rates.

Alternatives/Implications:

Alternative 1: Council could increase the Community Recreation and Fire Hall Facilities Off-site Levy above the Recommended Rate Using Available Levy Capacity

Council could choose to direct Administration to increase the recreation portion within the Community Facilities Off-Site Levy above the recommendation to a total of \$167,000 per hectare by utilizing the additional capacity created by larger than anticipated reductions in hard infrastructure levies. Based on current calculations, this could be achieved without increasing the overall weighted average levy relative to current levels.

This alternative would increase growth-based funding for recreation facilities to approximately 53% and further reduce reliance on municipal debt and general taxation. However, it was not advanced as the Administration recommendation as the additional levy capacity was confirmed only after completion of industry engagement and communication of the recommended rate. Council may wish to consider this option in light of improved funding capacity and long-term financial sustainability objectives.

This alternative would not impact non-residential development.

Alternative 2: Council could maintain the Existing Community Recreation and Fire Hall Facilities Off-site Levy Rate

Council could choose to maintain the current interim rates approved in 2025. Under this alternative, a greater portion of community facilities costs would be funded through municipal debt and general taxation. While this approach would minimize near-term cost pressures on development, it would further defer progress toward a growth-pays-for-growth funding model and increase long-term fiscal pressure on the tax base.

Alternative 3: Council could increase the Community Recreation and Fire Hall Facilities Off-site Levy Beyond Available Levy Capacity

Council could choose to direct Administration to implement a levy rate higher than both the recommended rate and Alternative 1. This approach would increase growth-based funding but could materially impact development viability and competitiveness when considered alongside housing affordability pressures and cumulative levy impacts.

The potential market impacts of this approach are difficult to quantify given current economic conditions.

Budget Implications:

Approval of Bylaw B-09/2026 will increase growth-related funding available to support delivery of the Highland Park Fire Station and the Southwest Recreation Centre, while maintaining balanced consideration of affordability and market competitiveness.

The recommended levy rates provide partial recovery of eligible growth-related community facility costs, reducing reliance on municipal debt financing and general taxation compared to maintaining interim rates, while avoiding the development impacts associated with full cost recovery.

The approved budget currently assumes levy revenues based on interim Community Recreation and Fire Hall Facilities Off-site Levy rates. Adoption of the updated rates will require adjustments to the proportion of levy-funded versus tax-supported debt, which will be addressed through updated financing strategies within the approved capital plan.

Communications and Engagement:

Bylaw B-09/2026 has been advertised in accordance with the 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 communication to stakeholders.

Recommendation:

That Council gives three readings to Bylaw B-09/2026, being a bylaw to amend Community Recreation and Fire Hall Facilities Off-site Levy Bylaw B-24/2025, as presented.

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Staff Presenter:	Brad Anderson, Community Services
External Presenter:	NA
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Attachments:	#1: Bylaw B-09/2026 #2: March 24, 2026, Letter from BILD #3: February 19, 2026, Letter to BILD