



March 24, 2026

The City of Airdrie
400 Main Street SE
Airdrie, AB T1S 1K1

Attention: Brad Anderson, Director, Community Services

RE: Recommended Airdrie Community Facilities Off-site Levy Bylaw – Response to Letter Dated February 19th from Mr. Brad Anderson

Dear Brad,

On behalf of BILD Calgary Region, thank you for the opportunity to collaborate and provide input throughout the Community Facilities Off-Site Levy (OSL) review process. The City of Airdrie is a leader amongst regional municipalities with an emphasis on collaborating with industry and providing transparency of infrastructure costs as required by the MGA. We appreciate Administration's ongoing collaboration with industry and the substantial progress made on the broader off-site levy framework.

BILD supports the non-Community Facilities component of the proposed OSL Bylaw and acknowledges the great work to investigate cost saving opportunities to right size and stage infrastructure. However, we have significant concerns with the Community Facilities component which we feel requires ongoing efforts to address home affordability for all Airdrie residents:

1. The current proposed levy rate is 69% higher than the current highest comparable levy in Alberta.
2. The Community Facilities Off-site Levy Study establishes the benefit allocation of the recreation center based solely on population estimates (with % share varying by amenity). The proposed benefit allocation places a greater percentage of the cost on future residents (80%). However, the benefit allocation would imply that in the initial years following the facility opening, the utilization rate of the facility would be less than 20% until the growth area builds out and the utilization of the facility gradually increases. What projections have been completed to determine utilization rates in the initial years to better determine what percentage of the existing tax base would use this facility as opposed to staying within East Lake? That allocation approach does not seem to appropriately align costs with their benefit within the benefit calculation. A 50/50 benefit split seems more equitable and based on actual proportional benefit and utilization of the new facility and considers that new homeowners then become taxpayers (i.e., new homeowners will pay twice).

3. Treating this as leading infrastructure places financing burden on the existing payer. Has the City run sensitivity analysis on the pace of growth to determine the impact to the existing taxpayer if levy collections are slower than forecasted? Despite the 20% utilization the existing tax base would be responsible for 100% of the facility operation.
4. There are numerous studies that provide evidence of how development charges raise the cost of home ownership. As proposed, we believe the cost of the recreation facility will create foreseeable financial challenges for both new homebuyers and the existing tax base. A recent example being Edmonton's Lewis Farms Centre, which despite being significantly scaled back is still over budget. The proposed facility is over 300,000 square feet and estimated to cost \$284.3 million dollars. How will Airdrie deal with cost overruns?

The proposed recreation facility, as currently scoped, represents a significant investment that would place Airdrie at the high end of service levels and cost relative to the region. The potential implications—including reduced affordability, slower growth, and broader financial pressures—are material. Sustained growth is critical to the City's long-term financial health, and any approach that risks undermining that growth warrants careful reconsideration.

While the process with Administration has been constructive, our core concerns regarding the Community Facilities OSL remain. We believe further work is needed to refine benefit allocation and establish a disciplined project scope and budget. Without these adjustments, there is a clear risk of disproportionate impacts on new homebuyers today and financial pressures for the broader tax base over time.

Finally, BILD believes non-residential development should be included in the calculation of community facility funding to ensure the cost burden is not born solely by new homebuyers. These amenities support employees, businesses, and the City's broader economic vitality. While the City may choose to incentivize non-residential development through levy exemptions, any resulting shortfall should be funded by both the broader tax base and the new homebuyers, better reflecting the community-wide benefits these facilities provide.

BILD generally supports Administration's recommendation to maintain the current overall levy rates with 2025 which will support home affordability and regional competitiveness; however it is essential to revisit the rec center's benefit allocation as identified in the Community Facilities OSL Study. BILD Calgary Region remains committed to working collaboratively with the City of Airdrie to support the delivery of essential community infrastructure while protecting housing affordability and competitiveness. We look forward to continued dialogue as this bylaw proceeds through public engagement and Council consideration.

Sincerely,



Brian Hahn, CEO
BILD Calgary Region

Cc: Horacio Galanti, Chief Administrative Officer, City of Airdrie

Appendix A: Evidence – Impact of Development Charges on Housing Affordability

To provide evidence supporting the position that development charges (including off-site levies) are ultimately borne by new homebuyers and have a direct impact on housing affordability.

Key Findings:

- Development charges are largely passed through to new homebuyers via higher home prices.
- These charges represent a significant share of total housing costs.
- Higher charges reduce housing affordability and may constrain housing supply and growth which is required to fund financed infrastructure and reduce tax base burden
- Research consistently shows these costs are capitalized into both new and existing home prices over time.

Supporting Evidence:

CBC Edmonton Article (2026)

The Edmonton Lewis Farms Recreation Centre is over budget, despite being significantly scaled back – building mega rec centres is risky.

<https://www.cbc.ca/news/canada/edmonton/edmonton-lewis-farms-recreation-centre-over-budget-9.7131221>

Canada Mortgage and Housing Corporation (CMHC)

Development Charges: Who Bears the Cost? (2025)

CMHC finds that development charges are primarily transferred to homebuyers and can increase home prices—sometimes by more than the value of the charge itself.

<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/research-reports/accelerate-supply/development-charges-who-bears-cost>

CMHC – National Market Analysis (2025)

CMHC analysis indicates development charges can account for approximately 8–16% of the price of a new home, depending on housing type and municipality.

<https://globalnews.ca/news/11559713/development-charges-home-prices-canada-cmhc/>

Canadian Home Builders' Association (CHBA)

Municipal Benchmarking Study (2024)

Identifies rising municipal fees and development charges as key drivers of declining housing affordability and constraints on housing supply.

<https://www.chba.ca/2025/03/04/chbas-municipal-benchmarking-study-shows-housing-affordability-has-worsened-due-to-municipal-development-charges-and-delays/>

Academic Research – Journal of Housing Research

Evans-Cowley et al.

Peer-reviewed research demonstrates that development charges are capitalized into housing prices, increasing costs for both new and existing homes.

<https://www.jstor.org/stable/24861478>