

February 19, 2026

Dear Airdrie BILD Off-Site Levy Sub-Committee Members,

Over the past eight months, City Administration has appreciated the opportunity to work closely with the Airdrie BILD Off-Site Levy Sub-Committee as we advanced the development of Airdrie's Community Facilities Off-Site Levy. Your sustained bi-weekly engagement since Council's adoption of an interim rate on June 17, 2025 has strengthened the review process and supported Administration's commitment to return to Council with a well-informed and balanced rate recommendation.

Our joint review covered the updated capital cost estimates for the Highland Park Fire Station and the SW Recreation Facility, as well as refinements to service levels, benefit allocations, and assumptions relating to land absorption, population growth, and cost escalation. These discussions informed an updated Community Facilities Off-Site Levy Study (February 2026), which incorporated the removal of the Fire Training Centre from the levy calculation, adjustments to residual benefits for recreation amenities, and updated financial modeling to reflect current cost estimates and market conditions.

A consistent theme throughout our engagement was the importance of balancing affordability and competitiveness with the need to secure adequate funding for essential new public facilities. BILD consistently emphasized the impact of levy changes on Airdrie's market position, particularly as housing affordability remains a key driver of local demand. Administration acknowledges these challenges and has sought to develop a recommendation that provides stability for industry while recognizing the City's obligation to ensure new growth contributes fairly toward the amenities required to support it.

Updated modeling developed alongside the engagement by Hargroup Management Consultants and Nichols Applied Management confirmed that the full growth-pays-for-growth rate for community facilities would be approximately \$296,000 per hectare. This figure reflects the true cost of delivering the fire hall and recreation facility if all eligible costs were recovered directly through the levy. Administration recognizes that applying the full rate would create a significant upward shift in development costs and could affect the pace of new construction. After considering BILD's feedback and Council's direction, Administration is recommending a Community Facilities Off-Site Levy rate of \$131,000 per hectare.

This recommended rate does not represent full cost recovery. Instead, it reflects a balanced approach that recovers approximately 45% of growth-related costs, allowing development to proceed with manageable financial impacts while supporting key community infrastructure. The recommended rate also aligns with changes in the infrastructure levy as a Provincial grant secured for wastewater infrastructure has resulted in the weighted average decreasing by approximately \$52,000/ha. As a result, the average

combined levy impact is expected to remain generally stable compared to the June 2025 interim rate, although rates will continue to vary by benefiting area, reflecting differences in infrastructure needs and timing.

Administration believes this approach represents a practical middle ground that responds to industry concerns, supports necessary facilities, and provides Council with a responsible and transparent funding strategy. The intent is to maintain Airdrie's competitive position while ensuring foundational community assets move forward. It is important to note that this recommended rate is not intended to be fixed indefinitely. Administration anticipates that Council may revisit the Community Facilities levy rate as part of future off-site levy reviews, with the potential to move closer to a growth-pays-for-growth model over time, subject to market conditions and infrastructure timing.

With the engagement with this sub-committee coming to an end, the next phase of this process includes broader public engagement and Council consideration. Administration will host a public open house in March 2026, where residents and stakeholders (including BILD) can review the updated study, the methodology behind the levy calculations, and the recommended rate. Following this engagement, Administration will present the final recommendation to Council in April 2026. As part of this step, we welcome a formal position from BILD regarding whether the group is supportive or opposed to the recommended rate.

On behalf of the City of Airdrie, I would like to thank the Airdrie BILD Off-Site Levy Sub-Committee for the considerable time, expertise, and dedication you have contributed throughout this process. The depth of collaboration has meaningfully shaped the final recommendation and strengthened the City's ability to present Council with a balanced, transparent, and defensible approach.

We look forward to continuing this work with you through the engagement and Council review phases.

Sincerely,

Brad Anderson

Brad Anderson
Director, Community Services
City of Airdrie
403-948-8826 | brad.anderson@airdrie.ca