BILD CALGARY REGION MEMO

Date: June 4, 2025

To: James Cameron, Engineering Manager and Kris Nelson

From: BILD Calgary Region, Okotoks Committee

Topic: OSL Update – Industry Feedback on Infrastructure Delivery Philosophy & Approach

Based upon the information presented at the May 15th Developer Engagement meeting and additional internal discussion, BILD submits the following key priorities and feedback regarding the proposed infrastructure delivery methodology and approach.

1. **Request for Additional Information**

   Through our internal discussions it was apparent that there is not enough information available at this time to provide full and complete analysis. Understanding the challenges before the Town and how to pay for infrastructure that exceeds municipal debt limits is important. Industry has heard vague reference to a "funded and unfunded" infrastructure list that has not yet been shared. If industry is to support and find solutions to mechanisms, we need more transparency and detailed appropriate background information so that we can have fulsome discussions and intelligently review the information.

   There is a big gap in information and discussing philosophy around how to fund and finance required infrastructure requires detailed discussion not just a philosophical approach to be successful. Also industry would like to see an updated off-site levy report that provides additional detail in relation to the expenditures and levy projects under the OSL bylaws.

   An example of the additional detail required for proper evaluation is the proposed front-end approach needs to determine specific project costs, the town's portion of debt components in some cases, and by how much that approach reduces the overall debt.

2. **Focus Approach on Cost Efficiency in Infrastructure**

   Through other work with regional municipalities, BILD and its members have seen very positive results and reductions of cost through detailed review of servicing options and the phasing of infrastructure. We would propose the same work be completed with

Administration in order to maximize efficiency and benefit to the advantage of both the town of Okotoks and industry stakeholders.

3. Proposed Methodology Approach Feedback

a) Growth Caps – capping growth at 3% does not provide the environment where investment can happen based on the current infrastructure requirements and the cost of that infrastructure. The Town controls the growth of the upstream infrastructure and the proposed endeavour to assist becomes a lost recovery that won't develop in a 10-to-15-year period.

b) Infrastructure Approach – definitions, expectation and obligations need more surety and consistency. The expectations need to be clear; the rules need to be consistent and not subject to unexpected changes down the road once an agreement is reached. The housing market needs certainty of growth to lessen the risk, enabling developers to make calculated decisions more readily.

c) Front-ending of Infrastructure – Certainty provided around growth and mechanisms on how development can recover costs is required. An endeavour to assist clause does not provide that certainty for investment and that also only works if you have enough runway to pay yourself back. Industry isn't clear on what the suggested modified endeavour to assist would entail.

   There needs to be an established framework that allows developers to make a business decision. Agreement to front-end through mechanisms enabled to credit future payments specific for that type of infrastructure. The size or magnitude of the development matters. Front ending, if applied and feasible for developers, the total of that infrastructure cannot exceed the total levy credits for that type of infrastructure that a developer would receive. This would give a developer certainty within their projects so levies for each phase is known.

d) Roads Oversize – the proposed oversize system for Arterial Roads (mirroring Calgary's model) does not seem suitable for Okotoks due to economies of scale of municipal size and developer base, and the resulting inability to generate repayment in a reasonable tie frame.

The challenge for industry with the current proposal is that they can't present a sound business case for investors and to receive project financing, nor does the proposal provide certainty for future growth.

BILD CR would be happy to meet to discuss further the feedback outlined within this memo and look forward to additional information being provided to support more detailed and productive discussions.