July 31, 2026

James Cameron, Engineering Manager
Town of Okotoks

**RE: Industry Feedback on Proposed 2026 Off-Site Levy Bylaw and Background Report**

On behalf of BILD Calgary Region and the members of the Okotoks Development Committee, thank you for the engagement and collaboration throughout the review of the proposed Off-Site Levy Bylaw and 2026 Background Report.

Industry appreciates the Town's regular stakeholder engagement, careful consideration of feedback, and ongoing revisions throughout the process. We recognize the significant effort undertaken by Administration and its consultants to update the Town's growth assumptions, infrastructure requirements, levy calculations, and supporting documentation. The consultation process has been constructive and has resulted in several positive improvements to the proposed framework.

Following our review of the updated materials and discussions with Administration, industry remains supportive of the Town's objective to establish a sustainable and transparent framework for funding growth-related infrastructure. However, several key concerns remain that we believe warrant further consideration before finalization.

---

## 1. Oversizing Framework and Cost Recovery

Industry's most significant concern remains the proposed oversizing framework.

While the Background Report introduces a methodology for distinguishing local infrastructure from infrastructure providing broader growth benefits, significant uncertainty remains regarding how reimbursements will function in practice. Questions remain regarding:

- Repayment timing;
- Funding availability;
- Repayment prioritization;
- Treatment of financing and carrying costs;
- Long-term cash flow performance; and
- The overall allocation of risk between the Town and front-ending developers.

The Urban Systems memorandum references developers entering a reimbursement queue where funding availability may affect repayment timing. However, the supporting materials do not demonstrate the anticipated lifecycle of oversize collections, expenditures, and reimbursements under varying growth scenarios.

Industry would welcome the opportunity to work with the Town to further develop a comprehensive oversizing framework that clearly establishes expectations and provides greater detail regarding the mechanics of the reimbursement process.

---

**2. Sanitary Collection**

The non-oversize Off-Site Levy component has increased by approximately 20% compared with the April 23 draft rates. Based on our review, we were unable to identify an explanation for this increase within the Background Report and request clarification from the Town regarding the factors contributing to the change.

As noted above, industry also requests further review of the oversizing methodology for sanitary collection to better align the eligibility criteria with current practice in neighbouring municipalities and the City of Calgary's standards (300 mm sizing versus the proposed 375 mm threshold). Industry supports the City of Calgary Oversize criteria, as it has been implemented for a long time and works well.

---

**3. Water Supply & Treatment**

The Off-Site Levy component has decreased compared with the April 23 draft rates, while overall project costs appear to have remained relatively consistent. Industry requests clarification regarding the basis for this reduction to improve transparency and understanding of the updated calculations.

---

**4. Water Storage & Distribution**

Industry appreciates the revisions made to the reservoir sizing approach and the additional clarification provided throughout the review process. However, projects W-8A, W-8B, and W-12 continue to appear oversized relative to their benefiting areas, particularly when compared with Project W-4A, where the reservoir size was reduced to 3.66 ML. Industry requests further explanation regarding the benefit allocation methodology applied to these projects.

With the functional design for the 3.66 ML reservoir now advancing, industry would also welcome further discussion regarding the Town's long-term phasing strategy for additional reservoir capacity and its plans to incorporate future resiliency-based storage requirements. Stakeholders remain interested in exploring opportunities to deliver the reservoir project in a manner more consistent with the approach presented in the April draft Off-Site Levy package.

### 5. Transportation (T-9 – 338 Avenue)

Industry acknowledges the revisions made by the Town in response to previous feedback, including the removal of several cost components and refinement of project assumptions. While we continue to believe that enhanced design standards should not be funded solely by new homeowners through the Off-Site Levy, we appreciate the changes made since the April draft.

We are interested in further exploring the delivery strategy for 338 Avenue, as there is concern that the current approach may result in piecemeal construction driven primarily by individual development boundary obligations. We believe there are opportunities for the Town and industry to collaboratively develop a more coordinated infrastructure delivery strategy that also aligns with the timing of other major capital projects, such as the 32 Street sanitary collection project.

Industry would also appreciate further discussion regarding the benefit allocation methodology applied to transportation infrastructure, which currently appears to result in inequitable cost distribution.

### 6. Contingency Methodology

Industry appreciates the Town's explanation of the contingency assumptions and recognizes the importance of appropriately accounting for uncertainty in future project delivery. However, concerns remain that elements of the proposed contingency methodology may result in collections that exceed anticipated project requirements.

Industry would welcome the opportunity to work with the Town to further refine the contingency policy to ensure a transparent, fair, and equitable approach. In particular, we recommend further consideration of:

- consistency across estimate classes;
- treatment of industry-delivered oversize projects;
- application of contingency to standardized infrastructure components; and
- the resulting impacts on levy rates and housing affordability.

### 7. Levy Payment Schedule

Industry would like to explore alternative levy payment schedules that more closely align with practices across the Calgary region. For example, would the Town consider a three-payment schedule similar to the City of Calgary's 30/30/40 payment structure over three years? Greater flexibility in the payment schedule would better align levy obligations with development revenues and improve project cash flow.

**Closing**

Industry appreciates the significant work completed by Administration and its consultants throughout this review. While substantial progress has been made, the concerns outlined above remain important to achieving a levy framework that is transparent, equitable, and financially sustainable.

We believe these matters can be addressed through continued collaboration and refinement of the proposed framework, resulting in an Off-Site Levy program that provides greater transparency, repayment certainty, equitable cost allocation, and appropriate support for growth, housing affordability, infrastructure delivery, and the Town of Okotoks' long-term financial objectives.

We remain committed to working collaboratively with the Town and look forward to continuing discussions as the Off-Site Levy Bylaw progresses toward adoption on September 14.

Sincerely,

[redacted]

Kimber Higa
Director, Calgary Region Initiatives & Government Relations
BILD Calgary Region

Cc: Elaine Vincent, CAO, Town of Okotoks
Jeff Greene, Community Growth & Identity Director, Town of Okotoks
BILD CR Okotoks Developer Committee