

Okotoks Off-Site Levy Bylaw Update – Recreation Levy Cost Adjustment

Background

Recent amendments to the *Municipal Government Act* (MGA) came into effect on May 14, 2026 via [Bill 28: Municipal Affairs and Housing Statutes Amendment Act](#). Included in these amendments are changes to Section 648 pertaining to Off-Site Levy bylaws. Of note is Subsection 2.11 which clarifies certain types of project costs that off-site levies cannot be used for.

Although there is limited information as to how this should be interpreted and applied, the Town has proactively identified certain costs in Projects R-1A (Recreation Centre Expansion) and R-2 (Flatwater Expansion) that may no longer be eligible for inclusion in the OSL Bylaw. Given this, the Town has adjusted the costs for these two projects to ensure that the Okotoks' Off-Site Levy Bylaw remains compliant with the MGA.

Cost Adjustments

The cost estimate used as the basis for these projects (Appendix A) includes an allowance for Furniture, Furnishings and Equipment (FF&E). The current level of design and cost estimation for these projects do not provide detailed itemization of FF&E. The Town is therefore unable to specifically determine which of these costs, if any, are valid for inclusion in the OSL bylaw based on the recent MGA amendments. As such, the Town is proposing the following cost adjustments:

- Project R-1A: Remove the FF&E Allowance and reduce project cost by \$2,000,000
- Project R-2: Remove the FF&E Allowance and reduce project cost by \$600,000

These adjustments will be made to the base project costs (i.e., in \$2022) and adjusted to current year as outlined in the off-site levy background report and levy model.

Future Considerations

Please note that Project R-1B is currently in progress. This work will further refine the previous studies and will be used to inform future OSL bylaw updates. The Town will continue to make changes to these projects based on this technical work and adjust project cost inclusions/exclusions to align with future updates to the MGA, OSL regulations, and clear direction on interpretation of these new provisions.

Sincerely,

A handwritten signature in blue ink that reads "J. Cameron".

James Cameron
Engineering Manager
Town of Okotoks

Appendix A: Cost Estimate for Recreation Centre Upgrade

**FUNCTIONAL PROGRAM - WATER (AQUATIC CENTRE) AND PROGRAM/SUPPORT
AT OKOTOKS RECREATION CENTRE**

rounded to nearest \$100,000

FACILITY COMPONENTS		ESTIMATED CONSTRUCTION COST
Facility Construction		
Water		
Leisure Water		\$14,000,000
Flatwater Water		\$11,200,000
Program/Support		\$26,100,000
	Program Area in Sq. M.	9,938
	Cost per Sq.M.	5,162
Total Facility Construction Cost		\$51,300,000
Site Development		
Site Civil Work and Servicing - Per Urban Systems		\$1,400,000
Additional Site Development (Landscaping, Electrical, Fixtures) - Allow		\$700,000
Total Site Development Cost		\$2,100,000
Total Hard Construction Costs (Facility Construction and Site Development)		\$53,400,000
Soft Costs		
Design, Testing, Permits & Project Management	(15% of Construction Costs)	\$8,000,000
Total Soft Costs		\$8,000,000
Post-tender Construction Contingency	(10% of Construction Costs)	\$5,300,000
Lands (Acquisition, Acreage Assessments, etc.) - Not Included		Not Included
Total Facility Costs		\$66,700,000
Other Funding Requirements		
Furniture, Furnishings & Equipment - Allowance (5% of Building Construction)		\$2,600,000
Replace Baseball Diamond at offsite location - Allow		\$700,000
Operating and Lifecycle Maintenance Reserve Funds		Not Included
Total Program Costs plus FF&E Allowance		\$70,000,000

*Includes service room spaces (mechanical, electrical, pool mechanical), wall thickness, structure, washrooms and custodial spaces

**Includes Renovation to areas not programmed Washrooms, Mechanical Relocation, Partition to Existing Pool, etc

Developed October 21, 2021

COSTPLAN