



## AGENDA

### EXECUTIVE COMMITTEE

September 4, 2024, 9:30 AM  
IN THE COUNCIL CHAMBER

#### Members

Mayor J. Gondek, Chair  
Councillor K. Penner, Vice-Chair  
Councillor G-C. Carra (Councillor-at-Large)  
Councillor J. Mian (Councillor-at-Large)  
Councillor S. Sharp (Infrastructure and Planning Committee Chair)  
Councillor E. Spencer (Audit Committee Chair)  
Councillor C. Walcott (Community Development Committee Chair)

#### ***SPECIAL NOTES:***

*Public are encouraged to follow Council and Committee meetings using the live stream [Calgary.ca/WatchLive](https://calgary.ca/WatchLive)*

*Council Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
  - 4.1 Minutes of the Regular Meeting of the Executive Committee, 2024 July 23
5. CONSENT AGENDA
  - 5.1 DEFERRALS AND PROCEDURAL REQUESTS  
None
6. POSTPONED REPORTS  
*(including related/supplemental reports)*
  - 6.1 Parking Financial Policies Review, EC2024-0836
7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
  - 7.1 2024 Mid-Year Progress Update, EC2024-0856

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS  
None

8.2 NOTICE(S) OF MOTION  
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES  
None

10.2 URGENT BUSINESS

11. BRIEFINGS  
None

12. ADJOURNMENT





**MINUTES**

**EXECUTIVE COMMITTEE**

**July 23, 2024, 9:30 AM  
IN THE COUNCIL CHAMBER**

**PRESENT:**

Mayor J. Gondek, Chair  
Councillor K. Penner, Vice-Chair  
Councillor G-C. Carra (Councillor-at-Large)  
Councillor J. Mian (Councillor-at-Large)  
Councillor S. Sharp (Infrastructure and Planning Committee Chair)  
(Partial Remote Participation)  
Councillor E. Spencer (Audit Committee Chair)  
Councillor C. Walcott (Community Development Committee Chair)  
Councillor A. Chabot  
Councillor P. Demong (Remote Participation)  
Councillor D. McLean  
Councillor R. Pootmans  
Councillor T. Wong  
Councillor J. Wyness

**ALSO PRESENT:**

Chief Administrative Officer D. Duckworth  
Chief Operating Officer S. Dalglish  
City Solicitor and General Counsel J. Floen  
A/City Solicitor and General Counsel D. Mercer  
A/City Solicitor and General Council L. Davies  
Chief Financial Officer C. Male  
General Manager D. Hamilton  
General Manager C. Arthurs  
General Manager K. Black  
General Manager D. Morgan  
General Manager M. Thompson  
City Clerk K. Martin  
Legislative Advisor K. Picketts

**1. CALL TO ORDER**

Mayor Gondek called the meeting to order at 9:34 a.m.

**ROLL CALL**

Councillor Carra, Councillor McLean, Councillor Mian, Councillor Penner, Councillor Pootmans, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Wong, and Mayor Gondek

2. OPENING REMARKS

Mayor Gondek provided opening remarks and a traditional land acknowledgement.

3. CONFIRMATION OF AGENDA

**Moved by** Councillor Penner

That the Agenda for the 2024 July 23 Regular Meeting of the Executive Committee be confirmed.

**MOTION CARRIED**

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Executive Committee, 2024 June 11

**Moved by** Councillor Spencer

That the Minutes of the 2024 June 11 Regular Meeting of the Executive Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Downtown Post-Secondary Institution Incentive Program Terms of Reference, EC2024-0801

**Moved by** Councillor Wong

That with respect to Report EC2024-0801, the following be approved:

That the Executive Committee recommend that Council approve the updated Downtown Post-Secondary Institution Incentive Program Terms of Reference contained in Attachment 2.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor McLean, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

7.2 Downtown Calgary Development Incentive Program Updates, EC2024-0800

The following documents were distributed with respect to Report EC2024-0800:

- Revised Attachment 2;
- Revised Attachment 3;
- Revised Attachment 5; and
- A letter from the Real Estate Sector Advisory Committee (RESAC).

Mayor Gondek left the Chair at 10:30 a.m. and Vice-Chair Penner assumed the Chair.

Mayor Gondek resumed the Chair at 10:32 a.m.

**Moved by Councillor Sharp**

That with respect to Report EC2024-0800, the following be approved:

That the Executive Committee hear from Members of the Public regarding Item 7.2 Downtown Calgary Development Incentive Program Updates, EC2024-0800.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

The following speakers addressed Committee with respect to Report EC2024-0800:

1. Hannes Kovac, Real Estate Advisory Committee (RESAC)
2. Trent Edwards, Real Estate Advisory Committee (RESAC)

**Moved by Councillor Sharp**

That pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 10:53 a.m. in the Council Boardroom, to discuss confidential matters with respect to Item 7.2 Downtown Calgary Development Incentive Program Updates, EC2024-0800.

For: (11): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

Committee reconvened in public meeting at 12:04 p.m. with Mayor Gondek in the Chair.

**ROLL CALL**

Councillor Carra, Councillor Chabot, Councillor McLean, Councillor Mian, Councillor Penner, Councillor Pootmans, Councillor Sharp, Councillor Spencer, Councillor Walcott, and Mayor Gondek.

**Moved by** Councillor Penner

That Committee rise without reporting.

**MOTION CARRIED**

By General Consent, Committee modified the lunch recess to begin at the Call of the Chair.

By General Consent, Committee postponed Item 7.2 to the Call of the Chair.

Committee then dealt with Item 10.

Committee returned to this Item following Item 7.3.

Administration in attendance during the Closed Meeting discussions with respect to Report EC2024-0800:

Clerks: K. Martin, M. A. Cario, and J. Palaschuk. Law: D. Mercer and M. A. Bendfeld. Chief Administrative Officer: D. Duckworth. Advice: S. Dalglish, K. Black, C. Male, D. Hamilton, C. Arthurs, D. Morgan, T. Mahler, J. Mueller, S. Sinclair, N. Marchut, and A. Szpecht.

**Moved by** Councillor Wong

That with respect to Report EC2024-0800, the following amendment be approved:

That a new Recommendation 2 be added as follows and renumber the remaining Recommendations accordingly:

"2. Direct Administration to continue to work with the Real Estate Sector Advisory Committee of Calgary Economic Development in the creation of the applicant process guidelines prior to the formal opening of the program for applications;"

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

**Moved by** Councillor Wong

That with respect to Report EC2024-0800, the following amendment be approved:

That Recommendation 1 be amended by deleting the words "Attachment 2" and replacing with the words "Revised Attachment 2".

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

**Moved by** Councillor Walcott

That with respect to Report EC2024-0800, the following be approved, **as amended**:

That the Executive Committee recommend that Council:

1. Approve the revised Downtown Calgary Development Incentive Program Terms of Reference contained in **Revised Attachment 2**;
2. **Direct Administration to continue to work with the Real Estate Sector Advisory Committee of Calgary Economic Development in the creation of the applicant process guidelines prior to the formal opening of the program for applications; and**
3. Direct that Attachment 4 and related discussions be held confidential pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2031 December 31.

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

Committee then dealt with Item 10.1.1.

### 7.3 Parking Financial Policies Review, EC2024-0836

This Item was dealt with following Item 8.2.2.

**Moved by Councillor Sharp**

That with respect to Report EC2024-0836, the following be approved, **after amendment**:

That Executive Committee recommend that Council:

1. Amend Council Policy CP2021-04, *Calgary Parking Policies*, by replacing section 3 of the policy with the content in Attachment 1 and apply the new policies retroactively as of 2024 January 01;
2. **Direct Administration to** close the Calgary Parking Long-Term Investment Fund, and distribute the remaining balance in the fund as follows:
  - a. Allocate \$20.0M to the Fiscal Stability Reserve
  - b. Allocate \$23.0M to the Reserve for Future Capital
  - c. Allocate the remaining balance to the Calgary Parking Capital Reserve Fund; and
3. **Direct Administration to** bring adjustments to reflect the new policy to the mid-cycle budget adjustments in 2024 November.

**Moved by Councillor Wong**

That with respect to Report EC2024-0836, the following be approved:

That Committee postpone Item 7.3 Parking Financial Policies Review, EC2024-0836 to the 2024 September 4 Executive Committee Meeting.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

**Moved by** Councillor Penner

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 4:06 p.m. in the Council Boardroom, to discuss confidential matters with respect to the following Items:

- 10.1.1 Chief Administrative Officer (Verbal), EC2024-0722
- 10.1.2 Green Line Development Phase Update, EC2024-0871
- 10.1.3 Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809
- 10.1.4 Green Line Related Bylaw Amendments (Verbal), EC2024-0886

And further, that the following be authorized to attend the Closed Meetings:

- For Item 10.1.2, Green Line Development Phase Update, EC2024-0871, Don Fairbairn, Green Line Board Chair, and Green Line Board Members Fred Cummings, Janet Annesley, Patricia McLeod, Marcia Nelson, and Larry Beasley
- For Items 10.1.3, Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809, and 10.1.4, Green Line Related Bylaw Amendments (Verbal), EC2024-0886, Don Fairbairn, Green Line Board Chair.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

Committee reconvened in public meeting at 5:46 p.m. with Mayor Gondek in the Chair.

ROLL CALL

Councillor Carra, Councillor Mian, Councillor Pootmans, Councillor Spencer, Councillor Walcott, Councillor Wong, and Mayor Gondek.

Absent from Roll Call: Councillor Sharp and Councillor Penner

**Moved by** Councillor Pootmans

That Committee rise without reporting.

**MOTION CARRIED**

**Moved by** Councillor Wong

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, in the Council Boardroom, at 5:48 p.m. to discuss confidential matters with respect to the following Items:

- 10.1.1 Chief Administrative Officer (Verbal), EC2024-0722
- 10.1.2 Green Line Development Phase Update, EC2024-0871
- 10.1.3 Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809
- 10.1.4 Green Line Related Bylaw Amendments (Verbal), EC2024-0886

And further, that the following be authorized to attend the Closed Meetings:

- For 10.1.3, Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809 and 10.1.4 Green Line Related Bylaw Amendments (Verbal), EC2024-0886, Don Fairbairn, Green Line Board Chair, and Green Line Board Members Fred Cummings, Janet Annesley, Patricia McLeod, and Marcia Nelson

And further, pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Committee suspend Section 78(2)(c) to forego the dinner recess to complete the Agenda.

For: (7): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

Mayor Gondek left the Chair at 6:57 p.m. and Deputy Mayor Walcott assumed the Chair.

Mayor Gondek resumed the Chair at 6:59 p.m.

Councillor Sharp (Remote) joined the meeting at 7:23 p.m.

Councillor Sharp (Remote) left the meeting at 8:28 p.m.

Committee reconvened in public meeting at 9:10 p.m. with Mayor Gondek in the Chair.

ROLL CALL

Councillor Carra, Councillor Chabot, Councillor Mian, Councillor Pootmans, Councillor Spencer, Councillor Walcott, Councillor Wong, and Mayor Gondek.

Absent from Roll Call: Councillor Sharp and Councillor Penner

**Moved by** Councillor Chabot

That Committee rise and report.

**MOTION CARRIED**

Committee then dealt with Item 7.2.

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

8.2.1 Notice of Motion - Foothills County Annexation, EC2024-0887

This Item was dealt with following Item 10.

A Revised Notice of Motion was distributed with respect to Report EC2024-0887.

**Moved by** Councillor Sharp

That with respect to **Revised** Notice of Motion EC2024-0887, the following be approved:

That **Revised** Notice of Motion EC2024-0887 be forwarded to the 2024 July 30 Regular Meeting of Council for consideration.

For: (9): Mayor Gondek, Councillor Penner, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

Against: (1): Councillor Carra

**MOTION CARRIED**

8.2.2 Notice of Motion - Grant Request for Silvera for Seniors to Construct Sidewalk, EC2024-0893

Mayor Gondek resumed the Chair at 3:59 p.m.

**Moved by** Councillor Chabot

That with respect to Notice of Motion EC2024-0893, the following be approved:

That Notice of Motion EC2024-0893 be forwarded to the 2024 July 30 Regular Meeting of Council for consideration.



For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

Committee then dealt with Item 7.3.

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

This Item was dealt with following the postponement of Item 7.2.

**Moved by Councillor Sharp**

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, Committee recess at 12:07 p.m., to reconvene in Closed Meeting, in the Council Boardroom, at 1:00 p.m. to discuss confidential matters with respect to the following Items:

- 10.1.1 Chief Administrative Officer (Verbal), EC2024-0722
- 10.1.2 Green Line Development Phase Update, EC2024-0871
- 10.1.3 Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809
- 10.1.4 Green Line Related Bylaw Amendments (Verbal), EC2024-0886

And further, that the following be authorized to attend the Closed Meetings:

- Schail Thaker, External Consultant, with respect to Item 10.1.1, Chief Administrative Officer (Verbal), EC2024-0722.
- Don Fairbairn, Fred Cummings, Janet Annesley, Patricia McLeod, Marcia Nelson and Larry Beasley, Green Line Board Members, with respect to Item 10.1.2, Green Line Development Phase Update, EC2024-0871.
- Don Fairbairn, Green Line Board Chair, with respect to Items 10.1.3, Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809, and 10.1.4, Green Line Related Bylaw Amendments (Verbal), EC2024-0886.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor McLean, and Councillor Pootmans

**MOTION CARRIED**

Committee recessed in Closed Meeting at 3:15 p.m. and reconvened in public meeting at 3:49 p.m. with Vice-Chair Penner in the Chair.

ROLL CALL

Councillor Carra, Councillor Chabot, Councillor Mian, Councillor Pootmans, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Wong, and Councillor Penner.

Absent from Roll Call: Mayor Gondek

**Moved by** Councillor Sharp

That Committee rise without reporting.

**MOTION CARRIED**

By General Consent, Committee modified the Agenda to bring forward Items 8.2.1 Notice of Motion - Foothills County Annexation, EC2024-0887 and 8.2.2 Notice of Motion - Grant Request for Silvera for Seniors to Construct Sidewalk, EC2024-0893 to be dealt with prior to returning to Closed Meeting.

Committee then dealt with Item 8.2.1.

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Chief Administrative Officer (Verbal), EC2024-0722

This Item was dealt with following Item 7.2.

The following documents were distributed with respect to Confidential Verbal Report EC2024-0722:

- Confidential Distribution 1;
- Confidential Distribution 2;
- Confidential Distribution 3;
- Confidential Distribution 4; and
- Confidential Distribution 5.

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report EC2024-0722:

Clerks: K. Martin. Law: C. Sutherland. Chief Administrative Officer: D. Duckworth. External: S. Thaker.

**Moved by** Councillor Mian

That with respect to Confidential Verbal Report EC2024-0722, the following be approved:

That the Executive Committee recommend that Council:

1. Adopt Confidential Recommendations 1-4 contained in Confidential Distribution 5; and
2. Direct that the Closed Meeting discussions and confidential distributions be held confidential pursuant to Sections 17 (Disclosure harmful to personal privacy) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

10.1.2 Green Line Development Phase Update, EC2024-0871

A document entitled 'Confidential Distribution 1' was distributed with respect to Confidential Report EC2024-0871.

People in attendance during the Closed Meeting discussions with respect to Confidential Report EC2024-0871:

Clerks: K. Martin, M. A. Cario, and J. Palaschuk. Chief Administrative Officer: D. Duckworth. Law: J. Floen, L. Davies, and L. Bonnett. Advice: S. Dalgleish, C. Male, C. Arthurs, K. Black, D. Hamilton, D. Morgan, M. Thompson, D. Bhatti, S. Ganji, W. Tynan, W. Whelbourn, S. Brandt, M. Seera, K. Cote, C. Jacyk, S. Chhugani, and L. Tochor. External: D. Fairbairn, F. Cummings, J. Annesley, P. McLeod, M. Nelson, and L. Beasley.

**Moved by** Councillor Mian

That with respect to Confidential Report EC2024-0871, the following be approved:

That the Executive Committee recommend that Council:

1. Adopt the Revised Confidential Recommendations 1 through 7 contained in Confidential Distribution 1; and

For: (6): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, and Councillor Pootmans

Against: (3): Councillor Sharp, Councillor Chabot, and Councillor Wong

**MOTION CARRIED**

**Moved by** Councillor Mian

That with respect to Confidential Report EC2024-0871, the following be approved:

That the Executive Committee recommend that Council:

2. Direct that the Confidential Report, Attachments, Distribution, and Closed Meeting discussions remain confidential pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*.

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

10.1.3 Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809

The following documents were distributed with respect to Confidential Verbal Report EC2024-0809:

- Confidential Cover Report;
- Confidential Attachment 1;
- Confidential Attachment 2;
- Confidential Attachment 3;
- Confidential Attachment 4;
- Confidential Attachment 5;
- Confidential Attachment 6;
- Confidential Attachment 7;
- Confidential Attachment 8; and
- Confidential Attachment 9.

People in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report EC2024-0809:

Clerks: K. Martin, M. A. Cario, and J. Palaschuk. Chief Administrative Officer: D. Duckworth. Law: J. Floen, L. Bonnett, and L. Davies. Advice: S. Dalgleish, C. Male, C. Arthurs, K. Black, D. Hamilton, D. Morgan, M. Thompson, D. Bhatti, L. Tochor, W. Tynan, S. Brandt, K. Cote, S. Chhugani, M. Seera, B. Whelbourn, and R. de Ciancio. External: D. Fairbairn, F. Cummings, J. Annesley, P. McLeod, and M. Nelson.

**Moved by** Councillor Carra

That with respect to Confidential Verbal Report EC2024-0809, the following be approved:

That the Executive Committee recommend that Council:

1. Adopt Confidential Recommendations 1 to 9 contained in Confidential Report EC2024-0809;

For: (6): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Spencer, Councillor Walcott, and Councillor Pootmans

Against: (3): Councillor Sharp, Councillor Chabot, and Councillor Wong

**MOTION CARRIED**

**Moved by** Councillor Carra

That with respect to Confidential Verbal Report EC2024-0809, the following be approved:

That the Executive Committee recommend that Council:

2. Receive for information Confidential Attachments 4 and 5; and
  - a. Direct that the Closed Meeting discussions, Report, and Attachments remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2031 December 31; and
  - b. Notwithstanding Recommendation 3a), make public Recommendations 1 to 6, upon Council rising and reporting.

For: (9): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED**

10.1.4 Green Line Related Bylaw Amendments (Verbal), EC2024-0886

The following documents were distributed with respect to Confidential Verbal Report EC2024-0886:

- Confidential Cover Report;
- Confidential Attachment 1;
- Confidential Attachment 2; and
- Confidential Attachment 3

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report EC2024-0886:

Clerks: K. Martin, M. A. Cario, and J. Palaschuk. Chief Administrative Officer: D. Duckworth. Law: J. Floen and L. Davies. Advice: S. Dalgleish, C. Male, C. Arthurs, K. Black, D. Hamilton, D. Morgan, M. Thompson, D. Bhatti, L. Tochor, W. Tynan, S. Brandt, K. Cote, M. Seera, B. Whelbourn, and R. de Ciancio.

**Moved by** Councillor Mian

That with respect to Confidential Verbal Report EC2024-0886, the following be approved:

That the Executive Committee recommend that Council:

1. Approve Confidential Recommendations 1 to 5 contained in Confidential Report EC2024-0886;
2. a. Direct that Closed Meeting discussions, Confidential Report, and Confidential Attachments be held confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, until Council rises and reports; and  
b. Notwithstanding Recommendation 2a, direct that Confidential Attachment 1 remain confidential pursuant to Sections 23 (Local public body confidences), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2026 July 20.

For: (8): Mayor Gondek, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Pootmans, and Councillor Wong

Against: (1): Councillor Chabot

**MOTION CARRIED**

10.2 URGENT BUSINESS

None

11. BRIEFINGS

11.1 Pension Governance Committee Annual Report, EC2024-0625

11.2 The City of Calgary Reserves and Long-Term Liabilities Balances 2023, EC2024-0744

11.3 Fair Entry Eligibility Expansion, EC2024-0671

12. ADJOURNMENT

**Moved by** Councillor Walcott

That this meeting adjourn at 9:22 p.m.

**MOTION CARRIED**

The following Items have been forwarded to the 2024 July 30 Regular Meeting of Council:

CONSENT AGENDA

- Downtown Post-Secondary Institution Incentive Program Terms of Reference, EC2024-0801
- Downtown Calgary Development Incentive Program Updates, EC2024-0800
- Green Line Governance, Corporate Risk and Financials (Verbal), EC2024-0809

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Notice of Motion - Foothills County Annexation, EC2024-0887
- Notice of Motion - Grant Request for Silvera for Seniors to Construct Sidewalk, EC2024-0893

CONFIDENTIAL ITEMS

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Chief Administrative Officer (Verbal), EC2024-0722
- Green Line Development Phase Update, EC2024-0871
- Green Line Related Bylaw Amendments (Verbal), EC2024-0886

The following Item has been postponed to the 2024 September 4 Executive Committee Meeting:

POSTPONED REPORTS

- Parking Financial Policies Review, EC2024-0836

The next Regular Meeting of the Executive Committee is scheduled to be held on 2024 September 4 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

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CHAIR

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CITY CLERK





POSTPONED REPORT

Excerpt from the Minutes of the Regular Meeting of the Executive Committee, held 2024 July 23:

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“7.3 Parking Financial Policies Review, EC2024-0836

...

**Moved by** Councillor Sharp

That with respect to Report EC2024-0836, the following be approved, **after amendment**:

That Executive Committee recommend that Council:

1. Amend Council Policy CP2021-04, *Calgary Parking Policies*, by replacing section 3 of the policy with the content in Attachment 1 and apply the new policies retroactively as of 2024 January 01;
2. **Direct Administration to** close the Calgary Parking Long-Term Investment Fund, and distribute the remaining balance in the fund as follows:
  - a. Allocate \$20.0M to the Fiscal Stability Reserve
  - b. Allocate \$23.0M to the Reserve for Future Capital
  - c. Allocate the remaining balance to the Calgary Parking Capital Reserve Fund; and
3. **Direct Administration to** bring adjustments to reflect the new policy to the mid-cycle budget adjustments in 2024 November.

**Moved by** Councillor Wong

That with respect to Report EC2024-0836, the following be approved:

That Committee postpone Item 7.3 Parking Financial Policies Review, EC2024-0836 to the 2024 September 4 Executive Committee Meeting.

For: (10): Mayor Gondek, Councillor Penner, Councillor Carra, Councillor Mian, Councillor Sharp, Councillor Spencer, Councillor Walcott, Councillor Chabot, Councillor Pootmans, and Councillor Wong

**MOTION CARRIED”**



Operational Services Report to  
Executive Committee  
2024 July 23

ISC: UNRESTRICTED  
EC2024-0836

## **Parking Financial Policies Review**

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### **PURPOSE**

The purpose of this report is to provide recommendations from a review of the financial policies guiding the Parking service. The integration of Calgary Parking Authority into The City of Calgary has increased the need to revisit the policies to balance the sustainability of the parking service while maximizing support back to The City. Adjusted policies are proposed that increase the return to The City and support for specific priorities while maintaining a self-supported parking service. This approach will provide an additional \$2.3 million annually to The City from Parking. Closure and redistribution of the Calgary Parking Long-Term Investment Fund is proposed, unlocking \$43M of one-time funds to be used for Council priorities.

### **PREVIOUS COUNCIL DIRECTION**

The work has been initiated by Administration; however it addresses two motions from Council:

1. Report EC2023-0464, which directs “Administration to report back to Council with options to fund the Streets service line annual reinvestment programs of Street Light Lifecycle & Upgrade, and Pavement Rehabilitation with on-street parking revenues as part of the current review of the Financial Return Policies contained in Calgary Parking Policies already planned to be brought to committee in 2023”. Note this date was adjusted to Q2 2024 in report EC2023-1314.
2. The motion arising from report C2023-1148, which directs “Administration to return to Infrastructure and Planning Committee in Q2 2024 with program recommendations that direct net revenues generated through the Market Permit program to support community associations within the various Residential Parking Permit Market Permit zones through the existing Parking Revenue Reinvestment Program.”

Both reports were deferred to Q3 2024 in report EC2024-0693.

### **RECOMMENDATION:**

That Executive Committee recommend that Council:

1. Amend Council Policy CP2021-04, *Calgary Parking Policies*, by replacing section 3 of the policy with the content in Attachment 1 and apply the new policies retroactively as of 2024 January 01.
2. Close the Calgary Parking Long-Term Investment Fund, and distribute the remaining balance in the fund as follows:
  - a. Allocate \$20.0M to the Fiscal Stability Reserve
  - b. Allocate \$23.0M to the Reserve for Future Capital
  - c. Allocate the remaining balance to the Calgary Parking Capital Reserve Fund
3. Bring adjustments to reflect the new policy to the mid-cycle budget adjustments in 2024 November.

Operational Services Report to  
Executive Committee  
2024 July 23

ISC: UNRESTRICTED  
EC2024-0836

## **Parking Financial Policies Review**

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### **CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS**

General Manager Morgan concurs with this report.

### **HIGHLIGHTS**

- The revised policies continue to enable Parking to be a self-supported service that generates a return for The City without requiring any tax support.
- Redistribution of revenue provides an additional \$2.3 million annually to The City from the Parking service to support corporate priorities.
- The Streets service would receive an annual \$3 million funding amount to support maintenance activities, that will scale with the total on-street parking supply.
- Parking will only retain an annual funding component (initially \$4 million) to maintain parking facilities and technology.
- External supports for events will be harmonized with existing City processes.
- The Parking Revenue Reinvestment Program will shift to a share of on-street parking net revenue to provide stable funding to business and community areas. Market permit net revenues will also be shared with communities by way of the program.
- The Calgary Parking Long-Term Investment Fund will be closed, unlocking \$43M in funds to support capital priorities outside of Parking.

### **DISCUSSION**

Subsequent to Council's decision to integrate the Calgary Parking Authority into The City of Calgary in 2021, there is a need to review the existing parking financial policies to better serve both the Parking service and provide further benefits to The City. Additionally, Council had asked for investigation to fund two specific requests that would see a portion of parking revenues reinvested in the Streets service, and distribution of the Market Permit net revenues back to generating community areas. Thirdly, the existing Parking Revenue Reinvestment Program, which has successfully reinvested over \$7 million into community and business areas since inception, needed review as the existing formula did not provide a stable amount of funding on a yearly basis. A holistic review was necessary to consider all these requests.

A background report was prepared (Attachment 2) to review the existing policies and determine how the Parking funding stream could be repurposed to increase corporate support while maintaining a self-supported service. While this work does not generate new parking revenues, it considered if existing revenues could be better allocated to accomplish the above. This is largely accomplished by sharing 100% of all net revenues from the service, with Parking only retaining funding for the Calgary Parking Capital Reserve to meet asset maintenance and technology needs.

To guide the policies, five principles were developed:

- **Fiscal Responsibility:** The Parking service shall be self-supported and not require tax support
- **Increase returns:** Maximize the return of net revenues from Parking to The City by way of an annual return
- **Support through use of return:** Support City priorities through use of the annual return rather than directly from the Parking service

## Parking Financial Policies Review

- Streamlined process: Harmonize support for external festivals, events and non-profit activities through existing City processes
- Affordable parking options: Set off-street parking prices to generally achieve 90 per cent of the surrounding market price to provide an affordable option in a competitive parking market

Using these principles, Administration recommends replacing the existing parking financial policies in section 3 of *Calgary Parking Policies* with the following approach:

- Allocate 100 per cent of net enforcement revenues to General Revenues, including the Municipal Impound Lot
- Allocate 100 per cent of net revenues from parking operations as follows:
  - \$3 million annual contribution to the Streets service, to be adjusted annually based on on-street paid parking supply changes
  - An annual contribution for asset maintenance to the Calgary Parking Capital Reserve (initially \$4 million)
  - \$200,000 annual contribution to support funding for festivals, events, and non-profits
  - Share 10 per cent of net on-street parking revenues, with participating Business Improvement Areas and Community Associations by way of the Parking Revenue Reinvestment Program
  - Share 100 per cent of net market permit revenues to Community Associations by way of the Parking Revenue Reinvestment Program
  - One full time equivalent resource to support administration of the Parking Revenue Reinvestment Program
  - All remaining funds to General Revenues

The specific policy amendments are provided in Attachment 1. This approach will reprofile existing revenues to increase support for City priorities and provide more stability for external partners. It addresses the two motions from Council to address funding for street infrastructure and reinvesting Market Permit revenues without any need for tax support while maintaining a fully self-supported parking service. These changes return an additional \$2.3 million annually to The City from the parking service.

Administration is also proposing closing the Calgary Parking Long-Term Investment Fund and distributing the balance of \$53.56 million (as at end of 2023) as follows:

- \$20M to the Reserve for Future Capital to support the 5A network, previously approved by Council in 2022
- \$3M to the Reserve for Future Capital to fulfill the \$1 million funding commitment to Transportation Capital, as allocated in the current 2023-2026 Business Plan and Budget
- \$20M to the Fiscal Stability Reserve which can be reallocated as part of the mid-cycle business plan and budget discussions
- The remaining balance (\$10.56 million) transferred to the Calgary Parking Capital Reserve to support the provision of electric vehicle charging infrastructure

Operational Services Report to  
Executive Committee  
2024 July 23

ISC: UNRESTRICTED  
EC2024-0836

## **Parking Financial Policies Review**

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To implement the proposed changes, adjustments will be brought to the mid-cycle budget adjustments in 2024 November. A 2024 January 01 effective date for the policies will allow the 2024 net returns to be distributed according to the new policies for the 2024 fiscal year.

### **EXTERNAL ENGAGEMENT AND COMMUNICATION**

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken     |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

Discussion was undertaken with internal parties to assess the impacts of proposed changes. Staff met with Business Improvement Areas on 2024 May 13 to share the proposed changes to the Parking Revenue Reinvestment Program. Community Associations were also engaged at a meeting held on 2024 June 14. The changes do not impact the services that the public will continue to receive from Calgary Parking.

### **IMPLICATIONS**

#### **Social**

Redistributing net revenues from parking activities, either through direct support initiatives or through funding via distribution of returns, increases the number and range of social initiatives that can be funded by the City overall.

#### **Environmental**

The proposed allocation of the remaining balance in the Calgary Parking Long-Term Investment Fund will enable Calgary Parking to support electric charging at public facilities, supporting implementation of The City's Climate Strategy.

#### **Economic**

Adopting a policy of setting off-street prices at 90 per cent of the market rate will provide support for parkers without distorting the overall parking market.

#### **Service and Financial Implications**

##### **No anticipated financial impact**

Because the policies focus on a redistribution of planned revenues, the total amount of revenue would not change should these policies be adopted. The general revenue return is maintained under the proposed policies, so there is no tax impact. Further, the Parking service can continue to maintain self-support and provide a return to The City.

The current approved budget was developed under the existing policies and will need to be adjusted to adopt the new policies. Increased revenues from parking activities are generally offsetting any existing budget impacts. Budget adjustments arising from this work will be part of the mid-cycle budget adjustments.

## Parking Financial Policies Review

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### RISK

The proposed policies reduce several risks for Council. The Streets service will be enhanced through additional funding which will improve asset conditions. Requests for support for non-parking activities (like events) will be considered by established processes already in use by The City. The allocation to the Calgary Parking Capital Reserve will ensure that facilities and technology continue to be maintained in good condition without requiring capital funding from other sources.

The Parking service would not retain funding for future lands under the proposed policies. This means that if existing lots are repurposed for other civic needs, that the total return will decrease over time. Parking will work with other City units to determine what opportunities exist to support parking supply and the total return. The revised policies would see any variance in the parking annual return be a component of the overall corporate annual variance. If parking funds were to reduce over time due to reduced supply or other variables, the general revenue component would decrease.

If Council does not provide guidance on parking revenue policies, the existing policies will remain in effect. Several trends indicate that the existing dividend model will be difficult to maintain, particularly if parking supply is repurposed for other uses. Capital funding will not be sufficient to sustain parking infrastructure in the long term. Direct support requests would continue to be addressed on an ad-hoc basis by Calgary Parking.

### ATTACHMENTS

1. Proposed Amendments to Section 3 of Calgary Parking Policies
2. Parking Financial Policies Background Report
3. Presentation

#### Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Doug Morgan	Operational Services	Approve
Troy McLeod	Operational Services – Mobility	Approve
Katie Black	Community Services	Consult
Carla Mae	Corporate Planning and Financial Services	Consult
Michael Thompson	Infrastructure Services	Consult
Jill Floen	Law and Legislative Services	Consult

Author: Chris Blaschuk, Mobility





## Proposed New Policies (repeal and replace section 3 of *Calgary Parking Policies*)

Though the primary purpose of paid parking is to effectively manage parking demand, large cities can generate significant revenues from parking assets. The policies in this section reflect the priorities of efficient management of operating expenses, providing a fair return on investment for Calgarians and providing stable revenues for The City and partner organizations.

To guide the financial approach for parking, the following principles will apply:

1. The parking service shall be self-supported and not require tax support.
2. Maximize the return of net revenues from Parking to The City by way of an annual return.
3. Support City priorities through use of the annual return rather than directly from the Parking service.
4. Harmonize support for external festivals, events and non-profit activities through existing City processes.
5. Set off-street parking prices to generally achieve 90 per cent of the surrounding market price to provide an affordable option in a competitive parking market.

### **3.1 FINANCIAL CONTRIBUTION POLICIES**

#### **General**

1. Parking operations shall be self-supported while providing a revenue return to The City and no require tax support.
2. Expenses and revenues for the provision and sale of parking services will be separate line items from other expenses in the Parking service budget.
3. Net revenue from parking is calculated by deducting from gross revenue:
  - a. operating expenditures,
  - b. internal recoveries to and from other business units directly related to providing parking services, and
  - c. principle debt repayment for debt related to past Calgary Parking Authority transactions.
4. All expenses and revenue related to parking enforcement and the municipal impound lot are not included in the calculation in policy 3.
  - a. 100 per cent of net revenue from parking enforcement and municipal impound lot activities is transferred to City of Calgary general accounts.
5. The parking service will return 100 per cent of net revenues from parking operations based on the calculations in 3 excepting specific investments outlined in section 3.2.
6. Activities not related to providing the parking service should be funded out of the return generated in 5, rather than directly by the parking service.

#### **Pricing and Supply**

7. Market prices will be used to set prices in Calgary Parking facilities to support business and resident activities while enabling fair revenue from public assets.
  - a. Calgary Parking should price off-street parking at approximately 90% the comparable rate for the location and level of service, and
  - b. Calgary Parking may use promotions or other temporary price adjustments to support low-demand locations and new service offerings.

8. Strategies should be explored to leverage existing City parking assets to offset any parking supply reductions to support long-term revenue amounts.

### 3.2 PARKING REVENUE REINVESTMENT POLICIES

As part of the objectives of the Municipal Development Plan and Calgary Transportation Plan, it is important for The City to support the creation of vibrant, transit-supportive mixed-use activity centres and corridors. Successful areas typically attract a large variety of visitors, including parkers, which can result in parking congestion. As a result, it is typically necessary to use on-street parking charges to manage the parking supply in the area to keep spaces available for users. This also manages overall demand and encourages usage of other travel options when parking supply is not sufficient. This tool can create a negative perception for some potential visitors and customers to the area that parking is a deterrent for visiting. By allocating some of the revenues generated by these parkers back to business areas where they were collected, they can be used to increase the quality of the public realm and facilitate business vitality to keep these destinations attractive and vibrant.

To facilitate this, a parking revenue reinvestment program has been established to fulfill the following objectives in paid parking areas:

- Facilitate a strong pedestrian environment.
- Further the implementation of complete streets.
- Provide incremental improvements to area parking.
- Enhance area urban design.
- Add to the vibrancy of the area.

#### **Policies:**

The following policies manage the administration of parking revenue reinvestment.

1. Of the total net revenues referred to in policy 5 of section 3.1:
  - a. Three million dollars will be reinvested in the streets service to offset street expenses associated with on-street parking. This amount will be adjusted annually based on the difference between the 2023 on-street paid parking supply and the current year.
  - b. Two hundred thousand dollars will fund the use of parking services and assets by external events, festivals and non-profit entities.
  - c. An annual contribution will be made to the Calgary Parking Capital Reserve to support asset maintenance and technology sustainment. This target will be set in the reserve and will be updated periodically based on asset condition assessments and technology planning.
  - d. A full-time equivalent role will be funded to administer the Parking Revenue Reinvestment Program.
2. The City will establish a Parking Revenue Reinvestment Program to use parking funds to support vitality in business areas and communities with paid parking areas.
3. The Parking Revenue Reinvestment Program will be funded with:
  - a. Ten per cent of on-street paid parking net revenue, and
  - b. One hundred per cent of Market Permit net revenue.
4. The funds allocated in 3 will be placed in a reserve fund for reinvestment in public realm infrastructure and programs in areas with paid parking on-street and Market Permit parking.
5. The on-street paid parking revenue reinvestment amount will be proportioned between the share of revenues generated within Business Improvement Areas (BIAs) and outside of BIAs.

- a. For Business Improvement Areas (BIAs), amounts will be distributed proportional to the amount of revenue generated in each respective BIA:
    - i. The proportion will be calculated from the share of net revenues from all on-street stalls within the BIA boundary as of December 31 of the calendar year.
    - ii. The City may meet on an annual basis with each BIA to discuss area priorities and determine the plans for using the funds.
    - iii. This funding must not fund normal day-to-day BIA operations.
  - b. Amounts generated outside of Business Improvement Areas will be retained separately for targeted reinvestment in non-BIA areas:
    - i. Funds will not be further proportioned by area or community.
    - ii. Not all paid parking areas will receive reinvestment on an annual basis. Rather, targeted improvements using the funds will be undertaken over time.
    - iii. The City will work with community associations within on-street paid parking areas ("eligible community associations") to discuss potential projects to be undertaken with the funds.
6. The Market Permit revenue reinvestment amounts will be allocated for use by the community association where the permit revenue was generated.
    - a. Market Permit revenues are not available to BIAs.
  7. The City will post the available funds and annual amounts by April 1 of each calendar year on The City's website.
  8. Reinvested funds can be used for mobility or public-realm improvements and enhanced operations that improve the public realm. A list of eligible items will be published on The City's website. Funds should be used to:
    - a. Apply enhanced standards to base-level capital infrastructure.
    - b. Apply enhanced response or service levels for operational responsibilities.
    - c. Provide for lifecycle replacement of items ahead of regularly scheduled maintenance.
  9. Reinvested funds should not be used to provide base-level infrastructure that would normally be provided in areas.
  10. Reinvested funds will be kept in reserve so that unspent monies may be spent in future years.
  11. Multiple years of reinvestment may be compiled to achieve larger investment objectives.
  12. These policies should be reviewed any time financial contribution policies are reviewed.





# Parking Financial Policies

## Background Report

June 2024



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# Executive Summary

The integration of Calgary Parking Authority into The City of Calgary has presented an opportunity to modernize the parking financial policies. Additionally, typical revenue streams have been challenged as we continue to navigate the impacts of the COVID-19 pandemic. By updating these policies, Calgary Parking can enhance financial returns and funds can be redirected to other City priorities.

The following principles were developed to guide the proposed updates:

- **Fiscal Responsibility:** The Parking service shall be self-supported and not require tax support
- **Increased returns:** Maximize the return of net revenues from Parking to The City by way of an annual return
- **Support through use of return:** Support City priorities through use of the annual return rather than directly from the Parking Service
- **Streamlined process:** Harmonize support for external festivals, events and non-profit activities through existing City processes
- **Affordable parking options:** Set off-street parking prices to generally achieve 90 per cent of the surrounding market price to provide an affordable option in a competitive parking market

Proposed approach:

- Allocate 100 per cent of net enforcement revenues to General Revenues, including the Municipal Impound Lot
- Allocate 100 per cent of net revenues from parking operations as follows:
  - \$3 million annually to the Streets service, to be adjusted annually based on on-street paid parking supply changes
  - An annual contribution for asset maintenance to the Calgary Parking Capital Reserve (initially \$4 million)
  - \$200,000 annually to support funding for festivals, events, and non-profits
  - 10 per cent of on-street parking net revenues shared with participating Business Improvement Areas and Community Associations through the Parking Revenue Reinvestment Program
  - 100 per cent of Market Permit net revenues to Community Associations as part of the Parking Revenue Reinvestment Program
  - One FTE to support administration of the Parking Revenue Reinvestment Program
  - All remaining funds to General Revenues

This strategic reallocation will increase support for City priorities and provide a more stable Parking Revenue Reinvestment Program. It fulfills Council's two motions to address funding for street infrastructure and reinvesting Market Permit revenues. It can be addressed without any need for tax support and it continues to enable a fully self-supported parking service.

Additionally, Administration proposes closing the Calgary Parking Long-Term Investment Fund. The balance of the Calgary Parking Long-Term Investment Fund was \$53.56 million at the end of 2023. These funds in the are proposed to be redistributed as follows:



- \$20M to the Reserve for Future Capital to support the 5A network, previously approved by Council in 2022
- \$3M to the Reserve for Future Capital to fulfill the \$1 million funding commitment to Transportation Capital, as allocated in the current 2023-2026 Business Plan and Budget
- \$20M to the Fiscal Stability Reserve which can be reallocated as part of the mid-cycle business plan and budget discussions
- The remaining balance (\$10.56 million) transferred to the Calgary Parking Capital Reserve to support the provision of electric vehicle charging infrastructure

To implement the proposed changes, adjustments will be brought to the mid-cycle budget adjustments in 2024 November.

# Introduction

The Calgary Downtown Parking Corporation was set up in 1958 to create an arms-length entity that could manage municipal parking assets in a competitive market. Over time, this entity evolved into the Calgary Parking Authority (CPA), which self-funded the operation of public parking facilities. Additionally, CPA provided an annual financial return to The City of Calgary, which could be used to lower property taxes and fund other civic priorities.

## Why review now?

The integration of Calgary Parking Authority into The City of Calgary as well as the impacts of the pandemic have increased the need to revisit and modernize the parking financial policies. Modernization aims to balance the sustainability of the parking service while maximizing the financial support for other City priorities.

Key items to address:

- Reevaluating parking's current retention of 35 per cent of net revenues from parking sales
- Clarifying the role of the Calgary Parking Long-Term Investment Fund
- Addressing increased requests for direct support of broader corporate priorities (downtown support, pandemic recovery, etc.) through parking discounts or in-kind services
- Assess implications of a shrinking off-street parking supply
- Ensuring contributions to the Calgary Parking Capital Reserve are sufficient to meet ongoing asset needs
- Modernizing the Parking Revenue Reinvestment Program to provide an stable and ongoing stream of funding, which has not been achieved since the pandemic began

Additionally, the work addresses two Council motions:

1. EC2023-0464, which requests Administration explore options to fund programs in the Streets service line with on-street parking revenues.
2. The motion arising from C2023-1148, which directs Administration to bring recommendations that direct net revenues generated through the Market Permit program to support community associations within RPP zones through the existing Parking Revenue Reinvestment Program.

# Background

Calgary Parking Authority (CPA) began as an arms-length entity from The City of Calgary in the late 1950s. Under this framework, parking operated as a self-funded entity that could develop public parking facilities, provide a reliable stream of revenue from them, and responsibly manage publicly owned parking assets.

Evolution of CPA Responsibilities:

- 1995: Council approved transferring parking enforcement functions from Calgary Police Service to CPA, creating a distinct revenue category for parking penalties.
- 2002: CPA took over operations of the Municipal Impound Lot (previously privately operated), at which time it began retaining revenues from stored vehicles.
- late 2000s: The in-house development of ParkPlus technologies in the created additional revenue opportunities through as a Software as a Service (SaaS) and significantly expanded CPA's role as a parking manager for third-party lots in Calgary.

## Origin of policies

Prior to 2010, parking revenues were generally directed to The City's general revenue program. Specific Council direction included:

- Annual allocation of \$1 million to the Transportation Infrastructure Investment Fund
- Annual contributions to the Parking Land fund for downtown cash-in-lieu parkades, with any excess of the budgeted parking revenues also placed in this fund.
- These processes were documented as Administrative Policies within Finance.

In 2010, The City retained Western Management Consultants to conduct a "Strategic Review of the Policy Foundation, Business Model and Governance of the Calgary Parking Authority." The report made recommendations which were approved by Council in report LPT2010-43.

As part of this work, financial policies were reviewed in conjunction with several business model options for CPA. The review found that the annual returns to The City had not been documented in policy to set a clear expectation on return levels. The recommendations included that The City retain control and establish a parking policy framework to guide the CPA and document financial requirements. Calgary Parking Policies (Council Policy CP2021-04) is the framework document that was created to serve this purpose.

The review recommended three financial policies.

1. 100 per cent of net revenue from parking enforcement activities (continuation of existing practice)
2. The greater of 65 per cent or \$13 million of parking net profits.
3. Operating expenses are not to exceed 57 per cent of gross revenues.

Administration recommended that the \$13 million minimum amount be reduced to \$11 million to increase flexibility for CPA, reflecting anticipated reductions in parking supply and revenue. This arrangement forms the basis of the current returns policy.

The financial policies were approved by Council in report LPT2011-25.

Policy Adjustments:

- Post 2011: After further analysis, the operating expense ratio was increased to 59 per cent, as generally, over the 2010s, CPA's operating expense ratio was in the low 60 per cent range and was 63% for 2023.
- 2021: The policy was dropped as part of the interim policy changes to integrate CPA into The City in report C2021-1185.

Subsequent reviews of CPA's governance were completed in 2013 (Conroy Ross report) and the investigation into the Municipal Controlled Corporation option in 2019-2021 (KPMG). However, neither of these focused on the established financial return policies in detail.

## Current policies

The current financial policies are guided by Council Policy in *Calgary Parking Policies* Section 3 (Financial Return Policies).

Section 3.1 outlines the specific return policies:

1. Parking operations shall provide a revenue return to The City.
2. Expenses and revenues for the provision and sale of parking services will be separate line items in business unit budgets from other lines of service.
3. Net revenue from parking is calculated by deducting from gross revenue:
  - a. operating expenditures,
  - b. internal recoveries to and from other business units directly related to providing parking services, and
  - c. principle debt repayment for debt related to past Calgary Parking Authority transactions.
4. All expenses and revenue related to parking enforcement are not included in the calculation in policy 3.
  - a. 100 per cent of net revenue from parking enforcement activities is deposited in a City of Calgary general account.
5. The parking service will operate with a budget surplus that is the greater of:
  - a. \$11 million, or
  - b. 65 per cent of net revenue from parking as calculated in 3.
6. The amount specified in policy 5 shall be reviewed each budget cycle to address inflation and changing conditions in the parking market.

Section 3.2 guides the distribution of collected funds.

- For the budgeted revenue amount:
  - \$1 Million annually for the Transportation capital program
  - \$500,000 annually to fund Transportation Planning initiatives
  - Remainder to City general revenues
- For surplus amounts above budget:
  - 50 per cent of funds are put in the Parking Revenue Reinvestment Reserve, and distributed based on share of parking activity to eligible BIA and CA areas.
  - Remaining 50 per cent of funds go to City general revenues.

Note: For the purpose of these calculations, the budgeted amount is the expected amount of parking returns included in The City's 4-year service plan and budget, which is typically higher than the minimum return requirement identified in the policy.

## Property Tax Contributions

Calgary Parking properties are currently reviewed by Assessment for exemption under section 362(1)(b)(ii) of the Municipal Government Act, which exempts properties as follows:

*362(1)(b) property held by a municipality, except the following:*

- (i) Property from which the municipality earns revenue and which is not operated as a public benefit;*
- (ii) Property that is operated as a public benefit but that has annual revenue that exceeds the annual operating costs;*

Many City properties operated by Calgary Parking meet the criteria in 362(1)(b)(ii), which triggers the requirement for property tax payment. This requirement did not change with the integration of CPA into The City.

## Return requirements during COVID-19

The COVID-19 pandemic drastically reduced parking demand, dropping to 35 per cent of 2019 levels during peak restrictions. To support Calgarians and businesses, enforcement activities were reduced and parking prices were lowered in many locations. CPA also provided over \$4 million in direct support through relief programs such as 30-minute free parking, vaccine clinic parking, and free on-street patio support. New products were developed, such as the flex pass, which meet customer need by offering a block of monthly parking sessions at a significantly reduced rate. While activity is returning, parking revenues are still below pre-COVID levels.

As such, Calgary Parking has not met the \$11 million minimum return requirement since 2020. To address the City's budget requirements, interim approaches included:

- 2020: CPA received a \$10.3 million COVID relief payment of \$10.3 million from the Province of Alberta, which was used to meet the \$11 million distribution to The City.
- 2021: City Council waived the \$11 million distribution requirement, and no distribution was returned.
- 2022 and 2023: A combination of measures supplemented the return amount to reach \$11 million:
  - Foregoing the annual \$3 million contribution to the Calgary Parking Capital Reserve
  - Using investment income earned on reserves
  - Redirecting the 35 per cent normally retained by CPA

While these approaches are suitable in the interim, they are not sustainable long-term approaches.

# Review of Distribution of Past Parking Revenues

The Parking service has generated an ongoing return to The City of Calgary after accounting for all expenses, averaging \$24.7 million per year since 2014. This return equates to a 1 to 2 per cent decrease in overall property taxes during this period.

## Reviewing Existing Commitments

Before any changes are made to the revenue policies, it is important to understand the potential impacts of redirecting such funding. Below is an overview of each funding component, and the potential impacts.

### Distribution of Funds from Parking Sales:

These items are funded by the 65 per cent of net revenues from parking sales provided by Calgary Parking to The City. If the 65 per cent amount is lower than \$11 million, then the \$11 million amount applies. This component includes the sale of all parking products, permit sales, net revenues from the Municipal Impound Lot, revenue from the management of internal and third-party parking facilities, ParkPlus and other software contracts, and investment revenue.

#### \$1 million annual contribution to the Transportation Capital Budget

This policy has been in place for many years to support the overall transportation capital investment program. This funding source has no limiting conditions as to what can be funded with this money, unlike other grant programs.

However, it has not been indexed with inflation and represents less than 2 per cent of the transportation infrastructure budget in the 2023-2026 cycle.

Given changes in Calgary's growth and funding sources, it is recommended that this policy be concluded and the funds be redirected to the Streets service.

#### **Recommendation: Conclude this policy.**

#### \$500 000 annual contribution to fund Transportation Planning initiatives

This funding stream was approved in 2017 as part of the conclusion of the downtown cash-in-lieu program (TT2017-0044). Prior to this time, the \$500 000 annual contribution was being made to the Parking Land Acquisition fund to support purchase of future lands for downtown cash-in-lieu facilities.

The funding has been used to support the Parking Strategist position in the former Transportation Planning business unit (now located in the City & Regional Planning business unit). This arrangement contributed to enable a previous budget reduction request by finding an alternate funding source for this work. The funds

also provided funding for parking studies, strategic initiatives and the 2020 Municipal Development Plan / Calgary Transportation Plan update.

With the integration of CPA into The City, parking duties are adjusting and all City staff supporting the Parking service will be part of the self-supporting budget, reducing the need for separate funding.

**Recommendation: Conclude this policy and incorporate this role into the self-supported budget.**

#### Remaining budgeted revenues to City General Revenue Program

Unallocated revenues collected from parking are provided to The City's General Revenue Program, averaging \$8.4 million over the past 10 years.

Redirecting of these funds to specific purposes would require a corresponding decrease in tax-supported budget to avoid impacting the overall property tax rate. If the funds are allocated without any offset, this would require an increase to the property tax rate of approximately 0.36 per cent.

**Recommendation: Maintain providing remaining funds to the City's General Revenue program.**

#### **Distribution of Funds from Enforcement:**

##### Allocation of net revenues to City General Revenue Program

Net revenues from enforcement are provided to The City's General Revenue Program, averaging \$5.1M over the past 10 years.

This approach ensures there is no direct benefit to the parking service line in terms of achieving ticket quotas as the revenue is not retained within the service. This allows the Parking Safety & Compliance unit to focus on compliant behaviours rather than revenue targets and conforms with enforcement best practices..

Enforcement revenues offset approximately 0.22 per cent of the property tax rate annually.

**Recommendation: Maintain providing net enforcement revenue directly to The City's General Revenue Program.**

## **Reviewing Surplus Funds**

Once all parking return commitments have been met, surplus funds are split between the Parking Revenue Reinvestment Program and The City's General Revenue Program. This arrangement was established in 2016 in conjunction with the conclusion of the downtown cash-in-lieu program, as the funds had formerly been placed in the Parking Land Acquisition fund, which was no longer needed.

The impacts of the COVID-19 pandemic has resulted in no surplus funds available since 2019. As a result, the funding for this program only occurred between 2016-2019.

## Distribution of Surplus Funds

### 50 per cent of surplus funds to the Parking Revenue Reinvestment Program

Half of surplus funds were placed in the Parking Revenue Reinvestment Reserve, distributed proportionally to the revenue generated in each BIA or CA area. This has resulted in an investment of \$7.6 million since program inception.

The surplus model has led to an inconsistent availability of funds, with some years receiving large amounts, and others none. Increasing funding stability is recommended and the program is reviewed in more detail later in this report.

**Recommendation: Review the Parking Revenue Reinvestment Program to increase stability and certainty of funds.**

### 50 per cent of surplus funds to the City's General Revenue Program

The balance of the surplus was retained by The City. Initially, the funds were directed to the former Budget Savings Account program; this policy was updated to direct funds to general revenues in 2021 as part of the policy changes in report C2021-1185. The overall amount from surplus funds directed to general revenues was \$8.1 million.

**Recommendation: Combine surplus revenues with the overall net revenue return to The City's General Revenue Program.**

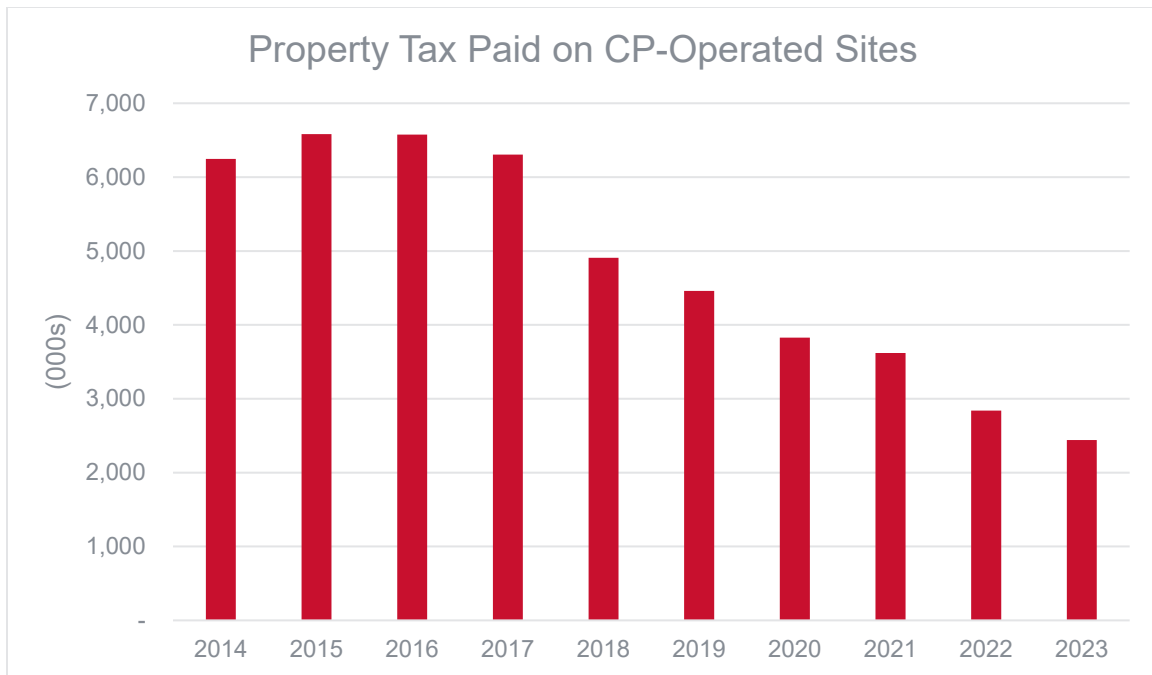
## Other City Returns

In addition to the return amounts provided, Parking provides direct returns as part of operational expenses and as a service provider to other City services/Business Units.

### Property Tax

As discussed earlier, Calgary Parking is required to remit property taxes on any property generating a net profit. This amount can vary significantly from year to year, as it depends on several factors such as the assessed value of the property in question and the level of parking activity. If the net revenue of the parcel is less than the property tax owing, the parcel will be considered tax exempt. However, if the parcel earns more net revenues than the tax owing, tax is then due. This includes properties such as the Municipal Impound Lot. In the ten-year period from 2014 to 2023, \$47.8 million was paid in property tax for City-owned sites operated by Calgary Parking.





Direct Transfers to City Units

Calgary Parking manages parking for several City properties that are stewarded by other Business Units. This funding stream is the net revenue for these properties back to their respective Business Units.

A summary of direct distributions back to The City is provided below.

Distribution Type	Current Approach	Net Return (2023)
Fines and Penalties	100 per cent of net revenues – return to City General Revenue Program	\$9,578,000
Sale of Parking and other parking revenues (Impound Lot, parking management, technology, space rentals, etc).	Greater of 65 per cent of net revenues or \$11 million return to City and distributed per Calgary Parking Policies. Remainder retained by parking service – historically placed in Long Term Investment Fund.	\$11,000,000
Property Taxes	MGA requirement that properties generating a net profit pay property tax, even if municipally owned.	\$2,442,130
Direct supports for City Business Units and partners	Revenues from parking sales for managed lands, varies by agreement.	\$1,694,900
External support through Surplus Funds	Parking Revenue Reinvestment Program – 50 per cent of surplus revenues placed in reserve for access by eligible BIA and CAs. Surplus is defined by the amount exceeding the amount in The City’s annual budget.	\$2,131,000

## Funding Retained by the Parking Service

As an arms-length entity, CPA had several responsibilities within the operation to ensure that it could both achieve short-term needs and long-term sustainability. These items were funded by the 35 per cent net revenue component retained by CPA after the distribution to The City had been provided.

The previous Calgary Parking Committee had set up specific commitments to address these needs by way of two reserves, the Calgary Parking Capital Reserve and the Calgary Parking Long-Term Investment Fund. These reserves were operated by The City's Treasury team but were considered outside of the City's reserve system. As part of the triennial reserve review report for 2022 (Report EC2023-0466) these reserves were incorporated into The City reserve system. Each reserve had an annual contribution component.

### \$3 million annual contribution to the Calgary Parking Capital Reserve

In 2020, the Calgary Parking Committee approved an annual contribution of \$3 million to the Calgary Parking Capital Reserve Fund to provide funds to sustain capital infrastructure. This reserve provides funding for all of Calgary Parking's capital needs; including facility maintenance and lifecycle, vehicles, payment equipment and all technology needs to support the ParkPlus system and infrastructure. As a result, the Parking service does not need to draw on other capital funding sources.

The current balance of the reserve is \$154 million. This includes the \$37 million that was transferred from the Cash-In-Lieu Lifecycle Sustainment Reserve that was closed as part of EC2023-0466.

Building condition assessment reports and technology planning has determined that a total of \$296 million is needed over the next 30 years to support the parking service's ongoing capital needs and commitments to cash-in-lieu facilities. The current \$3 million annual contribution is not sufficient to meet this need.

**Recommendation: Review the annual contribution amount for the Calgary Parking Capital Reserve to ensure the fund can sufficiently support future capital requirements.**

### Contribution to the Calgary Parking Long-Term Investment Fund

The Calgary Parking Long-Term Investment Fund was created by CPA in 2019 to increase returns on funds available for strategic initiatives. This included potential land purchases, opportunities for the ParkPlus technology, or other items that supported the stability of the service. An example of the use of this fund was the construction of Platform Parkade, which opened in 2021 and supports East Village redevelopment. Additionally, as part of the 2023-2026 Service Plans and Budget, Council directed that \$20 million from the fund go to support the 5A network. Currently, there are no other projects planned or allocated for from this fund.

**Recommendation: Review the Calgary Parking Long-Term Investment Fund to determine how it can best support both the Parking service and the broader needs of The City.**

## Summary

In summary, the recommendations based on the review of the existing policies is as follows:

Existing Policy	Recommendation
\$1M per year to the Transportation Capital Plan	Conclude
\$500 000 per year to support Transportation Planning Initiatives	Conclude
50 per cent of Surplus Funds made available for the Parking Revenue Reinvestment Program	Review to increase stability of funding
\$3M per year to support the Calgary Parking Capital Reserve	Review amount to ensure future liabilities sufficiently addressed
Remaining funds transferred to The City allocated to the General Revenue program	Maintain
Place remaining funds retained by Calgary Parking into the Calgary Parking Long-Term Investment Fund	Review the need for this fund and approach

# Policy Principles to Guide Returns

The integration of CPA into The City changes the dynamic in terms of revenue allocation and retention. The existing policies were developed with a frame that CPA, as an arms-length unit of The City, was entitled to retain a portion of revenues to further business objectives. An integrated Calgary Parking unit can continue to meet business sustainment requirements while making more funding available to City priorities.

## Maintaining a self-supported service

The Parking service is the only City service that generates a profit that is then made available for other City priorities. This also allows the service to be self-supported by users and not require any tax support. The service also competes in a competitive market with other parking operators and landowners. The City's market share in this competitive marketplace is directly correlated to its ability to influence parking supply through long-term strategic planning.

Existing policy already directs that the parking operation be self-supported and return annual proceeds to The City. It is recommended that this policy be retained and strengthened to reinforce that the service is not tax-supported.

As The City's parking service provider, Calgary Parking provides several parking services to internal City Business Units. These include services such as:

- Managing parking lots on lands stewarded by other Business Units and respectively returning a net revenue from sales.
- Selling parking to Business Units that can be used for parking fleet or staff.
- Making parking temporarily available for parking supply impacted by City projects.
- Providing software solutions, such as the Calgary Transit Reserved Parking application.

These services are provided similar to what would be provided to the general public or third parties. The City pays market prices for parking and parking management services. Calgary Parking also has contracts with many Civic Partners to manage their parking facilities, under similar terms.

It is recommended that this approach be continued, rather than eliminating internal fees for service. This ensures that units are using parking services efficiently in alignment with Council's overall policies for the service line. This also keeps Calgary Parking's offerings comparable to the private market. For infrastructure projects that require temporary parking, the cost should be included in the project budget, aligning with the approach used by enabling services. Parking funds generated from this approach contribute to the annual net return provided back to The City. Changing this approach would have a significant impact on revenue returned. If there are unique needs for further support from Parking, it is recommended that the respective area make a case for the use of funds during the annual service plans and budget process, ensuring transparency.

**Recommendation: Strengthen the self-supported nature of the parking service, with a focus on providing the maximum return to City general revenue for allocation.**

**Recommendation: Business units should seek to use the annual return amount if support is needed from Parking, rather than receive discounted services directly from Parking.**

## Supporting our community

Calgary Parking Authority and Calgary Parking have a rich history of supporting the Calgary community through reduced rates for lot rentals, parking discount programs and the CPA Parking Sponsorship Program. As with all service lines, The City's commitment to social responsibility and community building is clearly shown in Parking service projects and ongoing programs. An example of this is the ongoing Road Home initiative that has been operating for more than 10 years. Calgarians can make donations to the Calgary Food Bank or Calgary Homeless Foundation through ParkPlus machines located throughout the city and anywhere using the mobile app.

Several award-winning initiatives such as High Park at the City Centre Parkade, community amenity space at Platform Parkade and the ParkPark installation at Lot 43 in Inglewood have added extra spaces and a sense of place to the communities Calgary Parking operates in. These efforts are in addition to the funding allocated by The City to support the Parking Revenue Reinvestment Program which provides direct investments into communities that use paid parking.

The integration of Calgary Parking has revealed instances where duplicative support or misaligned support of initiatives The City had already decided not to support. There is a perception that Calgary Parking can absorb costs to support events and initiatives since it generates a net revenue. However, Calgary Parking is also not well positioned to adjudicate the merits of each event, leading to inconsistent community support.

It is recommended that Calgary Parking supports align with existing City processes and have one intake process for requests for support. While Calgary Parking can still provide occasional support or sponsorship (similar to any other Business Unit) community requests should be considered corporately.

**Recommendation: Harmonize Calgary Parking's support for community events and non-profit groups with existing City processes.**

## Role of Price

Calgary Parking responds to different parking constraints and market factors in the different settings that it operates in. On-street and off-street parking facilities serve different purposes and different factors are used to determine prices. In all cases, the principles of the user fees policy guide pricing strategy.

The off-street parking provided by Calgary Parking is strategically located to provide publicly available parking in areas where it acts as a community amenity (provides parking in parking-scarce areas) and where it contributes to city planning objectives (located where it minimizes traffic congestion and Greenhouse Gas emissions). These facilities ensure that there is a reasonable access for all Calgarians to short and long stay parking throughout the downtown and nearby neighbourhoods, despite operating in a competitive market. However, this parking is also provided in a market that has other competing providers. Currently, Calgary Parking operates less than 20 per cent of off-street parking stalls in downtown Calgary.

Calgary Parking Authority's governing bylaw delegated pricing of parking to the CPA, factoring in cost recovery and City policies. This practice has continued since the integration of CP into The City but is not explicitly outlined in a policy document. Typically, off-street parking is priced lower than on-street parking (which is more convenient), to encourage better utilization of the total parking supply. Structured and heated

parking facilities are priced higher than comparable surface parking. Historically, Calgary Parking has priced parking at about 90 per cent of the average rates of competing lots. Promotional rates are sometimes used to maximize lot usage and to promote new offerings.

Unlike policies for commercial and residential on-street parking (section 4.1 of *Calgary Parking Policies*), this approach has not been formally codified in policy to guide the parking service. It is recommended that policy be added to provide guidance on off-street prices.

**Recommendation: Adopt policy to set off-street parking prices at 90 per cent of surrounding market prices as a general guide.**

**Recommendation: Adopt policy to allow promotional rates to maximize lot usage and to promote new offerings.**

## **Role of Supply**

The ability for Parking to maintain an annual return depends on the amount of parking supply under operation. This is particularly true of lots where Calgary Parking is the steward, such as parkades in the downtown that were constructed through the cash-in-lieu program. For these lots, Parking can return the full net revenue amount as part of the return. For lots operated on behalf of another Business Unit, a management fee is retained, and net revenue is returned to the respective Business Unit, (typically offsetting their tax funding).

Since 2014, Calgary Parking managed supply has dropped by 5.5 per cent (465 stalls), despite new facilities such as the Platform parkade. This leaves the current supply managed by Calgary Parking at 8100 stalls. An additional 6.0 per cent (560 stalls) has been allocated to the Calgary Municipal Land Corporation (CMLC) to support development in East Village. Further, 9.0 per cent (761) of stalls have been identified to support corporate partners and initiatives, like repurposing Lot 6 for future park and event uses. If this total supply is removed from inventory, Calgary Parking's total off-street supply would be reduced to 6315 stalls, which would be a 15 per cent drop from current levels.

This reduction impacts the long-term strategic function of Parking to influence city planning outcomes, and makes it difficult to meet a fixed, minimum revenue return. As such, an updated policy should focus on a scalable return that can maximize returns at any supply level. Further, Calgary Parking should explore possibilities to collaborate with corporate partners to manage existing inventory to support annual returns and ensure that corporate partners are making existing supplies available for Calgary Parking to manage. This would be a subsequent piece of work.

**Recommendation: Eliminate the \$11 million minimum requirement for the net parking operations return due to the forecasted reduction in parking supply.**

**Recommendation: Explore opportunities to work with corporate partners to further manage off-street parking inventory to support the annual revenue return.**

## Proposed Principles

Considering the above, the following principles are recommended for inclusion in section 3 of *Calgary Parking Policies* to guide the use of net revenues generated by the Parking service:

Proposed Principle	Rationale
The Parking service shall be self-supported and not require tax support	The service generates a net profit and should not rely on tax revenues
Maximize the return of net revenues from Parking to The City by way of an annual return	So long as parking is self-supporting from a capital and operating perspective, any net revenue can be made available to The City for reinvestment.
Support City priorities through use of the annual return rather than directly from the Parking Service	Increase transparency of support for various initiatives through requests to access the return, rather than direct support.
Harmonize support for external festivals, events and non-profit activities through existing City processes	By leveraging existing City processes, requests are streamlined and only a single request is required to receive supports that include parking.
Set off-street parking prices to generally achieve 90 per cent of the surrounding market price to provide an affordable option in a competitive parking market	Prices are set based on prevailing market prices and consider current parking demand. Once these are accounted for, prices will be set to be less than the market average price.

# A Proposal for Revenue Reallocation

## Reviewing revenue retention by the Parking Service

Today's parking revenue policies were created under the premise that there was a need for Calgary Parking Authority to retain a share of the parking revenue to support the arms-length entity, while ensuring The City received a minimum return (\$11 million) from parking sales. CPA used the retained earnings to fund the Calgary Parking Capital Reserve, and surplus revenues were placed into the Calgary Parking Long-Term Investment Fund to support strategic priorities.

Administration considered a range of revenue 'splits', from the existing 65 per cent return to The City, all the way to 100 per cent return of net revenues from parking sales going to The City, similar to the enforcement function. Providing 100 per cent of net revenues from parking sales to The City is recommended for several reasons:

- This option maximized transparency for the use of parking returns as they are transferred to The City's general revenue for use, rather than the Parking service directly supporting activities.
- If a percentage of net revenues was retained by Parking, the remaining amount, after funding the Calgary Parking Capital Reserve, was not significant enough to enable land purchases or other large strategic needs for the Parking service.
- It would not be possible to provide funding to address Council's requests through the Streets Notice of Motion if Parking continued to retain 35 per cent of net revenues.
- The Parking service can continue to be self-supported under this approach.
- Moving to returning 100 per cent of net revenue aligns Parking with other self-supporting business units.

Given the above, the move towards sharing 100 per cent of net revenues from parking operations is recommended. Given the expected reduction in supply, a minimum floor amount would no longer be advisable.

**Recommendation: Adopt policy that 100 per cent of net revenue from Parking operations is returned to City general revenue.**

One item that was identified in the review was that revenues from the Municipal Impound Lot were considered as part of the revenue from Parking operations. Given the nature of activity at the Impound Lot and the link to parking enforcement, it is recommended that this amount be included with the parking enforcement return, rather than the parking operations return. This supports the general mandate of the Impound Lot to be self-supporting within the Parking service.

**Recommendation: Include net revenues from the Municipal Impound Lot as part of the net revenues from parking enforcement, rather than parking operations.**



## Addressing support for specific needs

By returning 100 per cent of net revenues from parking operations, The City can use the additional funding to address specific priority areas, in addition to funding general operations. The following specific supports are proposed to be deducted from the net revenues received. After these allocations, the remaining amount would be available to the corporate general revenue program.

### Funding Street Infrastructure (Notice of Motion)

The Parking and Streets service lines are interdependent with considerable overlap. On-street parking is one of the many curbside uses of public street space, and parking administration practices efficiently manage curbside function of the streets, improving traffic flow and safety. This relationship includes several examples of expenses in one service lines which provides a secondary benefit to the other. For example, streetlighting’s primary purpose it to light streets and adjacent sidewalks, but parking is a service that is often located in between.

A review of expenses in the public right-of-way outlined that there are several key areas that are within the Streets service that provide a benefit to the Parking service. The general cost breakdown of annual expenses for street space used by parking is as follows:

Item	Average Annual Cost
Streetlighting	\$771,000
Parking Signage	\$241,000
Surface maintenance (pavement repair, markings, etc)	\$1,021,000
Surface cleaning (snow and sweeping)	\$771,000
<b>Overall annual costs</b>	<b>\$2,804,000</b>

These costs are approximately \$2.8 million per year. Unlike other City service lines with parking assets, Calgary Parking does not provide a revenue return to Streets for revenue associated with on-street parking. If Calgary Parking were to operate an off-street lot of the size and revenue of the paid on-street parking system, a net revenue return to the owner would be approximately \$8 million per year. This revenue stream and the standard used when working with other service lines justifies a transfer to offset the expenses that the Streets service makes to support the Parking service.

A \$3 million annual contribution to the Streets service can be accommodated within the existing budget and will address the direct expenses from the street system. The amount is slightly higher than the \$2.8M to allow for some flexibility in annual costs or indirect costs that may not be captured in the analysis. This funding will go to support infrastructure maintenance levels for the street system. As of 2023, there were 7012 on-street paid parking spaces. It is recommended that the \$3 million annual amount be factored each year based on the changes to the on-street parking supply relative to the 2023 supply amount.

**Recommendation: To direct \$3 million annually to the Streets service to support street infrastructure, to be scaled annually based on the current paid parking supply.**

Supporting External Events and Non-Profits

Historically, Calgary Parking has provided various supports to enable community festivals and events. This typically includes closure of parking lots to support event activities (i.e. event rentals), which can include discounts on parking for various events or organizations. Event rental rates for non-profit groups are significantly discounted and registered charities receive a further discount, where they are only required to pay a \$25 rental fee for a lot closure, and are not required to address any loss in parking revenues. This support was estimated to be \$191,000 in 2023.

The integration provides the opportunity for Calgary Parking to work more closely with The City’s Festivals & Events team and other internal units to enable a single intake for subsidy requests for City-supported events. This way, event organizers do not need to make multiple requests for City support, and The City provides a consistent perspective on the level of support provided to events.

A \$200,000 annual amount will be set aside to provide support for these requests. The exact mechanisms will be determined in conjunction with the Festivals & Events team. It is expected that there will be a division between event support, and targeted parking discounts for non-profit organizations. This amount should be reviewed prior to each business plan and budget cycle based on the demand for support, and any policy changes brought to the budget cycle if necessary.

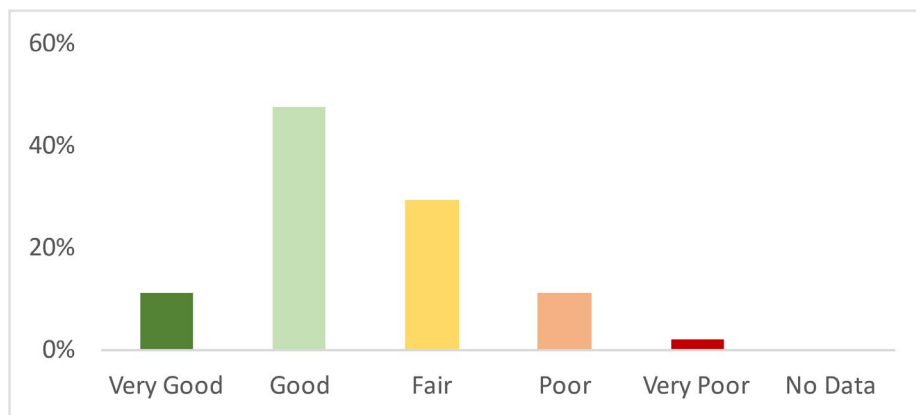
**Recommendation: To direct \$200,000 annually to support external festivals, events and non-profit parking programs.**

Ensuring sufficient capital to maintain the Parking service

With the proposed policy changes, funding of the Calgary Parking Capital Reserve would be the only location where parking funds are retained within the Parking service.

Ongoing building condition assessment work, as well as technology planning has determined that a total present value of \$296 million (\$404 million undiscounted) in capital projects over the next 30 years is needed to support the parking service’s current operations. Calgary Parking’s physical core assets include 13 parkades (built between 1978 and 2019) and 32 surface lots. While several assets are in good condition, parking assets can deteriorate quickly due to their exposure to weather elements and salts left from vehicles, which can penetrate structural members. Underground facilities are also vulnerable to seepage. Several of the major facilities (City Centre, Harmony, McDougall, City Hall) are older than 40 years old and require more significant rehabilitation over time as building components deteriorate. It is

**Condition of Parking Assets (2022)**



more cost effective to maintain these structures rather than build new ones. If maintenance is left too long, the facility (or portions of) will need to be closed and a loss in revenue will result.

Additionally, the capital program funds the ParkPlus technology stream and maintains Calgary Parking's technology infrastructure. Capital costs to maintain the software and network environment are approximately \$2M per year. This enables Calgary Parking to provide bespoke parking software to manage the parking system. While the system is continually evolving to address current operating environments, ensure regulatory compliance and system security needs, many software components require 'lifecycle' development so that they do not become obsolete.

Using financial modeling with a 4 per cent annual yield on existing reserves and a 2 per cent inflation rate, the current \$3 million annual contribution is not sufficient to meet this overall need. An increase in annual contributions to \$4 million is recommended to enable the service to continue to be self-supported and not require capital support from The City.

As the amount will adjust over time, it is recommended that the Calgary Parking Capital Reserve terms be amended to include the initial amount directly and review this target amount as part of the triennial reserve review process.

**Recommendation: Adjust the terms of the Calgary Parking Capital Reserve to set an annual contribution (initially to be \$4 million per year) for asset maintenance, to be reviewed on a regular basis as part of the triennial reserve review process (informed by building condition assessments and technology planning).**

#### Providing direction for the Calgary Parking Long-Term Investment Fund

The current balance of the Long-Term Investment Fund is \$53.56 as of the end of 2023. A \$20 million allocation to the 5A network was approved by Council in 2022 but has not yet been withdrawn. A recommendation to place this funding in the Reserve for Future Capital will be included in the Council report.

The fund was reviewed relative to the strategic intention of funding land purchases or system expansion. The fund balance was not significant enough to fund a new structured parking facility. While land could be purchased to enable surface parking, the revenues generated from a surface parking operation would have a very long payback time, particularly if the parking facility is in a location with low parking prices, such as a main street. The downtown parking strategy review completed in 2016 envisioned a supply reduction over time with no further public parking structures and the cash-in-lieu program was ended at that time. With the \$4M per year recommendation to support the Calgary Parking Capital Reserve, additional funds are not necessary, except for an amount to fund electric vehicle charging infrastructure. As this is new infrastructure (rather than maintenance infrastructure) it is not currently funded by the reserve. This will enable Calgary Parking to implement climate action measures. After this allocation, this leaves \$20 million available to Council that would be placed into the Fiscal Stability Reserve for future allocation.

Dispersal of the remaining \$33.56 million is recommended as follows:

- \$20 million to the Fiscal Stability Reserve (FSR)
- \$3 million to fulfill the allocation of \$1 million annually to transportation capital (as part of the outgoing policy) that has been programmed in the 2023-2026 budget
- The remaining balance (\$10.56 million) would be moved to the Calgary Parking Capital Reserve to support electric vehicle charging infrastructure

**Recommendation: To close the Calgary Parking Long-Term Investment Fund and make funds available for other corporate priorities.**

### **A more predictable Parking Revenue Reinvestment Program**

The Parking Revenue Reinvestment Program was established in 2016 to provide direct investment benefit back into the areas where there is paid parking. This is considered best practice in parking planning, but Calgary is unique in that it is one of the few jurisdictions in North America that invests parking revenues directly back in these areas. Today the program allows for fifty per cent of net returns above the budget amount (the surplus) from the sale of parking to be placed in a reserve for the reinvestment in public realm improvements. The reinvestment amount is proportioned between the share of revenues generated within Business Improvement Areas (BIAs). There is a separate allocation for revenue not associated with a BIA. 2017 was the first year that funds were made available from parking revenues.

These funds are used to fulfill the following objectives in paid parking areas:

- Facilitate a strong pedestrian environment
- Further the implementation of complete streets
- Provide incremental improvements to area parking
- Enhance area urban design
- Add to the vibrancy of the area

Due to the pandemic, there has been no surplus revenue available to support this program since 2020. The average annual distribution for this program was in the order of \$1.5 million from 2017 to 2020.

The program's reliance on surplus revenues makes it highly dependent on the forecasted budget for parking revenues rather than the actual parking activity generated by the area. The current 2023-2026 budget has a conservative forecast for parking operational net returns. This resulted in a \$2.13 million surplus in 2023. As Calgary Parking was required to return a minimum of \$11 million return from parking operations, but the anticipated returns in the 2023-2026 budget were much less, thus the surplus that was generated was somewhat artificial. If the existing policy is maintained, the budget should be adjusted to match the \$11 million in future years until such time that parking operations are anticipated to be above \$11 million (current forecast is 2025). However, this would eliminate contributions to the program as a result.

The current surplus calculation does not separate out the source of revenues. Therefore, in addition to on-street revenues, revenues from off-street parking lots, ParkPlus sales, and the Municipal Impound Lot contribute to these amounts, though that was not envisioned when the program was approved. The revenues from many of these items are not directly linked to activity from parkers in these areas.

To provide consistent funding to BIAs for public realm improvements, Administration reviewed and conducted a comparison analysis on the following funding models:

- Surplus model (current program)
- Surcharge model (per transaction charge)
- Surcharge model (per hour charge)
- Flat fee model
- Percentage of net on-street revenue

The surcharge models would include an additional fee of \$0.25 to \$1.00 on the transaction or the hourly rate. The surcharge fee collected will be placed in a reserve to be used by the respective BIA.

The flat fee model includes an annual contribution of \$500 000, \$1 million, or \$1.5 million from Parking net revenue to be placed in a reserve fund for public realm improvements in BIAs. The funds would be distributed based on the proportion of paid parking stalls within the respective area boundaries.

The percentage of net on-street revenues model operates by sharing 10 per cent of annual on-street net revenue with BIAs. Therefore, BIA allocations will align with actual parking sales within the BIA areas.

The table below provides further details of each model:

Funding Model	How it Works	Projected Distribution	Advantages	Disadvantages
<b>Surplus Budget (Current Model)</b>	<p>The City reinvests a portion of net returns above the budget amount (the surplus) from the sale of parking into paid parking areas to fulfill policy objectives.</p> <p>The reinvestment amount will be proportioned between the share of revenues generated within BIAs and outside of BIAs</p>	<p>BIA Total: \$ 1,859,000</p> <p>CA Total: \$ 272,000</p>	<p>This model does not negatively impact Parking's revenue contributions to The City because they are based on budget surpluses</p>	<p>This model allows for inconsistent funding to BIAs and CAs for future projects and programs because funding is only provided when there is a surplus.</p>
<b>Surcharge (Per Transaction)</b>	<p>A surcharge of \$0.25, \$0.50, \$0.75 or \$1.00 will be applied to each on-street transaction within a specific BIA boundary.</p> <p>BIAs are required to apply for the program and select the surcharge amount.</p> <p>Revenue from the Market Permit program will be allocated to the distribution for CAs</p>	<p>BIA Total: \$817,000 to \$3,270,000</p> <p>CA Total: \$140,000</p>	<p>This model allows for consistent and predictive funding for BIA and CA future projects and programs</p> <p>This model does not negatively impact Parking's contribution to The City because the contributions are based on an applied surcharge in addition to the existing on-street rates</p>	<p>This program requires significant administration such as the application process, implementation of surcharge, and the distribution of funds.</p> <p>This approach can create inequities between areas that chose to have surcharges and those that do not. Areas that do not apply a surcharge would not receive parking revenue (but parking would be less expensive)</p>
<b>Surcharge (Per Hourly Rate)</b>	<p>A surcharge of \$0.25, \$0.50, \$0.75 or \$1.00 will be applied to the hourly parking rate within a respective BIA boundary</p> <p>BIAs are required to apply for the program and select the surcharge amount.</p> <p>Revenue from the Market Permit program will be allocated to the distribution for CAs</p>	<p>BIA Total: \$831,000 to \$3,322,000</p> <p>CA Total: \$140,000</p>	<p>The model allows for consistent and predictive funding for BIA and CA future projects and programs</p> <p>This model does not negatively impact Parking's contribution to The City because the contributions are based on an applied surcharge in addition to the existing on-street rates</p>	<p>This program requires significant administration such as the application process, implementation of surcharge, and the distribution of funds.</p> <p>This approach can create inequities between areas that chose to have surcharges and those that do not. Areas that do not apply a surcharge would not receive parking revenues (but parking would be less expensive)</p>

<p><b>Flat Fee Model</b></p>	<p>A flat fee amount of \$500,000, \$1,000,000 or \$1,500,000 from Calgary Parking net revenues will be placed in a reserve</p> <p>Funds will be distributed to BIAs based on the proportion of paid on-street stalls within their respective boundary</p> <p>Revenue from the Market Permit program will be allocated to the distribution for CAs</p>	<p>BIA Total: \$333,000 to \$999,000</p> <p>CA Total: \$140,000</p>	<p>This model allows for consistent and predictive funding for BIA and CA future projects and programs</p>	<p>This model will negatively impact Parking's contribution to The City because a portion of net revenues will be placed in a reserve for the exclusive use of BIAs.</p> <p>There is no direct link to increased parking activity, as it only supports the proportion of distribution.</p>
<p><b>Percentage of Net On-Street Revenue from Parking Sales</b></p>	<p>10 per cent of net on-street revenues shared with generating area.</p>	<p>BIA Total: \$997,000</p> <p>CA Total: \$140,000</p>	<p>The amount is predictable and directly linked to parking activity in BIA and non-BA areas.</p> <p>The approach can be accommodated within the existing program.</p> <p>Parking revenues from other parking operations are fully retained by The City</p> <p>Administration of this method is simpler than the surcharge models</p>	<p>This model will negatively impact Parking's contribution to The City because a portion of net revenue will be placed in a reserve for the exclusive use of BIAs</p> <p>Areas no longer receive revenues from parking services other than on-street parking.</p> <p>Areas that relied heavily on off-street revenues to support the return will receive less funds (e.g. Downtown)</p>

BIAs and CAs were consulted on the surcharge options for funding and feedback was provided through a survey conducted by Calgary Parking. Key comments included:

- **Consistency:** If there was a predictable amount available each year, it would help with budgeting for area improvements.
- **Support for surcharge model:** Some respondents were in favour of the surcharge model being implemented. Proponents see the benefits of consistent funds being available, where those opposed were concerned about potential impacts and perceptions of consumers.
- **Clarification of impacts:** BIAs wanted to see a cost benefit comparison of different surcharge rates subsequently prepared and presented it to the BIAs.
- **Impact on customer base:** Perception that it may create a barrier to accessing businesses.
- A proposal was submitted requesting that the formula for the allocation of funds within areas overlapping with BIAs be made more equitable by distributing 50 per cent of the funds to the CA and 50 per cent to the local BIA. (Submitted by Beltline Neighbourhoods Association).

The net revenue share model was developed as a subsequent option to address concerns identified from exploring the surcharge model. It addresses the consistency of funding impacts and maintains a link between the area and the amount of revenue generated. It eliminates any perception barriers to accessing businesses.

**Recommendation: To adopt a 10 per cent share of net revenue policy for on-street paid parking in generating areas.**

Analysis of sharing net revenues from residential parking permits (Motion Arising)

With updates to the Residential Parking Permit (RPP) program, a market permit and low-income market permit were made available to residents in large multi-residential buildings. The product offers a parking



option for residents who would otherwise be ineligible at rates comparable to off-street options. The market permit rate structure is as follows:

- \$105/month (city centre zones)
- \$75/month (inner-city zones)
- \$50/month (suburban zones)
- \$2.50/month (low-income market permit – all zones)

This rate structure is intended to encourage on-site parking as a primary parking choice for residents but provides an additional option for circumstances where this is not possible.

As of June 2024, Market Permit uptake is approximately 280 permits including 185 permits and 130 low-income permits. The projected net revenue for the market permit is approximately \$140 000 annually for 2024 and approximately \$160,000 in 2025.

The proposed changes to the Parking Revenue Reinvestment Program maintain the existing process of proportioning revenues generated in a specific area back to that area. Revenues are placed in the Parking Revenue Reinvestment Reserve, and Community Associations may make requests of the reserve to use the funds on infrastructure and public realm improvements that enhance the area where monies are generated. Given that prices for the market permits are set based on surrounding market prices, rather than program costs, the net revenue can be made available for reinvestment by way of the Parking Revenue Reinvestment Reserve.

Policy changes can be made to allocate this net revenue to the non-BIA component of the program because these funds are generated exclusively from residents. This recommendation would address the motion arising from Council to share Market Permit revenues with Community Associations for investments in public realm infrastructure through the Parking Revenue Reinvestment Program. It also helps partially address the proposal to increase the share of parking funds between BIA and CA areas. For clarity, it should be noted that this approach does not flow net revenues directly to Community Associations. Rather, they may submit eligible projects to the Parking Revenue Reinvestment Program, and the program will determine an amount of support that will consider the proportional share of revenue generated by the participating community.

Although no formal request has been made by Council, there have been discussions about sharing net revenues from standard and select residential parking permits. These permit fee levels have been set to achieve cost recovery for the permit program. There is no anticipated surplus revenue from these permits and adjustments to permit prices are considered each 4-year budget cycle to align with the cost recovery objective. As a result, no policy on sharing net revenues for standard and select residential parking permits is proposed.

**Recommendation: To allocate 100 per cent of net revenue from the Market Permits to the Parking Revenue Reinvestment Program, to be allocated proportionally to CAs based on the net revenue generated in the respective area.**

#### Supporting program administration

The Parking service is currently working to align the administration of the Parking Revenue Reinvestment Program with the Partnerships Business Unit that already works regularly with BIAs and CAs.

Administration of the program includes tracking available funding by areas, considering requests from BIAs and CAs to use funds and approving eligible costs, and reporting. Previously, these activities would have been addressed as part of the \$500,000 per year contribution to Transportation Planning. As this policy is proposed to be concluded, we recommend funding a separate FTE position (estimated to be \$140,000 per year) to support a position to administer this program.

**Recommendation: Allocate funding for one FTE to support administration of the Parking Revenue Reinvestment Program.**

## Summary of Proposed Policy Changes

The table below summarizes each policy item with recommended direction:

Policy Item	Recommendation
100 per cent of net enforcement revenues to city general revenues (excluding impound lot)	100 per cent of net enforcement revenues to city general revenues (including impound lot)
65 per cent of net parking operations revenues retained by The City, with 35 per cent of revenues retained by Parking. Minimum return requirement is the greater of 65 per cent or \$11 million	100 per cent of net parking operations revenues to the corporate revenue program, with no minimum requirement
Provide a reinvestment in the Streets service to reflect the role street infrastructure plays in providing on-street parking	\$3 million annual allocation to the Streets service, scaled annually by paid parking inventory
Address support for external events and non-profits	\$200,000 annual allocation to support external events and non-profits
Address Calgary Parking capital needs	Set an annual allocation for asset maintenance through the Calgary Parking Capital Reserve terms (initially \$4 million) and review target amount through triennial reserve review process (informed by facility condition assessments and technology planning)
Update the Parking Revenue Reinvestment Program to increase program stability	Move to a model that shared 10 per cent of net on-street parking revenues with generating areas
Investigate sharing Market Permit net revenues with Community Associations	Share 100 per cent of net Market Permit revenues by way of a deposit in the community association component of the Parking Revenue Reinvestment Program
Provide a resource to support administration of the Parking Revenue Reinvestment Program	Fund one FTE to administer the program
Revisit the need for the Calgary Parking Long-Term Investment Fund	Close the fund and redistribute to corporate priorities



## Financial Impact of Proposed Policies

The recommended policies can be implemented without any reduction general revenues. This is largely enabled by retaining less money within the Parking service.

### Parking Financial Returns

Amount (In \$000)	2023	2024-2026 Projected (Avg) with Current Policies	2024-2026 Projected (Avg) with Proposed Policies
<i>Portion to General Revenues</i>	16 948	16 966	16 531
<i>Specific Allocations Distributed to PRRP</i>	1 500	1 500	3 340
	2 130	635	1 590
<b>Total to City from Parking Operations and Enforcement</b>	20 578*	19 101	21 461
<b>Total retained by Parking Service</b>	4 201	6 360	4 000
<b>Total Net Revenue</b>	<b>24 779</b>	<b>25 461</b>	<b>25 461</b>

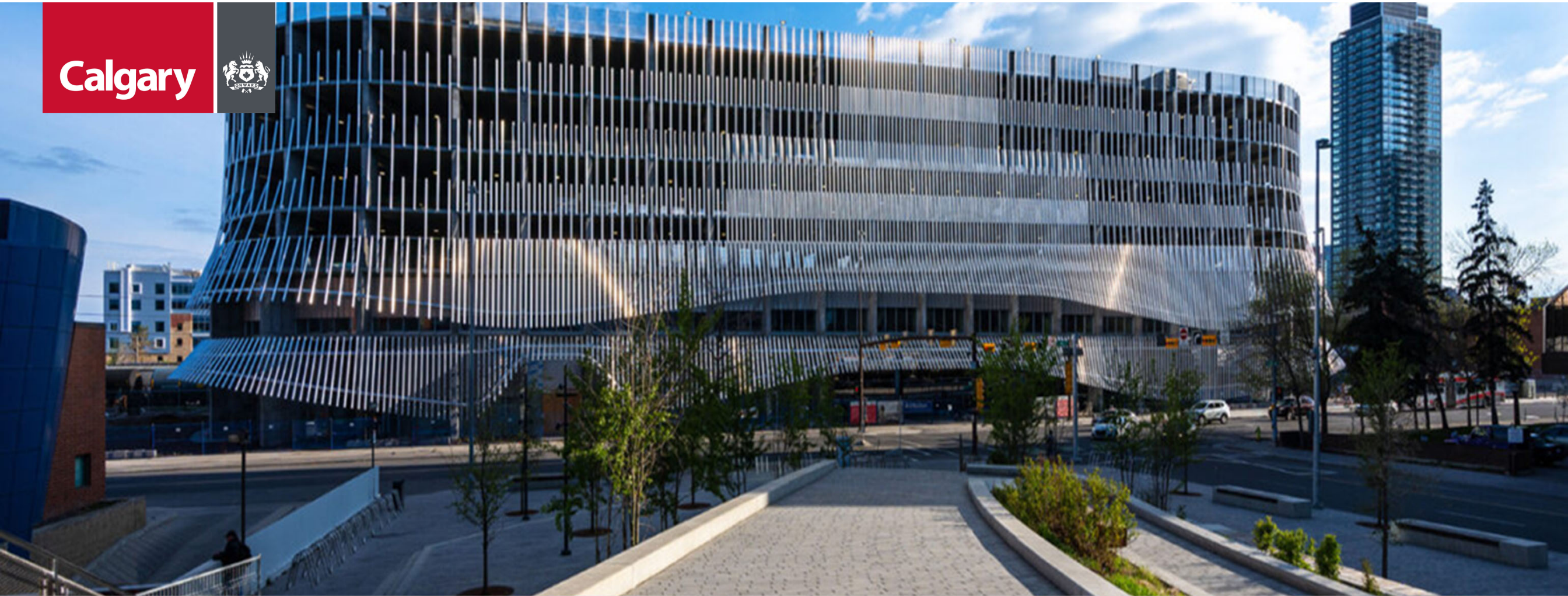
#### Notes:

Revenues are forecasted to increase by roughly 4 per cent per year above 2023 actual levels, based on trends from the first quarter of 2024. The average net revenue amount is less in these years due to an adjustment that occurred in 2023 with respect to the accrual of parking enforcement revenues. Previously, revenues from parking enforcement were accrued in the year they were received. Beginning in 2023, revenues will be accrued in the year the ticket was issued. Due to the court process, there can be considerable lag between when a ticket is issued, and payment is received. This one-time accrual adjustment increased enforcement revenues and returns in 2023, however enforcement returns are anticipated to be less than that amount in the following years.

While the general revenue component is slightly lower given the allocation to several different priorities, the current forecasts for parking revenue will enable a net positive impact on the budgeted general revenue amount. Adjustments to the budget will be proposed as part of the mid-cycle budget adjustments to update the Parking revenue forecast and reflect the new policies.



Calgary



# Parking Financial Policies Review

EC2024-0836

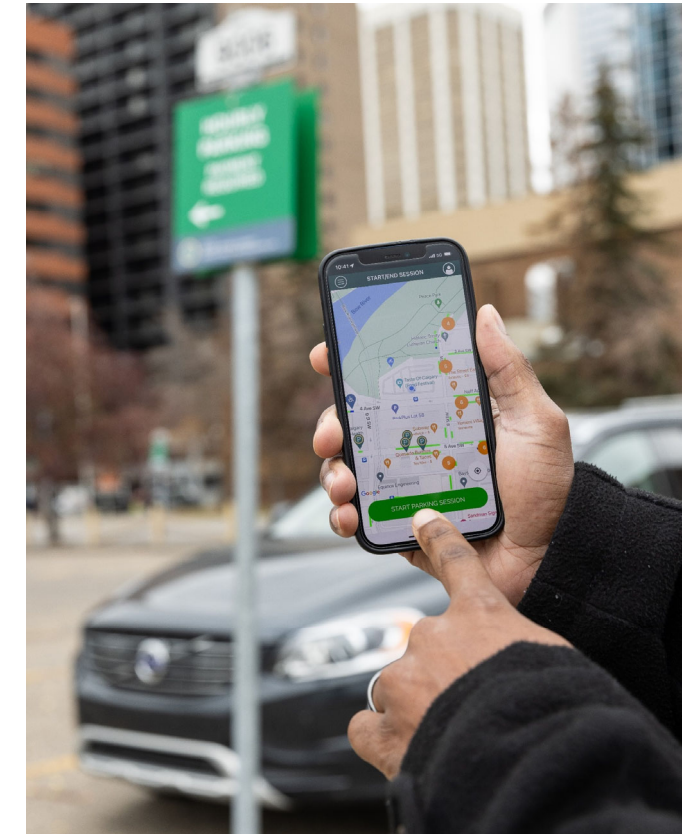
July 23, 2024





# Previous Council Direction

1. **Report EC2023-0464**, which directs “Administration to report back to Council with options to fund the Streets service line annual reinvestment programs of Street Light Lifecycle & Upgrade, and Pavement Rehabilitation with on-street parking revenues as part of the current review of the Financial Return Policies contained in Calgary Parking Policies already planned to be brought to committee in 2023”. Note this date was adjusted to Q2 2024 in report EC2023-1314.
2. The motion arising from **report C2023-1148**, which directs “Administration to return to Infrastructure and Planning Committee in Q2 2024 with program recommendations that direct net revenues generated through the Market Permit program to support community associations within the various Residential Parking Permit Market Permit zones through the existing Parking Revenue Reinvestment Program.”



Both reports were deferred to Q3 2024 in report EC2024-0693



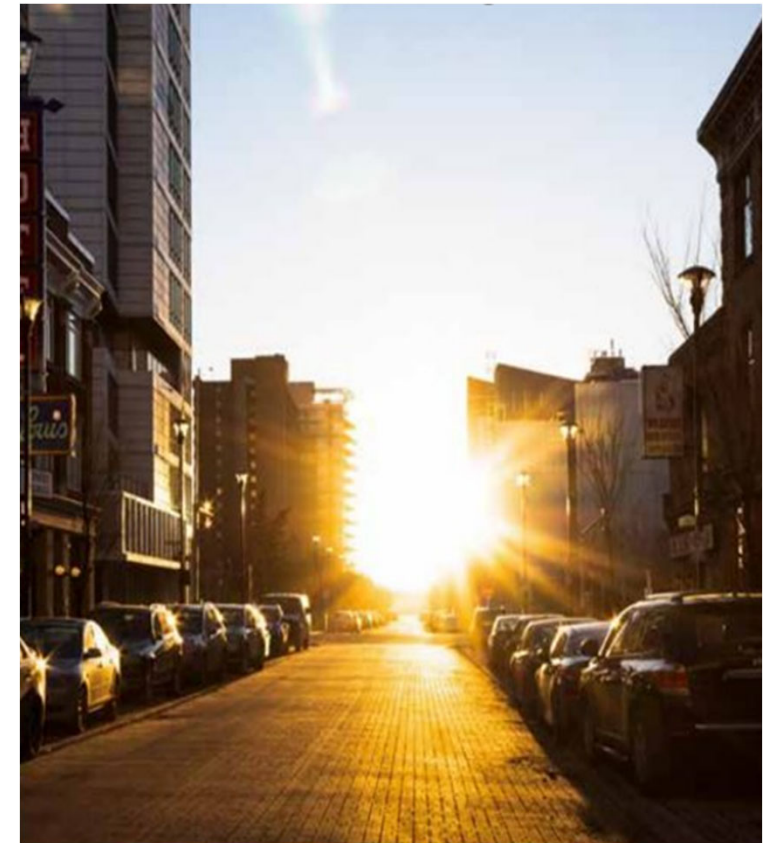
# Recommendations

That Executive Committee recommend that Council:

1. Amend Council Policy CP2021-04, Calgary Parking Policies, by replacing section 3 of the policy with the content in Attachment 1 and apply the new policies retroactively as of 2024 January 01.
2. Close the Calgary Parking Long-Term Investment Fund, and distribute the remaining balance in the fund as follows:
  - a) Allocate \$20.0M to the Fiscal Stability Reserve
  - b) Allocate \$23.0M to the Reserve for Future Capital
  - c) Allocate the remaining balance to the Calgary Parking Capital Reserve Fund
3. Bring adjustments to reflect the new policy to the mid-cycle budget adjustments in 2024 November.

# Guiding Principles and Approach

- **Remain self-supported**
- **Increase returns**
- **Support through use of return**
- **Streamline processes**
- **Affordable parking options**





# Addressing Council Motions

## EC2023-0464: Reinvesting On-street Revenue

- Recommend \$3M per year contribution to the Streets operating budget to support infrastructure maintenance.

## C2023-1148: Reinvesting Market Permit Revenue

- Recommend contributing 100% of net revenues from market permits to the Parking Revenue Reinvestment Program for use by eligible Community Associations.







# Overview of Changes

## Parking Service

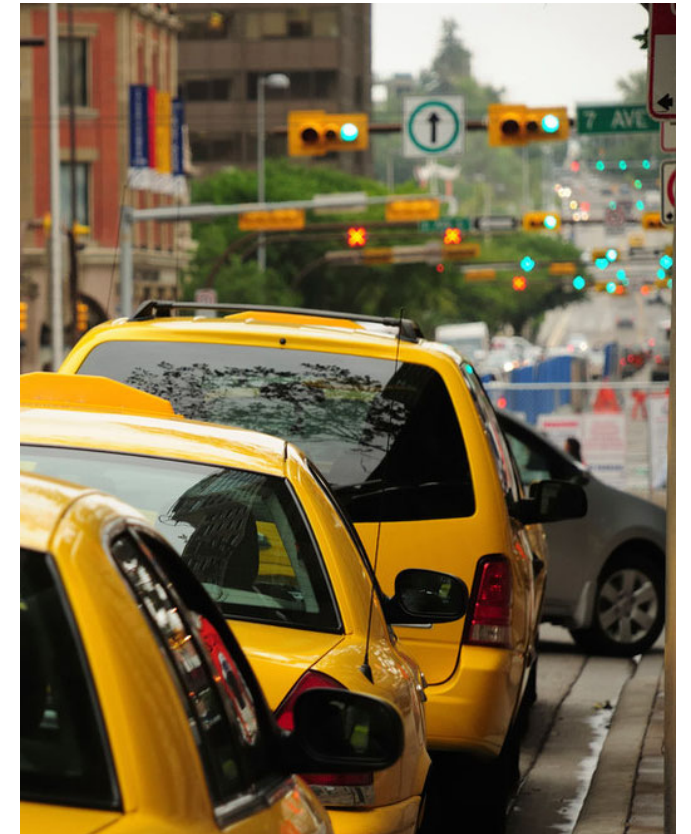
- Shift from sharing 65% of net operating revenues to 100% of net operating revenues
- Only retain \$4M per year to support capital reserve

## Parking Revenue Reinvestment Program

- Move to directing 10% of on-street parking net revenues to the program, available to Business Improvement Areas and Community Associations
- Allocate for one admin resource

## Supporting Events

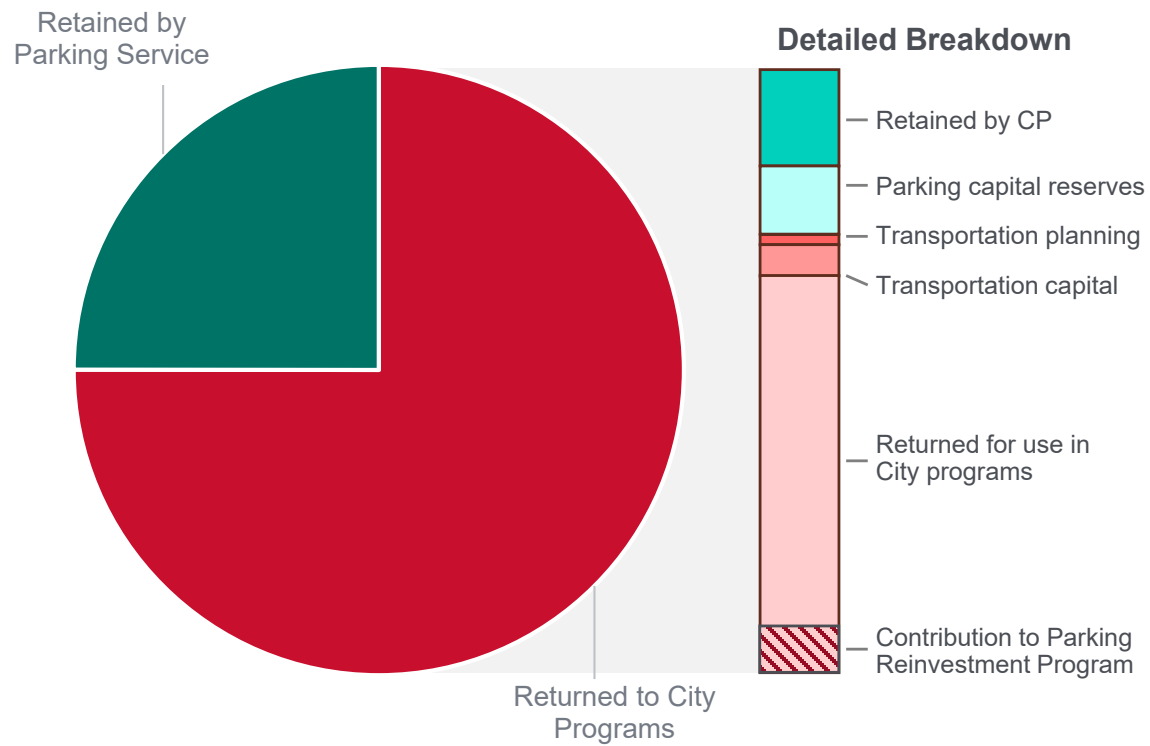
- \$200,000 per year funding for festivals, events and non-profits, allocated through existing City processes





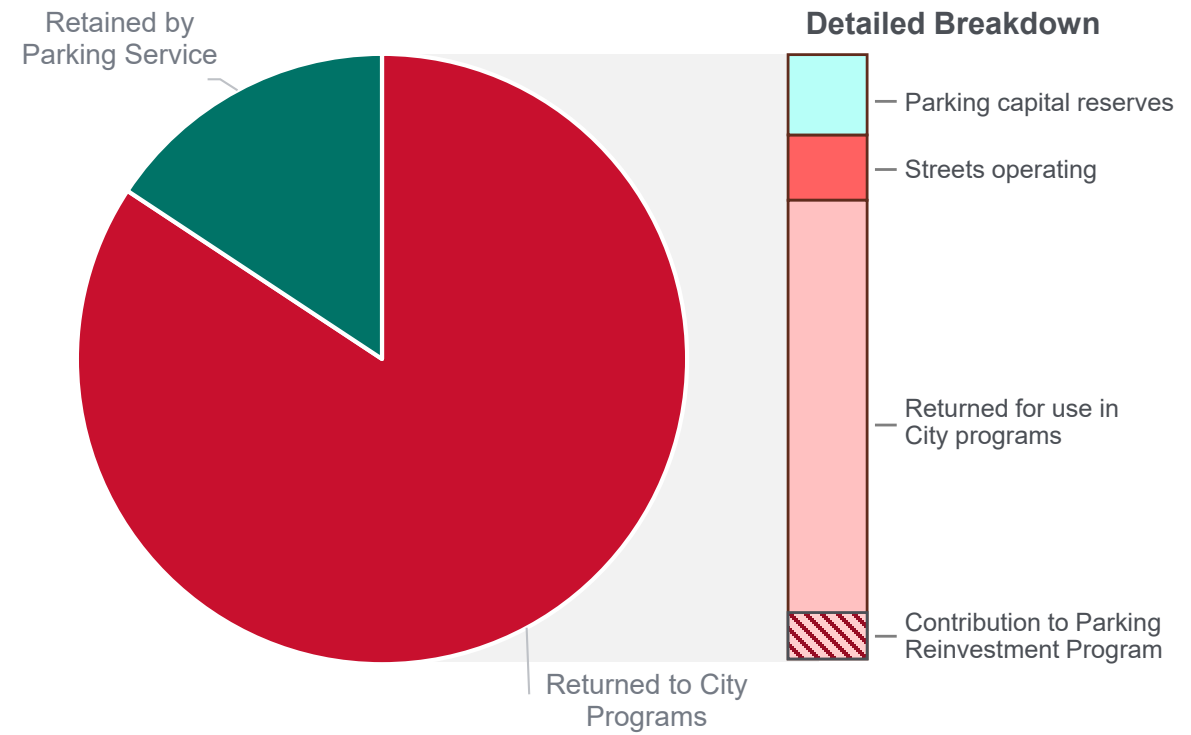
# Overview of Policy Changes

## Current Policy



\$25.5 million annual net revenue

## Proposed Policy



\$25.5 million annual net revenue

**Additional \$2.3M Annually from Parking to Council Priorities**

# Unlocking Opportunities

## Redistribute the Calgary Parking Long-Term Investment Fund (53.56M)

- \$20M to Reserve for Future Capital – 5A Network (Previously Approved)
- \$3M to Reserve for Future Capital - complete 2024-2026 capital commitments
- \$20M to the Fiscal Stability Reserve
- Remainder (\$10.56M) to CP Capital Reserve – Electric Vehicle Charging and Climate Initiatives





# Recommendations

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3. Bring adjustments to reflect the new policy to the mid-cycle budget adjustments in 2024 November.



## **2024 Mid-Year Progress Update**

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### **PURPOSE**

Regular reporting on the current service environment, influences on service delivery, and key results for Council priorities are essential parts of good governance. This report provides an update on progress made during the first half of 2024. The information is important for both accountability and as an input into Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets.

### **PREVIOUS COUNCIL DIRECTION**

On 2019 April 29 (PFC2019-0401), Council approved an updated Multi-Year Business Planning and Budgeting Policy (CFO004) directing Administration to provide mid-year and year-end reports on The City's performance to the service plans and budgets, including any adjustments to them. Attachment 1 provides additional background.

### **RECOMMENDATION:**

That the Executive Committee recommends that Council:

- Use the 2024 Mid-Year Progress Update as one input to the ongoing discussions leading up to the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets.

### **CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS**

Carla Male, Chief Financial Officer and General Manager of Corporate Planning & Financial Services, concurs with this report.

### **HIGHLIGHTS**

- We made progress on delivering our service plans & budgets including in council priority areas.
- Population growth and inflation are outstripping spending making it increasingly difficult to maintain service levels, and citizen satisfaction with City services overall is falling.
- We continue to do our best to meet the needs of Calgarians with the resources we have and ensure long-term financial sustainability.
- We have a favourable operating variance of \$117.1 million as of 2024 June 30, which is mainly due to the combined effect of higher revenue, lower-than-expected corporate expenditures, and a favourable variance across several tax-supported services. The year-end operating variance is currently estimated at \$158 million favourable.
- The first 6 months of 2024 saw 39.6 per cent of the \$2 billion capital budget spent, up from 15 per cent this time last year. This is reflective of the fact that most of the capital spending is aligned with the construction season that is more pronounced in the second half of the year.
- Service and financial performance information provided in this report is a crucial input for Council in preparing and making decisions for the upcoming Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets. These inputs can help to identify areas for

## 2024 Mid-Year Progress Update

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service improvement, budget adjustments or additional investment, to better support Calgarians, local businesses and the community.

- Calgary is Canada's fastest growing major city; one of the top five liveable cities in the world. We're experiencing big city challenges and changes now, but through it, The City is committed to delivering services in a way that ensures long-term financial sustainability in accordance with best practices and Council policies.

## DISCUSSION

Reporting on the results and progress against the approved service plans and budgets supports good governance. It also provides insights on The City's service performance, helping to make decisions about where more investments may be needed and where reductions may be possible to keep taxes affordable.

The City's service environment is becoming increasingly dynamic due to various external and internal pressures. Population growth over the originally estimated levels and the inflation rate, along with other financial constraints and aging infrastructure are creating challenges to providing services that meet the increasing and evolving needs of Calgarians.

### Service delivery

As a municipal government, we are the closest level of government to our citizens, touching every aspect of their daily lives through our essential services. Calgarians feel that quality of life in the city is "good", with 71 per cent rating; however, this score is declining compared to 2023. Moreover, 62 per cent of Calgarians feel that quality of life has worsened over the past three years, a historic high. Additionally, satisfaction with the overall level and quality of services and programs stands at 63 per cent, marking the lowest score since 2015.

Despite the challenges, all our services including the top ten services for Calgarians (according to the [2024 Spring Survey of Calgarians](#)) listed below are working hard to deliver results and are continuously exploring ways to minimize the impact of internal and external pressures.

- **Fire & Emergency Response:** The Fire department responded to almost 36,000 emergency incidents by the end of May. Fire response time improved compared to last year, however, there was a five per cent decline in first-in unit response time compared to the same period as last year (January to May). The service is exploring the optimal number of aerials to meet service demands across communities and working with supply chain to initiate and progress procurement activities. The 25 per cent increase in fire inspections from January to May, compared to the same time period in 2023, along with increasing complexities, are putting strains on the service to process requests within desired timelines.
- **Police Services:** Since 2020, there has been a steady increase in both the number of service calls and the drive time to respond to emergency calls. The service has used alternative call response mechanisms, piloted downtown safety hub models, diverted calls to more applicable service agencies and introduced touch down police service sites to enhance frontline police capacity and response capability. However, there are concerns in the community around police staffing levels. Some community associations are hiring private security to support police because of short staffing.
- **Calgary 9-1-1:** Demand for 9-1-1 services remains high as Calgary grows. Non-emergency police call times continue to pose a challenge for the teams to answer within

## 2024 Mid-Year Progress Update

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an ideal timeframe. Calgary 9-1-1 is using innovative data analytical capabilities to better forecast and optimize daily staffing needs.

- **Emergency Management & Business Continuity:** The service was activated in support of the water feeder main emergency. This included providing resources, centralized communications, planning support and coordination to operational services. The service has also begun the application process to the Provincial Disaster Recovery Program for cost recovery from this event.
- **Building Safety:** Building permit processing timelines are below the expected performance level due to an increase in the volume of applicants; over 14,000 applications were received during the first six months of the year, a 23 per cent increase in permit applications. Despite the rise in demand, the average time to book an inspection remained consistent with last year at four business days. However, the increased demand continues to put pressure on the measure of booking availability within two business days.
- **Water Treatment & Supply:** The catastrophic break of the Bearspaw South Feeder Main on 2024 June 5, which severely impacted our ability to deliver water to Calgary and regional customers, highlighted the importance of asset management. The water main break led to extended voluntary indoor and mandatory outdoor water restrictions and a declaration of a local emergency. As of end of June, a total of 25 days of conservation measures were reported (this number will be higher in year-end given restrictions were still in effect at the time of reporting). After extensive inspections along the full length of the feeder main, additional spots have been identified as requiring urgent repair and plans are in progress to work on repairs.
- **Wastewater Collection & Treatment:** Given the highly regulated nature of wastewater, our team of experts work tirelessly to protect our rivers by ensuring regulatory compliance. So far this year, several initiatives have advanced compliance efforts, including onboarding dedicated Water Bylaw Officers, in collaboration with Community Safety. Significant upgrades were made to three lift stations in our wastewater collection system ensuring safe, reliable service well into the future. Lift stations are critical infrastructure as they move wastewater to our treatment plants.
- **Stormwater Management:** Calgarians' satisfaction results continue to trend upward for this service, an indicator of the importance Calgarians place on protecting public and private property and infrastructure, and proactively preparing Calgary for climate events. The Council endorsed Stormwater Strategy is advancing as planned. Implementation teams have been established to support growth, development and densification. We continue to balance investments in new and established communities while delivering stormwater outcomes.
- **Waste & Recycling:** Calgarians satisfaction with waste and recycling services is mainly steady with a one-point increase at 87 per cent in spring 2024. Interruptions to waste collection are within normal ranges. With new collection days and routes introduced in early 2024, we saw a slight increase in missed collections overall. We expect this to stabilize as customers and drivers adjust to new collection days.
- **Parks & Open Spaces:** Calgary's parks consistently received high satisfaction ratings from Calgarians. In the [2024 Spring Survey of Calgarians](#), 89 per cent of Calgarians indicated they were satisfied, showing a two-point decrease from spring 2023. The slight drop in score may also reflect decreased service levels in response to low workforce

## 2024 Mid-Year Progress Update

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capacity, low contractor availability and unforeseen cost escalations. The overall condition of parks' assets has also been trending downward since 2019, with 46 per cent of playgrounds surpassing the age of 20 years. This could compromise safety standards and lead to a decline in community wellbeing, satisfaction and reputation.

- **Sidewalks & Pathways:** Despite challenges such as supply chain issues and contractor staff availability (work not completed by City employees), we remain committed to improving our service on pedestrian infrastructure. We have steadily achieved the 24-hour snow and ice clearing timeframe, and the average time to complete clearing continues to trend favourably, averaging approximately 25 hours.
- **Streets:** In the first half of the year, pavement quality (e.g., potholes) was a high concern for Calgarians. Our crews repaired 18,055 potholes during the first six months of the year, which is reflecting a 58 per cent increase from the same period in 2023. The mid-year data shows that 38 per cent of pavement is in good to very good condition; at the current funding level, this is estimated to decrease to 35 per cent by 2026.

### Council priorities

We continued to make progress on the service plans and budgets, including advancements in Council's priorities.

- **Housing:** We launched the Established Area Linear Levy Pilot in 2024 March, and the Secondary Suite Incentive Program in 2024 May. The first phase of the Non-Market Land Sale #4 prioritizing Indigenous non-profit housing providers closed with a successful applicant for one property, and the second phase is underway. As of the first quarter of 2024, 29 new non-market housing units were approved at the development permit stage and the number of units in the development permit stage is expected to increase throughout 2024.
- **Land use and local area planning:** We continue to deliver residential, commercial and industrial opportunities to make Calgary one of the world's most liveable and attractive cities. Five new local area plans are underway to cover 46 communities and three industrial areas. In May, Council approved Rezoning for Housing, rezoning low density residential parcels to allow for middle density development, with changes taking effect on 2024 August 6.
- **Public safety:** We are seeing positive results from various initiatives and the collaboration among key services and external partners. To meet the increasing demand, we are expanding our capacity with additional staff and improving critical systems. Further efforts are planned to improve downtown safety. Notable achievements include a heightened sense of safety among Calgarians (73 per cent with two-point increase from fall 2023) and a decrease in Calgary's Crime Severity Index (decreased by 9.6 per cent from 80.2 in 2022 to 72.5 in 2023), which is at the lowest in the past nine years.
- **Transit:** In the first half of 2024, ridership increased by 17 per cent compared to the same period in 2023 with transit boardings reaching to pre-pandemic levels. We are observing an increasing shift in fares being purchased through the Low-Income Transit Pass (LITP) program, along with a growing demand for LITP. We continue progressing on the Green Line LRT to improve Calgarians' access to the primary transit network. There is a slight increase in customers' perceived safety levels while riding CTrain and



## 2024 Mid-Year Progress Update

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busses with a 26 per cent decrease in the number of social disorder call volumes at downtown CTrain platforms.

- **Social equity:** We continue to focus on enhancing connections between services and communities to improve social equity and community wellbeing. Increasing demand for our programs and services, such as Fair Entry (18 per cent increase from January to May compared to the same time period in 2023) or Family & Community Support Services, without sufficient funds will impact our ability to support more Calgarians in need. During the first half of 2024, \$5.3 million in mental health and addiction investments were made across almost 30 programs, supporting approximately 12,000 Calgarians. Additionally, \$41 million has been allocated in 2024 (as of 2024 May 31) to 155 local programs, with an estimated reach of 50,000 Calgarians.
- **Climate:** We are observing a positive trend in both total and per capita community greenhouse gas (GHG) emissions. We made progress on climate outreach activities, integrating climate considerations into the City building processes and projects and leading by example with City-owned assets. We completed several corporate GHG emissions reduction projects, including a 115 kW solar photovoltaic system at the Calgary Parking Impound Lot; a new landfill gas to electricity facility at East Calgary landfill; and a new 4.6 MW gas turbine and steam turbine at Bonnybrook Wastewater Treatment Plant. We explored low-carbon options for The City's fleet through pilots and vehicle replacements.
- **Downtown revitalization:** The total downtown taxable assessed value has been increasing since 2021, primarily due to recovery in the highest-quality office buildings. Several projects are on track or completed to bring more social and economic activities to the core of the city. Key achievements include the opening of the BMO Centre Expansion, which officially became Western Canada's largest convention centre, with capacity to host 33,000 and an estimated economic impact of \$100 million a year. Another achievement includes Chinook Blast 2024, which brought more than 433,000 people downtown, with an approximate \$15.7 million economic impact for a \$825,000 investment.

### Financial Update

The City is committed to delivering services with the financial resources available and sustaining financial health in accordance with best practices and Council policies. The City had a favourable year-to-date operating variance of \$117.1 million, primarily related to higher-than-expected franchise fee revenue due to elevated energy prices, increased investment income and expenditure savings across multiple categories. The year-end operating variance is currently estimated at \$158 million favourable. As of 2024 June 30, The City has made approximately \$800 million in capital investments (39.6 per cent of the \$2.0 billion budget). The City's capital budget spend is reflective of the fact that most of the capital spending is aligned with the construction season that is more pronounced in the second half of the year.

### EXTERNAL ENGAGEMENT AND COMMUNICATION

- |  |   |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken        | <input type="checkbox"/> Dialogue with interested parties was undertaken                |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

## IMPLICATIONS

### Social

This report presents an overview of advancements made in support of social resilience, including housing, social equity and public safety, which are highlighted in Attachment 2.

### Environmental

This report presents an overview of the environmental and climate advancements in 2023, which are highlighted in Attachment 2.

### Economic

This report presents an overview of economic impacts in 2023, which are highlighted in Attachment 2.

### Service and Financial Implications

No anticipated financial impact.

## RISK

Understanding, assessing and managing risk is critical to achieving Council's vision for Calgary and delivering on our service plans and budgets. Each reporting cycle, The City provides updates on specific internal and external pressures that are impacting or may impact reliable, effective and efficient service delivery. These are highlighted in the [2024 Mid-Year Principal Corporate Risk Report \(AC2024-0518\)](#). The City's risk profile remained relatively stable between January and July of 2024, with all principal corporate risks maintaining the same risk rating. However, this stability is being challenged by a complex interplay of internal and external pressures. In the first half of the year, our progress and status on council and operational priorities have been impacted by certain risks. By proactively identifying and managing these challenges, we can enhance our service resilience and effectiveness.

## ATTACHMENTS

1. Background and Previous Council Direction
2. 2024 Mid-Year Progress Update
3. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, CFO & General Manager	Corporate Planning & Financial Services	Approve
Chris Stewart, Director	Corporate Planning & Performance	Approve
David Duckworth, Chief Administrative Officer	Chief Administrator's Office	Approve
Stuart Dalgleish, Chief Operating Officer	Chief Operating Officer's Office	Inform
Chris Arthurs, General Manager	People, Innovation & Collaboration Services	Inform
Katie Black, General Manager	Community Services	Inform
Debra Hamilton, General Manager	Planning & Development Services	Inform
Jill Floen, General Manager	Law, Legislative Services & Security	Inform

**Corporate Planning & Financial Services Report to  
Executive Committee  
2024 September 04**

**ISC: UNRESTRICTED  
EC2024-0856**

**2024 Mid-Year Progress Update**

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Doug Morgan, General Manager	Operational Services	Inform
Michael Thompson, General Manager	Infrastructure Services	Inform

Author: One Calgary Program Team



# Background and Previous Council Direction

## Background

The 2024 Mid-Year Progress Update fulfills Council’s policy reporting requirement per the Multi-Year Business Planning and Budgeting Policy (CFO004) and supports the Transparency and Accountability Policy (CC039). It commences performance reporting commitments for the second year of the 2023-2026 Service Plans and Budgets cycle, which was approved in 2022 November (C2022-1051).

## Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2019 April 29	PFC2019-0401	<p><b>Multi-Year Business Planning and Budgeting Policy</b> Council approved the updated Multi-Year Business Planning and Budgeting Policy (CFO004) and the Transparency and Accountability Policy (CC039) directing Administration to provide mid-year and year-end reports on The City’s performance relative to our approved Service Plans and Budgets.</p>
2022 November 8	<p>C2022-1051</p> <p><a href="#">Council Minutes</a></p>	<p><b>2023-2026 Service Plans and Budgets</b> Council approved the 2023-2026 Service Plans and Budgets, including a selection of community indicators to work towards positively influencing and additional community indicators to monitor.</p> <p><b>Formal Council direction included:</b></p> <p>Directed Administration to return to the 2022 December 13 Strategic Meeting of Council to engage in the creation of a process by which Council will provide guidance/direction to Administration to:</p> <ul style="list-style-type: none"> <li>• Revisit the existing budget process to examine its merits and challenges,</li> <li>• Explore ways of ensuring that future budget documents better align with Council’s Plain Language Policy CS014,</li> <li>• Potentially reconstruct the 2024, 2025 and 2026 budgets with Administration to ensure future base operating and capital budgets include the investments necessary to advance Calgary as an increasingly equitable and accessible city - including but not limited to investments in housing, mobility, and transit – are embedded in future base operating and capital budgets; the reconstructed base budgets for future, and</li> <li>• Revisit operating and capital plans and priorities to ensure expeditious delivery of projects and programs that are rooted in the core values and policies of Council, including but not limited to truth and reconciliation, the 5A Network, low-income transit passes, improved transit frequency, affordable housing, mental health supports, and equity index maps.</li> </ul>

		<ul style="list-style-type: none"> <li>Come back in Q1 2023 with further options regarding the residential/non-residential tax shares for 2023, including but not limited to: Shifting tax share from non-residential to residential taxpayers, advocacy with Federal and Provincial Governments, including increasing funding options and the municipal portion of payments that can be used to support the operating budget; and an examination of reserves and other funding sources which may be available to reduce property taxes on a one time basis in 2023.</li> </ul>
2023 April 25	<p>EC2023-0272</p> <p><a href="#">Council Minutes</a></p>	<p><b>Strategic Discussion on Building and Delivering on Plans and Budgets (Verbal)</b></p> <p>Council’s Refined Strategic Direction (Attachment 1 EC2023-0272) highlights the top priorities for Administration to work on and intersects the results that Administration should aim to achieve.</p> <p><b>Formal Council direction relevant to this report included:</b></p> <ul style="list-style-type: none"> <li>Direct that Confidential Attachment 1 be held confidential pursuant to Section 24 (Advice from officials) of the Freedom of Information and Protection of Privacy Act, to be released publicly following Council approval at the Regular Meeting of Council on 2023 April 25.</li> </ul>
2023 November 7	<p>C2023-1148</p> <p><a href="#">Council Minutes</a></p>	<p><b>2023 November Adjustments to the 2023-2026 Service Plans and Budgets</b></p> <p>Council approved the 2023 November Adjustments to the 2023-2026 Service Plans and Budgets.</p> <p><b>Formal direction relevant to this report included:</b></p> <ul style="list-style-type: none"> <li>Approve the recommended adjustments to the 2023-2026 Service Plans and Budgets in Attachment 5 and direct Administration to implement the budgetary changes and relevant performance measures necessary to effect those adjustments. Approve the funding recommendations in Attachment 5.</li> </ul>
2024 April 16	<p>EC2024-0291</p> <p><a href="#">Council Minutes</a></p>	<p><b>2023 Progress Update</b></p> <p>Information on key results and advancements on Council priorities in 2023 including annual look back on progress and an update looking ahead to 2024.</p> <p><b>Formal direction relevant to this report included:</b></p> <ul style="list-style-type: none"> <li>Executive Committee recommended that Council use the 2023 Progress Update as one input to the ongoing discussions leading up to the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets.</li> </ul>

## Bylaws, Regulations, Council Policies

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### **Multi-Year Business Planning and Budgeting Policy (CFO004)**

Section 5.6 Linking Plans, Budgets and Measures requires Administration to provide mid-year and year-end reports, so Council is informed about the performance of the Corporation in relation to approved business plans (including Council Priorities and performance targets) and budgets.

### **Transparency and Accountability Policy (CC039)**

In the context of accountability reporting, this policy affirms The City's commitment for accountability and transparency to Calgarians by implementing various results-orientated tools to measure progress on achieving performance measures, service standards, goals, and Council's priorities. The City of Calgary is dedicated to producing performance information that measures how The City is doing in all areas it is responsible for, from financial reporting to service delivery.







# 2024 Mid-Year Progress Update



24-0038808 CRV-23916

**Making life better every day**





The Calgary area, where the Bow and Elbow rivers meet, is a place of confluence where the sharing of ideas and opportunities naturally come together. Indigenous peoples have their own names for this area that have been in use long before Scottish settlers named this place Calgary. The Métis call the Calgary area Otos-kwunee. In the Blackfoot language, they call this place, Moh-kins-tsis. The Stoney Nakoda Nation refer to the Calgary area as Wicispa Oyade and the people of the Tsuut’ina nation call this area Guts-ísts-i.

We would like to take this opportunity to appreciate and acknowledge that we are gathered on the ancestral and traditional territories of the Blackfoot confederacy, made up of the Siksika, Piikani, Amskaapipiikani and Kainai First Nations; the Îethka Nakoda Wicastabi First Nations, comprised of the Chiniki, Bearspaw, and Goodstoney First Nations; and the Tsuut’ina First Nation. The City of Calgary is also homeland to the historic Northwest Métis and to Métis Nation of Alberta, Region 3. We acknowledge all Indigenous people who have made Calgary their home.



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# Introduction

The City of Calgary’s vision is to make Calgary a great place to make a living, a great place to make a life. The 2024 Mid-Year Progress Update is designed to inform the public and Council on what we are doing to achieve our common purpose of making life better every day. This report offers an overview of The City’s service environment, outlines the services and programs provided by the top ten services for Calgarians, highlights key results and progress on Council’s priority areas, and provides financial updates on our 2024 mid-year operating and capital budgets. It supports Council in ensuring effective governance and provides insights on our service performance to help decide where additional investment might be necessary and where we might make reductions to keep taxes affordable.

## The report consists of four sections:

**The City’s service environment:** Overview of the top pressures that may strain the organization and impact delivering services to Calgarians.

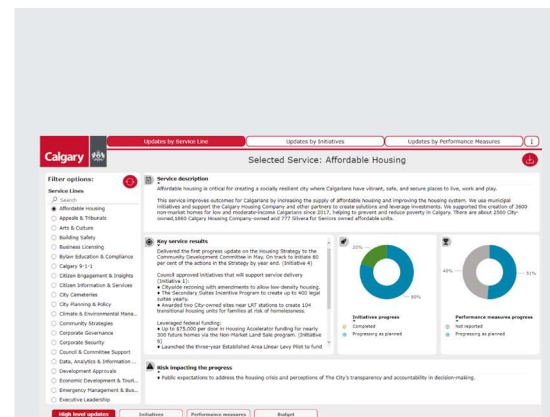
**Service delivery:** Overview of key services that are important for Calgarians, highlighting the impact of external and internal pressures and how we manage them.

**Council priorities:** Updates on Council’s seven priority areas, including our progress on Council investments, primary performance measures to assess our ability to meet community needs and risks impacting overall progress in each priority area.

**Financial updates:** Status and overview of operating and capital budget spending.

## Progress status

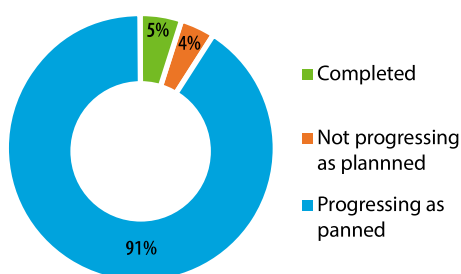
The 2023-2026 Service Plan and Budgets is comprised of 589 initiatives and 286 performance measures, including changes derived from the 2023 November Adjustments. For the 2024 mid-year, 69 per cent of the performance measures were updated and 31 per cent were not reported due to unavailability of data<sup>1</sup>; the year-end progress report will include updates for all measures. The majority of these initiatives and performance measures are progressing as planned. A small percentage of these measures (e.g., service level, response rate and satisfaction measures) are not progressing as planned according to the plans due to some challenges, such as increasing demand, complexity or changing needs. We will continue to monitor our progress as well as assess challenges and pressures.



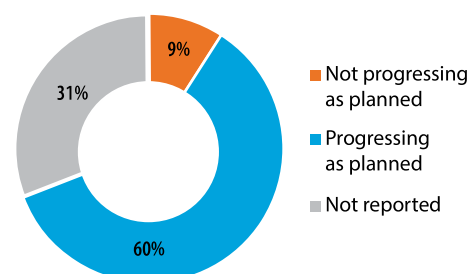
## The 2024 mid-year service updates are provided in dashboard format at [calgary.ca/progressupdate](https://calgary.ca/progressupdate)

The dashboard includes key results, risks impacting progress, and updates on service initiatives, performance measures and budget.. These updates allow Council and Calgarians to dive deeper into the results of our services in the first half of 2024 with the ability to find specific updates by various filtering options. Corporate Planning and Performance continues to streamline the organizational approach to progress and performance reporting, ensuring a clear focus on refining the reporting process to capture priority outcomes and indicators.

Initiatives Progress



Performance Measures Progress



<sup>1</sup> A minimum of two performance measure updates per service line is required for the mid-year reporting.



# The City's service environment

This section provides a review of external and internal pressures that shape our service environment. Understanding these pressures and their potential impacts on our services is critical to develop appropriate strategies for maintaining high-quality services while operating efficiently and effectively.

## External pressures

### Population growth

The 2023-2026 Service Plans and Budgets were developed on the basis of our 2022 forecasts, which was significantly lower than the current estimates. The sharp growth of the population is causing pressure on service capacity.

As of April 1, 2024, Calgary's population is estimated at 1,491,900, representing a population growth rate of 4.9 per cent since April 2023. This estimated addition of 69,000 residents to Calgary's population would represent one of the most significant annual increases in Calgary's history. Significant portion of the growth is expected to be attributable to net migration similar to previous years, as international migrants and newcomers from other parts of Canada flocked to Calgary. Calgary experienced a dramatic increase in the estimated net migration of 6,100, 19,700 and 67,300 during 2021, 2022 and 2023, respectively.

### Inflation

The 2023-2026 Service Plans and Budgets were developed on the basis of our 2022 forecasts, which was lower than the current estimates for the first two years of the cycle.

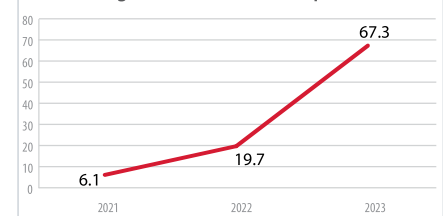
The Consumer Price Index (CPI) year-over-year inflation rate for Calgary Census Metropolitan Area (CMA) hovers at 3.6 per cent as of June 2024, while the national inflation rate is 2.7 per cent. The deceleration of the inflation rate at the national level was largely a result of slower growth of prices in energy, new vehicles, and hotels. In Census Metropolitan Area, the cost of owned accommodation increased by 10 per cent year-over-year. High inflation increases the cost of city services, leading to budget constraints to implement key projects and potential reductions in service quality. Inflation increases the cost of supplies and materials, which not only impacts projects' ability to deliver on time and on budget, but also drives up service delivery costs. As costs rise while budgets stay the same, maintaining service levels is increasingly more challenging.

Population Growth Estimates (%)

	2023	2024	2025	2026
Original planning assumptions	1.7	1.7	1.5	1.5
Current assumptions	5.6*	4.9	2.1	1.4

\*actual

Net migration estimate (000's persons)



(Source: Calgary Civic Census)

Overall Inflation Rate Estimates – Calgary Census Metropolitan Area (%)

	2023	2024	2025	2026
Original planning assumptions	3.1	2.1	2.1	2.2
Current assumptions	3.8*	3.1	1.7	1.9

\*actual



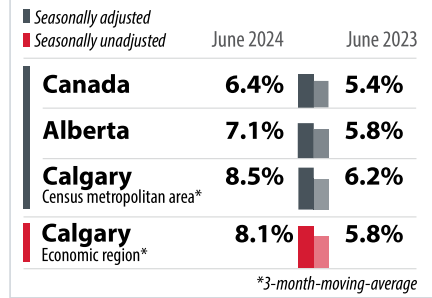
(Source: Statistics Canada)

\* Compared to year-over-year as of December 2023.

## Unemployment rate

The Calgary Economic Region's (CER) 3-month-moving-average unemployment rate was above the national average hovering at 8.1 per cent for June 2024, indicating an excess supply. The labour force participation rate, which measures the percentage of working-age people in the labour force, remained flat rising marginally by 0.3 per cent year-over-year to 72 per cent in June 2024. Although the labour force in the CER has shown remarkable resilience, demonstrating a stable growth of nearly 6 per cent in June 2024 year-over-year, the growth in employment has not kept a similar pace increasing at a much slower rate (3.2 per cent) thus driving the unemployment rate up from 5.8 per cent to 8.1 per cent. The impact of higher unemployment on our services is the increasing demand for social supports and low-income subsidies.

## Unemployment rates



(Source: Statistics Canada)

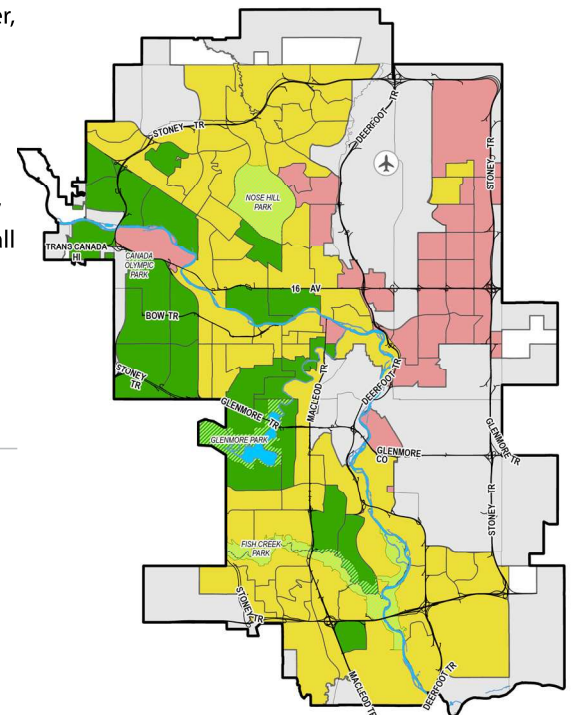
## Polarization of political discourse

Polarization as a pressure can impact everything from trust in government to our ability to work effectively with critical interested parties. During periods of heightened polarization within political discourse, The City can experience increased strain on intergovernmental relations and community engagement, which may also have adverse affects on its reputation. Downloading of costs from the provincial and federal government is putting more strain on The City's resources.

## Social pressures

Other noted pressures were related to social challenges, including social disorder, food and housing insecurity, increases in vulnerable populations and mental health and substance abuse concerns. The Calgary Equity Index compares 113 community service areas in terms of total equity score, which is a combined score of 20 indicators measuring economic opportunity, social development, physical environment, health and governance. Communities in green are above the target cut-off, indicating low equity concerns. Communities in red are below the benchmark cut-off signalling high overall inequity. Communities in yellow fall between the green and red areas. Calgary's total weighted score is 67, ranging between 30.6 as the lowest and 83.7 as the highest. Social challenges also put pressure on Fire and Police services, Peace Officers and The City's housing and affordability initiatives.

Calgary Equity Index



(Source: Community Strategies)

## Climate change

Since 2005, The City's benchmark year for greenhouse gas (GHG) emissions, Calgary's population has grown 45.3 per cent, reflecting substantial and continuous growth pressures for City services. While this growth is vital to Calgary's economic health, every additional person, house, vehicle, industry and business that resides in Calgary contributes to community-wide total GHG greenhouse gas emissions. Simultaneously, service demand for environmental and climate-related programs is increasing while climate-related seasonal changes and extreme weather events are impacting The City's ability to deliver basic services. Programs like the Snow and Ice Control, Community Drainage Program, tree planting and pothole repair are significantly affected by increases in the number of severe events. City services are responding to this challenge by supporting energy efficiency, climate resilience and GHG reductions in Calgary's built infrastructure, transportation network, programs and services. These actions require commitment, consistency, collaboration, and innovation in a time when there is increasing financial and reputational risks for The City.





## Internal pressures

### Financial constraints

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Inflation and cost increases are key contributing factors that continue to pressure our financial resources, which create challenges to maintain current service levels, deliver projects on budget or to full scope, and respond to increasing demand. There are also challenges related to lack of funds/resources, and budget limitations are frequently mentioned across various risk categories. While The City explored and implemented several strategies to manage financial challenges, our ability to grow services and advance key projects for developing our future is strained due to these financial constraints.

### Aging/deteriorating infrastructure

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The City currently owns over \$100 billion in assets. These assets include buildings, bridges, facilities, roads, machinery and equipment, parks, and other infrastructure that enables The City to deliver valuable services to Calgarians. The City's asset management plan requires continual balancing between ensuring public safety and service continuity, and fiscal prudence and affordability. The City's infrastructure gap, which is the difference between the infrastructure investment needed to meet desired service levels and preventative maintenance, and the resources made available to address those needs, is estimated to be more than \$7 billion. To manage the gap, The City does dynamic and careful monitoring and reprioritization of maintenance priorities.

### Service demand complexity

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Increased service demands, changing customer expectations, and the need to meet legislative and best-practice compliance are noted as pressures contributing to increased work complexity. This complexity means time and resources need to be dedicated to improve clarity, consistency and coordination of processes, policies and procedures to maintain efficient and effective service delivery to Calgarians.

### Capacity constraints

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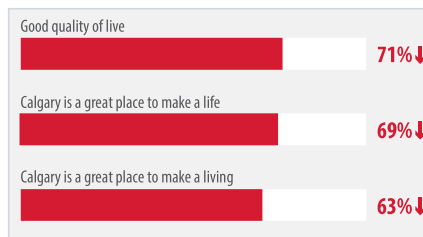
Through our progress update reporting and the corporate risk review, many services highlight challenges related to insufficient workforce capacity, labour shortages, competing priorities, change fatigue and capacity constraints impacting service delivery and project completion. Challenges in recruitment and retention due to a competitive labour market, increased expectations from job seekers, such as pay and flexibility, staff turnover, and time required to train new employees also contribute to capacity constraints.

# Service delivery

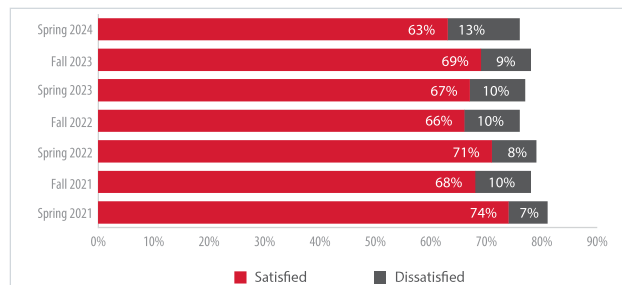
As a municipal government, we are the closest level of government to our citizens. Our essential services touch every aspect of daily life. In this section, we provide an overview on the top ten services for Calgarians highlighting their efforts to maintain quality service delivery while managing the internal and external pressures.

## Overall satisfaction with City services

Although Calgary continues to be a city with a high quality of life with 71 per cent of Calgarians agreeing that quality of life is “good” (according to the [2024 Spring Survey of Calgarians](#)), this represents a significant decline from fall 2023 (76 per cent) and spring 2023 (78 per cent) survey results. Additionally, 62 per cent of Calgarians believe quality of life has worsened in the past three years, marking a historic high for this measure. Looking to the future, Calgarians show less optimism about The City’s direction. Only 65 per cent of Calgarians who believe Calgary is on the right track to becoming a better city in the next decade, although this also shows a significant decline from both fall 2023 (70 per cent) and spring 2023 (77 per cent), the lowest this measure has been since first recorded.



Satisfaction with the overall level and quality of services and programs is 63 per cent, according to the [2024 Spring Survey of Calgarians](#); this is statistically lower than fall 2023 (69 per cent) and also the lowest score since 2015. However, many services continue to receive strong satisfaction scores from Calgarians. A total of 32 out of 50 individual services received satisfaction ratings at or over 80 per cent.



According to the recent [2024 Spring Survey of Calgarians](#), the top ten City programs and services that are important for Calgarians are Calgary Fire Department emergency response, water treatment and supply (including availability and supply of clean, safe drinking water), Calgary 9-1-1, wastewater collection and treatment, snow clearing, residential black cart garbage collection, emergency management and business continuity, parks and open spaces, building safety (approvals and inspections) and stormwater management.

The top service requests from Calgarians through 311 are generally consistent with the top City programs and services identified by Calgarians. In the first half of 2024, top inquiries to 311 included inquiring for property tax information, requesting waste and recycling services and reporting snow and ice on sidewalks/roads, potholes on roads and concerning trees at parks.

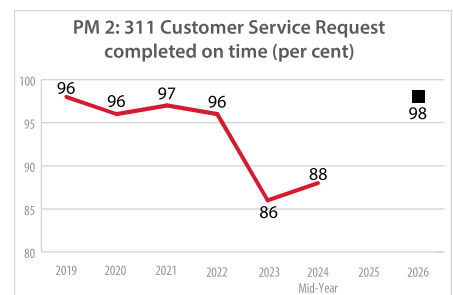
Below is an overview and select highlights of top ten services that are important to Calgarians.

## Fire & Emergency Response

The Fire department responded to almost 36,000 emergency incidents by the end of May. Fire response time improved compared to last year, however, there was a five per cent decline in first-in unit response time compared to the same period as last year (January to May). Rapidly growing communities at the periphery of the city and the post-pandemic increase in traffic levels may be contributing to the increased travel times. The Fire and Emergency Response service is exploring the optimal number of aerials to meet service demands across communities and working with supply chain to initiate and progress procurement activities.

We completed about 10,000 fire inspections with a large increase in residential inspections. The service experienced a 25 per cent increase in demand compared to the same period last year (January to May), which is attributed to the increasing complexity of violations in higher-risk occupancies (i.e., secondary suites). The service plans to engage and educate all customers and determine strategies to reduce re-inspections.

From January to May, the service completed 88 per cent of inspections on time but performance is 10 per cent lower than in the same period last year. Fire and Emergency Response continues to observe complex issues in residential higher-risk occupancy groups that are resulting in more violations and these are taking longer to complete. This results in an open 311 service request until such time that all the violations are resolved by the customer. Our re-inspection ratio also increased to 41 per cent, mainly due to increasing complexity of violations in high-risk occupancies. This is due to the length of time, in which certain properties have not completed an inspection and results in a higher volume of code violations.



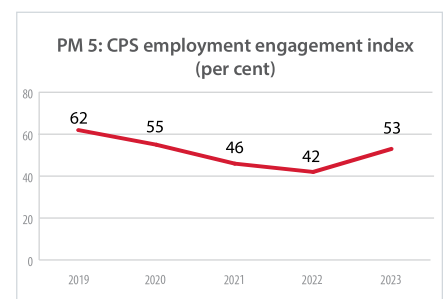
(Source: Fire and Emergency Response)

## Police Services

Since 2020, there has been a steady increase in both the number of service calls and the drive time to respond to emergency calls. In 2023, violence continued to trend higher than the five-year average. This increase was driven by increases in assaults and robberies. The severity of these crimes has also increased, as there were more aggravated assaults and assault with a weapon reported.

Police Service has used alternative call response mechanisms, piloted downtown safety hub models, diverted calls to more applicable service agencies and introduced touch down police service sites to enhance frontline police capacity and response capability. However, there are concerns in the community around police staffing levels. Some community associations are hiring private security to support police because of short staffing. The Police Service is prioritizing recruitment as well as retention of experienced officers so critical skills are not being lost.

While these pressures also impact employee morale and engagement, the service's work on the Pathways to Engagement initiative with focus on defining a long-term strategy for employee engagement, organizational culture and morale yielded a positive outcome with the first increase in the employee engagement index since 2020, moving from 42 per cent in 2022 to 53 per cent in 2023.

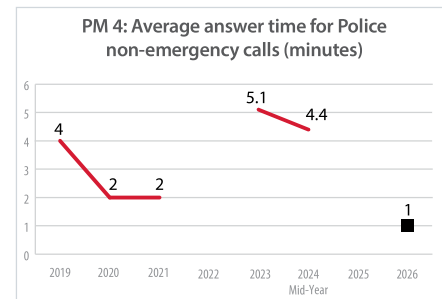


(Source: Police Services)



## Calgary 9-1-1

Calgary 9-1-1 has seen a seven per cent increase in citizen satisfaction, 91 per cent compared to 84 percent in 2023. Demand for 9-1-1 services remains high as Calgary grows. Non-emergency police call times continue to pose a challenge for the teams to answer within the timeframe established. Calgary 9-1-1 is using innovative data analytical capabilities to better forecast and optimize daily staffing needs. Using a predictive model to dynamically forecast call volumes and staffing requirements results in a more efficient use of resources. Calgary 9-1-1 has addressed some past challenges that impact this metric through ongoing recruitment, staff training and efforts to reduce call wait times. Calgary 9-1-1 is migrating to Next Generation 9-1-1 (NG9-1-1) technology to take advantage of modern digital telephony capabilities. Upgrades to infrastructure are underway in preparation for connecting to the nation-wide NG9-1-1 digital network.



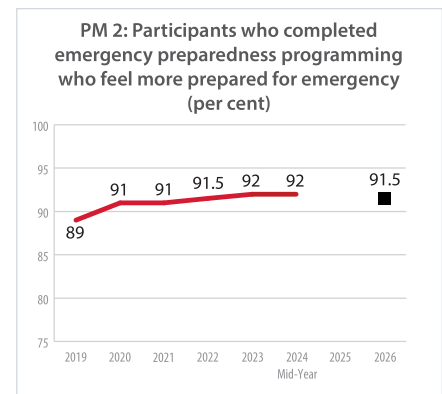
(Source: Calgary 9-1-1)

## Emergency Management & Business Continuity

The Emergency Management & Business Continuity service was activated in support of the water feeder main emergency. This included opening the Emergency Operations Centre, providing resources, centralized communications, planning support and coordination to operational services. The successful response was based on the robust exercise, training and business continuity programs the service provides to the Calgary Emergency Management Agency.

Emergency Management & Business Continuity has begun the application process to the Provincial Disaster Recovery Program for cost recovery from this event. The service has reviewed five response plans attached to the Municipal Emergency Plan (MEP) and is currently reviewing the MEP itself. The after-action review of the above feeder main incident will result in additional recommendations.

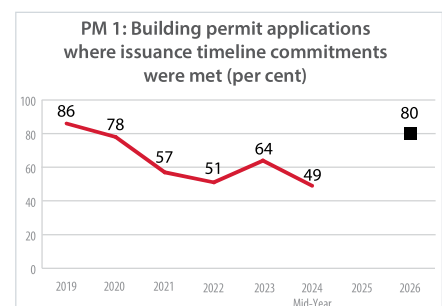
Emergency Management & Business Continuity has been making progress on increasing service accessibility. Four new videos have been developed that focus on basic measures that individuals can take to prepare their household for emergencies. There are now ten videos available and five more planned for this year. These are currently available in eight languages with additional languages being added this year.



(Source: Emergency Management & Business Continuity)

## Building Safety

Building permit processing timelines are below the expected performance level due to an increase in the volume of applicants; over 14,000 applications were received during the first six months of the year, a 23 per cent increase in permit applications. The number of building inspections booked in the first half of the year increased by nine per cent, reaching over 34,000. Despite the rise in demand, the average time to book an inspection remained consistent with last year, at four business days. However, the increased demand continues to put pressure on another performance measure - booking availability within two business days. To improve inspection booking capacity, additional staff were hired and a non-standard 40-hour workweek for safety codes officers was rolled out.



(Source: Building Safety)

## Water Treatment & Supply

The catastrophic break of the Bearspaw South Feeder Main on June 5, which severely impacted our ability to deliver water to Calgary and regional customers, highlighted the importance of asset management. The water main break led to extended voluntary indoor and mandatory outdoor water restrictions and a declaration of a local emergency. As of end of June, a total of 25 days of conservation measures were reported (this number will be higher in year-end given restrictions were still in effect at the time of reporting).

The rehabilitation and continued operations of the feeder main and service resilience will be key focus areas for Water Treatment & Supply. After extensive inspections along the full length of the feeder main, other spots have been identified as requiring urgent repair and plans are in progress to work on repairs. In relation to the Bearspaw South Feeder Main, The City has committed to an independent review of the incident. A volunteer advisory group has been selected who will work with a recruitment firm to identify individuals and select a panel chair for the full review. An update from this advisory group is expected in fall 2024.

Prior to the feeder main emergency and in response to drought conditions in Alberta, The City collaborated with other municipalities, counties, and irrigation districts to establish water sharing agreements. Additional drought preparation work was undertaken on the Water Efficiency Plan and the Water Loss Strategy, enhancing our ability to respond to future drought events.

## Wastewater Collection & Treatment

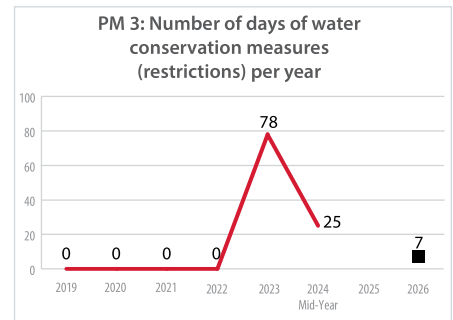
Given the highly regulated nature of wastewater, our team of experts work tirelessly to protect our rivers by ensuring regulatory compliance. So far this year, several initiatives have advanced compliance efforts, including onboarding of dedicated Water Bylaw Officers in collaboration with Community Safety. This approach has found efficiencies between the business units. Moreover, the officers focus on citizen education which has resulted in increased cooperation and compliance from customers. Significant upgrades were made to three lift stations in our wastewater collection system ensuring safe, reliable service well into the future. Lift stations are critical infrastructure as they move wastewater to our treatment plants.

The service is greatly valued by customers, and they expect their wastewater is cleaned to protect the health of the river. Calgary's three wastewater treatment plants continue treating wastewater better than the quality specified by Alberta Environment and Protected Areas, 100 per cent of the time.

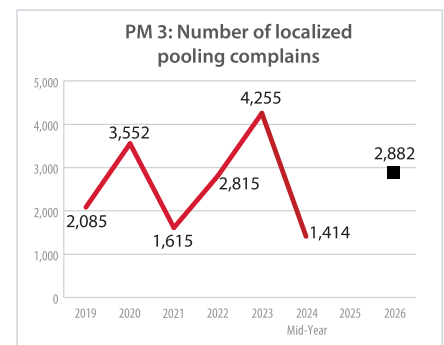
## Stormwater Management

Citizen satisfaction results continue to trend upward for this service, an indicator of the importance Calgarians place on protecting public and private property and infrastructure, and proactively preparing Calgary for climate events. The Council endorsed Stormwater Strategy is advancing as planned. Implementation teams have been established to support growth, development and densification. We continue to balance investments in new and established communities while delivering stormwater outcomes.

The Community Drainage Improvement program continues to deliver projects to improve drainage service for Calgarians at risk of stormwater flooding. Stormwater pooling complaints are seasonal and variable each year, dependent on snowpack, temperature fluctuations and intensity of rainfall events. According to the mid-year data, this metric stands at 1,414, which is lower than lower than previous years where more frequent and intense storms have hit Calgary. With over 60,000 catch basins in Calgary, we regularly engage and educate the public to build an understanding of expectations during rain or thawing events and how their efforts can support with local drainage issues.



(Source: Water Treatment & Supply)



(Source: Stormwater Management)

With over 60,000 catch basins in Calgary, we regularly engage and educate the public to build an understanding of expectations during rain or thawing events and how their efforts can support with local drainage issues.

## Waste & Recycling

Calgarians satisfaction with waste and recycling services is mainly steady with one-point increase at 87 per cent from 2023. Interruptions to waste collection are within normal ranges. With new collection days and routes introduced in early 2024, we saw a slight increase in missed collections overall. We expect this to stabilize as customers and drivers adjust to new collection days. We continue to seek opportunities to enhance processes to ensure seamless waste collection for Calgarians.

Overall, residential waste generated was 411 kilograms per household during the first half of the year; three per cent lower compared to the same time last year (424 kg per household in June 2023).

## Parks & Open Spaces

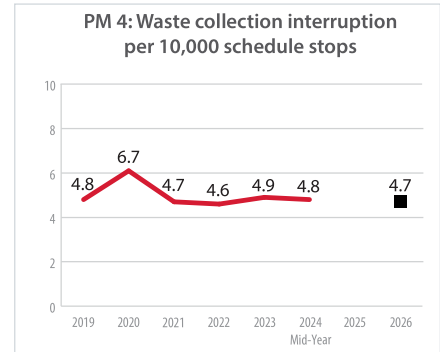
Calgary's parks have consistently scored high in Calgarians' satisfaction since the introduction of the annual survey. The [2024 Spring Survey of Calgarians](#) results indicate that 89% of Calgarians are satisfied with this service, a two-point decrease from spring 2023. The slight drop in score may also reflect decreased service levels in response to low workforce capacity, low contractor availability and unforeseen cost escalations.

The overall condition of Parks' assets has also been trending downward since 2019, increasing the risk of the deterioration of parks assets. This could compromise safety standards and lead to a decline in community wellbeing, satisfaction and reputation. For example, there are 1,159 playgrounds in Calgary, of which now, 538 (46 per cent) have surpassed the age of 20 years, which is the average useful life of a playground. At the current funding level, it is estimated that it will take about 44 years to replace playgrounds that are older than 20 years. Of the 1,159 active playgrounds, about 7.5 per cent have a poor condition rating and have a replacement value of approximately \$5.7 million.

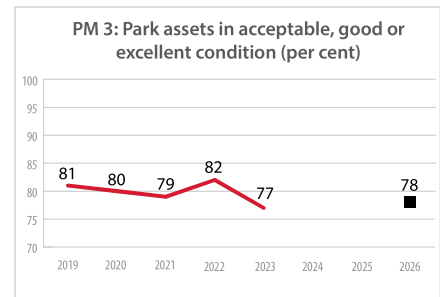
## Sidewalks & Pathways

To promote year-round walking and wheeling, improved snow and ice control clearing occurred on pathways, at schools and transit bus pads. We maintain on average, each year, 1,046 kilometers of sidewalks and pathways. Each year we add to the sidewalk and pathway system as the city continues to grow.

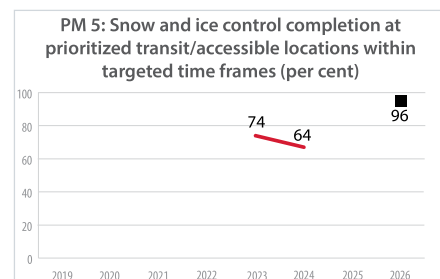
Snow and ice control remains a top priority for the service. Despite challenges such as supply chain issues and contractor staff availability (work not completed by City forces), we remain committed to improving our service on pedestrian infrastructure. A new contract award is anticipated for the upcoming winter season, which will enhance reliability and consistency. We have steadily achieved the 24-hour clearing timeframe, and the average time to complete clearing continues to trend favourably, averaging approximately 25 hours. While extreme snow events, including the record snowfall in March 2024, impacted this measure, our efforts demonstrate resilience and efficiency in maintaining a timely service.



(Source: Waste & Recycling)



(Source: Parks & Open Space)

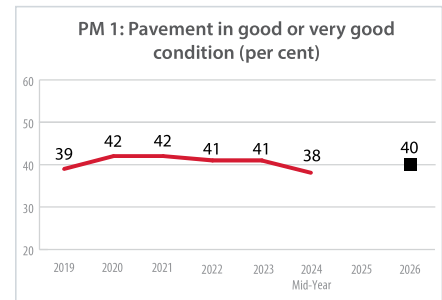


(Source: Sidewalks & Pathways)

## Streets

On average, each year, we maintain 16,300 kilometers of roadways and repair over 14,000 potholes. Pothole repairs are completed by operational crews and identified through 311 citizen reports and routine inspections. Inspections are completed and repairs are prioritized based on pothole severity, safety impacts and location.

In the first half of the year, pavement quality (e.g., potholes) was a high concern for Calgarians. Our crews repaired 18,055 potholes during the first six months of the year, which is a 58 per cent increase from the same period in 2023. Extensive and/or frequent roadway repairs affect performance of other services as detours and lane closures interfere with traffic flow and slow down first responders. The mid-year data shows that 38 per cent of pavement are in good to very good condition. At the current funding level, pavement in good and very good condition is estimated to decrease to 35 per cent by 2026. The current paving backlog is approximately \$550 million.



(Source: Street)

*We remain committed to understanding the needs of Calgarians, and managing service delivery accordingly. Despite the external and internal pressures, The City continues to deliver key services and address emerging concerns in a thoughtful and timely way.*

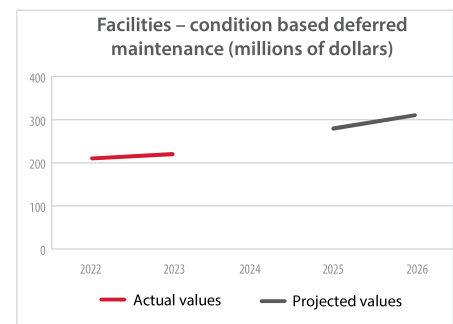
## Sustaining infrastructure

We are closely monitoring the structural resiliency of City buildings through Corporate Coordinated Operations & Maintenance Program and the Enterprise Asset Management system. This is critical to ensure our buildings, recreation and community facilities are open to deliver the services and programs Calgarians rely on. Citizen reports through 311 as well as regular inspections help identify infrastructure issues and prevent failures. However, in the first half of the year, we estimated around 49 unplanned closures ranging from one section of the facility (e.g., a hot tub going offline) to full facility shutdowns.

Annually, \$254 million worth of condition-based building maintenance is being deferred. This number continues to increase as the portfolio grows and the condition of assets like Heating, Ventilating and Air Conditioning systems, roofing or pool basins deteriorate with time and use. Once building assets are in a deteriorating condition, the rate of decline is faster, thus requiring more funding to fix.

We continue to address risks by tracking the current building and park asset conditions, accelerating preventative maintenance and aligning best practices. These actions help ensure critical life safety work is prioritized, buildings and parks remain open and services are available to Calgarians that depend on them. Through preventative maintenance, which is at 67 per cent of all maintenance activity compared to 33 per cent on-demand maintenance, we are proactively addressing decays.

When a replacement repair is not viable, the number of maintenance repairs like potholes increase significantly. For example, without a significant increase in the paving budget, we will not be able to meet our goal of 40 per cent of pavement in good or very condition in 2026. In turn, growth and repair impact service performance because of detours and other interruptions in Calgarians' lives. Additionally, unplanned significant repairs because of asset failure or following inspections require us to reprioritize our budget. In some cases, this means service levels are reduced or the cost to use the service goes up.



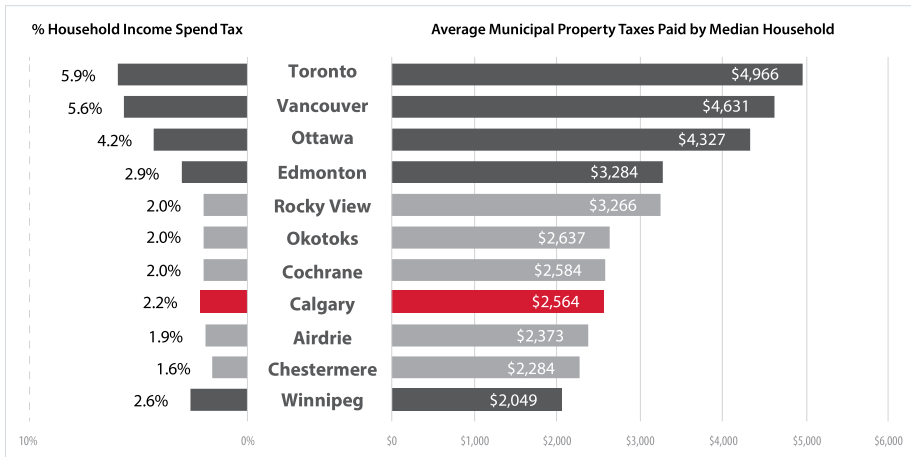
(Source: Facility Management)

## Affordability

Calgary's residential property taxes are some of the lowest among comparators. The median single residential household paid \$2,564 in municipal property tax in 2024, which is approximately 2.2 per cent of the average household income in Calgary. In measure of dollars and per cent of household income, Calgary proves



to be a leader in affordability; the lowest of Canada's major cities and lower than Rocky View County, Okotoks and Cochrane.



(Source: Assessment & Tax)

However, significant financial pressures resulting from inflation, housing crises and escalating costs also impact Calgarians. The City is experiencing an increasing demand for our low-income support programs, resulting in a funding gap to continue supporting Calgarians in need. To support Calgarians in need, our actions include:

- We made a one-time investment in Q2 of about \$2.5 million to the United Way of Calgary and Area's Basic Needs Fund to support the affordability needs of Calgarians.
- We supported more Calgarians living with low-income to access recreation at a lower cost, with nearly 50 per cent more spent on providing subsidized access to recreation programs and services.
- The Home Upgrades Program, supporting affordability for low-income Calgarians, is fully subscribed, with 51 homes upgraded for energy efficiency and 54 more homes scheduled or in progress.
- We help non-profit organizations and Calgarians in need with property tax cancellation, reduction or refunds through various programs. Discretionary tax relief programs resulted in approximately \$2.36 million in tax cancellation in the first half of 2024.

The City's financial sustainability is key to ensuring affordability in our services and programs, but the amenities Calgarians expect from a big city cannot be funded from small town taxes. We are also implementing several strategies to help stop costs rising.

- We are changing the way we calculate franchise fees on electricity and natural gas bills, providing greater clarity, predictability and control for consumers. Franchise fees will be a fixed charge unit of energy consumed and not tied to variable energy rates.
- Through the Advanced Metering Infrastructure, we aim to reduce meter reading costs and provide a more timely resolution of billing issues.
- We are also optimizing our energy use through several projects. For example, the Bonnybrook wastewater treatment plant has generated 50 per cent of its internal electrical needs and utilized 27 per cent of biogas production (see Climate section for more information).
- Finally, the majority of the service initiatives continue to focus on ways to improve our systems, processes and practices to address the changing needs and expectations of Calgarians in more efficient and effective ways. Efficiency in terms of cost savings, however, is mainly reflected through services' ability to manage higher volumes of service requests with the same or less capacity.

More information on service initiatives that provide productivity gain, cost avoidance and cost savings will be provided in the Mid-Cycle Adjustments report package.



# Council priorities

This section provides updates on the progress we made on Council's seven priority areas. These updates include key results we achieved from Council investments, primary performance measures to assess our ability to meet community needs and risks impacting overall progress in each priority area, including those risks that span multiple priorities.

- Housing
- Land use and local area planning
- Public safety
- Transit
- Social equity
- Climate
- Downtown revitalization



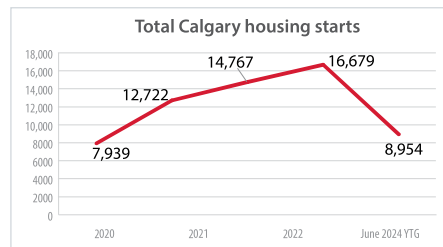




# Housing

## Community need

Population increase is the primary factor impacting housing capacity, while economic factors, such as unemployment rate, inflation or interest rates, define housing affordability. After a record high of 14,800 units in 2022, total housing starts in Calgary continued its uptrend in 2023. For the first six months of 2024, a total of 8,954 houses were started in Calgary compared to 6,832 started in the same period of 2023. There has been a shift in housing preferences towards apartments as the higher interest rate environment continues to challenge homeownership and affordability. This is reflected in the 20.3 per cent increase in the total housing starts driven by apartments, which recorded the highest sales for Q1 on record.



(Source: Canada Mortgage Housing Corporation)

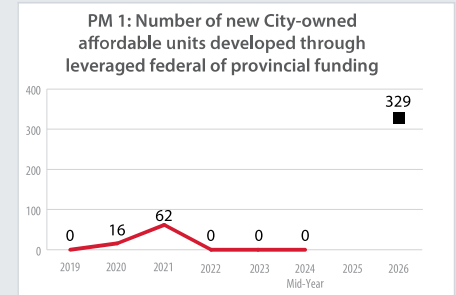
## Council investments

- Through the Housing Accelerator Funding (HAF) program, we launched the Established Area Linear Levy Pilot in March 2024, and the Secondary Suite Incentive Program in May 2024.
- The first phase of the Non-Market Land Sale (NMLS) #4 prioritizing Indigenous non-profit housing providers opened in Q1 2024 and closed with a successful applicant for one property. The second phase of NMLS #4 is underway offering four City-owned sites and is expected to announce in Q3 2024. NMLS #4 also includes up to \$75,000 per door top up in capital funding through the HAF program for nearly 300 homes.
- Work is ongoing to build a pipeline of surplus City-owned sites for future rounds of the NMLS program through the Council approved \$20 million Housing Land Fund.
- Fully serviced, shovel ready multi-family lots were made available for sale to mixed-use and multi-family developers at Midfield Heights in June 2024.
- The ongoing lifecycle maintenance projects for City-owned affordable housing properties resulted in renovations of 61 units to date.
- Through a partnership with other agencies, we supported housing needs of Calgarians by assisting 450 households, with funding for the first and last month's rent and providing operating and capital funding to Silvera for Seniors to operate the 775-units Lodge Program.
- The Aurora Business Park is being re-planned as a residential mixed-use community.
- We negotiated the sale of a portion of the Richmond Green Park, which will enable additional housing units to be developed in the area. Anticipated revenues from the sale will support future Park enhancements.

## Risks impacting the progress

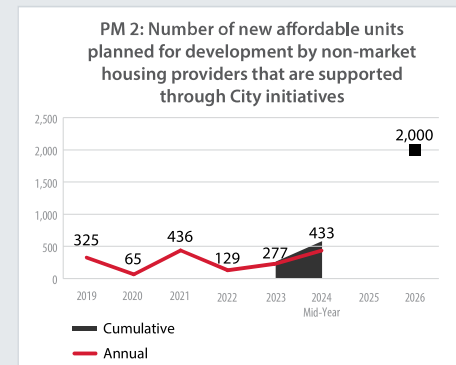
- Widening gap between the housing supply, particularly the affordable housing supply, and the need for housing.
- Public expectations to address the housing crisis and perceptions of The City's transparency and accountability in decision-making.
- Resource capacity risk.

## Monitoring progress



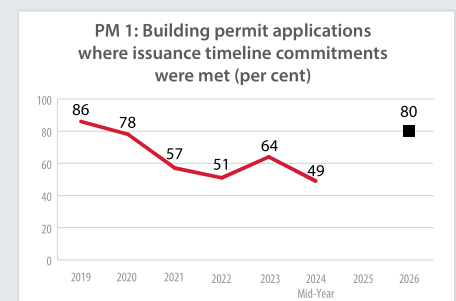
(Source: Affordable Housing)

The data for this measure is counted when the units are opened for occupancy. City projects are progressing, but no new units will be opened in 2024.



(Source: Affordable Housing)

As of Q1, 29 new non-market housing units have been approved at the development permit stage; however, the number of units in the development permit stage is expected to increase throughout the rest of 2024.



(Source: Building Safety)

Performance in meeting timeline commitments was significantly impacted by a 23 per cent year-over-year increase in permit applications (over 14,000) received during the first six months of the year, while we issued 20 per cent more permits. Several initiatives have been undertaken to improve this performance measure.

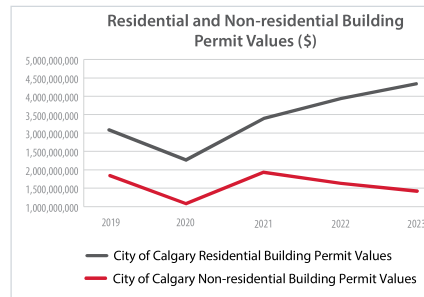


# Land use and local area planning

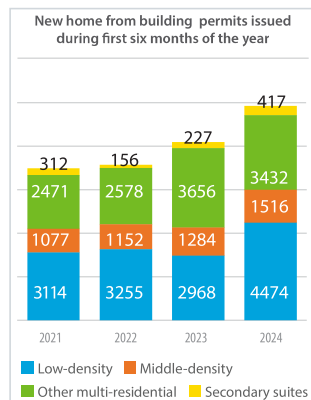
## Community need

Total building permit values rose from \$5.7 billion in 2022 to \$5.9 billion in 2023, representing a 4.3 per cent growth rate, the highest value since 2015. On the other hand, the value of non-residential building permits fell by 14 per cent in 2023, marking its second consecutive annual decline. Specifically, non-residential building permits fell from \$1.7 billion in 2022 to \$1.5 billion in 2023. An increase in non-residential building permits is an indicator for job creation and economic growth, which, in turn, can increase the non-residential assessment base.

Progress in advancing modern Local Area Plans, the new Zoning Bylaw and the Calgary Plan will be monitored against long-term trends in the context of Calgary's ongoing growth. The effectiveness of policy efforts and public investments in promoting liveable, diverse and equitable communities can be evaluated in terms of the diverse residential, commercial and industrial land uses that attract and facilitate new development. In particular, residential development is being spurred by strong population growth, with a 33 per cent increase in anticipated units in the first half of 2024, compared to similar periods over the previous three-years.



(Source: Planning & Development Services)



(Source: Planning & Development Services)

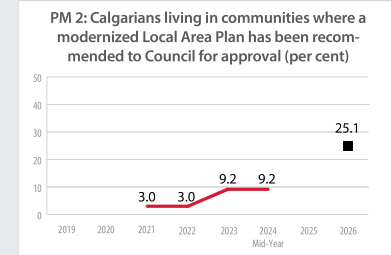
## Council investment

- After listening to Calgarians in the largest public hearing in Calgary's history, City Council voted to approve citywide rezoning with amendments on May 14, 2024. Engagement of Calgarians on the Zoning Bylaw will continue throughout 2024 and an update will be presented to Council in Q4 2024. The finalization of the new zoning bylaw will occur throughout 2025 with the participation of interested parties.
- Five local area plans are underway covering 46 communities and three industrial areas. Four area structure plans covering 2,040 hectares (5,051 acres) in Calgary and Rocky View County are under development.
- The Calgary Plan concluded Phase II of engagement in March, with 8,500+ participants. Key insights from engagement supported The Calgary Plan's first draft, which is progressing towards delivery in Q4 2024. The Connect Parks Plan, a core policy document, is under final review; relevant material was incorporated into the Calgary Plan. They will jointly guide how The City will develop and manage an exceptional, inclusive and sustainable parks system into the coming decades.

## Risks impacting the progress

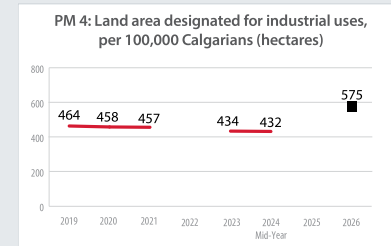
- Public engagement expectations.
- Dependency on council deliberations/approvals.
- Funding environmental resilience.
- Monitoring and managing growth across new and established communities given significant population changes.

## Monitoring progress



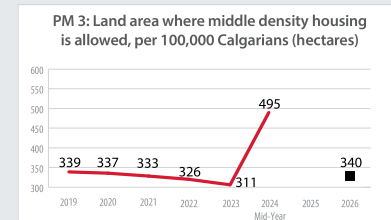
(Source: City Planning & Policy)

Five local area plans are underway in 2024, covering 46 communities and three industrial areas.



(Source: City Planning & Policy)

Industrial land is facing increased conversion pressures from non-industrial uses, as a result of changes to airport vicinity legislation. Actions of the 2023 Industrial Action Plan aim to invigorate Calgary's industrial sector by updating the policy and regulatory environment, exploring financial incentives and identifying strategic considerations when land use conversions are proposed. Higher development costs compared to neighbouring municipalities also challenged industrial development.



(Source: City Planning & Policy)

Due to consecutive years of strong migration, the rate of Calgary's population growth was outpacing the rate of middle density zoning availability. The supply of land area where middle density housing is allowed has struggled to keep up with rising demand. Implementation of the rezoning to a base residential district is scheduled for August 6, 2024, though the impact of these changes will require time to be realized.





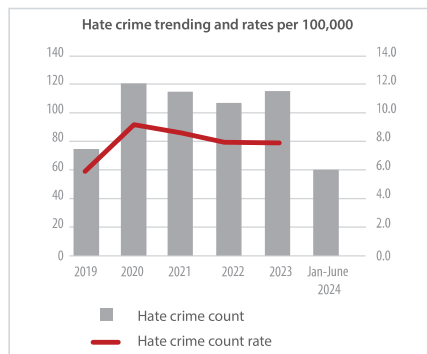
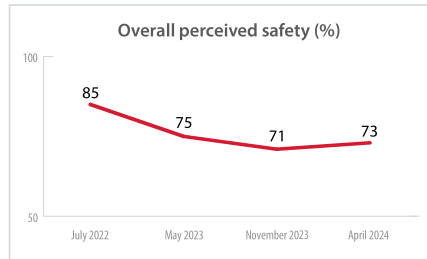
# Public safety

## Community need

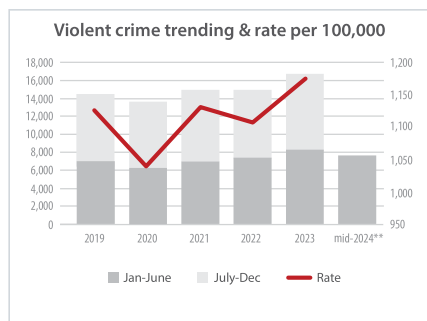
According to the [2024 Perspectives on Calgary Survey](#) results, Calgarians' overall perceived safety had a slight increase, 73 per cent from 71 per cent in fall 2023. The vast majority (87 per cent) of Calgarians surveyed feel that Calgary is as safe, or safer than other large Canadian cities.

Hate crime is often motivated by geopolitical and societal issues (i.e. COVID, middle-east conflict). The lowest volume of incidents was during 2019, followed by a peak in 2020. Since then both volume and rate have stabilized. As hate crime is influenced by environmental factors, it is difficult to predict the 2024 year-end numbers.

Since 2020, violent crime has been trending upwards in both rate and volume. Assault accounts for the largest portion of the violent crime. In 2023, we saw increases in all levels of assault severity (common assault, assault with weapon, aggravated assault), as well as increases in person robberies, while commercial robbery has decreased. Typically, we see more violent crimes reported in the latter half of the year.

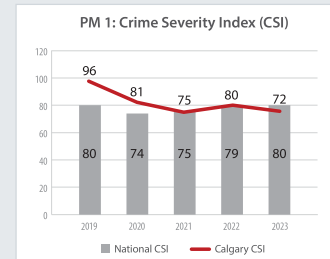


Source: (Calgary Police Service)



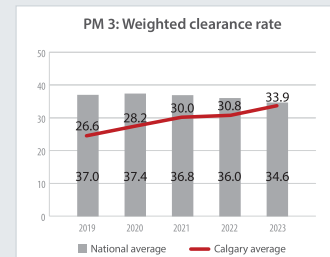
Source: (Calgary Police Service)

## Monitoring progress



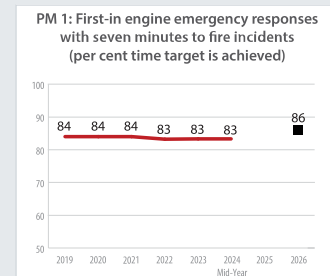
(Source: Calgary Police Service)

Calgary's Crime Severity Index (CSI) decreased by 9.6 per cent from 80.2 in 2022 to 72.5 in 2023. The CSI is at the lowest level in the past nine years. Significant decreases in property crimes account for the decline. The number of break & enters and vehicle thefts that are typically crimes of opportunity have not rebounded to pre-pandemic levels as people working from home provide natural surveillance. In addition, police operations have focused efforts on active break and enter offenders to reduce victimization.



(Source: Calgary Police Service)

The weighted clearance rate is based on the same principles as CSI, whereby more serious offences are assigned a higher "weight" than less serious offences. Calgary's weighted clearance rate improved by 10 per cent between 2022 and 2023 to reach 33.9 per cent. This is the highest level since 2014. This trend is reflected in improvements on the clearance of non-violent crime that saw an increase of 16 per cent in the same time frame.



(Source: Fire & Emergency Response)

From January to May, overall performance of first-in engine emergency response time remains relatively consistent despite an increased volume of 381 first-in engine responses to fire emergencies compared to the same time period last year. However, performance at serious and escalating fires declined by nine per cent and resources were assembled on the scene over one minute slower.

## Council investments

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- We are enhancing our ability to improve public safety and meet the growing demand for key services by adding new staff and volunteers to various teams, with ongoing recruitment progressing as planned. Additionally, several projects are on track to enhance or upgrade critical systems (e.g., new Computer Aided Dispatch), tools, and facilities. In spring, a ground-breaking was completed for an integrated multi-service facility to provide fire and emergency response service to Cornerstone and its surrounding communities.
- Established partnerships with other agencies and ongoing collaboration among key services contribute to improved results. For example, a 13.7 per cent increase in the number of calls that are non-life threatening and non-criminal transferred to 2-1-1 compared to the same period in 2023, connecting more Calgarians with the right supports and reducing strain on police officers.
- Through the Community Safety Investment Framework, \$4.5 million has been allocated to 26 programs that focus on the wellbeing of Calgarians experiencing crisis. The Safer Mobility Plan 2024-2028 has been developed to improve traffic safety, and implementation of the Public Safety Strategy is underway, with completion of a gap analysis.
- The Downtown Safety Leadership Table developed 28 recommendations for consideration to improve downtown safety. Work began to activate Olympic Plaza throughout the summer, including summer festivals and sport events providing safe and positive experience to Calgarians.
- Emphasizing "education before enforcement," 97 per cent of the Bylaw calls were resolved through education and voluntary compliance.
- The problem properties team demolished 13 problem properties so far this year. With increased capacity, we are aiming to meet the expected performance targets by 2026.

## Risks impacting the progress

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- Increasing service demand and expectations exceed service capacity.
- Funding and resource prioritization.
- Loss of reputation and public trust.
- Employee health and wellbeing.
- Strained employee and leadership capacity.





# Transit

## Community need



Feel or would feel safe riding a bus alone:

**Daytime** 82% **After dark** 52%



Feel or would feel safe riding a C-Train alone:

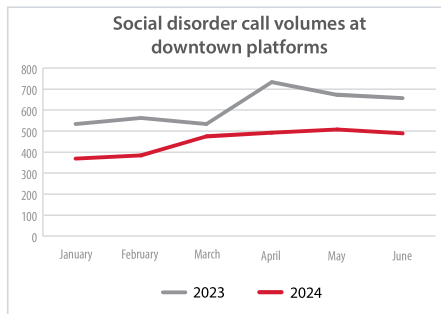
**Daytime** 69% **After dark** 35%

According to the [2024 Perspectives on Calgary - Safety survey](#) results, 77 per cent of Calgarians surveyed agreed that personal safety concerns are or would be a consideration when deciding whether or not to take public transit. Their feeling of safety when riding a bus or CTrain changes depending on the time of day.

In the first half of 2024, ridership increased by 17 per cent compared to the same period in 2023, reaching 99.5 per cent of pre-pandemic (2019) levels. However, the increase in ridership is not reflected in the revenue due to increasing proportion of fares being paid through the Low-Income Transit Pass (LITP) program. Additionally, monthly passes and single ticket sales continue to be lower than pre-pandemic levels.

## Council investment

- Projects underway to enhance transit service delivery and customer experience include upgrades to Transit Signal Priority system and other major systems, including a fare payment system infrastructure review.
- The Green Line LRT program completed the 60 per cent design milestone, including the advancement of the Development Phase negotiations around project costs, risk allocation and schedule. Green Line has acquired all land needed for the start of main construction. Some remaining land requirements may still be identified through the Development Phase.
- Design work is ongoing for the Blue Line LRT Extension and construction continues for the North Central BRT.
- We will continue receiving funding for the LITP program from the provincial government for the 2024-25 fiscal year. However, the cost of LITP is rising as the demand is growing; the total cost is estimated to be \$47 million by the end of 2024.
- Positive outcomes of the Public Transit Safety Strategy include a 26 per cent decline in social disorder call volumes at downtown CTrain platforms in the first half of 2024 compared to 2023. New Transit and Community Safety Peace Officers are being trained and deployed throughout 2024.

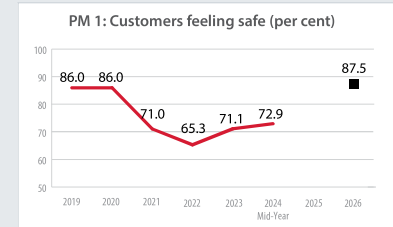


(Source: Emergency Management & Community Safety)

## Risks impacting the progress

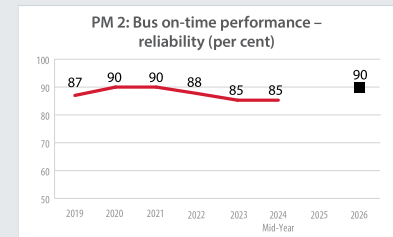
- Funding and resource prioritization.
- Loss of reputation and public trust.
- Transit asset condition.
- Insufficient transit revenue to offset cost of service delivery.
- Transit fleet procurement, maintenance and lifecycle asset condition.

## Monitoring progress



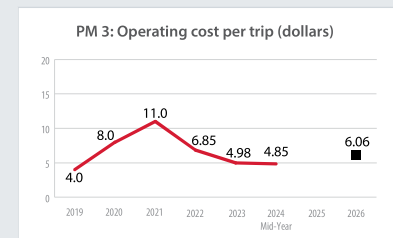
(Source: Public Tansit)

We continue to see a positive trend in customer safety perceptions. However, a significant gap in the target remains.



(Source: Public Tansit)

The acquisition of replacement community shuttle buses has improved fleet reliability, and as new operators hired in 2023 mature in their roles, we expect Bus On-Time Performance to gradually improve.



(Source: Public Tansit)

Operating cost per trip continues to be below the target, primarily driven by service improvements and increased ridership. While strategic investments in Calgary Transit fleet will further reduce operating cost per trip, inflationary pressures continue to challenge overall operating costs. The revenue is also lagging due to shifting trends in the types of fare products customers are purchasing.





# Social equity

## Community need

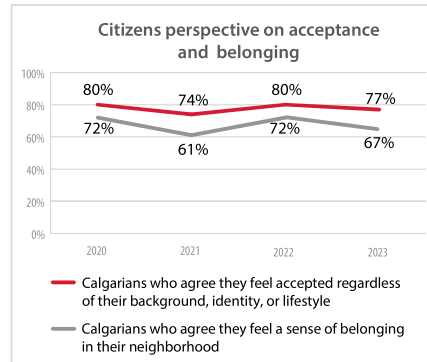
According to the [2023 Calgary Attitudes and Outlook Survey](#), in 2023, we saw a slight decrease in the percentage of Calgarians who feel accepted regardless of their background, identity or lifestyle. We also saw a decrease in the percentage of Calgarians who feel a sense of belonging in their neighbourhood.

## Council investment

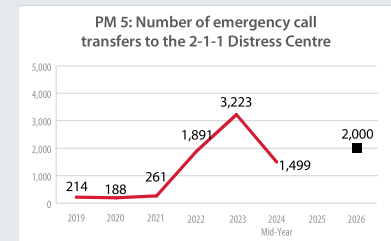
- We continue to increase our capacity and ability to improve social equity and community wellbeing in several ways, such as hiring more staff to build better connections between services and communities and exploring new funding sources.
- There is an increasing demand for the Fair Entry program (18 per cent increase from January to May compared to the same period in 2023). Council's investment last November allowed for the hiring and deployment of social support workers and crisis intervention specialists to respond to clients with complex needs.
- In 2024, \$41 million has been allocated (as of May 31, 2024) to 155 local programs, with an estimated reach of 50,000 Calgarians. With a total of 294 applicants, there was a \$44 million gap in funding requested for the Family & Community Support Services fund.
- To date in 2024, \$5.3 million in mental health and addiction investments have been made across 30 programs that support approximately 12,000 Calgarians.
- We hosted a Racial Justice Conference for 1000+ participants focusing on actionable strategies to create safe spaces and increase opportunities for equity-denied groups to contribute to policy and programs..
- Since January 2024, the Partnership Agency Liaison team has responded to 3,295 encampment calls for service; 2,853 were resolved by peace officers. Peace officers have also conducted 215 welfare checks and assisted four individuals to find supportive housing through our Alpha House partners.
- Collaboration, partnership and recruitment for Indigenous positions continue in several teams to enhance the Indigenous presence in our service delivery, such as the Indigenous Public Art and Indigenous Procurement program.
- Youth unemployment is at 16.6 per cent compared to 11.5 per cent at mid-year 2023. Over 20,000 youth connected with the Youth Employment Centre attending workshops, employment fairs and accessing the resources

## Risks impacting the progress

- Ability of The City to meet increasing service demand and expectations.
- Community partners/organizations' capacity to partner with The City to meet the increasing needs of Calgarians for social supports.
- Ability of The City to meet the social wellbeing and safety needs of Calgarians.
- Ability to recruit and retain qualified employees in specialized roles/positions due to the competitive labour market.
- Decreased program grants/funding to The City or community partners.

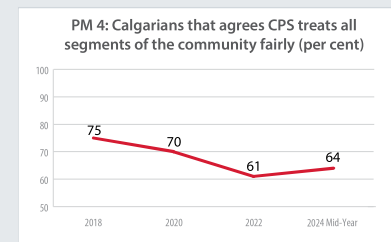


## Monitoring progress



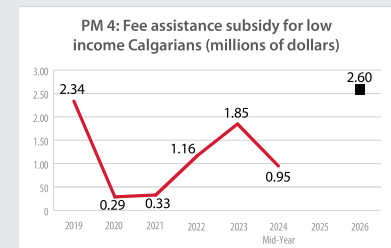
(Source: Calgary 9-1-1)

Calgary 9-1-1 successfully transferred 1,499 emergency calls to the 2-1-1 Distress Centre, bringing the total to 4,722 since the beginning of the initiative.



(Source: Police Service)

This is one measure used to monitor progress toward equity in service delivery. Key areas of work in 2024 include the deployment of Community Engagement Response Teams, the launch of Downtown Street Engagement Team, in-service anti-racism education, and ongoing dialogue to better understand the community's perspectives about improving policing service.



(Source: Recreation Opportunities)

We spent \$0.95 million on providing subsidized access during the first half of 2024, which is 50 per cent more than the same time period last year. The Recreation Fee Assistance subsidy and Calgary Transit's Low-Income Passes continue to be the two most requested services through Calgary's Fair Entry program. Launched in November 2023, the High-Speed Low-Cost Internet subsidy is now the third most requested service through the Fair Entry program.

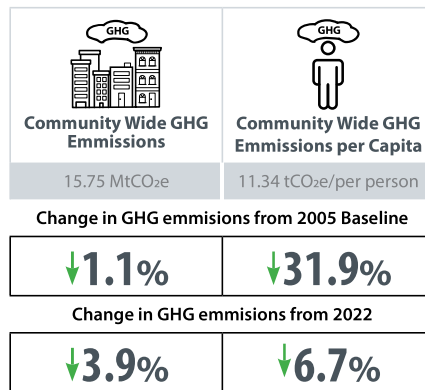


# Climate

## Community need

Total community-wide greenhouse gas (GHG) emissions have decreased by 3.9 per cent to 15.75 MtCO<sub>2</sub>e since 2022, which is 1.1 per cent lower than the 2005 baseline. In comparison, Calgary's community-wide GHG emissions per capita have decreased 6.7 per cent since 2022, which is a reduction of 32 per cent compared to the 2005 baseline.

In the same period (since 2005), Calgary's population increased by approximately 45.3 per cent, meaning emissions have not proportionally increased with population growth. The decrease in both total and per capita GHG emissions is a positive trend that can be attributed to the continuing decarbonization of the electricity grid as well as a slight decrease overall in natural gas and electricity usage. However, to achieve our goal of net-zero emissions by 2050 there must be a much more significant downward trend in total community-wide emissions.



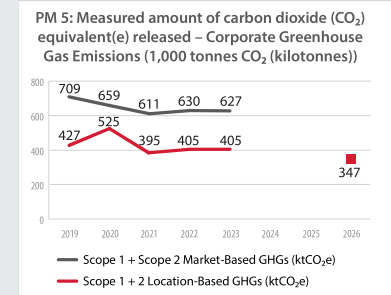
(Source: Climate & Environment)

## Council investment

In the first half of 2024, The City made progress on climate outreach activities; integrating climate considerations into City Building processes and initiatives; and leading by example with city-owned assets, including:

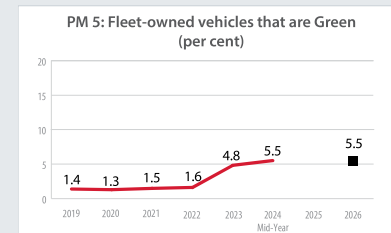
- Integration of drought resilience and water efficiency programs like the Every Drop Counts campaign and Yardsmart Program in early 2024, prepared Calgarians to respond to water shortages. For example, The City supported Green Calgary's rain barrel sales program skyrocketed from 2,466 barrels sold in 2023 to 2,250 by the end of May 2024.
- City-supported climate outreach programming included the Jack Leslie Youth Environment Grants, Earth Hour, the Alberta Solar Show, Eco-Solar Home Tour, the Electric Mobility Awareness and Education campaign and over 50 additional climate education events and programs.
- Integration of climate and environmental considerations into city planning, such as the protection of Environmentally Significant Areas and flood-hazard policy into the Calgary Plan; and energy efficiency, water efficiency, and climate hazards integrated into the design of Scotia Place Events Centre which will achieve LEED Silver as part of its sustainability strategy.
- Public launch of the Planning Actions for Climate Toolkit to provide guidance to developers, applicants, and home owners, and five new projects (256 housing units) entered the Green Buildings Priority Stream Program.
- Completion of several corporate GHG emissions reduction projects, including a 115 kW solar photovoltaic (PV) system at the Calgary Parking Impound Lot; a new landfill gas to electricity facility at East Calgary landfill; and a new 4.6 MW gas turbine and steam turbine at Bonnybrook Wastewater Treatment Plant.

## Monitoring progress



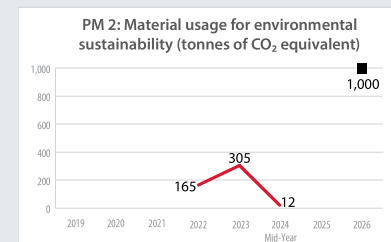
(Source: Climate & Environmental Management)

2023 market-based corporate emissions are 42 per cent lower than 2005. In 2024, The City completed a second-party review of its GHG emissions inventory and updated its methodology to enhance reporting accuracy in alignment with industry best practices. This review resulted in updated data values and 2026 target for this performance measure.



(Source: Fleet Management)

As of mid-year 2024, 5.5 per cent of Fleet-owned vehicles are either battery electric (43) or hybrid (89), surpassing the business cycle target of 5 per cent.



(Source: Sidewalks & Pathways)

The use of General Use Lime (GUL) in construction cement reduces the carbon footprint of this material by absorbing carbon from the atmosphere over time. The reported quantity of GUL cement usage is 500 cubic meters, resulting in a reduction of approximately 18 tonnes of carbon to the end of June. Additional concrete work utilizing GUL cement will further increase the tonnes of CO<sub>2</sub> equivalent captured.



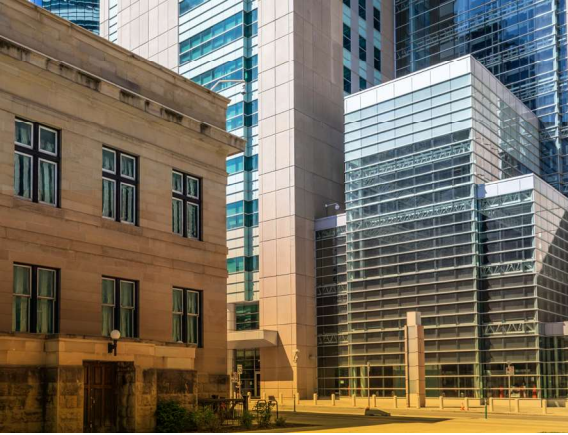
- Several new carbon reduction projects are underway to support The City's Green Fleet Strategy, including incorporating light-duty electric vehicles and equipment into The City's fleet, expanding The City's electric charging network for service delivery, and testing medium- and heavy duty electric vehicles and alternative fuels such as hydrogen and renewable diesel.
- Several paper waste reduction initiatives were active in 2024, with a total of approximately 65,000 property owners signing up for eNotices as of June 30, 2024, and over 80 per cent of new Tax Instalment Payment Plans sign-ups being done online, saving over 23,000 TIPP agreements from being mailed or emailed.

### Risks impacting the progress

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- Drought.
- Climate & environmental data availability, integration and quality.
- Municipal climate & environmental focus/strategies alignment with other orders of government.





# Downtown revitalization

## Community need

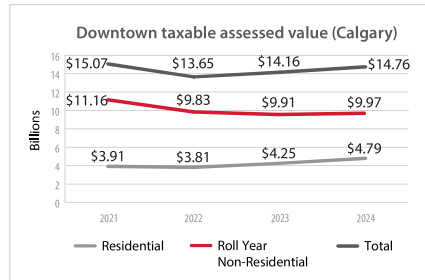
The total downtown taxable assessed value has been increasing since 2021 primarily due to recovery in the highest-quality office buildings. With these buildings becoming more affordable, tenants opt for better spaces and amenities, causing a shift in demand from lower-quality offices to superior ones.

Approximately half (51 per cent) of Calgarians who do not live downtown have visited downtown two or more times a month in the past six months, down from 60 per cent in November of 2023 (2024 Perspectives on Calgary Survey).

According to 2024 Perspectives on Calgary Survey results, among Calgarians who do not live downtown, 81 per cent feel safe walking alone downtown during daytime compared to 30 per cent after dark. The majority feel safer when there are more people around (90 per cent) and believe having more police and peace officers in downtown would also make them feel safer (87 per cent).

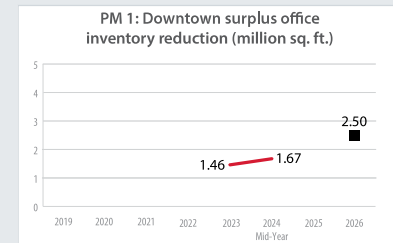
## Council investment

- The BMO Centre Expansion opened its doors in June 2024 and officially became Western Canada's largest convention centre, with capacity of 33,000 people and estimated economic impact of \$100 million a year, providing thousands of jobs.
- Chinook Blast 2024 brought more than 433,000 people downtown, a 16 per cent increase from 2023. There was an approximate \$15.7 million economic impact from this \$825,000 investment. More than 1,500 artists, athletes, creative makers and performers were involved as well as over 200 businesses and 20 non-profit organizations.
- In April 2024, the Art Commons Transformation project revealed designs for the new building, valued at \$270 million, introducing a new three-level building with 162,000 square feet of contemporary features including a 1,000-seat theatre and a 200-seat studio theatre, boosting seating capacity by 45 per cent.
- The Chinatown activation grant is a new \$25,000 program to activate Chinatown through cultural activities, with six projects approved so far. Additionally, twelve grants were directed to other Business Improvement Areas and Community Associations to activate downtown with performances and events.
- The Cornerstone project is now complete, creating 112 homes in Calgary's downtown. Place 800 project was approved and will convert approximately 200,000 square feet into 204 new homes in downtown.
- In 2024, the Joint Management Team was formed to unite Calgary Police Service (CPS), Emergency Management & Community Safety, Corporate Security and Parks to address social disorder issues in the downtown core. The Government of Alberta's funding for 50 CPS officers has supported the creation of Community Engagement Response Teams that address social disorder and crime in public spaces, in the downtown core, and on transit corridors.



(Source: Assessment & Tax)

## Monitoring progress



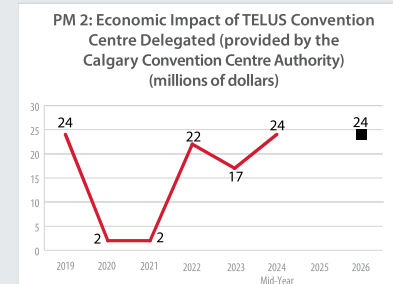
(Source: City Planning & Policy)

Since the beginning of the 2023 -2026 Service Plans and Budgets cycle 12 projects, including one during the first half of 2024, have been approved through the Downtown Calgary Development Incentive Program, creating over 1,556 new homes and removing approximately 1.67 million square feet of vacant office space.



(Source: Economic Development & Tourism)

3,128 new jobs have been created in the first half of 2024, 1,500 of which were created as a result of Amazon's recent investment in fulfillment centres. Fortinet's new Calgary headquarters in downtown core created 165 new jobs and reinforced Calgary as a centre of excellence in fintech and cyber security. UK-based Achilles and Veripark have also recently made Calgary their North American and Canadian hubs, respectively.



(Source: Economic Development & Tourism)

During the first half of the year, the Calgary TELUS Convention Centre hosted 92 events that welcomed 66,742 delegates, generating a total direct economic impact for Calgary of \$23.9 million, meeting the organization's annual economic impact target by mid-year.

## Risk impacting the progress

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- Financial health and sustainability of The City's Civic Partners.
- Funding and resource prioritization.
- Loss of reputation and public trust.
- Organizational capacity of The City's Partners.
- The health of Calgary's art and cultural sector.
- Public engagement expectations.
- Downtown Incentive Program Funding.





# Financial updates

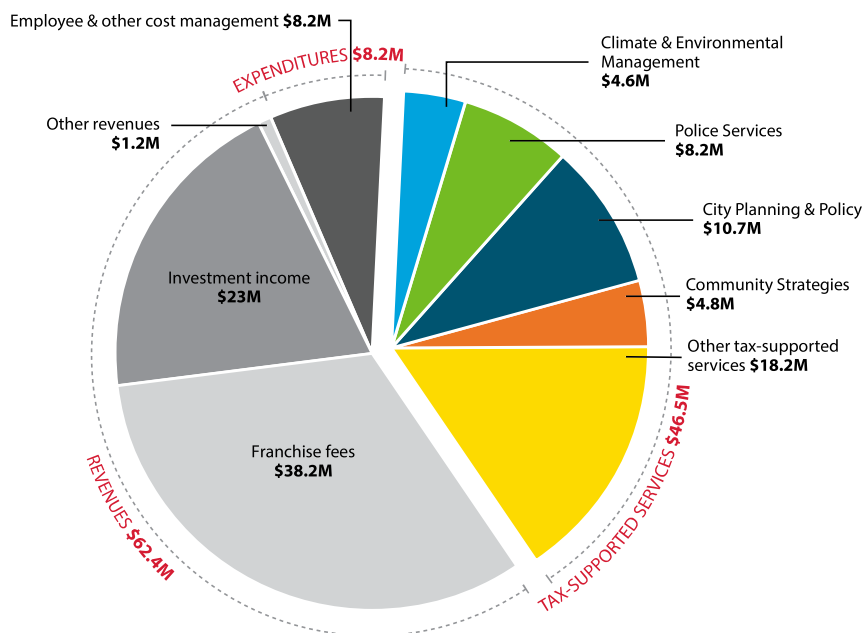
The City is committed to delivering services with the financial resources available and sustaining financial health in accordance with best practices and Council policies. The City had a favourable year-to-date operating variance primarily related to higher-than-expected franchise fee revenue due to elevated energy prices, increased investment income and expenditure savings across multiple categories. The City's capital budget spend is reflective of the fact that most of the capital spending is aligned with the construction season that is more pronounced in the second half of the year.

The City continues to attract new residents from national and international migrations due to its renowned livability. This has translated into increased demand in various municipal services, which The City strives to meet while maintaining the current budgeted expenditures.

## Operating budget overview

As of 2024 June 30, The City had a favourable year-to-date operating variance of \$117.1 million. This was due to higher corporate revenue and lower expenditures, combined with the operational service variances. Corporate revenue increase can be attributed to higher franchise fee collection due to higher energy prices, increased investment income from the City's bond portfolio and realized gains on foreign exchange overlay portfolio, additional taxation revenue resulting from higher assessment as well as slightly higher penalties and fine revenue. The revenue impact was partially offset by lower-than-budgeted return on equity (ROE) from utilities services. Lower-than-expected corporate expenditures primarily resulted from increased cost recoveries relating to employee benefits. The favourable variance across several tax-supported services was mainly driven by lower expenditures in salary and wage due to challenges in hiring and delays in program implementation. The year-end operating variance is currently estimated at \$158 million favourable. These estimates are for The City's internal operations and not reflective of the consolidated results presented in the financial statements and we will further revise these estimates in Q4 2024.

2024 Mid-Year favourable operating variance (\$ Million)



(Source: City of Calgary Corporate Budget Office)

## Capital budget overview

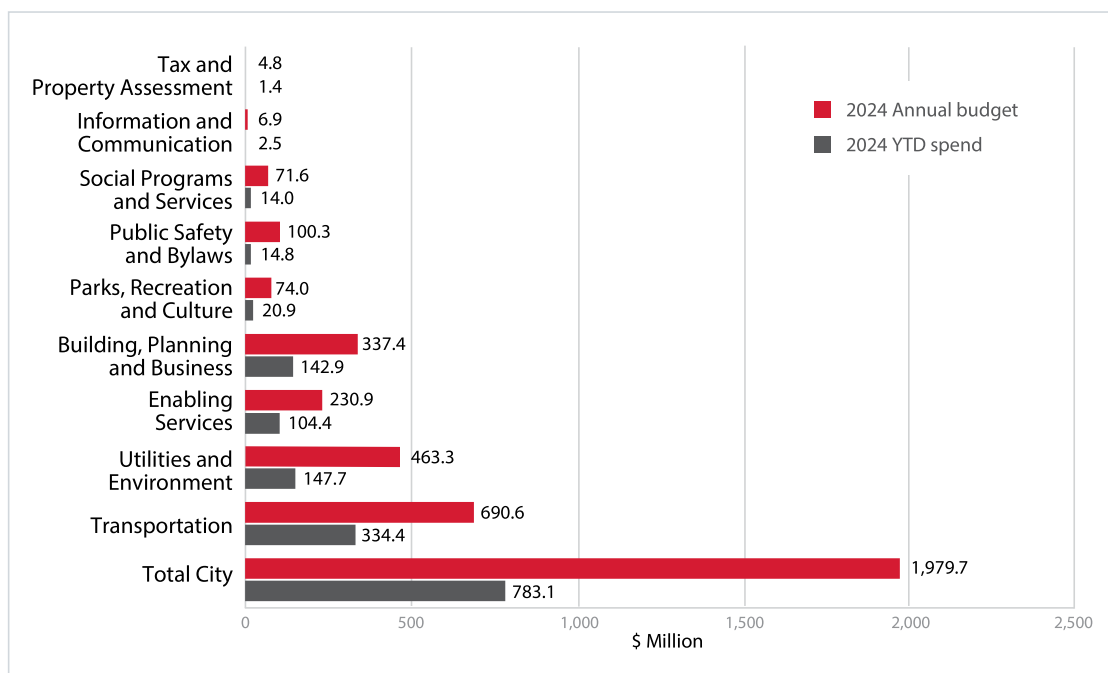
As of 2024 June 30, The City has made \$0.8 billion in capital investments (39.6 per cent of the \$2.0 billion budget). The overview highlights key projects and their progress. The newly expanded BMO Centre, unveiled in time for the 2024 Calgary Stampede, is now Western Canada's largest convention centre. It features 565,000 square feet of new space, including 38 meeting rooms, a 100,000 square-foot outdoor plaza, and striking public art. The centre can accommodate up to 33,000 people. Some major key road reconstruction to be completed later in the year includes 17 Ave. S.W. Phase 2, 144 Ave. N.W at West Nose Creek and 14 St. from Anderson Road to Canyon Meadows Drive S.W. will continue to support growth, development and connectivity.

The City continues to upgrade electrical and mechanical systems at several aquatic centres, renovating Fire Station 8 and Municipal Building for better climate control, privacy and accessibility. Energy saving programs and retro-commissioning projects are also reducing energy use, greenhouse gas emissions and operating costs across all City of Calgary facilities. The delivery of replacement fleet, including buses and light rail vehicles as part of life cycling assets, allows Calgary Transit to meet ridership growth, enhance service reliability and improve the overall commuter experience. The City remains dedicated to promoting active transportation by investing in the 5A network, including Ward 5 and Ward 10 N.E. Pathways and Bikeways Network Corridor Connections which has commenced this year.

The City typically sees the capital spend rate increase in the second half of the year due to the seasonality of the construction industry and this trend is anticipated to continue this year. By Q4 2024, several key infrastructure services including Stormwater Management, Public Transit, and Facilities Management are expecting a 100 per cent spend rate on major projects.

Supply chain and labour resourcing issues have been identified as challenges for some service categories. The Infrastructure Calgary Steering Committee is currently reviewing capital investments that can be relinquished and reallocated to higher priority, unfunded capital needs. The City also continues to look for third party funding and financing for capital opportunities.

**Total City 2024 capital budget and YTD spend by service categories (\$ Million)**



(Source: City of Calgary Corporate Budget Office)











# 2024 Mid-Year Progress Update

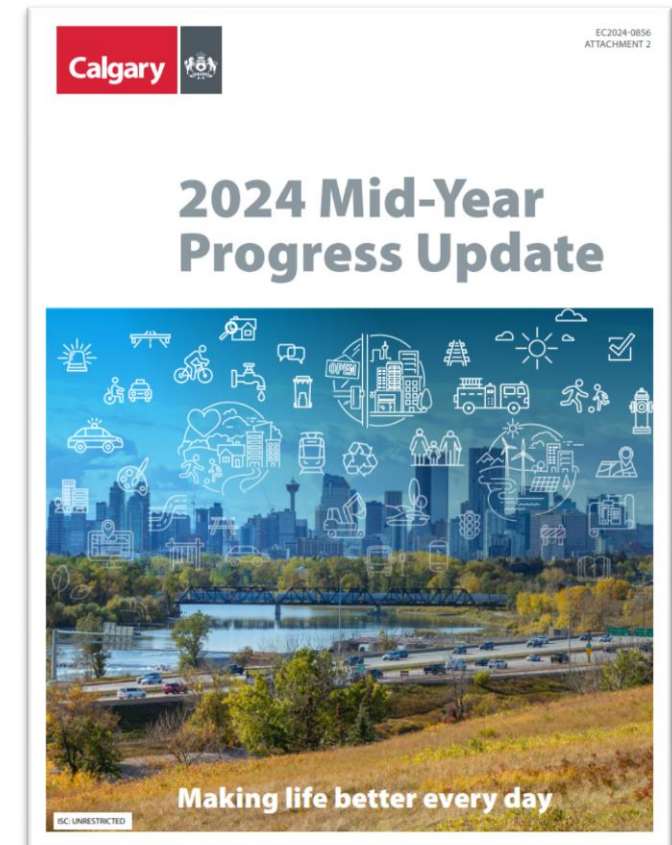
EC2024-0856

2024 September 4

That the Executive Committee recommends that Council:

- Use the 2024 Mid-Year Progress Update as one input to the ongoing discussions leading up to the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets.

- We made progress on delivering our service plans & budgets including in council priority areas.
- Population growth and inflation are outstripping spending making it increasingly difficult to maintain service levels, and citizen satisfaction with City services overall is falling.
- We continue to do our best to meet the needs of Calgarians with the resources we have and ensure long-term financial sustainability.
- In the first 6 months of 2024 we:
  - had a favourable operating variance of \$117 million
  - spent 39.6% of the \$2 billion capital budget, up from 15% at this time last year







# Calgary is a leader in property tax affordability



**2.2%**



**2.6%**



**2.9%**



**4.2%**



**5.6%**



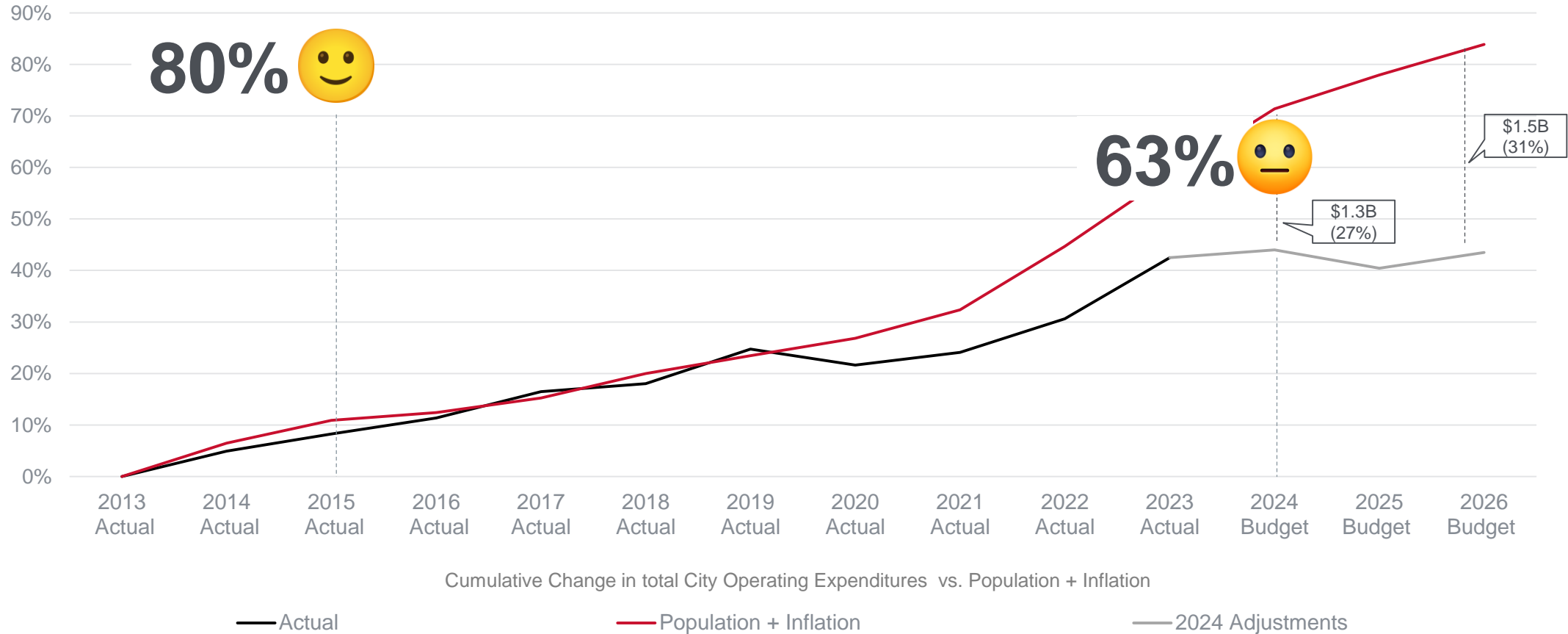
**5.9%**

of household income spent  
on municipal property taxes





# Population growth and inflation are outstripping spending and overall satisfaction is falling





# Some of the services most important to Calgarians are being impacted



## Response times

- Fire first-in unit response within 6 minutes, 30 seconds
- Citizen satisfaction for Calgary 9-1-1
- Average time for snow clearing at target of ~25 hours



**5%**  
Vs same period 2023



**7%**  
Vs 2023



## Processing timelines

- Building permit applications meeting processing timelines
- Number of building inspections booked within two business days



**15%**  
Vs 2023



**25%**  
Since 2022



# Some of the services most important to Calgarians are being impacted



## Water utility

- 25 days of water conservation\*, expected to increase due to water restriction currently in effect
- Wastewater continues to surpasses legislated standard 100% of the time.
- Catch basin pooling complaints are lower than previous years.



## Conditions of our assets and buildings

- Pavement in good/very good condition
- 46% of playgrounds are >20 years (average useful life)



**3%**  
Vs 2023



\* Mid-year data



# Investments have enabled significant progress in priority areas



## Housing

- 8,954 new housing starts



**31%**

Vs same period 2023



## Public safety

- Overall perceived safety 73%
- Crime Severity Index 72.5%



**2%**

Vs fall 2023



**9.6%**

2023 Vs 2022



Lowest in last 9 years



## Transit

- Ridership increased, boardings reached pre-pandemic levels
- Decrease social disorder calls in downtown C-train platforms



**17%**

Vs same period 2023

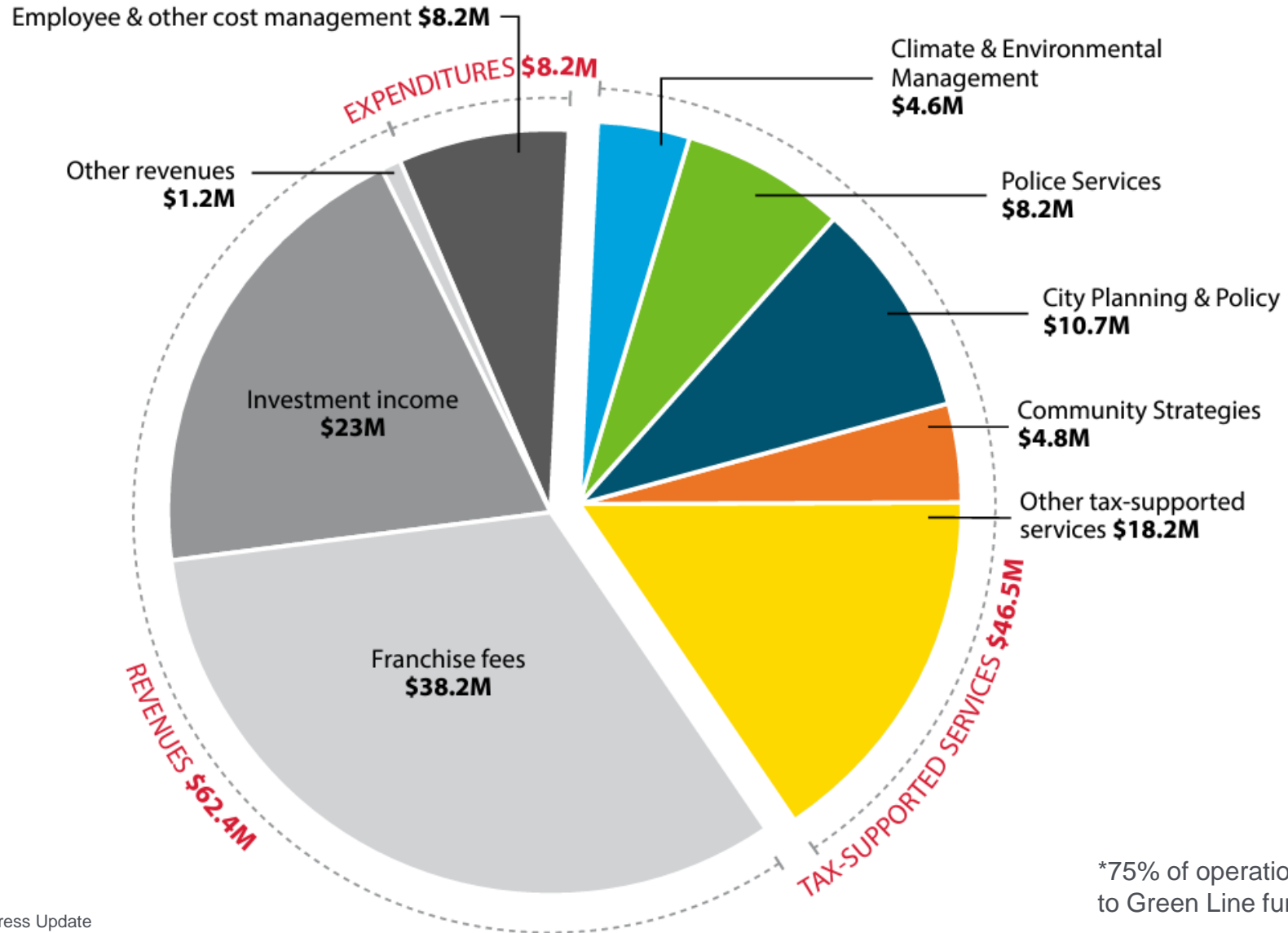


**26%**

Vs same period 2023



# Mid-Year Operating Variance is \$117 million favourable\*



\*75% of operational savings contribute to Green Line funding strategy



# Capital spend rate has increased

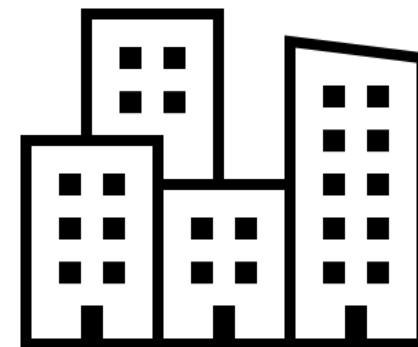
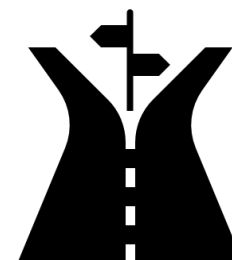
# 39%

vs

# 15%

2024 MID-YEAR SPEND AT \$0.8 BILLION

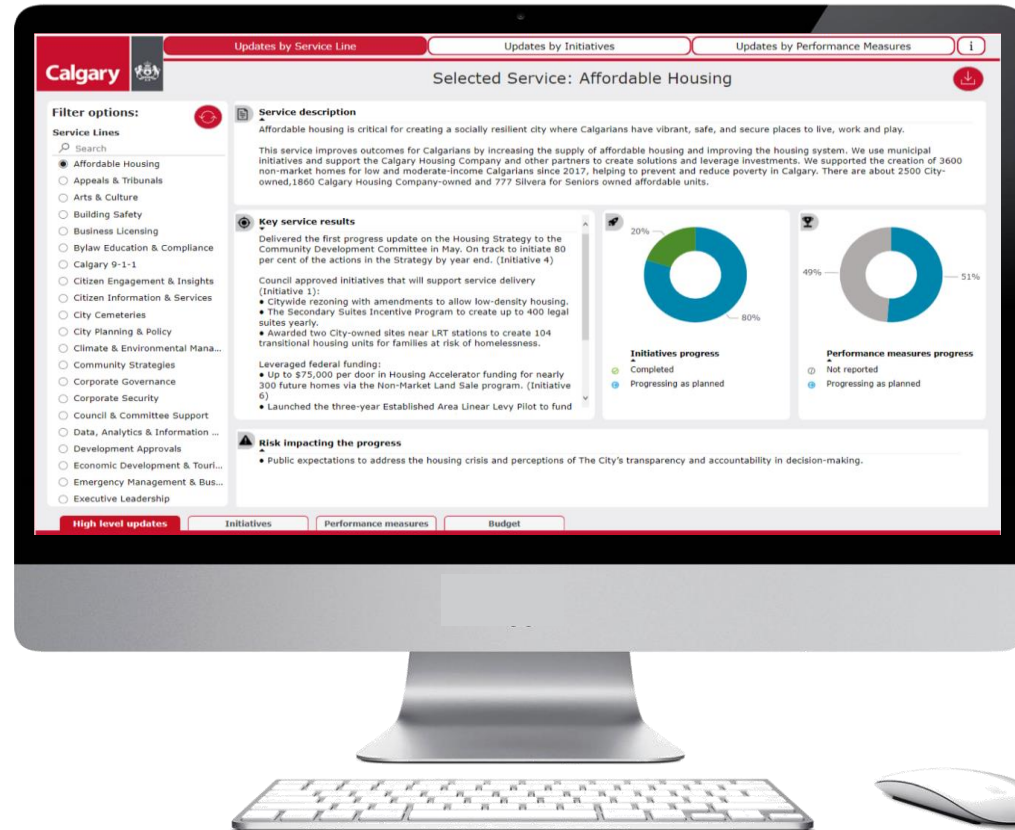
2023 MID-YEAR SPEND AT \$0.4 BILLION







# Improving reporting





# Recommendations

That the Executive Committee recommends that Council:

- Use the 2024 Mid-Year Progress Update as one input to the ongoing discussions leading up to the Mid-Cycle Adjustments to the 2023-2026 Service Plans and Budgets.

Corporate Planning & Financial Services Report to  
Executive Committee  
2024 September 04

ISC: UNRESTRICTED  
EC2024-0956

## 2024 Non-Profit Tax Mitigation Report

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### RECOMMENDATION:

That the Executive Committee recommend that Council, under the authority of section 347 of the Municipal Government Act (MGA), cancel municipal property taxes for qualifying non-profit organizations (Attachment 2).

### HIGHLIGHTS

- **Reason for recommendations:** Once a year, Council approval is requested to cancel prior year taxes for eligible non-profit facilities under construction, in accordance with the *Non-Profit Tax Mitigation Policy*.
- **What does this mean for Calgarians?** The tax cancellation provides financial support to eligible exempt non-profit organizations pursuant to Council direction.
- **Why does it matter?** This report recommends that Council cancels \$28,980.23 in property taxes overall to support accuracy, fairness, and transparency.
- The \$28,980.23 detailed in Attachment 2 is for the applicable 2022 - 2023 taxes accrued on non-profit organizations identified as qualifying for municipal property tax cancellation under the *Non-Profit Tax Mitigation Policy* (NPTM).
- The NPTM is now a stand-alone report following from Charter *Bylaw 3H2024* and the *Tax Relief Delegated to Administration Council Policy* where corrections to assessment and tax errors in prior assessment years are no-longer included in this report.
- Background and Previous Council Direction is included in Attachment 1.

### DISCUSSION

#### Exempt Organizations and the Non-Profit Tax Mitigation Policy (Attachment 2)

Non-profit organizations that provide public facilities are generally exempt from property tax through the MGA and the Community Organization Property Tax Exemption Regulation (COPTER). Some property tax exemptions require the property and/or facility be used for an exempt purpose. Exemptions based on use do not apply to properties and/or facilities while under construction. To address this issue Council adopted the Non-Profit Tax Mitigation Policy (Policy) to cancel the municipal property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed.

### EXTERNAL ENGAGEMENT AND COMMUNICATION

- |   |   |
|---|---|
| <input type="checkbox"/> Public engagement was undertaken                   | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required        |

**2024 Non-Profit Tax Mitigation Report**

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**IMPLICATIONS**

**Social**

Eligible non-profit organizations can receive financial support through tax cancellations for properties under construction.

**Environmental**

Not Applicable.

**Economic**

Non-profit organizations listed in this report will receive tax cancellations.

**Service and Financial Implications**

**Existing operating funding - one-time**

Description	2024 Report	2024 Budget
Non-Profit Tax Mitigation Policy	\$28,980.23	\$500,000.00

**RISK**

Non-Profit organizations face a financial risk if applicable tax cancellations are not approved according to policy. This would also result in a reputational risk to The City.

**ATTACHMENTS**

1. Previous Council Direction, Background
2. List of Tax Cancellations related to the *Non-Profit Tax Mitigation Policy*
3. Presentation
4. Non-Profit Tax Mitigation Policy

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male, CFO & GM, CPFS	Corporate Planning and Financial Services	Approve
Eddie Lee, Director	Corporate Planning and Financial Services	Approve

## Background

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### Exempt Organizations and the Non-Profit Tax Mitigation Policy

Property tax exemptions are governed by the *Municipal Government Act* (MGA) and the *Community Organization Property Tax Exemption Regulation* (COPTER). Exemption provisions in the legislation are different based on the ownership and use of the property: some properties are required to be actively used for a specified purpose to be eligible for exemption, while others are exempt based on ownership alone. This means certain properties, in particular those used by non-profit organizations, are ineligible for property tax exemptions when their facilities are under construction or renovation and are not being used for their exempt purpose.

At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the *Non-Profit Tax Mitigation (NPTM) Policy* to fill this gap in exemptions and cancel the property taxes of non-profit organizations that paid tax during the construction or renovation period of their facility. Under the current legislation, organizations that fall into this gap and benefit from the *NPTM Policy* include non-profit organizations and societies such as places of worship, chambers of commerce, food banks, and under certain conditions, arts and cultural activities.

To be considered for municipal property tax cancellation under the *NPTM Policy*, organizations must receive a property tax exemption for the property under the provincial legislation. Until the property is completed, occupied, and being used for the exempt purpose, applicants pay municipal and provincial property taxes.

The *NPTM Policy* ensures that tax cancellations for properties and/or facilities that are under construction are conducted in an equitable and consistent manner through an open and transparent process. The following criteria from the *NPTM Policy* are used to determine if the circumstances and corresponding municipal property tax amounts should be brought forward to Council:

- › a building permit for the site was issued after the date established in the *Policy*; and
- › the organization has filed the necessary application form to request tax cancellation under the *NPTM Policy* to Assessment & Tax; and
- › upon completion and occupancy, the organization has filed an application for property tax exemption under the MGA or COPTER to Assessment & Tax and the application has been approved.

The non-profit organization must meet all the above criteria to qualify for a tax cancellation under the *NPTM Policy*. Up to four years of the municipal property taxes paid over the construction or renovation period are eligible for retroactive cancellation.

The value of the cancellation amount is based on the municipal tax levied during the eligible period the property was under construction and is retroactive to the organization attaining property tax exemption under provincial legislation.

The eligible period begins the year that the required application is submitted to Assessment & Tax. If the application is submitted the same year the building permit is issued, the period begins as of the date the permit is issued. If the application is submitted at any point thereafter, the eligible period begins January 01 of the year in which the application is received by Assessment & Tax. The period ends either four



years from the date that the eligible period begins or when the property becomes exempt from taxation, whichever is earlier.

The recommended adjustments due to the *NPTM Policy* would cancel or reduce only the municipal property taxes in each organization's account. If Council chooses not to support the recommendation, the tax liabilities and amounts paid will remain as originally billed.

## Previous Council Direction

Prior to 2024, the *NPTM Policy* was administered through the twice-annual Assessment and Tax Circumstances Report, alongside recommendations for tax cancellations relating to assessment or taxation errors from previous calendar years. The function of tax relief for prior-year assessment or tax errors is now delegated to the City Assessor/Director of Assessment & Tax through Charter Bylaws 1H2018 and 3H2024, and the *Tax Relief Delegated to Administration Council Policy*, meaning NPTM recommendations are now coming as a standalone report. Previous Circumstances Reports that include NPTM recommendations are listed below.

Date	Report Number	Direction/Description
2023 November 28	<a href="#">EC2023-1127</a>	<p><b>Non-Profit Tax Mitigation Policy Review</b></p> <p>Motion Carried. The policy was amended to reflect template changes, the corporate realignment, applicability to better coincide with the legislation, and a new basis for building permits.</p>
2023 November 28	<a href="#">EC2023-1064</a>	<p><b>2023 Assessment and Tax Circumstances Report 2</b></p> <p>Motion Carried.</p>
2023 July 4	<a href="#">EC2023-0591</a>	<p><b>2023 Assessment and Tax Circumstances Report 1</b></p> <p>Motion Carried</p>
2022 November 1	<a href="#">EC2022-1106</a>	<p><b>2022 Assessment and Tax Circumstances Report 2</b></p> <p>Motion Carried</p>
2022 June 7	<a href="#">EC2022-0425</a>	<p><b>2022 Assessment and Tax Circumstances Report 1</b></p> <p>Motion Carried</p>
2021 November 15	<a href="#">EC2021-1490</a>	<p><b>2021 Assessment and Tax Circumstances Report 2</b></p> <p>Motion Carried</p>

Various Others  
2014 - 2021

Various

**Multiple Assessment and Tax Circumstances Reports**

Since the NPTM program's inception in 2014, numerous Council has approved NPTM recommendations through numerous other Assessment and Tax Circumstances Reports.

2014 December 15

[C2014-0919](#)

**Non-Profit Tax Mitigation Policy**

At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the Non-Profit Tax Mitigation Policy to cancel the property taxes of non-profit organizations that paid tax during the construction period of their facility and whose subsequent use of the property met the criteria for property tax exemption.

## Bylaws, Regulations, Council Policies

The following are excerpts of the relevant Bylaws, Regulations, and Council Policies.

The *Non-Profit Tax Mitigation Policy*, CP2023-06 is attached to this report as Attachment #4.

### **Community Organization Property Tax Exemption Regulation (COPTER) Excerpt of Section 15**

#### **Day cares, museums and other facilities**

**15** A non-profit organization that holds property on which any of the following facilities are operated may apply to the municipality within whose area the property is located for an exemption from taxation:

- (a) a facility used for sports or recreation to the extent that the facility is not used in the operation of a professional sports franchise;
- (b) a facility used for fairs or exhibitions, including agricultural exhibitions;
- (c) a facility used for the arts or a museum;
- (d) a program premises as defined in the Child Care Licensing Regulation (AR 143/2008);
- (e) a facility used by a linguistic organization if
  - (i) the use of the property by the general public is actively encouraged, and
  - (ii) a sign is prominently posted in the facility, or information is available online, indicating the hours that the whole or part of the facility is accessible to the public;
- (f) a facility used by an ethno-cultural association for sports, recreation or education or for charitable or other benevolent purposes if
  - (i) the use of the property by the general public is actively encouraged, and
  - (ii) a sign is prominently posted in the facility, or information is available online, indicating the hours that the whole or part of the facility is accessible to the public;
- (g) a facility in a municipality operated and used by an organization for a charitable or benevolent purpose where the majority of the organization's beneficiaries do not reside in the municipality;
- (h) a facility used as a thrift shop;
- (i) a facility used as a sheltered workshop;
- (j) a facility operated and used by a chamber of commerce;
- (k) a facility used for a charitable or benevolent purpose that is for the benefit of the general public if
  - (i) the charitable or benevolent purpose for which the facility is primarily used is a purpose that benefits the general public in the municipality in which the facility is located, and
  - (ii) the resources of the non-profit organization that holds the facility are devoted chiefly to the charitable or benevolent purpose for which the facility is used.

AR 281/98 s15;283/2003;182/2008;77/2010;152/2023

### ***Municipal Government Act (MGA) Excerpt of Section 347***

#### **Cancellation, reduction, refund or deferral of taxes**

**347(1)** If a council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:

- (a) cancel or reduce tax arrears;
- (b) cancel or refund all or part of a tax;
- (c) defer the collection of a tax.

**(2)** A council may phase in a tax increase or decrease resulting from the preparation of any new assessment.

***Municipal Government Act (MGA) Excerpts of Section 362***

**Exemptions for Government, churches and other bodies**

**362(1)** The following are exempt from taxation under this Division:

[...]

- (d) property, other than a student dormitory, used in connection with educational purposes and held by any of the following:
  - (i) the board of governors of a university, polytechnic institution or comprehensive community college under the [Post-secondary Learning Act](#);
  - (ii) the governing body of an educational institution affiliated with a university under the [Post-secondary Learning Act](#);
  - (iii) a students association or graduate students association of a university under the [Post-secondary Learning Act](#);
  - (iv) a students association of a polytechnic institution or comprehensive community college under the [Post-secondary Learning Act](#);
  - (v) the board of governors of the Banff Centre under the [Post-secondary Learning Act](#);
- (e) property, other than a student dormitory, used in connection with hospital purposes and held by a hospital board that receives financial assistance from the Crown;
- (g.1) property used in connection with provincial health agency or regional health authority purposes and held by a provincial health agency or regional health authority under the Provincial Health Agencies Act that receives financial assistance from the Crown under any Act;
- (h) property
  - (i) used in connection with the purposes of a continuing care home in respect of which a type A continuing care home licence has been issued under the [Continuing Care Act](#), and
  - (ii) held by the owner or under a lease from the owner of a continuing care home referred to in subclause (i);
- (j) property used in connection with library purposes and held by a library board established under the [Libraries Act](#);
- (k) property held by a religious body and used chiefly for divine service, public worship or religious education and any parcel of land that is held by the religious body and used only as a parking area in connection with those purposes;
- (l) property consisting of any of the following:
  - (i) a parcel of land, to a maximum of 10 hectares, that is used as a cemetery as defined in the Cemeteries Act;
  - (ii) any additional land that has been conveyed by the owner of the cemetery to individuals to be used as burial sites;
  - (iii) any improvement on land described in subclause (i) or (ii) that is used for burial purposes;
- (m) property held by
  - (i) a foundation constituted under the Senior Citizens Housing Act, RSA 1980 cS- 13, before July 1, 1994, or
  - (ii) a management body established under the Alberta Housing Act, and used to provide senior citizens with lodge accommodation as defined in the Alberta Housing Act;
- (n) property that is

[...]

- (ii) held by a non-profit organization and used solely for community games, sports, athletics or recreation for the benefit of the general public,
  - (iii) used for a charitable or benevolent purpose that is for the benefit of the general public, and owned by
    - (A) the Crown in right of Alberta or Canada, a municipality or any other body that is exempt from taxation under this Division and held by a non-profit organization, or
    - (B) by a non-profit organization,
  - (iv) held by a non-profit organization and used to provide senior citizens with lodge accommodation as defined in the Alberta Housing Act, or
  - (v) held by and used in connection with a society as defined in the Agricultural Societies Act or with a community association as defined in the regulations,
- and that meets the qualifications and conditions in the regulations and any other property that is described and that meets the qualifications and conditions in the regulations;
- (o) property
    - (i) owned by a municipality and used solely for the operation of an airport by the municipality, or
    - (ii) held under a lease, licence or permit from a municipality and used solely for the operation of an airport by the lessee, licensee or permittee;

[...]

RSA 2000 cM- 26 s362;2003 cP- 19.5 s142;2012 cE- 0.3 s279; 2017 c13 s1(35);2018 c19 s71





## List of Tax Cancellations Related to *Non-Profit Tax Mitigation Policy*

<b><u>PROPERTY TAX CANCELLATIONS</u></b>				
<b>Issue #</b>	<b>Roll Number</b>	<b>Account Address</b>	<b>Tax Cancellation (\$)</b>	<b>Reason</b>
<b>2022</b>				
<b>1</b>	202336061	200 - 240 Midpark Wy. S.E.	\$15,392.26	The municipal property tax exemption is for Multiply Church. It meets the criteria for property tax exemption under the Municipal Government Act (MGA) section 362(1)(k) Religious Body – Divine Worship or Education. The cancellation accounts for the construction period from 2022/05/20 to 2022/12/31.
<b>2023</b>				
<b>2</b>	202898094	1740 – 80 Mahogany Rd. S.E.	\$1,577.70	The municipal property tax exemption is for Goodwill Industries of Alberta. It meets the criteria for property tax exemption under the Municipal Government Act (MGA) section 362(1)(n) and COPTER section 15(k) – Charitable/Benevolent. The cancellation is from 2023/01/19 to 2023/02/09.
<b>3</b>	202720116	230 19th St. N.W.	\$3,459.19	The municipal property tax exemption is for Blum Childcare Academy. It meets the criteria for property tax exemption under the Municipal Government Act (MGA) section 362(1)(n) and COPTER section 15(d) – Care and Supervision of Children. The cancellation is from 2023/01/01 to 2023/05/07.
<b>4</b>	202920260	8 – 1411 33rd St. N.E.	\$8,551.08	The municipal property tax exemption is for the Alfalah Calgary Islamic Centre. It meets the criteria for property tax exemption under the Municipal Government Act (MGA) section 362 (1)(k) Religious Body – Divine Worship or Education. The cancellation is from 2023/07/19 to 2023/12/31.
			<b>\$28,980.23</b>	<b>Total Tax Cancellation</b>





# 2024 Non-Profit Tax Mitigation Report

2024 September 4



# Recommendation

That the Executive Committee recommend that Council, under the authority of section 347 of the Municipal Government Act (MGA), cancel municipal property taxes for qualifying non-profit organizations (Attachment 2).



# Previous Council Direction

At the 2023 November 28<sup>th</sup> Combined Meeting of Council the 2023 Assessment and Tax Circumstances Report 2 was carried.

## Exempt Organizations and the Non-Profit Tax Mitigation Policy

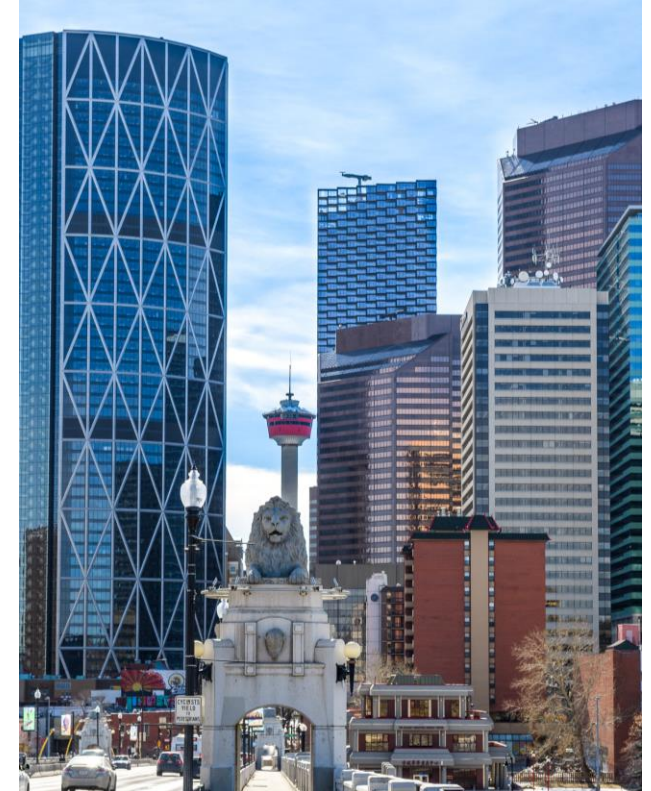
At the 2014 December 15 Regular Meeting of Council, through C2014-0919, Council adopted the Non-Profit Tax Mitigation Policy to cancel the municipal property taxes of non-profit organizations:

- That paid tax during the construction period of their facility; and
- Whose subsequent use of the property met the criteria for property tax exemption.





- **Reason for recommendations:** Once a year, Council approval is requested to cancel prior year taxes for eligible non-profit facilities under construction, in accordance with the Non-Profit Tax Mitigation Policy.
- **What does this mean for Calgarians?** The tax cancellation provides financial support to eligible exempt non-profit organizations pursuant to Council direction.
- **Why does it matter?** This report recommends that Council cancels \$28,980.23 in property taxes overall to support accuracy, fairness, and transparency.



# Non-Profit Tax Mitigation Eligibility



Building permit issued



Application for tax cancellation submitted



Property tax exemption submission approved



The property has begun to be used for the exempt purpose



# Recommendation

That the Executive Committee recommend that Council, under the authority of section 347 of the Municipal Government Act (MGA), cancel municipal property taxes for qualifying non-profit organizations (Attachment 2).



## Council Policy

**Policy Title:** Non-Profit Tax Mitigation Policy  
**Policy Number:** CP2023-06  
**Report Number:** EC2023-1127  
**Adopted by/Date:** 2014 December 15  
**Effective Date:** 2014 December 15  
**Last Amended:** 2023 November 28  
**Policy Owner:** Assessment & Tax

### 1. POLICY STATEMENT

- 1.1 Council will consider cancelling the municipal taxes where a non-profit organization holds a property, facility, or both, in Calgary that is under construction or renovation for up to four consecutive years, if all the following criteria have been met:
- a. a building permit for the site has been issued;
  - b. the organization has filed the necessary application forms to qualify for the municipal tax cancellation under this policy; and,
  - c. upon completion and occupancy of the facility, the organization has filed an application for property tax exemption under the *MGA* or *COPPER* and the application has been approved.
- 1.2 Per section 1.1, the municipal tax cancellation period may be for up to four years and is defined as follows:
- a. The municipal tax cancellation period begins when a building permit has been issued so long as an application for municipal tax cancellation has been filed within the same calendar year.
  - b. Applications for municipal tax cancellation can be made at any time after a building permit has been issued but if an application is filed in a calendar year following the issuance of a building permit, then the municipal tax cancellation period will begin on January 1 of the year in which an application is submitted.
  - c. The municipal tax cancellation period ends either four years from the date that the municipal tax cancellation period begins or when the subject property becomes exempt from taxation, whichever is earlier.



- 1.3 Where a building is only partially being used for an exempt purpose after construction or renovation, only the portion of the building that is being used for the exempt purpose shall be eligible for the municipal tax cancellation.
- 1.4 A municipal tax cancellation may only be granted if the property received an exemption and a non-profit organization is the property owner or has an active lease with the property owner during the term of construction or renovation.
- 1.5 Any cancellation of penalties imposed under section 344 and 345 of the *MGA* will not be considered for any period while the building is being operated illegally, including situations where a property is being used but final approvals have not been granted.

## 2. **PURPOSE**

- 2.1 Properties held by public and non-profit organizations for the benefit of the general public are generally exempt from property tax through the *MGA* and *COPTER*. Some property tax exemptions require the property or facility be in active use for an exempt purpose to qualify for an exemption. Exemptions based on use do not apply to properties or facilities while a property is under construction or renovation. This policy addresses this issue by providing the basis for municipal tax cancellations to support non-profit organizations where municipal taxes were paid during the construction or renovation period of their facility and where the subsequent use of the property met the criteria for property tax exemption.
- 2.2 This policy will ensure that municipal tax cancellations for properties or facilities that are under construction or renovation in Calgary are considered in an equitable and consistent manner through an open and transparent process by setting out eligibility criteria and procedures.
- 2.3 The policy does not limit Council's discretion in exercising its section 347 powers under the *MGA*.

## 3. **DEFINITIONS**

- 3.1 In this Council Policy:
  - a. "Building Permit" means a permit issued under the Safety Codes Permit Bylaw 39M2018;
  - b. "*COPTER*" means the *Community Organization Property Tax Exemption Regulation*, AR281/98; and
  - c. "*MGA*" means the *Municipal Government Act*, RSA 2000, c M-26.



#### 4. APPLICABILITY

4.1 This policy applies to properties and facilities after construction or renovation that qualify under the following sections in the *MGA* and *COPTER*, where use does not include the construction or renovation period of the property or facility:

a. *MGA* section 362(1)

- i. (d) post-secondary educational facilities (excluding student dormitories)
- ii. (e) hospital buildings
- iii. (g.1) health regions
- iv. (h) nursing homes
- v. (j) library boards
- vi. (k) religious buildings
- vii. (l) cemeteries
- viii. (m) lodge accommodations
- ix. (n)(ii) sports and recreation
- x. (n)(iii) charities
- xi. (n)(iv) lodge accommodations
- xii. (n)(v) agricultural societies
- xiii. (o) airports

b. *COPTER* section 15

- i. (a) sports and recreation
- ii. (b) fairs and exhibitions
- iii. (c) arts and museums
- iv. (e) linguistic organizations
- v. (f) ethno-cultural
- vi. (g) charitable or benevolent purposes (users reside outside municipality)
- vii. (h) thrift shops





- viii. (i) sheltered workshop
- ix. (j) chamber of commerce
- x. (k) charitable or benevolent purposes (users reside inside municipality)

**5. LEGISLATIVE AUTHORITY**

- 5.1 Pursuant to section 347(1) of the *MGA* if Council considers it equitable to do so, it may, generally or with respect to a particular taxable property or business or a class of taxable property or business, do one or more of the following, with or without conditions:
- a. cancel or reduce tax arrears;
  - b. cancel or refund all or part of a tax; or
  - c. defer the collection of a tax.

**6. PROCEDURE**

- 6.1 Organizations may apply to be considered for a municipal tax cancellation pursuant to this policy by completing the proper form, available directly from Assessment & Tax or from [calgary.ca](http://calgary.ca). This must be submitted to Assessment & Tax before the subject property or facility becomes exempt from taxation.
- 6.2 Applications will be reviewed by the Municipal Assessor or designate for completeness and eligibility; and if complete and eligible, municipal tax cancellations will be recommended to Council for approval. Administration shall recommend municipal tax cancellations pursuant to this policy once annually.

**7. AMENDMENT(S)**

Date of Council Decision	Report/By-Law	Description
2014 December 15	C2014-0919	Creation of this Council Policy



2016 October 13	NA	Minor revision relates to the update of Alberta Building Code 2006 to Alberta Building Code 2014, which defines "Building Permit" for the purposes of this Council policy
2023 November 28	EC2023-1127	Revisions to update the policy template, reflect the updated organizational structure, the new basis for building permits, and clarify applicability.

**8. REVIEW(S)**

Date of Policy Owner's Review	Description
2023 September	This Policy was reviewed in accordance with the Council Policy Program.