

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-ists-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, Amskaapiikani 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.



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 2023 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 provides our key results and progress on Council’s priority areas, financial updates on our 2023 operating and capital budgets, and key improvements to our service delivery. It supports Council to provide good governance and provides insights on our service performance to help make decisions about where more investment may be needed and where we might make reductions to keep taxes affordable.

2023 service updates are provided at calgary.ca/progressupdate, which includes key results, challenges faced during 2023, trends and potential uncertainties monitored by services, performance measures and financial performance. These updates provide Council and Calgarians the opportunity to dive deeper into the results of our services in 2023. Attachment 4: Services Updates is a compilation of all of this service information, provided in one document for the corporate record.

In 2024, Corporate Planning and Performance will review, simplify and streamline the organizational approach to progress and performance reporting, ensuring a clear focus on refining the reporting process to capture priority outcomes and indicators.

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Key results

Housing

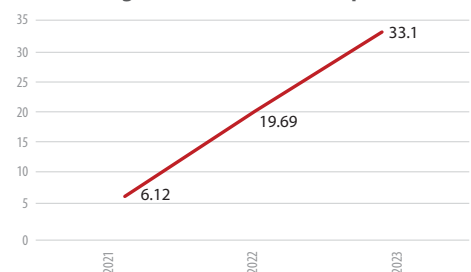
Community impacts

Well-located, secure and affordable housing is fundamental to individuals' wellbeing, healthy communities, financial stability and prosperous economic activities. We are closely monitoring the city's population growth and net migration, the number of total housing starts and household spending trends to get a clear sense of the need for housing. The city of Calgary's 2023 population was estimated at 1,389,200 (lower-bound), which includes a net migration estimate of 33,100 people, reflecting a three per cent unprecedented population increase.¹

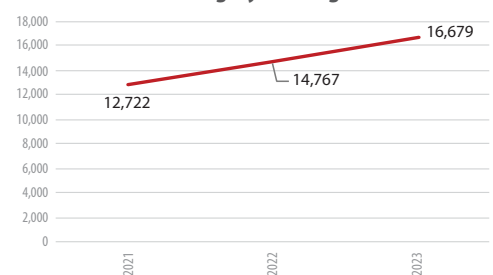
Housing starts reached a record high of 16,679 units in 2023, beating the previous record of 14,767 units in 2022. Continued positive net migration is fueling housing starts which have increased by 31.1 per cent between 2021 and 2023. Investment in purpose-built rental apartment construction increased solidly to respond to the surging population growth. There is also a shift in housing preferences towards apartments as the higher interest rate environment continues to challenge homeownership and affordability.

The 2023 *Housing Needs Assessment* report shows that the median cost of a detached home has increased by 37 per cent in the past three years. For those looking to rent, an annual income of \$84,000 was needed to adequately afford average market rent in 2023. That number has increased from \$67,000 in 2022. In the [2023 Fall Survey of Calgarians Report](#), 92 per cent of Calgarians believe that housing is too expensive for the average Calgarian. Another 90 per cent feel that The City should invest more into affordable housing programs for low-income Calgarians.

Net migration estimates (000's persons)



Total Calgary housing starts



¹ Source: City of Calgary Corporate Economics and Regulatory Affairs

From a geographical perspective, the rate of Calgary households living in unaffordable housing is not evenly distributed across the city. This map shows households that are spending 30 per cent or more on shelter costs by census tract. While 23 per cent of households fall in this category at the city level, there are areas where that percentage is as high as 37 per cent.

What we did

Addressing the affordable housing gap is a priority for The City as affordable housing needs are expected to reach close to 100,000 units by 2026. In 2023 September, Council approved the *Home is Here - The City of Calgary's Housing Strategy 2023-2030*. We are coordinating the Implementation and Governance Framework for the strategy. To further accelerate this work, during the 2023 November Adjustments, Council approved funding for the Land Fund, Secondary Suites Incentive Program, Downtown Strategy, One Window, housing for Indigenous and equity-deserving populations and funding requirements from other orders of government. Specifically, Council approved an additional \$27 million base operating and \$54.4 million one-time operating in 2024 to implement key actions of the Housing Strategy and \$90 million capital (2024-2028) to improve access to affordable housing. (See [2023 November Adjustments Attachment 5 - New Investment Recommendations](#))

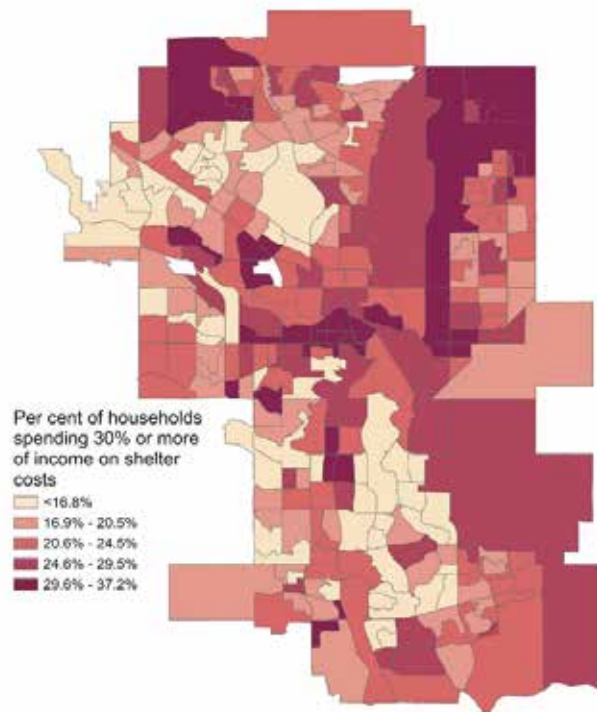
The City secured federal funding through the third Rapid Housing Initiative program. This funding was stacked with \$2 million in City support to build a minimum of 64 new affordable housing units in partnership with the non-profit housing sector. Most notably, The City signed the federal Housing Accelerator Fund Contribution agreement for \$228 million to build over 6,800 housing units in the next three years.

Further, The City committed \$2.56 million to eight affordable housing projects. The Home Program disbursed 100 per cent of its annual grant funding of \$0.98 million to 12 non-profit applications to deliver programs that will improve housing stability and support successful tenancies.

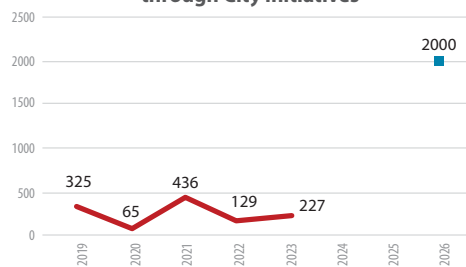
A total of 227 new non-market housing units have been approved at the development approval stage of the planning approval process and 57 units were opened from the Non-Market Land Sale. The third sale of three surplus City-owned parcels will result in approximately 104 units, pending land use and development permit approvals. Administration approved five sites yielding 289 units, which is currently pending Council approval.

What we are watching

We will continue to monitor market conditions, migration and income trends. Cost escalations caused by inflation, supply chain disruptions and rising labour costs also continue to create challenges for housing providers. This includes non-profit housing providers, including non-profit housing providers. The challenges also affect Calgary Housing Company's delivery of City-owned new and regenerated affordable housing. The proposed citywide rezoning to a base residential district will help increase the supply of housing to further meet demand. Inconsistent funding and policy from other orders of government continue to be barriers to creating new housing and preserving existing affordable homes.

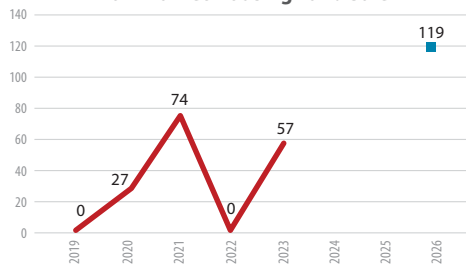


Number of new affordable units planned for development by non-market housing providers that are supported through City initiatives



See Performance Measure 2 of Affordable Housing

Number of affordable housing units built through the Non-Market Housing Land Sale



See Performance Measure 4 of Affordable Housing



Public safety

Community impacts

Many factors contribute to overall public safety. We monitor the Crime Severity Index (CSI) which measures changes in the volume and severity of crime in the city compared to the national context. Statistics Canada calculates the CSI as a standardized way to compare crime levels between different cities and regions. Having a low CSI score is an indicator of community vitality. Crime rates reflect, to a certain extent, the success of the crime prevention and intervention efforts of police services and its social service partners. Calgary’s violent CSI was 79.7 in 2022, a decrease of 7 points from 2021. The overall CSI for Calgary increased by less than 4 points over 2021 to 77.6, with increases in property crimes such as vehicle theft, break and enter and fraud influencing the final index.²

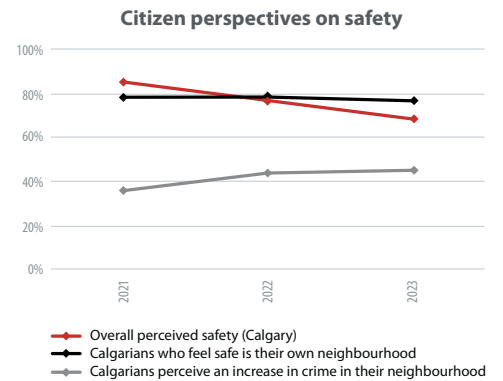
In 2023, while actual incidents of crime remained relatively stable, violent crime occurrences and social disorder calls both trended up nominally by seven per cent and two per cent, respectively. Property crime has seen sustainable decreases, with commercial and residential break and enter and vehicle thefts both trending down by 30 per cent and 15 per cent below the five-year average. We also observed a seven per cent increase in hate-motivated crime with race/ethnicity and religion crime incidents accounting for 43 per cent and 34 per cent, respectively. Crimes motivated by sexual orientation also noted increases in Calgary, trending up like national and international partners.

	2018	2019	2020	2021	2022
National CSI	75.6	79.8	74.0	74.9	78.1
Calgary CSI	90.7	95.8	81.4	74.2	77.6
Calgary Violent CSI	84.8	88.2	80.9	86.7	79.7
Calgary Non-Violent CSI	92.5	98.4	81.3	69.8	77.5

² Statistics Canada will release the 2023 CSI data in July 2024.

The percentage of Calgarians who feel safe is measured through a statistically valid survey conducted by the Calgary Police Commission. In 2023, the percentage of Calgarians who agreed that Calgary is safe decreased from 77 per cent in 2022 to 69 per cent, showing a decreasing trend since 2021. Perceived safety in one's own neighbourhood is relatively more stable with a two-point drop in 2023 from 78 per cent in 2022. However, the percentage of Calgarians who perceive an increase in neighborhood crime has increased since 2021.

According to the [2023 Perspectives on Calgary Safety Perceptions](#) survey, 75 per cent of Calgarians think Calgary is a safe place, down from 85 per cent in 2022. Due to safety concerns, 47 per cent of Calgarians indicate that they avoid taking the bus or CTrain³, up from 37 per cent in 2022, and 44 per cent often avoid going downtown, up from 35 per cent in 2022. The majority (92 per cent) agree that The City should invest in addressing safety issues, according to the [2023 Fall Survey of Calgarians](#).



What we did

Although 2023 was a challenging year to ensure and maintain safety, The City's investments in public safety contributed to improvements. Council approved an additional \$37.3 million base operating, \$2 million one-time operating and \$66.8 million capital during the 2023 November Adjustments to support coordinated efforts in addressing various public safety issues (See [2023 November Adjustments Attachment 5 - New Investment Recommendations](#)).

In 2023, Calgary Police Service (CPS) responded to 389,627 public and 167,705 officer-generated calls for service; CPS received over 22,600 online citizen reports (an increase of 6.7 per cent). We responded to over 90,000 fire emergency incidents with 84 per cent of the time responded within six minutes and 30 seconds at critical medical incidents. We also secured funding to hire additional police and peace officers to meet increasing demand for our services and improve public safety.

³ 2023 Perspectives on Calgary Safety Perceptions survey receives feedback from both transit and non-transit users.





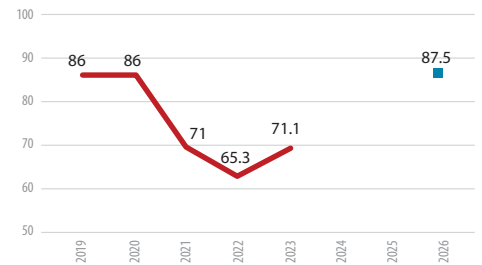
The significant initiatives and changes we implemented to improve safety in 2023 include:

- We implemented actions in The Public Transit Safety Strategy, shifting the perception of safety among transit users on CTrain platforms from 65 per cent from 2022 to 71 per cent by year-end.
- We transferred 3,223 emergency calls to the 2-1-1 Distress Centre, a 70 per cent increase from 2022. We are observing an upward trend in call diversion.
- Recognizing the connection between community wellbeing and safety, we continue implementing several initiatives to support Calgarians' wellbeing and prevent crime or social disorders. We invested \$7.8 million through the Mental Health and Addiction (MHA) Investment Framework and, moving into 2024, will continue to invest, build capacity, amplify the work of the sector advancing strategy actions and will work to develop an advocacy plan to ensure investments complement those of the Province. Through the Community Safety Investment Framework, \$17.8 million was invested in 37 community initiatives with the long-term outcome. This will help improve the wellbeing of Calgarians through an equitable and effective crisis response system including continued work on the REACH Up and Action Table projects.
- Coordinated Safety Response Team identified and addressed over 125 vacant and problem properties as part of a strategy to reduce community risk levels. Problem Properties Team has overseen the demolition of 31 and the remediation of nine derelict or abandoned properties across the city.
- The City and Public Safety Canada funded 13 organizations who operate programming for youth involved in or at risk of joining gangs.
- We installed traffic control devices for pedestrians' safety while using the Always Available for All Ages and Abilities (5A) network. Replacements occurred for 5,650 metres of failing pathway assets and 134 bollards were removed to enhance accessibility. Approximately 1,800 pathway-related service requests were responded to in 2023 (a 26 per cent increase from 2022). Further, the average pathway service response time in 2023 was four days, versus seven days in 2022. We also added 1,200 meters of pathway to the 5A Network for better connectivity.
- To improve accessibility and support active transportation while ensuring safety, we also paved more than 150 locations and over 33,000 potholes were repaired (in comparison with approximately 16,000 potholes repaired in 2022). The percentage of pavement in good or very good condition remained stable in 2023.

What we are watching

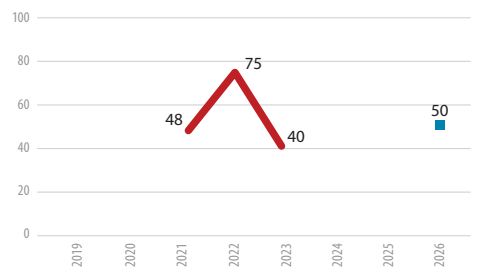
There is an increase in the opioid crisis, protests and demonstrations, and encampments, negatively affecting services' response rates and Calgarians' perception of safety. The homeless population is growing along with the complexity of issues they are facing. Protests occurring over the past year have also affected some Calgarians' ability to access recreation and library programs that are important for wellbeing.

Customers feeling safe (per cent)



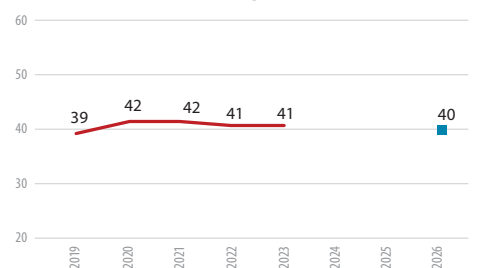
See Performance Measure 1 of Public Transit

Number of derelict or abandoned properties demolished or remediated



See Performance Measure 4 of Bylaw Education & Compliance

Pavement in good or very good condition (per cent)



See Performance Measure 1 of Streets



Transit

Community impacts

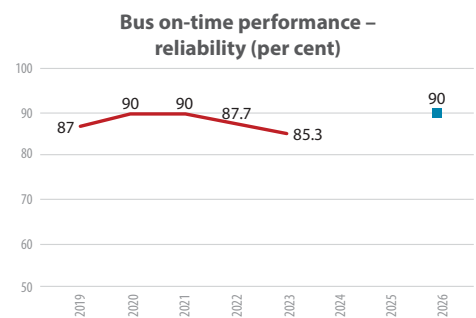
According to the [2023 Calgary Attitudes and Outlook Survey](#), the main mode of transportation used by Calgarians is driving (70 per cent), which is followed by public transit (18 per cent). According to Statistics Canada, the average commuting time declined by approximately two minutes in Calgary (down to 24.2 minutes) in 2021 from 2016⁴. In 2023, the total ridership reached 90 million, an overall 21 per cent increase at the end of the year. According to the [2023 Fall Survey of Calgarians](#), 71 per cent of Calgarians agree that Calgary Transit fares are affordable.

What we did

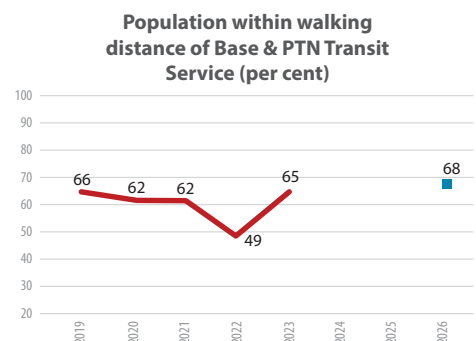
We are implementing a multi-faceted approach to improve Calgarians' experiences with public transit service. Supporting our approach, Council approved an additional \$18 million base operating and \$60 million capital during the 2023 November Adjustments. (See [2023 November Adjustments Attachment 5 - New Investment Recommendations](#))

In 2023, the number of service hours was 2.5 million. Operating costs per trip show consistent improvement, primarily driven by service improvements and increased ridership (\$4.98 in 2023 compared to \$6.85 in 2022). To meet the growing demand, we hired over 800 operators. Our bus on-time performance was lower than the intended levels.

We continue to invest in providing access to transit services within walking distance. In 2023, 65 per cent of the population had access to base and primary transit network (PTN) transit service, an increase from 49 per cent in 2022.



See Performance Measure 2 of Public Transit



See Performance Measure 4 of Public Transit

4 [Statistics Canada, Commuting time, 2011 to 2022](#)

The key achievements of 2023 to improve transit service for Calgarians included:

- Calgary Transit initiated major service reviews in the northeast and southwest communities, prioritizing service improvements, network connections to rapid transit and route efficiency.
- In 2023 May, Green Line entered the Development Phase with Bow Transit Connectors (BTC). During this 16-month phase, Green Line and BTC will advance the design, understand risks, determine project cost and schedule. Green Line also completed the Final Design Review in 2023 September for the new low-floor light rail vehicles and worked collaboratively with Construcciones y Auxiliar de Ferrocarriles to complete the LRV Supply Agreement Milestone in 2023 December.
- Council approved new investments for the RouteAhead strategy, innovative fares (e.g., 12 and under free, weekend pass, etc.) and initiated early-stage design and engineering capital projects.
- Through effective advocacy with the provincial government, \$6.2 million in funding was secured for the sliding-scale low-income transit pass program in 2023. With The City's contribution of \$32 million, the annual subsidy reached \$38 million in 2023.
- In 2023, Specialized Transit saw an increase in trip counts compared to 2022, reaching 84 per cent of pre-pandemic 2019 ridership levels. To enhance service levels, 27 new access vehicles were ordered. An upgraded scheduling software facilitated online trip bookings, increasing bookings by up to 23 per cent and reducing overall trip costs.

What we are watching

RouteAhead has a 30-year implementation and investment plan. It is crucial to continue with planned investments to grow the service. Investment in battery electric buses (BEBs) comes with higher upfront costs compared to traditional buses. The growing demand for BEBs is further driving up the cost and reducing the availability of these vehicles. There is an increasing emphasis on building regional transit networks, driven by initiatives like the Canada Transit Fund. This shift requires collaboration and investment in transit infrastructure beyond the city.





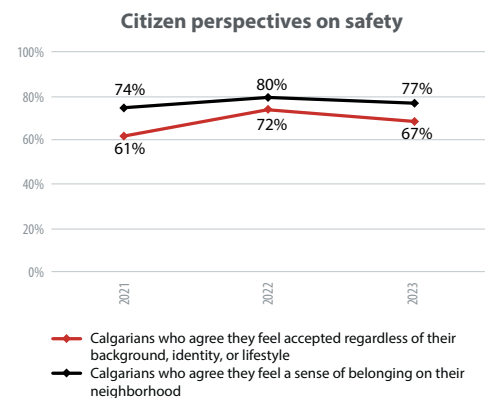
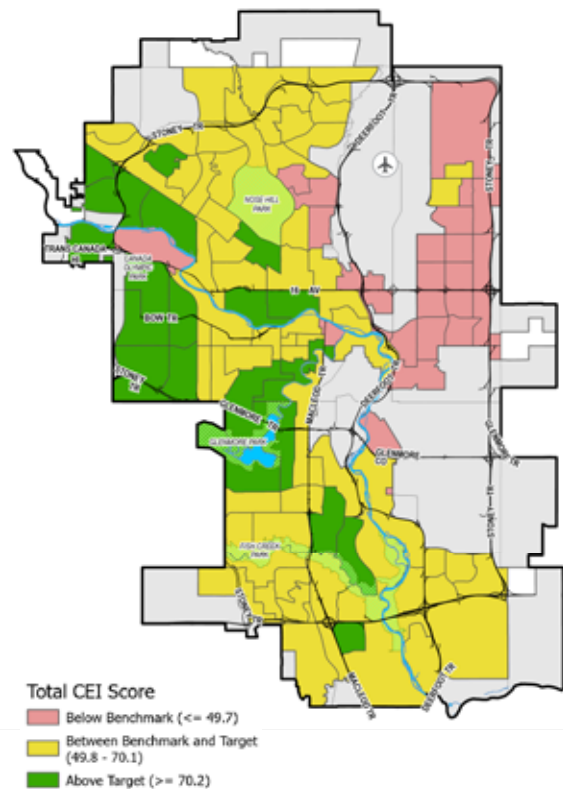
Social equity

Community impacts

The Calgary Equity Index is a tool to measure social equity in Calgary. It 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 concern. Communities in red are below the benchmark cut-off signaling high overall inequity. Communities in yellow fall between the green and red areas. The spatial pattern of high need and low equity showcased through the Calgary Equity Index provide a picture of how some social inequities in the city are spatially distributed, and tells us about where best to focus interventions.

Monitoring sense of belonging and acceptance help us ensure equity, diversity and inclusiveness in our service and program delivery. In 2023, we saw a slight decrease in the percentage of Calgarians who feel accepted regardless of their background, identity or lifestyle, and in the percentage of Calgarians who feel a sense of belonging in their neighbourhood.

However, the [2023 Perspectives on Diversity and Inclusion Survey](#) results show that more than nine in 10 Calgarians agree that people in Calgary are very welcoming and friendly (96 per cent). They feel that they belong (92 per cent) in their neighbourhood. They agree that people with diverse identities are made to feel welcome (91 per cent) in their neighbourhood and they have opportunities to express their unique cultures (94 per cent). The results also show agreement that The City is moving in the right direction to address Truth and Reconciliation (75 per cent; up from 65 per cent in 2021), gender equity (74 per cent), social wellbeing and anti-racism (69 per cent). However, support for low-income households and addressing mental health and addiction are areas where Calgarians feel The City could do more.



What we did

We implemented several initiatives and continued to remove barriers to ensure all Calgarians have access to our services and programs. To ensure a comprehensive approach to improve Calgarians' wellbeing, sense of belonging and acceptance, Council approved \$8 million base operating, \$12.4 million one-time operating and \$36 million capital for additional investments during the 2023 November Adjustments. (See [2023 November Adjustments Attachment 5 - New Investment Recommendations](#))

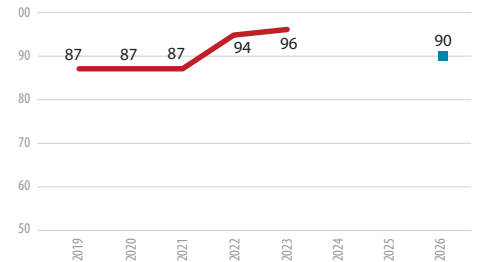
Based on the Calgary Equity Index results, community assessments in four new areas with low equity indices were completed in 2023. The number of communities supported by Community Social Workers has increased from 23 to 24, with a resourcing decision pending on three more. Our community social work partners' agreement level on addressing social issues in their neighbourhood increased since the relaxation of COVID-19 restrictions.

Fair Entry experienced the highest volume of service requests in 2023, with over 61,000 subsidy applications processed (an average of 2,000 more applications per month than the previous year). Currently, 113,000 Calgarians (90 per cent of Calgarians living with low income) are approved for Fair Entry.

Other key achievements to enhance social equity in 2023 include:

- Round four of the Indigenous Placemaking project, designed to connect emerging artists with experience, is currently wrapping up. The Village Square Library installation was completed in 2023 August, with installations at Judith Umbach and Fish Creek libraries wrapping up in 2024.
- Neighbourhood grant application processes have been updated to remove barriers for and promote uptake by Indigenous and Racialized residents.
- Participation in no- and low-cost programming increased significantly this year, with 17,800 visits (up 27 per cent from 2022) to free summer programs by over 7,000 individuals (up 34 per cent from 2022).
- Over 38,000 youth connected with the Youth Employment Centre (YEC) to attend workshops, employment fairs and access the YEC resource area for job searching and career planning, representing a 16 per cent increase from 2022.
- The Indigenous Calgary After School Pilot Project reached 120 children over six sites teaching Connecting to Mother Earth curriculum.
- CPS advanced several key initiatives to improve equity in service delivery, such as in-service anti-racism and Indigenous education and gathering the community's perspectives about improving policing service delivery to Indigenous, Black and diverse Racialized communities.
- Library membership had a record year with 148,000 new accounts, bringing the active membership base to 750,000 (56 per cent of Calgarians). In 2023, we had 6.74 million people walk through our library doors.

Community Social Work partners who agree that community social workers effectively address social issues in their neighbourhood (per cent)



See Performance Measure 1 of Neighbourhood Support

What we are watching

We are observing increasing demands for our programs that offer special considerations to equity-deserving Calgarians due to the lingering effects of the pandemic and pressures from the economy. We are experiencing challenges around staff capacity, budget and logistics to meet the growing demand for our social programs. Working with other levels of government will be critical for meeting Calgarians' needs.

Climate

Community impacts

Calgary is experiencing more frequent and more severe climate events due to global climate change. In 2023, hot days (greater or equal to 29 degrees Celsius) and smoke hours from wildfires were significantly above average.⁵ The Canadian drought monitor provided by Agriculture and Agri-Food Canada registered Calgary as having either significant or extreme drought conditions for most of 2023. The City declared Stage 1 water restrictions in August. According to the [drought monitor](#), as of 2024 January 31, Calgary is still within a region of severe drought conditions, which are not forecasted to improve through the spring or summer months.

Climate hazards are increasingly affecting Calgarians. The *Citizen Perspectives on Climate Change Survey* in 2023 indicated that the majority of Calgarians (77 per cent) are concerned about the causes of climate change and the impacts of climate change on their lives and livelihoods. Further, they agree we need to act now to address the causes and prepare for local impacts. In Calgary, both concerns about extreme weather events and awareness of climate change are increasing, with many residents feeling that The City should be doing *more* to address climate change.

Calgary's per-capita community-wide greenhouse gas (GHG) emissions are decreasing. In 2022, when the *Climate Strategy* was approved, Calgary's GHG emissions were 16.35 megatonnes of carbon dioxide equivalent (MtCO₂e), which is 3.5 per cent higher than The City's baseline of 2005 levels. However, Calgary's emissions *per capita* has decreased by 26.7 per cent, meaning emissions have not proportionally increased with population growth. This decreasing trend reflects the efforts of all Calgarians who are working together to reduce Calgary's contributions to global GHG emissions.

Trends in Calgarians being impacted by climate change - 2023 Citizen Perspectives on Climate Change Survey

Number of Calgarians impacted by smoke	68%	↑ Up from 43% in 2022
Number of Calgarians impacted by hailstorms	36%	↑ Up from 29% in 2022
Number of Calgarians impacted by heat waves/ extreme heat	24%	↑ Up from 22% in 2022
Number of Calgarians impacted by river flooding	2%	↓ Down from 4% in 2022

Community-wide greenhouse gas emissions

16.35 MtCO₂e

↑ 3.5% since 2005.

Community-wide greenhouse gas emissions per capita

12.12 tCO₂e/person

↓ 26.7% since 2005.

⁵ 18 hot days in 2023 compared to the 30-year average of 10 per year and 512 smoke hours in 2023 compared to the 30-year median of 16 hours per year.

What we did

The City's *Climate Strategy: Pathways to 2050* charts the milestones and key actions needed to move Calgary towards our 2050 climate goals. These milestones are distilled into four-year climate implementation plans aligned to The City's Service Plans and Budgets. The City has completed its first year of the 2023-2026 Climate Implementation Plan with 92 out of an identified 120 climate actions (almost 80 per cent) in progress or already completed for this budget cycle.

Aligned to this plan, cross-corporate primary climate investments worth \$3.5 million base operating, \$45.5 million one-time operating and \$383.7 million capital were approved by Council as part of the 2023-2026 Service Plans and Budgets. In 2023, approximately 51 per cent of the 2023 cross-corporate climate budget was spent (a total of \$1.6 million base operating, \$6.0 million one-time operating and \$34.1 million capital as approved by Council as part of the 2023-2026 Service Plans and Budgets). These expenditures are identified through the primary climate investment and defined as investments which accelerate climate action. Further details on the climate budget by focus area and 2023 spend breakdown can be found in *Attachment 6: Update on the Cross-Corporate Climate Budget and 2023 Key Initiatives*.

The implementation of the Centralized Climate Fund was a key program achievement in 2023. The Fund was developed to support the integration of GHG emissions and/or climate risk reduction measures into The City's capital infrastructure projects. By early 2024, 20 projects totaling \$29.3 million were approved, which represents 98 per cent of the available funding.

Other 2023 key achievements that support The City in leading by example, progressing towards its GHG emission targets, avoiding future costs related to the impacts of climate change on City assets' service provision and lifespan and providing enhanced wellness for communities and equity seeking groups can be found in *Attachment 6: Update on the Cross-Corporate Climate Budget and 2023 Key Initiatives*.

What we are watching

Calgary has been experiencing continual population growth and urban expansion since the 1980s. While growth is vital to Calgary's economic prosperity, it creates a challenge for reducing the city's overall GHG emissions, as it drives an increase in the number of people, vehicles, buildings, businesses and industries living and operating in Calgary. Fortunately, Calgary's *per capita* GHG emissions are trending downwards. The City is monitoring Calgary's total annual community-wide and per capita GHG emissions to assess the impact of growth on Calgary's contribution to global climate change.

Leading into 2024, Calgary experienced intensifying drought conditions due to reduced snowpack and below-average precipitation in 2023. There is a higher-than-average risk of dry conditions persisting this year. Currently, river flows remain low throughout the Bow and Elbow watersheds and mountain snowpack continues to trend well below average. The City will continue to monitor conditions and the seasonal outlook over the next several months to inform its response.





Downtown revitalization

Community impacts

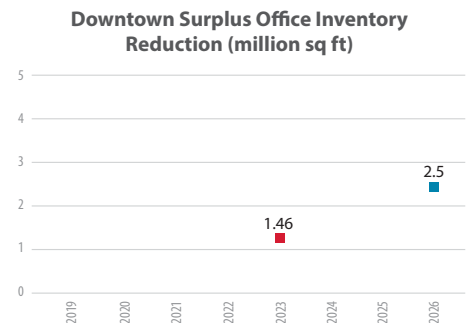
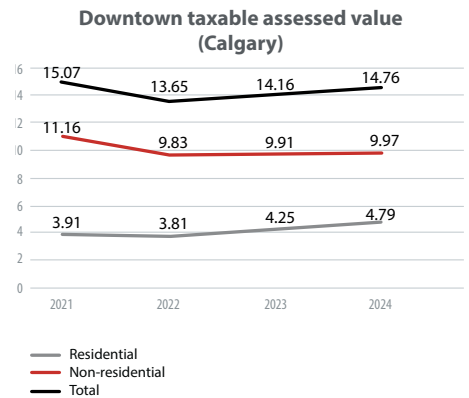
Downtown revitalization is critical as the city’s downtown area plays a vital role in economic and social development. We monitor several indicators to inform our investment decisions to drive commercial, cultural and civic activities in our downtown core. In 2023, the total downtown taxable assessment base increased by 3.5 per cent, 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.

Property values and perception of safety are equally important to the revitalization of Calgary’s downtown to bring more people to the core, as safety concern is a reason for Calgarians to avoid downtown according to the [2023 Perspectives on Calgary Safety Perceptions](#) survey results. Calgarians (84 per cent) agree that they do or would feel safer downtown when there are more people around. According to the [2023 Calgary Attitudes and Outlook Survey](#), work and school commitments bring younger Calgary residents (75 per cent) downtown more frequently than older residents (69 per cent). Many leisure trips were motivated by festivals and events located in downtown Calgary.

What we did

We are implementing various projects to make the city’s core safer, more vibrant and attractive for both Calgarians and visitors. Council approved a total of \$12 million base operating for programming and safety initiatives and a total of \$163 million capital to support downtown investments as part of the April 2021 Initial Investments and Incentive package and the 2023–2026 Service Plans and Budgets.

The City’s Downtown Calgary Development Incentive Program continues to approve the conversion of unused office space to residential uses. The goal of the program is to reduce unused office space and support the development of vibrant downtown neighbourhoods to promote economic recovery in Greater Downtown. Since the start of the Conversion Program (\$162 million budget), 11 conversion projects have been approved through the program that are anticipated to remove



See Performance Measure 1 of City Planning & Policy

approximately 1.46 million square feet of vacant office space. Expenditures will occur when each conversion project is completed.

Working with internal and external partners, we invested in major civic projects and priority public infrastructure that support economic development and provide Calgarians with needed amenities. In 2023, the Opportunity Calgary Investment Fund committed more than \$82 million to 26 projects, spurring \$800 million of investment for creating, training and retaining more than 3,000 jobs and supporting or starting more than 500 local companies. 2023 was a year of resiliency and activity at the Calgary TELUS Convention Centre (CTCC) that brought positive economic and social impact to Calgary and the downtown core. The CTCC was rebranded as a place of possibilities offering quintessential hospitality and boundless experiences to attendees. The sales team continued to sell into future years, the operations team focused on capital improvements and CTCC's experienced employees created safe spaces for all guests.

Calgary's 15 Business Improvement Areas (BIA) supported over 6,000 businesses and invested \$5 million in BIA taxes to deliver tailored programs and services for their shopping destinations, including 220 events and activations, 175 outdoor patios and \$2.7 million invested in enhanced cleaning and public realm improvements.

We supported several cultural events and festivals and continued our activations projects to add additional space for more events. In 2023, we saw 207 festivals and events, a 12 per cent increase since last year, slowly reaching the pre-pandemic 2019 level. The Cultural Attraction Attendance measure tracks data from five civic partners managing and operating City-owned assets. 2023 data is an annual measure that will be available after the Civic Partner Annual Report in on 2024 May 1. Alone, Chinook Blast brought 400,000 people to downtown and \$13.8 million in economic impact.

Other key achievements on downtown revitalization in 2023 include:

- We continued progress on downtown vibrancy projects, such as officially opening of the Century Gardens Basketball Court in September, starting the detailed design phase of the \$270 million Arts Commons Transformation Project and initiating the adjacent Olympic Plaza Transformation Project in the spring.
- Downtown Strategy also directed 30 grants and approximately \$15,000 to local art groups to activate downtown with performances and events, including supporting a nine-month inclusive, free arts amenity to residents and visitors through the Alcove Centre for the Arts.
- The \$500 million BMO Centre Expansion Project reached significant milestones in 2023 as the building achieved weather tightness and full energization. The Calgary Municipal Land Corporation and the Calgary Stampede unveiled Gerry Judah's "Spirit of Water" as the public art piece that will anchor the expansion's plaza. The project will double the existing hosting capacity and is on budget and schedule for an anticipated grand opening during Stampede 2024.
- Definitive agreements to proceed with a significant phase of the Culture + Entertainment District were signed on 2023 October 5 by The City, The Government of Alberta, Calgary Sports and Entertainment Corporation and Calgary Stampede. The design phase of the event centre, community rink and surrounding public plazas is well underway.

What we are watching

Continuation of investments is critical to ensure adequate funding and resourcing in the completion of initiatives. Global economic conditions in 2023 resulted in longer investment cycles. Persistently high inflation coupled with high-interest rates meant companies looking to invest in the Calgary region delayed or downsized their investment decisions. Significant political and regulatory uncertainty in the province impacted perceptions of Alberta and Calgary. Cost escalations also continued to be a challenge for partner-led major capital projects and lifecycle maintenance, including the rising cost of labour and supplies. Partners continue to mitigate these risks through reprioritization and cost management.

Economic impact of TELUS Convention Centre delegates (Provided by the Calgary Convention Centre Authority) (millions of dollars)



See Performance Measure 2 of Economic Development & Tourism

Cultural Attraction Attendance (millions)



See Performance Measure 4 of Economic Development & Tourism

Land use & local area planning

Community impacts

Land use and local area planning is foundational in shaping our communities and supporting sustainable economic development. It is also the cornerstone for the effective delivery of many City services. Population growth, unemployment rates and residential and non-residential building permit values are some of the key indicators we monitor in alignment with the land use implications of long-term strategic plans, such as Transit’s 30-year strategic plan, RouteAhead.

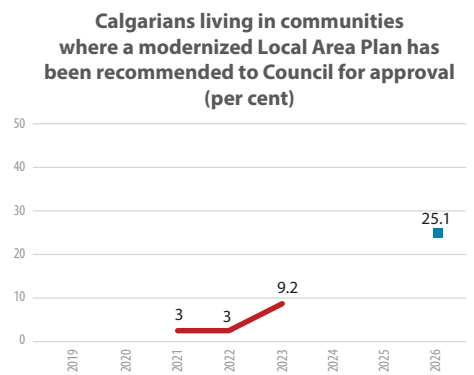
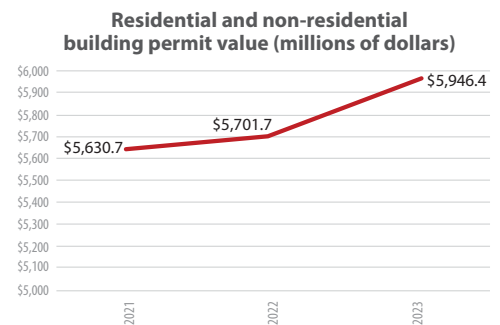
Total building permit values rose from \$5.7 billion in 2022 to \$5.9 billion in 2023, the highest value since 2015. Residential building permit value grew by 12 per cent, while non-residential building permits fell by 14 per cent in 2023. A tighter business environment and higher financing costs have slowed down demand for non-residential space and building permit values. Continued positive net migration is fueling housing starts, which increased 31.1 per cent between 2021 and 2023.

What we did

Our focus is on planning and building vibrant and complete communities that promote sustainable ways of living. To advance this work, Council approved \$500,000 additional base operating and, \$36 million capital funding as part of the 2023 – 2026 Service Plans and Budgets and we made significant progress in 2023.

The Westbrook Communities and Heritage Communities Local Area Plans (LAPs) were approved by Council in 2023, adding 29 communities to the total inventory of communities with modernized LAPs. This has been reflected in the 2023 year-end value of this performance measure and the steady growth in the percentage of Calgarians living in communities with an approved modernized LAP. A total of 82 communities and industrial areas were involved in creating modernized local area plans in 2023. This represents 12 phases of work completed across five active LAPs under development.

We made process improvements to make growth more efficient. In new communities, the redesigned evaluation process was approved by Council and implemented as of 2023 August. In established areas, new public space investments



See Performance Measure 2 of City Planning & Policy

were completed (\$11.4 million spend against a budget of \$24.6 million in 2023) and progress was made on financial tools for enabling greater investment. Main Streets and Transit-Oriented Development continue to enable growth in priority locations using Council-approved funding (\$17.5 million spend against a budget of \$25.7 million in 2023) and support from external partners.

We issued over 19,500 building permits in 2023 and saw over 15,600 new dwelling units completed. This presents a nine per cent increase from 2022. In 2023, a record 2,915 suites were registered through the Secondary Suite Program to increase the current supply of safe affordable suites.

Non-profit affordable housing providers were awarded three parcels of City-owned land in the communities of Bowness, Erlton and Parkdale, which will create an estimated 140 new homes. Council approved five additional parcels for disposition to non-market affordable housing providers.

In industrial areas, the 2023 Action Plan was approved by Council, leading to work starting on modernizing local area policy and evaluating incentives. Several initiatives in the Industrial Action Plan will help retain and increase industrial land. Modern Area Structure Plans (ASPs), a new Zoning Bylaw and the Calgary Plan may also help by offering greater use flexibility, a response to current development trends. We continue to evaluate land use applications with an aim to enable growth while retaining industrial land.

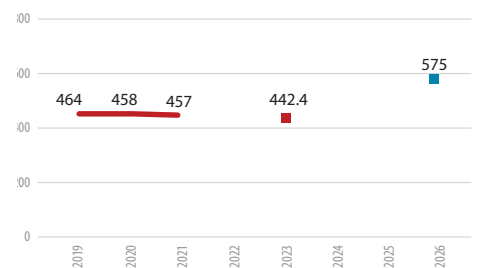
We made significant progress in several projects, such as Constellation – the newest industrial park launching in 2024, as well as Midfield Heights, Aurora Business Park and South Macleod Project.

The Prairie Economic Gateway (“Gateway”) initiative, a first-of-its-kind collaboration between The City of Calgary and Rocky View County, is focused on connecting pathways to prosperity through the prairies by strengthening inland transport services to support more industrial activity in the Calgary region. In 2023 July, The City and County approved a Terms of Reference for the initiative, which provided a roadmap for the parties to collaboratively plan the area and re-boot work on the Area Structure Plan. Area Structure Plan work commenced in late 2023 and is on track for accelerated completion for Council and Calgary Metropolitan Region Board decisions in the second half of 2024.

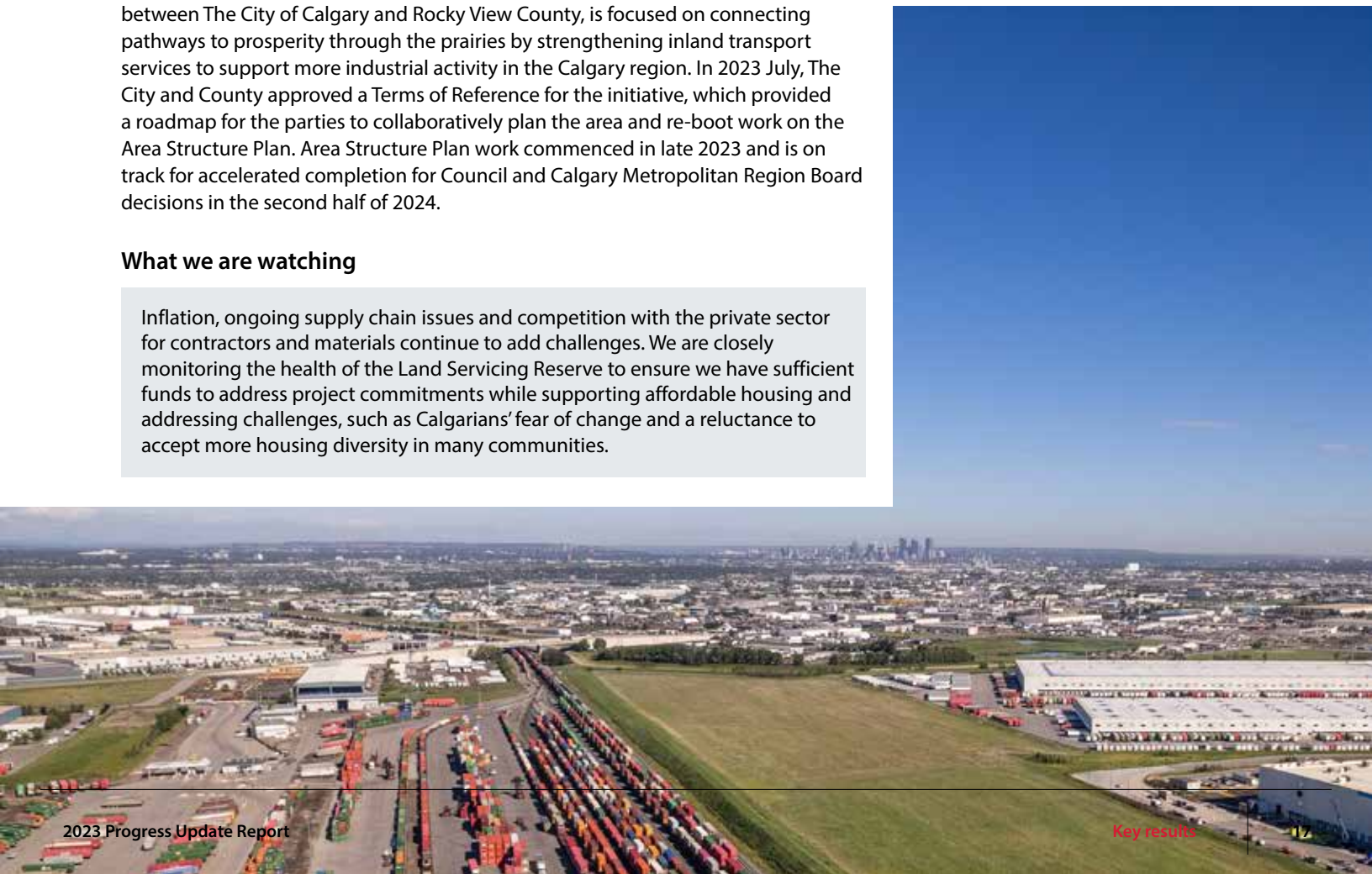
What we are watching

Inflation, ongoing supply chain issues and competition with the private sector for contractors and materials continue to add challenges. We are closely monitoring the health of the Land Servicing Reserve to ensure we have sufficient funds to address project commitments while supporting affordable housing and addressing challenges, such as Calgarians’ fear of change and a reluctance to accept more housing diversity in many communities.

Land area designated for industrial uses, per 100,000 Calgarians (hectares)



See Performance Measure 4 of City Planning & Policy



Continuous improvement

The City of Calgary embraces a culture of innovation, efficiency and adaptability to continue delivering high-quality services for Calgarians. Continuous improvement includes service initiatives on changes in processes, operations or policies that improve the effectiveness or efficiency of that service.

What we did

In 2023, we tested and implemented innovative technologies, enhanced the capabilities of our systems and streamlined existing processes to increase efficiency. Reviews and updates to our policies validated that we are compliant with the regulatory framework and are up to date with best practices and processes among other municipalities. Examples of how we modernized and improved services include:

- We reviewed all Annual Investment Programs and selected programs and projects to yield \$130 million of funds for reallocation to other investments.
- We identified additional capital debt borrowing alternatives for The City of Calgary by way of issuing municipal bonds to the debt capital markets or private placement.
- Process efficiencies were achieved by improving approval timelines for commercial project permits by seven per cent, residential improvement permits by 11 per cent and single construction permits by 20 per cent.
- Improving our analytical capability, 311 deployed 14 dashboards for internal and external use, notably an Evacuee Support dashboard for the Emergency Operations Centre that was used during the Northwest Territories wildfires.
- A new interactive 5A Network Map is now available online to better assist City staff involved in the planning, design, construction, operations and maintenance of pathways and bikeways.
- Unification of Police and Fire incident management systems is progressing to improve emergency response coordination and reduce 9-1-1 processing times.
- We developed Artificial Intelligence Machine Learning solutions, including pavement condition assessment, vehicle predictive maintenance and wastewater pipeline inspections.
- Living Labs, a component of the Smart Calgary program, enabled experiments to be tested in a safe environment, including drone traffic management, autonomous vehicle testing, virtual and augmented reality demonstrations and quantum computing.
- Improved functionality and usability upgrades were implemented to the Land Inventory and Data Application, enabling response to over 1,000 land inventory inquiries.
- Property Assessment extensively engaged with non-residential property owners regarding their 2023 property assessments, contributing to only 10.2 per cent of total tax revenue being under complaint. This was the lowest proportion since tracking began and down from the 2008 high of 47.9 per cent.
- Water Services rolled out a rigorous customer research program that has increased our understanding of customer needs and experience.
- Our Strategic Marketing and Communications service completed improvements to Calgary.ca, making it easier for Calgarians to find information and complete tasks.



Detailed information on these specific initiatives and more, along with The City's evolving continuous improvement approach, can be found in the report *Continuous improvement: delivering faster, better, more effective services for Calgarians* (EC2024-0342).

Financial updates

We continued to manage our finances sustainably and in accordance with best practices and Council policies to deliver the results Calgarians expect from their municipal government. As anticipated in 2023 November, The City had a favourable 2023 operating variance, an outcome driven primarily by higher-than-expected investment income, supplementary revenue and savings in employee benefits costs and expenditure savings in corporate provisions dedicated to managing and mitigating risk related to unforeseen circumstances. As part of ongoing improvement of our processes, strategic discussions about The City's financial position in 2023 enabled Council to make important investment decisions focused on community priorities identified during the 2023 November Adjustments. This resulted in Council allocating \$100 million from our favorable operating variance and \$165 million from our favorable franchise fee variance towards our community priorities.

Operating variances are common for Canadian municipalities striving for a balanced budget. They normally arise because of factors and events that occur differently than assumed in the budget plan, including budgeted contingencies for unforeseen circumstances that may not materialize or due to circumstances The City has limited or no ability to control.

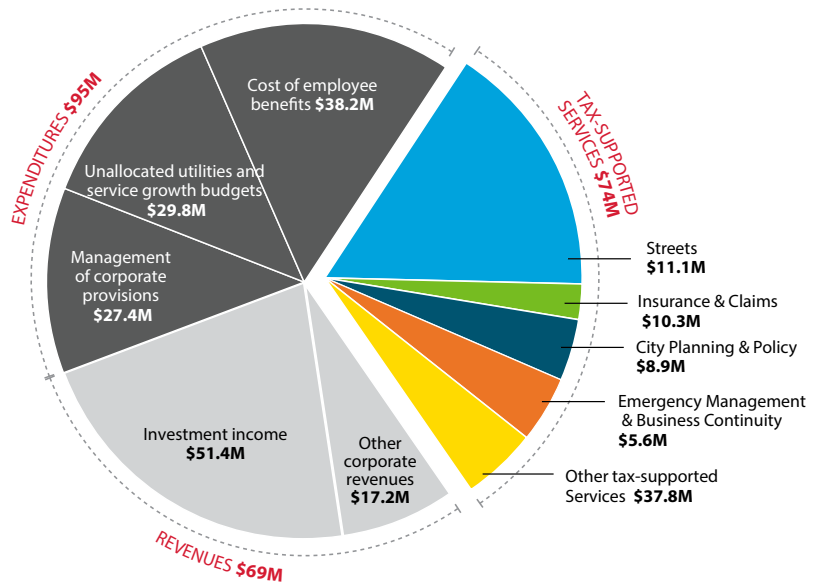
The City's capital budget spend rate has increased to 52.5 per cent from 44.4 per cent in 2022. Despite this, the continued low spend rate has been impacted by several factors. Supply disruptions have caused capital project delivery delays and inflationary pressures requiring scope and funding adjustments have further negatively impacted the overall spend rate.



2023 Estimated Favourable Operating Variance (\$ Million)

Operating budget overview

The favourable 2023 operating budget variance of \$237.7 million (5.2 per cent of budgeted total expenditures net of recoveries) was a combined effect of higher revenue, lower-than-expected corporate expenditures and a favourable variance across several tax-supported services (mostly comprised of non-recurring one-time items).



The Corporate Programs' variance of \$164.0 million can be attributed specifically to:

Higher-than-expected revenues: \$68.6 million

- \$51.4 million higher investment income due to higher interest rates and one-time gains in infrastructure investment.
- \$22.4 million higher supplementary revenue due to increased assessment value (\$9.4 million), other impacts (\$6.6 million) and higher tax penalties due to higher outstanding balances (\$6.4 million).
- The above higher revenue impact was partially offset by \$5.2 million lower return on equity (ROE) from utilities.

Lower expenditures: \$95.4 million

- \$38.2 million lower employee benefits costs from higher recoveries and the impact of the discontinued retirement/vacation allowance program.
- \$29.8 million unallocated utilities and service growth budgets held centrally until required.
- \$27.4 million intentional management of corporate provisions dedicated to managing and mitigating risk related to unforeseen circumstances.

The tax-supported variance of \$73.7 million is mainly a result of the following impacts:

- \$11.1 million within Streets is mainly due to lower winter operational expenses as a result of relatively mild weather conditions.
- \$10.3 million within Insurance & Claims is attributed to a decrease in the provision for open claims, lower insurance settlements and savings in salary and wages.
- \$8.9 million within City Planning & Policy resulted from savings in salary and wages, communications and consulting expenses.
- \$5.6 million within Emergency Management & Business Continuity is due to the return of one-time budget pertaining to the World Petroleum Congress and savings in salary and wages.
- The \$37.8 million variance for the remaining services is primarily attributed to savings in salary and wages and other minor impacts.

During the [2023 November Adjustments](#) process, Council was made aware of the anticipated positive variance and \$100 million was committed to high priority investments. The City will transfer the balance of the 2023 favourable operating variance of \$137.7 million to the Fiscal Stability Reserve once the year-end audit is completed in 2024 April. These funds will bring the balance closer to the target reserve balance. The Franchise Fee variance of \$200 million was put into the Reserve for Future Capital and Lifecycle Maintenance and Upgrade Merged Reserve to fund capital investments per the standard year-end process. Of this variance, \$165 million has already been committed by Council in the 2023 November Adjustments to fund capital investments in the current budget cycle. The remaining \$35 million, the \$137.7 million from the operating variance, along with the 2023 ENMAX dividend variance will be transferred to the Fiscal Stability Reserve, upon approval, as per the [Notice of Motion EC2024-0371](#), committing those funds to inflationary or market pressures on existing capital projects.

Capital budget overview

In 2023, The City made \$1.5 billion in capital investments (52.5 per cent of the \$2.8 billion budget). This included several key projects such as the Vivo Expansion, substantial renovations to Glenmore Athletic Park, resurfacing of the Foothills Athletic Park Track and completion of the Haskayne Legacy Park, all of which improve community and accessible recreational opportunities. Improvements and renovations to Fire Station 8, Village Square Leisure Centre and Henry Viney Arena upgrade existing community infrastructure to support future development and growth. The Main Streets projects at 33 Ave. S.W., 17 Ave. S.W., and 1 Ave. N.E. and downtown revitalization with the funding of the Event Centre will enhance active modes of travel, community vibrancy and provide spaces where people can come together and connect as a community.

Investments to support growth, development and connectivity between communities include improvements to Stoney Trail and 144 Ave. N.W. As mentioned earlier, work continues to support The City's commitment to active transportation with investments in the 5A Network with more than 150 locations paved and over 33,000 potholes repaired (in comparison with approximately 16,000 potholes repaired in 2022). Additional Light Rail Vehicle and buses were procured to support public transit.

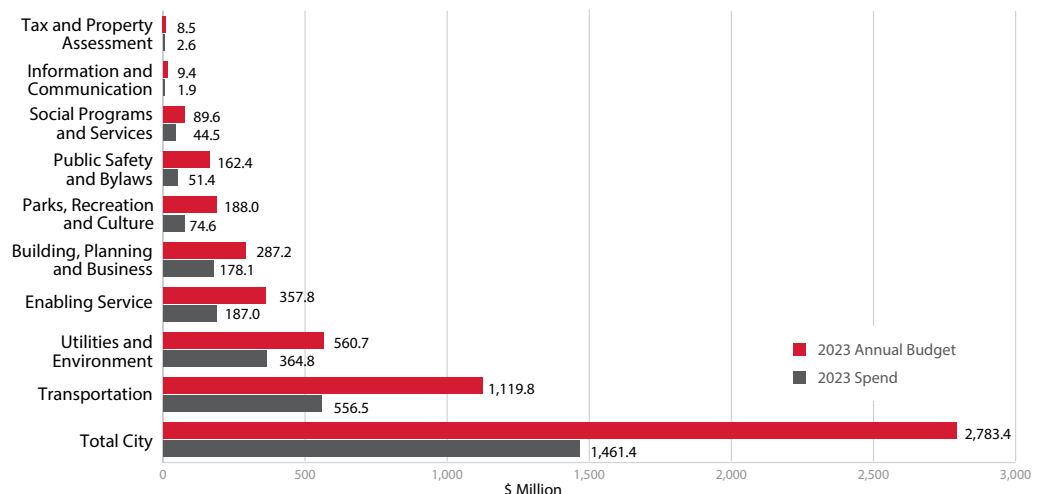
Completion of flood barrier construction and stormwater improvements for the Downtown Flood Barrier and Eau Claire Promenade reduces The City's exposure to flood damage while connecting people along a vibrant riverfront. Along with the completion of construction in Tuxedo Park as part of the Community Drainage Improvement Program, these capital investments improve resiliency in our communities and infrastructure.

The City's capital budget investment rate increased to 52.5 per cent from 44.4 per cent in 2022. However, investments have been impacted by cost escalations and supply disruptions and other systemic contributing factors that The City is working to address. To mitigate some of the challenges, a capital cost escalation fund was created to support Council-approved projects and ensure they can be delivered in a timely way. Services have also worked to adjust to these conditions, such as Public Transit's procurement strategy that shifted some of the planned spending into future periods. (See Attachment 3: 2023 Progress Update). Administration is committed to progressing capital investments and realizing great outcomes for Calgarians.

The unspent budget of \$1.3 billion will be carried forward into 2024. Most of the capital budget carry forward is required to complete the approved capital initiatives. The Infrastructure Calgary Steering Committee is currently reviewing amounts that can be relinquished and reallocated to high priority, unfunded capital needs. The City also continues to look for third party funding and financing for capital opportunities.



Total City 2023 Capital Budget and Spend by Service Categories (\$ Million)



Debt overview

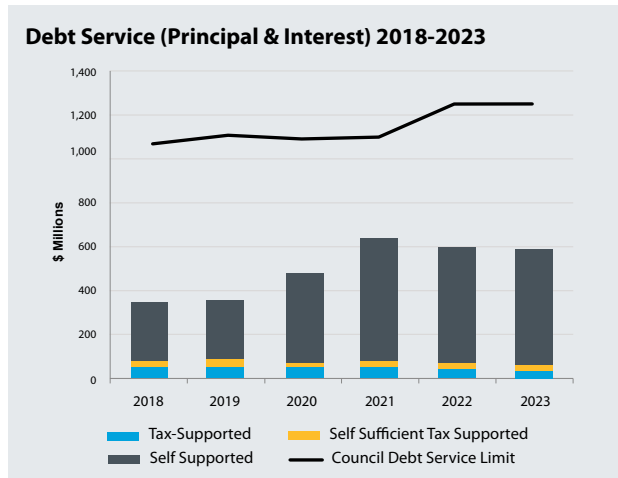
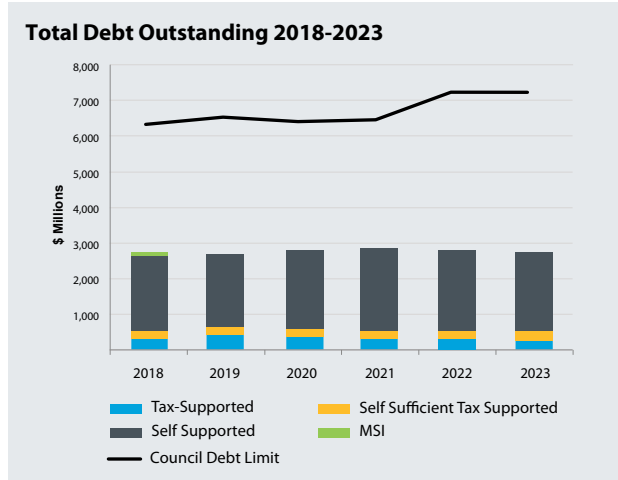
Debt is mainly obtained from the Government of Alberta; it includes tax-supported, self-sufficient tax-supported and self-supported (including utilities and local improvement) debt. Self-sufficient tax-supported debt (SSTS) is primarily borrowed for The Calgary Municipal Land Corporation (CMLC), a City-owned company, and can be used to finance City projects with a defined revenue source. SSTS debt has also included short-term debt that will be funded from future grant receipts from the Government of Alberta's Municipal Sustainability Initiative (MSI), which provided bridge financing for MSI-funded projects. MSI-related debt has been fully repaid as of 2019. Self-supported debt is funded through user fees. Self-supported debt, including utilities debt, has grown in recent years primarily as a result of infrastructure requirements. Local improvement debt is considered self-supported, with principal and interest payments funded by local improvement levies that are collected from property owners.

Effective as of 2021 January 1, The City has its own Debt Policy (CP2020-05) to govern the issuance and management of debt in a prudent and fiscally responsible manner. This allows The Corporation to continue to maintain or improve our credit rating (AA+/AA(High)), which is instrumental in The City's ability to issue debt efficiently.

As an alternative to borrowing from the Government of Alberta, Council approved the Corporate Borrowing Strategy on 2023 October 17, with Bylaw 10B2023. This authorizes The City to access debt funding by issuing municipal bonds on capital markets and through private placements. The Corporate Borrowing Strategy provides The City with an additional capital debt borrowing alternative and will be utilized going forward.

Note: 2023 Debt and Debt Service, as well as 2023 Self-Supported Debt Service are estimates.

Final 2023 figures will be available in the Annual Financial Report.



Looking ahead

Progress status

When the 2023-2026 Service Plans and Budgets were developed, a total of 286 performance measures and 588 initiatives were identified. The majority of these initiatives and performance measures are progressing as planned, while a small percentage (e.g., service level, response rate and satisfaction measures) is not progressing according to the plans due to some challenges and unprecedented growth. We will continue to monitor our progress as well as assess challenges and pressures.

We are exploring ways to optimize our reporting structure and frequency to Council and Calgarians by clearly showing our progress on strategic priorities through key metrics. We are investigating different technology solutions to improve reporting efficiency and user experience, such as providing Service Updates through online, interactive dashboards, ensuring Council receives information about strategic priorities at the right level and time to support decision-making.

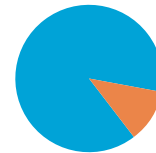
Service challenges

Pressures and challenges can negatively impact our reliable, effective and efficient service delivery. Some of the pressures and challenges that services face include inflation-driven cost escalations impacting operations and budgets. Concurrently, maintaining a proficient workforce amidst increasing demand requires proactive recruitment and promoting an employer of choice reputation. Adapting to growing service demands and complexities entails strategic prioritization and forging robust partnerships to ensure effective delivery. Operational efficiency confronts disruptions such as supply chain interruptions and extreme weather events, underscoring the need for agile project management and collaborative approaches. Moreover, navigating changing social dynamics and demographics requires careful community engagement strategies to accommodate diverse opinions and emerging groups. Finally, anticipating potential uncertainties like population growth, economic fluctuations, regulatory changes and evolving security landscapes underscores the importance of vigilant trend monitoring for informed strategic planning and resilience.

By monitoring and managing pressures and challenges that affect The City's services, we are better able to avoid undesirable impacts and capitalize on opportunities as they present themselves while continuing to focus on delivering services to Calgarians. To get more information on the current assessment of the risk environment facing The City and how it is impacting The City's Principal Corporate Risks, please refer to the [2023 Year-End Principal Corporate Risk Report](#).

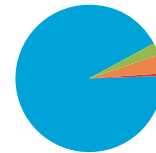
Service-specific challenges are provided in the Service Updates at calgary.ca/progressupdate as well as in accompanying Attachment 4 - Service Updates.

Performance Measures Progress



- 88.11% Progressing as planned
- 11.89% Not progressing as planned

Initiatives Progress



- 2.59% Completed
- 92.76% Progressing as planned
- 4.14% Not progressing as planned
- 0.52% Not started

