

July XX, 2025

The Honourable François-Philippe Champagne, P.C., M.P.
Minister of Finance and National Revenue
Department of Finance Canada
90 Elgin Street
Ottawa, ON
K1A 0G5

Dear Minister Champagne,

RE: The City of Calgary Budget Submission

On behalf of my Council colleagues and all Calgarians, I have the privilege and responsibility of submitting this budget submission for your consideration.

Recognizing your Government's focus on addressing a generational challenge, I was pleased to see the Prime Minister's Mandate Letter emphasizing the importance of nation-building projects, making housing more affordable, building the economy, advancing reconciliation and caring for those experiencing vulnerability.

Calgarians share the values emphasized in the Prime Minister's letter and I ask your consideration of the following investments reflecting our shared priorities:

Recommendation 1: That the Government of Canada contribute, through cost-sharing with The City of Calgary, Rocky View County and the Government of Alberta, to support utility and transportation infrastructure for the Prairie Economic Gateway.

The Prairie Economic Gateway (the Gateway) is a collaboration between The City of Calgary (The City) and Rocky View County to enable the private sector development of a new inland port with access to high-quality rail and truck services and proximity to the Calgary International Airport. The City is calling on the Government of Canada to fast-track its support of the Prairie Economic Gateway as it meets all of the Government's criteria for projects of national significance.

- With access to two Class 1 railways, major highways and one of the Country's most important air cargo facilities, the Gateway will diversify trade corridors and bolster the integrity of critical supply chains, strengthening Canada's autonomy, resilience and security.
- The Gateway will provide economic and other benefits to Canada, including \$7 billion in economic activity and 30,000 jobs in the Calgary region during the construction phase alone.
- With a joint commitment from The City and Rocky View County for one-third of the needed infrastructure improvements, supportive messaging from the provincial government, and designation of "gold-tier" status in CPKC's site selection process, the Gateway has a high likelihood of success. This likelihood is amplified by private sector investment which is expected at a rate of nearly nine dollars for every dollar of public investment.
- The Gateway has the potential to advance the interests of Indigenous peoples through investment opportunities and economic reconciliation.
- With the transport of goods by rail eight times cleaner than transport by truck, the Gateway will contribute to clean growth and meeting Canada's objectives regarding climate change.

With this in mind, we are asking each of the federal and provincial governments to match The City and County's contribution. This will support:

- **Utility Infrastructure:** Linear and non-linear utility infrastructure will enable the delivery of water, wastewater, and stormwater services that will connect the Prairie Economic Gateway industrial lands on the East side of the provincial Stoney Trail Highway to the remainder of the City's network on the West. Providing regional service from Calgary enables efficient servicing, the opportunity to leverage existing major infrastructure such as treatment plants and the Shepard Ditch, and alignment with a globally competitive designated industrial zone.
- **Mobility Infrastructure:** Mobility infrastructure investment will enable grade separation over rail and waterbodies; leveraging prior provincial investment in the Stoney Trail Highway and connecting it to the Prairie Economic Gateway industrial lands on the East side; road widening to accommodate increased goods movement and traffic volumes for this major industrial hub; and interchanges on Glenmore Trail that enhance the regional road network.
- **Emergency Response Infrastructure:** Emergency response infrastructure investments will provide capacity to address the proposed development's unique, above-normal height vertical features and ensure compliance with the National Building Code and National Fire Code Alberta Edition, ensuring the safety of workers and residents while optimizing the use of fire and emergency response assets once operational.

Recommendation 2: That the Government of Canada invest \$159 million towards Calgary's affordable housing initiatives.

In 2023, The City submitted a \$380 million plan to the Housing Accelerator Fund to create 11,000 new homes in Calgary. The \$251.3 million received from the Housing Accelerator Fund has enabled the creation of safe and affordable homes for Calgarians. Calgary has moved quickly, already delivering over 98 per cent of the homes committed through HAF. However, more resources are required to respond to the pressures of our growing city, and I urge the Government of Canada to continue investing in the Housing Accelerator Fund, including the allocation of the remaining \$129 million outlined in The City's application.

Between 2024-2026, as part of the Home is Here Housing Strategy, The City will allocate \$30 million for our partners to build housing for Indigenous populations. We are seeking a matching \$30 million from the Urban, Rural, and Northern Indigenous Housing and Affordable Housing Fund.

Recommendation 3: That the Government of Canada reassess funding for affordable housing to be flexible, consistent, and predictable.

Historically, affordable housing allocations have been inflexible, project-based, and unpredictable. This creates barriers to stacking funds or leveraging private investment and slows the occupation of homes. To improve flexibility, consider giving municipalities more autonomy to determine grant conditions. To improve predictability, consider indexing existing affordable housing funding to inflation and ensure municipal allocations are proportionate to population.

Recommendation 4: That the Government of Canada approve The City of Calgary's Metro-Regional Agreement application with the Canada Public Transit Fund (CPTF) and accelerate the CPTF's Baseline stream release before April 2026.

The City of Calgary appreciates the federal government's CPTF baseline funding, which will provide 10 years of sustainable financing for state-of-good repairs. However, access to funding

needs to be immediate so transit agencies can move quickly to support the federal government's priorities for housing and the economy.

Calgary is Canada's fastest-growing major city, and its population and ridership demands surpass the existing transit network and fleet capacity. Federal funding is requested to close Calgary Transit's service gap by building a fast and frequent transit network accessible to one million Calgarians from their homes and 66 per cent of Calgary's jobs. Fast and frequent transit service encourages housing development, achieve climate objectives, and increase economic productivity. To build the fast and frequent transit network, Calgary requires:

- \$15 million annually over ten years to grow service operations,
- \$45 million annually over ten years for new bus purchases, and
- \$500 million for a new maintenance and storage facility.

Additionally, Federal support must match the urgency and scale of Calgary's growth with funding key transit infrastructure projects:

- Blue Line Extension: Requesting a \$53 million federal contribution (The Government of Alberta has already provided \$53 million towards the project).
- Airport Transit Connector-Eastern Leg: Requesting an estimated \$391 million federal contribution.
- MAX 301 North Central/MAX Green Bus Rapid Transit (BRT): Requesting a \$166 million federal contribution.

Recommendation 5: That the Government of Canada approve Calgary's Canada Housing Infrastructure (CHIF) direct delivery application for the North Water Servicing Phase 1 project and the Green and Inclusive Community Buildings (GICB) application to retrofit Village Square Leisure Centre.

From water systems to public transit to community facilities, The City's ability to keep up with demand is reaching a tipping point. Local governments manage over 60 per cent of public infrastructure and only receive eight to ten cents of every tax dollar. The City of Calgary's 2020 Infrastructure Status Report flagged an estimated \$7.73 billion infrastructure funding gap and recommended more than \$500 million in annual maintenance and operating investments by 2030.

- The North Calgary Water Servicing Project is shovel ready. It will support the development of 18,000 new housing units over the next five years and provide redundancy in the system to avoid catastrophic events, such as the feeder main break of 2024.
- The Village Square Leisure Centre is Calgary's highest-use recreational centre in Calgary, benefiting both local and regional populations. The City's application to GICB will make the facility more inclusive, climate resilient, and energy efficient.

Recommendation 6: That the Government of Canada support Calgary's resilience, adaptation, disaster mitigation and energy transition.

Enhanced investment in the Disaster Mitigation and Adaptation Fund (DMAF) for predictable and long-term funding to reduce the impacts of natural disasters is paramount. Calgary has faced, and will continue to face, some of the costliest natural disasters in Canada's history. Despite our diligent efforts to mitigate future disasters and our compliance with all eligibility criteria, Calgary has not yet secured funding from the Disaster Mitigation and Adaptation Fund (DMAF).

Calgary also recommends increased investment in energy efficient building retrofits, low-carbon

vehicles and infrastructure through Canada Infrastructure Bank and Natural Resources Canada.

Recommendation 7: That the Government of Canada contribute, through cost sharing with the Government of Alberta and The City, at least \$127 million towards the Foothills Multisport Fieldhouse.

Calgary is the only major city in Canada without a fieldhouse. Through investment partnerships with the governments of Alberta and Canada, the Multisport Fieldhouse will be a competition-capable indoor track and field facility comprising multi-activity courts and a FIFA-regulation indoor soccer field. The Foothills Multisport Fieldhouse will provide Calgarians with 338,603 square feet of much-needed year-round space to play, train, compete and gather while providing the opportunity to showcase Calgary and Alberta on the national and international stage by hosting major sporting events. The facility will fill a gap in elite athletic training and competition spaces in Southern Alberta while providing a wide range of recreational and amateur sports uses for the community.

Recommendation 8: That the Government of Canada support The City in its implementation of GamePLAN.

GamePLAN is Calgary's long-term recreation strategy to address aging infrastructure and unprecedented population growth. It will deliver the critical recreation infrastructure Albertans in the region need to stay active, healthy and connected. GamePLAN's detailed capital investment and funding strategy incorporates contributions from all levels of government, philanthropic, private and partner contributions to fund an estimated \$250 million per year over 25 years. The City looks forward to collaboration with all parties, including the federal government, to bring this vision to life.

Like Canada, Calgary's challenges are not small, but they can be met with a renewed sense of action and collaboration. I welcome the opportunity to meet with you or your Cabinet colleagues to discuss these investments further.

Sincerely,

Jyoti Gondek Mayor
The City of Calgary

cc: The Right Honourable Mark Carney, Prime Minister
Calgary City Council
David Duckworth, Chief Administrative Officer, The City of Calgary