

July xx, 2025

The Honourable Nate Horner
President of the Treasury Board and Minister of Finance
Office of the Minister
Treasury Board and Finance
Alberta Legislature Building
10800 97 Ave NW
Edmonton AB, T5K 2B6

Dear Minister Horner,

RE: The City of Calgary Budget Submission

As the Government of Alberta prepares its 2026-2027 budget, I am writing on behalf of my council colleagues to share opportunities for The City of Calgary (The City) and the provincial government to work together to build and strengthen the infrastructure, programs and services relied on by Calgarians and Albertans.

In Calgary, we are doing everything we can to create opportunities and keep our economy moving. We are leading the country in housing starts to keep pace with the population growth. But this growth comes with strain, and homes are only part of the picture. Calgarians also need roads, sidewalks, and reliable transit. Calgary's recent catastrophic water main break reinforced the need for stable and consistent infrastructure funding. The revenue tools available—such as property taxes and user fees—were never designed to fund the scale of investment now required to support modern cities.

We need your continued support to maintain the vibrancy and vitality of the fastest growing city in Canada, and to propel this momentum and growth into the future. The following highlights key opportunities to invest in the future that Calgarians deserve:

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

The City of Calgary and Rocky View County have partnered to enable the private sector development of the Prairie Economic Gateway (the Gateway), a new inland port to reduce trade vulnerabilities through improved supply chain efficiencies to enhance the region's resilience to trade disruptions. With a 2,190-acre industrial development and logistics hub at its core, the Gateway will generate more than \$7 billion in economic activity and create more than 30,000 jobs in the Calgary region during the construction phase alone. Leveraging nearly nine dollars of private sector investment for every public dollar spent, the Gateway will generate greater interprovincial and international trade with proximity to two Class 1 rail lines, road access to Stoney Trail, and air transportation via the Calgary International Airport, one of Canada's leading freight-handling distribution centres. The Gateway has the potential to advance the interests of Indigenous peoples through investment opportunities and economic reconciliation.

Key provincial ministers have already described the Gateway as a "game-changer," strengthening the province's role as "a key logistics and distribution hub". With the agreement between The City and Rocky View County now approved, we are asking the Government of Alberta to invest in the needed infrastructure improvements to unlock the Gateway's potential. 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.

In addition to these financial commitments, we are also asking the Government of Alberta to champion the Gateway in discussions with the Government of Canada, particularly in consideration of major, nation-building projects. The Gateway is a ready-made project that matches all the federal government's criteria for new investment and provides an opportunity to demonstrate the ability of Canada's governments at all levels to work together in the shared interest, while ensuring that Alberta receives its fair share of federal funding.

Recommendation 2: That the Government of Alberta match funding from other orders of government to build and maintain affordable housing.

Calgary is leading the nation in housing starts while still falling behind in affordable housing, with waitlists growing. The solution requires equal investments from all governments. The City urges the province to match the federal Housing Accelerator Fund investment of \$251.3 million. The City has already delivered on over 98 per cent of its HAF commitment and is well positioned to rapidly allocate additional funds to support the development of more affordable housing. Predictable funding allows The City to efficiently create and maintain affordable housing streams and enable the sector to deliver its goal of 3,000 non-market homes per year.

Recommendation 3: That the Government of Alberta submit the Calgary Metropolitan Region's Metro-Regional Expression of Interest (EOI) application under the Canada Public Transit Fund (CPTF). We ask that the Government of Alberta contribute predictable and sustained operating funding towards Calgary Transit's \$15 million annual gap and one-third capital funding asks for major capital projects that align with Calgary's RouteAhead Plan.

Calgary is Canada's fastest-growing major city, and its population and ridership demands surpass the existing transit network and fleet capacity. Provincial 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 and increases 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.

The City of Calgary thanks the Government of Alberta for its \$53 million investment in the Blue Line extension and \$5 million to the Airport Transit Connector East-Leg engineering and design. The provincial government can further support The City by submitting the EOI for the Metro-Regional agreement, allowing access to additional funding for critical transit infrastructure.

Current unfunded transit infrastructure projects include:

- Airport Transit Connector – Eastern Leg: Request an estimated \$391 million provincial contribution.
- MAX 301 North Central/MAX Green Bus Rapid Transit (BRT): Requests a \$166 million provincial contribution.

Recommendation 4: That the Government of Alberta increase its provincial Family and Community Support Services (FCSS) investment to \$161.5 million and index the fund to inflation and population.

Given Calgary's unprecedented population growth, there is significant pressure on the non-profit sector to provide critical programming. FCSS provides long-term, sustainable investment to community organizations delivering preventative services that help Albertans adopt healthy lifestyles, improve their quality of life, and build capacity to prevent and deal with crises. This funding is a lifeline to vulnerable Albertans, and through its prevention approach provides savings over the long-term.

Recommendation 5: That the Government of Alberta increase its investment in the prevention and response to the interconnected issues of mental health, addiction, and homelessness through a matching \$22 million investment.

The City has responded to rising mental health, addiction and community safety needs through its \$22 million annual investment in early intervention and crisis responses related to mental health and addiction. The fund addressing this provincial responsibility is heavily oversubscribed. A matching \$22 million provincial investment will reduce multi-system impacts and the need for costly interventions.

Annually, The City spends an estimated \$20.6 million on Calgary Fire's medical and overdose response, bylaw response to unhoused populations, Community Outreach Teams, and the day space network. The City welcomes additional provincial investments in permanent supportive housing, medical respite for unhoused populations, and shelter safety improvements.

Recommendation 6: Increase funding support to \$20.5 million annually and long-term funding agreements for the Low-Income Transit Pass (LITP).

Investing in the LITP aligns with provincial priorities, including increasing affordability for citizens and fostering economic growth through increased public transit use. The City would like to thank the Government of Alberta for its renewed funding partnership for the LITP until March 2026.

While the existing provincial funding helps to ease the financial pressure on Calgary Transit's operating budget, it only covers approximately 12 per cent of the \$58 million program cost. Increased financial support through long-term funding agreements will enable Albertans living with low incomes to have assurance that the program will be there for them when they need it most.

Recommendation 7: That the Government of Alberta contribute, through equal cost sharing with the Government of Canada 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 Alberta support The City in its implementation of GamePLAN.

GamePLAN is Calgary's long-term recreation strategy to address aging infrastructure and unprecedented population growth in part, due to the success of the Alberta is Calling campaign. 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 province, to bring this vision to life.

Recommendation 9: Increased reliable infrastructure funding through the Local Government Financial Framework (LGFF) to address Calgary's over \$7.73 billion infrastructure funding gap.

The City's 2020 Infrastructure Status Report flagged an estimated \$7.73 billion infrastructure funding gap and recommends more than \$500 million in annual maintenance and operating investments by 2030. Increased financial levers for municipalities are critical to addressing the economic gap. Local governments manage over 60 per cent of public infrastructure and only receive eight to ten cents of every tax dollar. The LGFF provides an example of what is possible with direct and reliable infrastructure funding.

The City of Calgary appreciates the collaborative relationships between our orders of government and looks forward to our continued partnership.

I look forward to discussing these investments further with you.

Sincerely,

Jyoti Gondek Mayor
The City of Calgary

cc: The Honourable Danielle Smith, Premier
Calgary City Council
David Duckworth, Chief Administrative Officer, The City of Calgary