

July 31, 2017

The Honourable Bill Morneau
Minister of Finance
Government of Canada
House of Commons
Ottawa, Ontario K1A 0A6

The Honourable Wayne Easter
Chair, Standing Committee on Finance
Government of Canada
House of Commons
Ottawa, Ontario K1A 0A6

Dear Minister Morneau and Chair Easter:

On behalf of The City of Calgary (“The City”), I am pleased to present you with our submission to the Government of Canada’s 2018 pre-budget consultation. In particular, I would like to highlight how collaboration between the Government of Canada, Government of Alberta and The City can support the delivery of important public infrastructure investments to create and support economic growth, job creation and economic prosperity. I would also like to provide some comments on what federal measures could build on Calgary’s proven record of productivity, and make our city, province and country a world-leading centre for innovation to create good, well-paying jobs and help strengthen and grow the middle class.

The City is appreciative of Phase 1 funding allocated through the Public Transit Infrastructure Fund (“PTIF”). The City is utilizing the fund to complete preparatory work for the Green Line Light Rail Transit project, Phase 2 of the 17 Avenue SE Bus Rapid Transit Project and for the purchase of Light Rail Vehicles. It is also important to note that The City received none of the \$196,714,129 of funding available through the Clear Water and Wastewater Fund (“CWWF”).

As the Government of Canada proceeds with Phase 2 of the Investing in Canada Plan, The City supports additional clarity on how and when municipalities can access these critical funds.

Municipalities are uniquely positioned to leverage our local capacity and capabilities to quickly deliver on high-quality public infrastructure.

In the past year The City has finalized decisions with respect to the Green Line and the Government of Alberta has recently confirmed its funding for the project. Combined with previous commitments by The City and Government of Canada, the project will soon move towards construction. Completion of the line will improve mobility choices for Calgarians making them more productive. New development along the line will improve the productivity of Calgary businesses.

I would also like to provide an example of how the Phase 2 funding for infrastructure could better support the competitiveness of the Calgary region. As previously noted, The City received no funding through the CWWF. The City plays an important role in ensuring quality clean water and wastewater for the Calgary region. The City supplies water to the cities of Airdrie, Chestermere and Strathmore and treats wastewater for The Town of Cochrane and the cities of Airdrie and Chestermere. The City has also been asked to supply water to The Town of Okotoks. Investments in The City's water and wastewater system truly support our regions productivity.

The availability of affordable housing continues to be a pressing need for The City. While continued investment from all orders of government has been welcomed, additional government consideration is needed. The City's total non-market housing stock remains well under the national average. A recent study from The University of Calgary found that in Calgary a single parent is paying up to 66 per cent of their income on an apartment priced among the 20 per cent least expensive units in the city, making Calgary one of the hardest places in Canada to be poor.

Calgary's role as an economic engine for Canada further intensifies the need for affordable housing as we continue to experience population growth. Calgary had the highest growth rate of any metropolitan area in Canada over the past five years. Ensuring affordable housing is available is a key way to ensure that Canadians and Canadian business grow in productivity.

The City would also encourage you to consider The City's previous submission to Minister Duclos with respect to Government of Canada's forthcoming National Poverty Reduction Strategy. That submission highlighted the critical need to affordable housing funding, the need for a national transit subsidy strategy and the Implementation of the Truth & Reconciliation Commission Calls to Action. A nation transit subsidy strategy would be particularly effective in increasing the productivity of Canadians and Canadian business.

I would also like to take this opportunity to discuss the upcoming legalization of cannabis. The City will have a role in the regulation and enforcement of a legal cannabis regime. Any

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potential tax revenue proposals should include dividends to all orders of government. Revenues from the legalization of cannabis would be used to support an increase in resources needed to effectively meet municipal roles and responsibilities in the regulation of this new policy area. For example, potential funds allocated to The City could support new or additional people and tools that may be required to adequately measure, educate and enforce neighbourhood nuisances, business licensing, land use and public safety.

The City welcomes the opportunity to provide this submission with respect to the 2018 Federal Budget. We continue to welcome opportunities to partner with the Government of Canada to achieving national objectives while continue to identify our municipalities priority investments in infrastructure. If you have questions or require further information or elaboration, please contact me at your convenience.

Sincerely,



Naheed K. Nenshi
MAYOR

Thank you for your service on crafting this budget!

cc: Calgary City Council
Jeff Fielding, City Manager, City of Calgary
Brad Stevens, Deputy City Manager, City of Calgary