

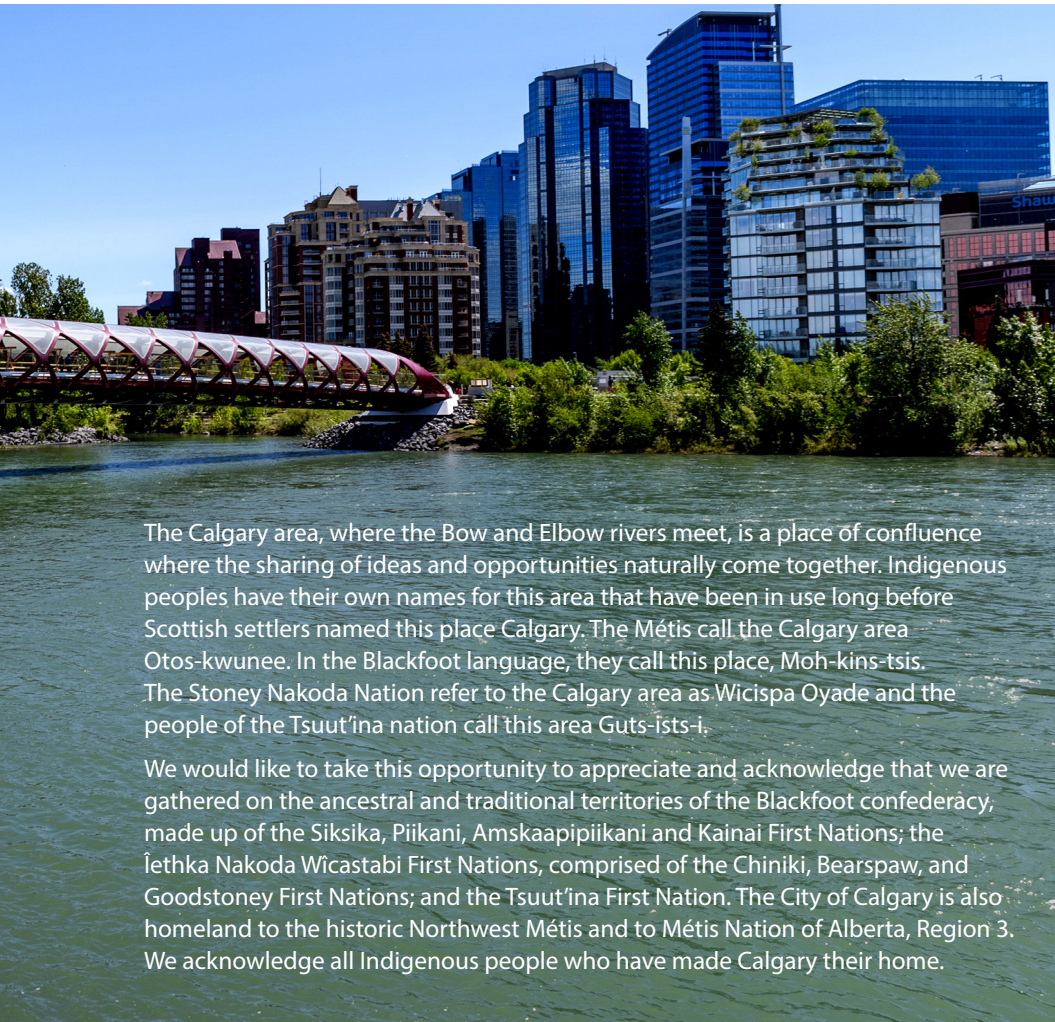


# 2024 Mid-Year Progress Update

24-0038808 CNV-239116



**Making life better every day**



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

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



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# Introduction

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

## The report consists of four sections:

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

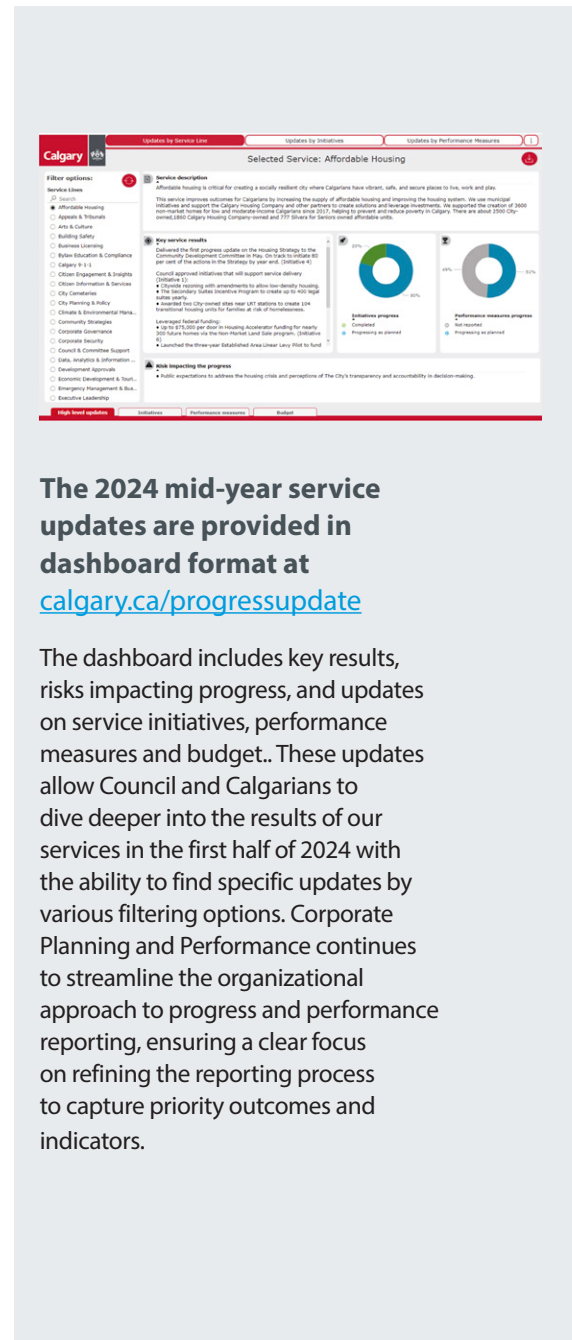
**Service delivery:** Overview of key services that are important for Calgarians, highlighting the impact of external and internal pressures and how we manage them.

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

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

## Progress status

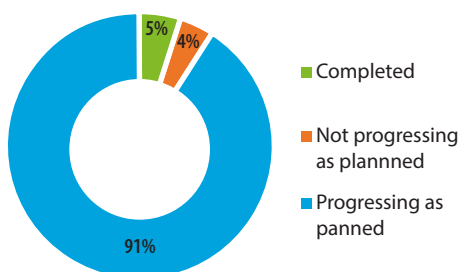
The 2023-2026 Service Plan and Budgets is comprised of 589 initiatives and 286 performance measures, including changes derived from the 2023 November Adjustments. For the 2024 mid-year, 69 per cent of the performance measures were updated and 31 per cent were not reported due to unavailability of data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



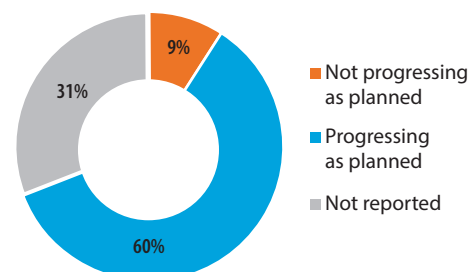
The 2024 mid-year service updates are provided in dashboard format at [calgary.ca/progressupdate](https://calgary.ca/progressupdate)

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

Initiatives Progress



Performance Measures Progress



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

# The City's service environment

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

## External pressures

### Population growth

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

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

### Inflation

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

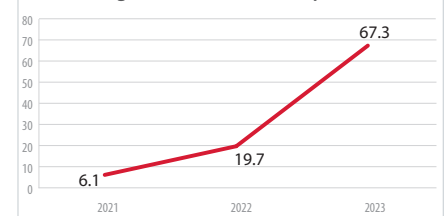
The Consumer Price Index (CPI) year-over-year inflation rate for Calgary Census Metropolitan Area (CMA) hovers at 3.6 per cent as of June 2024, while the national inflation rate is 2.7 per cent. The deceleration of the inflation rate at the national level was largely a result of slower growth of prices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

Population Growth Estimates (%)

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

\*actual

Net migration estimate (000's persons)

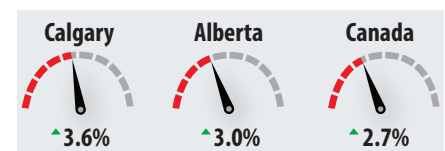


(Source: Calgary Civic Census)

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

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

\*actual



(Source: Statistics Canada)

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

## Unemployment rate

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

## Polarization of political discourse

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

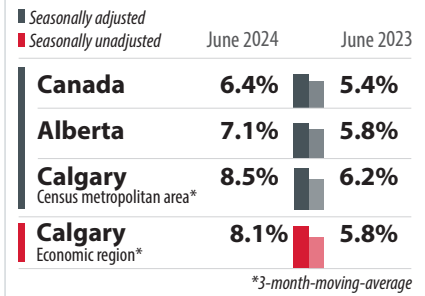
## Social pressures

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

## Climate change

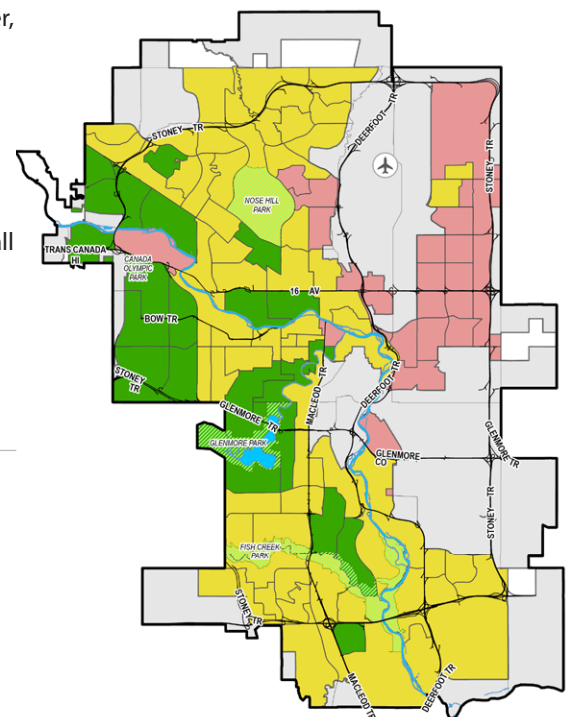
Since 2005, The City's benchmark year for greenhouse gas (GHG) emissions, Calgary's population has grown 45.3 per cent, reflecting substantial and continuous growth pressures for City services. While this growth is vital to Calgary's economic health, every additional person, house, vehicle, industry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

## Unemployment rates



(Source: Statistics Canada)

Calgary Equity Index



(Source: Community Strategies)



## Internal pressures

### Financial constraints

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

### Aging/deteriorating infrastructure

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

### Service demand complexity

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

### Capacity constraints

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

# Service delivery

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

## Overall satisfaction with City services

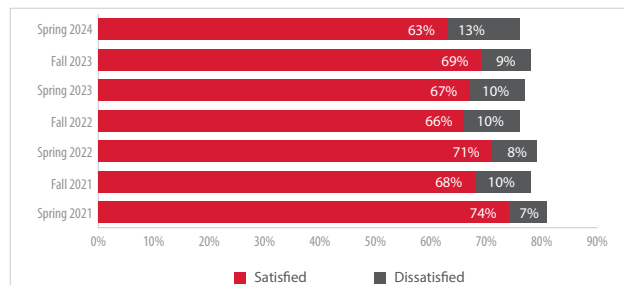
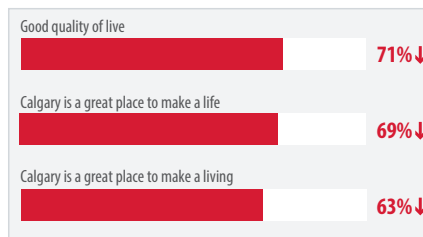
Although Calgary continues to be a city with a high quality of life with 71 per cent of Calgarians agreeing that quality of life is “good” (according to the [2024 Spring Survey of Calgarians](#)), this represents a significant decline from fall 2023 (76 per cent) and spring 2023 (78 per cent) survey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

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

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

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

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

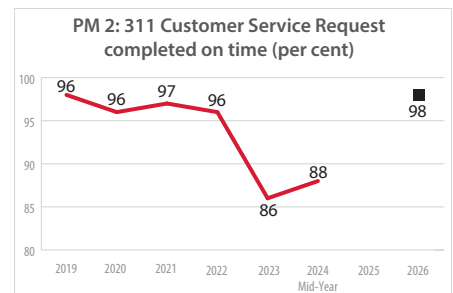


## Fire & Emergency Response

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

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

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



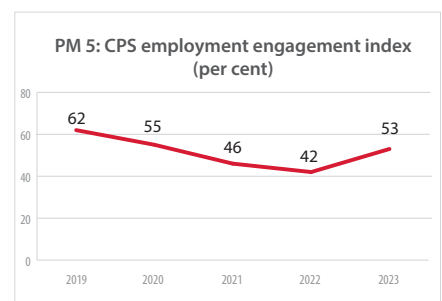
(Source: Fire and Emergency Response)

## Police Services

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

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

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

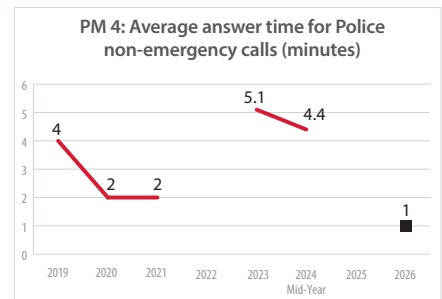


(Source: Police Services)



## Calgary 9-1-1

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



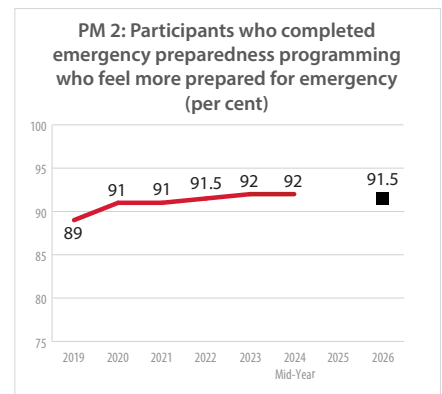
(Source: Calgary 9-1-1)

## Emergency Management & Business Continuity

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

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

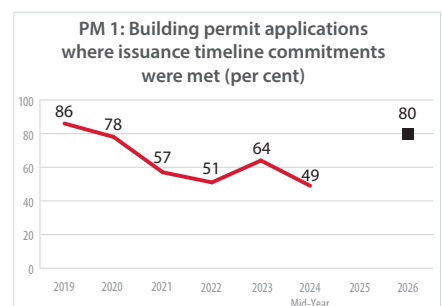
Emergency Management & Business Continuity has been making progress on increasing service accessibility. Four new videos have been developed that focus on basic measures that individuals can take to prepare their household for emergencies. There are now ten videos available and five more planned for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



(Source: Emergency Management & Business Continuity)

## Building Safety

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



(Source: Building Safety)

## Water Treatment & Supply

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

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

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

## Wastewater Collection & Treatment

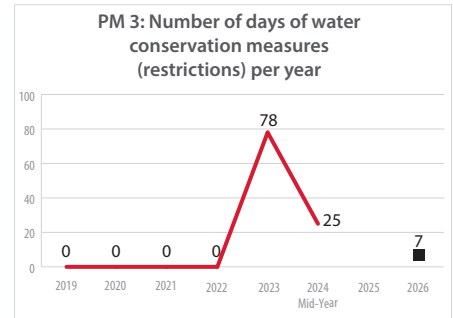
Given the highly regulated nature of wastewater, our team of experts work tirelessly to protect our rivers by ensuring regulatory compliance. So far this year, several initiatives have advanced compliance efforts, including onboarding of dedicated Water Bylaw Officers in collaboration with Community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

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

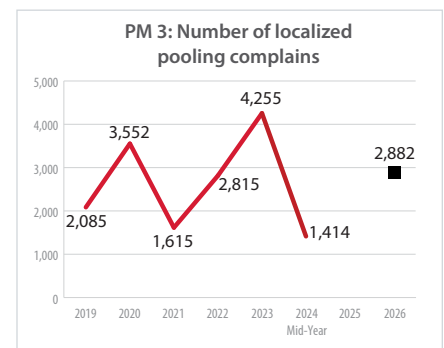
## Stormwater Management

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

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



(Source: Water Treatment & Supply)



(Source: Stormwater Management)

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## Waste & Recycling

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

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

## Parks & Open Spaces

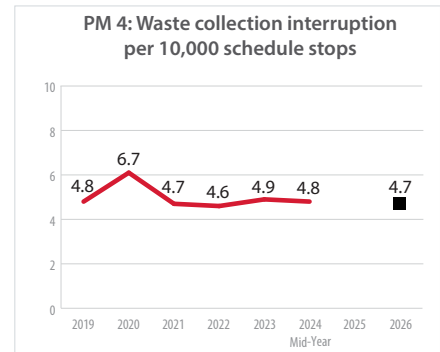
Calgary's parks have consistently scored high in Calgarians' satisfaction since the introduction of the annual survey. The 2024 Spring Survey of Calgarians results indicate that 89% of Calgarians are satisfied with this service, a two-point decrease from spring 2023. The slight drop in score may also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

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

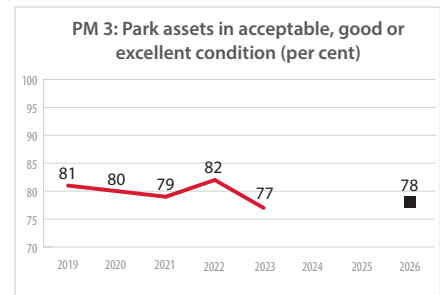
## Sidewalks & Pathways

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

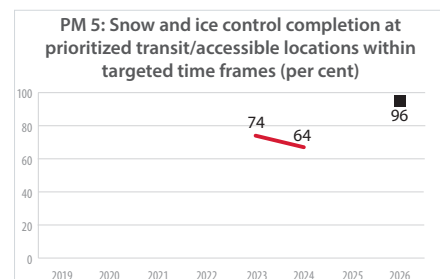
Snow and ice control remains a top priority for the service. Despite challenges such as supply chain issues and contractor staff availability (work not completed by City forces), we remain committed to improving our service on pedestrian infrastructure. A new contract award is anticipated for the upcoming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



(Source: Waste & Recycling)



(Source: Parks & Open Space)

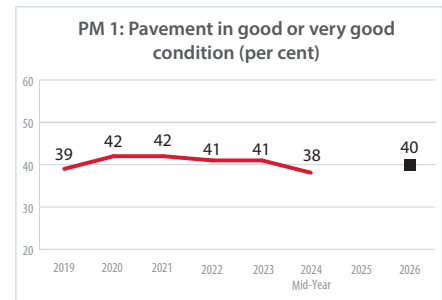


(Source: Sidewalks & Pathways)

## Streets

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

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



(Source: Street)

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

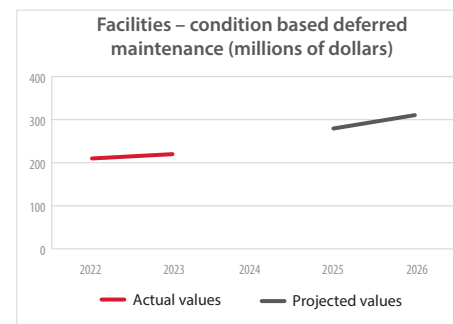
## Sustaining infrastructure

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

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

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

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

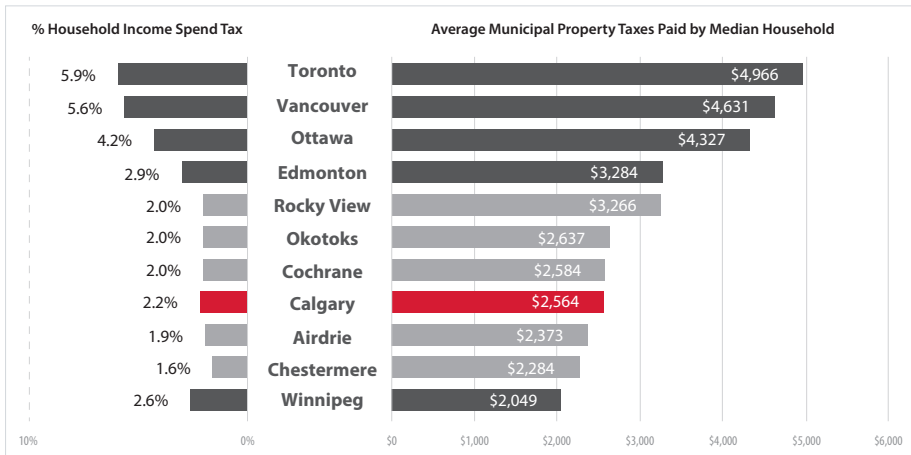


(Source: Facility Management)

## Affordability

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

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



(Source: Assessment & Tax)

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

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

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

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

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



# Council priorities

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

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

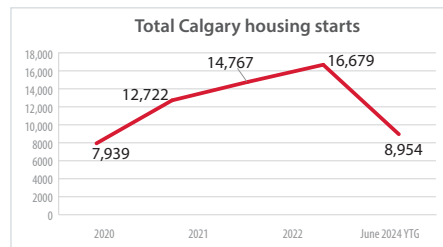




# Housing

## Community need

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



(Source: Canada Mortgage Housing Corporation)

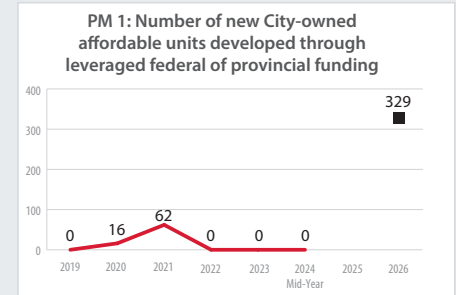
## Council investments

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

## Risks impacting the progress

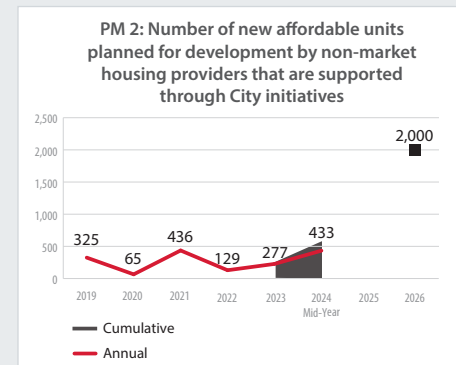
- Widening gap between the housing supply, particularly the affordable housing supply, and the need for housing.
- Public expectations to address the housing crisis and perceptions of The City's transparency and accountability in decision-making.
- Resource capacity risk.

## Monitoring progress



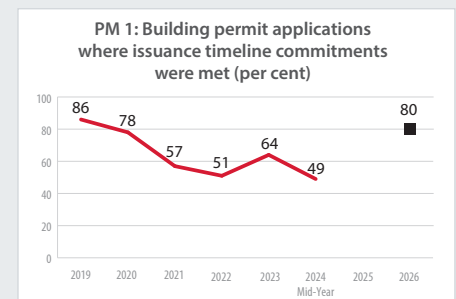
(Source: Affordable Housing)

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



(Source: Affordable Housing)

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



(Source: Building Safety)

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

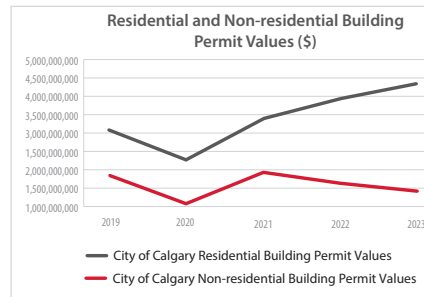


# Land use and local area planning

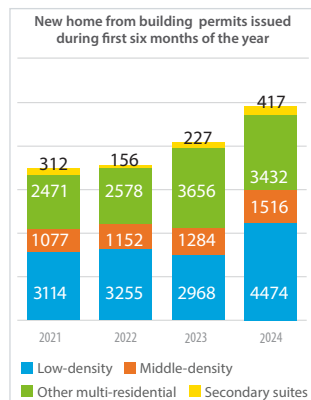
## Community need

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

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



(Source: Planning & Development Services)



(Source: Planning & Development Services)

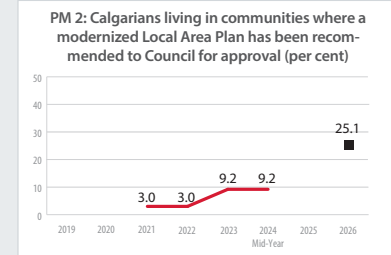
## Council investment

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

## Risks impacting the progress

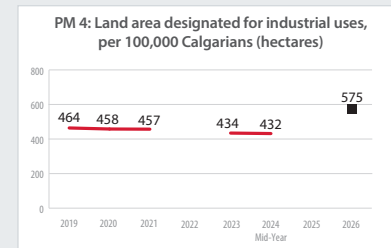
- Public engagement expectations.
- Dependency on council deliberations/approvals.
- Funding environmental resilience.
- Monitoring and managing growth across new and established communities given significant population changes.

## Monitoring progress



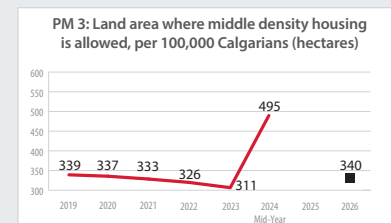
(Source: City Planning & Policy)

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



(Source: City Planning & Policy)

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



(Source: City Planning & Policy)

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





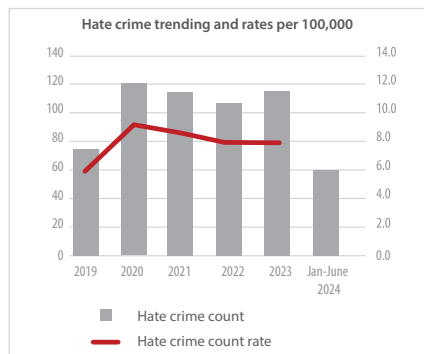
# Public safety

## Community need

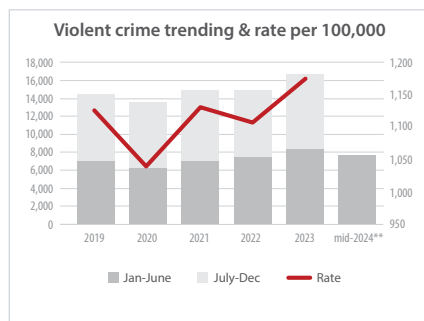
According to the [2024 Perspectives on Calgary Survey](#) results, Calgarians' overall perceived safety had a slight increase, 73 per cent from 71 per cent in fall 2023. The vast majority (87 per cent) of Calgarians surveyed feel that Calgary is as safe, or safer than other large Canadian cities.

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

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

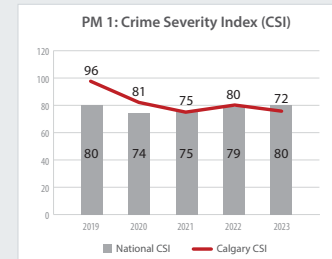


Source: (Calgary Police Service)



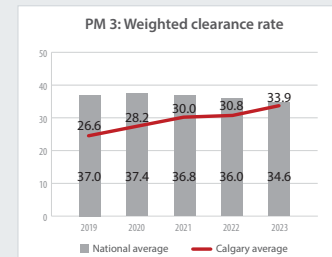
Source: (Calgary Police Service)

## Monitoring progress



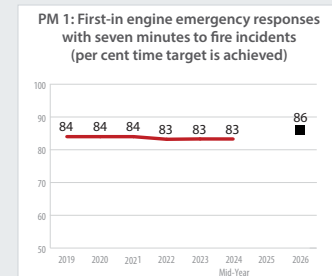
(Source: Calgary Police Service)

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



(Source: Calgary Police Service)

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



(Source: Fire & Emergency Response)

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

## Council investments

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

## Risks impacting the progress

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





# Transit

## Community need



Feel or would feel safe riding a bus alone:

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



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

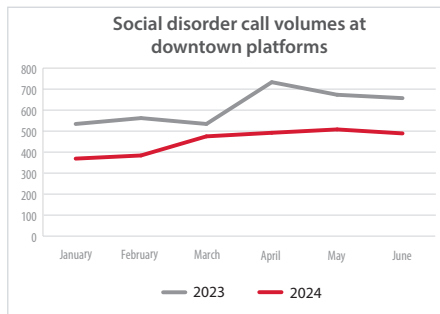
**Daytime** 69% **After dark** 35%

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

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

## Council investment

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

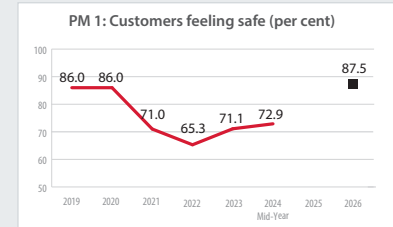


(Source: Emergency Management & Community Safety)

## Risks impacting the progress

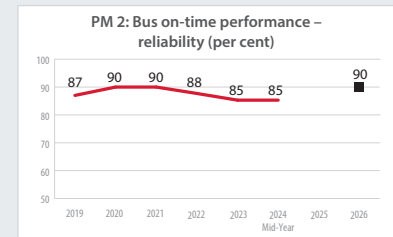
- Funding and resource prioritization.
- Loss of reputation and public trust.
- Transit asset condition.
- Insufficient transit revenue to offset cost of service delivery.
- Transit fleet procurement, maintenance and lifecycle asset condition.

## Monitoring progress



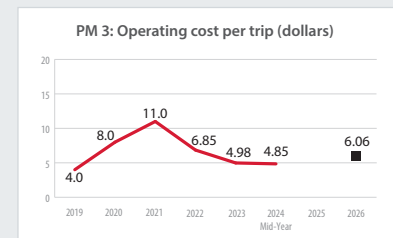
(Source: Public Tansit)

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



(Source: Public Tansit)

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



(Source: Public Tansit)

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



# Social equity

## Community need

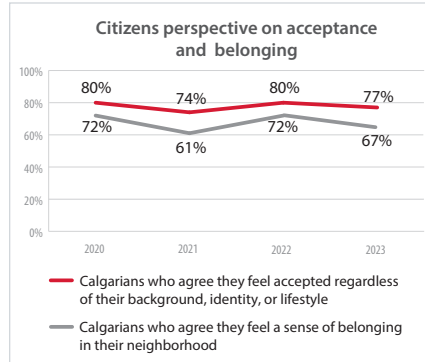
According to the [2023 Calgary Attitudes and Outlook Survey](#), in 2023, we saw a slight decrease in the percentage of Calgarians who feel accepted regardless of their background, identity or lifestyle. We also saw a decrease in the percentage of Calgarians who feel a sense of belonging in their neighbourhood.

## Council investment

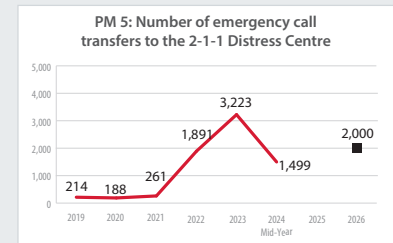
- We continue to increase our capacity and ability to improve social equity and community wellbeing in several ways, such as hiring more staff to build better connections between services and communities and exploring new funding sources.
- There is an increasing demand for the Fair Entry program (18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

## Risks impacting the progress

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

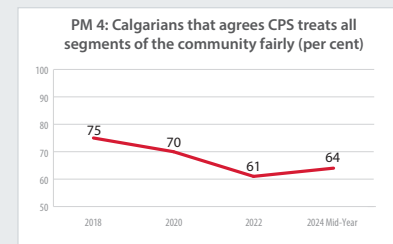


## Monitoring progress



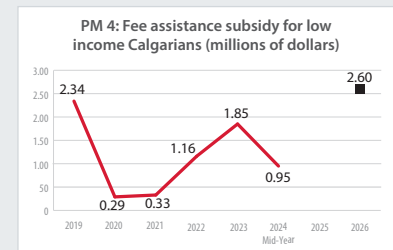
(Source: Calgary 9-1-1)

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



(Source: Police Service)

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



(Source: Recreation Opportunities)

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

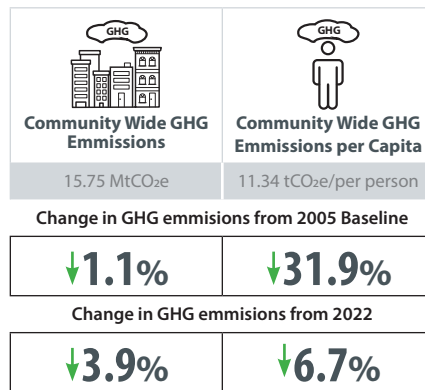


# Climate

## Community need

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

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



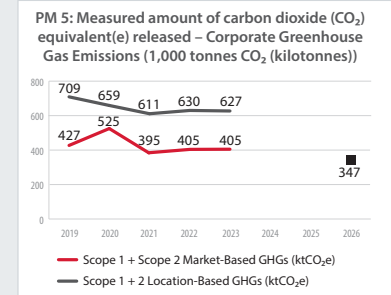
(Source: Climate & Environment)

## Council investment

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

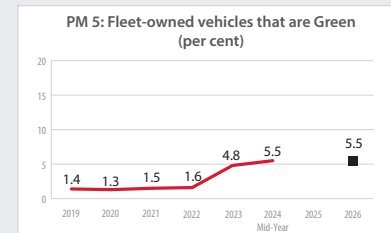
- Integration of drought resilience and water efficiency programs like the Every Drop Counts campaign and Yardsmart Program in early 2024, prepared Calgarians to respond to water shortages. For example, The City supported Green Calgary's rain barrel sales program skyrocketed from 2,466 barrels sold in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

## Monitoring progress



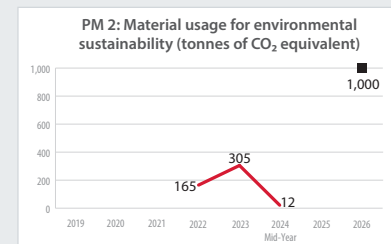
(Source: Climate & Environmental Management)

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



(Source: Fleet Management)

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



(Source: Sidewalks & Pathways)

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



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

### Risks impacting the progress

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



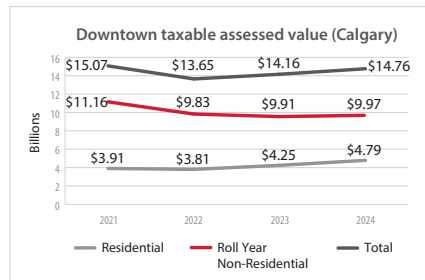
# Downtown revitalization

## Community need

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

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

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

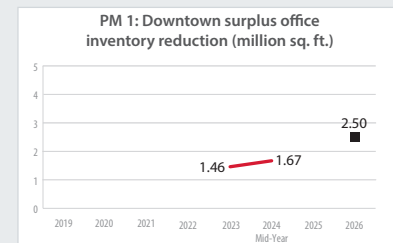


(Source: Assessment & Tax)

## Council investment

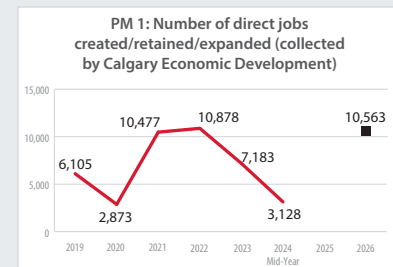
- The BMO Centre Expansion opened its doors in June 2024 and officially became Western Canada's largest convention centre, with capacity of 33,000 people and estimated economic impact of \$100 million a year, providing thousands of jobs.
- Chinook Blast 2024 brought more than 433,000 people downtown,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

## Monitoring progress



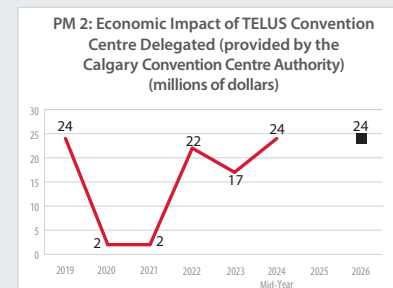
(Source: City Planning & Policy)

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



(Source: Economic Development & Tourism)

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



(Source: Economic Development & Tourism)

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

## Risk impacting the progress

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





# Financial updates

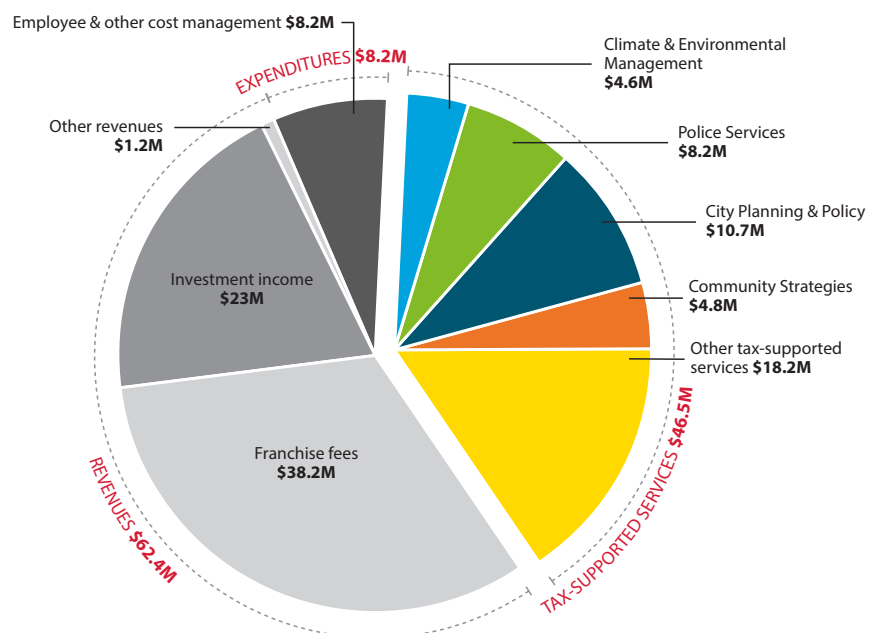
The City is committed to delivering services with the financial resources available and sustaining financial health in accordance with best practices and Council policies. The City had a favourable year-to-date operating variance primarily related to higher-than-expected franchise fee revenue due to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

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

## Operating budget overview

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

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



(Source: City of Calgary Corporate Budget Office)

## Capital budget overview

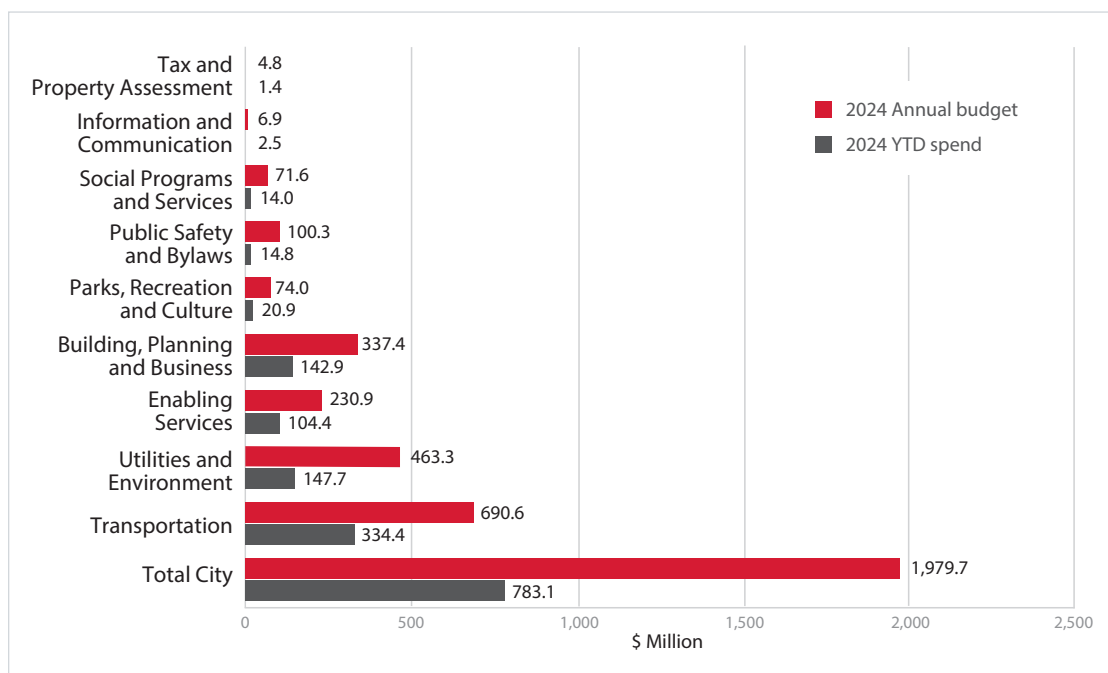
As of 2024 June 30, The City has made \$0.8 billion in capital investments (39.6 per cent of the \$2.0 billion budget). The overview highlights key projects and their progress. The newly expanded BMO Centre, unveiled in time for the 2024 Calgary Stampede, is now Western Canada’s largest convention centre.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

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

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

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

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



(Source: City of Calgary Corporate Budget Office)

