



*From: Guy Huntingford, CEO, BILD Calgary Region*

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In a post-Olympic plebiscite Calgary, we are concerned that uncertainty is being misappropriated into austerity to the point of detriment. The future of our city is currently being molded as council deliberates the four year budget and BILD Calgary Region feels there's an opportunity for Calgary to invest in itself and, by extension, invest in its future.

In July of this year, Calgary City Council amended and then approved a new community growth strategy, effectively moving forward on 14 new communities. The capital investment into new infrastructure for these communities was identified as a shared responsibility between the building industry and the City, with Council also directing administration to ensure developers pick up their proportionate share of the cost through the offsite levy bylaw. Mayor Nenshi cites this bylaw as allowing the market to work and homebuyers to see the true costs of their homes while "fundamentally changing how we pay for growth in this city" (January 14<sup>th</sup>, 2016 Calgary Herald). The offsite levy bylaw was negotiated in good faith by our industry with the City to prevent the subsidization of growth on the taxpayer collective while also ensuring a vibrant future.

In an article published earlier this month in the Calgary Herald (November 15<sup>th</sup>, 2018), a proposed residential tax increase of 3.5% in 2019 was blanketed as a "grapple" with suburban progress and a direct consequence of approving 14 new suburban communities. We feel this is an inaccurate statement. While it's inarguable council is considering a 3.5% tax increase, we're inclined to agree with Mayor Nenshi's comments that this keeps up with the rate of inflation. Additionally, the property tax increase to facilitate the City's contribution to the new communities was identified as 0.75% for 2019, which accounts for just over one fifth (21%) of the proposed 3.5% increase. Mathematically, this is far from a being a major cause of next year's proposed rate increase. While on the topic of numbers, we'd like to share some figures we find to be truly startling.

In this economic climate and political landscape, Calgary is enduring an unemployment rate of 8.2% while a downtown vacancy rate of 27.7% continues to drag our city's reputation as a hub of innovation and centre of commerce to unfamiliar depths. Since our Federal Courts have ruled against the Trans Mountain pipeline expansion on August 30<sup>th</sup>, the provincial economy has lost over \$6 billion dollars and countless jobs - all while taxation rates from all three levels of government continue to climb.



BILD Calgary Region's vision is to create the most liveable communities in the world and despite these hurdles identified above, our members and our industry believe this is still possible when Calgary invests in itself. This means choice, this means affordability, and this means amenities and homes.

In the Calgary Metropolitan Area, the building industry accounts for 12.1% of all business which is second only to the professional, scientific and tech service sector. According to Statistics Canada and the Canada Mortgage and Housing Corporation, our local industry ranked fifth in the country with a value of \$651 million in residential building permits and third overall when it came to non-residential construction permits with a \$952 million dollar evaluation. These permits were then taken directly back to Calgarians as they resulted in \$3.2 billion dollars in wages for 46,935 jobs. All in, that's a \$7.2 billion dollar investment value for Calgarians and their families. The cost of suburban growth isn't a tax increase- it's jobs, it's choice, it's affordability and it's financial security!

The approval of these 14 new communities is more than a watershed moment for the building industry...it's a boon for our city of today and tomorrow. It represents a robust and carefully considered growth strategy which allows growth to pay for itself. Building complete smart communities means building amenities as much as a home. In our eyes the terms "amenity" and "infrastructure" go beyond pipes, roads and power lines to include civic investment and job creation. With these budget discussions, our industry and our City have an opportunity to come together and invest in Calgary and Calgarians.

When that happens, it's very easy to look forward to the future.

*Guy Huntingford*

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