

State of the City Address 2003

Thank you ladies and gentlemen.

When we met last January you heard City Council needed to act, and act quickly, on several fronts.

You heard that Council needed to act to address our infrastructure deficit, affordable housing, the sale of ENMAX, and hosting the G8 Summit. Over the course of 2002, City Council acted on these important issues.

Today, we will be discussing some of the major issues on the horizon for 2003. Issues such as transportation and sustainable growth, environmental challenges, and accountability for the way public business is conducted at City Hall.

But first, let's spend a few minutes reviewing some highlights from last year.

Last year, you heard about a new plan to kick-start a solution to our traffic headaches. The plan is proceeding well - on schedule and under-budget.

In October, we opened an interchange on Glenmore Trail & 18th Street South East. This project is welcome relief for the residents of Riverbend and Ogden and for the trucking industry.

It is estimated that the average rush commuter will save 45 minutes a week in travel time. That's almost 40 hours a year. It means our goods get to market faster. It means people get to spend time with their families - doing the things they want to do, instead of being stuck in traffic.

The Glenmore & 18th interchange was completed in only 7 months. That's a record and a reflection of our commitment to address Calgary's infrastructure deficit.

Two more interchanges, Macleod Trail and Shawnessey Boulevard and Crowchild Trail and 50th Avenue, are well underway. Both will open later this year.

Council also needed to take action on affordable housing.

In September, in partnership with The Calgary Homebuilders Association, Horizon Housing, and the Homeless Foundation we broke ground on a new housing project in Glamorgan. This development will provide affordable housing for people living with mental and mobility challenges.

In October, I dropped off a Welcome Wagon Basket for one of the new residents of Cyprus Greens. This is an affordable housing community in Garrison Woods.

The Welcome Wagon basket went to a single-mom named Lela. Things aren't easy for Lela. She's raising three boys on her own. She's new to Calgary, and doesn't have family here to help out. She's got a part-time job, while she's upgrading her education at Mount Royal College. Her monthly budget is tight. Finding a rental house in her price-range isn't easy.

But she has one now. It's affordable. It's safe. It's in an excellent community. It's a home, and a hand-up for someone who needs a little help.

I wish you all could see the smile on her face as we walked up to her new home. It was heartwarming.

There are a lot more people like Lela in our City, and we need to do more of these projects. And we will over the course of 2003.

Last January, I told you that Council needed to take action to engage Calgarians on the question of selling ENMAX.

We did that. The issue has been settled. We're keeping our company.

We made the right decision, and one look at the balance sheet of ENMAX proves it. Our equity in the company was \$877 Million at the end of 2001. By the end of 2002, the value increased to \$971 Million. The shareholder equity is expected to climb to over \$1.1 Billion, by the end of this year.

Those are big numbers. That's a gain of \$217 Million, or a 25% increase in value, in just 2 years.

But that's not all. The City used to receive a flat dividend - \$30 Million per year.

We've changed that. ENMAX will now be paying a dividend of 30% of net earnings. For the current year, that translates into \$43 Million instead of \$30 Million. This change will provide between \$75 Million and \$100 Million in additional dividends over the next 5 years.

That's money that can be directed to badly needed capital projects.

As a long-term investment for The City of Calgary, maintaining ownership of ENMAX was the right decision.

Unquestionably, the highlight of this past year was hosting the G8 Summit.

Calgarians recognized the risk we were facing. We all saw the riots, teargas, broken windows and burning cars at previous international summits.

But we **also** recognized that if we did a great job, it would translate into tremendous benefits.

We did a great job!

We showed the world that Calgarians are different. We showed the world that a safe and successful world event can be staged in Calgary.

Audiences in the United States and around the world saw a very inviting picture of Calgary.

Let me share a news clip with you from NBC's Capitol Report ... one of the most-watched programs on one of North America's most-watched networks. It's just one example of international coverage Calgary received during the G8.

Let's look at the clip.

(CNBC Capitol Report Clip)

2002 was a very eventful year. 2003 promises to be just as busy and just as challenging.

Council needs to continue to focus on Calgarians' issues. We need to focus our efforts on addressing transportation and sustainable growth. We need to apply ourselves to meet environmental challenges. And we must bring greater accountability to the way public business is conducted at City Hall.

For Example – East Village.

We were presented with facts that showed that the East Village Partnership was decidedly off-track. The final deal that was presented to Council bore little resemblance to the initial proposal that we approved. Therefore, we did not proceed.

This experience highlighted an Accountability Gap at City Hall: A gap between Council and our Executive Team, and between the Executive Team and their managers.

This Accountability Gap cannot continue. It has very real implications. It effects everything that City Hall does – from crafting the budget to delivering services.

In the first few months of this year, Council will take steps to close the Accountability Gap. We need to tighten up our governance, and where necessary, restructure our Council Committees and our Executive organization.

Although accountability is a pressing issue, our number one priority continues to be transportation.

On this front, Council has already taken steps for 2003. Our on-going transportation plan calls for increased transit hours and expanded hours of operation. It calls for more busses, more routes, more major road projects, and continuing to expand Light Rail Transit System.

In addition to this on-going plan, Council has also approved a priority roads upgrade program. It identifies 15 additional road projects to be fast-tracked over the next 2 years. These are projects will have a significant impact on improving traffic flow. They include expanding capacity on John Laurie Blvd, McKnight Blvd, 162 Ave, Heritage Drive, Highway 22x, and the Marquis of Lorne Trail to name just a few.

Our growth continues at a remarkable rate. More than 13,000 new homes were built last year. That's the equivalent of 36 new homes, each and every day.

Calgary is a remarkable economic success. But success also brings challenges. For example, we have 50 additional cars on our roads each day - A total of 18,000 cars last year. If we lined them up, bumper to bumper, they'd reach from here to Canmore.

Servicing our growth has become an enormous challenge. For example, just last month Council delayed indefinitely the Simons Valley development. This proposed new community, the size of Red Deer, planned for the Northwest.

Its been put on hold due to issues surrounding the cost and timing of infrastructure improvements.

We need to build the roads, and then build the houses.

The current agreement between the City and developers does **NOT** meet the demands new developments put on infrastructure. These comments may cause concern to some in the

development industry, but be assured, we are committed to working with them to find a positive solution.

We do not want to stifle growth and development, but we must take measures to ensure that our growth "pays for itself".

Growth also presents real challenges for the environment, and the principal of sustainability applies to these issues as well, particularly with respect to water.

When I was an Alderman, I sat on a committee that investigated water sustainability issues. The committee was made up of representatives from the MD of Rockyview, Alberta Environment and The City of Calgary.

The committee identified a troubling risk. The water quality in the Elbow River is deteriorating. The primary reason: we have a growing number of acreage developments between here and Bragg Creek. These developments use septic systems, and they are becoming overburdened. They are contaminating the ground water. This means the quality of the water we take in at our treatment plants is gradually deteriorating.

The solution to this problem is the development of a regional waste-water collection system, and the construction of a pipeline to our state-of-the-art treatment facilities.

This year, we will work with our neighbors and Alberta Environment to address this risk to our drinking water.

Our growth also has implications for the environment within our boundaries. Growth intensifies park and pathway use. As our city continues to grow, we're going to need more parks. And this needs to be a priority for Council in the coming months.

Ladies and gentlemen, there's a universe of issues that compete for attention at City Hall. However, over the next 12 months, I will be asking City Council to stay focused. We need to ensure that we spend our time addressing the issues that are most important to Calgarians: Address transportation and sustainable growth;

Deal with environmental challenges; And bring greater accountability to the way public business is conducted at City Hall.

It will require vision. It will require long-term thinking. It will require hard work.

But we cannot escape responsibility tomorrow by avoiding it today.

Thank you.