



The Honourable
Amarjeet Sohi
Mayor of Edmonton

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Hon. Danielle Smith
Premier of Alberta
Room 307 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6
<mailto:premier@gov.ab.ca>

Dear Premier Smith,

It was nice to see you today at the Alberta Municipalities Caucus meetings, where I had a chance to ask you to reconsider the previous government's reductions of the grant in place of tax program that ensures that provincially owned buildings contribute their fair share of property tax dollars. I appreciate your openness to receive this information and have this urgent discussion.

While government owned properties are technically exempt from paying property tax, it has been a long standing practice of both the Federal and Provincial orders of government to pay a grant in place of property taxes, known as GIPO. Quoting directly from the Municipal Affairs section of the Alberta Budget documents: *"the payment acknowledges that the Government of Alberta benefits from municipal services such as roads, snow clearing, transit, and emergency services."*

In 2019, however, the Government of Alberta reduced its grant payments by 25%. In 2020, a further 25% reduction was instituted (total of 50% reduction). While originally framed as a short-term provincial budget saving measure, the payments have yet to be restored. This has resulted in total revenue loss to the City of Edmonton of over \$60 million dollars since 2019 and an operating revenue loss in 2023 of \$13.2 million (equivalent to a 0.7% tax increase).

The reduction of grant in lieu payments unfairly impacted the City of Edmonton. We are proud to serve as Alberta's Capital City and to be home to the Provincial Legislature and many other provincial government office buildings. This status as a government-hub meant that we received nearly 60% of the total grant payment each year and the loss we felt with these program cuts was substantial. The Federal government continues to pay its grants at 100% of the taxes levied



and pays similar grants to the Government of Alberta equivalent to the education tax portion their property would incur if taxable.

Reinstating this grant at 100% would have an immediate impact. It would be money that would go directly back to Albertans who live and work in our City in the form of needed tax relief and increased investment in core public services. In a time when all Albertans are feeling the crisis of rising costs, it is important that we reflect on all avenues and adjustments that would be available to each order of government to offer immediate relief. Changing this regulation would be one of these adjustments.

I implore you to consider this request as quickly as possible.

Sincerely,

A. Sohi

Hon. Amarjeet Sohi
Mayor, City of Edmonton

CC: Hon. Ric McIver, Minister of Municipal Affairs - minister.municipalaffairs@gov.ab.ca
Hon. Nate Horner, President of Treasury Board and Minister of Finance - tbf.minister@gov.ab.ca
Edmonton City Council - council@edmonton.ca
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