



REVISED AGENDA

STRATEGIC MEETING OF COUNCIL

May 11, 2020, 9:30 AM
IN THE COUNCIL CHAMBER

SPECIAL NOTES:

Public are encouraged to follow Council and Committee meetings using the live stream
<http://video.isilive.ca/calgary/live.html>
Council Members will be participating remotely.

1. CALL TO ORDER
2. OPENING REMARKS
3. QUESTION PERIOD
4. CONFIRMATION OF AGENDA
5. ITEMS FROM OFFICERS AND COMMITTEES

5.1 BRIEFING NOTE

REVISED MATERIALS

5.1.1 *Briefing Note Big City COVID-19 Relief Measures, C2020-0530*

NEW MATERIALS

5.1.2 *Briefing Note COVID-19 Relief Package to Support Businesses, C2020-0542*

5.2 City of Calgary Approach to Phase 1 Provincial Relaunch (Verbal), C2020-0546

NEW MATERIALS

5.3 *COVID-19 Relief Package to Support Temporary Patios, C2020-0543*

NEW MATERIALS

5.4 *COVID-19 Relief Package to Support Community Associations and Social Recreation Groups, C2020-0526*

NEW MATERIALS

5.5 *COVID-19 Relief Package to Support Non-profit Partners, C2020-0527*

Attachment 3 held confidential pursuant to Sections 16 (Disclosure harmful to business and other interests of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2020 May 11

NEW MATERIALS

5.6 *COVID-19 Relief Package to Support Taxi and Limousine, C2020-0540*

NEW MATERIALS

5.7 *COVID-19 Capital Program Update and Stimulus Readiness, C2020-0524*

6. CONFIDENTIAL ITEMS

6.1 ITEMS FROM OFFICERS AND COMMITTEES

6.1.1 Investigation Report, C2020-0548
Held confidential pursuant to Sections 24 (Advice from officials) and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*.

7. ADJOURNMENT

BRIEFING

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Item # 5.1.1

Deputy City Manager's Office Briefing to

Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0530

Big City COVID-19 Relief Measures

PURPOSE OF BRIEFING

The purpose of the briefing is to provide a comparative summary of the COVID-19 municipal relief measures offered by big cities in Canada. The relief measures from six big cities including Vancouver, Calgary, Edmonton, Toronto, Montreal, and Ottawa is highlighted in Attachment 1. The information in Attachment 1 was provided through members of the Big City Administrators' Table (BCAT), comprised of intergovernmental affairs staff from these same cities.

SUPPORTING INFORMATION

The City of Calgary (The City) works with other municipalities and organizations such as the Federation of Canadian Municipalities (FCM) and the Alberta Urban Municipalities Association (AUMA) to share information, best practices, and on advocacy priorities to other orders of government. The COVID-19 pandemic has highlighted the importance, strength, and value of working together with municipal colleagues across the country to leverage and share timely information, ideas, advocacy and relief measures to help citizens, businesses and communities.

Since the declarations of both the local state of emergency and the COVID-19 pandemic in March 2020, The City has participated in regular meetings via conference calls with other orders of government, FCM, AUMA, and big city colleagues such as Big City Administrators' Table to rapidly respond to the public health, social, economic, and financial impacts. One of the high priority focus areas is to offer timely support to citizens, businesses and communities through municipal relief measures.

The municipal relief measures offered by the six big cities include the following categories: property tax payment period extension/deferral; economic recovery and resilience governance; workforce; utilities payment deferrals; transit fares; business licences and fees; building inspections and permits; grants; reserves; and parking. The City of Calgary has implemented relief measures in many of the categories outlined in Attachment 1: Big City COVID-19 Relief Measures. By sharing and learning about relief measures in other big cities, The City has more timely and relevant information to help inform proposed recommendations to Council.

The City will continue to monitor the relief measures offered by other cities and will seek clarity on federal and provincial aid programs. The City will also continue efforts to advance advocacy priorities to support: aid to vulnerable citizens and non-profits that support them; aid to business; aid to municipalities; stimulative infrastructure; and long-term economic resilience and a new deal for cities.

ATTACHMENT

1. Attachment 1 – Big City COVID-19 Relief Measures

Big City COVID-19 Relief Measures**Current as of 2020 May 5**

This document is populated with information provided by members of the Big City Administrators' Table (BCAT), which is comprised of intergovernmental relations staff from Vancouver, Calgary, Edmonton, Toronto, Montreal, and Ottawa.

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
Property tax	<ul style="list-style-type: none"> -Council has extended the payment period for property taxes from July to September 30 -City has called on province to expand the existing property tax deferment program to cover residents, businesses and non-profits who need it 	<ul style="list-style-type: none"> -The 2020 budget absorbs financial impacts of the COVID-19 pandemic that could have meant a municipal tax levy increase of 7.6% to address the impacts of the tax-supported revenue losses. -Late penalties on unpaid taxes will not be charged until September 1. 	<ul style="list-style-type: none"> -The tax payment deadline for 2020 property tax has been extended from June 30 to September 30 without a 7% late payment penalty, providing flexibility during these difficult times. A penalty of 7% will be added to any unpaid balance on October 1. -The Tax Instalment Payment Plan (TIPP) filing fee has been suspended for 2020. Join TIPP to make budgeting easier or cancel TIPP to increase your immediate cash flow and rejoin later in 2020 	<ul style="list-style-type: none"> -60-day grace period for personal and commercial property taxes 	<ul style="list-style-type: none"> -Small commercial and Personal property taxes deferred until October 30 -In order to qualify, must have experienced hardship directly related to COVID-19 -Must apply prior to July 31 	<ul style="list-style-type: none"> -Property tax deadline postponed from June 1 to July 2

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
			without the filing fee.			
Economic Resilience Governance	-Working together with the Mayors of Metro Vancouver	-Edmonton has struck a senior administrative working group to consider the recovery stage. -The Strategic Response to COVID-19 project will assess the provincial, national and global impacts of the pandemic relative to the City of Edmonton. It will develop potential recovery scenarios and assess their impacts on the City's financial position, its strategic priorities and key indicators over the next 18-24 months.	-As part of The City of Calgary's efforts to help limit the spread of COVID-19, we have created the Economic Resilience Task Force (ERTF). -The ERTF will provide recommendations for City actions as well as support measures for other orders of government, our local business community and Calgary's community-at-large. -These recommendations will focus on economic relief measures to support Calgarians and local business during and after COVID-19.	-Mayor Tory launched Toronto's Recovery and Rebuild Strategy, managed by the Economic Support and Recovery Task Force -Strategy will focus on recovery strategies and actions to help the local economy, including stimulus strategies to ensure the economy can bounce back. -Will also work on making the municipal government more effective, efficient and resilient. -Toronto Public Health will be helping with every step along the way -Toronto is also working with regional partners	-Has an economic recovery task team chaired by GM of Planning, Infrastructure and Economic Development -Mandate is to develop Ottawa's economic relief and recovery strategy ensure alignment with federal and provincial staging and continued engagement and collaboration with Ottawa Public Health -Areas of focus include ramping up of economic development including high economic impact activities, support infra and construction activities, identify city services that are crucial enablers to	-On April 23, Mayor Plante laid the groundwork for a financial plan meant to offset the impacts of the global COVID-19 pandemic. This will contribute towards balanced financial results for this year. - Montreal is also working on an Economic Plan (Plan de relance) to boost economic activities after the pandemic. Focus will be put on infrastructures (roads and water), housing and public transit. - Montreal aims to ask for more funding to the Quebec government regarding sectors and projects under its responsibility but suffering from

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
			<ul style="list-style-type: none"> -The recommendations will also focus on measures for a coordinated short-term response, medium-term recovery and long-term resilience-building activities. 	<ul style="list-style-type: none"> on a common frame and alignment with Province on re-opening. -New Recovery and Rebuild Office launched on April 24 with mandate to coordinate a city-wide approach informed by public health evidence and best practices, to bring innovation to the City's recovery strategies and actions. 	<ul style="list-style-type: none"> reestablishing employment and supporting businesses to restart. 	<ul style="list-style-type: none"> lack of financial resources. -Regional partners and other governing bodies work with Montreal in order to establish their own plan.
Workforce Reductions	<ul style="list-style-type: none"> -Lay-off of 1,800 unionized staff -Mandatory furlough for management/exempt staff amounting to 10% pay cut -Restriction on new hiring 	<ul style="list-style-type: none"> -On April 27, Edmonton announced an additional 900 temporary layoffs, following the March 30 layoff of 1,600 City employees and 400 Library employees 	<ul style="list-style-type: none"> -Lay-off of 1,200 temporary and part time workers 	<ul style="list-style-type: none"> -Re-deployed union and non-union staff to front line services (those choosing not to are placed on emergency leave with benefits and can apply for CERB). (media reported up to 1,900 redeployments to occur so far). 	<ul style="list-style-type: none"> -Didn't hire 5,400 seasonal employees 	<ul style="list-style-type: none"> -Montreal and unions have acted in solidarity and agreed to suspend negotiations for the renewal of agreements, uniting in their efforts to limit the impacts of the current pandemic

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
				<ul style="list-style-type: none"> -Requested to federal government to allow 75% top-up to CERB -Agencies and corporations have begun layoffs including transit commission (1,000 – 1,200 operators, 200 non-union), others (over 500 at least). -the Province of Ontario has issued various emergency orders respecting work redeployment measures for certain divisions and for municipalities in general. 		
Utilities	-Provincial BC Hydro allows deferral of bill payments with no penalties and disconnections have been suspended	-Residential, small commercial and far customers who are experiencing difficulty paying can delay for 90	-Residential customers, and small business customers who used less than 2,500 m3 of water in 2019, may request payment deferral for 3	<ul style="list-style-type: none"> -60-day grace period for personal and commercial utility payments (ends May 15) -Toronto Hydro (city corporation) regulated by 	<ul style="list-style-type: none"> -30-day grace period from original due dates -Suspended disconnections 	-Provincial Hydro Quebec suspending fees on late utility payments, and residences can call and negotiate deferral periods

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
	-Also established a bill credit for people who cannot pay directly because of COVID-19	days, with no late fees -No disconnections	months from March 18 to June 19, 2020 without penalty or interest. -Customers requesting payment deferral who used more than 2,500 m3 in 2019 will be referred by ENMAX to The City for review and decision.	province – province under emergency order suspended time of use rates. As of March 24, 2020, households, farms and small businesses that pay time-of-use electricity rates will be charged the off-peak rate of 10.1¢ per kWh, 24 hours a day, seven days a week. -Toronto Hydro (city corporation) has suspended electricity disconnections until July 31, 2020		
Transit	-Translink suspended bus fares (but will resume fare collection on June 1)	-ETS suspended fare collection on March 21	-Deferral of low income transit pass and seniors pass -No cash/transfers accepted on buses	-No transit fare deferrals -No longer accepting non-electronic payment	-No transit fare deferrals -No longer accepting non-electronic payment	-No deferral
Business licenses/fees	-Offices are closed	-	-Waive business licence renewal fee	-Offices closed, and many new licenses/permits not being issued.	-	-Postponement of contributions to the commercial development society

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
Building inspections and permits	-Offices are closed, but inspections still taking place	-	-Temporary elimination of certain development permit charges -Application submissions and reviews online -Flexibility on extensions on the expiry of development permits	-	-	-Permit counters reopens on appointment on May 4th
Grants	-	-	-	-	-	-Montreal has enhanced a provincial measure to support businesses that need a loan less than 50K. Will be provided in the form of a loan at 3% provided by PME Montreal, the business support network -Providing a 6-month moratorium on capital and interest to local businesses that have received a loan through PME Montreal

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
						-The eligibility period for three commercial programs has been postponed to a later date
Reserves	-Has used the City's stabilization reserve to temporarily offset a portion of the budget shortfall	-The City is not using funds from the Financial Stabilization Reserve to offset the challenges at this time	-No use of reserves at this time	-	-	-
Parking	-Parking enforcement was suspended until May 1	-	-	- Parking enforcement has been suspended for the following offences: -On-Street Permit Parking Areas -On-Street Time Limit Offences such a 1, 2 and 3 Hour Parking -North York Winter Maintenance Bylaw -Expired Vehicle Validation License Plates -Boulevard Parking -School Zones with posted No Stopping/No	-Changes to on street parking to facilitate deliveries / line-ups -Eliminated noise bylaw for late night deliveries	-The annual increase in parking fees has been suspended. -Safety corridors were put in place on parking lanes along major commercial streets to widen sidewalks. -Street cleaning resumed on May 1st but for a month, violators will be given warnings instead of fines. -The public parking of two large Montreal parks

	Vancouver	Edmonton	Calgary	Toronto	Ottawa	Montreal
				Standing/No Parking Signage		are closed to discourage visitors from outside town.

BRIEFING

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Item #5.1.2

City Manager's Office Briefing to
Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0542

COVID-19 Relief Package to Support Businesses

PURPOSE OF BRIEFING

At the 2020 April 30 Strategic Meeting of Council, the Verbal Report C2020-0508 had recommendations 1, 3 and 4, approved. The purpose of this memo is to outline further information on the approved COVID-19 relief package to support business.

SUPPORTING INFORMATION

1. RECOMMENDATION 1 APPROVED – WAIVE BUSINESS LICENCE RENEWAL FEE

Business Licensing has measures already in place and new measures approved at the 2020 April 30 Strategic Meeting of Council.

Current Measures in Place

On 2019 October 21, Council approved amendments to business-related bylaws to save time and money for Calgary's business community, including:

- Amending licence requirements aimed at eliminating redundant processes;
- Removing licence categories for business activity posing low risk to public safety; and
- Reducing licence fees by 10 per cent to provide some relief to all licenced businesses.

The amendments came into effect on 2020 January 01 to better enable business success.

New Measures Approved

The COVID-19 pandemic has created unprecedented challenges for Calgary businesses. To better support our local economy and lessen the financial burden for business owners, Administration is proposing to support businesses by waiving the business licence renewal payment for a period of one year, effective 2020 March 17. Waiving the renewal payment will benefit nearly 40,000 businesses in Calgary. The estimated yearly revenue received through business licence renewal and fire inspection fee is \$6.6 million.

The Business Licence Sustainment Reserve will be used to mitigate the shortfall. The purpose of the reserve is to stabilize the budget during fluctuations in the business sector to ensure consistent, sustainable, self-supporting customer and regulatory services. The reserve can be used to stabilize the operating budget, fund one-time operating expenditures, and fund capital projects. The reserve will be closely monitored throughout 2020. Additional information on the Business Licence Sustainment Reserve can be found in the Attachment. Should the Business Licence Sustainment Reserve be severely impacted as a result of waiving the renewal fees, the Planning & Development department has agreed to support Calgary Community Standards' Business Licensing service line.

BRIEFING

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Item #5.1.2

2. RECOMMENDATIONS 3 AND 4 APPROVED – PLANNING & DEVELOPMENT FEE WAIVE AND DEFFERAL

Support Measure #1: Waived Fees

Timeframe: May 1, 2020 - October 31, 2020

Estimated cost: \$2M

Rationale: Waiving fees for the six (6) month period outlined will eliminate direct costs to businesses and homeowners to offer financial relief in a time of economic distress. These products were identified to benefit customers being directly impacted and responding to changes because of COVID-19.

- Pre-application fee (total estimate of \$200K)
- Change of Use Development Permits (DP) both discretionary and permitted use (total estimate of \$350K)
- Home Occupation (Class 2) DP (total estimate \$200K)
- Residential Certificates of Compliance (total estimate \$1.2M)

Support Measure #2: Deferred Fees

Timeframe: May 1, 2020 - October 31, 2020

Estimated cost: The estimated foregone investment return for these deferrals is approximately \$1M. Deferring fees will shift the timing of Planning & Development's revenue by an anticipated maximum of \$30M at any given time, thus creating the need to utilize the reserve to bridge this timing.

Rationale: To help customers manage the cashflow of projects, Administration is deferring 75 per cent of fee payments to the near final stages of the application process. Twenty five per cent of the fee will be due at time of application, with the remainder due at the stage noted below.

Note: products that are immediately released are not eligible for deferred payment.

- Building Permits - Commercial and Multi-Family: 25 per cent at application, 75 per cent prior to issuance*
- Development Permits: 25 per cent at application, 75 per cent prior to decision
- Land Use Amendments, Outline Plans, Road Closures: 25 per cent at application, 75 per cent prior to Calgary Planning Commission
- Subdivision by Instrument: 25 per cent at application, 75 per cent prior to decision
- Subdivision by Tentative Plan: 25 per cent at application, 75 per cent prior to endorsement or one year from submission, whichever comes first.

**Initial proposal presented to Council on 2020 April 30 is being altered effective 2020 May 12. The original proposal was for an upfront (i.e. at time of application) deposit of 25 per cent, to a maximum of \$10K for Commercial/Multifamily Building Permits, with the remaining 75 per cent, or, if applicable, the total amount less the maximum \$10K upfront deposit, due at specified final stage. The May 12 amendment removes the upfront deposit maximum. The amendment purpose is to make implementation easier, effectively balance managing risk to The City with commitment from the applicant on large building permit applications, and still provide a scalable benefit to customers based on all sizes of applications.*

Support Measure #3: Existing Permit Flexibility

Timeframe: May 1, 2020 - October 31, 2020

Estimated cost: \$0

BRIEFING

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Item #5.1.2

Rationale: Extension of expiry windows on existing permits ensures approvals do not expire while developers and businesses deal with the impacts of COVID-19. Temporary refunds offer cash flow relief and remove barriers to encourage land development.

- Building and Trade Permits: extend upcoming expiry windows by six (6) months
- Development Permits: extend upcoming expiry windows by six (6) months
- Commercial Building Permits: where construction has not started, offering a temporary refund of 75 per cent while keeping the permit open until construction is ready to commence, at which point the temporary refund of 75 per cent must be re-paid.

Support Measure #4: Fee Simplification

Timeframe: Permanent

Estimated cost: Minimal

Rationale: Removal of cost recovery payment structure for outline plans, land use amendments and ancillary applications within a Growth Management Overlay. Now all outline plans, land use amendments and ancillary applications will be charged in accordance with the standard fee schedule, and benefit from the deferral program listed above. The 25 per cent upfront fee on the standard fee schedule will be significantly less than the previously required \$125K deposit which leaves more money in applicant's hands in the short term. Additionally, removal of the cost recovery mechanism significantly reduced the administrative burden to The City of Calgary and the applicant. We anticipate the overall financial impact will be approximately revenue neutral.

Information about the Planning & Development Sustainment Reserve

Funding Source: Items #1-#4 will be funded from the Planning & Development Sustainment Reserve, which had a 2020 opening balance of \$81.7M. This reserve has sufficient capacity to support these measures, and these measures are an appropriate use of this reserve.

ATTACHMENT(S)

1. Attachment – Business Licence Sustainment Reserve Terms of Reference

**Business Licence Sustainment Reserve
Terms of Reference**

Purpose: The Calgary Community Standards (Business Licence) Reserve will be used to stabilize the budget during fluctuations in the business sector to ensure consistent, sustainable, self-supporting customer and regulatory services.

The reserves will be used for the following specific uses:

1. Stabilize the operating budgets
2. Fund one-time operating expenditures
3. Fund capital expenditures

	\$000's
Reserve Balance December 31, 2019	11,966
Capital Commitments 2020-2022 *	(2,228)
Estimated Investment Income 2020-2022	350
Potential Loss of Renewal Revenue (BL and Fire)	(6,654)
Potential Loss of New Business Revenue (BL)	(688)
Estimated Balance (including future commitments) at December 31, 2020	<u>2,746</u>

* Includes equipment lifecycle, building renovations, and technology improvements including OneCity Records Management System (RMS).

Transportation Report to
Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0543

COVID-19 Relief Package to Support Temporary Patios

EXECUTIVE SUMMARY

The COVID-19 Pandemic has had a deep impact on our city, our province and the world. The City of Calgary has been working to respond to the crisis by supporting citizens, businesses and organizations who have seen dramatic shifts in their every day lives. Recently, the Province of Alberta announced a Relaunch Plan to begin to recover from the pandemic, of which stage 1 could begin as early as May 14. Administration is responding quickly to put processes in place to ready our city for the first stage.

This report addresses one aspect of that recovery to support local restaurants and establishments to begin to resume normal operations under the guidelines established by the Medical Officer of Health. In time for the stage 1 relaunch, Administration is introducing a new process for approvals of temporary patios on public lands, as well as additional measures to process applications for those residing on private property. Temporary patios on public lands will allow existing food establishments to extend onto adjacent public road right of way by placing tables and chairs outside of their establishments. A temporary permission will be issued at no cost for the temporary patios. Establishments will be required to acknowledge several conditions within the temporary permission including protecting pedestrian accessibility, insurance, and indemnification. For those establishments who operate on private property, or a combination of private and public property, a development permit is required. Associated fees for these permits is subject to Fee Relief as of May 1, and these applications will be streamlined as much as possible.

Businesses with temporary patios will be required to follow Alberta Health requirements for relaunching as well Occupational Health and Safety requirements. If alcohol is to be served, establishments will be required to follow Alberta Gaming, Liquor & Cannabis (AGLC) requirements and permitting requirements. A building permit may be needed if structures are required for the temporary patio or if there is no exit directly to the street from the patio.

ADMINISTRATION RECOMMENDATION:

That Council receive this Report for the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 April 30, at a Strategic Meeting of Council, Administration was directed to return to the 2020 May 11 Strategic Council Meeting with a report on Municipal Relief.

BACKGROUND

The City of Calgary is looking at various Municipal Relief Packages to aid on recovery from COVID-19. Stage 1 of the provincial relaunch plan continues to stipulate health regulations around physical distancing requirements needing to be met by restaurants. This could limit establishments that do not have the ample space to abide by the regulations. Administration explored options to assist businesses to obtain the space they need to operate on patios temporarily while Alberta begins its recovery.

COVID-19 Relief Package to Support Temporary Patios

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration considered options for use of public space that would allow restaurants to resume normal operations and still abide by provincial health regulations. Measures to support those establishments who reside on private lands have also been developed.

On-street Parking Space

Use of street parking for pedestrians will be explored with Business Improvement Areas (BIAs) and local businesses to allow expansion of temporary patios to curbs. Currently, on-street parking use has fallen dramatically as work, school, shopping and recreation trips have been curtailed. Business areas are seeing about 80 per cent less use of on-street parking space and many of the trips that are being made are short pick-up and delivery stops. This represents spare capacity in the parking system which can be reassigned in the short-term COVID-19 situation with little impact to parking supply. Parking and loading trade-offs will be examined in these situations and BIAs engaged to ensure there is support for the temporary patio installation.

Duration of Temporary Permissions

The temporary permission for patios will be valid until Stage 3 of the COVID-19 recovery is enacted or the end of 2020 patio season (whichever comes first). At that time, businesses will be required to apply for a Patio / Outdoor Cafe License of Occupation. There are approximately 100 establishments with existing Patio / Outdoor Café License of Occupations and they will not be charged for the 2020 patio season.

Locations

Uptake for this initiative will likely be in the areas of: Inglewood, Kensington, Marda Loop, Mission and 17 Avenue SW. Patios on Stephen Avenue and Barclay Mall are governed by a process set out in an agreement with the Board of the Calgary Downtown Association.

Application Process – Use of Public Space

To initiate an application for a temporary patio on public lands, businesses will be required to initiate a request through a call for a pre-application to apply. Administration will review the request to determine if it is on the road right of way or private property. Applicants requiring public space for their temporary patio will be required to provide the number of tables and chairs proposed and what they will use to delineate the space. Applicants will also be required to acknowledge several conditions within the temporary permission, including protecting pedestrian accessibility, insurance requirements, indemnification requirements, AGLC requirements, and Alberta Health Services and Occupational Health and Safety requirements. If permission is granted, business licencing will be updated and notification will be sent to AGLC for approval. Once approval from AGLC is granted, businesses can commence using the temporary patio. Site visits will be completed regularly by staff to ensure permission conditions are being followed.

Transportation Report to
Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0543

COVID-19 Relief Package to Support Temporary Patios

Application Process – Use of Private Space

For those establishments who operate on private property, or a combination of private and public property, a development permit is required, as per Land Use Bylaw 1P2007. While there is a fee for the development permit, the permit type is subject to the Fee Relief deferred fees, effective May 1. Planning & Development has streamlined the intake and approval process to support businesses who apply for patio extensions, this will allow applications to have a single point of contact that will expedite the process as soon as possible. Administration will make every effort to streamline these applications, however, there are Land Use Bylaw requirements including mandatory notice posting, advertising and the appeal period that cannot be eliminated from the approval process.

Accessibility

A significant consideration will be focussed around ensuring pedestrian accessibility along sidewalks. Roads will develop temporary measures to ensure accessibility is maintained during this period.

Stakeholder Engagement, Research and Communication

Administration will work directly with BIAs and local businesses to engage on this work. By representing their local businesses, BIAs will provide an excellent lens to the technical recommendations. Engagement with the BIAs was scheduled prior to the 2020 May 11 Strategic Meeting of Council and their input on recommendations will occur prior to the Stage 1 relaunch.

Strategic Alignment

This initiative supports Council Priorities by providing relief for local businesses during the COVID-19 pandemic.

Social, Environmental, Economic (External)

Providing relief for businesses requiring temporary patios will support economic recovery. Allowing for extra space on public property for patrons of establishments could help satisfy social/physical-distancing requirements set out by the Medical Officer of Health in Alberta.

Financial Capacity

Current and Future Operating Budget:

Parking revenue may be impacted if establishments or areas occupy full sidewalk widths and pedestrian traffic is safely shifted into closed parking spaces. Traffic permit revenue and patio license revenue for 2020 will also be impacted. Funding for the operating costs to install and maintain pedestrian detours will need to be explored.

Current and Future Capital Budget:

There are no capital budget impacts as a result of this report.

Transportation Report to
Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0543

COVID-19 Relief Package to Support Temporary Patios

Risk Assessment

There is a risk that the public could perceive extensions of private establishments into public right of way as impediments to existing social/physical distancing space. There is a risk of delays in processing approvals if requests overwhelm available resources which could result in delays in timelines. Finally, while every effort will be made to assist establishments to access space in accordance with the guidelines, there may be constraints related to available space in each circumstance or safe conditions required to operate that space, both publicly and privately. Administration will work with stakeholders and each request to come up with the best solution.

REASON(S) FOR RECOMMENDATION(S):

In an effort to support local business during the COVID-19 pandemic, the City of Calgary is introducing a new process for approvals for temporary patios.

Attachments

N/A

**Community Services Report to
Strategic Meeting of Council
2020 May 11**

**ISC: UNRESTRICTED
C2020-0526**

**COVID-19 Relief Package to Support Community Associations and Social
Recreation Groups**

EXECUTIVE SUMMARY

The City of Calgary has a lease/license of occupation with over 180 community associations and social recreation groups that operate close to \$1 billion in City-owned assets to provide social, recreation, and community-building opportunities for Calgarians. This report recommends one-time relief in the form of a \$6 million transfer to the Community Sustainability Reserve to support these non-profit community partners to address their urgent financial needs. These grassroots organizations play a critical role supporting neighbourhood vibrancy and help manage a significant portfolio of City-owned assets for public benefit. Public health orders in place for COVID-19 have significantly impacted the ability of these organizations to meet daily expenses, and in many instances, these organizations face immediate threats to their sustainability during the response and recovery from the current COVID-19 pandemic. Even if some public health orders are eased in the coming weeks, it is anticipated the facilities will not be able to be open at full capacity and will continue to face significant financial challenges as their regular revenue sources will take time to stabilize and return to normal.

Leveraging the existing Community Sustainability Reserve with new additional guidelines for COVID-19 Response Funding (Attachment 1) allows Administration to act quickly to provide immediate financial relief for these non-profit partners who are at significant risk of failure without financial aid. The investment would support community associations and social recreation groups to continue to operate and support the social wellbeing and quality of life of Calgarians. The stability that this relief can provide will alleviate immediate pressures in the local context as organizations continue to prepare and adjust for a rapidly changing operational landscape including additional forms of relief that other orders of government may provide.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Allocate \$6 million from the Operating Budget Savings Account to the Community Sustainability Reserve to support community associations and social recreation groups with a lease and/or license of occupation with The City of Calgary, for their immediate financial needs; and
2. Approve the Guidelines for COVID-19 Response Funding (Attachment 1) to guide COVID-19 pandemic financial supports to community associations and social recreation groups made available through the Community Sustainability Reserve.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 April 30, at a Strategic Meeting of Council, Administration was directed to return to the 2020 May 11 Strategic Meeting of Council with a report on Municipal Relief.

On 2019 December 16, Council approved the 2019 Triennial Reserves Review Report including a review of the Community Sustainability Reserve, originally established in 2008 to provide interim support to assist community associations in need of short-term funding to address operational shortfalls, and stabilization and redevelopment assistance.

**Community Services Report to
Strategic Meeting of Council
2020 May 11**

**ISC: UNRESTRICTED
C2020-0526**

**COVID-19 Relief Package to Support Community Associations and Social
Recreation Groups**

On 2019 December 6, Council received AC2019-1175 Status of Community Associations and Social Recreation Organizations on City Owned Land for the Corporate Record.

BACKGROUND

The City of Calgary has a lease/license of occupation with over 180 community associations (CA) and social recreation groups (SRG) to operate close to \$1 billion in City-owned assets for the purpose of providing social, recreation, and community-building opportunities for Calgarians. These organizations are primarily small volunteer-driven organizations with minimal reserves, if any, and the impact of the pandemic on their operations is limiting their ability to cover their expenses and threatening their future sustainability. The Community Sustainability Reserve (Attachment 2) was originally established in 2008 with an intent to support these organizations by providing operational funding to address financial issues that impact the long-term sustainability of the organization.

Public health orders put in place to manage the COVID-19 pandemic, including facility closures, and the resulting cancellation of programs and services, are having a severe impact on the ability of CAs and SRGs to meet their fixed daily expenses including utilities, insurance, and other non-negotiable obligations. Feedback from CAs and SRGs indicates that while programs announced to date defer some of these fixed expenses and provide short term relief, the fact that they are deferral programs will create problems in the longer term. Other options available, including business loans and redirecting existing casino proceeds, are only available to some organizations and do not sufficiently address the financial challenges being experienced by these partner organizations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has been working closely with CAs and SRGs to understand the impact of the COVID-19 pandemic and continues to gather detailed information about cash-on-hand and the cash flow projections of these organizations including estimates on the number of days they can continue to operate. As most CAs and SRGs relied on monthly income from rentals and other sources to cover daily expenses, the impact of facility closures on their financial health was immediate and significant. Many have indicated their short and long-term ability to operate is threatened.

CAs and SRGs with reserve funds set aside to maintain the City-owned assets they manage are now rapidly depleting these funds to cover daily operating costs, creating long-term challenges to maintain the assets. The lack of financial resources available has a significant impact on their capacity to manage the City-owned assets they are responsible to operate and maintain.

Data collected to this point indicates that if organizations cannot access additional funding sources to support fixed expenses in the short term, and financial support for anticipated expenses related to recovery, 10 per cent of organizations may need to consider closing down operations before the end of August, and an additional 10 per cent by year end. Even if selected public health orders are eased in the coming weeks, it is anticipated the facilities will not be able to be open at full capacity and these organizations will continue to face significant financial challenges as their regular revenue sources will take time to stabilize and return to normal.

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**COVID-19 Relief Package to Support Community Associations and Social
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As part of the due diligence process to recommend a relief option, Administration analyzed the range of fixed operating expenses and changes to cash flow. Analysis indicates that an additional \$6 million is required to support these partner organizations over the course of the next year to meet their urgent financial needs in response to the impact of the COVID-19 pandemic. Targeted funding to organizations would focus on fixed expense requirements that support financial sustainability. This approach will provide immediate, short-term relief, and, if required, allow time for further long-term funding options to be explored with other orders of government. Attachment 1, Guidelines for COVID-19 Response Funding, provides detailed information on the process, eligibility, and evaluation criteria that will be used to assess requests for COVID-19 pandemic financial relief through the Community Sustainability Reserve.

Stakeholder Engagement, Research and Communication

Since the beginning of the COVID-19 pandemic, Administration has worked closely with the Federation of Calgary Communities (the Federation) to understand the impact of public health orders on CA and SRG operations. This collaboration with the Federation has included meetings with organizations, assessment of financial need, and the creation of a cash flow tool. Administration is currently in the process of working directly with CAs and SRGs to collect information about cash-on-hand and to complete a cash flow analysis to determine the number of days organizations can continue to operate.

The Alberta Non-profit Network recently surveyed the non-profit and voluntary sector to provide a picture of challenges from COVID-19. With close to 500 respondents, the top five anticipated impacts to organizations reported in order are:

- Concern over low financial reserve
- Increased demand for supports/services from clients and communities
- Reduced hours for staff due to budget constraints
- Difficulty engaging volunteers
- Reduced revenue from earned income (e.g. sales, fees for service, cancelled events)

Strategic Alignment

The proposed strategy to support CAs and SRGs aligns with Citizen Priorities around Safe and Inspiring Neighbourhoods and a Well-run City by mitigating risk to The City through existing tools, and proposes an effective grant process based on an existing successful program.

Social, Environmental, Economic (External)

CAs and SRGs play a key role in the vibrancy of local neighbourhoods. They offer programs, services, events and opportunities that create social cohesion and support quality of life for all Calgarians.

Financial Capacity

Current and Future Operating Budget:

This report recommends that \$6 million from the Operating Budget Savings Account be allocated to the Community Sustainability Reserve.

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**COVID-19 Relief Package to Support Community Associations and Social
Recreation Groups**

As this report requests funding from existing reserves, there is no impact to current or future budgets.

Current and Future Capital Budget:

This report does not address capital considerations, so there is no impact.

Risk Assessment

In the case that a CA or SRG is no longer financially viable, there is a risk that The City will need to take on the management of the City-owned assets and potentially any associated liabilities. As current leases/licenses of occupation do not include a minimum notification period by which groups are required to inform The City of their decision to return assets, City-owned facilities could be returned without warning. Immediate relief funding for eligible organizations is recommended to mitigate the risk to The City in assuming operations of the assets.

Permanent closure of community facilities would result in the loss of accessible, local programs and services to a community, including essential programs such as childcare, after school care programs, and seniors programming.

If a CA or SRG does not have financial resources to cover daily operating expenses, there may be an impact on its ability to carry out capital projects that impact the safety of the facility.

REASON(S) FOR RECOMMENDATION(S):

Community associations and social recreation groups play a critical role in community vibrancy and health. Current pandemic health measures are having a severe impact on their ability to meet daily expenses, and in a number of cases, are threatening their organizational sustainability. Without immediate relief funding many of these partners will not be able to operate, will be forced to return community assets to The City and will be unable to support the social wellbeing and quality of life of Calgarians.

ATTACHMENT(S)

1. Attachment 1 – Guidelines for COVID-19 Response Funding from the Community Sustainability Reserve (CSR) 2020
2. Attachment 2 – Community Sustainability Reserve (CSR) - Terms of Reference (TOR) (2016)

Guidelines for COVID-19 Response Funding from the Community Sustainability Reserve (CSR) (2020)

Background

In 2008 the Community Sustainability Reserve was established to support community associations (CAs) and social recreation groups (SRGs) on City-owned land by providing operational funding to address one-time financial or governance related emergencies or ongoing financial or governance issues that will impact the long-term sustainability of the organization.

Purpose

The purpose of the CSR COVID-19 Response Funding is to provide targeted relief to community associations and social recreation groups significantly impacted by the COVID-19 public health orders, including closures of facilities. Funding will be used to address critical financial gaps created by decreased revenue and continuing operating expenses.

Funding Process

- To support timely funding decisions, a COVID-19 specific application will be completed by the group with assistance from its City liaison.
- Upon receiving the application, it will be analyzed by Finance through existing accountability controls and due diligence processes.

Eligibility and Evaluation Criteria

Organizations with an active lease or licence of occupation through the Community Association or Social Recreation Long Term Leasing Policy, *CSPS011: Lease/License of Occupation to Community Organizations* are eligible for funding.

The following criteria will be used to evaluate funding requests:

- Significant impact on operations due to COVID-19 public health orders including lost revenue associated with a facility closure;
- Compliance with lease/license of occupation;
- Fixed operating costs during facility/program closures, including utilities, insurance, and non-negotiable building operations expenses up to a maximum of 75%, that cannot be covered by the organization's existing revenues;
- Demonstration that the organization has challenges using existing cash flow to meet operating costs;
- Assessment of the level of funding based on the size and scale of the organization's operations;
- Assessment of the organization's eligibility to access available funding programs from other orders of government to address funding gaps.

Funding Recommendations and Decisions

Requests for funding will be assessed and final funding recommendations will be made by representatives of the Neighbourhood Support division of Calgary Neighbourhoods. Recommendations will be approved by appropriate signing authorities within City Administration. Maximum levels of funding under the CSR Terms of Reference are waived for COVID19 Response Funding.

Attach 2 C2020-0526 Community Sustainability Reserve TOR (2016).docx**Background**

In 2008 the Community Sustainability Reserve was established to support community associations and social recreation groups on City owned land by providing operational funding to address one time financial or governance related emergencies or ongoing financial or governance issues that will impact the long term sustainability of the organization. Signing authority for this reserve fund resides with the General Manager of CSPS (now Community Services), and has since been delegated to the Director of Calgary Neighbourhoods. The mandate to spend monies in the Reserve was expanded in 2009 to include capital emergencies but funding criteria were not included in the report to Council. Consequently, use of this fund has varied over the years. With the existence and committed funding of the Capital Conservation Grant, providing capital funding under this Reserve is redundant. Therefore the fund will return to an operational focus, but changes have been made to reflect community need.

A summary of changes to parameters of this Reserve include:

- Capital funding is no longer eligible, as those needs are accommodated by the Capital Conservation Grant
- Groups are now eligible for a combined maximum of \$200,000 over a period of 5 years. Previously it was a maximum of \$50,000 accessed twice in 10 years, and a maximum of \$100,000 accessed only 1 time.
- Signing authorities are clarified and approvals reside with the Director of CN, consistent with Signing Authority Bylaw 43M99
- Funding is now available for consultation services (e.g. financial, needs and preference studies) to enhance sustainability. These services can be available to any community association or social recreational group that requires assistance, not just a group in crisis. The group must agree to implement recommendations resulting from professional reviews, wherever possible.

Purpose of CSR

The CSR is available to eligible community partners who are in need of one time, short term assistance to address operational shortfalls, as determined by Calgary Neighbourhoods. This Reserve is intended to assist organizations so that they may continue to operate and meet the needs of their community, and/or the citizens of Calgary at large. Funding is available to provide financial support, and if applicable, resources such as consultation support, in order to maximize the capacity and sustainability of an organization to contribute to inspiring neighbourhoods.

Eligibility

Organizations are eligible if they have an active lease or licence of occupation with The City through the Community Association or Social Recreation Long Term Leasing Policy, CSPS011 – Lease/License of Occupation to Community Organizations, with need determined by applicable City of Calgary management staff. Funding will only be provided to organizations that demonstrate commitment and willingness to implement recommendations that result from consultations and/or City Administration, for instance in a Board minute.

Funding Types, Amounts and Conditions

Funding may be provided to eligible organizations to address operational needs, as recommended by City Administration and approved by the CSR evaluation team. Stabilization and redevelopment assistance are provided to organizations that encounter unexpected financial circumstances or have been dealing with organizational or governance issues for more than a year. In this case, funding may be provided to cover the group's operational costs.

In addition, professional consulting services in any area that may impact sustainability to deliver improved programs and services to citizens may be made available to groups, whether in crisis or not. Consultation services may include financial consulting, negotiation services, or needs and preference studies, and any other operating service deemed appropriate as determined by the Director of Calgary Neighbourhoods.

The organization must agree to work with Administration to develop and implement recommendations resulting from professional reviews, where possible and reasonable.

The maximum funding amount for operational use is \$200,000 over a 5 year period of time, and approved by the Director of Calgary Neighbourhoods. The maximum funding amount includes both stabilization and redevelopment assistance.

Application & Funding Approval

Funding requests are submitted in the form of a Business Case that is initiated by the City Liaison and supported by the manager in the relevant business unit division. Business Cases will be evaluated and reviewed by CN (and if applicable Calgary Recreation or Calgary Parks) Administration and Finance, but the amount of support provided (up to the maximum specified above) will be dependent upon the individual circumstances of each organization. Recommendations for funding will be put forth by the Manager of Neighbourhood Support (formerly Neighbourhood Connections). Final approval for operational funding will follow the "Community Sustainability Reserve Process and Procedures" in alignment with the signing authorities Memo of 2004 July 6, from the City Manager.

Funding Disbursement

Funding for operational items may be provided directly to the organization which has applied, or when necessary, directly to vendors who are providing services (e.g. Enmax, Telus). Any disbursements will align with City of Calgary Procurement Policy as well as CSR guidelines for eligible expenditures. In cases where other resources (e.g. consultants) are being engaged, The City will pay those vendors directly, or as it aligns with City Procurement Policy.

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**ISC: UNRESTRICTED
C2020-0527**

COVID-19 Relief Package to Support Non-Profit Partners

EXECUTIVE SUMMARY

The City of Calgary partners with over 80 non-profit preventive social service partners and over 20 civic and community partners to deliver effective programs and services that benefit Calgarians. This report recommends one-time relief in the form of a \$15 million Emergency Resiliency Fund to support these organizations as they adjust to increased demand for their services, increased complexity in client need, new revenue generating challenges and unforeseen costs associated with the COVID-19 pandemic response. The report provides revised Terms of Reference (Attachment 1) that highlight three strategies to support partners including \$8 million for the delivery of programs and services offered by social service partners, \$2 million for Calgary Arts Development Authority to provide grants to local arts organizations, and \$5 million for civic and community partners that are significantly impacted by the COVID-19 public health orders including revenue losses due to closures.

Leveraging the processes and strategies developed for the previous Emergency Resiliency Fund in 2016, Administration and partners will optimize this one-time funding to meet the needs of Calgarians, support social wellbeing and quality of life, and contribute to economic resilience. Investments will position partners to address immediate needs while helping stabilize organizations for longer-term service delivery. The stability that this relief can provide will alleviate immediate pressures as organizations continue to prepare and adjust for a rapidly changing operational landscape including additional forms of relief that other orders of government may provide.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Direct a total of \$15M for the Emergency Resiliency Fund, by transferring \$12.1M from the Operating Budget Savings Account (BSA) to Community Economic Resiliency Fund (CERF, current balance is \$2.9M) and allocating the total \$15M from the CERF to support the immediate financial needs of non-profit partners;
2. Approve the revised Terms of Reference for the Emergency Resiliency Fund (Attachment 1); and
3. Direct that Attachment 3 remain confidential pursuant to Sections 16 (Disclosure harmful to business interests of a third party) and 24 (advice from officials) of the *Freedom of Information and Protection of Privacy Act*, and release as a public document once Report C2020-0527 is adopted.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 April 30, at a Strategic Meeting of Council, Administration was directed to return to the 2020 May 11 Strategic Meeting of Council with a report on Municipal Relief.

On 2015 December 14, through Notice of Motion CC662 (R2007-12), Council established the Community Economic Resiliency Fund within the Budget Savings account. Council approved the one-time direction of \$5 Million from the Community Economic Resilience Fund to establish

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an Emergency Resiliency Fund to “assist non-profit organizations and City business units experiencing excess demand as a result of the economic downturn and global events.

BACKGROUND

The original Emergency Resiliency Fund's Terms of Reference in 2016 (Attachment 2) were developed rapidly but comprehensively. It involved the review of best practices for the delivery of emergency funding to non-profits during economic downturns and consultations with government, community partners, umbrella organizations and funders to identify the most effective use of funds. Additional social support and basic needs were among the most commonly identified issues, along with communications strategies that assisted Calgarians with navigating and accessing social and financial supports for the first time. Through a one-time call for funding proposals in 2016, a total of 63 applications were received requesting \$7.4 million dollars. Almost \$600,000 was directed towards a basic needs partnership with the United Way of Calgary and Area.

Outside of the human services sector, arts and culture organizations were also identified as experiencing a significant impact including decreased earned revenue and corporate sponsorship resulting in demand for operating grants from the Calgary Arts Development Authority (CADA) that far exceeded funds available. In 2016, CADA received requests for \$2 million of operating grants for \$1 million available.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The COVID-19 pandemic presents a unique challenge for our non-profit partners as it severely impacts fundraising and revenue generating opportunities due to the inability to host large gatherings in the short- and medium-term. At the same time, unanticipated costs related to scaling to meet increased demand and adjusting to virtual platforms are being incurred. This is a severe social and economic shock to organizations. Targeted relief will assist with absorbing this shock to prevent long-term damage and build resiliency in the sector and the Calgarians it serves.

Based on an assessment of the current crisis, review of current funding applications for other funding streams (which highlights a funding gap of approximately \$50 million for social service organizations), financial reviews of partners, and data about impact on the sector, Administration has adjusted the Terms of Reference (Attachment 1) to reflect the response required to the COVID-19 pandemic. Although civic and community partners were not included in the 2016 Emergency Resiliency Fund Terms of Reference (Attachment 2), the nature of this crisis has impacted their revenue and they are therefore recommended for inclusion in the revised Terms of Reference. Based on review of the 2018 audited financial statements for civic partners, early estimates suggest that operating revenue losses could be \$98 million to the end of 2020. Attachment 3, Partner Financial Analysis Background provides additional details on the estimated revenue loss for partners. The recommendation for \$5 million in Emergency Resiliency Funds is only intended to provide critical support required to pursue organizational sustainability, not replace lost revenues.

The processes and strategies that are in place from the original Emergency Resiliency Fund are well positioned to address urgent funding gaps resulting from lost revenue. However, given the nature of this crisis and analysis of applications for other funding streams currently available,

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along with financial reviews of partners and sector knowledge, Administration has revised the Terms of Reference to reflect the current response required for the COVID-19 pandemic.

The revised Terms of Reference proposes three strategies for relief funds:

1. **Enhanced support (\$8 million)** for programs and services provided by non-profit social service organizations impacted by the current COVID-19 pandemic response.
2. **A targeted partnership (\$2 million)** through the Calgary Arts Development Authority (CADA) to support grants for local arts organizations.
3. **Specific assistance (\$5 million)** targeted to civic and community partners that have experienced significant decreases in revenue due to the COVID-19 pandemic and that require immediate funding for organizational stability

Stakeholder Engagement, Research and Communication

The Alberta Non-profit Network recently surveyed the non-profit and voluntary sector to provide a picture of challenges from COVID-19. With close to 500 respondents, the top five anticipated impacts to organizations, reported in order, are:

- Concern over low financial reserve
- Increased demand for supports/services from clients and communities
- Reduced hours for staff due to budget constraints
- Difficulty engaging volunteers
- Reduced revenue from earned income (e.g. sales, fees for service, cancelled events)

An evaluation of applications submitted to different social service funding streams already in existence, demonstrates a need for more funding in the sector, with need far exceeding the current funding available. The current resulting gap is almost \$50 million. Ongoing review of civic and community partners' financial health, and dialogues around sustainability, also point to the need for relief.

A recent article in [Policy Options](#) and a presentation from the University of Calgary COVID-19 Analytics and Strategy Group both advise that where possible, municipalities consider making additional resources available for non-profit organizations, particularly those providing critical services.

Strategic Alignment

Providing relief to non-profit partners through the re-establishment and adjustment of the Emergency Resiliency Fund supports The City's partners to meet the needs of Calgarians and effectively manage the City-owned assets they operate. It supports all Citizen Priorities included in OneCalgary with a focus on a Prosperous City and a Well-run City. The proposed approach leverages the knowledge gained from the administration and outcomes of the previous Emergency Resiliency Fund so that organizations can remain flexible and balance immediate needs with mid- to long-term recovery efforts if funding becomes available from other sources.

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Social, Environmental, Economic (External)

Non-profit partners play a key role in the delivery of social programs and services to Calgarians and support the economic and cultural vibrancy of the city.

Financial Capacity

Current and Future Operating Budget:

This report recommends directing a total of \$15M for the Emergency Resiliency Fund, by transferring \$12.1M from the Operating Budget Savings Account (BSA) to Community Economic Resiliency Fund (CERF, current balance is \$2.9M) and allocating the total \$15M from the CERF to support the immediate financial needs of non-profit partners.

As this report requests funding from existing reserves, there is no impact to current or future budgets.

Current and Future Capital Budget:

This report does not address capital considerations, so there is no impact.

Risk Assessment

If the re-establishment of the Emergency Resiliency Fund does not occur, non-profit partners may not be able to meet current demand for needed programs and services during the response or recovery phases. The loss of significant revenues for civic and community partners will create long-term sustainability challenges that may impact their ability to effectively manage the City-owned assets they operate. In addition, partners may not be positioned to effectively leverage funding from other orders of governments' programs and to participate in plans for short-, medium-, and long-term recovery from the COVID-19 pandemic.

REASON(S) FOR RECOMMENDATION(S):

Non-profit partners are essential to the social, economic and cultural wellbeing of Calgarians. Providing temporary relief via a \$15 million Emergency Resiliency Fund with revised Terms of Reference and funded through complementary reserves, is an expedient, transparent and effective mechanism to support mid- to long-term recovery.

ATTACHMENT(S)

1. Revised 2020 Emergency Resiliency Fund (ERF) Terms of Reference
2. Original 2016 Emergency Resiliency Fund (ERF) Terms of Reference
3. Partner Financial Analysis Background (CONFIDENTIAL)

Revised 2020 Emergency Resiliency Fund (ERF) Terms of Reference

Background

In 2015 December, Council approved the creation of a one-time \$30 million Community Economic Resiliency Fund. Of this total amount, \$5 million was directed to the establishment of an Emergency Resiliency Fund “to assist non-profit organizations and City business units experiencing excess demand as a result of the economic downturn and global events”, to be administered by the Community Services department.

In 2020 May, Administration recommended an additional \$15 million be allocated to the Emergency Resiliency Fund to enable non-profit partners to respond to the impact of the global COVID-19 pandemic and support their ability to contribute to Calgary’s social, economic and cultural response.

Purpose

The purpose of the Emergency Resiliency Fund is to enable non-profits, including The City’s civic and community partners, to continue to serve Calgarians during the response phase of the COVID-19 pandemic event by ensuring adequate services are available, and to pursue partner capacity to support Calgary’s social, economic and cultural recovery from the event.

The Emergency Resiliency Fund provides funding to **three strategies**:

1. **\$8 million to enhance support** for the programs and services of Calgary non-profits impacted by the current COVID-19 pandemic response, thus enabling increased access for families and individuals and helping to prevent escalation of social problems. This strategy will leverage already-submitted funding proposals including those related to basic needs.
2. **\$2 million directed to arts and cultural organizations** through the Calgary Arts Development Authority’s (CADA) grant programs to meet immediate needs and address the increased demand for funding that supports organizational sustainability. This funding will help ensure Calgary has a strong and resilient local arts community that supports economic resilience and offers arts and cultural opportunities for Calgarians and visitors.
3. **\$5 million for The City’s civic and community partners** that are significantly impacted by COVID-19 public health orders, including closure of facilities, have experienced significant decreases in revenue, and require funding during the response and recovery phase to support organizational stability.

Strategy Details

Strategy 1: Enhanced support to programs and services of Calgary non-profits impacted by the current COVID-19 pandemic response

Funding Process

Current relief funding proposals submitted by non-profit organizations to the Social Services Support for COVID-19 program (a partnership with the Government of Alberta) and the COVID-19 Community Response Fund (a partnership with United Way of Calgary) that have not yet been awarded funding due to high demand will be reviewed and assessed for eligibility for ERF funding. If there are remaining ERF funds available after this first stage, new applications specific to the ERF will be considered until funding has been fully allocated.

Eligibility and Evaluation Criteria

To be eligible for funding, the following criteria must be met:

- The applicant is registered as a non-profit organization under the *Societies Act* or the *Companies Act* (Alberta) and operating within the Calgary city limits.
- The applicant has a track record of effective program or service delivery.

The following criteria will be used to evaluate all funding proposals in this strategy:

- Demonstration of increased or new demand, or need to facilitate increased access for service associated with the current COVID-19 response, and an inability to meet the demand with existing resources.
- Demonstration that proposed program/service will provide immediate support to individuals, families or communities in need.
- Demonstration of how this one-time funding will have a measurable impact on individuals or families through clearly stated objectives and an evaluation plan.
- Demonstration of the organization's capacity and competency to act/respond in a timely matter once funding is provided.

Funding recommendations and decisions

Applications for funding will be assessed by a review panel comprised of staff from Calgary Neighbourhoods and community funding partners, as appropriate. Priority will be given to applications that were already reviewed for alignment to existing pandemic response funds, but were not supported due to limited resources. Final funding recommendations will be made by Calgary Neighbourhoods and approved by appropriate signing authorities within City Administration. Funding agreements will clearly outline accountability and reporting requirements.

Strategy 2: Targeted partnership with Calgary Arts Development Authority (CADA)***Funding Process***

Calgary Arts Development will receive flow-through funds to be allocated to arts and cultural organizations to address gaps in funding identified by CADA in the response and recovery phases of the COVID-19 pandemic. The existing funding agreement between The City and CADA will be amended to include additional reporting requirements, criteria specific for one-time funding for response and recovery and other requirements related to this funding.

Strategy 3: Targeted funding for The City's civic and community partners that are significantly impacted by COVID-19 public health orders.

Funding Process

Civic and community partners will request funding through their City liaison to address critical financial gaps created by decreased revenue and continuing operating expenses.

Eligibility and Evaluation Criteria

Civic and community partners as defined in the *Investing in Partnership Policy* (CP2017-01), which defines Civic Partners as independent organizations that receive an operating grant or other investment over \$500,000 and Community Partners as those that receive an operating grant or other investment under \$500,000. Community Associations and Social Recreation Groups would not be eligible.

The following criteria will be used to evaluate funding requests:

- Significant impact on operations due to COVID-19 public health orders, including lost revenue associated with a facility closure.
- Demonstration that the organization has challenges using existing cash flow and reserves to meet operating costs.
- Development of a plan to address operating challenges longer term to demonstrate that funding request is a one-time requirement.
- Identification that the organization has first accessed all other available funding programs including programs from other orders of government to address operating budget gaps.
- Review of the organization's financial capacity including available funding, reserve funding and related foundations, and governance and risk management practices.
- Consideration for supporting critical financial gaps during the response and as regular revenue sources stabilize and return to normal.

Funding recommendations and decisions

Requests for funding will be assessed against the evaluation criteria and other information previously collected about partner operations and financial health. Existing funding agreements will be amended to include additional accountability and reporting requirements as necessary. Final funding recommendations will be made by Calgary Neighbourhoods and approved by appropriate signing authorities within City Administration.

Original 2016 Emergency Resiliency Fund (ERF) Terms of Reference

Background

In 2015 December, Council approved the creation of a one-time \$30 million Community Economic Resiliency Fund. Of this total amount, \$5 million was directed to the establishment of an Emergency Resiliency Fund “to assist non-profit organizations and City business units experiencing excess demand as a result of the economic downturn and global events”, to be administered by the Community Services department.

Purpose

The purpose of the Emergency Resiliency Fund is to enable non-profits and City of Calgary business units to continue to serve economically and socially vulnerable Calgarians during the current economic downturn and to ensure that adequate services are provided in response to the local impact of global events.

The Emergency Resiliency Fund provides funding to **four strategies**:

1. **Enhanced support** to programs and services of Calgary non-profits impacted by the current economic downturn and global events, thus enabling increased access for families and individuals and helping to prevent the further escalation of social problems. This strategy will take place through a general call for funding proposals.
2. **A targeted partnership** with the United Way of Calgary and Area around the provision of “basic needs” (and associated resources such as financial literacy training). Through a one-time investment of \$575,000, The City of Calgary will be able to expedite a response and expand the reach of the United Way “basic needs” initiative for more individuals and families to access.
3. **A targeted partnership** with the Calgary Arts Development Authority (CADA) in which \$1 million will be allocated to deal with the increase in demand for operating grants, helping Calgary’s arts organizations cope with the impacts of the current economic downturn. This financial support will help ensure Calgarians continue to enjoy the benefits of, and have access to a strong local arts community.
4. **Targeted City business units** that may be experiencing unusually high demand for services resulting from the economic downturn and global events.

Eligibility Criteria for Enhanced Support (Call for Funding Proposals – Strategy Number One)

A call for funding proposals for non-profit organizations to apply for enhanced support to programs and services will open on 2016 April 04 and close on 2016 May 05. If there are remaining funds available, new applications will be considered until funding has been fully allocated.

To be eligible for funding, the following criteria must be met:

- The applicant is registered as a non-profit organization under the Societies Act or the Companies Act of Alberta and operating within the Calgary city limits.
- The applicant has a track record for effective program or service delivery.

Evaluation Criteria

The following criteria will be used to evaluate all funding proposals (strategy number one):

- Demonstration of increased or new demand, or need to facilitate increased access for service associated with the current economic downturn or global events, and an inability to meet the demand with existing resources.
- Demonstration that proposed program/service will provide immediate support to individuals, families and communities in need.
- Demonstration of how this one-time funding will have a measurable impact on individuals and families through clearly stated objectives and an evaluation plan.
- Demonstration of the organization's capacity and competency to act/respond in a timely matter once funding is provided.

Funding Recommendations and Decisions

Applications received from the call for funding will be assessed by a review panel, comprised of staff from Calgary Neighbourhoods and community funding partners. Applications from the targeted strategies will be reviewed when received. Final funding recommendations will be made by Calgary Neighbourhoods and approved by appropriate signing authorities within City Administration.

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**ISC: UNRESTRICTED
C2020-0540**

COVID-19 Relief Package to Support Taxi and Limousine

EXECUTIVE SUMMARY

The COVID-19 pandemic has had significant impact to the taxi and limousine industry. With Calgarians practicing physical distancing and with many travel restrictions in place, trips have decreased 80 per cent since the beginning of 2020 March. Administration is taking measures to support taxi and limousine drivers in response to the COVID-19 pandemic.

This report outlines measures already in place and new measures being proposed to provide immediate relief. To reduce the financial burden on taxi and limousine drivers, Administration is proposing to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year.

ADMINISTRATION RECOMMENDATION:

That Council approve:

- a) Waiving taxi and limousine driver licence fees; and
- b) Reducing taxi and limousine plate licence fees by 50 per cent.

To be made effective 2020 May 15 until 2021 May 14 and be offset by funding from the Livery Transport Services Sustainment Reserve.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 April 30, Council directed Administration to return to the 2020 May 11 Strategic Council Meeting with additional information on the Livery Transport Services Sustainment Reserve with respect to Verbal Report C2020-0508 Municipal Relief, and specifically support for taxi and limousine drivers and plate holders.

BACKGROUND

Through the Livery Transport Bylaw 6M2007, Calgary Community Standards' Livery Transport Services has the mandate to license and regulate the taxi, limousine and vehicles-for-hire industry with the purpose of ensuring public safety, consumer protection and service quality. Livery Transport Services is a cost recovery service. Fees are charged to industry participants to deliver on this mandate while maintaining the service line's financial sustainability and providing funds for capital investments to support livery industry improvements through the Livery Transport Services Sustainment Reserve.

Administration has been responsive to the changing and evolving industry. Over the past five years, Council approved amendments to the fee schedule in the Livery Transport Bylaw. The fee schedule has been frozen at 2015 levels with an inflation increase in 2018. A detailed list of amendments to the fee schedule is included in Attachment 1.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The COVID-19 pandemic has had significant impact to the taxi and limousine industry. With Calgarians practicing physical distancing and with many travel restrictions in place, trips have decreased 80 per cent since the beginning of 2020 March. Current measures already in place to support the industry during this difficult time include:

- Extension of renewal dates for driver licences by 60 days;

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- Extension of renewal dates for plate licences by four months; and
- Waiving of the \$312 driver training fee.

To further lessen the financial burden on taxi and limousine drivers, Administration is proposing to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year. Administration's recommendation was based on the following guiding principles:

1. Benefits Those Most Impacted by the COVID-19 Pandemic and Supports Local Economy – We will provide relief to those most impacted by the pandemic and lessen the financial burden, with the greatest outreach. It is important that the support benefit Calgarians.
2. Authority Within the Livery Transport Bylaw – We will be guided by the authority granted through the Livery Transport Bylaw by treating similar classes of licences set out in the bylaw similarly and not treating members of the same class differently.
3. No Impact to Livery Transport Services' Self-Supporting Model – We will continue to achieve a balanced budget without tax rate support. A reserve balance in the range of \$1.5 million is appropriate to support future capital investments and one-time operating costs.

Multiple scenarios were considered including partially reducing driver licence fees, waiving plate licence fees, and providing support to all industry participants including Transportation Network Companies. A summary of alternative proposals considered is included in Attachment 2.

Administration's recommendation will benefit almost 4,300 local taxi and limousine drivers and approximately 1,900 plate holders. The total cost savings to drivers and plate holders is valued at \$1.4 million. The Livery Transport Services Sustainment Reserve will be used to mitigate the shortfall. The purpose of that reserve is to stabilize livery fees and financing to benefit the industry while achieving a balanced budget without tax rate support. The reserve can be used to stabilize the operating budget, fund one-time operating expenditures, and fund capital expenditures that directly support livery transport services. The Livery Transport Services Sustainment Reserve Terms of Reference is included in Attachment 3.

Administration is currently undertaking a review of the Livery Transport Bylaw. This review is in response to the large-scale changes to the industry in recent years. The review will include a fee schedule as well as other factors. While the impact of COVID-19 has delayed the timeline for returning with recommendations, the timing has also afforded Administration the ability to include consideration of the pandemic as part of its comprehensive review. The proposed waiving of licence fees and reducing plate fees for one year responds to the immediate need for financial relief, while the Livery Transport Bylaw Review will allow The City to address the long-term viability of the industry.

Stakeholder Engagement, Research and Communication

A comparative scan of municipalities across Canada revealed that no other Canadian city is providing financial relief to livery industry participants. Drivers and plate holders may qualify for support from other orders of government.

Strategic Alignment

This report aligns with the following 2019-2022 Citizen Priorities:

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- A City That Moves - Calgary's transportation network offers a variety of convenient, affordable, accessible and efficient transportation choices.
- A Well-Run City - Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners, and others.

Social, Environmental, Economic (External)

Administration is committed to providing a safe, sustainable and customer-focused livery system. Livery service enhances mobility and reduces social isolation for Calgarians including those with disabilities. It also provides a social benefit by providing an alternative to driving. Further, the taxi, limousine and vehicle-for-hire industry serves to facilitate the city's economic development, while supporting the use of environmentally and economically friendly modes of transportation by enabling personal travel by an integrated network that does not require vehicle ownership.

Financial Capacity

Current and Future Operating Budget:

Livery Transport Services is funded through a cost recovery model where the fees collected from industry are sufficient to cover costs. Administration's recommendation in this report requires \$1.4 million from the Livery Transport Services Sustainment Reserve, leaving an estimated balance of \$1.6 million at the end of 2020 to support future operating costs.

Current and Future Capital Budget:

The Livery Transport Services Sustainment Reserve supports capital costs associated with licensing and regulating the livery industry. Administration's recommendations in this report will ensure an appropriate balance is being maintained in the reserve to support future capital expenditures.

Risk Assessment

There is a risk that some might believe this proposal ought to provide even greater benefit or to even more industry participants by further drawing down the Livery Transport Services Sustainment Reserve. However, a reserve balance of \$1.6 million is appropriate to support future capital investments and one-time operating costs. Any further draw from the reserve presents a risk that tax rate support or other capital sources might be required.

REASON(S) FOR RECOMMENDATION(S):

Administration's recommendation to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year was based on guiding principles. The revenue shortfall of \$1.4 million can be offset by drawing from the Livery Transport Services Sustainment Reserve. Administration's recommendation will ensure an appropriate balance is maintained in the reserve to support future capital investments and one-time operating costs.

ATTACHMENT(S)

1. Amendments to the Fee Schedule Livery Transport Bylaw
2. Alternative Proposals Considered
3. Livery Transport Services Sustainment Reserve Terms of Reference

Administration has been responsive to Calgary's evolving livery industry. Over the past five years Council approved the following amendments to the fee schedule in the Livery Transport Bylaw 6M2007.

On 2015 September 28, through report C2015-0696 *2016 Resilience Budget* Council approved amendments to the Action Plan 2015-2018 budget to mitigate the impacts of the downturn in Calgary's economy. These amendments included **freezing the licensing fees in the Livery Transport Bylaw at 2015 levels and further reducing the annual licensing fee for Accessible Taxi Plate Licences from \$877 to \$220** to compensate for the higher fuel and maintenance costs of operating wheelchair accessible taxis.

On 2016 February 22, through report C2016-0144 *Transportation Network Company Amendments*, Council approved associated amendments to the Livery Transport Bylaw's fee schedule.

On 2016 November 28, through report C2016-0918 *Livery Industry Improvements* allowed Transportation Network Companies to select from two licence fee options: **The existing licence fee option, as approved by Council in 2016 February; or a proposed alternate licence fee system – the "Combined Transportation Network Company Licence Fee Option."** Council also directed Administration to report back to Council in 2018 Q1 with an update regarding the one-year pilot for the combined Transportation Network Company licence fee option.

On 2017 March 20, through report C2017-0250 *Accessible Taxi Review Update*, Council approved amendments to the Livery Transport Bylaw to **eliminate the annual \$220 Accessible Taxi Plate Licence fee**.

On 2017 November 27, through report C2017-1123 *Action Plan 2018 Adjustments*, Council approved amendments to the Livery Transport Bylaw for an **inflation increase to the fee schedule by four per cent** for the 2018 calendar year.

On 2018 April 23, through report CPS2018-0110 *Livery Industry Improvements – Update on Bylaw 42M2016*, Council approved amendments to the Livery Transport Bylaw 6M2007 allowing Transportation Network Companies to select from two options to pay annual licence fees. Council also approved a bylaw amendment to **eliminate the \$141 Livery Vehicle Registration fee**.

On 2019 May 27, through report CPS2019-0609 *Livery Fee Review*, Council approved amendments to the Livery Transport Bylaw fee schedule to **freeze current licensing fee levels** until the completion of an accelerated Livery Transport Bylaw review.

Multiple options were considered. Administration's recommendation (Option 7) to waive driver licence renewal fees for drivers and reduce plate licence renewal fees by 50 per cent for a period of one year was based on the following guiding principles:

Benefits Those Most Impacted by COVID-19 and Supports Local Economy – We will provide relief to those most impacted by the pandemic and lessen the financial burden, with the greatest outreach. We support local economy, it is important that Calgarians benefit from the relief. Transportation Network Company (TNC) driver's licence renewal fees are paid by the TNC behalf of the driver.

Authority Within the Livery Transport Bylaw – We will be guided by the authority granted through the Livery Transport Bylaw by treating similar classes of licences set out in the bylaw similarly and not treating members of the same class differently.

No Impact to Livery Transport Services' Self-Supporting Model – We will continue to achieve a balanced budget without tax rate support. Taxi, Limousine & Vehicles-for-Hire have capital commitments totaling \$1.654 million in 2020-2022. Future expenditures could include drawing from the reserve to maintain the centralized dispatch system for wheelchair accessible taxi trips at the end of its pilot in 2021. A reserve balance of \$1.6 million is appropriate to support future operations.

Guiding Principles	Option 1 Waive Driver Fees	Option 2 Waive Plate Fees	Option 3 Waive Driver & Plate Fees	Option 4 50% Reduction Driver & Waive Some Plate Fees	Option 5 30% Reduction ALL Driver & Plate Fees	Option 6 50% Reduction Driver & Plate	Option 7 Waive Driver Fees & 50% Reduction Plate
Beneficiaries							
• Taxi Drivers	✓	✗	✓	✓	✓	✓	✓
• Limo Drivers	✓	✗	✓	✓	✓	✓	✓
• Taxi Plate	✗	✓	✓	✓	✓	✓	✓
• Limo Plate	✗	✓	✓	✓	✓	✓	✓
• Taxi Brokers	✗	✓	✓	✗	✓	✓	✓
• TNC	✗	✗	✗	✗	✓	✗	✗
Authority	Low Risk	Low Risk	Low Risk	High Risk	No Risk	Low Risk	Low Risk
Revenue Shortfall	\$0.6 M	\$1.7 M	\$2.3 M	\$1.2 M	\$1.0 M	\$1.1 M	\$1.4 M
• Reserve Balance at Dec 31 2020	\$2.4 M ✓	\$1.3 M ✗	\$0.7 M ✗	\$1.8 M ✓	\$2.0 M ✓	\$1.9 M ✓	\$1.6 M ✓

**Livery Transport Services Sustainment Reserve
Terms of Reference**

ATTACHMENT 3
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Purpose: To stabilize livery fees and financing which would benefit the industry while achieving a balanced budget without tax rate support.

The reserve is used by Livery Transport Services to:

1. Stabilize the operating budget;
2. Fund one-time operating expenditures; and
3. Fund capital expenditures that directly support livery transport services

	\$000's
Reserve Balance December 31, 2019	5,834
Capital Commitments 2020-2022 *	(1,654)
Estimated Investment Income 2020-2022	100
Potential Loss of License Revenue	(1,446)
Estimated One Time Bylaw Review Costs	(900)
Other Revenue Losses due to Fee Changes	(300)
Estimated Balance (including future commitments) at December 31, 2020	<u>1,634</u>

* Includes equipment lifecycle, building renovations, and technology system changes including OneCity Records Management System (RMS).

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EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval of proposed Infrastructure Calgary (IC) Prioritization Stimulus Criteria to guide shovel-ready project recommendations should stimulus funding from other orders of government become available. An overview of The City's capital activities related to COVID-19 response and recovery is also provided.

ADMINISTRATION RECOMMENDATIONS:

That Council approve the Infrastructure Calgary Prioritization Stimulus Criteria in Attachment 1, as follows:

- Creates jobs and stimulates the economy
- Contributes to a resilient city
- Enables economic diversification
- Enhances long-term value of assets and reduces operating cost
- Attracts investment and supports the growth and change strategy
- Facilitates equitable services
- Supports post COVID-19 service environment

KEY MESSAGES

- The COVID-19 pandemic is a disruptive event yet The City remains optimistic about its ability to deliver its capital portfolio approved in the One Calgary Service Plans and Budgets, in support of service delivery, Citizen Priorities and quality of life outcomes.
- Infrastructure Calgary is monitoring the risks, issues, impacts and status of capital investments as a result of the COVID-19 pandemic and is working with services that deliver capital investments to support risk mitigation and advance projects where possible.
- The medium and longer term impacts of COVID-19 remain to be understood. Administration will have an ongoing dialogue with Council as we move through response and recovery to consider all impacts and aspects of service delivery.
- Should stimulus funding be made available, The City is prepared to deliver shovel-ready investments that support immediate job creation, economic growth and diversification.
- The City is confident we will get through the pandemic and looks forward to future project successes with industry partners and delivering infrastructure and services benefiting all Calgarians
- The City continues to work with industry partners to maintain construction as an essential service and keep Calgarians working safely through the pandemic.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2015 November 25, the Capital Infrastructure Investment Strategy was approved by Council (C2015-0855) and on 2017 March 6, Council directed that Infrastructure Calgary update this strategy as part of the capital planning for the 2018 budget process (C2017-0214).

On 2018 March 21 (C2018-0304), Council approved the Capital Infrastructure Investment Strategy. Council renamed this document the Capital Infrastructure Investment Principles.

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On 2018 November 29 (C2018-1158), as part of the 2018 November 14 Regular Meeting of Council, Council approved the 2019-2022 Service Plans and Budgets. This included the approval of a \$5.13 billion capital budget for 2019-2023+, which included \$2.05 billion of previously approved capital.

On 2019 November 12 (C2019-1052), as part of the 2020 Adjustments to the One Calgary Service Plans and Budgets, Council approved a recommendation that directed Administration to report back to Council, no later than 2020 February 4, with an update on the capital budget in response to the funding reductions from the 2019 October 24 provincial budget.

On 2020 January 27 and February 3 (C2020-0040), Infrastructure Calgary discussed and recommended proposed capital changes from the One Calgary Service plans and Budget to address an estimated \$73 million shortfall in Municipal Sustainability Initiative (MSI) funding as a result of the 2019 October 24 provincial budget. Council approved Administration's recommendations for 2020-2023+ capital budget relinquishments.

On 2020 April 2, the Intergovernmental Affairs Committee received a verbal update from Acting General Manager Deputy City Manager's Office on capital activities in response to COVID-19. During that update, it was agreed that a strategic session of Council that focused on capital activities would be helpful.

BACKGROUND

The COVID-19 pandemic has significantly disrupted health, livelihoods and the economy. In conjunction with the economic challenges faced in Alberta with the collapse of oil prices, it has also created a level of uncertainty in the delivery of our capital program with regards to:

- the ability to complete projects as per the original schedule and cost
- the actions of the other orders of government, including level of capital funding
- uncertainty within the Engineering, Architecture, and Construction industries

As a result, The City needs to be prepared to quickly react to the changing circumstances, whether it is reducing capital activity due to the availability of human capital, materials, or supply chain disruptions, or increasing activity in response to additional recovery and stimulus funding being available. As we manage our response and work towards recovery, we are reassured by The City's experience and resilience in managing shocks and stresses.

Examples of our historic resilience include development of the Glenmore Reservoir in the 1930s (investment stimulus following economic depression and ambition to manage potable water for a growing community); design and implementation of infrastructure in the 1980s to support Calgary through an economic recession and the Calgary Olympics (LRT system, the Municipal Building and Olympic facilities); and flood mitigation and resilience (completion of the Glenmore gates, several barriers and improved system change) following the 2013 flood.

The City remains committed to supporting our vision of *Calgary: a great place to make a living, a great place to make a life*. Our investment in infrastructure supports this vision, key quality of life outcomes and service delivery. The capital portfolio approved in One Calgary is based on service needs of our community and supported by a capital investment management process, guided by Council approved Capital Infrastructure Investment Principles. Given a constrained capital environment, the One Calgary capital budget is comprised primarily of essential projects

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to support service delivery. In response to the MSI funding changes in the 2019 October 24 provincial budget, funding for many of these projects was reduced in 2020 and 2021 (C2020-0040).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Following the COVID-19 pandemic outbreak, Infrastructure Calgary, in partnership with Service Owners, has worked to support infrastructure investment and prepare for a variety of scenarios given the risks to our resources, supply chain and project delivery schedules. We are also identifying and pursuing opportunities to advance investment.

Below is a summary of initiatives being undertaken by Infrastructure Calgary to support both response to, and recovery from, the COVID-19 pandemic impacts on our capital program.

1. Determination of Critical Capital Investments in a Pandemic Environment

On 2020 March 26, Infrastructure Calgary requested services with capital budgets to review their capital portfolios and determine what capital work could be paused, if required, to ensure that critical investments in a pandemic environment are able to access the resources required to continue without further delays. Guidance was provided to capital teams that defined critical infrastructure and services, and outlined criteria to identify which investments are critical to continue, and those that could be paused. Investments were categorized, in order of criticality, according to:

- 1. *Critical Infrastructure for pandemic related service delivery**
- 2. Health & Safety risk if investment is paused**
- 3. Required for business continuity**
4. Poses a medium-term asset failure risk
5. Will incur significant job losses or financial losses from breaking contracts

*Critical infrastructure refers to assets that are required to maintain the delivery of critical services offered by The City that are essential to the health, safety, or well-being of Calgarians, the environmental health of Calgary, and the effective functioning of government. A temporary (48 – 72 hours) failure, impairment, or disruption of the critical infrastructure could result in catastrophic loss of life, adverse economic or environmental effects, or significant harm to public confidence.

Having a clear understanding of which capital investments are critical during a pandemic, ensure the health and safety of residents or ensure necessary business continuity, enables The City to prioritize and divert required resources to these investments if needed.

The effects of any changes to the capital portfolio and resulting service impacts will be reported through One Calgary performance reporting and brought forward for Council approval as part of service plans and budgets adjustments.

2. Development of a Shovel-Ready Infrastructure List

Infrastructure Calgary is also taking a long-term view, considering how future investment will deliver services, build needed infrastructure, support municipal recovery efforts and help support businesses and residents re-establish livelihoods. A master list of shovel-ready infrastructure projects that support job creation and contribute to economic recovery is in development. The source of this list is the One Calgary unfunded project list and emerging

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needs from services that deliver capital investments across the organization. A sample of this list was shared with the provincial and federal governments for their consideration to support ongoing advocacy efforts, and to help shape the parameters of any potential stimulus funding. The list shared was indicative of the types of projects that could be completed with economic stimulus funds.

Also contributing to The City's "state of readiness" and in anticipation of stimulus funding becoming available, Supply Management is proactively strategizing how to accelerate procurement. Recent engagement with Industry has validated what procurement methods The City could utilize and confirmed there is capacity in the market.

While these methods to accelerate contracts carry many economic benefits, they must be balanced with maintaining safety, quality and value for money.

3. Preparation of Criteria to Apply to Shovel-Ready Infrastructure List

Infrastructure Calgary has drafted prioritization criteria that can be applied to the shovel-ready infrastructure list being developed to respond to any economic stimulus funding The City may receive. These criteria will help The City determine which projects most support residents and aid in economic recovery and position us to move forward quickly. Council is requested to approve these criteria in anticipation of its use by Administration to recommend shovel-ready projects for Council approval in response to stimulus funding availability (Attachment 1).

4. Capital Investment Monitoring and Reporting

We anticipate The City's capital investment portfolio will be impacted long-term by the COVID-19 pandemic. Regular reporting to the Infrastructure Calgary Steering Committee that outlines the status of each capital investment and the issues and risks being experienced both for individual investments, and at the portfolio level, during response and recovery, is under development to help The City successfully navigate through this period.

The purpose of capital reporting is to provide:

- a. A clear understanding of the issues being experienced with capital investments, which could lead to corporate level action to address them
- b. Understanding of the potential risks within the capital portfolio, which can lead to corporate level mitigation strategies
- c. Understanding of the status of each capital investment and its relationship to service impacts (short, medium and long-term).

There are several other activities that Infrastructure Calgary is working on to support the response, ongoing investment and recovery. These include supporting the work of the Task Forces, particularly Employee Support and Service Delivery, Economic Resilience and Business Support, monitoring grant opportunities and coordinating applications as well as ongoing work to manage The City's unfunded corporate infrastructure investment list.

Stakeholder Engagement, Research and Communication

Infrastructure Calgary and internal partners have increased conversations with industry (e.g. Calgary Construction Association, Alberta Roadbuilders and Heavy Construction Association, the Alberta Joint Industry Response Team) and partners (e.g. University of Calgary, Southern Alberta Institute of Technology, Calgary Municipal Land Corporation and Alberta Owners groups

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such as City of Edmonton, Alberta Infrastructure, Alberta Transportation, Canada Infrastructure Bank) to monitor and manage issues and risks to our capital projects, align our investment needs, share information and advocate for investment in Calgary.

Considerable public consultation and research data from 2017-2019 conducted for One Calgary is used to help inform capital priorities. This includes One Calgary Roll-Up Engagement & Research Insights that help set Council Directives; Value Characteristics, Service Targets, Service Plan Previews; and the 2019 Citizen Satisfaction Survey. Infrastructure Calgary continues to work with Customer Service & Communications on opportunities to engage and conduct citizen research, e.g. the upcoming Economic Perspectives survey which is in field 2020 May 15.

Strategic Alignment

Infrastructure Calgary helps implement The City's "Three Conversations, One Calgary" framework and follows Council's Five Strategic Plan Principles (PFC2018-0445). The program directly addresses the commitment to service-based plans and budgets and contributes to Council's Five Guidelines to Administration approved by Council on 2018 February 28: integrated service delivery, engaged leadership, trust and confidence, investment and value, and cooperative alliances (C2018-0201).

Infrastructure Calgary also supports Citizen Priorities, particularly a Well-Run City and a Prosperous City, and is in alignment with Imagine Calgary goals, the Municipal Development Plan and Calgary Transportation Plan.

Social, Environmental, Economic (External)

The City of Calgary is working with contractors and consultants to prioritize health and safety and minimize the impact of COVID-19 on active projects, following guidelines from Occupational Health & Safety and Alberta Health Services.

The City recognizes that the Calgary Construction Association, BILD and other industry partners have put key safety protocols into place and is grateful for their diligence and support.

Financial Capacity

Current and Future Operating Budget:

Infrastructure Calgary and Service Owners are mindful of how the application of potential stimulus funding could impact operating budgets. Many of the shovel-ready projects are maintenance and repair investments that may reduce operating costs.

Current and Future Capital Budget:

At this point, there is no significant impact on the projected year end capital spend. As outlined in this report, Administration is monitoring impacts to capital projects and programs on a regular basis and Finance will continue to monitor monthly spending. Administration is prepared to pivot to actualize stimulus funding and /or to adjust our capital plan in alignment with longer term decisions regarding service impacts.

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Risk Assessment

There is now a formal reporting mechanism approved by the Infrastructure Calgary Steering Committee in April 2020 to collect and quantify capital reporting specific to the impact of COVID-19.

To date, as a result of the COVID-19 pandemic event, we are seeing stable ability to delivery the capital program with some exceptions in accessing resources such as human capital, equipment and materials and cost impacts, and procurement issues due to the pandemic. Labour concerns center around difficulty securing personal protective equipment (PPE) and some workers failing to present on-site. A loss of productivity due to physical distancing and cost impacts are being monitored. The City is responding on a case by case basis to notification by vendors of any challenge to meet contractual obligations, requests for change orders, or future compensation/relief relating to pricing uncertainties. There is also a risk that some contractors will be insolvent due to the COVID-19 pandemic. Conditions are changing rapidly and often issues that seem significant can generally be resolved.

Due to the physical distancing safety protols of COVID-19, alternative approaches to citizen engagement for projects, including all online delivery, is being explored. This could impact residents' participation and acceptance.

Infrastructure Calgary will continue to monitor issues and risks and support appropriate mitigation measures, working with the corporate Integrated Risk Management team to address the principle corporate risks, include the Infrastructure Management risk. A Critical Infrastructure dashboard is also being created for the Calgary Emergency Management Agency (CEMA) and issues will continue to be addressed by CEMA and Administration.

REASON(S) FOR RECOMMENDATION(S):

Infrastructure Calgary is recommending Council approve Calgary Prioritization Stimulus Criteria to aid in the future recommendation to Council shovel-ready investments to ensure The City can optimize potential future stimulus funding.

ATTACHMENT

Attachment 1 – Infrastructure Calgary Prioritization Stimulus Criteria



Infrastructure Calgary Prioritization Stimulus Criteria

Background

The COVID-19 Pandemic has risked the health and livelihoods of residents, prompting The City and the Province to declare a state of emergency. The measures that have been put in place, while necessary in the fight against the virus, have had significant impacts on the economy, effectively slowing or even shutting down many sectors and resulting in substantial job losses. This effect has been compounded with the oil supply and price war between the Organization of the Petroleum Exporting Countries (OPEC) and Russia, sharply decreasing the price of oil below break even levels.

As the pandemic eases, and current measures in place begin to relax, The City will be looking at ways to recover – economically and socially. It is anticipated that one piece of the economic recovery will include stimulus funding for infrastructure to help spur multiple sectors and create jobs.

The projects and programs The City invests in should be prioritized to provide maximum value to the community and minimize future risk. Below is a listing of recommended prioritization criteria, in the event that criteria is not provided by the granting levels of government (Provincial and/or Federal).

Recommended Criteria

Investments will be considered if they meet one or more of the following criteria. These criteria directly support *The City of Calgary's COVID-19 Priorities for the Government of Canada and Government of Alberta*, particularly item four – Stimulative Infrastructure.

Note: If provincial or federal stimulus funding is tied to specific types of investments, the master list of investments will be narrowed down prior to applying the criteria listed below.

- Creates jobs and stimulates the economy
- Contributes to a resilient city
- Enables economic diversification
- Enhances long-term value of assets and reduces operating cost
- Attracts investment and supports the growth and change strategy
- Facilitates equitable services
- Supports the post COVID-19 service environment

Investments may be ineligible if:

- The project is not shovel-ready
- The project draws resources away from projects currently in flight or competes directly with more beneficial projects in other cities across Alberta
- The project faces significant COVID-19 challenges (e.g. supply chain, resources, materials)

Definitions

Creates jobs and stimulates the economy

Economic stimulus refers to investments that can spur growth during the recovery. Emphasis will be placed on two economic indicators – Jobs created and GDP (Gross Domestic Product) increase estimated from the project. Each indicator will be estimated using the CRIOM model – an input output model for the Calgary Economic Region, developed to highlight the inter-industry structural linkages which exist in the region using Statistics Canada Supply Use Tables. In other words, the idea is that direct spending in one area indirectly creates transactions and spending in other areas of the economy.



Infrastructure Calgary Prioritization Stimulus Criteria

Contributes to a resilient city

A resilient city is one that is prepared for the stresses and shocks that may affect the city, such as a flood or climate change. Intentional investment in infrastructure can support our resilience to shocking weather events, public health emergencies, technological advancements and economic stresses. Investment in technology related infrastructure can also help attract investment and corporations to the city.

Special attention will be paid to the following investment types:

- **Adaptable:** Can quantify a reduction of risk and vulnerabilities to shocks and stresses
- **Climate:** Can quantify a positive impact on climate change or quantify how the investment adapts to climate change – e.g. a reduction of carbon emissions, adaptation and mitigation of climate impacts
- **Smart:** Are smart city projects – using data, innovation and technology

Enables economic diversification

Diversifying an economy is not an easy undertaking, requiring multiple actions by multiple stakeholders over time. There may be opportunities for The City to build certain infrastructure that could support The City and Calgary Economic Development's four focus areas (Talent, Innovation, Place, Business Environment) and reduce some barriers to entry for established and emerging industries (e.g. Logistics, Agribusiness, Tourism, Creative, Life Sciences & Financial Services).

Examples could include roadway access for the logistics industry, facilities and renovations for start-up companies or technology infrastructure that could support multiple industries.

Investments in this category must be able to qualify how the investment could enable diversification and cite research from companies or industries that have identified it as a barrier to entry into Calgary / Alberta.

Enhances long-term value of assets and reduces operating cost

Completing regular and preventative maintenance and lifecycle activities, along with strategically timed replacements helps to extend the life of The City's assets, reduce future costly repairs, improves safety, and can reduce the overall cost of providing service. Intentionally investing in assets before they fail is essential to providing continuous, safe and cost effective service.

Special attention will be paid to investments that:

- Can quantify a reduction in operating cost / replacement cost over time
- Can quantify a reduction in risk associated with service disruption / breakdowns over time

Attracts investment and supports the growth and change strategy

These criteria focuses on projects that have secured private investment, and /or government or other public funding to support the proposal. Investments that are aligned with the growth and change strategy, that can help attract investment in specific areas. Alternative funding mechanisms (such as shared service delivery models and cost/revenue sharing mechanisms) may be considered. By attracting and or leveraging other funding sources and partnerships with external organizations, The City can provide services and infrastructure at a reduced financial burden while adhering to funder requirements.

Facilitates equitable services

"Equitable" or "Equity" means conditions are adjusted to meet people's diverse needs, strengths and social realities. It requires recognition that different barriers (often systemic) exist for diverse individuals or groups. The result of Equity is all people have the opportunity to benefit equally from City Services.



Infrastructure Calgary Prioritization Stimulus Criteria

Special attention will be paid to investments that enable individuals or groups who currently have less access or opportunity to benefit equally from City services.

Supports the post COVID-19 service environment

Calgarian's needs and how they use city services will likely change in a post COVID-19 environment. Investments that move City services to match future demand and needs may be considered for investment. Note that future service delivery discussions should first take place, followed by capital investment decisions that support new service delivery expectations.

Shovel-ready

The primary intention of any stimulus funding provided is to help recover from the economic impacts of the pandemic. It is therefore important that any investments chosen are either ready or are near being ready to implement, thereby enabling job creation and spending.

In this context, shovel-ready means:

- Design/ Approvals, Asset/ Land Ownership, Environmental permits in place
- Leading infrastructure in place
- City has resource or capacity or alternative delivery option

Draws resources away

The One Calgary capital portfolio reflects investments needed by The City to deliver on current service expectations and Council directives. This portfolio was unfortunately impacted by the re-balancing exercise in 2020 January to account for an estimated 73 million in lost Municipal Sustainability Initiative funding from the province. It is assumed that, for the most part, current portfolio investments take precedence over new investments identified through stimulus funding.

Serious consideration will be given to limiting the number of new investments that may take resources (human capital, materials etc.) away from investments already within the capital portfolio.

Similarly, focus needs to be placed on the economic recovery of Alberta. An investment that competes directly with another, more beneficial investment in another part of Alberta, may be considered ineligible for this round of funding.

COVID-19 Challenges

Given that the primary intention of any stimulus funding provided is to help recover from the economic impacts of the pandemic, investments that may require materials or human capital that have been compromised or will continue to be compromised in the aftermath of the pandemic should be considered carefully.