



AGENDA

PRIORITIES AND FINANCE COMMITTEE

December 1, 2020, 9:30 AM
IN THE COUNCIL CHAMBER

Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor G-C. Carra (CPS Chair)
Councillor J. Davison (T&T Chair)
Councillor J. Gondek (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

SPECIAL NOTES:

Public are encouraged to follow Council and Committee meetings using the live stream [Calgary.ca/WatchLive](https://calgary.ca/WatchLive)

*Public wishing to make a written submission may do so using the public submission form at the following link:
[Public Submission Form](#)*

Members may be participating remotely.

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
 - 4.1. Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 November 10
5. CONSENT AGENDA
 - 5.1. DEFERRALS AND PROCEDURAL REQUESTS
 - 5.1.1. Deferral of Update on the Notice of Motion Process to 16 March 2021 with upcoming Procedure Bylaw amendments, PFC2020-1374
 - 5.1.2. Deferral and Procedural request on Green Line Board Update, PFC2020-1366
Bring forward nominees to the Green Line Board for Council consideration at the 2020 December 14 Combined Meeting of Council.

5.2. BRIEFINGS

5.2.1. Status of Outstanding Motions and Directions, PFC2020-1340

6. POSTPONED REPORTS

(including related/supplemental reports)

- 6.1. Notice of Motion - Enabling Construction of Calgary Catholic School District Rangeview High School to Commence, PFC2020-1265
Councillor Keating

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1. Councillor Conduct in Other Wards Policy, PFC2020-1378
- 7.2. 2021 Government of Alberta Budget Submission, PFC2020-1353
- 7.3. Government of Canada Direct Borrowing Relationships, PFC2020-1247
- 7.4. Off-Site Levy Update - Reporting (Verbal), PFC2020-1365
- 7.5. Established Area Growth and Change Strategy Phase 2 Update on Financial Tools and Strategies, PFC2020-1245
- 7.6. Cost to Reintroduce Fluoride in the Water Treatment Process, PFC2020-1338
- 7.7. Financial Task Force Recommendations - Implementation Next Steps, PFC2020-1351

8. ITEMS DIRECTLY TO COMMITTEE

- 8.1. REFERRED REPORTS
None

8.2. NOTICE(S) OF MOTION

- 8.2.1. Notice of Motion - Street Harassment, PFC2020-1370
Councillor Druh Farrell
- 8.2.2. Notice of Motion - Royal Canadian Legion Branch No. 264, PFC2020-1373
Councillor Druh Farrell

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1. Regulatory Interventions and Municipally-Owned Utilities, PFC2020-1315
Held confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

Review By: 2035 December 01

10.2. URGENT BUSINESS

11. ADJOURNMENT



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**November 10, 2020, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Mayor N. Nenshi, Chair (Remote Participation)
Councillor S. Chu, Vice-Chair (Remote Participation)
Councillor G-C. Carra (CPS Chair) (Remote Participation)
Councillor J. Davison (T&T Chair) (Remote Participation)
Councillor J. Gondek (PUD Chair) (Remote Participation)
Councillor W. Sutherland (UCS Chair) (Remote Participation)
Councillor E. Woolley (Audit Chair) (Remote Participation)
Councillor D. Farrell (Remote Participation)
Councillor S. Keating (Remote Participation)

ALSO PRESENT: City Solicitor and General Counsel J. Flohn (Remote Participation)
A/General Manager K. Black (Remote Participation)
Chief Financial Officer C. Male
A/City Clerk J. Fraser
Legislative Advisor G. Chaudhary

1. **CALL TO ORDER**

Mayor Nenshi called the Meeting to order at 9:31 a.m.

2. **OPENING REMARKS**

Mayor Nenshi provided opening remarks, provided a traditional land acknowledgment and called for Calgarians to commemorate Remembrance Day on November 11.

ROLL CALL

Councillor Chu, Councillor Carra, Councillor Gondek, Councillor Farrell, Councillor Keating, Councillor Sutherland and Mayor Nenshi.

Absent for Roll Call: Councillor Davison and Councillor Woolley.

3. **CONFIRMATION OF AGENDA**

Moved by Councillor Gondek

That the Agenda for today's meeting be amended by adding the following as an item of Urgent Business:

9.1 Off-site Levy Update - Reporting (Verbal), PFC2020-1316

MOTION CARRIED

Moved by Councillor Chu

That the Agenda for the 2020 November 10 Regular Meeting of the Priorities and Finance Committee be confirmed, **as amended**.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

A clerical correction was noted in the Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 October 13 on page 1, under Opening Remarks, by deleting the word "Metal" following the words "and acknowledged", and substituting with the word "Mental".

Moved by Councillor Chu

That the following sets of Minutes be confirmed in an omnibus motion, **as corrected**:

- 4.1 Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 October 13
- 4.2 Minutes of the Special Meeting of the Priorities and Finance Committee, 2020 October 19

MOTION CARRIED

5. CONSENT AGENDA

Moved by Councillor Chu

That the Consent Agenda be approved as follows:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

5.2.1 Status of Outstanding Motions and Directions, PFC2020-1235

MOTION CARRIED

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 Council Innovation Funded Calgary Community Court: Pilot Readiness Project, PFC2020-1264

A presentation entitled "Council Innovation Funded Calgary Community Court Pilot Readiness Project" was distributed with respect to Report PFC2020-1264.

Councillor Woolley joined the meeting at 9:38 a.m.

Joy Bowen-Eyre, The Community Justice Collaborative Calgary, addressed Committee with respect to Report PFC2020-1264.

Moved by Councillor Woolley

That the Priorities and Finance Committee receive this report for the Corporate Record.

For: (8): Mayor Nenshi, Councillor Chu, Councillor Carra, Councillor Gondek, Councillor Sutherland, Councillor Woolley, Councillor Farrell, and Councillor Keating

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

8.2.1 Notice of Motion - Enabling Construction of Calgary Catholic School District Rangeview High School to Commence, PFC2020-1265

A document entitled "Revised Notice of Motion, PFC2020-1265" was distributed with respect to Report PFC2020-1265.

Moved by Councillor Keating

That with respect to Notice of Motion PFC2020-1265, the following be approved:

That Notice of Motion PFC2020-1265 be postponed to the 2020 December 01 Priorities and Finance Committee for consideration.

MOTION CARRIED

8.2.2 Notice of Motion - National Historic Designation for Battalion Park Numbers, PFC2020-1269

Councillor Davison joined the meeting at 10:11 a.m.

A document entitled "Revised Notice of Motion, PFC2020-1269" was distributed with respect to Report PFC2020-1269.

Moved by Councillor Davison

That with respect to Notice of Motion PFC2020-1269, the following be approved:

That Notice of Motion PFC2020-1269 be forwarded to the 2020 December 14 Combined Meeting of Council for consideration.

MOTION CARRIED

9. **URGENT BUSINESS**

9.1 Off-site Levy Update – Reporting (Verbal), PFC2020-1316

Moved by Councillor Gondek

That with respect to Verbal Report PFC2020-1316, the following be approved:

With regard to Closed Session Item 14.2.3 (C2020-1237) from the 2020 November 02 Combined Meeting of Council, Priorities and Finance Committee direct Administration, on follow-through actions in response to this item, to report to Priorities and Finance Committee, with the first verbal report-back on 2020 December 01.

MOTION CARRIED

10. **CONFIDENTIAL ITEMS**

Moved by Councillor Chu

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 24 (Advice from officials) and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting at 10:16 a.m., in the Council Boardroom, to discuss confidential matters with respect to the following item:

10.1.1 ENMAX Credit Agreement Update (Verbal), PFC2020-1202

MOTION CARRIED

Committee reconvened in public meeting at 11:14 a.m. with Mayor Nenshi in the Chair.

ROLL CALL

Councillor Chu, Councillor Carra, Councillor Gondek, Councillor Sutherland, Councillor Woolley and Mayor Nenshi.

Absent for Roll Call: Councillor Davison, Councillor Farrell and Councillor Keating.

Moved by Councillor Chu

That Committee rise and report.

MOTION CARRIED

10.1 **ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES**

10.1.1 ENMAX Credit Agreement Update (Verbal), PFC2020-1202

A confidential presentation was distributed with respect to Report PFC2020-1202.

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report PFC2020-1202:

Clerks: J. Fraser and L. Gibb. Law: J. Floen Advice: C. Male, S. Brandt, A. Brown, J. Lai, and M. Wood.

Moved by Councillor Woolley

That with respect to Confidential Verbal Report PFC2020-1202, the following be approved:

That Priorities and Finance Committee recommend that Council:

1. Direct that the presentation remain confidential pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 24 (Advice from officials), and 25 (Disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act* and review the presentation by 2022 November 15; and
2. Direct that Administration return to Priorities and Finance Committee with a finalized agreement and further recommendations, no later than 2021 January.

For: (7): Mayor Nenshi, Councillor Chu, Councillor Carra, Councillor Davison, Councillor Gondek, Councillor Sutherland, and Councillor Woolley

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Chu

ADJOURN, that this meeting adjourn at 11:18 a.m.

MOTION CARRIED

The following items have been forwarded to the 2020 December 14 Combined Meeting of Council:

CONFIDENTIAL CONSENT

- ENMAX Credit Agreement Update (Verbal), PFC2020-1202

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

COMMITTEE REPORTS

- Notice of Motion - National Historic Designation for Battalion Park Numbers, PFC2020-1269

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on 2020 December 01 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED

BRIEFING

Page 1 of 1

Item # 5.2.1

Chief Financial Officer's Briefing to
Priorities and Finance Committee
2020 December 01

ISC: UNRESTRICTED
PFC2020-1340

Status of Outstanding Motions and Directions

PURPOSE OF BRIEFING

Identify outstanding items for the Priorities and Finance Committee as of 2020 November 17.

SUPPORTING INFORMATION

On 2012 April 03, the Priorities and Finance Committee directed Administration to provide the Committee with a schedule of Status of Outstanding Motions and Directions.

This report is in alignment with the mandate of the Priorities and Finance Committee.

This report tracks outstanding motions and directions from the Priorities and Finance Committee to Administration. No specific risks are associated with this report. Any risks associated with specific directions or motions will be dealt with in the context of the report on that direction or motion.

ATTACHMENT(S)

1. Attachment 1 – Status of Outstanding Items for the Priorities and Finance Committee.

DATE BACK TO COMMITTEE	ITEM	DATE OF REQUEST	SOURCE	SUBJECT
As soon as possible	COUNCIL EXPENSE AUDIT FOLLOW-UP	2020 October 13	PFC2020-1143	That the Priorities and Finance Committee: 2. Direct the Council Expense Working Group to report back to the Priorities and Finance Committee as soon as possible on the findings related to certain hosting expenses where follow up or location of the named attendees is still outstanding for the PricewaterhouseCoopers (PWC) report.
2018 Q4	PROPOSED CODE OF CONDUCT FOR ELECTED OFFICIALS BYLAW26M2018	2018 May 28	PFC2018-0554	That with respect to PFC2018-0554, the following Motion arising be adopted: That Council direct the Ethics Advisor to investigate how to enhance reporter protection, including but not limited Councillors staff and Report back to the Priorities and Finance Committee no later than Q4 2018.
2019 Q2	ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE	2018 March 06	PFC2018-0187	7. As part of the proposed reporting process for the Wholly Owned Subsidiary, direct Administration to work with the EDIF Wholly Owned Subsidiary to bring a report to the Priorities & Finance Committee that reviews the pilot EDIF governance structure no later than 2019 Q2.
2021 (Revised under C2020-0698)	OPPORTUNITY CALGARY INVESTMENT FUND GOVERNANCE STRUCTURE	2019 July 02	PFC2019-0828	Deferral.

<p>2020 Q2</p> <p>(Revised under C2020-0390) 2020 December</p>	<p>RESPONSE TO WATER FLUORIDATION IN THE CITY OF CALGARY REPORT</p>	<p>2019 October 29</p>	<p>CPS2019-0965</p>	<p>That the Standing Policy Committee on Community and Protective Services recommends to Council that:</p> <p>3. Direct Administration to undertake a full cost analysis for the potential reintroduction of fluoride into the water system including ongoing projected operational costs, City's authority and jurisdiction with regard to fluoridation, capital costs and possible utility rate impacts; and</p> <p>4. Report back directly through Priorities and Finance Committee no later than Q2 2020.</p>
<p>Progress Briefing no later than June 2020</p> <p>(Revised under C2020-0698) 2021 Q3</p> <p>2020 January</p> <p>(Revised under C2020-0698 2021 Q2)</p>	<p>2019 GROWTH STRATEGY MONITORING REPORT</p>	<p>2019 November 05</p>	<p>PFC2019-1062</p>	<p>That the Priorities and Finance Committee recommends that Council direct Administration to:</p> <p>5. Evolve the practice of looking at a direct incremental operating cost model to a full operating cost model, in conjunction with other stakeholders. A briefing on progress toward the new model will be presented at 2020 June 9 Priorities and Finance Committee meeting, with a targeted timeline for completion of no later than Q3 2021.</p> <p>6. Explore the phasing out of the growth management overlay, and report back to the Priorities and Finance Committee no later than Q2 2020 with options to better align to our current economic situation and that creates policy that encourages a business-friendly environment and further development investment and retention in Calgary.</p>

<p>2020 November 10</p> <p>(Revised under C2020-0390) 2020 December</p>	<p>GREEN LINE BOARD</p>	<p>2020 July 20</p>	<p>GC2020-0772</p>	<p>That with respect to Report GC2020-0772, the following be adopted:</p> <p>That Council:</p> <p>1. Give three readings to the Proposed Bylaw 21M2020, the Green Line Board Bylaw and Terms of Reference, to establish the Green Line Board (the “Board”) as a Committee of Council responsible for governing and overseeing the successful delivery of the Green Line Program;</p> <p>2. Appoint the City Manager to serve as a member of the Board; and</p> <p>3. Direct Administration to retain an external search firm and work with the Inaugural Chair to identify candidates for appointment to the Green Line Board, and present appointment recommendations to the Priorities and Finance Committee for its consideration no later than 2020 November 15.</p>
<p>2020 December 01</p>	<p>NOM – ENABLING CONSTRUCTION OF CALGARY CATHOLIC SCHOOL DISTRICT RANGEVIEW HIGHSCHOOL TO COMMENCE</p>	<p>2020 November 10</p>	<p>PFC2020-1265</p>	<p>That Notice of Motion PFC2020-1265 be postponed to the 2020 December 01 Priorities and Finance Committee for consideration</p>
<p>2020 December 01</p>	<p>OFF-SITE LEVY UPDATE – REPORTING VERBAL</p>	<p>2020 November 10</p>	<p>PFC2020-1316</p>	<p>With regard to Closed Session Item 14.2.3 (C2020-1237) from the 2020 November 02 Combined Meeting of Council, Priorities and Finance Committee direct Administration, on follow-through actions in response to this item, to report to Priorities and Finance Committee, with the first verbal report-back on 2020 December 01.</p>

2020 Q2 (Revised under C2020-0698) Q1 2021	RESILIENT CALGARY	2019 June 17	PFC2019-0617	That with respect to Report PFC2019-0617, the following be adopted: 2. Direct Administration to report back with an update to the Priorities and Finance Committee no later than Q2 2020.
2020 Q4	NOTICE OF MOTION RE: FINANCIAL RELIEF FOR TAXPAYERS	2020 July 27	C2020-0885	AND FURTHER BE IT RESOLVED THAT Council immediately directs Administration to advocate to the Government of Canada to create new direct borrowing relationship with The City and explore what options are available to achieve preferred interest rate loans and report back to the Priorities and Finance Committee no later than Q4 2020 with a formal plan to establish these relationships.
2020 Q4	ESTABLISHED AREA GROWTH AND CHANGE STRATEGY 2020: PHASE 1 RECOMMENDATIONS	2020 April 29	PFC2020-0381	That with respect to Report PFC2020-0381, the following be approved, after amendment : Administration recommends* that the Priorities and Finance Committee recommends that Council c. Explore additional financial tools and strategies for public realm investment in Phase 2 and replenishing the Established Area Investment Fund, as listed in Attachment 3, with a report back with preliminary recommendations through the Priorities and Finance Committee by end of Q4 2020.
2020 Q4	NOTICE OF MOTION PROCESS FLOW AND CHECKLIST	2019 September 30	PFC2019-0913	That Council: 4. Direct the City Clerk's Office to provide an update of this process to the Priorities and Finance Committee by Q4 2020.

2020 Q4	GREENLINE UPDATE STAGE 1	2020 June 15	GC2020-0583	<p>That with respect to revised Report GC2020-0583, the following be adopted, after amendment:</p> <p>The Green Line Committee recommends that Council:</p> <p>16. Direct Administration to:</p> <p>a. Advise the Government of Canada and the Government of Alberta of Council's approval of the recommendations in this report;</p> <p>b. Secure any required amendments to the funding agreement, such amendments to include but not be limited to the Government of Canada agreeing to expedite the release of its funding contributions to help mitigate debt financing costs; and</p> <p>c. Secure written assurances from the Government of Alberta resolving the issues related to the 90-day termination provision contained in the Public Transit and Green Infrastructure Project Act (Alberta). All amendments and written assurances are to be in content satisfactory to the City Manager and the Chief Financial Officer and in form satisfactory to the City Solicitor and General Counsel. Should all amendments and written assurances not be secured by the end of Q4 2020 direct Administration to report back to the Priorities and Finance Committee;</p> <p>17. Notwithstanding the approvals above, and provided that the total Green Line Program Stage 1 cost does not exceed the Council approved Green Line Program budget, should significant additional funding for public transit become available, direct Administration to return to the Priorities and Finance Committee with recommendations for investments outlined in the Route Ahead prioritization strategy (including north and south extensions of the Green Line). Further, if adjustments to the Green Line Program are required to attract additional funding, direct Administration to make recommendations to Council regarding those adjustments and funding opportunities.</p>
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2021 January	ENMAX CREDIT AGREEMENT UPDATE (VERBAL)	2020 November 10	PFC2020-1202	That Priorities and Finance Committee recommend that Council: 2. Direct that Administration return to Priorities and Finance Committee with a finalized agreement and further recommendations, no later than 2021 January.
2021 Q1	SOCIAL PROCUREMENT UPDATE (NOW CALLED BENEFIT DRIVEN PROCUREMENT POLICY)	2019 December 16	PFC2019-0384	That Council: 1. Approve the Social Procurement Advisory Task Force Terms of Reference, Scoping Report for the Pilot Projects and the Work Plan identified in Attachment 1; and 2. Direct Administration to return to the Priorities and Finance Committee with an update no later than Q1 2021 .
2020 Q1	NOTICE OF MOTION – RENAMING JAMES SHORT PARK AND JAMES SHORT PARKADE	2020 July 20	PFC2020-0802	That Council: 1. Direct Administration to revise the Municipal Naming, Sponsorship and Naming Rights Policy CP2016-01 as follows: 2. DIRECT administration to develop a process by which citizen requests to re-examine an existing name of a city asset will be handled, ensuring that any such process involve community input with final decision-making by Council through the Priorities and Finance Committee as per the existing policy. In addition, this must also involve consultation with the Anti-Racism Advisory Committee once it is operational, with the report returning through the Priorities and Finance Committee no later than Q1 2021.

2021 Q1	2020 NON-RESIDENTIAL PROPERTY TAX RELIEF OPTIONS	2020 February 03	PFC2020-0015	3. Direct Administration to come back with options for a transitional non-residential Phased tax program for 2021 if required to the Priorities and Finance Committee in Q1 2021 due to uncertainties relating to future market conditions and the 2021 assessment values.
2021 Q2	UNIVERSITY OF CALGARY – CITIZEN SCIENTIST WEARABLES PROGRAM	2019 September 30	PFC2019-1096	That with respect to Report PFC2019-1096, the following be adopted: That Council: 1. Approve this application for the Council Innovation Fund for the University of Calgary Citizen Scientist Wearable Program in the amount of \$57,500; and 2. Direct Administration to report back to Priorities and Finance Committee indicating how the money was spent and the outcomes of the projects no later than Q2 2021, as per the Council Innovation Fund Terms of Reference.
2021 Q2	NEW COMMUNITY GROWTH STRATEGY	2020 November 01	PFC2020-0963	That Report PFC2020-0963 be amended by adding the following: 6. That Council direct Administration to work with Belvedere landowners and consider options for adjustments/ reallocation and sequencing of existing GMO removals and proposed Business Cases for targeted GMO removals along the 17 AV MAX Purple BRT transit corridor. That the following proposed amendments, Recommendations 7 and 8, be referred to Administration until early results are available from Recommendation 6 and to identify a funding source for this work to report to Council through the Priorities and Finance Committee as soon as possible:

2021 Q1				<p>7. Establish a funding and timing framework for the prioritization of the 17 AV MAX Purple BRT transit corridor; and,</p> <p>8. Report back to Priorities and Finance Committee no later than Q2 of 2021.</p> <p>That with respect to Report PFC2020-0963, the following Motion Arising be adopted:</p> <p>Council directs Administration to report to Council through Priorities and Finance no later than Q1 2021 with a report on the development of the aforementioned framework, business case evaluation template, and any necessary resources to ensure strategic alignment between the City's approved climate targets and future growth decision-making.</p>
2021 September	COUNCIL INNOVATION FUND APPLICATION FOR VIRTUAL REALITY FIRE AND LIFE SAFETY EDUCATION PILOT	2020 July 14	PFC2020-0784	<p>That with respect to Report PFC2020-0784, the following be adopted:</p> <p>That Council:</p> <p>1. Approve this one-time application to allocate \$75,000 from the Council Innovation Fund for the Virtual Reality Fire and Life Safety Education Pilot.</p> <p>2. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project by September 2021.</p>

2021 Q4	HAWKWOOD OUTDOOR RECREATION FACILITY PROJECT	2020 July 20	PFC2020-0696	<p>That with respect to Report PFC2020-0696, the following be adopted:</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. Consider this application for the Council Community Fund for the Hawkwood Community Capital project in the amount of \$500,000 one-time funding request; and 2. Direct Councillor Magliocca's office and the applicant to report back to the Priorities and Finance Committee within 12 months of project completion.
2021 Q4	GOLF COURSE OPERATIONS EXPRESSION OF INTEREST & REAL ESTATE ASSESSMENT	2020 October 13	PFC2020-0952	<p>That the Priorities and Finance Committee recommend that Council receive for the Corporate record the results of the assessment of market interest in a long-term contract to provide public golf service, and direct Administration to:</p> <ol style="list-style-type: none"> a. Direct RE&DS to bring back a real estate feasibility assessment that substantiates Corporate needs at the remaining land at Richmond Green, and the Richmond Green Operations Workplace Centers (OWC), to determine further disposition opportunities and report to Priorities and Finance Committee (PFC) on or before Q4 2021; <p>That Council add a new Recommendation #5, as follows, and renumber:</p> <ol style="list-style-type: none"> 5. Direct administration to develop a scoping report for the costs of the Request for Proposal for the contracting out of golf course operations, and a confidential Labour Relations Report returning to Council through the Priorities and Finance Committee for approval prior to proceeding and

				releasing the Request for Proposal as soon as possible.
ANNUALLY	CITY OF CALGARY CITIZEN PRIVACY DATA PRACTICES	2020 January 27	C2020-0039	2. Direct the City Clerk/FOIP Head to provide an annual report to the Priorities and Finance Committee on The City's Privacy Management Program.
2022 January	2020 GROWTH STRATEGY MONITORING REPORT	2020 October 19	PFC2020-0962	That with respect to Report PFC2020-0962, the following be approved: That the Priorities and Finance Committee recommends that Council direct Administration to bring a Growth Strategy Monitoring Report to the Priorities and Finance Committee no later than 2022 January.
2022 Q1	HERITAGE CONSERVATION TOOLS AND INCENTIVES UPDATE REPORT	2020 July 27	PUD2020-0758	That Council direct Administration to: b. Return to the Priorities and Finance Committee no later than Q1 2022 with the residential tax credit financial incentive package for consideration in the 2023-2026 budget deliberations.
2022 Q2	SUPPLEMENTAL REPORT – RESPONDING TO COUNCIL QUESTIONS ON THE COUNCIL INNOVATION FUND APPLICATION FOR DOWNTOWN ACCELERATOR PROGRAM – 1MILLION SQUARE FEET	2020 May 25	C2020-0600	That with respect to Report C2020-0600, the following be adopted: 4. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project by Q2 2022.

2022 Q2	WATER UTILITY INDICATIVE RATES – REVISED FOR 2021 AND 2022 AND FINANCIAL PLAN UPDATE	2020 October 19	PFC2020-1140	c. Direct Administration to report back on rates and limits for Wastewater extra strength surcharge parameters by Q2 2022.
2022 Q4	CIVIC CENSUS REVIEW	2020 February 03	PFC2020-0094	3. Direct the Returning Officer to report back with an evaluation of discussions with Statistics Canada and the provincial government and the ongoing value of a civic census by Q4 2022.
2023 Q1	COUNCIL INNOVATION FUND REQUEST FOR THE FUTURE OF STEPHEN AVENUE – ACTIVATE + EXPERIMENT	2020 March 10	PFC2020-0274	That the Priorities and Finance Committee recommends that Council: 1. Approve this application to the Council Innovation Fund for The Future of Stephen Avenue: Activate & Experiment, in the amount of \$300,000; and 2. Direct Administration to report back to Priorities and Finance Committee on the outcomes of this project by Q1 2023 as per the fund guidelines.
2023 Q2	ROADSIDE NATURALIZATION PILOT	2020 February 24	C2020-0265	That with respect to Report C2020-0265, the following be adopted: That Council: 4. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project no later than Q2 2023, with interim reports on project progress and return-on-investment as information becomes available.

POSTPONED REPORT

Notice of Motion - Enabling Construction of Calgary Catholic School District Rangeview High School to Commence, PFC2020-1265

Excerpt from the Minutes of the Regular Meeting of the Priorities and Finance Committee, 2020 November 10

“Moved by Councillor Keating

That with respect to Notice of Motion PFC2020-1265, the following be approved:

That the Notice of Motion PFC2020-1265 be postponed to the 2020 December 01 Priorities and Finance Committee for consideration.

MOTION CARRIED”



Report Number: PFC2020-1265

Meeting: Priorities & Finance Committee

Meeting Date: 2020 November 10

NOTICE OF MOTION

RE: Enabling Construction of Calgary Catholic School District Rangeview High School to Commence

Sponsoring Councillor(s): COUNCILLOR KEATING

WHEREAS, the economic conditions faced by businesses in Calgary during these times means we must make considerations when needed. The Rangeview High School's servicing costs are \$10,707,000 of which \$6,895,000 are City fees and Levies **that leaves \$3,812,000 to be covered by the developer. It is a challenge for developers to pay these costs at an early stage of site servicing.**

WHEREAS, the Calgary Catholic School District is facing limits in available High School space across the City of Calgary as a whole, with additional High School space required in Southeast Calgary,

WHEREAS, by 2024-2025 the utilization rate will be operating above 100% utilization city-wide and the current High School in the Southeast area, the recently opened proximal high school, All Saints is predicted to be operating at 134% utilization within this time frame,

WHEREAS, funding for the construction of schools, the district must submit a capital plan annually to request funding for a number of competing projects through district. All submitted projects must meet certain criteria to be considered as a year one project,

WHEREAS, the Rangeview High School can be considered a priority year one project once title for this school has been registered to the City of Calgary and/or the Calgary Catholic School District, enabling construction to commence,

AND WHEREAS, the Rangeview High School site is not yet serviced by the developer of the area and still requires significant development investment from Brookfield to meet site readiness criteria, **and would serve the greater area of SE Calgary,**

AND WHEREAS, purchasing of this site would follow the typical processes for acquiring joint use sites. **The Joint Use Coordinating Committee would make a recommendation on the purchase of this land to**

Council. Council would then decide whether to authorize the spending of the Joint Use Fund on the subject lands.

NOW THEREFORE BE IT RESOLVED The City agrees to defer the levies associated with the subdivision of Phase 114 until the Rangeview High School has been **granted occupancy**. The levies would then be paid in three installments beginning the first year the high school has been granted **occupancy** (30%), the 2nd year of **occupancy** (30%) and the third year of **occupancy** (40%),

AND FURTHER BE IT RESOLVED, Brookfield's requirement to landscape the parcel be deferred until 2022. Primarily because subdivision construction will run late into the fall of 2021,

AND FURTHER BE IT RESOLVED, deferring construction of the north leg of Main Street. Seeking City support to construct this road as a condition of a future phase,

AND FURTHER BE IT RESOLVED, **that administration work with the developer to assist in changes to the land use/zoning to enable the development and financial feasibility of the school site.**

NOTICE OF MOTION CHECKLIST

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion: **Enabling Construction of Calgary Catholic School District Rangeview High School to Commence**

There are two classifications of a Notice of Motion (Check the one that applies):

☒

Regular

☐

X Urgent (Include details in Urgency Rationale box below)

☐

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
Funding for the construction of public schools district submits a capital plan annually to request funding for a number of competing projects through district. All submitted projects must meet certain criteria prior to projects being considered as a year one project.
Purchasing of this site would be coordinated through JUCC per the normal procurement process and this expenditure is expected within the next five years.
Legal / Legislative

N/A
Technical Content
<p>This Capital Plan covering 2019-2022 guides how projects are delivered and assessed. They stem from a Jan. 24, 2018 session for strategic planning and visioning and include: Their goals include, creating an optimal learning environment for all students, exploring growth opportunities where possible and remaining agile and assess dynamic changes in the educational environment.</p> <p>As detailed on page 2, the Rangeview high school is listed as a Year 3 2021–2022 Priorities.</p> <p>This Notice of Motion would allow the Calgary Catholic School District to prioritize this school as a year 1 project, and remedy the increased need for High Schools in the Southeast area.</p> <p>Three Year Capital Plan 2019-2022: https://www.cssd.ab.ca/AboutUs/ReportsandPublications/Documents/ThreeYearCapitalPlan_2019-2022.pdf</p>
Procedural (Including reasons for confidentiality)
N/A
Other Considerations
<p>The Calgary Catholic School District is facing limits in available High School space across the City of Calgary as a whole, with additional High School space required in Southeast Calgary,</p> <p>Calgary Catholic School District has reviewed their High School Accommodation Strategy over the next 5 years. They will require additional high school spaces above and beyond those they currently have.</p> <p>Based on historical growth rates, they are currently expecting to have a district wide high school utilization of 102% (number of students/ number of spaces) by 2024-2025</p> <p>Rate means they will be operating above 100% utilization city wide (significant concern for CSSD, recently opened proximal high school, All Saints, predicted to be operating at 134% utilization during this time.)</p>

Should be noted that planning for this site was undertaken almost 20 years ago

Projected to serve the needs of Calgary high school students and specifically those living within proximate communities which may include Auburn Bay, Mahogany, Seton, the remaining Rangeview ASP and Ricardo Ranch ASP areas.

Due to financial situation developers

The economic conditions faced by businesses in Calgary during these times means we must make considerations when needed. The Rangeview High School's servicing costs are \$10,707,000 of which \$6,895,000 are City fees and Levies. It does not make sense to expect developers to expend this sort of money and have a site sit idle.

Urgency Rationale

N/A

Councillor Conduct in Other Wards Policy

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council adopt the Councillor Conduct in Other Wards Policy, set out in Attachment 1.

HIGHLIGHTS

- The Councillor Conduct in Other Wards Policy (the Policy) aims to provide clear and flexible rules governing Councillor conduct that respect and balance overarching principles regarding City governance and ward representation.
- The Policy benefits Calgarians, because it provides clarity as to the appropriate conduct of Councillors in relation to wards, or constituents in wards, other than the one they represent.
- In 2016 Council unanimously approved Notice of Motion NM2016-17, which requested that the Ethics Advisor develop a code of conduct to address activities of Councillors in communities that are not currently in their ward boundaries, in particular due to ward boundary changes for the upcoming election. The Proposed Ethical Guidelines for Councillor Conduct in Relation to Other Councillor's Wards (Guidelines) was adopted by Council in September 2016.
- The Guidelines expired with the last election on October 16, 2017.
- In 2018, Council adopted the Code of Conduct for Elected Officials Bylaw (26M2018) (Code of Conduct Bylaw). The Code of Conduct Bylaw and the *Municipal Government Act*, RSA 2000, c. M-26 do not consider or direct the duties and obligations of Councillors in relation to wards.
- Strategic Alignment to Council's Citizen Priorities: A well-run city

DISCUSSION

Greater clarity was sought, in the lead-up to the 2017 General Election about activities and involvement of Councillors in relation to other wards, in particular due to changes in ward boundaries. The Guidelines developed were applicable between September 2016 when the Guidelines were approved and the time of the election in October 2017. Some provisions only applied until the *campaign period* as defined in the Code of Conduct Bylaw as "the period commencing the first of June immediately preceding a general election and ending on the day of the general election" (s. 3(a)).

Councillors owe fiduciary duties to act in the best interests of the City. They must govern in the interests of the municipality as a whole. At the same time, the existence of wards creates a system of local representation within Council. That a Councillor ought not to sacrifice the interests of the City as a whole to those of his or her ward does not diminish the importance of the Councillor's representation of the interests of his or her ward, generally and in relation to the Calgarians who live within the ward. Further, a Councillor must be given the ability to discharge that representative duty without improper interference from another Councillor, or without the residents of the ward

Councillor Conduct in Other Wards Policy

seeking to undermine the Councillor's pursuit of the ward's interests by pitting one Councillor against another.

Those concerns are heightened during a ward boundary change simply by virtue of the fact that many Calgary communities now have both a current Councillor, and a Councillor who may be seeking to represent their interests in the future.

A Policy must, therefore, draw an appropriate line between allowing a Councillor to represent the interests of the City, including those of Calgarians in other wards, while also allowing a Councillor to represent effectively the interests of the ward they currently represent. The place that line ought to be is likely different for a pre-election year where there has been a significant ward boundary change.

Proposed Policy***Scope***

In the event that there are future boundary changes, and for greater clarity and efficiency, it is proposed that this Policy is applicable during the *campaign period* as defined in the *Local Authorities Election Act*, RSA 2000, c L-21, which is currently for the period of January 1 to December 31 in the year in which an election is held (s. 147.1(1)(b)). The effect of this would be that this Policy would not need to be re-introduced to Council for approval in relation to future elections.

Summary of Each Policy

The objective and rationale for the Policy is the same as the Guidelines and is below.

Public Events

There is no prohibition on attending a public event in another Councillor's ward. Many public events in a ward address matters that have citywide impact, such as development of city infrastructure, transit or bike paths. This may even be true of ostensibly ward-specific developments. Other public events are simply events open to the public, such as the Calgary Stampede, the theatre, or a football or hockey game.

Some ward events are, however, exclusively related to local or ward-specific matters of city governance. An event of that type would include, for example, a community association hosted town hall regarding a proposed ward-limited development, a facility renovation or a facility closing.

Issues may arise where a Councillor attends an exclusively local or ward-specific event, even if that event is public. Particularly given the change in ward-boundaries, it is possible for constituents to be unclear as to who is representing their interests. It is also possible for the outside Councillor to undermine the effectiveness and clarity of communications by the representing Councillor to ward constituents. It may also be more difficult for the representing Councillor to obtain information from ward constituents, since the constituents may speak to the outside Councillor instead of to the representing Councillor.

For that reason, the Policy provides that a Councillor may attend public events in another Councillor's ward. However, if the event is local or ward-specific in focus, they must inform the Councillor responsible for the ward that they will be attending. There are provisions for outside

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Councillors to follow when communicating with constituents at the event. If a Councillor is uncertain as to whether an event is local or ward-specific they should seek advice from the Ethics Advisor.

The rules relating to attendance at public events expires on May 31 in an election year with the commencement of the *campaign period* defined in the Code of Conduct Bylaw.

City or Ward Governance Private Events

Councillors attend events in their wards to which the public is not invited, and at which matters of city or ward governance are discussed. Events of that type would include Community Association or Business Revitalization Zone governance meetings. If an outside Councillor attends a private event on matters related to City or ward governance it creates a material risk of constituent confusion and of undermining the representation of a ward by the representing Councillor, particularly if the representing Councillor is not in attendance at the event. The representing Councillor may not learn of constituent concerns, they may not be able to communicate effectively with constituents, and constituents may receive mixed messages from the different Councillors. These risks are more significant than those arising from a public event by virtue of the private nature of the communications that take place. Unlike public events, these risks may arise up to the point of the next election, and in relation to citywide matters, not just ward-specific matters. A Councillor's representative function includes learning about and taking into account the interests of organizations within a ward in relation to citywide matters as well as ward-specific matters.

It should be noted, however, that these risks do not arise for all or even many private events. Many private events do not relate to city or ward governance. For example, a private party or even a campaign fundraising event organized for the Councillor that occurs outside the boundaries of the Councillor's ward, do not raise issues of city or ward governance.

The Policy provides that an outside Councillor will not attend city or ward governance private events without the permission of the representing Councillor. A Councillor who is uncertain as to whether a private event is a city or ward governance event should seek advice from the Ethics Advisor.

Campaigning

In a Councillor's ward they may engage in activities that would not, prior to the election period, necessarily be viewed as campaigning. A representing Councillor would be expected to undertake activities such as door knocking, phone calls and mail outs as part of his or her representation of the interests of the ward. Theoretically, a Councillor could undertake such activities in an area outside of his or her own ward as part of his or her representation of the interests of the City as a whole. Doing so would, however, be unusual. It is also likely to lead to confusion on the part of the person contacted in that way. It creates a material risk of undermining the representation of a ward by the representing Councillor.

The Policy provides that an outside Councillor will only engage in such activities as part of his or her election campaign, and in accordance with all the rules governing such campaign activities, particularly the Code of Conduct Bylaw. If during the course of doing so, a constituent raises ward specific issues, the outside Councillor ought to refer those issues to the representing

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Councillor. In addition, prior to May 31 of the election year the outside Councillor must inform the representing Councillor of the campaign activities being undertaken.

Communication

The issue of Councillors receiving requests for assistance from constituents in other wards is not unique to Calgary nor to the change in ward boundaries. It may, however, be heightened during the period where ward boundaries are in flux, since constituents may be more likely to contact the Councillor who could be representing their community after the next election.

A Councillor receiving requests from constituents in another ward ought to direct the requestor to the representing Councillor absent a good reason for the outside Councillor to respond to the request. A good reason would involve an unexplained or unjustified refusal of the representing Councillor to assist the requestor, an undue delay for the representing Councillor's response, or something equivalent. It would not include that the constituent or outside Councillor simply did not agree with the response of the representing Councillor.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

ATTACHMENT

1. Proposed Councillor Conduct in Other Wards Policy

Council Policy

Policy Title: Councillor Conduct in Other Wards Policy
Policy Number: Assigned by the City Clerk's Office
Report Number: PFC2020-1378
Adopted by/Date: Council / Date Council policy was adopted
Effective Date: Date adopted or later as directed by Council
Last Amended: N/A
Policy Owner: Integrity and Ethics Office

1. PURPOSE

The Policy provides direction to Councillors in relation to their activities or involvement in another Councillor's ward.

The Policy reflects and balances two central principles of City governance: 1) a Councillor governs in the interests of the municipality as a whole; 2) a Councillor must be able to represent the interests of his or her ward fully and effectively. The specific provisions in the Policy should be understood in light of these governing principles, as well as in light of the explanations set out in the Report.

Failure to follow the Policy could lead to a complaint about the Councillor to the Integrity Commissioner. Where a Councillor is uncertain as to the scope and application of the Policy, they are encouraged to seek confidential advice from the Ethics Advisor.

2. DEFINITIONS

In this Council Policy:

- a. "Outside Councillor" means a Councillor attending, communicating or otherwise dealing with, a ward, or residents of a ward, other than the one that Councillor was elected to represent.
- b. "Representing Councillor" means a Councillor elected to represent the ward and residents of the ward the Outside Councillor is attending, communicating or dealing with.

3. APPLICABILITY

The Policy applies from the beginning of the *campaign period* as defined in the *Local Authorities Election Act*, RSA 2000, c L-21 until election day, except to the extent that specific provisions in this Policy direct otherwise.

4. PROCEDURE

Part One: Local or Ward-Specific Public Events

1. This Part applies only to Local or Ward-Specific Public Events.
2. Local or Ward-Specific Public Event means a public event, meeting, town-hall, discussion or like gathering involving matters or issues that have no material impact outside ward boundaries.
3. An Outside Councillor must inform the Representing Councillor when attending a Local or Ward-Specific Public Event.
4. The Outside Councillor must, where necessary to avoid confusion, make it clear that they are attending the Local or Ward-Specific Public Event as an observer, and not as the ward representative.
5. Where a constituent at the event raises concerns about local or ward-specific issues with the Outside Councillor, the Outside Councillor will refer those concerns to the Representing Councillor where doing so would assist the Representing Councillor to discharge his or her representative function.
6. Where a constituent at the event asks for assistance with local or ward-specific issues, the Councillor must refer the constituent to the Representing Councillor, subject to Part Six: Communication.

Part Two: City or Ward Governance Private Events

1. This Part applies only to City or Ward Governance Private Events.
2. City or Ward Governance Private Event means an event to which the public is not invited, that occurs in the ward of a Representing Councillor, and which addresses or discusses matters of city or ward governance.
3. An Outside Councillor will not attend a City or Ward Governance Private Event without the permission of the Representing Councillor.
4. If an Outside Councillor does attend a City or Ward Governance Private Event, and a constituent at the event raises concerns about local or ward-specific issues with the Outside Councillor, the Outside Councillor will refer those concerns to

the Representing Councillor where doing so would assist the Representing Councillor to discharge his or her representative function.

5. If an Outside Councillor does attend a City or Ward Governance Private Event, and a constituent at the event asks for assistance with local or ward-specific issues, the Councillor must refer the constituent to the Representing Councillor, subject to Part Four: Communication.

Part Three: Outside Councillor Campaigning

1. An Outside Councillor may only engage in activities such as visiting residences, sending mail outs, or otherwise communicating with constituents they do not currently represent, but is or will be seeking to represent, in accordance with legislation and policies governing election activities, and in particular the Code of Conduct for Elected Officials Bylaw (26M2018) (Code of Conduct Bylaw).
2. If during the course of these campaign activities, a constituent raises concerns about local or ward-specific issues with the Outside Councillor, the Outside Councillor will refer those concerns to the Representing Councillor where doing so would assist the Representing Councillor to discharge his or her representative function.
3. If during the course of these campaign activities a constituent requests assistance with local or ward-specific issues, the Councillor must refer the constituent to the Representing Councillor, subject to Part Four: Communication.
4. Prior to the *campaign period* defined in the Code of Conduct Bylaw, the Outside Councillor must inform the Representing Councillor about any campaign activities in the Representing Councillor's ward.

Part Four: Communication

1. A Councillor may respond to or provide assistance to any Calgarian on issues, matters or concerns with implications that are city-wide or extend beyond the boundaries of a given ward, or that arise out of the Councillor's official role on City Committees or outside bodies (such as the Calgary Police Commission or the Enmax Board).
2. Where an Outside Councillor is asked to assist with a local or ward-specific matter, the Outside Councillor will first refer the requestor to the Representing Councillor.

3. If the requestor has already contacted the Representing Councillor, the Outside Councillor may consider assisting the requestor on a local or ward-specific matter.
4. An Outside Councillor will only assist with a local or ward-specific matter where the Outside Councillor determines, based on discussion with the requestor and an independent assessment of the circumstances, that there is good reason to do so.
5. A good reason for an Outside Councillor to provide assistance on a local or ward-specific matter would involve an unexplained or unjustified refusal of the Representing Councillor to assist the requestor, an undue delay in the Representing Councillor's response, or something equivalent thereto. A good reason would not include that the constituent or Outside Councillor simply did not agree with the response of the Representing Councillor.
6. The Outside Councillor will inform the Representing Councillor that they are assisting the requestor. If the Representing Councillor at any point indicates a willingness to assist the requestor, the Outside Councillor will re-assess whether there is a good reason to continue to do so.
7. The Outside Councillor's assistance must be provided in accordance with the City protocols and practices governing Councillor assistance to constituents.

5. **AMENDMENT**

Date of Council Decision	Report/By-Law	Description

6. **REVIEW**

Date of Policy Owner's Review	Description

2021 Government of Alberta Budget Submission

RECOMMENDATION(S):

That the Priorities and Finance Committee requests the Mayor submit a letter based on Attachment 1 to the Minister of Treasury Board and Finance as The City of Calgary's recommendations for the Government of Alberta Budget 2021.

HIGHLIGHTS

- Advocating to the Government of Alberta for The City's priorities may result in greater success in obtaining funding for essential programs and services.
- What does this mean to Calgarians? A budget letter is a way for The City of Calgary to formally ask the Government of Alberta to consider The City's priorities when it develops the next provincial budget.
- Why does it matter? The City relies on Government of Alberta funding for many essential programs and projects.
- The City's budget priorities are all items that have previously been advocated to the Government of Alberta: Affordable Housing; Downtown Strategy; Assessment Reform / Fiscal Reform.
- On 2020 November 12, the Intergovernmental Affairs (IGA) Committee directed "Administration to reframe this report as per today's discussion and present it to the Priorities and Finance Committee as soon as possible" regarding IGA2020-1232.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city

DISCUSSION

The Government of Alberta will table a budget in February 2021. Public consultation was launched on 2020 October 14. Input will be gathered through an online survey, three telephone town halls in November, a "build a budget" tool, and open submissions by email. Consultation will close on 2020 December 4.

The Mayor customarily submits a letter on behalf of The City so that its views can be considered as part of the budget development process.

Proposed content for the budget letter was presented to Intergovernmental Affairs (IGA) Committee on 2020 November 12. IGA's discussion centred around the letter's need to highlight the current health and economic crisis, as well as to ensure that current funding commitments, particularly for critical capital projects, are maintained in a climate where cuts are likely. IGA Committee then directed "Administration to reframe this report as per today's discussion and present it to the Priorities and Finance Committee as soon as possible."

As per IGA's discussion, proposed content for the budget letter has been revised (Attachment 1). Given the ongoing COVID-19 crisis and a significantly difficult economic situation in Calgary, and Alberta, items in The City's budget letter focus on areas of urgent need and items where previous requests or commitments have been made:

- 1) Continued investment in capital projects, including flood mitigation and Green Line
- 2) Capital dollars for new affordable housing
- 3) Continued investment in critical social programs
- 4) Support for the downtown strategy
- 5) Assessment reform / fiscal reform

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Priorities and Finance Committee
2020 December 1**

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2021 Government of Alberta Budget Submission

Once finalized, the letter will be sent to the Minister of Treasure Board and Finance.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☒ Stakeholder or customer dialogue/relations were undertaken

Content for the budget letter was compiled in consultation with subject matter experts across The City.

IMPLICATIONS

Social, Environmental and Economic Implications

The identified advocacy priorities include items that promote social wellbeing (affordable housing); and the economy (downtown strategy and assessment / fiscal reform).

Service and Financial Implications

Advocating for The City's provincial budget priorities may result in greater success in obtaining the operating dollars needed to fund programs and projects that are critical to Calgarians.

RISK

There is no identified risk in making a budget submission to the Government of Alberta.

ATTACHMENT

1. Revised Proposed Content for the Government of Alberta Budget Submission

Department Circulation

General Manager	Department	Approve/Consult/Inform
Katie Black	Community Services	Inform
Michael Thompson	Green Line	Inform
Doug Morgan	Transportation	Inform
Stuart Dalgleish	Planning and Development	Inform

REVISED Proposed Content for Government of Alberta Budget Submission

As the end of 2020 approaches and 2021 is on the horizon, The City of Calgary remains in a difficult position. The COVID-19 pandemic has created a crisis like no other we have seen in recent history, and there are no quick and easy solutions. Our citizens and our budgets are under significant stress with no signs of this abating any time soon. As the order of government closest to citizens on a daily basis, the demand for many City services has never been greater, while our revenue streams have diminished.

In the coming weeks your government will be making difficult budget choices. In recognition of this challenge, The City's budget requests are items that we view as most urgent in helping us weather an increasingly intense storm. We seek assurance that previously committed capital funding, including that for important projects like flood mitigation and Green Line, remains committed. We also need your government's support to provide permanent homes for our most vulnerable, fund much needed social services, keep our downtown alive, and to join us in a discussion on how we can work together to resolve long standing assessment and fiscal challenges.

Flood Mitigation

Despite significant progress, Calgary remains at risk of flooding from both the Bow and Elbow Rivers. Your government's continued work and funding of several flood mitigation projects is vital.

Support through Alberta Community Resilience Program (ACRP) has already helped towards reducing Calgary's \$173M/year flood risk. This includes the recently-completed upgrades to the gates at the Glenmore Reservoir. There are two additional critical ACRP projects including the Upper Plateau project and the Downtown Flood Barrier that are key to protecting Calgary's downtown. These two projects are underway, and your government's continued funding commitment is crucial to ensure that these projects are completed to protect Calgary's downtown and communities.

In its 2020/21 budget your government committed \$196.3M over three years towards Springbank Off-Stream Reservoir (SR1), which will soon go to regulatory hearing with the Natural Resources Conservation Board. This funding must remain in place and the project must be approved and constructed as soon as possible. SR1 is vital to ensure that a flood similar to 2013 on the Elbow River can be mitigated through Calgary. The City estimates that SR1, when completed, will reduce flood risk by a further \$27M/year. Failure to construct SR1 will result in further decades delay to mitigate flooding on the Elbow River, leaving homes and most of Calgary's downtown at risk.

Additionally, flood risk on the Bow River cannot be mitigated through barriers or community measures in Calgary alone. A new reservoir upstream of the Bow River is necessary to address flood risk to communities along the length of the Bow River. Your government is also examining the project from a water supply perspective, and we support continuing this work towards ensuring that the Calgary

region, which historically has been at risk of drought, will be resilient to both flooding and water supply issues resulting from climate uncertainty now and in the future.

Affordable Housing

The COVID-19 pandemic has created a three-part health, social and economic crisis highlighting the importance and need for housing as a solution to all three parts. Housing addresses the health crisis by providing safe accommodation that allows for social distancing. Housing addresses the social crisis by providing stability for vulnerable Calgarians. And, housing addresses the economic crisis by stimulating the private construction and real estate sectors.

The strain of the economic crisis has amplified existing non-market housing challenges in Calgary. More than 100,000 households are forecast to be in housing need by 2025. Over the course of the pandemic, The City collaborated with more than 40 housing sector stakeholders to facilitate the COVID-19 Community Affordable Housing Advocacy Plan for Calgary. The Plan proposes a multi-sector approach to create 5,400 new affordable homes, including supportive housing spaces, over three years.

The Plan would move Alberta towards eliminating functional homelessness and will leverage federal investment to address Calgary's supply gap. The Plan highlights the urgency of housing as a key factor underpinning individual and community health in the context of COVID-19, and focuses on: stimulating Calgary's struggling economy through the activation of stranded building assets; the immediate build of 22 shovel-ready non-profit projects; and, support for the construction, tourism development and real estate sectors. These 22 projects include The City's own pending capital request with the Ministry of Seniors and Housing.

An immediate residential construction investment of \$450M across the identified 22 non-profit affordable housing construction projects will create 2,800 jobs, with overall economic activity generated in the region of \$765M. In addition to these significant economic boosts, ending homelessness saves public systems \$70K to \$135K per person, per year. For Calgary, housing 600+ individuals who are currently homeless would result in system savings of between \$42M - \$81M per year.

The Calgary COVID-19 Housing Provider's Committee is advocating for a one-time Provincial capital investment of \$268.7M into Calgary's non-market housing sector which will improve the lives, and resiliency of vulnerable Albertans. Of this, \$118.7M would be immediately invested into 22 shovel-ready capital projects with \$150M used to increase access to housing for 3,000 Canadian families living in Calgary over the next four years. Approximately two-thirds of the 5,400 homes would not require ongoing support after the initial capital outlay; however, to support organizations in sustaining and operating the increase in supportive housing supply, up to \$29.75M will be required annually by year 4.

Green Line

The City appreciates the Government of Alberta's ongoing commitment to the Green Line project, including maintaining an ongoing capital budget allocation of \$1.53B. We also appreciate that Calgarians and all Albertans expect that we will continue to conduct the necessary due diligence when it comes to this jointly funded project. As we publicly communicated to Minister McIver earlier this fall, we will continue to honour the principles of trust and transparency with our funding partners. Our team is ready and willing to continue to work together so that all partners, and all Canadians, are comfortable that this project can be delivered effectively and efficiently.

We therefore urge you to direct your officials to engage with us immediately to address any outstanding concerns your government may have. Any further delay in this project risks the creation of 20,000 direct and indirect jobs in Calgary, jobs that are badly needed in the current economic climate. The ongoing delay also risks leaving a federal contribution of \$1.5B on the table at a time when we are all looking for the Government of Canada to support an ailing Alberta economy. Lastly, the continued delay generates uncertainty and risk aversion among our private sector partners, risking our shared efforts to create the conditions for economic growth and to attract, retain and expand investment in Alberta.

For this reason, The City would like to see the budget continue to signal a firm commitment to the project, but also to work constructively and with due haste to resolve any outstanding questions and move forward with this important investment in Calgary and Calgarians.

Capital Spending

The City of Calgary recognizes the challenging economic circumstances facing the Government of Alberta, including record-low resource revenues and rising expenditures related to COVID-19. These are the same challenges facing The City, and so we also know that the province faces some difficult choices. While weighing these choices, we strongly urge the Government of Alberta to leave infrastructure spending intact. This type of investment has not only long-term benefits for the local economy, but also immediate stimulus impacts at a time when jobs are most needed.

If, however, the province is considering reductions or reallocations of infrastructure commitments, we would like to remind you that The City of Calgary (along with The City of Edmonton) has already seen reductions in infrastructure spending not experienced in other Alberta municipalities. After a decade of reducing and deferring MSI commitments for all municipalities, Alberta's two largest cities have received significantly lower funding relative to other municipalities starting in 2018. Similarly, beginning in 2022/23, once MSI has run its course, the big cities' base allocation in the Local Government Fiscal Framework has been reduced from earlier commitments. In addition to these capital reductions, other commitments have been delayed for several years, including much needed contributions to the big cities' LRT expansions. In the short-term, further reductions or deferrals of big cities' capital funding will cost jobs and lead immediately to increased borrowing costs for the construction of essential

infrastructure. Longer-term, it will cost economic growth as other economic and social infrastructure is itself cancelled or delayed.

Funding for Community and Social Services

Given the tremendous increase in social issues caused by the pandemic, investing in prevention social services will be critical for years to come. Investment now will reduce the need for more costly interventions in the future.

Municipalities have a three-year funding agreement with your government for 2020-2022, with The City of Calgary receiving \$29.7 million annually. The continued commitment to multi-year funding focused on prevention helps with mid to long term planning for upstream, preventative programs and services in the social services sector. This stability will also encourage collaboration and coordination through existing or new partnerships to address local needs efficiently and effectively.

Low-Income Transit Pass

The Low-Income Transit Pass is one of The City's key initiatives in supporting Calgarians through the economic downturn. In 2019, more than 72,000 low-income Calgarians accessed the program, including 32,000 persons receiving income support benefits (Alberta Works and AISH). While transit use has decreased in 2020, over 25,000 low-income Calgarians continue to access the program monthly, of which 40 per cent are income support recipients.

The Low-Income Transit Pass will continue to be an important piece of Calgary's economic recovery. Customers have told us that not only does it provide a reliable and economical way to get to work, school, medical appointments and other places in the community, but when they spend less money on basic transportation, they have resources to spend on other essential items, such as groceries and rent. In this way, the Low-Income Transit Pass strengthens their purchasing power and boosts the local economy. Our funding agreement is until 2023 and we value your government's continued commitment to this program.

Downtown Strategy

The COVID-19 pandemic has been particularly hard on Calgary's downtown, which was already struggling with the economic downturn. Its vitality has continued to diminish as people work from home and cultural events remain shuttered.

And yet, downtown is the economic and cultural heart of Calgary, and when our downtown thrives, so does the rest of the city. It's vitally important for The City and the community to invest its support in planning and creating a liveable, thriving and caring core. To help support Calgary's economic recovery,

we've created a downtown strategy that brings together our civic and community partners through coordinated and collaborative work. We encourage the Government of Alberta to partner with and invest in our efforts to supporting Alberta's entrepreneurs and job creators, attracting investment, growing trade, strengthening Alberta's key sectors and ensuring Alberta has an innovative and competitive business environment. Investment in The City's Opportunity Calgary Investment Fund is one way the province could immediately support our downtown while delivering on our shared commitment to economic diversification. Similarly, sponsorship of downtown-based events like the Chinook Blast festival will help bring people into the core and support local businesses.

I would also like to extend an invitation to your government to appoint a representative to The City's Economic Resilience Task Force, comprising local business leaders and other community members, and charged with identifying how they and The City can support economic recovery, a task that can only be achieved in collaboration between all orders of government.

Assessment Reform & Broader Reform of the Fiscal Framework

As you know, and despite our efforts to support the downtown, the massive erosion in the value of Calgary's downtown office towers has resulted in a corresponding shift in property taxes to businesses outside the downtown core. This has only been exacerbated by the COVID-19 pandemic as many office workers continue to work from home. The City has used every tool at its disposal to address this challenge, making significant reductions to our operating budget, allocating hundreds of millions of dollars to cap business tax increases, and redistributing the tax burden between homeowners and businesses.

But the real source of the problem is beyond our control. The City is therefore calling on your government to engage The City in conversations about legislative reforms to the provincial law that establishes the annual market value assessment system to ensure greater fairness, consistency and transparency for businesses and citizens. Given that the challenges facing municipalities in this province vary from place to place, we would also urge your government to consider using the City Charter to pursue these conversations and changes.

At the same time, we would also urge your government to engage in broader conversations about fiscal reform. The COVID-19 pandemic has exposed fundamental cracks in the intergovernmental fiscal framework. The massive operating gap created in The City of Calgary is a symptom of The City's over-reliance on a single source of revenue even while responsibilities have continued to expand. The provincial contribution to close this gap in 2020 is an important and appreciated effort, but the challenges will continue into 2021 and beyond. We can either continue to paper-over these challenges with band-aid solutions, or we can start a conversation about more meaningful change to address the root cause. We are calling on your government to join us at the table with the Government of Canada in a conversation about this real reform. We believe that this is the moment to invite the Government of Canada into such a conversation. The Government of Canada is seized with need to "build back better" as we emerge from the pandemic, and we believe is compelled to do something particularly distinctive

here in Alberta. A tripartite conversation about the intergovernmental fiscal framework would be an opportunity for us all to build local solutions that could serve as an example for other parts of the country.

In closing, this is as rough a storm as we have ever weathered. These items are not new requests, and not all of them involve new money, but rather thinking and working together differently. I ask that you carefully consider these items as they would have significant impact in helping Calgary recover from this difficult situation and position Calgary, and in turn all of Alberta, towards a more resilient and prosperous future.

Government of Canada Direct Borrowing Relationships

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council:

1. Direct Administration to continue to advocate for support from other orders of government, including building on existing opportunities to access Government of Canada financing.

HIGHLIGHTS

In response to Council direction to advocate to the Government of Canada to create a new direct borrowing relationship with The City and explore what options are available to achieve preferred interest rate loans with a formal plan to establish these relationships (C2020-0885):

- The Government of Canada does not currently have a program that would provide relief for municipal and provincial taxpayers through favorable loans to municipalities, but Administration has identified federal crown corporations and organizations that administer federal funds that The City can borrow capital funds from.
- Administration has developed relationships with these crown corporations and organizations that administer federal funds to further understand what options are available to The City and to potentially secure capital specific financing in the near-term.
- **What does this mean to Calgarians?** Alternative or potential sources of additional funding through low cost financing will permit The City to complete unfunded projects or reduce operating costs due to decreased debt servicing costs. These incremental savings could be reallocated to other services to Calgarians.
- **Why does it matter?** This will demonstrate The City's innovation and resourcefulness in leveraging a broader network of industry experts and partners to secure alternative funding sources and make informed decisions.
- Intergovernmental Affairs has been advocating for funding from the Government of Canada through 3 different streams: Bilaterally, Federation of Canadian Municipalities (FCM), and Big City Mayors' Caucus (BCMC).
- The Canada Infrastructure Bank (CIB), a federal crown corporation, has been engaged with The City, since its inception on various initiatives. Administration has relationships with CIB and continues to advocate on The City's behalf to assess the viability to secure funding for projects that fit within the bank's mandate.
- Canada Mortgage and Housing Corporation (CMHC) is leading and delivering the National Housing Strategy and Rapid Housing federal initiatives. Administration is currently exploring options within various streams of funding for affordable housing developments.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

Government of Canada Direct Borrowing Relationships

DISCUSSION

Intergovernmental Advocacy

Between the onset of the COVID-19 pandemic and 2020 September 30, The City's advocacy with the Government of Canada has been directed at emergency operating support for unrecoverable losses incurred as a result of the pandemic.

The City's advocacy has pressed for a more direct financial relationship with the Government of Canada. The City's COVID-19 advocacy strategy included, as its fifth pillar, calls for a "new deal" for cities in recognition that the existing fiscal framework does not align with the roles and responsibilities that big cities are expected to provide. This message has been central to the Mayor's engagement with federal ministers but has also been communicated at the Administrative level. The City has also called for a direct relationship with the federal government as a member of FCM and BCMC. Most frequently this has taken the form of calls for the expansion of mechanisms like the Gas Tax Fund, which provides capital support to The City in the form of grants that flow more-or-less directly to The City.

Through the FCM and BCMC, The City has also advocated for further investments in the Green Municipal Fund which, although operated by FCM, provides access to federal grants and loans directly to municipalities.

Moving forward, Administration will continue to advocate for ongoing improvements to the direct funding and lending relationship with the Government of Canada, using existing and emerging advocacy platforms. For instance, the City Manager is currently working with his counterparts in Canada's six largest cities through the Big City Executive Partnership to build stronger relationships with senior officials in the Government of Canada. As part of this work, there will be opportunities to discuss the structural challenges of the existing fiscal framework as well as areas for improvement including changes to the lending relationship with the Government of Canada.

Canada Infrastructure Bank

The CIB was established in 2017 and provides a unique opportunity for cities, provinces, territories, indigenous and private sector investors to plan, finance and deliver infrastructure projects differently. CIB does not offer grant funding, it is financing that will require funding sources to be identified and approved for any projects. The screening criteria for CIB are:

- Is the project within the public interest?
- Is the project within the four priority sectors?
- Will the project generate revenue?
- Is there potential to attract private capital?
- Is there long-term private sector risk transfer?
- Is the project greater than \$300M?

The Infrastructure Calgary team is expected to present a report to Council by Q2 2021 to indicate all the potential projects that may fit within CIB's investment criteria. Administration has maintained a relationship with the CIB since its inception, which has included various

Government of Canada Direct Borrowing Relationships

engagements with the bank to assess whether certain City projects meet the mandate of the CIB and to discuss high level financial analysis, procurement options, private sector interest and timelines.

On 2020 October 1, the Government of Canada announced a change in the form of the new Canada Infrastructure Bank Growth Plan to invest \$10B in five new areas. The City will continue to work with CIB to identify opportunities for partnership.

Moving forward, the Corporate Finance team is planning an enterprise wide project screening process, potentially in conjunction with the current P3 screening process to assist with evaluation under CIB's criteria. It is anticipated this screening process will be implemented by 2021 December 31.

Canada Mortgage and Housing Corporation

A part of the National Housing Strategy, CMHC provides funding through various streams such as the National Housing Co-Investment Fund (NHC Fund) for both new construction and repair and renewals, the Affordable Housing Innovation Fund, Rental Construction Financing, and Rapid Housing Initiative. These programs offer grants, low-cost loans, forgivable loans or a combination to advance the National Housing Strategy's federal initiatives.

Administration is exploring various options to secure funding and financing with CMHC. A detailed report requesting approval is expected to be presented to Council in Q1 2021 with regards to funding affordable housing.

Moving forward, The City continues to advocate for and seek funding and financing options from the federal and provincial governments to complete project budgets.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder dialogue/relations were undertaken

Not Applicable

IMPLICATIONS

Social

There are no social implications anticipated to be associated with implementing this recommendation

Environmental

There are no environmental implications anticipated to be associated with implementing this recommendation

Economic

Not Applicable

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2020 December 1**

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Government of Canada Direct Borrowing Relationships

Service and Financial Implications

No anticipated financial impact

No anticipated financial impact at this stage.

RISK

No risks are identified at this stage.

ATTACHMENT(S)

1. Attachment 1 - Previous Council Direction, Background

Department Circulation

General Manager	Department	Approve/Consult/Inform
Chris Arthurs	DCMO	Inform
Katie Black	Community Services	Inform

Background

Financial Relief for Taxpayers

Context

Reductions in tax penalties causing an expected \$560 million cash shortfall resulting in reduction in investment income by an estimated \$1-\$2.5 million.

Previous Council Direction

On 2020 July 27, Council directed Administration to report back to Council no later than Q4 2020 to advocate to the Government of Canada to create a new direct borrowing relationship with The City and explore what options are available to achieve preferred interest rate loans with a formal plan to establish these relationships.

Established Area Growth and Change Strategy Phase 2 Update on Financial Tools and Strategies

RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council receive this report for the Corporate Record.

HIGHLIGHTS

- This report provides Administration's update on Financial Tools and Strategies for the Established Area and is being provided in response to Council's direction for Administration to provide an update in 2020 Q4 (PFC2020-0381).
- What does this mean to Calgarians? Funding tools and financial strategies will help create consistency, certainty and equity for the funding of established area improvements and enable redevelopment and change in established communities. This will require infrastructure upgrades and public realm improvements to support communities and main streets in being vibrant, desirable places as growth occurs.
- Why does this matter? Supporting growth in the established area of Calgary requires sustainable funding sources to meet the goals and objectives of the Municipal Development Plan.
- This report provides an update on established area public realm investment projects and utility upgrades.
- Priority funding tools such as property tax, density bonusing, and a local sized pipe levy have been identified for further review and exploration with the goal of establishing sustainable funding sources for public realm investment and growth-related infrastructure.
- The work outlined in this report is being carried out as part the Established Area Growth and Change Strategy (EAGCS) and will be integrated into the City-wide Growth Strategy Report in 2022. Timelines are provided in this report.
- A working group of internal and external stakeholders has been established to explore and develop the financial tools and strategies discussed in this report.
- Strategic alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included in Attachment 1.

DISCUSSION

Background on EAGCS

The Established Area Growth and Change Strategy was directed by Council in 2018 September (PFC2018-0891), and is part of a group of interconnected planning initiatives that work within Next Generation Planning (Attachment 2) – seeking to meet the goals of the MDP/CTP and successfully plan for two million people. It is the second of the three-part comprehensive city-wide growth strategy that began with the New Community Growth Strategy and includes the Industrial Area Growth Strategy.

The EAGCS is tasked with providing strategic funding recommendations and developing sustainable and consistent financial strategies that will help create more certainty around

Established Area Growth and Change Strategy Phase 2 Update on Financial Tools and Strategies

funding necessary infrastructure and public realm improvements to enable and support redeveloping communities. The following is an update on the progress of the tools and strategies that have been prioritized through discussions with stakeholders and directed by Council as part of Phase 2 of the EAGCS.

One Calgary 2019-2022 Investment in Established Areas

The One Calgary 2019-2022 budget included funding for capital investment in established areas for capital maintenance, capacity upgrades and services, under the service lines of Facility Management, Arts & Culture, Parks & Open Space, Land Development & Sales, Economic Development & Tourism, Public Transit, Streets, Water Treatment & Supply.

There was also \$60 million approved for capital investment in the Main Streets Program (Streets; Sidewalks and Pathways service lines). This work is underway with the first three Main Streets under construction. There is an additional \$301 million of unfunded Main Streets projects that are planned for future years.

In support of anticipated growth, strategic upgrades for water and sanitary utilities along 17th Avenue SW and 33rd Avenue SW were allocated utility funding of \$5.4M and will be delivered as components of the overall construction of the Main Streets program.

EAGCS – \$30M of Phase 1 Public Realm Projects

In 2020 May, through Phase 1 of the EAGCS, Administration, in consultation with stakeholders, identified five multi-community growth areas where it was anticipated that the redevelopment market interest would remain high for the next 1-3 years. Capital projects that would enhance the public realm in these areas and offset growth-related pressures were identified. Council approved a capital budget for \$30 million in 2021 and 2022, funded by the newly created Established Area Investment Fund. The one-time funding will require an on-going replenishment source. In advance of the next budget cycle, a task of the work outlined in this report is to determine a financial strategy to replenish the fund. A list of the EAGCS public realm projects is provided in Attachment 3.

On 2020 February 3, Council approved a minimum of 1% of the favourable budget variance from investment income within Corporate Programs annually until 2026, to be used for the EAGCS (PFC2020-0131). This is the only tool that is currently approved to replenish the Established Area Investment Fund. Administration is considering the most appropriate use of these funds as part of a sustainable funding strategy for the established area.

Progress on the Development of Financial Tools and Strategies

On-going and sustainable funding sources are required for necessary investment in growth related infrastructure and public realm improvements in the established area. Priority funding tools have been identified and while it is early in the process, work is underway on how to best implement these tools. Developing a suite of financial tools and strategies for long term sustainable funding is important to the success of meeting the goals of the EAGCS and the MDP. Developing a variety of tools will ensure that the right tools are available to deliver on various objectives. Depending on the current context including market conditions, rate of growth and redevelopment readiness, the right tools

Established Area Growth and Change Strategy Phase 2 Update on Financial Tools and Strategies

can be used at the time to achieve the desired goals and allow The City to be more nimble.

The following funding tools have been identified as priorities for investigation. Progress and details on each are provided in Attachment 4.

- City budget - property taxes, including property tax uplift pilot
- City budget - Redirecting capital budget savings
- Developer contribution - Funding local-sized water and sanitary pipe upgrades
- Developer contribution - Bonus density

Considering Calgary's current economy, the initial feedback from the stakeholder group is that financial tools that do not add to the cost of development are preferred. Stakeholders have indicated that increased development costs may impact project viability and result in a developer choosing not to move forward with a project.

To move toward the goals of the MDP of increased density and redevelopment in established areas, it is necessary to consider the prioritized use of property tax to fund investments in The City's four-year budget. This is likely to be one of Administration's primary strategies for established areas leading to investment recommendations for the 2023-2026 budget cycle. This strategy will need to consider other City priorities including on-going service delivery, maintenance, asset replacement and upgrades.

EAGCS Phase 2 Work Program Timeline

Much of the work of Phase 2 will occur through 2021 and will include the further development of financial tools and strategies that have been outlined above and prioritized by the Comprehensive Investment Tools (CIT) working group. In addition, parallel working groups will identify priority growth areas for investment recommendations for the next budget cycle (2023-2026) and identify public realm and utility investments within these areas that are well-timed with the anticipated short-term growth and redevelopment. This work will be done as part of the Next Generation Planning System and in conjunction with Main Streets, the Transit Oriented Development (TOD) Strategy, and the multi-community Local Area Plans that are underway. Administration will integrate this into a City-wide Growth Strategy report in 2022, prior to the next budget cycle going to Council. The growth strategy factors of Municipal Development Plan and Calgary Transportation Plan Alignment, Market Demand, Financial Impact will be applied, with the additional consideration of Redevelopment Readiness.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

☒ Stakeholder dialogue/relations were undertaken

The financial discussions in Phase 2 of the EAGCS are supported by a Comprehensive Investment Tools (CIT) Working Group. This 21-member working group is comprised of members from the Community, Business Improvement Areas, Development Industry and Administration, and provides input directly to the EAGCS Advisory Group. The working group is mandated to comprehensively explore and develop financial tools and strategies and consider funding sources to support investment. Feedback has been provided by representatives of the development and building industry through a letter, included in Attachment 5.

Established Area Growth and Change Strategy Phase 2 Update on Financial Tools and Strategies

IMPLICATIONS

Social

The EAGCS initiative supports decision making for policies, strategies, and service plans and budgets that can reflect three of the five principles of The Social Wellbeing Policy: equity, culture and prevention.

Environmental

This work fosters vibrant existing communities in support of an efficient, compact urban form, a goal of the MDP and Climate Resilience Strategy, moving Calgary towards a low-carbon economy.

Economic

Consistency and certainty on funding of infrastructure and public realm will help to encourage redevelopment in established communities. Meaningful investment of the identified \$30 million in areas with opportunities for growth will help encourage economic diversification, job creation and resilience. As the \$30 million was one-time funding, identifying sustainable tools to replenish these funds is critical for supporting established area communities that are experiencing change.

Service and Financial Implications

No anticipated financial impact

There are no financial impacts as a result of this report.

Opportunity cost of pursuing the recommendation

None – receive for information.

RISK

1. **Financial Risk** – The tools being explored may not produce the level of funding necessary to replenish the investment fund. Tax uplift would otherwise go into general tax revenue and fund tax supported City services. Redirecting uplift funds to support infrastructure limits the flexibility in how this revenue can be used. Financial viability of bonus density in low to mid-density communities is uncertain and can be expensive to administer. It is expected that there will be less capital funding available in the near term. There are competing priorities for property tax as a funding source.
2. **Growth Risk** – Ineffective growth planning can impact The City's capacity to deliver and provide infrastructure required for growth occurring in the Established Area. Impacts of a slowed pace of growth and downturn may cause the tools to be less effective.
3. **Infrastructure Risk** – Infrastructure upgrades are required to keep pace with growth and redevelopment within the Established Area. Cost of redevelopment can become unfeasible due to the cost to developers for upgrades.

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Priorities and Finance Committee
2020 December 1**

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**Established Area Growth and Change Strategy Phase 2 Update on Financial Tools
and Strategies**

ATTACHMENT(S)

1. Previous Council Direction, Background
2. Planning Calgary Now and for the Next Generation
3. EAGCS Phase 1 Public Realm Projects
4. Progress on the Development of Financial Tools and Strategies
5. Industry Letter

Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dalglish	Planning & Development	Approve
Carla Male	Chief Financial Officer	Inform
Jill Floen	City Solicitor-General Counsel	Inform

Background

This report provides an update on the development of financial tools and strategies that support investment in established areas of Calgary. This work is underway as part of Phase 2 of the Established Area Growth and Change Strategy. Investment considerations and recommendations would be prepared for Council's consideration as part of the Citywide Growth Strategy anticipated in 2022 in alignment with the 2023-2026 business plan and budget. This citywide strategy considers the established area as well as the New Community Growth Strategy, and the Industrial Area Growth Strategy.

Context

An Industry/City Work Plan was created in 2016 as follow up from the 2015 Off-Site Levy review initiative. This work plan included several strategies to support the land development industry in addressing some of their specific challenges. One of the initiatives was called the Established Area Strategy, where Administration worked directly with Industry stakeholders to reduce barriers to redevelopment. This work identified the need for The City to actively and intentionally support existing communities that are growing and redeveloping with investment in capital assets, such as infrastructure and public realm.

The next iteration of this work was the Established Area Growth and Change Strategy, which was scoped in 2018 (PFC2018-0891) and was directed by Council to return with recommendations by the 2020 mid-cycle adjustments to the One Calgary business plan and budget. This initiative included broader stakeholders, including both community and business representatives. Phase 1 of this work provided recommendations in 2020 May (PFC2020-0381) for both public realm and infrastructure investment in 2021-2022. This was funded by Council through a Notice of Motion (PFC2020-0131) by providing \$30M for public realm improvements, and \$5.4M budget allocation within Water Resources to fund three utility upgrades in support of anticipated growth.

Phase 2 of the Established Area Growth and Change Strategy is underway, with the intention of developing more sustainable financial tools and strategies to support predictable and intentional investment in growing established areas. Work in Phase 2 also advances the development of financial tools and strategies that were identified in Phase 1 (e.g. North Hill Community Tax Uplift Pilot, review of bonus density tools, etc). This report provides a mid-way update on the progress of this work.

Previous Council Direction

Established Area Growth and Change Strategy 2020: Phase 1 Recommendations (PFC2020-0381)

On 2020 May 25, with respect to the further development of financial tools and strategies for established area investment, Council directed Administration to:

- a. Explore a new Established Area off-site levy for local-sized water and sanitary pipes, through consultation with stakeholders, and for Council's consideration, as part of the current Off-site Levy Bylaw review;
- b. Develop a two-year pilot Tax Uplift program in the North Hill Communities Local Area Plan to support future growth-related public realm investments; and
- c. Explore additional financial tools and strategies for public realm investment in Phase 2 and replenishing the Established Area Investment Fund, as listed in Attachment 3, with a report back with preliminary recommendations through the Priorities and Finance Committee by end of Q4 2020.

Notice of Motion - Identifying a Funding Source for Public Realm Improvements in Established Areas (PFC2020-0131)

On 2020 Feb 3, with respect to identifying a funding source for public realm improvements in the established area, Council directed:

5. That administration redirect a minimum of 1% of the favourable budget variance from investment income within Corporate Programs annually until 2026 to be used for the Established Areas Growth Strategy

Planning Calgary Now and for the Next Generation

We're changing the way we plan our city through what we call **Next Generation Planning**. Initiated in 2019, this new way of planning makes sure our citizens, and the people who move to and invest in Calgary, can make a great life and a great living in our city. It's a better way to plan our future:

- allows The City to be more fiscally responsible, giving better value to citizens, over a longer period of time
- supports our existing communities to be vibrant and successful for decades to come
- allows for closer working relationships with our citizens

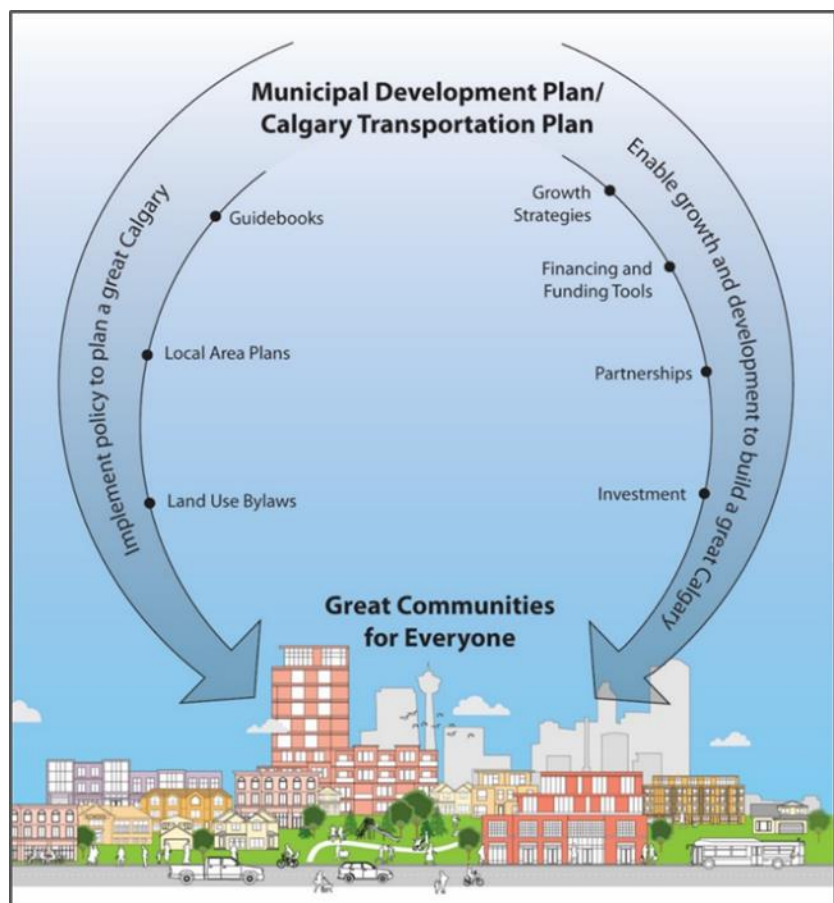
Currently, made up of nine initiatives, Next Generation Planning helps us carry out the policies and meet the goals in our Municipal Development Plan and Calgary Transportation Plan (MDP/CTP):

- provides a coordinated and clear planning system for the whole city
- modernizes our planning and development approach
- updates and simplifies policy to meet the MDP and CTP
- creates a better toolbox to allow for development and investment in Calgary

Calgary has momentum

Calgary is building on the success of the past ten years from the investments we've made in our city. We've improved the way people can move around Calgary, by growing our primary public transit network and adding new and more transportation options. We're constructing our Main Streets and are providing a better mix of housing and amenity options for our citizens.

These nine Next Generation Planning initiatives will work together with existing policies. The goal is to plan a great Calgary that will enable growth and development so we can continue building a great city.



Next Generation Planning Initiatives

Calgary's LONG-RANGE VISION

1. **Planning our city for 2 million people-** The **Municipal Development Plan** and **Calgary Transportation Plan** are our vision, with goals and policies to make sure we're successful.

Our approach to PLAN A GREAT CALGARY

2. **Planning communities for people and their activities-** The **Guidebook for Great Communities** will make it easier for a person to find a place to live and grow in any community, regardless of stage of life, income or age. It allows communities to offer more types of housing, shops and service options, closer to where people live.
3. **Planning future development and growth in our communities-** We're creating **Local Area Plans** to guide future development, growth, reinvestment and renewal in Calgary's communities.
4. **Planning the different types of development in communities-** Renewing the **Land Use Bylaw** positions it to better guide how a building is designed, a site is laid out and landscaped, and what types of businesses or activities can happen at buildings or sites.
5. **Protecting Calgary's past, for our future-** Our **Heritage Conservation Incentives and Programs** include tools and grants that encourage property owners to designate and conserve historical properties and spaces.

Our approach to enable BUILDING A GREAT CALGARY

6. **Supporting growth in Calgary's existing, new and industrial communities**
 - The **Established Area Growth and Change Strategy** guides investments, creates financial tools to allow growth, and attracts private investment to our communities.
 - The **New Community Growth Strategy** aligns planning policy, market demand, and service needs with City budgets, so our newest communities are successful now and in the future.
 - The **Industrial Area Growth Strategy** will further support diversifying our city's economic growth and strengthen this city as an inland port and distribution centre for western Canada.
7. **Funding new growth in Calgary-** The **Off-Site Levy** and **Centre City Levy** help pay for new services, like water and sanitary trunks, roads, libraries and fire halls in our existing and new communities.
8. **Making Calgary's streets more attractive for investment and places to gather-** Our **Main Streets Program** is improving 24 of Calgary's streets to celebrate community character, encourage business development, create a vibrant destination, and improve public health.
9. **People living and working closer to Calgary's transit network-** Implementing the **Transit Oriented Development Program** means more people will live, work and shop within walking distance to our transit network. It's an easy and economical way of living and travelling in our city.

EAGCS Phase 1 Public Realm Projects

For Established Area Growth and Change Strategy (EAGCS) Phase 1, public realm capital projects were identified to support growing communities. Council provided funding in 2020 May for the delivery of public realm projects, in 2021 and 2022.

As of 2020 November, the following projects are being evaluated by Administration for delivery, including feasibility and next steps in engagement, design and construction. If projects are deemed unfeasible, then replacement projects will be identified.

#	General Project Location	Local Communities	Project Themes	Current Scope of Identified Improvements*
1	West Hillhurst Area Improvements	West Hillhurst	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm 	Improvements focused around on key walking and wheeling corridors throughout West Hillhurst. Improvements include school-focused connections nearby.
2	26 Avenue S.W. Corridor Improvements	Bankview Killarney/ Glengarry South Calgary	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm 	<p>The 26 Avenue S.W. corridor has been identified as a key area for investment due to redevelopment and growth in adjacent communities.</p> <p>Investments in traffic calming, intersection upgrades and the public realm will give growing communities a safer and more attractive corridor to access local services.</p>
3	40 Avenue N. Placemaking and Pedestrian Improvements	Greenview Highland Park	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Park & recreation • Public space programming 	<p>Investments in a temporary park on 40 Avenue and Centre Street N., missing sidewalk links, traffic calming and intersection improvements.</p> <p>Opportunity to align this investment with other projects underway in the area.</p>
4	Balmoral Circus Improvements	Mount Pleasant Tuxedo Park	<ul style="list-style-type: none"> • Park & recreation • Public space programming 	Renewed park space at 2 Street and 19 Avenue N.W. was identified by the community as a key placemaking anchor in a high-growth area.
5	Bridgeland TOD Active Modes Improvements	Bridgeland-Riverside	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Park & recreation 	Investment in pathway connectivity and resolving safety issues for pedestrians and cyclists around the Bridgeland LRT Station and connecting the sidewalk and pathway network.

#	General Project Location	Local Communities	Project Themes	Current Scope of Identified Improvements*
6	Buckmaster Park Area Improvements	Bankview	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm • Park & recreation • Public space programming 	Investments in Buckmaster Park and the community of Bankview will improve the public realm in this high growth neighbourhood. Improvements will be focused on completing missing links, and implementing traffic calming measures to improve connectivity and safety.
7	Hillhurst Sunnyside Hub Area Improvements	Hillhurst West Hillhurst	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm • Park & recreation • Public space programming 	<p>Investment in park amenities and connectivity around the community hub site, including the possibility of additional programming on the site and connections across 5 Avenue N.W.</p> <p>This work also will look at improvements to pedestrian mobility and safety along 14 Street N.W. nearby.</p>
8	Kensington Plaza Area and TOD Improvements	Hillhurst Sunnyside	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm • Public space programming 	<p>Investment in several community gathering spaces that attract local and regional visitors to the Kensington Business Improvement Area.</p> <p>Upgrades proposed include improvements to the plaza at Kensington Road and Kensington Crescent N.W. and sidewalk improvements along 3 Avenue N.W., connecting to the Sunnyside LRT Station.</p>
9	North Mount Pleasant Arts Centre Area Improvements	Mount Pleasant	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm • Park & recreation 	<p>Improves connectivity, public realm and amenities around the North Mount Pleasant Arts Centre.</p> <p>Improvements include better pathway links, pedestrian safety and better align the public realm in the area to meet community needs.</p>

#	General Project Location	Local Communities	Project Themes	Current Scope of Identified Improvements*
10	South Bow Pathway and Pumphouse Park Improvements	Sunalta, Westbrook Local Area Communities	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Pathway safety improvements • Park & recreation • Public space programming 	<p>Improves capacity of the South Bow River Pathway and amenity improvements to the adjacent park spaces by separating pedestrians from higher speed bicycle traffic.</p> <p>Key elements:</p> <ul style="list-style-type: none"> • Improving capacity of the South Bow River Pathway including amenity improvements. • Improving connection from the Bow River pathway to the communities to the south. • Improvement to the adjacent park spaces for better access and use
11	River Park and Sandy Beach Connections	Altadore	<ul style="list-style-type: none"> • Traffic calming & safety • Pedestrian connectivity & public realm • Park & recreation • Public space programming 	<p>Connectivity and park upgrades along River Park and Sandy Beach. The area has experienced high growth in usage and has challenges of pedestrian safety, parking and access.</p> <p>Investment includes traffic calming and pedestrian improvements along 16 Street S.W.</p>
12	Sunalta Community Hub Area Improvements	Sunalta	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Public space programming 	Investment into the hardscape area of the Sunalta Community Association's community hub project, in partnership with the Community Hubs Initiative (The City of Calgary, Rotary Club and United Way partnership). Additional opportunities to partner with the Sunalta Community Hub project are being explored.
13	Bridgeland Gateway at Memorial Drive	Bridgeland-Riverside	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Park & recreation • Traffic calming & safety 	This project supports redevelopment in the area by investing in the public realm of the Edmonton Trail / 4 Street NE couplet with new pedestrian and public space improvements in alignment with Fly Over Park and other community initiatives.
14	17 Avenue S.W. Crowchild Bridge Improvements	Richmond Scarboro Shaganappi	<ul style="list-style-type: none"> • Pedestrian connectivity & public realm • Traffic calming & safety 	This project supports redevelopment of adjacent communities of Shaganappi, Richmond, and Scarboro as well as neighborhoods beyond by dramatically improving pedestrian and bike connectivity to the Beltline, 17th Ave, and beyond by adding

#	General Project Location	Local Communities	Project Themes	Current Scope of Identified Improvements*
				a new pathway across the bridge and upgrading the existing narrow sidewalk.
15	37 Street S.W. & Richmond Road S.W. Median Improvements	Killarney/ Glengarry Glenbrook	<ul style="list-style-type: none"> Traffic calming & pedestrian safety 	This project supports redevelopment through investment to improve the public realm, support increased pedestrian movement and safety at this intersection in alignment with existing Main Streets program work.

*projects are subject to change upon further engagement with local communities and evaluation of feasibility.

Progress on the Development of Financial Tools and Strategies

The following funding tools have been identified as priorities for investigation. These have been chosen because they have the most potential to be effective sustainable sources of funding.

1. Property Taxes

There are various ways to think about how property tax can be used to invest to support and enable growth in developing areas. This includes property tax uplift, a property tax allocation in the current budget and an increase to property taxes specifically for the purpose of investing in established areas.

Property Tax Uplift Pilot

As directed by Council (PFC2020-0381), work has begun on the development of a property tax uplift pilot project in the North Hill Communities. Property tax uplift is not a new property tax. It involves identifying an increase in municipal tax generated by an increase in assessment value, arising from redevelopment. The resulting tax revenue can then be invested back into the community through the City budget.

A property tax uplift methodology is under development and is first being tested in a single community using a demonstration model. The pilot methodology calculates property tax uplift based on new residential unit construction and new built commercial space. The community model will be extended to all North Hill Communities then tested and analyzed through 2021 and 2022 in order to estimate the value of tax uplift related to actual growth within that same period. Once the model is built, an assessment of other areas of the city can be done to determine how property tax uplift may change from area to area depending on the type and rate of development. The evaluation of this pilot may result in recommended policies and investment plans for the use of the resulting tax uplift revenue.

To achieve \$1 million in new property tax revenue, \$209 million of assessment growth from residential redevelopment is required, or \$63 million of assessment growth from non-residential redevelopment. A preliminary analysis of what can be expected for results from implementing a property tax uplift tool is shown in the following tables. Table 1 illustrates the tax calculations for varying amounts of assessed value growth using the 2020 municipal residential tax rate. It is provided for illustration only and is not the results from actual redevelopment projects.

Table 1:
2020 Residential Tax Rate: 0.0047795

Assessed Value Growth	Tax Amount
\$100,000,000	\$477,950
\$120,000,000	\$573,540
\$140,000,000	\$669,130
\$160,000,000	\$764,720
\$180,000,000	\$860,310
\$200,000,000	\$955,900
\$209,226,907	\$1,000,000
\$220,000,000	\$1,051,490
\$240,000,000	\$1,147,080
\$260,000,000	\$1,242,670
\$280,000,000	\$1,338,260
\$300,000,000	\$1,433,850

Table 2 calculates the tax for varying amounts of assessed value growth using the 2020 municipal non-residential tax rate:

Table 2:
2020 Non-Residential Tax Rate: 0.0158278

Assessed Value Growth	Tax Amount
\$20,000,000	\$316,556
\$40,000,000	\$633,112
\$60,000,000	\$949,668
\$63,179,974	\$1,000,000
\$80,000,000	\$1,266,224
\$100,000,000	\$1,582,780
\$120,000,000	\$1,899,336
\$140,000,000	\$2,215,892
\$160,000,000	\$2,532,448
\$180,000,000	\$2,849,004
\$200,000,000	\$3,165,560

Property Tax Allocation

This involves reprioritizing a portion of property tax revenue towards infrastructure and growth-related investment through the City budget. This work is evaluating the contribution redevelopment makes towards The City's financial resiliency. As a result, there is likely to be more definition around the annual value received from growth-related tax revenue from various types of redevelopment. This work supports Council in applying a strategic approach to budget decisions in support of growth, in balance with other budget priorities.

Property tax allocation would be done through The City's four-year budget and could occur in different ways. One option is an allocation from existing property taxes. This would require reprioritization and reallocation of existing funding. A dedicated tax rate increase could also occur, which would be similar to the approach Council took with new communities and actively developing communities in 2018. While this has occurred, a targeted tax rate increase was a departure from past tax policy. Lastly, a dedication of assessment growth could be used. This would be a change to our approach in determining tax allocations and required tax revenue. As overall capital funding availability decreases, there continue to be competing priorities for this funding source including on-going maintenance and asset renewal.

2. Redirect Capital Budget Savings

Council has directed Administration to look at potential cost savings from growth related capital projects in greenfield areas to allocate budget savings to fund established area capital investments. Council directed Administration to review cost savings from right sizing infrastructure and redirecting current budget from new community savings to established area investments (PFC2020-0963). Previously, Council directed Administration to consider if capital budget savings are achieved once a project is delivered to use those savings to fund Main Streets and established area investments (C2018-1158).

3. Funding Local-Sized Water and Sanitary Pipe Upgrades

Local-sized pipe upgrades are currently the responsibility of the developer as a condition of development. This is sometimes referred to as the "first-in" problem where a developer triggers a utility upgrade and is required to fund the cost of the upgrade. Whereas subsequent development projects can access the same upgraded infrastructure without the same cost.

As part of the off-site levy bylaw review, exploration of an off-site levy for local-sized water and sanitary pipes in the established area has begun. Engagement with internal and external stakeholders on this topic is on-going and initial feedback has indicated there are some potential concerns with this approach, as introducing additional costs in an economic downturn impacts private investment and project viability. Work has begun on evaluating options for a levy, which may include a scalable density-based charge. Another option is to not introduce an off-site levy as a funding tool for this infrastructure and seek a City funding source. Recommendations will be forthcoming as part of the reporting to Council on the progress of the off-site levy bylaw review.

4. Bonus Density

As part of the development of a comprehensive set of financial tools to support investment in the established area, Phase 2 of the EAGCS will include a review of The City's bonus density programs. Bonus density is an incentive-based tool that permits an increase in density beyond a threshold in exchange for public amenities that contribute to the livability of the area of a development. It is currently one of the main financial tools used to support redevelopment in the established area of Calgary. Community representatives, Industry and Administration are eager to undertake a review, with the intent to confirm, amend, or replace bonus density as a tool to support local public realm improvements in redeveloping areas of Calgary.

A desire to look comprehensively at the use of bonus density in Calgary predates the Established Area Growth and Change Strategy (EAGCS). When the Established Area Strategy was created in 2016 as part of the Industry/City Work Plan to address challenges to redevelopment, a review of existing bonusing programs was highlighted as important work. Within Phase 2 of the EAGCS, this work has been identified as part of the comprehensive consideration of financial tools and strategies to support investment in the public realm. Community and Business Area representatives, Industry and Administration are eager to undertake a review, with the intent to confirm, amend, or replace bonus density as a tool to support local public realm improvements in redeveloping areas of Calgary. This attachment outlines the progress and status of discussions to date on bonus density within the EAGCS.

Bonus density is a voluntary system that permits developers to increase the maximum allowable development on a property when additional public amenities are provided to support the increase in density. It is currently one of the main financial tools used to leverage industry's contribution to public realm investment in redeveloping areas of Calgary and is the only tool available for developers and the City to work together to protect privately-owned heritage resources. Bonus density programs have been in place in downtown Calgary since the 1970s, and in a growing number of established areas of the city beginning in 2006. These established areas programs have developed largely independently of each other, with individual Local Area Plans (LAPs) defining unique bonus density frameworks.

The contribution of bonus density to the public realm has been variable according to the local area and priority projects identified in those areas. These programs have supported public realm improvements including park spaces, public plazas, public art, and pedestrian areas. In some areas, bonusing exchanges have facilitated the protection of community heritage assets.

Elements of Bonusing for Discussion in Phase 2

Since inception, there have been both adjustments and major overhauls made to the existing bonusing programs in Calgary with the intent to improve the system. Despite this work, in recent years, community representatives, Industry and Administration have identified both a value, but also a number of concerns with the function and performance of existing bonus density programs. Concern has also been identified with the additional consideration of new bonus density programs in modernized LAP policies.

Some of the aspects of bonusing programs that will be discussed include:

- **Market conditions:** to be successful in helping realize public realm investment, bonus density programs likely need to be applied in areas where increased density is highly valued in an active market. In these market conditions, the cost of bonus density is offset by the market demand of the increase in density. In situations where these market conditions do not exist, bonus density programs are not likely to represent a valuable exchange for developers.
- **Unpredictable source of funding:** given the volatility of the redevelopment market, the bonus density tool has been an unpredictable source of funding. In addition, Community Investment Funds, which accumulate the funds that developers contribute through these programs, can take time to accumulate sufficient balances to undertake and deliver local improvement projects.

- Variations in programs: as bonus density programs tend to be unique to the local area in which they apply, there is diversity in the program structure, contribution rates, density calculations and amenities involved. This can add an additional level of complexity for Administration, Industry and the community.
- Challenges with some amenities: there are technical challenges and complexities involved with some amenities, such as affordable housing and child-care facilities, which has limited their uptake by Industry.
- Low and outdated base densities: bonus density programs are intended to be voluntary. However, there has been criticism that in some areas, due to low base densities and high land costs, the use of bonus density programs is necessary to make larger projects viable. Consideration will be given to the impacts of the Next Generation Planning system on base densities within the established area and the impacts this may have on the opportunities available for bonus density programs.
- Decentralized monitoring and reporting: bonus density projects are generally processed based on the policy direction of the Local Area Plan. A more centralized tracking system of the bonus density granted and public amenities received in exchange is helpful for data-based program reviews, evaluation, and improvement of bonus density programs.

Administration has recently implemented improvements to the internal processing of bonus density applications, to improve consistency and allow for centralized tracking. These improvements are intended to allow bonus density applications to proceed in an efficient and effective manner, until the more robust review can take place. In the downtown area, including the Beltline and Chinatown, amendments to the Area Redevelopment Plans, and specifically the bonus density frameworks, are currently being explored as a means of supporting redevelopment projects, and encouraging below-market rental housing options.

Phase 2 Bonus Density Work Plan

Through the EAGCS Phase 2 work plan, Administration is expecting to have a focused discussion with stakeholders on the future of bonus density as a tool for investment in public realm within the established area. This discussion is anticipated to take place as part of the comprehensive discussion on financial tools and strategies, with the intent of determining the most appropriate combination of tools to support investment in the Established Area. Engagement with City Council is also anticipated during the process, as a means of incorporating all perspectives into the review.

Through this process, existing financial tools (such as bonus density) will be re-examined and new financial tools will be critically explored. Integration with the Guidebook, new Land Use Bylaw and new Multi-community planning process will ensure that our policy direction is technically aligned with the recommended financial and planning tools, and that our policies and procedures allow for the successful application of the tools. Consideration will be given to how bonus density, as well as the other financial tools, compliment and advance the goals and objectives of the Next Generation Planning system. Background research is expected to support the review of bonus density, with consideration of the conditions needed for the success of the tool, and an analysis of historical data to determine the value that the bonus density tool has contributed to the public realm since inception.

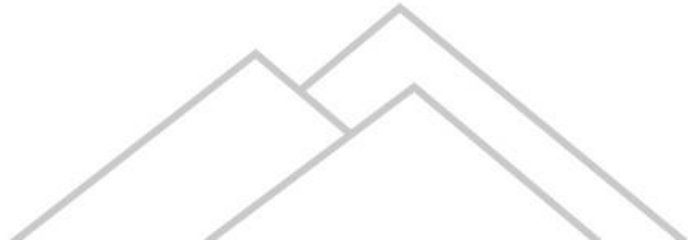
The Comprehensive Investment Tools (CIT) working group will support a comprehensive review of financial tools, including bonus density. Administration's recommendations on bonus density will be based on the advice provided by the CIT working group and EAGCS Advisory Group.

Next Steps for Bonus Density

A review of existing bonus density programs continues in Phase 2 of the EAGCS. This is part of the comprehensive consideration of other financial tools and strategies for public realm investment. This comprehensive discussion has started with the foundational information built in Phase 1 that outlines funding sources, investment types, and the financial tools and strategies that are available for use in Calgary. Phase 2 discussions on bonusing have so far provided a common understanding of a bonusing system and how it operates. This prepares the working group to discuss the more technical aspects of bonusing into 2021.

Ultimately, Administration may develop recommendations for other investment tools to complement, or even replace, bonus density programs. With the diversity of stakeholder perspectives, the need to compile reliable data, and the complexity of the analysis required, Administration anticipates the review of bonus density programs will be underway for most of 2021. A collaborative approach is being taken, as a means to arrive at a successful review, with meaningful outcomes that respect the desires of stakeholders. Recommendations to Council on the future use and parameters of bonus density are anticipated to be included in the City-wide Growth Strategy report scheduled for 2022, in advance of the 2023-2026 business plan and budget.

Industry Letter



November 24, 2020

Priorities and Finance Committee
City of Calgary
800 Macleod Trail South
Calgary, AB T2P 3P4

Dear Members of the Priorities & Finance Committee:

RE: EAGCS Phase 2 Update on Financial Tools & Strategies; PFC 2020-1245

BILD Calgary Region (BILD), in conjunction with NAIOP Calgary, would like to acknowledge administration and stakeholders for their commitment and effort in launching EAGCS Phase 2.

The Phase 2 Comprehensive Investment Tools (CIT) Working Group has been reconstituted with a mix of new and Phase 1 member participation. There is a great deal of investigation and analysis to be done on the various financial tools and funding sources referenced in the report.

Regarding the **property tax uplift (PTU) pilot**, this report is presented at early stages of the work. Industry members are eager to dive deeper into the assumptions and the methodology:

- Industry might have chosen a more market-supported area to pilot however it is understood the selection was determined by the Local Area Planning process and appreciates future analysis will include testing assumptions and methodology on other actively redeveloping communities; and
- In Phase 2, Industry will work with Administration to review multiple case studies on the actual PTU on completed redevelopment projects to test the preliminary assumptions reflected in Attachment 4.

Property Tax Allocation – Industry is highly supportive of the work evaluating the contribution redevelopment makes towards the City's general revenues and financial resilience and quantifying the annual value received from growth-related tax revenue from redevelopment – leading to better-informed corporate investment decisions.

With respect to **density bonusing (DB)**, it is critically important that communities experiencing redevelopment are supported with adequate funding for community amenities and benefits. Accordingly, Industry members would temper what appears to be early expectations and emphasis placed on DB as a tool intended to support public realm investment in redeveloping areas. Early observations:

- Current DB programs in Calgary have delivered inconsistent and irregular results – varying from moderate realization of community benefit to the apparent inability to achieve the intended purpose;
- New Planning Generation of Planning policy tools do not yet appear to align with typical DB policy;
- An effective DB program needs a consistently climbing real estate market (eg. Vancouver); this is in stark contrast to the ebbs and flows of the Calgary real estate market; and
- DB is not a foregone conclusion - a suite of tools must be fully considered, and appropriately utilized, to find a **made-in-Calgary** solution to serve the objective of funding community benefit.

It is understood the outcome of the DB review may be recommendations to, not only exercise restraint in activating future DB programing, but potentially include the termination of some current unsuccessful policy enabled funds.

Finally, the EAGCS Phase 2 Financial Tools & Strategies review must be comprehensive, in consideration of the holistic context of funding, including levies and charges, as well as supporting planning policy.

Industry members are eager to begin the work on evaluating the contribution redevelopment makes to the City's capital and operating budget, and how the results of this evaluation will impact future work, strategies and funding recommendations, ultimately resulting in a comprehensive city-wide approach to growth.

Yours truly,

BILD CALGARY REGION



Beverly Jarvis

Director of Policy, Projects & Government Relations

c.c. Guy Huntingford, Director of Strategic Initiatives, NAIOP Calgary
Kathy Davies Murphy, Manager, Growth Funding & Investment, City of Calgary
Matthew Sheldrake, a/Manager, Growth & Strategic Services, City of Calgary
Lesley Kalmakoff, Sr. Growth Mgmt Planner, Growth & Strategic Services, City of Calgary

Cost to Reintroduce Fluoride in the Water Treatment Process

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council receive this report for the Corporate Record and subsequent Council discussion.

HIGHLIGHTS

- This report provides the estimated costs and The City of Calgary's (The City's) jurisdiction to reintroduce fluoridation to the water treatment process.
- What does this mean to Calgarians? The City is committed to providing safe and cost-effective drinking water to Calgarians.
- Why does this matter? Reliable and safe drinking water provides the foundation to a healthy and green city.
- The overall estimated cost including capital, operating and maintenance to reintroduce water fluoridation at both water treatment plants with a 20-year service life is estimated at \$30.1 million in 2020 dollars, plus \$2 to \$4 million dollars for lifecycle fluoridation maintenance activities. Conceptual capital costs were estimated at \$10.1 million with an accuracy of +50 per cent to -30 per cent.
- The estimated costs outlined above are not included within the approved Water Utility budget. If Council were to direct this work, budget revisions would be presented to Council for approval.
- The operating, maintenance and capital costs, if approved, are not of the magnitude that would require an associated increase in water utility rates.
- A jurisdictional review identified that due to changes in the Municipal Government Act, a municipal plebiscite is not required prior to passing a fluoridation bylaw. Council also has the authority to introduce water fluoridation without passing a bylaw.
- In 2019, Council directed Administration to undertake a full cost analysis for the potential reintroduction of fluoride into Calgary's water system including ongoing operational costs, The City's authority and jurisdiction about fluoride, capital costs and possible utility rate impacts (CPS2019-0965).
- Strategic Alignment to Council's Citizen Priorities: A healthy and green city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

A third-party firm, Associated Engineering (AE), was contracted to review relevant industry standards and guidelines, assess feasible fluoride chemical options and system locations at each of Calgary's Bearspaw and Glenmore Water Treatment Plants and to provide conceptual level estimates of capital operations and maintenance costs to potentially re-introduce fluoride to Calgary's drinking water supply.

Health Canada's *Guidelines for Canadian Drinking Water Quality* continue to recommend optimal fluoride dosing to be 0.7 mg/L and has set a maximum allowable concentration of 1.5 mg/L. Due to the natural fluctuating fluoride concentrations in Calgary's source water, the

Cost to Reintroduce Fluoride in the Water Treatment Process

treatment plants would adjust fluoride dosing concentrations accordingly to ensure that the target concentration of 0.7 mg/L would be maintained.

The report reviewed three options that meet the National Sanitation Foundation certification for fluoridation of potable water and evaluated their suitability for Calgary's water system. Two options required additional equipment and processes to ensure adequate mixing and staff safety. Both of these compounds are produced in Europe and have periodic challenges with product supply to North America and are also between 3 to 5 times costlier. As a result, the recommendation is to use hydrofluosilicic acid, the compound that was used to fluoridate Calgary's water prior to 2011 and is used by approximately 75 per cent of the utilities in North America that fluoridate their water.

The capital costs analysis of the report included civil, structural, architectural, process equipment, ventilation, safety, electrical, instrumentation and ancillary systems. This Class Five cost estimate was calculated at \$10.1 Million with an accuracy of +50 per cent to -30 per cent (range of \$15.15 to \$7.7 million). The Operational and Maintenance costs were estimated at \$864,000 per year, which included chemical purchases and a total of two growth positions to operate and maintain the new systems for the Bearspaw and Glenmore Water Treatment Plants. The overall conceptual cost including capital, operating and maintenance costs for reintroducing water fluoridation at both plants with 20 years of service is estimated at \$30.1 million in 2020 dollars with the additional cost of \$2 to \$4 million dollars for lifecycle fluoridation maintenance activities.

These costs have not been included in current budgets and budget revisions will be presented for Council approval should Council decide to proceed with fluoridation of Calgary's potable water at a future date. The operating, maintenance and capital costs will result in additional investments and expenditures, if approved, however they are not of the magnitude that would require an associated increase in water utility rates.

At Council's request, a legal review was conducted to provide guidance on jurisdictional roles and responsibilities and identified that:

- The Municipal Government Act no longer requires a municipality to hold a plebiscite before passing a fluoridation bylaw. Council also has the authority to introduce water fluoridation without passing a bylaw.
- An amendment to The City's Approval to Operate 476-01-00 would be required through Alberta Environment and Parks, to allow for water fluoridation. This type of amendment is not uncommon and would not be expected to cause any significant delays in implementation.

The legal review is included as Attachment 2.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

☒ Public Communication or Engagement was not required

IMPLICATIONS

Social

The Community Water Fluoridation Report by O'Brien Institute at the University of Calgary (CPS2019-0965) outlined the social implications of drinking water fluoridation. Fluoridation is a

Cost to Reintroduce Fluoride in the Water Treatment Process

contentious issue and many public perspectives were shared with Council last year. The scope of this current report is to provide a cost analysis for the potential reintroduction of fluoride into Calgary's water system including ongoing operational costs, The City's authority and jurisdiction regarding fluoride, capital costs and possible utility rate impacts.

Environmental

Design considerations at the Water Treatment plants would include spill containment, onsite dilution capabilities, and adequate air exchange to minimize operational risks for employees and the environment.

Economic

Current operating and capital budgets do not include the costs associated with drinking water fluoridation. Should Council direct this work in the future, a budget request will be prepared. Based on estimated costs, the required investment and expenditure will not require an increase in water utility rates.

Service and Financial Implications

No anticipated financial impact

The Water Utility does not expect to see an associated change in Water Utility rates or changes to Service Levels Should Council proceed with reintroducing fluoridation.

RISK

Estimated costs are at a Class Five level and cover a significant range. Future work, if directed, may result in a higher cost estimate.

ATTACHMENT(S)

1. Previous Council Direction Background
2. Jurisdictional Considerations to reintroducing fluoridation to the water treatment process

Department Circulation

General Manager	Department	Approve/Consult/Inform
Dan Limacher	Utilities and Environmental Protection	Approve

Background

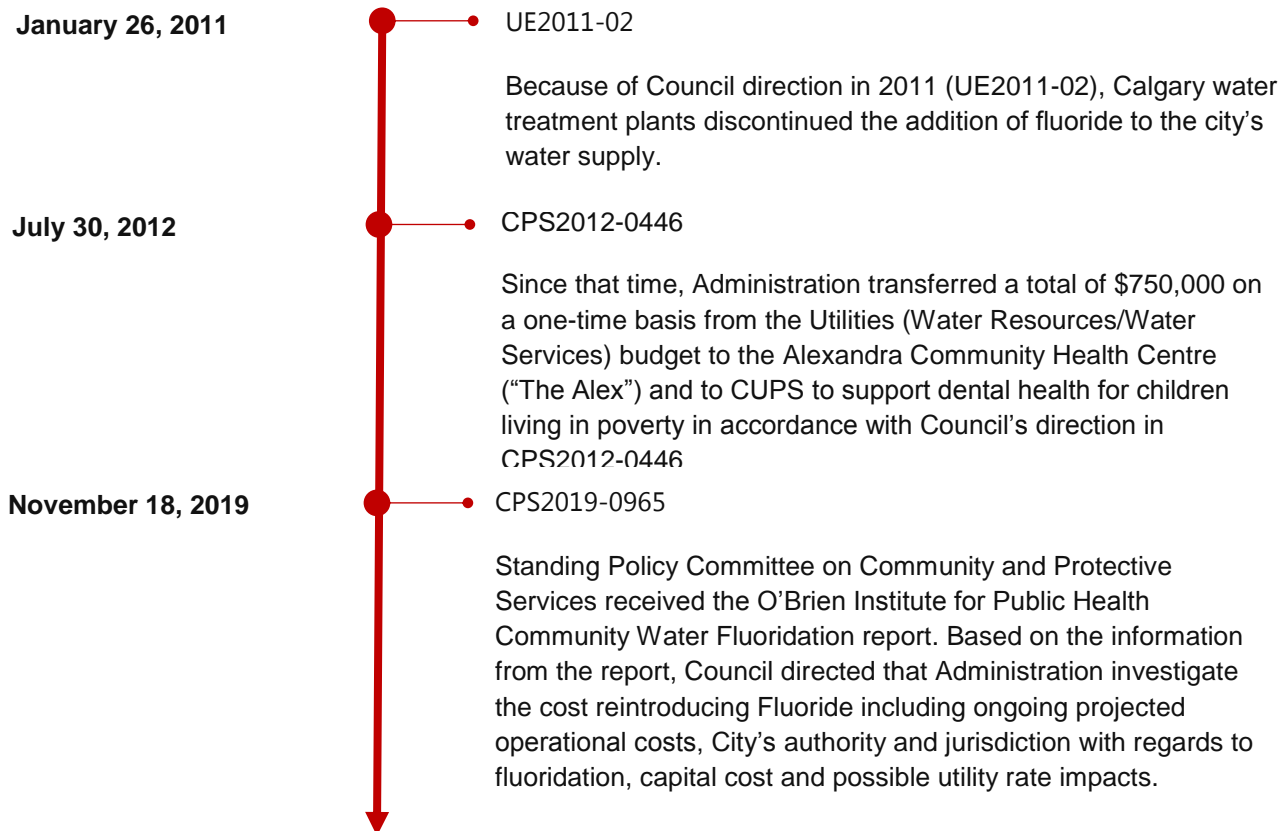
Context

Under One Calgary, The City of Calgary (The City) is committed to providing safe and cost-effective drinking water to Calgarians. Reliable water service provides the foundation to a healthy and green city. It ensures public health, allows for fire protection, and the health of the rivers and the economy.

Previous Council Direction

On 2019 November 18, Council approved CPS2019-0965 directing Administration to investigate the cost of reintroducing Fluoride into the water treatment process including ongoing projected operational costs, City's authority and jurisdiction with regards to fluoridation, capital cost and possible utility rate impacts.

Leading up to the approval of CPS2019-0965, Council directed the following:



Bylaws, Regulations, Council Policies

Bylaws impacted by this report are:

- None

Jurisdictional Considerations to reintroducing fluoridation to the water treatment process

History of Fluoridation of Drinking Water in Calgary

Calgary first held a plebiscite concerning the issue of adding fluoride to drinking water in 1957. Fluoridation went unsupported for several years before being voted in favour of in 1989. In response to the plebiscite, Fluoridation Bylaw 37M89 was passed.

Calgary voted in favour of fluoridation, in a subsequent plebiscite held in 1999. In 2009, a Notice of Motion to repeal the existing Fluoridation Bylaw was brought before Council. In February of 2011, Council repealed the Fluoride Bylaw. Thereafter, Administration applied to the Province to receive an amendment to their Water Operating Approval.

Municipal Government Act (MGA) and Fluoridation

Today, the MGA does not contain any reference to fluoride or plebiscites. Under current legislation, a plebiscite does not need to be conducted before a bylaw concerning the addition of fluoride into municipal drinking water may be passed. Further, unlike the 1980 version of the MGA, today's legislation does not require that a municipality pass a bylaw to authorize the addition of fluoride, although Council may do so since Council can act by bylaw or resolution.¹

Provincial Drinking Water Regulation

Today, drinking water (including fluoride content) is regulated by Alberta Environment and Parks under a few regulations, codes of practice and other standards and guidelines. Under the *Environmental Protection and Enhancement Act (EPEA)*, the Activities Resignation Regulation, Approvals and Registrations Procedure Regulation, Potable Water Regulation and Environmental Appeal Board Regulation all work together to regulate drinking water.

EPEA: Under EPEA and the applicable regulations, the City requires an approval for the operation of a waterworks system. Under the Potable Water Regulation, any fluoridation must comply with the applicable guidelines. Therefore, any fluoridation must be in accordance with the City's Water Operating Approval and the applicable fluoridation guidelines.

¹ MGA, s. 180.

Financial Task Force Recommendations - Implementation Next Steps

RECOMMENDATION(S):

That the Priorities and Finance Committee recommends that Council:

1. Direct Administration to bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2; and
2. Direct Administration to incorporate engagement plan implications in the 2021 Q2 Semi-Annual FTF Implementation Update Report to the Priorities and Finance Committee.

HIGHLIGHTS

- Council directed work, through a Financial Task Force (FTF), on solutions to address the challenges of the current municipal property assessment and tax system. The Task Force identified eight success factors. On 2020 June 29, Council accepted thirty-five recommendations that contribute to achieving success.
- On 2020 July 27, Council directed the CFO to monitor and report on progress semi-annually in June and December through the Priorities and Finance Committee. For governance support, Administrative oversight would include members of the Task Force and the Senior Management Team (SMT).
- For some of the Administrative actions that do not require new investments and using one-time investments approved by Council, there is notable progress toward implementing the recommendations. Today's update summarizes the advancements on those recommendations.
- At the time of writing, we are seeking base budgetary approvals in 2020 November and have identified an implementation lead, work on the full complement of recommendations has commenced. The high-level work plan provides an overview, and the Implementation Team would be agile and accommodate adjustments to evolving findings.
- The Task Force identified the need to work better with partners, especially the provincial government, in achieving progress. The specific success factor requires collaboration. Administration will complete a comprehensive provincial engagement plan by 2021 Q2.
- The semi-annual progress update contributes to building trust with Calgarians and local businesses. First, it demonstrates our commitment to transparency and accountability as the implementation work proceeds. Second, it communicates our plan to partner and collaborate with other orders of government to support good-quality public service in Calgary.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Success Factors

Although a pre-COVID-19 environment drove the Task Force recommendations, the fallout from the pandemic has laid bare some of the shortcomings with the current property assessment and taxation system. The City of Calgary had limited ability to adjust to the fiscal situation and needed

**Chief Financial Officer's Report to
Priorities and Finance Committee**

**ISC: UNRESTRICTED
PFC2020-1351
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Financial Task Force Recommendations - Implementation Next Steps

support from other orders of government, making the eight success factors identified by the Task Force even more relevant today.

- Improving the understanding of municipal finance circumstances
- Bringing property taxation into the twenty-first century
- Improving tax efficiency for long-term fiscal sustainability
- Responding to Calgary's cyclical economy using existing tools
- Preparing for changes that would occur as the economy evolves
- Making Calgary more competitive, livable and attractive
- Supporting regional economic development
- Working better with partners in achieving progress

Work Plan

The Council-approved Administration's Action Items from 2020 July 27 have informed a high-level work plan. The goal of the work plan is to achieve transparency with respect to the work underway and provide line-of-sight to Council on rigour to the content that would come forward in the future. It will be the main mechanism for identifying content for the semi-annual progress updates to Council.

A current state assessment across all recommendations is underway. To fulfill each of the Administrative Actions and pending budgetary approval in the 2020 Mid-Cycle Adjustments, the Financial Task Force (FTF) Implementation Team will develop and solicit Implementation Proposals. The Implementation Team would work alongside subject matter experts throughout The Corporation on these proposals (more detail on the work plan is in Attachment 2). The gap between the current state assessment and the implementation proposals' content would drive progression over time across recommendations. Recommendations with significant divergence between the current and desired state would take longer to implement.

Consistent with other City-wide initiatives, much of the work will occur within the areas with pre-existing expertise. The Implementation Team will fill any gaps and provide support where possible to ensure progress.

Governance Structure

On 2020 July 27, Council directed the CFO to monitor and report on progress semi-annually in June and December through the Priorities and Finance Committee. To ensure the CFO benefits from additional expertise for implementation, oversight would include a few members of the now disbanded Financial Task Force and the Senior Management Team (SMT).

A risk-based, multi-level governance structure is proposed (see Attachment 3). Risk-based governance means that when the risks associated with an Implementation Proposal are evaluated to be relatively low; the lowest tier of governance will be authorized to direct the implementation of the action.

The intent is to use existing Council direction to drive implementation forward wherever possible, while focusing the upper tiers of the governance structure, including Council and its committees, on those items carrying the most risk, including broad policy changes and matters relating to The City's advocacy strategy.

**Chief Financial Officer's Report to
Priorities and Finance Committee**

**ISC: UNRESTRICTED
PFC2020-1351
Page 3 of 4**

Financial Task Force Recommendations - Implementation Next Steps

Notable Progress Thus Far

More rapid progress on implementation was limited by:

1. Council only recently received recommendations for approval of the base budget investments necessary to undertake the related implementation work in 2020 November.
2. Implementation Team and other recruitment needed to move The City subject matter experts away from current work to the work program informed by the work plan.
3. The need to develop an approach to implementation that recognizes the crucial role that engagement with the Province would play, given interdependencies for most recommendations.

Despite these constraints, Administration made progress on some of the recommendations of the Task Force. Attachment 4 summarizes the advancements on those recommendations or aspects of recommendations that do not require new investments or used one-time resources approved by Council in 2020 July. Comprehensive reporting on all Administration Action Items will be a feature of future semi-annual progress reports.

The Task Force identified the need to work better with partners, especially the provincial government, to achieve progress. The success factor specifically requires collaboration. As a result, Administration would develop a comprehensive provincial engagement plan by 2021 Q2.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☒ Public/Stakeholders were informed
- ☒ Stakeholder or customer dialogue/relations were undertaken

The implementation of the Task Force recommendations is an important plank of The City's economic strategy. In many cases, this involves continuing to do pre-existing work on items like regional economic development and the downtown strategy. In some cases, there will be additional work to achieve better integration between external partners like Calgary Economic Development and The City.

IMPLICATIONS

Social, Environmental and Economic Implications

The implementation of the Task Force recommendations is an important plank of The City's economic strategy. In many cases, this involves continuing to do pre-existing work on items like regional economic development and the downtown strategy. In some cases, there will be additional work to achieve better integration between external partners like Calgary Economic Development and The City.

Service and Financial Implications

**Chief Financial Officer's Report to
Priorities and Finance Committee**

**ISC: UNRESTRICTED
PFC2020-1351
Page 4 of 4**

Financial Task Force Recommendations - Implementation Next Steps

No anticipated financial impact

The recommendations of the Financial Task Force have broad implications across The City. In general, the recommendations tend towards improvement to the assessment and taxation system, clearer communication of value, more diversity in revenue sources, more regional coordination and a clear focus on economic development.

RISK

The implementation of the Financial Task Force recommendations is a large and complex program composed of many projects. There are three significant risk categories.

Dependency on partners – many recommendations rely on our regional and provincial partners' collaboration and cooperation. While work on The City's position and approach will continue, actual implementation could be slowed or stopped due to disagreement about implementation details with partners. City Administration will work hard to mitigate this risk by prioritizing early engagement on joint interest and responsibility issues.

Corporate context – the implementation of the Financial Task Force recommendations will take place in a context of change. Work on the organizational realignment underway may impact the amount of time that non-dedicated employees devote to Financial Task Force Implementation-related activities. In addition, the SAVE program will continue to require resources around the organization to continue to find savings for the 2022 budget adjustments. The one-time and base budget requests associated with the Financial Task Force help mitigate the risk. Still, there is a residual risk given the amount of change.

Political sensitivity – the Financial Task Force has recommended increasing user fees to reduce the need for property tax funding or changing the taxation system. The impacts of these types of changes are likely to be felt acutely by certain users or taxpayers. Affected groups would likely express some degree of concern publicly. Where it is possible to foresee these acute impacts, the Financial Task Force implementation team will inform affected stakeholders about the potential impacts as early as possible.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. Financial Task Force Implementation High-Level Work Plan
3. Financial Task Force Implementation Governance Structure
4. Notable Progress on Administration Action Items

Department Circulation

General Manager	Department	Approve/Consult/Inform
Carla Male	Chief Financial Officer's Department	Approve
Chris Arthurs	Deputy City Manager's Office	Consult

Previous Council Direction

Context

Fiscal sustainability is a crucial financial policy goal. Several City policies outline requirements for municipal revenue and spending decisions to ensure that Calgarians receive vital municipal services. They include clean drinking water for the sustenance of life, a transportation network and public transit for the movement of goods and people, and emergency services like fire to protect lives and livelihoods. The policies also consider Calgary's attractiveness as cities worldwide compete for capital, talent and jobs, which are ingredients for sustained economic progress. Over the last decade, policy and one-time measures to achieve the desired competitive taxation aim include Business Tax Consolidation (2013 to 2019) and Phased Tax Programs (2017 to 2020).

In 2018, Council directed Administration set up a Financial Task Force using a collaborative model with citizen and private sector expertise for enhanced policy measures. The existing set did not adequately address the 2015 to 2019 Downtown Tax Shift. The Task Force worked from 2019 September to 2020 June to develop recommendations that bolster long-term fiscal sustainability.

Previous Council Direction

On 2020 June 29, Council received a comprehensive update on the direction provided leading up to completing the Report and Recommendations of the Financial Task Force. The content of Attachment 1 for C2020-0742 offers the details. The focus of this Attachment is on Council direction following Council acceptance of the Task Force Recommendations.

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
7/27/2020	C2020-0815	Financial Task Force Recommendations – Implementation Approach and Resources Council adopted the following recommendations: <ol style="list-style-type: none">1. Direct Administration to implement the 17 Financial Task Force recommendations that only require existing resources (expanded work programs or re-directed to prioritize the action items).2. Direct Administration to implement the 18 Financial Task Force recommendations identified in Attachment 4 that require new one-time resources using the 2020 investment income attributable to the Fiscal Stability Reserve as the funding source for one-time funding components.3. Approve up to \$4 million in one-time funding across City departments for 2020 and 2021 to be funded from the Fiscal Stability Reserve.4. Direct Administration includes a request for the base funding required for implementation in 2021 and beyond in the Mid-Cycle Adjustment report to Council in November 2020

7/27/2020	C2020-0815	<p>Financial Task Force Recommendations – Implementation Approach and Resources</p> <p>Council adopted the following Motion Arising:</p> <p>1. To further assist the Chief Finance Officer with recommendation #19 (Distribute tax responsibility appropriately), as well as assisting the Business and Local Economy (BLE) team in tackling recommendation # 33 (<i>Investigate the crisis level vacancy in the downtown office market and respond with actions</i>), direct Administration to:</p> <ol style="list-style-type: none"> establish an Administration-led Real Estate Working Group by bringing a mandate and direction for the Real Estate Working Group (similar to the 2019 Tax Shift Assessment Working Group) to the October 2020 meeting of the Priorities and Finance Committee of Council; the Real Estate Working Group will liaise directly with the Priorities and Finance Committee of Council through a standing agenda item, until Administration recommends that the working group be disbanded; determine composition of the Real Estate Working Group to include but not be limited to interested members of the Real Estate Sector Advisory Committee of Calgary Economic Development, as well as the now disbanded Financial Task Force with real estate experience, and/or other experts within Calgary; Direct the City Manager to assign an Administrative Chair for the Real Estate Working Group other than the Chief Financial Officer (who is presently tasked with execution of the Financial Task Force recommendations); and As part of the scope of work of the independent consultant for recommendation #19, as led by the Chief Financial Officer, ensure appropriate stakeholder engagement, including the Real Estate Working Group.” Direct Administration includes a request for the base funding required for implementation in 2021 and beyond in the Mid-Cycle Adjustment report to Council in November 2020
6/29/2020	C2020-0742	<p>Report and Recommendations of the Financial Task Force</p> <p>Council adopted the following recommendations:</p> <ol style="list-style-type: none"> Accept the reports and recommendations of the Financial Task Force in Attachments 2 and 3; Direct Administration to scope the costs of implementation based on Administration’s responses and timelines in Attachment 5 and report to Council with a request for approval of resources, where appropriate by 2020 July 29; Direct the City Manager to assign a lead to monitor and report back with a bi-annual schedule for reporting on the implementation of the Financial Task Force’s recommendations; Receive a presentation and this report as part of the Council orientation in 2021; and Thank the citizen volunteers for their professional contributions and their passion for Calgary’s success.

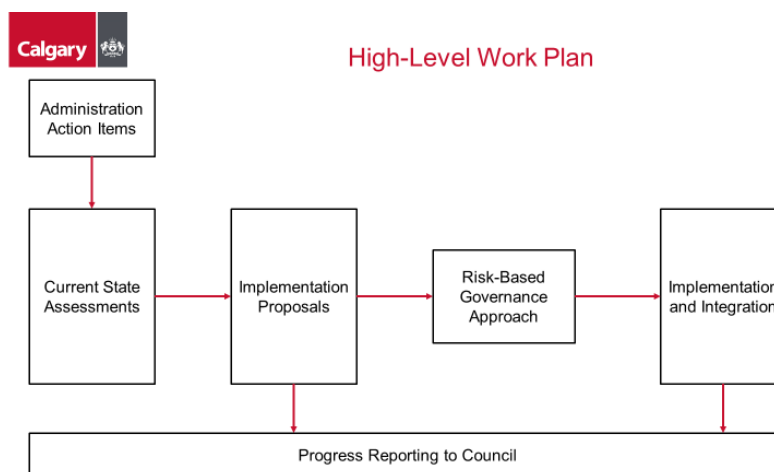
High-Level Work Plan

The approach to this work is consistent with the previous and ongoing service-based initiatives. The Implementation Team will distribute work to the appropriate level of the organization where implementation expertise resides. The Implementation Team will fill any gaps and provide support where possible to ensure progress.

Using this bottom-up approach, an assigned lead for each Administrative Action Item would be responsible for:

1. Conducting a current state assessment to determine what, if any, further actions are needed to fulfill the Administrative Action commitments.
2. Where further action can be taken, identify, in the form of an Implementation Proposal:
 - The action(s) to be taken
 - Where actions align with pre-existing plans and or strategies
 - Identifying whether additional stakeholder engagement needs to be undertaken, including whether the proposal requires oversight from either the Economic Resilience Task Force or the Real Estate working group
 - Any incremental costs associated with taking the action(s)
 - The financial and non-financial benefits associated with the action(s);
 - Risks associated with the action(s);
 - Timeline for taking the action(s);
 - At least one measure and an associated target for each the action to determine whether the identified benefits have materialized; and
 - The integration of actions into pre-existing programs or processes (where applicable).

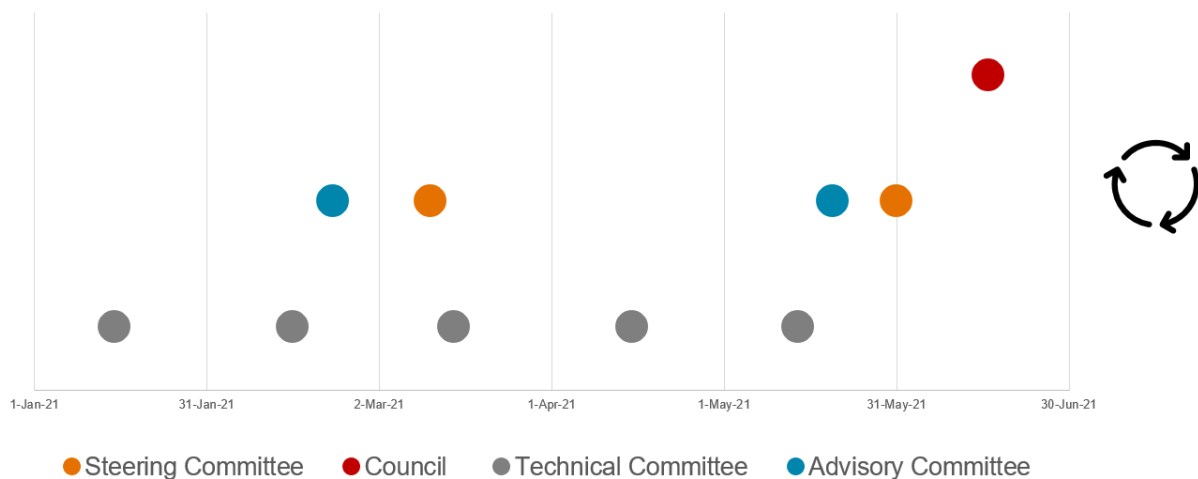
The Implementation Team will feed the Implementation Proposals through the governance structure. Approval for the lower risk items would be through the lower tier of the governance structure. Approval for the higher risk, policy and advocacy items would move up the governance structure, including Council approval where required. The proposed provincial government engagement plan is an example of a high-risk item that requires Council approval.



The implementation team recognizes that Council is looking for demonstrated progress on these items. As Council has directed semi-annual reporting with respect to the implementation of the Financial Task Force Recommendations, the Implementation Team developed a six-month cadence culminating in a Financial Task Force Update Report to Council in the first instance in June 2021.

The six-month cadence will result in a repeat for the next Council report in December 2021 and so on until the project concludes.

The Six Month Cadence



Governance Structure

The rationale for the approach to governance and oversight

A good return on investment for operating public sector programs that target achieving financial sustainability requires a focus on governance, strategy, risk management, and, finally, measures and targets.



The work of the Task Force through the recommendations focused on the strategy for achieving fiscal sustainability. The work plan outlines activities that reflect a focus on risk management considerations and measures and targets. The work plan complements the program governance outlined below. A steering committee led by the Chief Financial Officer, as directed by Council, would be responsible for overall program governance.

Overview of proposed governance approach

1. A working team of subject matter experts from across The City and an implementation team would analyze Implementation Proposals (IPs) and estimate the net benefits of moving ahead with recommendations. The implementation team would track progress on measures that best reflect the goals of the recommendations. Routines with technical and advisory committees would sustain urgency and resolve technical challenges and risks, respectively. For risk, depending on an IP's risk profile, the Implementation lead would work with the committees to determine if an IP should:
 - a. proceed to actions without steering committee approval, or
 - b. requires steering committee approval to proceed.
2. A technical committee would investigate and vet findings before proceeding to the steering committee. Membership would involve City staff with business unit strategy expertise. Members of the technical committee are also encouraged to maintain a strong working relationship with subject matter experts to support technical committee conversations' efficiency.
3. An advisory committee, with a nucleus of administration members that supported the Task Force, would focus on coordination with activities underway. Examples are the SAVE program, the Services Plans and Budgets including adjustments, the User Fee Policy review, and the Long-Range Financial Plan. Additional focus on collaboration to identify, assess, and manage financial sustainability risks.

Figure 1: Proposed Governance Approach



4. To align with The City Manager's vision and strategy, the Chief Financial Officer (sponsor) and a steering committee would lead the effort through this work to support fiscal sustainability and a well-run City. The steering committee would include at least two external representatives from the now disbanded Financial Task Force to independently confirm that The City's efforts and actions are consistent with the intent of the recommendations.
5. Communication of progress and implementation results with all levels of The Corporation would be a centrepiece. Committee and Council reports would be one of several communication mechanisms. Support from the Customer Service and Communications team also reflects the importance of recommendation #23.

Overview of membership and role of different groups in proposed governance approach

The table on the next page outlines the membership, focus, and role of all the different groups involved in implementation. There is also a summary of the various groups' focus and the working model for the groups.

Table 1: Governance Structure – Overview of Governance Bodies, Composition and Roles

Implementation Team Coordinates Across All	Governance Body	Membership	Focus	Model	Meeting Frequency on FTF Implementation	Role in Implementation
	<i>Working Group</i>	Those responsible for implementation, including implementation team.	Development of proposals; delivery of results	Networked	Regularly (as required)	Responsible
	<i>Technical Committee</i>	Business unit strategy managers.	Feasibility of proposals	Traditional Committee	Monthly	Consulted, final decision on low risk items
	<i>Advisory Committee</i>	FTF Members and Support Team	Advisability of proposals; coordination	Traditional Committee	Quarterly	Consulted
	<i>External Validator</i>	Consultant(s)	Validity of proposals	Contract	Regularly (as required)	Consulted
	<i>Economic Resilience Task Force</i>	Based on Competency	Resilience; long-term sustainability	Traditional Committee	Regularly (as required)	Consulted, when required
	<i>Real Estate Working Group</i>	Based on Experience	Business perspective on relevant proposals	Traditional Committee	Regularly (as required)	Consulted, when required
	<i>Steering Committee</i>	Senior Leaders	Approval of proposal; strategic alignment; fiscal sustainability	Traditional Committee	Quarterly	Accountable, final decision on medium risk items
	<i>Council and Committees</i>	Council Members	Representation of citizens	Council	Semi-Annually	Final Decision on high risk, policy or advocacy items

Notable Progress on Administration Action Items

AA #	Summary of Task Force Recommendation	Administration Action Item	Progress Thus Far
4a	Anticipate and respond to evolving economic conditions for residents and businesses.	As economic outlooks are developed, Administration will integrate the outlook information more explicitly in the planning and budgeting processes. Administration will need to determine the best way of performing and reporting the analysis.	Economic outlook information more fully integrated into the Mid-Cycle Adjustments presentation.
18a	Achieve a balance between a great city in which to live and having a competitive level of taxation.	Administration will review the feasibility of enhancing the data collection in the Residential Property Taxes and Utility Charges Survey and implement changes as appropriate.	Included some non-residential property tax per square foot information in the 2019 Residential Property Tax and Utility Survey.
18c	Achieve a balance between a great city in which to live and having a competitive level of taxation.	Administration will review the communication of information to Council in support of decision making and to the public and implement changes as appropriate.	Some relevant comparators included in Mid-Cycle Adjustments Presentation.
23a	Enhance the approach to ongoing communication with residents, businesses, and other orders of government.	Administration will emphasize the points raised by the Task Force in communications and review the language associated with the property tax system for clarity.	Additional communications content accompanied the 2020 October PFC report and Mid-Cycle Adjustments.
26a	Maintain processes that allow the annual practice of property assessments and valuation because it provides evidence that enables The City to anticipate changes.	Administration will continue the annual assessment cycle.	Assessment is on track to deliver annual assessments.
27a	Revise steps in the process to ensure that the assessment roll is completed before indicative tax rates to deliver timely information to decision-makers.	Administration will review the feasibility of expanding interim assessment information into the budget and adjustments reports, beginning with the 2021-2022 Mid-Cycle Adjustments in November 2020. Longer-term changes would involve changing traditional dates and cycles for assessment process work and will require extensive communication with the public on changes to timelines and processes.	Inclusion of detailed Assessment information in 2020 October PFC Report and tax implications by property type as part of the Mid-Cycle Adjustments Presentation.
33b	Investigate the reasons for the crisis level vacancy rate in the downtown office market and respond with actions and policy changes to the regulatory environment that enhance attractiveness.	Administration and City Partners, involved in the Downtown Strategy, will scope a survey or study to assess the reasons businesses have relocated from downtown to the suburbs and vice versa and determine the feasibility of proceeding with the exercise within available resources.	Establishment of Real Estate Working Group. Also, Administration has developed survey questions for field implementation in 2021 due to survey fatigue at the end of 2020.
34b	Avoid ad-hoc decision-making and resist the urge to apply one-time mitigation measures.	Administration will prepare a formal taxation policy reflecting the most current Council decisions that include potential mitigation and present to Council prior to the approval of the 2023-2026 budget cycle.	The proposed Mid-Cycle Adjustments reduced the amount of the 2021 rebate to \$6 million from \$24 million.



Report Number: PFC2020-1370

Meeting: Priorities & Finance Committee

Meeting Date: 2020 December 01

NOTICE OF MOTION

RE: Street Harassment

Sponsoring Councillor(s): Druh Farrell

WHEREAS the City of Calgary has a responsibility to support the well-being, comfort, and safety of Calgarians in public spaces;

AND WHEREAS, in 2017, The Government of Canada launched It's Time: Canada's Strategy to Prevent and Address Gender-Based Violence, which informs policy makers and service providers on practical knowledge and best practices to prevent gender-based violence;

AND WHEREAS *It's Time* adopted an intersectional approach to fill gaps in policies and supports particularly for Indigenous women, immigrant and refugee women, women of colour, and other marginalised sectors of the female population that are historically at greater risk of gender-based violence;

AND WHEREAS gender-based violence is not limited to physical violence, and can take many forms including neglect, discrimination, and harassment;

AND WHEREAS street harassment has been defined as unwelcome comments, gestures, and actions forced on a stranger in a public place because of their actual or perceived sex, gender, gender expression, or sexual orientation, and that are disrespectful, demeaning, alarming, and/or insulting;

AND WHEREAS Statistics Canada reports that one in three women, 15 years of age or older, were victims of unwanted sexual behaviour while they were in a public place in the past 12 months;

AND WHEREAS the 2018 *Survey on Safety in Public and Private Spaces* shows that unwanted sexual behavior in public spaces result in women avoiding certain places, changing routine to avoid certain people or situations, and carrying items to defend themselves or alert others;

AND WHEREAS, while the 2017 *Taking Action to End Violence Against Young Women and Girls in Canada* report recommended that the Government of Canada strengthen the harassment offence provisions in the *Criminal Code*, no implementation has occurred to-date and municipalities are left to fill this gap;

AND WHEREAS there are no provincial laws against street harassment in Alberta;

AND WHEREAS several municipalities across Canada, including Vancouver, Edmonton, and London, regulate street harassment through bylaws;

AND WHEREAS City of Calgary's Calgary Transit Bylaw (4M81), Municipal Complex Bylaw (38M2012), and Parks & Pathways Bylaw (11M2019) already prohibit some forms of street harassment in certain places;

AND WHEREAS City of Calgary does not have a bylaw that broadly addresses street harassment through a gender-based lens;

AND WHEREAS *The Canadian Charter of Rights and Freedoms* states that everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice;

AND WHEREAS Section 7 of the *Municipal Government Act* grants Council the authority to enact bylaws relating to the safety, health, and welfare of a municipality's people;

AND WHEREAS, in 2019, The City of Calgary approved the Gender Equity Diversity and Inclusion Strategy that includes direction to implement Gender Based Analysis Plus to address the different impacts of policies, programs, and services on diverse Calgarians;

NOW THEREFORE BE IT RESOLVED that City Council directs City Administration to review current bylaws related to public safety, through Gender Based Analysis Plus, and identify existing gaps with respect to street harassment;

AND FURTHER BE IT RESOLVED that, as part of the review, City Administration engage with Calgarians and the Social Wellbeing Advisory Committee on the topic of street harassment and its resulting impacts on quality of life;

AND FURTHER BE IT RESOLVED that City Administration determine whether the City of Calgary has the jurisdiction required to enact a constitutionally defensible bylaw that addresses street harassment, especially for certain groups that are at greater risk;

AND FURTHER BE IT RESOLVED that City Administration report to City Council through the Standing Policy Committee on Community & Protective Services no later than Q1 2022.

NOTICE OF MOTION CHECKLIST

The checklist is a tool intended to support the sponsor(s) of a Notice of Motion. The items listed below are important considerations when crafting and submitting a Notice of Motion. It is also intended to support other Members of Council, as the same considerations are important when reaching a decision on a Notice of Motion.

The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion: **Bylaw Setback Reform**

There are two classifications of a Notice of Motion (Check the one that applies):

☒

Regular

☐

Urgent (Include details in Urgency Rationale box below)

☐

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
Some staff resourcing will be required for this work. City Administration confirmed this work will require engagement to be fully-informed by and properly communicated to Calgarians. There is sufficient room in the current approved budget to fund engagement. The work can be accommodated within Community Standard's current workplan.
Legal / Legislative
Law was engaged on the Notice of Motion and further involvement will be required in drafting a bylaw.

Technical Content
City Administration has the existing in-house skillsets to conduct the work directed by this Notice of Motion.
Procedural (Including reasons for confidentiality)
This work does not conflict with other current Council-directed work.
Other Considerations
Community Standards, Law, and the Gender Equity, Diversity, and Inclusion groups were engaged on the drafting of this Notice of Motion, with feedback reflected in the final version.
Urgency Rationale
Not applicable.

**Report Number:** PFC2020-1373**Meeting:** Priorities & Finance Committee**Meeting Date:** 2020 December 01

NOTICE OF MOTION

RE: Royal Canadian Legion Branch No. 264**Sponsoring Councillor(s):** Druh Farrell

WHEREAS the Royal Canadian Legion is a key community organization supporting those who served their country in times of conflict;

AND WHEREAS property held by and used in connection with a branch or local unit of the Royal Canadian Legion is exempt from property taxes pursuant to the Municipal Government Act (MGA);

AND WHEREAS the MGA specifies that property licensed under the Gaming, Liquor and Cannabis Act is not exempt from taxation, including areas held by and used in connection with a branch or local unit of the Royal Canadian Legion;

AND WHEREAS the Royal Canadian Legion Branch No. 264 (Legion 264) recently opened a new facility at 1918 Kensington Rd NW (the Property) as the result of a land swap and Land Use Redesignation that were supported by City Council in 2016;

AND WHEREAS this new facility was designed to provide opportunities to lease out upper floor commercial spaces, with revenues directed back to sustaining branch operations;

AND WHEREAS two areas in the new facility are licensed under the Gaming, Liquor and Cannabis Act, specifically 1918 Tap & Table restaurant on the first floor and members lounge on the second floor (Liquor Licensed Areas), and, as such, are not exempt from property taxes under the MGA;

AND WHEREAS City Council approved Notice of Motion C2019-0667 to cancel 2018 tax arrears and a portion of 2019 taxes for 1918 Kensington Rd NW to provide Legion 264 with time to secure sustainable leases, as well as to give Royal Canadian Legion time to advocate to the Government of Alberta for MGA changes to support property tax exemptions on Liquor Licensed Areas;

AND WHEREAS Legion 264 successfully leased the fourth floor of the new facility to for-profit businesses and, as such, the fourth floor no longer qualifies for property tax exemption under the MGA despite lease revenue supporting Legion operations;

AND WHEREAS the Royal Canadian Legion indicates that the Government of Alberta was not interested in changes to the MGA to exempt Liquor Licensed Areas within Royal Canadian Legion branch spaces from property taxes and that the Government of Alberta instead redirected the Royal Canadian Legion to obtain yearly property tax cancellations from municipal councils;

NOTICE OF MOTION

AND WHEREAS the economic downturn and COVID-19 pandemic have significantly affected Legion 264's financial sustainability, with the pandemic specifically resulting in the complete closure of the members lounge due to aged members being at high risk of infection, reduced capacity of the 1918 Tap & Table restaurant, and financial challenges for Legion 264's for-profit tenants;

AND WHEREAS the Liquor Licensed Areas of 1918 Kensington Rd NW have a 2020 responsibility for \$24,058.26 in municipal property taxes and \$5,440.84 in provincial property taxes, totaling \$29,499.10.

AND WHEREAS the fourth floor of 1918 Kensington Rd NW has a 2020 responsibility of \$33,554.94 in municipal property taxes and \$7,588.54 in provincial property taxes, totaling \$40,701.67;

AND WHEREAS the above amounts are substantially higher than property taxes levied on Legion 264's previous location, 1910 Kensington Road NW;

AND WHEREAS the above amounts are substantially higher than the property taxes levied on property owned by other Royal Canadian Legion branches within Calgary;

AND WHEREAS the development expected to occur on Legion 264's previous location could contribute between an estimated \$494,869 to \$1,138,017 in annual property taxes once completed;

AND WHEREAS Legion 264 is not in a financial position to pay its 2020 property tax responsibility;

AND WHEREAS, without intervention from Council, Legion 264 may be forced to cease operations, resulting in the loss of a key community and veterans' resource;

AND WHEREAS, through its authority under Section 347 of the MGA, Council can cancel all or part of property taxes for a particular property, when it considers it equitable to do so;

NOW THEREFORE BE IT RESOLVED that City Council directs City Administration to:

- Cancel the 2020 municipal property taxes being \$24,058.26 for the Liquor Licensed Areas of 1918 Kensington Road NW (roll 202477428) and \$33,554.94 for the fourth floor (roll 202673620);

NOW THEREFORE BE IT RESOLVED that City Council request that the Government of Alberta:

- Cancel the 2020 provincial property taxes being \$5,440.84 for the Liquor Licensed Areas of 1918 Kensington Road NW (roll 202477428) and \$7,588.54 for the fourth floor (roll 202673620);

AND FURTHER BE IT RESOLVED that City Council recommits to advocating to the Government of Alberta, through the Intergovernmental Affairs Committee, to cut red tape on property tax cancellations and exemptions, with particular consideration to:

- Changes to the MGA to allow for multi-year tax cancellations at Council's discretion;
- An enabling authority through the City Charter to allow for multi-year tax cancellations at Council's discretion;
- Changes to the MGA to allow for property tax exemptions for community organization property licensed under the Gaming, Liquor and Cannabis Act

NOTICE OF MOTION CHECKLIST

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The checklist is therefore an opportunity for the sponsor(s) to:

- consider what advice might be helpful to them in formulating their proposal; and
- share key points about the advice received with their Council colleagues, to inform their deliberations.

This document is recommended to be provided to City Clerks alongside every Notice of Motion and will become part of the Corporate record. It is at the discretion of the sponsor(s) to decide with whom to consult and what information to include.

Title of the Motion: **Royal Canadian Legion Branch No. 264**

There are two classifications of a Notice of Motion (Check the one that applies):

☒

Regular

☐

Urgent (Include details in Urgency Rationale box below)

☐

Is this Notice of Motion Confidential? (Include details in Procedural box below)

Financial and Other Resource Capacity
As with all property tax cancellations, cancellation here will disperse Legion 264's tax responsibility across other properties. This will have no noticeable effect on the property taxes for other properties given the relatively small dollar value in question.
Legal / Legislative
Cancelling Legion 264's property taxes is within Council's authority under the Municipal Government Act. The policy advocacy resolutions would require further discussion with the Government of Alberta.

Technical Content
Not applicable.
Procedural (Including reasons for confidentiality)
Not applicable.
Other Considerations
Assessment was consulted on the drafting of this motion. Assessment has reservations about providing tax cancellation for the fourth floor space as it competes with other commercial leasable space. It is for Council to debate the merits of full building tax cancellation, only Legion controlled space tax cancellation, or no tax cancellation. Assessment also has reservations about the policy advocacy resolutions. Assessment will be in attendance at Council to speak to these concerns. It is ultimately Council's prerogative to debate and set policy.
Urgency Rationale
Not applicable.