



AGENDA

SPC ON UTILITIES AND CORPORATE SERVICES

May 26, 2021, 9:30 AM
IN THE COUNCIL CHAMBER

Members

Councillor W. Sutherland, Chair
Councillor P. Demong, Vice-Chair
Councillor G. Chahal
Councillor D. Colley-Urquhart
Councillor J. Davison
Councillor D. Farrell
Councillor S. Keating
Mayor N. Nenshi, Ex-Officio

SPECIAL NOTES:

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

Public wishing to make a written submission and/or request to speak 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 Standing Policy Committee on Utilities and Corporate Services, 2021 April 28
5. CONSENT AGENDA
 - 5.1. DEFERRALS AND PROCEDURAL REQUESTS

None

5.2. BRIEFINGS
None

6. POSTPONED REPORTS
(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1. The City of Calgary 2020 Infrastructure Status Report, UCS2021-0754

7.2. Reserve Bids for Properties in the 2021 Tax Sale, UCS2021-0797
Attachment 3 held confidential pursuant to Sections 23, (Local public body confidences), 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* until the report is published in the Council agenda.

Review By: 2021 June 21

8. ITEMS DIRECTLY TO COMMITTEE

8.1. REFERRED REPORTS
None

8.2. NOTICE(S) OF MOTION
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1. Proposed Method of Disposition – Various Properties, UCS2021-0798
Held confidential pursuant to Sections 23 (Local public body confidences), 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*.

Review By: 2031 December 31 except for Attachments 4 and 5 which shall remain confidential.

10.2. URGENT BUSINESS

11. ADJOURNMENT



MINUTES

SPC ON UTILITIES AND CORPORATE SERVICES

**April 28, 2021, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor W. Sutherland, Chair
Councillor G. Chahal (Remote Participation)
Councillor D. Colley-Urquhart (Remote Participation)
Councillor J. Davison (Remote Participation)
Councillor D. Farrell (Remote Participation)
Councillor S. Keating (Remote Participation)

ABSENT Councillor P. Demong, Vice-Chair (Personal)

ALSO PRESENT: A/General Manager C. Arthurs (Remote Participation)
Legislative Advisor A. de Grood
Legislative Advisor J. Palaschuk

1. CALL TO ORDER

Councillor Sutherland called the Meeting to order at 9:30 a.m.

2. OPENING REMARKS

Councillor Sutherland provided opening remarks.

ROLL CALL

Councillor Chahal, Councillor Colley-Urquhart, Councillor Davison, Councillor Farrell, Councillor Keating, and Councillor Sutherland.

3. CONFIRMATION OF AGENDA

Moved by Councillor Davison

That the Agenda for the 2021 April 28 Standing Policy Committee on Utilities and Corporate Services be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Standing Policy Committee on Utilities and Corporate Services, 2021 March 24

Moved by Councillor Chahal

That the Minutes of the 2021 March 24 Regular Meeting of the Standing Policy Committee on Utilities and Corporate Services be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Proposed Utility Bylaw Amendments, UCS2021-0603

Moved by Councillor Keating

That with respect to Report UCS2021-0603, the following be approved:

That the Standing Policy Committee on Utilities and Corporate Services recommends that Council give three readings to the following proposed Bylaw amendments:

- A. Bylaw 37M2005, Drainage Bylaw (attachment 2)
- B. Bylaw 14M2012, Wastewater Bylaw (attachment 3)
- C. Bylaw 40M2006, Water Utility Bylaw (attachment 4)
- D. Bylaw 9018, Glenmore Park Bylaw (attachment 5)

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

Moved by Councillor Chahal

That pursuant to Sections 23 (Local public body confidences), 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 9:33 a.m., in the Council Boardroom, to discuss confidential matters with respect to the following Items:

- Summary of Real Estate Transactions for the Fourth Quarter 2020, UCS2021-0607
- Proposed Method of Disposition (Rosscarrock) – Ward 08 (3616, 3700 and 3720 17 AV SW), UCS2021-0606

MOTION CARRIED

Committee reconvened in Public Meeting at 10:12 a.m. with Councillor Sutherland in the Chair.

ROLL CALL

Councillor Sutherland, Councillor Davison, Councillor Farrell, Councillor Keating, Councillor Chahal, Councillor Colley-Urquhart.

Moved by Councillor Keating

That Committee rise and report.

MOTION CARRIED

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 Summary of Real Estate Transactions for the Fourth Quarter 2020, UCS2021-0607

Administration in attendance during the Closed Meeting discussions with respect to Report UCS2021-0607:

Clerks: A. Degrood and J. Palaschuk. Law: A. Barbero and B. Graham.
Advice: C. Arthurs, F. Snyders, T. Benson, C. Berry, J. Halfyard, S. McClurg, J. Moisan, and J. Peressini.

Moved by Councillor Farrell

That with respect to Confidential Report UCS2021-0607, the following be approved:

The Standing Policy Committee on Utilities and Corporate Services recommends that Council:

1. Receive this Report for the Corporate Record; and
2. Direct the Recommendations, Report, and Attachments remain confidential pursuant to Sections 23 (Local public body confidences), 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*, until the Report is published in the Council Agenda.

MOTION CARRIED

10.1.2 Proposed Method of Disposition (Rosscarrock) – Ward 08 (3616, 3700 and 3720 17 AV SW, UCS2021-0606

Administration in attendance during the Closed Meeting discussions with respect to Report UCS2021-0606:

Clerks: A. Degrood and J. Palaschuk. Law: A. Barbero and B. Graham. Advice: C. Arthurs, F. Snyders, T. Benson, C. Berry, J. Halfyard, S. McClurg, J. Moisan, and J. Peressini.

A confidential presentation was distributed with respect to Report UCS2021-0606.

Moved by Councillor Davison

That with respect to Confidential Report UCS2021-0606, the following be approved:

The Standing Policy Committee on Utilities and Corporate Services recommends that Council:

1. Reconsider its decision contained in the minutes of the 2016 October 03 Combined Meeting of Council with respect to LAS2016-77, Proposed Method of Disposition,
2. File Report LAS2016-77.
3. Authorize the Recommendations as outlined in Attachment 2;
4. Direct the Report, Confidential Presentation, and Attachments 1, 2, and 3 remain confidential pursuant to Sections 23 (Local public body confidences), 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* until the sales transactions have closed;
5. Direct that Attachments 4 and 5 remain confidential pursuant to Sections 23 (Local public body confidences), 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*.

For: (5): Councillor Sutherland, Councillor Chahal, Councillor Davison, Councillor Farrell, and Councillor Keating

Against: (1): Councillor Colley-Urquhart

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Davison

That this meeting adjourn at 10:18 a.m.

MOTION CARRIED

The following Items have been forwarded on to the 2021 May 10 Combined Meeting of Council:

CONSENT

- Summary of Real Estate Transactions for the Fourth Quarter 2020, UCS2021-0607
- Proposed Method of Disposition (Rosscarrock) - Ward 08 (3616, 3700 and 3720 17 AV SW), UCS2021-0606

ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- Proposed Utility Bylaw Amendments, UCS2021-0603

The next Regular Meeting of the Standing Policy Committee on Utilities and Corporate Services is scheduled to be held on 2021 May 26 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

The City of Calgary 2020 Infrastructure Status Report

RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services recommend that Council receive the City of Calgary 2020 Infrastructure Status Report for the Corporate Record.

HIGHLIGHTS

- A key part of the overall asset management system, the City of Calgary Infrastructure Status Report (ISR) is a summary-level document highlighting the current state of municipal infrastructure assets.
- What does this mean to Calgarians? The information provided in the Infrastructure Status Report serves as a starting point for informed infrastructure investment decision-making in support of sustainable delivery of municipal services to residents of Calgary.
- Why does it matter? Sound infrastructure investment decisions must be based on information about infrastructure required for delivery of municipal services including an accounting of existing assets and what condition they are in.
- Current replacement value (CRV) of existing assets has increased from \$84.70 billion in 2017 to \$93.91 billion in 2020.
- Relative to 2017, assets in good/very good condition have decreased from 88 per cent to 79 per cent.
- There is an increase of the 10-year infrastructure funding gap from \$5.67 billion reported in 2017 to \$7.73 billion in 2020.
- The ISR includes cross-referencing of infrastructure assets to municipal services for clarity and to ensure consistency with the One Calgary business plan and budget.
- Strategic Alignment to Council's Citizen Priorities: A well-run city
- Policy and Background is included as Attachment 1.

DISCUSSION

The next step is for Administration to continue to develop and document in-depth technical analysis as part of the creation of business unit and service line asset management plans. This includes consolidation into the Corporate Asset Management Plan. Completion is targeted for early 2022.

This suite of plans provides the detailed technical information required to guide investment decisions, risk mitigation and service adjustments leading into the next One Calgary service planning and budget process. Asset management plans build on the information presented in the Infrastructure Status Report to guide evaluation and prioritization of investment opportunities. Asset information is critical to enable mitigation of performance and service risks while balancing affordability.

The ISR provides a snapshot of infrastructure asset information to support investment decision-making based on asset condition, performance and risk based on service commitments to citizens. The report summarizes investment gaps and informs future direction for managing municipal infrastructure assets.

The City of Calgary 2020 Infrastructure Status Report

This iteration of the ISR has been updated and modernized to provide a high-level review of The City's infrastructure performance, funding, and service level gaps. Modernization has enabled the ISR to be much shorter in length, without compromising quality or essential content. Additionally, the ISR now includes information connecting assets to municipal services to be consistent with the One Calgary service plans and budget. The modernized version of the ISR is aligned with accepted industry asset management practice.

Highlights and key points from the City of Calgary 2020 Infrastructure Status Report are:

- Since the last Infrastructure Status Report (2017), City of Calgary municipal infrastructure assets have increased in current replacement value (CRV) from \$84.70 billion to \$93.91 billion. The reasons for this change include: 1) improved understanding of corporate asset inventory because of asset management maturity, 2) new cost evaluation methods for certain asset types, 3) changes to asset categories, and 4) cost escalation that calculates the current value using an inflationary index.
- The total asset value of \$93.91 billion does not include land, which is valued at an additional \$4.73 billion.
- Overall, the data shows that the asset condition profile has deteriorated in comparison to 2017. Assets in good/very good condition have decreased from 88 per cent to 79 per cent. Assets in fair condition are up from 9.7 per cent to 11 per cent and poor/very poor up from 2.3 per cent to seven per cent respectively). While this trend raises concern, it is important to highlight that public and employee safety is always the top priority for The City. Asset stewards monitor assets closely to identify and immediately address any infrastructure that could pose a threat to safety.
- Available data indicates that The City of Calgary requires an additional investment of \$7.73 billion over the next 10 years to fund its infrastructure maintenance, growth, and operating requirements (collectively called the infrastructure funding gap). In the 2017 ISR, the 10-year gap was reported as \$5.67 billion. This indicates that the risk is on the increase. However, it is recognized that economic conditions will affect funding availability.

Asset management plans (AMP) specific to major asset categories and services are under development with a focus on risk to ensure that strategies to mitigate service level risks are identified and implemented.

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 City of Calgary 2020 Infrastructure Status Report is a City-wide effort to gather and compile a vast amount of asset-specific information from all asset managing business units that support services provided by The City to residents.

Business unit representatives were instrumental in providing and confirming asset information as well as reviews and approval of the Infrastructure Status Report.

The City of Calgary 2020 Infrastructure Status Report

IMPLICATIONS

Social

There are many infrastructure assets in place from which social benefit is derived. In particular, infrastructure assets contribute significantly towards public safety, well-being and culture. The Infrastructure Status Report supports understanding of where investments in infrastructure have been undertaken and where further investment may be needed.

Environmental

The 2020 version of the Infrastructure Status Report has identified natural infrastructure, including urban wetlands, grasslands and forest, as a component of the overall infrastructure picture that contributes to resiliency and the well-being of residents. While full quantification of natural assets is not complete, this work is ongoing.

Economic

The Infrastructure Status Report supports economic resiliency by providing an early summary level view of asset information to start the decision-making process of where investments may be required in the future.

Service and Financial Implications

No anticipated financial impact

While there is no direct financial impact attributable to the Infrastructure Status Report, it is prepared to provide information regarding the state of City of Calgary municipal infrastructure with a financial perspective.

The ISR provides information that is a start to the process of decision-making on capital and operating budget investment in assets to support service delivery. It is an input to ongoing actions by business units to support actions and objectives in asset management, service delivery and business plans.

RISK

Key risk areas are:

1. Non-standard and inconsistent information across business units and service lines could adversely affect decision-making regarding level of investment requirements to sustain service levels and acceptable condition of infrastructure.
2. Lack of resource availability and decentralized approach to asset management may hinder the speed of adoption of the asset management practice and overall capabilities. Slow adoption could impact quality of decision-making with respect to investments in infrastructure assets.
3. Lack of investment in infrastructure assets could result in deteriorating or failing infrastructure with potential impacts including, but not limited to, the inability to provide appropriate level of service, injury and/or death, lack of alignment with sustainability objectives and financial viability.

**Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2021 May 26**

**ISC: UNRESTRICTED
UCS2021-0754
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The City of Calgary 2020 Infrastructure Status Report

These risks are mitigated through:

- Ongoing monitoring and reporting, in accordance with The City's Integrated Risk Management Framework. This includes preparation of the Infrastructure Status Report.
- Maturing of the asset management program, including development of service-oriented asset management plans to drive infrastructure investment decision-making.

ATTACHMENTS

1. Policy and Background
2. The City of Calgary 2020 Infrastructure Status Report

Department Circulation

General Manager	Department	Approve/Consult/Inform

CITY OF CALGARY INFRASTRUCTURE STATUS REPORT POLICY AND BACKGROUND

The Infrastructure Status Report (ISR) is a component of the overall City of Calgary asset management system. It provides a summarization of the state of municipal infrastructure assets. It is produced every budget cycle and is aligned with The City of Calgary's Asset Management Policy (GN-001(B)). The 2020 edition is the sixth iteration of the report with the previous ISR released in 2017. The information in this report is as of a baseline date of 2020 January 1.

The ISR plays a role in supporting the principles of sound asset management and elements of asset management strategy. The principles that guide development of the ISR are:

1. Accurate and consistent inventory of all municipal infrastructure.
2. Regular reporting and information sharing to facilitate development of infrastructure investment priorities.
3. Alignment between service and infrastructure decisions with future municipal planning goals as outlined in Municipal Development Plan (MDP) and Calgary Transportation Plan (CTP).
4. Benchmarking to measure infrastructure performance and service delivery effectiveness.
5. Ensure a risk-based approach to infrastructure investment decision-making.

In support of the above principles, the ISR summarizes answers to the following key questions:

1. What do we own?
2. What is it worth?
3. What condition is it in?
4. What is the infrastructure funding gap?
5. What is the connection between municipal services provided to citizens and infrastructure assets?

With the answers to these questions, The City of Calgary is positioned to:

- Plan for and manage the delivery of the required level of service.
- Avoid premature asset failure.
- Quantify and manage risk associated with asset failure with strategies to mitigate risk and the consequence of failure.
- Create plans based on prediction of future expenditure requirements through understanding remaining asset life and capital investment needs.

In summary, the ISR provides a snapshot of infrastructure asset information to support investment decision-making based on asset condition, performance and risk based on service commitments to citizens. The report summarizes investment gaps and informs future direction for managing municipal infrastructure assets.

Calgary



2020 Infrastructure Status Report



ISC: UNRESTRICTED

Page 1 of 30

Executive summary

About the Report

The Infrastructure Status Report (ISR) is a key reporting document that is produced every business cycle. It highlights the status of City-owned assets and identifies potential areas of short and long-term infrastructure risks.

The report serves as a guide for City Council to make informed infrastructure investment decisions ahead of the development of 2023-2026 service plans and budgets.

DATA COLLECTED FROM:

11

Business
Units



The Calgary
Police Service



Calgary Parking
Authority



Calgary Public
Library

The data for the 2020
ISR is based on The City's
portfolio of assets as of
Jan. 1, 2020.

NEW APPROACH IN 2020

We have **aligned our
assets data** with the
service lines.



We have better aligned
our asset categories
with the **Canadian
Infrastructure Report
Card (CIRC)**.

TWO IMPORTANT DEVELOPMENTS SINCE THE 2017 REPORT

An initiative to **highlight
natural infrastructure** within
current asset management
reporting mechanisms, and;



Connecting **energy
consumption** to Asset
Management practices.

Executive summary

Key Indicators

The ISR provides a snapshot of The City of Calgary's current infrastructure inventory, offers an understanding of the condition of its assets and identifies investment needs over a ten-year horizon.

CURRENT
REPLACEMENT
VALUE (CRV)



ASSETS CONDITION



INFRASTRUCTURE
FUNDING GAP



Calculates cost to
replace the assets at
the current price.

■ VERY GOOD ■ POOR
■ GOOD ■ VERY POOR
■ FAIR ■ NO DATA

Estimates unfunded
infrastructure needs
over a 10-year horizon.

2017
\$84.70 billion

2020
\$93.91 B

2020 CRV value:
The value of City's land
holdings is not included
in the CRV.

DETERIORATION IN CONDITION
SINCE 2017

GOOD/VERY GOOD:

↓ 88 per cent to **79** per cent

FAIR:

↑ 9.7 per cent to **11** per cent

POOR/VERY POOR:

↑ 2.3 per cent to **7** per cent

2017
\$5.67 billion

2020
\$7.73 B

What will we do with this information?

This report is a precursor to the Corporate Asset Management Plan (CAMP). Through solid asset management practices, The City is building action plans that justify rational investment to address the infrastructure gap, ensure public safety and service continuity, and balance fiscal prudence and affordability of investment.

Once the Corporate Asset Management Plan is delivered, Infrastructure Calgary will use the information to balance the needs for investing available resources and present investment plans to Council as part of the next budget and business planning process.

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1.0 Introduction

The Infrastructure Status Report (ISR) is a key reporting document that highlights the status of City-owned assets and identifies potential areas of short and long-term infrastructure risks. It is produced every business cycle and the 2020 version is the sixth iteration of the document. The information on City-owned assets is examined in more detail during the creation of business unit specific asset management plans. This process enables the Corporation to optimize investments, mitigate risks and maintain its ability to deliver services to the residents of Calgary.

The ISR also serves as a guide for City Council to make informed infrastructure investment decisions by highlighting the needs and performance of its infrastructure ahead of the development of 2023-2026 service plans and budgets.

The data for the 2020 ISR is based on The City's portfolio of assets as of Jan. 1, 2020. Information used in this report was collected from 11 business units as well as Calgary Police Service, Calgary Parking Authority and Calgary Public Library. These areas collectively steward 99 per cent of The City's assets.

It's important to mention that the Corporate Coordinated Operations and Maintenance (CCOM) Program was rolled out in 2018, which centralizes The City's facility operations and maintenance services from several business units to one, i.e. Facility Management (FM). Therefore, building assets that were previously reported in the 2017 ISR by Calgary Recreation, Calgary Parks, Calgary Fire Department and Roads business units, are now reported through FM.



The following key principles guide the development of this report:

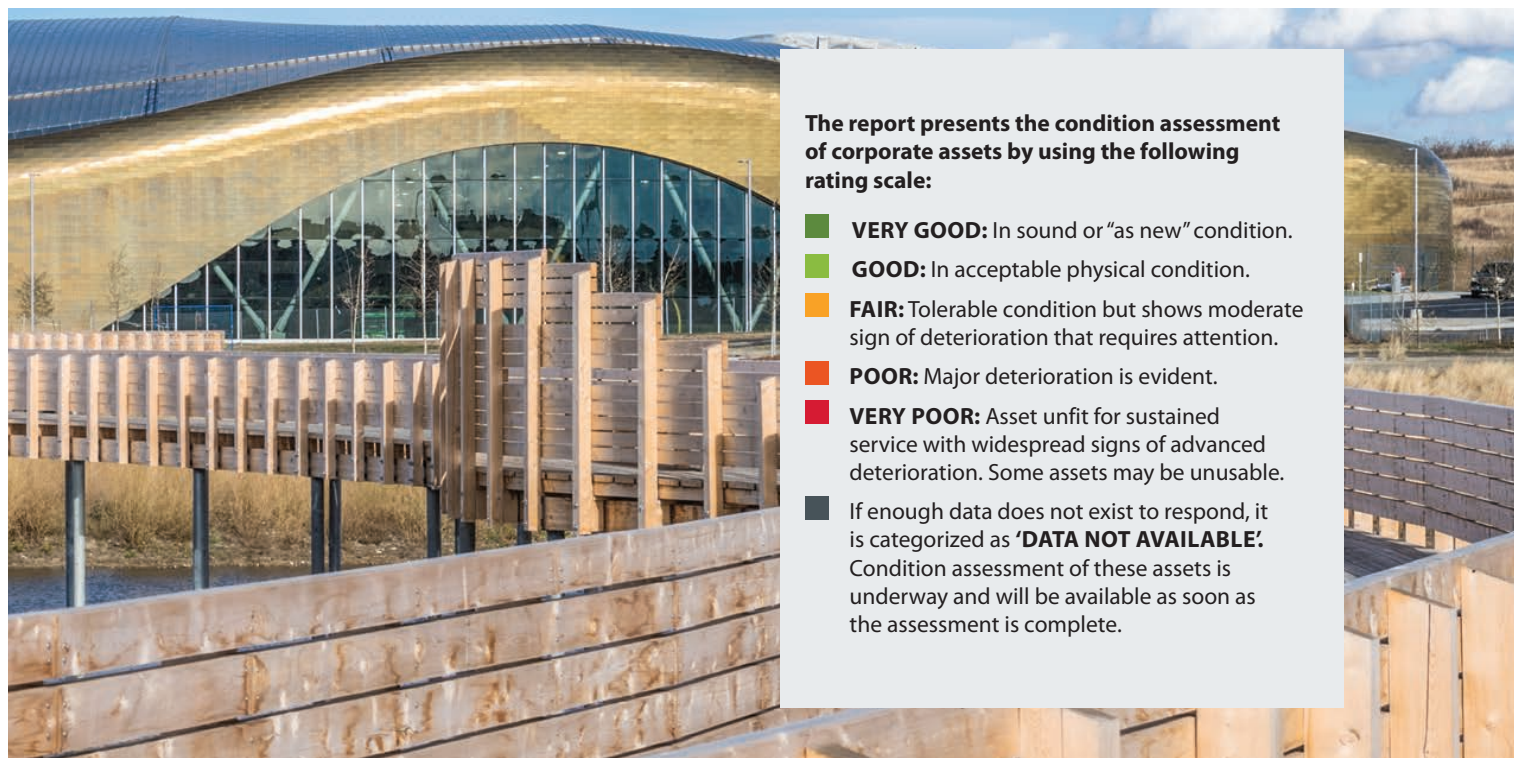
- The ISR reports the Current Replacement Value (CRV)¹ of City-owned assets which is the cost to replace an asset at the current price. The City of Calgary also reports the value of its infrastructure in its annual financial statements. These statements, however, report depreciated asset values² in compliance with the Public-Sector Accounting Board's PS3150 Tangible Capital Asset reporting requirements. Depreciated asset value is an accounting concept which differs significantly from, and usually much lower than, the CRV.
- The ISR benchmarks future infrastructure needs over a 10-year horizon. These include operating, capital maintenance and capital growth requirements. Operating and capital maintenance requirements relate to maintenance and upgrades of existing infrastructure. Capital growth costs relate to investments required to support the city's expansion (drivers not only include growth in undeveloped land but also economic growth, population growth and demographic changes).

There have been two important developments since the last business cycle:

1. An initiative to highlight natural infrastructure within current asset management reporting mechanisms, and;
2. Connecting energy consumption to Asset Management practices.

The City has identified natural infrastructure (grasslands, forests, riparian areas, watercourses, wetlands, public trees etc.) as a pillar necessary to building a resilient city, through the Resilient Calgary Strategy (2019) and the Climate Resilience Strategy (2018). To achieve a full understanding of the numerous social, economic and environmental benefits these assets provide, financial valuation and condition assessment of natural assets is an important step. This understanding will help us better manage our natural assets.

Information related to natural infrastructure is not available at this time from all stewards of City owned natural assets. Only Calgary Parks have quantified and included natural vegetation (i.e. wetlands, aspen forest grassy areas and trees excluding trees in manicured areas and street trees) for the purpose of this report.



The report presents the condition assessment of corporate assets by using the following rating scale:

- **VERY GOOD:** In sound or "as new" condition.
- **GOOD:** In acceptable physical condition.
- **FAIR:** Tolerable condition but shows moderate sign of deterioration that requires attention.
- **POOR:** Major deterioration is evident.
- **VERY POOR:** Asset unfit for sustained service with widespread signs of advanced deterioration. Some assets may be unusable.
- If enough data does not exist to respond, it is categorized as **'DATA NOT AVAILABLE'**. Condition assessment of these assets is underway and will be available as soon as the assessment is complete.

1 Current replacement value is calculated by appreciating the original purchase cost using escalation rates that depend on market conditions and inflation.

2 Depreciated asset value is calculated by depreciating the original purchase cost over the useful life of the asset.

The report itself has also been revamped from previous versions for two reasons:

1. First, we have aligned our infrastructure data with our service lines³ to better show how infrastructure enables the services we provide to citizens. Detailed information on assets and related services is available in Section 3.
2. Second, we have better aligned our asset categories with the Canadian Infrastructure Report Card (CIRC) where applicable/possible for more consistent reporting across all levels of government.

This report is a precursor to the Corporate Asset Management Plan (CAMP). Through solid asset management practices, The City is building action plans that justify rational investment to address the infrastructure gap, ensure public safety and service continuity, and balance fiscal prudence and affordability of investment. Once the Corporate Asset Management Plan is delivered, Infrastructure Calgary will use the information to balance the needs for investing available resources and present investment plans to Council as part of the next budget and business planning process.



1.1 Report Overview

This section summarizes the methodology used in the report. The second section provides an infrastructure overview and a visual comparison with past data. Section three connects the asset base to the services that The City provides to its citizens and includes the total value of each infrastructure category, its overall physical condition and the ten-year estimated infrastructure gap. Section four and five conclude the report and discuss next steps.

1.2 Methodology

Although there are many commonalities across the Corporation in terms of how different areas manage their assets and record asset data and transactions, there are also many differences. To complete the ISR in a consistent manner, the following methodology was adopted:

- The largest business units/service areas (that steward over 99 per cent of The City's assets) were contacted to provide their asset data.
- Corporate Analytics and Innovation (CAI) acted in a supporting and coordinating role to collect the data from asset stewards.
- CAI collected the responses, consolidated the data, aligned it with service lines, conducted analyses and compiled the report.



³ Of the 61 City of Calgary services, we were able to associate asset data with nearly half of them. The rest of the services are either not asset dependent (e.g. some enabling services and services supporting Council priority of a 'A Well-Run City') or their asset base is significantly small. Areas with a small asset base do not typically follow corporate asset management practices and account for only a very small percentage of the City-owned assets.

2.0 Infrastructure Overview

This report is based on the best available data, as of Jan. 1, 2020, supplied by the business units/service areas. Consolidation of this data shows that the current replacement value (CRV) of The City's infrastructure is \$93.91 billion (up from \$84.70 billion in 2017). The following factors have been identified as the key contributors for this increase:

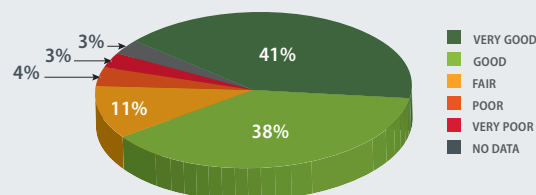


- **Cost escalation factor:** CRV is calculated by using the inflationary index against the original cost and this value tends to increase with every passing year.
- **Asset management maturity:** As The City's asset management practices mature, we have a better understanding of the asset base.
- **New cost evaluation methods:** New methods were developed for certain asset types to help standardize the methodology.
- **Revised asset categories:** Some categories were not reported on in 2017 based on the asset hierarchy used at the time.

The current asset base of \$93.91 billion does not include City-owned land holdings. City-owned land is valued at \$4.73 billion (which in most cases is the book value and not assessed or market value). The reason land is excluded is because land assets are managed and valued differently, and they do not depreciate like other engineered assets.

Asset condition is another useful indicator for The City because it helps us understand when interventions may be required to improve or maintain our levels of service.

Analysis of the data shows that **79 per cent** of The City's assets are in good or very good condition, 11 per cent are in fair condition and 7 per cent are in poor or very poor condition⁴. Condition data is currently not available for 3 per cent of the assets⁵.

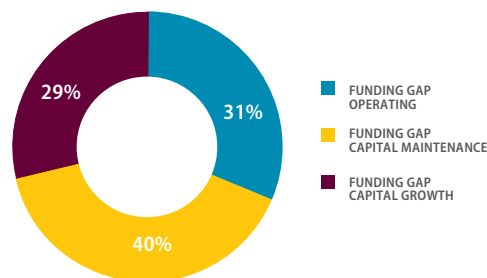


The data shows that the condition profile has deteriorated in comparison to 2017 (Good/Very Good down from 88 per cent to 79 per cent; Fair up from 9.7 per cent to 11 per cent and; Poor/Very poor up from 2.3 per cent to 7 per cent respectively). While this deterioration raises concern, it is important to highlight that public and employee safety is always the top priority for The City. Asset stewards monitor assets closely to identify and immediately address any infrastructure concerns that could pose a threat to safety.

⁴ Assets in poor and very poor condition include streetlights, signals, local/collector/arterial roads (replacement value: \$2.3 billion), Housing units (replacement value: \$781.7 million), Parks infrastructure e.g. irrigation system, landscaping, playground equipment, trails and some pathways (replacement value: \$570 million), Transit Rail control systems, maintenance facilities and specialized transit (replacement value: \$325 million), Facility Management (FM) stewarded buildings (replacement value: \$184 million), Calgary Fire Department's vehicles and equipment (replacement value: \$63.6 million), 3 Police stewarded buildings (replacement value: \$26 million), Athletic Parks (replacement value: \$16 million), Golf Courses (replacement value: \$15 million). Water, Waste & Recycling and Parking infrastructure has also been reported in poor or very poor condition, but their life cycle maintenance and upgrades are addressed through their individual funding streams.

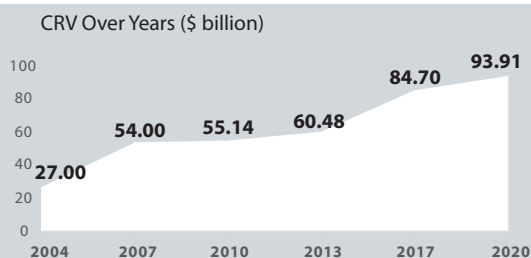
⁵ Condition assessments for most of these assets is underway and will be available as soon as the assessment is complete.

The last indicator used in this report is the estimation of the unfunded infrastructure needs of The City over the next ten-year horizon. Available data indicates that The City of Calgary requires an additional investment of \$7.73 billion to fund its infrastructure maintenance⁶, growth⁷ and operating⁸ requirements (collectively called the infrastructure funding gap⁹). In the 2017 ISR, the 10-year gap was reported as \$5.67 billion. This indicates that the risk has increased. However, given the economic condition, it's recognized that all the required funding may not be available. Business units, hence, are actively working on their Asset Management plans to identify strategies and mitigate any service level risks.

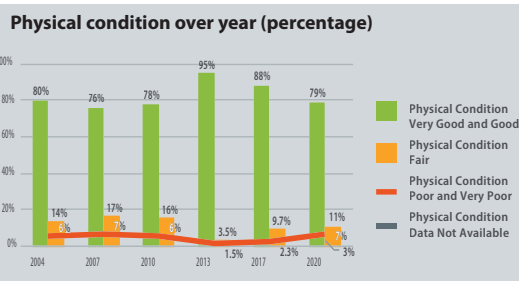


2.1 Trends/visual comparison with past data

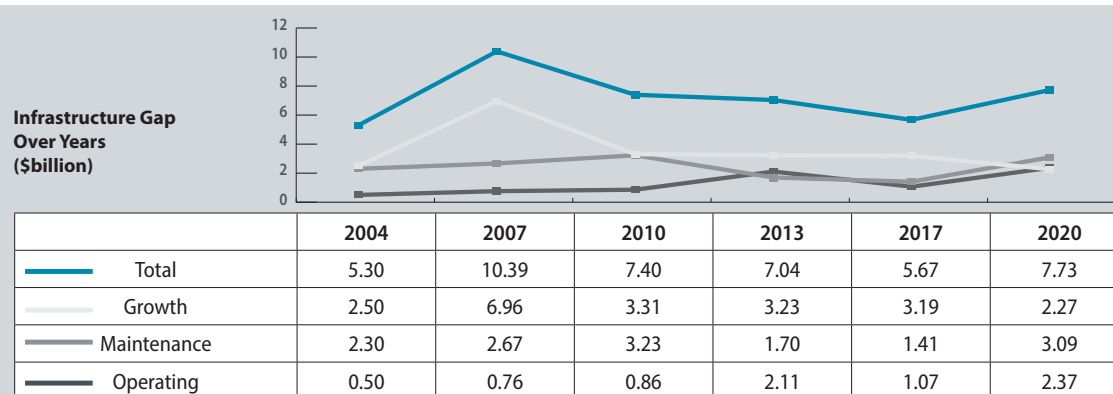
2.1.1 Current replacement value reported over years



2.1.2 Physical condition reported over year



2.1.3 Infrastructure gap over years



⁶ Capital maintenance gap: Unfunded investments required to maintain and upgrade existing infrastructure assets.

⁷ Capital growth gap: Unfunded investments required to support the city's expansion. Primary drivers of growth-related expenditures are economic growth, population growth and demographic changes.

⁸ Operating gap: Funding shortfall required to bring existing assets to a minimum acceptable level for operation over their service life.

⁹ An estimate of the total unfunded investment.

3.0 Assets/Services Overview

The City of Calgary owns and maintains \$93.91 billion worth of total assets to support more than 28 services¹⁰. For the purpose of this report, we have created 18 categories of The City/Partners/Authority infrastructure (based on the services they support).

A summary on each of the categories is provided in the tables below. Information on the City-owned infrastructure is in alphabetical order and presented first, followed by Parking, Police, libraries and land related information.



- | | |
|--|--|
| 1. Buildings/Spaces providing Sports and Recreation Facilities | 9. Transit Infrastructure |
| 2. Buildings (Others) | 10. Vehicles and Equipment |
| 3. Fire Safety and Emergency | 11. Waste & Recycling Infrastructure |
| 4. Housing Units | 12. Water Infrastructure for Potable Water |
| 5. Information Technology | 13. Water Infrastructure for Wastewater |
| 6. Parks Infrastructure | 14. Water Infrastructure for Stormwater |
| 7. Parks, Pathways and Trails | 16. Police Infrastructure |
| 8. Roads, Bridges and Tunnels | 17. Public Libraries |
| | 18. Land Holdings |

¹⁰ Of the 61 City of Calgary services, we were able to associate asset data with nearly half of them. The rest of the services are either not asset dependent (e.g. some enabling services and services supporting Council's priority of a 'A Well-Run City') or their asset base is significantly small. Areas with a small asset base do not typically follow corporate asset management practices and account for only a very small percentage of the City-owned assets.

1. Buildings/Spaces providing Sports and Recreation Facilities



STEWARDS

Facility Management (FM) and
Calgary Recreation

SERVICE SUPPORTED

Recreation Opportunities

CRV

\$761 M

Of the \$761 million, Calgary Recreation stewards and maintains roughly 15% (\$115 million) and FM 85% (\$ 646 million) of the assets. All Sports and Recreation facilities are within 5Km to a maximum of 20Km radius from nearby residents.

FM stewarded buildings included in this section primarily support "Recreation Opportunities" but support other services as well.

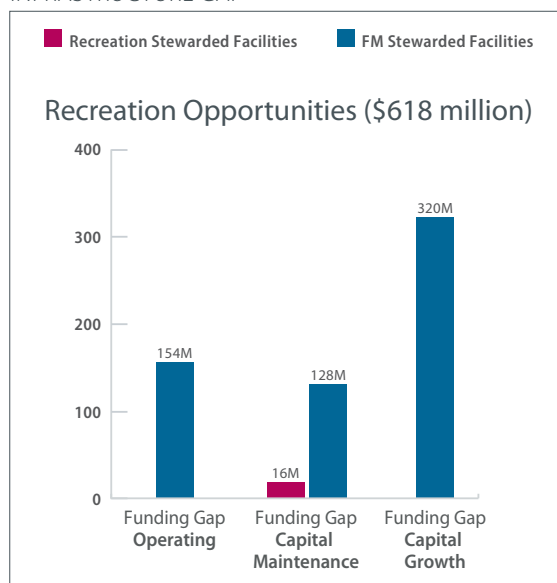
RECREATION OPPORTUNITIES

37 Rectangular Sports fields (Natural turf)	32 Ball Diamonds
24 Outdoor Tennis and/or Pickle Ball courts	2 Tracks and Athletics
5 Golf courses	9 Athletic Parks
15 Artificial turf sports fields	12 Aquatic/Fitness centres
8 Outdoor pools	10 Arenas
Calgary Soccer Centre	Babe Ruth Fieldhouse

PHYSICAL CONDITION



INFRASTRUCTURE GAP



2. Buildings (Others)



STEWARDS

Facility Management (FM)

SERVICES SUPPORTED

Multiple

85 Community-facing buildings

129 Operations facilities

31 Buildings providing office accommodation

6 Processing facilities

2 Buildings in housing portfolio

CRV

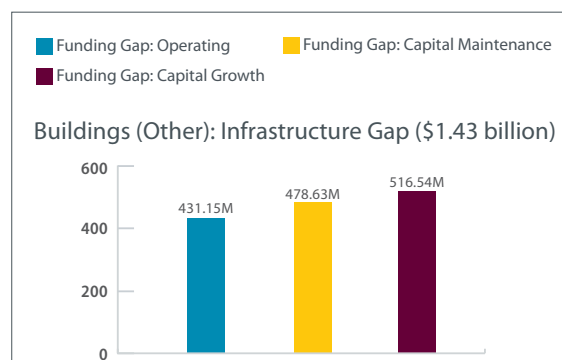
\$1.35 B

FM stewards and maintains the majority of City of Calgary buildings. These buildings not only provide office accommodation, but also support the delivery of 25 other services¹¹ to the public. FM also stewards and maintains storage, operations, and processing facilities

PHYSICAL CONDITION¹¹



INFRASTRUCTURE GAP



¹¹ All City of Calgary services are supported by FM stewarded assets. Though service mapping was underway at the time of reporting, services with a significant portion of the asset base include: Affordable Housing, Arts & Culture, Bylaw Education & Compliance, City Cemeteries, Community Strategies, Corporate Security, Facility Management, Emergency Management & Business Continuity, Fleet Management, IT Solutions & Support, Mayor & Council, Neighborhood Support, Parks & Open Spaces, Pet Ownership and Licensing, Police Services, Procurement & Warehousing, Recreation, Stormwater Management, Streets, Taxation, Waste & Recycling and Water Treatment & Supply. Some buildings also provide multiple services within the same complex.

¹² 18% of all FM stewarded buildings had no data at the time of reporting. FM has an ongoing assessment program and is on schedule to complete assessments by the end of 2022 on existing buildings.

3. Fire Safety and Emergency



STEWARDS

Facility Management (FM) and
Calgary Fire Department (CFD)

SERVICES SUPPORTED

Fire & Emergency Response, Fire Inspection
& Enforcement and Fire Safety Education

CRV

\$563 M

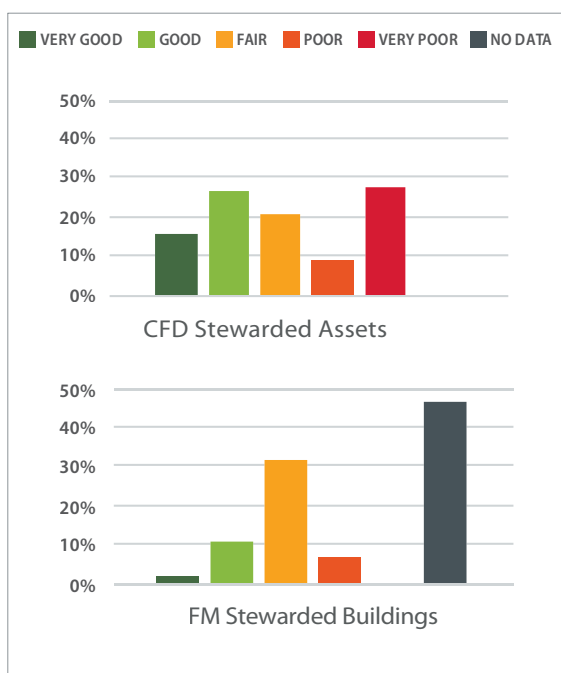
FM stewards all 51 buildings (\$392 million)
and CFD owns and maintains vehicles and
machinery and equipment (\$171 million).

51 Buildings
(Fire Stations, EMS,
Training Academy and
administrative buildings)

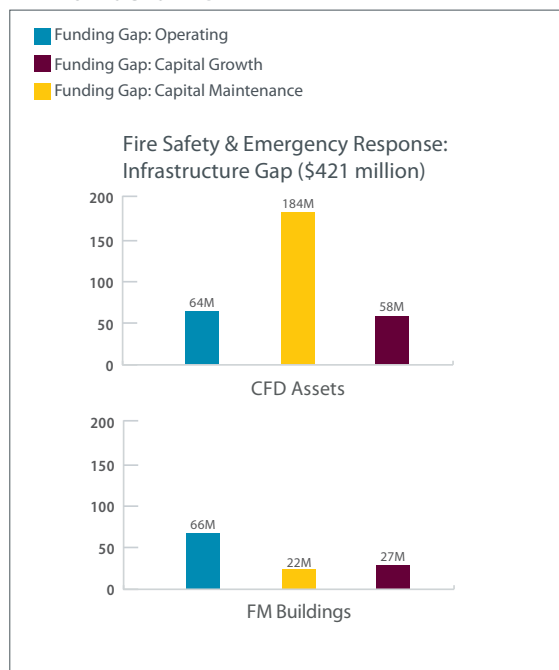
Vehicles

Machinery & Equipment

PHYSICAL CONDITION



INFRASTRUCTURE GAP



4. Housing Units



STEWARDS

Calgary Housing

SERVICE SUPPORTED

Affordable Housing

Low Rise units

High Rise Units

Townhomes

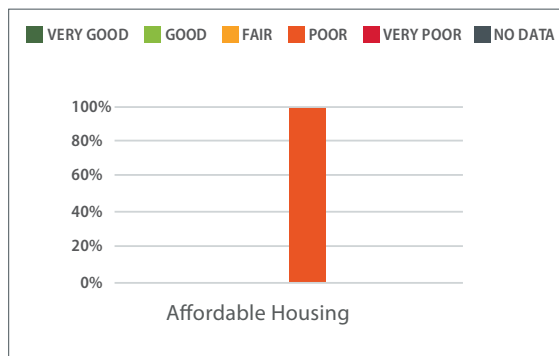
Single-Family
Housing

CRV

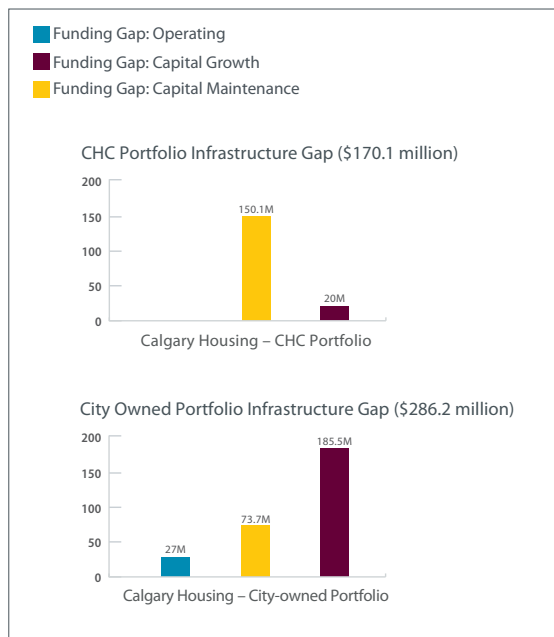
\$781.7 M

The Affordable Housing service line is supported through Calgary Housing (City-owned Portfolio: \$399.4 million) that includes services provided by the Calgary Housing Company (CHC – wholly owned subsidiary: \$382.3 million).

PHYSICAL CONDITION



INFRASTRUCTURE GAP



ISC: UNRESTRICTED

5. Information Technology



STEWARDS

Information Technology

SERVICE SUPPORTED

IT Solutions & Support

Hardware

(computers, servers, peripherals, storage and computer networks)

Software

Assets to enable data centre functions

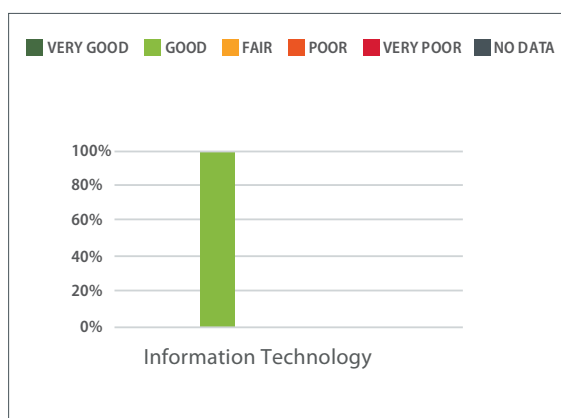
Fibre Plant-Towers

CRV

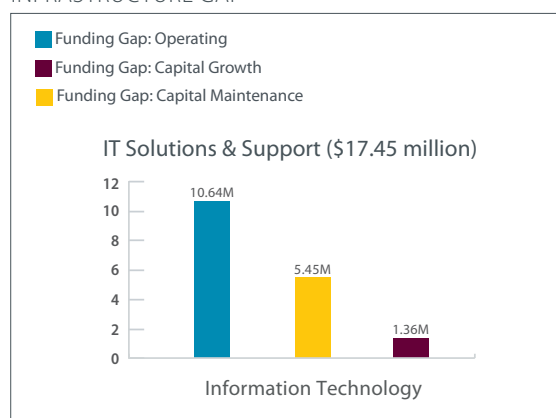
\$400.78 M

Broadly categorized as engineered structures (\$66 million) and Machinery & Equipment (\$334.7 million)

PHYSICAL CONDITION



INFRASTRUCTURE GAP



6. Parks Infrastructure



STEWARDS

Calgary Parks

SERVICES SUPPORTED

Parks & Open Spaces/City Cemeteries

Playgrounds
equipment and
surfacing

Irrigation
systems

Bollards, fencing,
seating, garbage
cans etc. and
landscaping
(turf, planted beds
and habitats)¹³

Machinery and
equipment

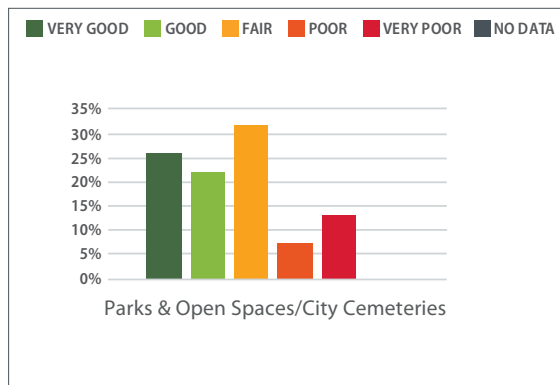
Buildings i.e.
picnic shelters

CRV

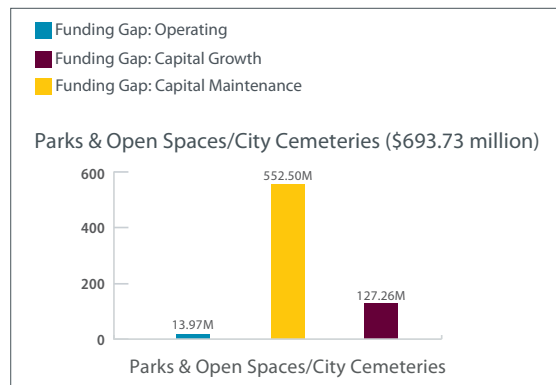
\$2.63 B

Total value of assets in Parks network (parks, open spaces and cemeteries) across 8,878 hectares of stewarded land. All of the facilities are within 450 metres radius from residents. 100% of the picnic shelters are wheelchair accessible and 65 of the 1,104 playgrounds have accessible components.

PHYSICAL CONDITION



INFRASTRUCTURE GAP



13 Calgary Parks have quantified and included natural vegetation (i.e. wetlands, aspen forest grassy areas and trees excluding trees in manicured areas and street trees)





7. Parks, Pathways and Trails

STEWARDS

Calgary Parks

SERVICE SUPPORTED

Sidewalks & Pathways

995 km
of paved
pathways

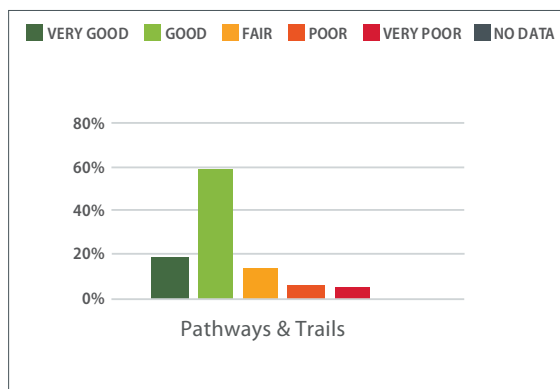
115 km
of formal trails

CRV

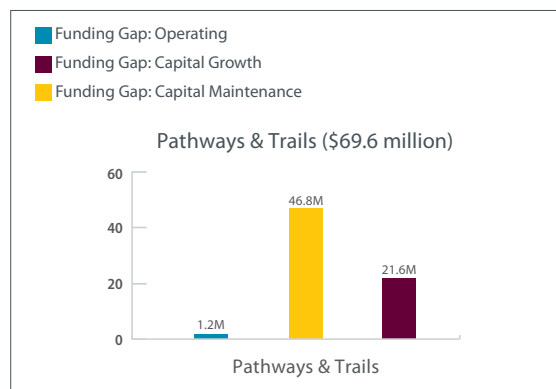
\$224.74 M

Pathways (\$222.55 million) and Trails (\$2.19 million). 58% of the pathways are snow cleared and are accessible all year. Trails, however, are not snow cleared and, therefore, are not accessible year-round.

PHYSICAL CONDITION



INFRASTRUCTURE GAP



8. Roads, Bridges and Tunnels



STEWARDS

Roads

SERVICES SUPPORTED

Streets and Sidewalks & Pathways

CRV

\$21.42 B

Broadly categorized as Roads (\$18.98 billion) and Bridges and Tunnels (\$2.44 billion) that collectively support 2 service lines (Streets and Sidewalks & Pathways).

16,000 Ln-km of arterial, collector and local roads with 186 bridges

19 Tunnels, 5 culverts greater than 3 meters in diameter

5,600 km of sidewalks

1,600 km of lanes and alleys

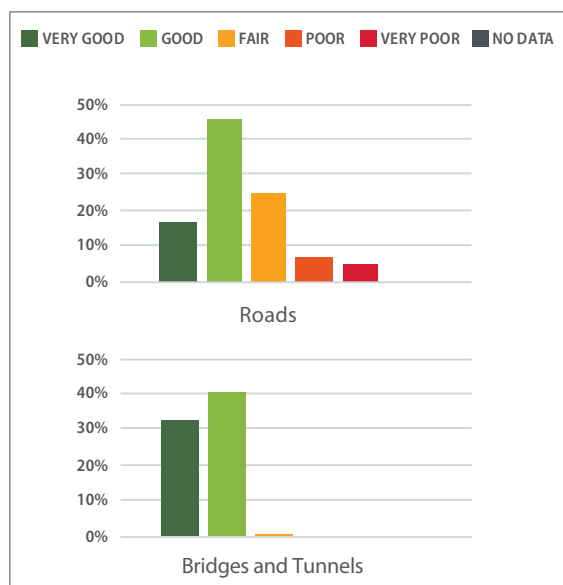
86 Plus 15s and 169 footbridges

6,600 km curbs and gutters

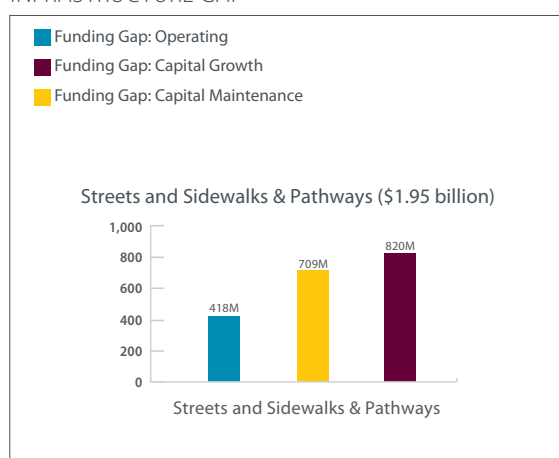
1,100 Signalized intersections and 86,400 streetlight poles

Thousands of other roadway assets

PHYSICAL CONDITION



INFRASTRUCTURE GAP



9. Transit Infrastructure



STEWARDS

Calgary Transit (CT)

SERVICES SUPPORTED

Public Transit and Specialized Transit

CRV

\$3.88 B

Transit Fleet (\$1.49 billion): Light rail, buses and specialized vehicles.

Transit infrastructure (\$2.39 billion): Tracks, passenger focused facilities, maintenance and storage facilities and rail control systems. All of Transit fleet and public infrastructure allow 100% accessibility.

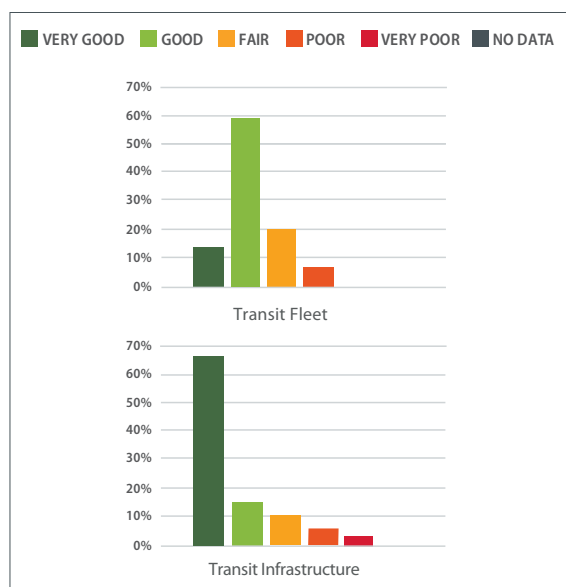
111 Passenger focused facilities
(45 Stations and terminals, transit shelters, 33 parking lots and passenger drop off facilities)

1,329 Buses and Trains
Tracks infrastructure including 23 Bridges and 9 Tunnels

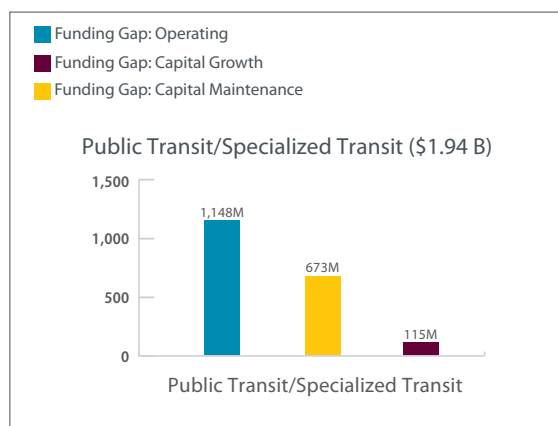
7 Maintenance facilities
Rail Control Systems

Other machinery and equipment

PHYSICAL CONDITION¹⁴



INFRASTRUCTURE GAP



¹⁴ The data for the ISR was provided by CT based on the best available data as of early 2020 (summarized snapshot above). This snapshot may not reflect capital work and upgrades that occurred after the data was collected. CT assets categorized as being in very poor condition are based on age, rehabilitation/replacement needs, limits on sustained use, etc. CT has operational and capital programs aimed at managing the operational condition of these assets and providing safe service delivery based on criticality, risk, history, etc. With a huge asset base, this fraction of assets may exist and need to be monitored closely/improved or replaced when feasible. Through planning, asset priorities are identified and addressed to maintain states of good repair and acceptable levels of service.

10. Vehicles and Equipment



STEWARDS

Fleet Services

SERVICE SUPPORTED

Fleet Management

CRV

\$336.4 M

Vehicles (\$261.38 million) and Machinery and Equipment (\$75.02 million).

1,947 Vehicles

leased to Waste & Recycling, Roads, Water Services, Parks, Animal Bylaw, Fleet Services, Facility Management, Corporate Analytics & Information, Recreation, Supply Management, Corporate Security and IT

1,020 Units of machinery and equipment

(trailers, sanders, mowers, tractors, sweepers, graders, rollers, pavers, forklifts etc.) leased to Roads, Water Services, Parks, Recreation, Fleet Services, Waste & Recycling, Supply Management and Facility Management

PHYSICAL CONDITION



INFRASTRUCTURE GAP

Self-funded



11. Waste & Recycling Infrastructure



STEWARDS

Waste & Recycling Services

SERVICE SUPPORTED

Waste & Recycling

3 Active Waste Management facilities

5 Closed landfills

CRV

\$568.9 M

Building Infrastructure: 61 Buildings supporting Collection, Diversion and Landfill operations.

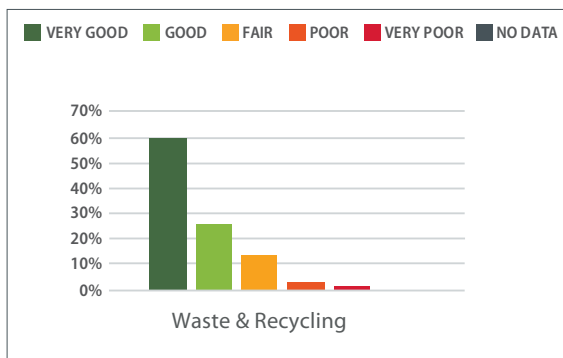
Collection Infrastructure: Waste, Recycling, and Organics Carts serving over 330,000 single family households, over 5900 Collection Bins serving businesses and organizations, and 17 Community Recycling Depots.

Waste Management Facilities: 3 active Waste Management Facilities including an Industrial Waste Facility, and 5 closed landfill sites.

Landfill Management and Operations Support Infrastructure: Leachate, Gas Collection, and Drainage Systems, along with Landfill Roads and Pads, Monitoring Wells, and Fences.

Diversion Infrastructure: A Composting Facility at Shepard and Throw N' Go Infrastructure with specialty drop-offs for Household Hazardous Waste (HHW), construction and demolition waste, and electronics at each of the Waste Management Facilities.

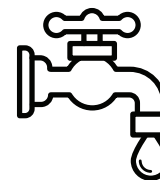
PHYSICAL CONDITION



INFRASTRUCTURE GAP

Funded through Gas Tax Fund (GTF) grant, self-supported debt, and self-funded Sustainment (Capital) Reserve capitalized from user fees and revenues.

12. Water Infrastructure for Potable Water



STEWARDS

Water Resources and Water Services

SERVICE SUPPORTED

Water Treatment & Supply

CRV

\$24.34 B

Non-linear (\$5.74 billion)

Linear (\$18.60 billion)

2 Water treatment facilities

2 Water reservoirs (before intake)

23 Storage tanks (after intake, not part of treatment plant)

41 Water pump stations

4,842 km Local water pipes (diameter < 500 mm)

488 Feedermain manholes

465 km Transmission pipes (diameter ≥ 500 mm)

462 Distribution chambers

61,530 Distribution valves

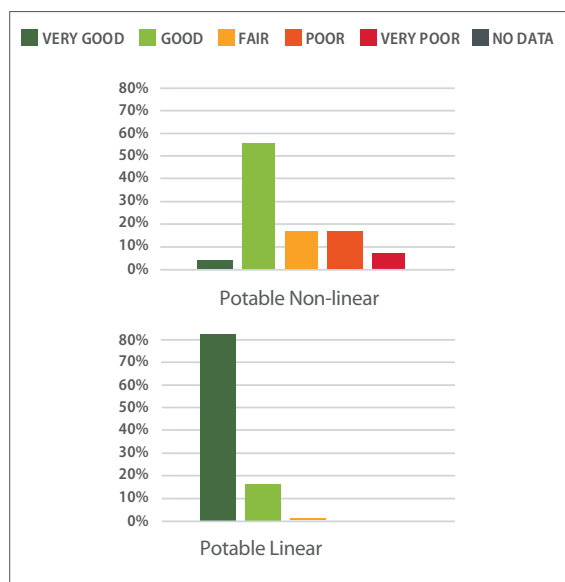
399 Feedermain valve chambers

341,310 Services and service valves

16,758 Hydrants

341,396 Billing meters

PHYSICAL CONDITION



INFRASTRUCTURE GAP

Self-funded

13. Water Infrastructure for Wastewater



STEWARDS

Water Resources and Water Services

SERVICE SUPPORTED

Wastewater Collection & Treatment

CRV

\$19.74 B

Non-linear (\$3.72 billion)

Linear (\$16.02 billion)

3 Wastewater treatment plants

2 Pump stations

43 Lift stations

55,673 Manholes and chambers

Lagoon system

Storage tanks

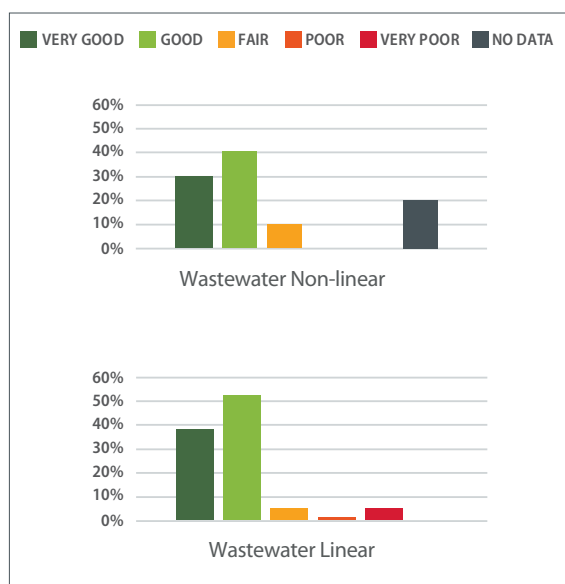
4,624 km of Sewer pipes (diameter < 450 mm)

106 km of Sanitary forcemains

515 km of Sewer pipes (diameter ≥ 450 mm and <1500 mm)

57 km of Sewer pipes (diameter ≥ 1500 mm)

PHYSICAL CONDITION¹⁵



INFRASTRUCTURE GAP

Self-funded

¹⁵ 20% of plant assets have unknown conditions, mainly due to the complexity of unit operations that drive these plants and the significant number of child assets linked to these unit operations (headwork pumps/primary-secondary clarifiers etc.)

14. Water Infrastructure for Stormwater



STEWARDS

Water Resources and Water Services

SERVICE SUPPORTED

Stormwater Management

CRV

\$15.49 B

Non-linear (\$1.56 billion)

Linear (\$13.93 billion)

33 Stormwater
pump stations

334 Ponds and
wetlands

154 Other end of pipe facilities

49 km Culverts
(diameter < 3 m)

97 Open
ditches

2,991 km of Storm pipes
(diameter < 450 mm)

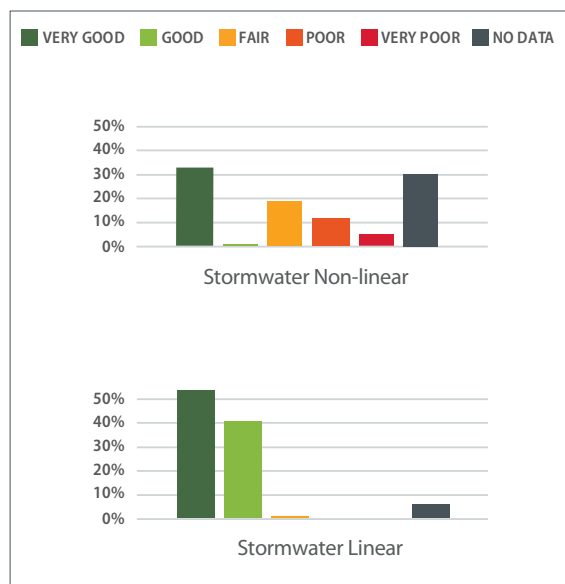
934 Outfalls

2,144 km of Storm
pipes (diameter
≥ 450 mm and
<1,500 mm)

294 km of
Storm pipes
(diameter
≥ 1500 mm)

58,057 Manholes and chambers

PHYSICAL CONDITION¹⁶



INFRASTRUCTURE GAP

Self-funded

¹⁶

With historical focus on water and wastewater assets, total kilometers of assessed stormwater assets are limited. Given that these assets are well below their anticipated lifecycles, a lag on assessment of stormwater assets is expected. The Utility, however, has been able to achieve acceptable levels of service for stormwater assets, with implementation of rehabilitation programs resulting from proactive assessments.

15. Parking Infrastructure



STEWARDS

Calgary Parking Authority

SERVICE SUPPORTED

Parking

7,833 Stalls across

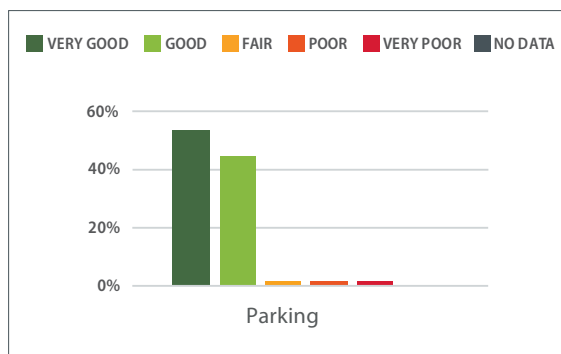
11 Parkades

32 Surface lots

CRV

\$707 M

PHYSICAL CONDITION



INFRASTRUCTURE GAP

Self-funded



16. Police Infrastructure



STEWARDS

Calgary Police Service

SERVICE SUPPORTED

Police Services

CRV

\$610 M

29 buildings owned by The City and 6 leased from third parties (including but not limited to Westwinds Campus, eight District offices, multi-service and leased facilities, stable, canine training centre, and indoor shooting range).

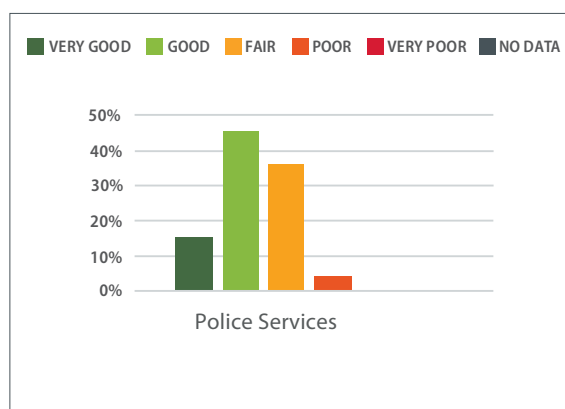
2,488 mobile or portable radio and other telecommunication systems.

Digital traffic cameras and related infrastructure and Automated Fingerprint Identification System (AFIS).

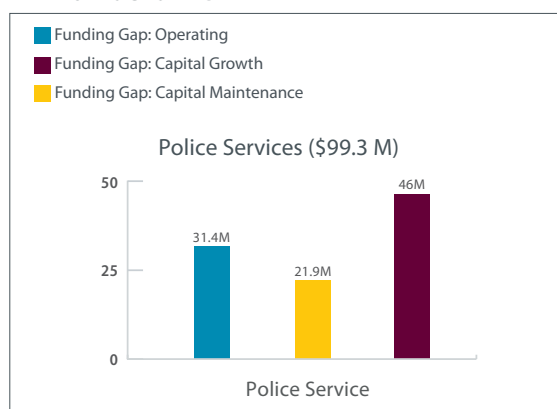
Various traffic equipment, robots and breathalyzer equipment.

Approximately 1,260 vehicles, 2 helicopters, about 4,050 personal computers, laptops and printers, 527 vehicle mobile workstations.

PHYSICAL CONDITION



INFRASTRUCTURE GAP



17. Public Libraries



STEWARDS

Calgary Public Library

SERVICE SUPPORTED

Library Services

10 Standalone libraries
7 Libraries in multi-use buildings
4 Libraries in leased spaces
38 Vehicles
9 Sorting machines

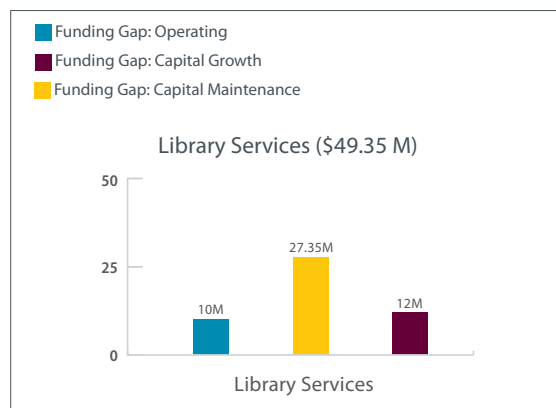
CRV

\$109.69 M

PHYSICAL CONDITION



INFRASTRUCTURE GAP



18. Land Holdings



STEWARDS

Multiple

SERVICE SUPPORTED

Land Development & Sales and Real Estate and other services supported by land stewards.

Calgary Parks	Real Estate and Development Services
Calgary Transit	
Roads	Facility Management
Calgary Police Service	Calgary Housing
Calgary Fire Department	Calgary Parking Authority

CRV

\$4.73 B

This \$4.73 billion is the book value and not assessed or market value.



4.0 Conclusion

As we prepare for the next four-year service plans and budgeting cycle, it is important to manage the infrastructure funding gap through comprehensive asset management. The current economic environment has created additional funding constraints which means the allocation of scarce resources must be prioritized very carefully.

This report is a precursor to the Corporate Asset Management Plan (CAMP). The CAMP will be released in 2022 and will be drawing on the business unit asset management plans and addressing some of these questions in more detail. It will highlight the investment needs through the next business cycle by focusing on service performance objectives, asset performance trends, asset condition and risks. This work is critical to ensure citizens receive the services they expect from The City.

The Next Steps section below highlights some of the work that will be undertaken or continued in order to balance cost, risk, and service levels as investments are prioritized in the next business planning and budgeting cycle.



5.0 Next Steps

As part of the asset management planning process and the creation of asset management plans, several initiatives are either underway or will begin in order to support this work:

- Complete comprehensive criticality reviews across the Corporation to better understand the link between asset performance and the service(s) they enable.
- Formalize a risk-based approach and understand reinvestment needs for critical assets to mitigate the risk of failure. For example, critical asset classes need to be maintained in better conditions, while less critical asset classes can deteriorate to a lower condition without increasing risk. This concept will be used to develop a criticality-to-condition relationship and threshold.
- Develop cost savings and deferral strategies to help bridge the funding gap.
- Include energy metrics in asset management planning to help reduce energy cost to the Corporation. Reductions in overall energy consumption also supports the long-term objective of The City's Climate Resilience Strategy (80 per cent reduction in city-wide emissions below 2005 levels by 2050).
- Continue to develop comprehensive service level targets to better understand the impact of changes to capital and lifecycle funding.

20-0009968 ADV-8229



Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2021 May 26

ISC: UNRESTRICTED
UCS2021-0797

Reserve Bids for Properties in the 2021 Tax Sale

EXECUTIVE SUMMARY

The purpose of this report is to request approval of the Reserve Bids for properties in the 2021 tax sale.

In accordance with the *Municipal Government Act* (Alberta), every year Administration brings forward a list of properties that have been identified for public auction. This year's public auction is scheduled to be held on 2021 September 23 at 10 a.m. at the Municipal Building. The City of Calgary continues to monitor the effects of the pandemic and Administration may change the above-noted date, time or location in order to comply with public health orders and gathering restrictions. Any updates to the date, time or location of the 2021 public auction will be made available at calgary.ca/propertytax.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Utilities and Corporate Services recommends that Council:

1. Authorize the Recommendations as outlined in Attachment 1;
2. Approve the Reserve Bids for properties in the 2021 Tax Sale as outlined in Attachment 3; and
3. Direct that Attachment 3 remain confidential pursuant to Sections 23, (Local public body confidences), 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* until the report is published in the Council agenda.

PREVIOUS COUNCIL DIRECTION / POLICY

None.

BACKGROUND

For a property to be added to the tax sale, it must be in tax arrears for three consecutive years and the tax sale process is a way for The City to recover these outstanding taxes.

Under the terms and conditions of the *Municipal Government Act* (Alberta), Chapter M-26 RSA 2000, a Municipality must by resolution, fix a minimum sale price for each parcel, which shall be the Reserve Bid, and any conditions that apply to the sale. The Sales & Acquisitions division of Real Estate & Development Services have viewed the properties in the 2021 Tax Sale prior to the determination of the reserve bids and have compiled a schedule of Reserve Bids representing the minimum sale price at the auction.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Credit and Collections within Finance/Tax, Receivable and Payable works with property owners and mortgage holders to facilitate payment of property taxes. Credit and Collections will provide owners with opportunities such as payment plans in attempts to have the taxes paid and the properties removed from the tax sale. Referral to social aid agencies are also provided where warranted. In certain situations where there is no mortgage holder, an option of memorandum

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2021 May 26

ISC: UNRESTRICTED
UCS2021-0797

Reserve Bids for Properties in the 2021 Tax Sale

could be offered. The tax sale is the last resort to recover tax arrears. Property owners do have up to the start of the tax sale to arrange for a resolution on the outstanding taxes.

The net proceeds from any sale will be transferred to the Tax Forfeiture account. If there were no financial encumbrances on title to the property prior to the sale, the net sale proceeds are distributed to the former registered owner(s). If there were financial encumbrances on title to the property prior to the sale, the former registered owner(s) are notified that they may make an application to the court to demonstrate their entitlement to all or a portion of those proceeds. If proceeds from a sale are not claimed within 10 years from the date of sale, The City may, for any purpose, use those proceeds.

Properties that do not sell at the public auction can still be made available for sale through The City's standard sales process within Real Estate & Development Services in an attempt to recover outstanding property taxes.

Valuation

Administration has viewed all properties included in the Reserve Bid Listing (Attachment 3) and determined an estimate of market value to be used as the Reserve Bid for each parcel. The Reserve Bid represents the minimum bid that will be accepted as each parcel is called out during the Tax Sale.

Stakeholder Engagement, Research and Communication

As per the *Municipal Government Act* (Alberta), tax recovery notifications are registered on title and owner(s) are also notified directly that their property is on the tax arrears list.

The public auction will be advertised in the Alberta Gazette and on calgary.ca/propertytax prior to the auction.

Strategic Alignment

None.

Social, Environmental, Economic (External)

Social

No implications were identified.

Environmental

The properties will not be reviewed in accordance with The City's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy as they will be sold "as is".

Economic

No implications were identified.

Financial Capacity

Current and Future Operating Budget:

None.

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2021 May 26

ISC: UNRESTRICTED
UCS2021-0797

Reserve Bids for Properties in the 2021 Tax Sale

Current and Future Capital Budget:

The net proceeds from any sale will be transferred to the Tax Forfeiture account. If there were no financial encumbrances on title to the property prior to the sale, the net sale proceeds are distributed to the former registered owner(s). If there were financial encumbrances on title to the property prior to the sale, the former registered owner(s) are notified that they may make an application to the court to demonstrate their entitlement to all or a portion of those proceeds. If proceeds from a sale are not claimed within 10 years from the date of sale, The City may, for any purpose, use those proceeds.

Risk Assessment

If this item is not approved, The City will not be in compliance with the requirements set forth in the *Municipal Government Act* (Alberta) regarding its obligations to set the Reserve Bids for the Tax Sale scheduled 2021 September 23.

REASON(S) FOR RECOMMENDATION(S):

Under the Municipal Government Act (Alberta), municipalities are responsible for collecting taxes for municipal and educational purposes. Property taxes collected from properties is one significant revenue source to pay for municipal services. Under the Municipal Government Act (Alberta), The City is required to offer for sale at a public auction all parcels of land on its tax arrears list if the tax arrears remain unpaid as of the date of the auction. Property tax recovery initiatives help to contribute to the financial stability of The City.

ATTACHMENTS

1. Attachment 1 – Recommendations
2. Attachment 2 – Public Sale of Land – *Municipal Government Act* (Alberta)
3. CONFIDENTIAL Attachment 3 – Reserve Bid Listing

RECOMMENDATIONS:

- (1) The Standing Policy Committee on Utilities and Corporate Services recommends that Council approve the reserve bid listing of Tax Sale properties valued by the Sales & Acquisitions division, which represents the minimum sale price of each property and the following process:
 - (a) That the properties listed in Attachment 3 be considered for inclusion in the 2021 September 23 Public Sale of Land by way of a public auction.
 - (b) That the minimum sale price for improved and unimproved parcels be the reserve bid (Attachment 3).
 - (c) That all properties be sold "as is, where is".
 - (d) That the purchase price, plus any applicable GST, be paid as follows:
 - (i) 1/3 of the purchase price by way of cash or cheque at the date of public auction, or a minimum payment of \$500, whichever is greater; and
 - (ii) the balance of the purchase price, plus any applicable GST, no later than 60 days after the date of the public auction.
 - (e) That interest on any overdue payments be charged at the Royal Bank of Canada's prime rate plus three per cent (3%) per annum from the date the payment is due until the full purchase price, plus applicable interest, is received by and unconditionally releasable to The City of Calgary.
 - (f) Authorization for public marketing of those properties not sold at the Tax Sale, to be administered by Real Estate & Development Services, and authorization to negotiate a sale of these properties to the successful applicant(s).

MUNICIPAL PROPERTY TAX SALE THE CITY OF CALGARY 2021 TAX SALE

The City of Calgary recognizes the impact COVID-19 has on citizens and local businesses and the need to focus on the well-being of family and neighbours. At this time, like all municipalities in Alberta, The City of Calgary is still legislated by the *Municipal Government Act*, R.S.A. 2000, c. M-26 to hold a tax sale of properties with three years of unpaid property tax. Tax sale is the last option used when other methods of recovering taxes fail.

What is a Municipal Property Tax Sale?

The municipal tax sale is a public auction of the properties located in the City of Calgary for which property taxes remain unpaid after more than one year.

The City of Calgary holds a public auction once per year in order to recover unpaid property taxes. This year's public auction will be held on 2021 September 23 at 10 a.m. at the Municipal Building, 800 Macleod Trail S.E., Calgary, Alberta. The City of Calgary continues to monitor the effects of the pandemic and Administration may change the above-noted date, time or location in order to comply with public health orders and gathering restrictions. Any updates to the date, time or location of the 2021 public auction will be made available at www.calgary.ca/propertytax.

The list of the properties being offered at this year's public auction will be updated daily by 10 a.m. at www.calgary.ca/propertytax. Properties will be deleted from this list as the tax arrears are paid.

You cannot legally enter onto a property that is advertised for tax sale. This is not a typical property sale. The City of Calgary does not "own" the properties being offered for sale at the public auction and the current registered owner on title or a tenant may still be occupying the property. Entering onto a property advertised for tax sale is considered to be trespassing.

All properties have been viewed externally and an estimate of the fair market value of each property has been made. This estimate of market value is the reserve price, which is the minimum price at which The City of Calgary will be willing to sell the property at the public auction. Reserve prices will be available at www.calgary.ca/propertytax by approximately May 2021.

All sales at the public auction are subject to the terms of the *Municipal Government Act* and the terms and conditions set by The City of Calgary.

How to Purchase a Property at the Municipal Property Tax Sale

If you are interested in purchasing a property at the public auction, review the properties being offered for sale on the morning of the auction. If the property you are intending to purchase is still available, attend the auction to bid on the property.

At the public auction, the auctioneer will explain the bidding process and the terms and conditions. A brief description of each property will be read out, with bids being accepted immediately thereafter. A property is considered sold when the auctioneer declares the property to be sold. If no bids on a

property are received, the auctioneer will declare bids to be closed for that property. Once bids have been declared closed on a property, no further bidding will be accepted in relation to that property.

No terms and conditions of sale will be considered other than those specified by The City of Calgary, therefore, no bid will be accepted where the bidder attempts to attach conditions to the sale.

The successful bidder will be required to sign The City of Calgary's form of Agreement of Purchase and Sale.

The auctioneer, the municipal councillors, the City Manager and officers and employees of The City of Calgary are prohibited from bidding for or buying any parcel of land at the public auction unless section 429(2) of the *Municipal Government Act* applies.

How to Remove Your Property from the Municipal Property Tax Sale

Prior to the public auction, The City of Calgary follows an extensive notification process as set out in the *Municipal Government Act*. Notices are advertised in The Alberta Gazette, the Calgary Herald, online at www.calgary.ca/propertytax and are sent to the registered owner of each property as well as to all parties with a registered interest in the property.

In order to remove a property from the public auction, all of the outstanding property tax arrears must be paid to The City of Calgary **in guaranteed funds BEFORE March 31st, 2021**. Tax notifications and or liens will only be discharged once the tax arrears have been paid in full. No party will have any right to pay the tax arrears in respect of a property after it is declared sold at the public auction.

Terms and Conditions of Sale

Every property listed on www.calgary.ca/propertytax with municipal property tax arrears remaining unpaid as of the date of the auction will be offered for sale at the public auction. The full terms and conditions of sale are available online at www.calgary.ca/propertytax.

(i) Purchase Price, Interest and GST

The purchase price, plus any applicable GST, must be paid as follows:

(a) 1/3 of the purchase price by way of cash or cheque at the date of public auction, or a minimum payment of \$500.00, whichever is greater; and

(b) the balance of the purchase price, plus any applicable GST, on the Closing Date (no later than 60 days after the date of the public auction).

Interest on any overdue payments will be charged at the Royal Bank of Canada's prime rate plus 3% per annum from the date the payment is due until the full purchase price, plus applicable interest, is received by and unconditionally releasable to The City of Calgary.

GST is payable on all applicable properties sold at the public auction.

(ii) Closing

The Closing Date will be 60 days after the date of the public auction or such earlier date that is mutually agreed to in writing by both parties.

All adjustments for rent or other items commonly adjusted on a sale of real property will be made as of the Closing Date. From and after the Closing Date, the successful bidder will be responsible for the payment of all taxes, rates, levies, charges, assessments, utilities, utility hook-up fees, insurance and other expenses with respect to the property.

The successful bidder will take title to the property subject to those encumbrances listed in section 423(1) and 436.14 of the *Municipal Government Act*, as applicable, and all implied conditions listed in section 61 of the *Land Titles Act*, R.S.A. 2000, c. L-4.

(iii) As Is, Where Is

All properties offered for sale at the public auction are being offered on an “as is, where is” basis and The City of Calgary makes no representations and gives no warranty whatsoever with respect to any property being offered for sale at the public auction.

If the relevant property is occupied by a tenant, the successful bidder will be responsible for the obligation and expense of obtaining vacant possession.

The City of Calgary may, after the public auction, become the owner of any property that is not sold at the public auction.



Michael Perkins
Manager, Tax, Receivable & Payable
Finance