



REVISED AGENDA

PRIORITIES AND FINANCE COMMITTEE

March 5, 2019, 8:30 AM
IN THE COUNCIL CHAMBER
Members

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor D. Colley-Urquhart (CPS Chair)
Councillor J. Gondek (PUD Chair)
Councillor S. Keating (T&T Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)

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, 2019 February 12
5. POSTPONED REPORTS
(including related/supplemental reports)
None
6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
 - 6.1 One Window Update, PFC2019-0096
 - 6.2 Chinatown Cultural Plan and Local Area Plan – Refined Project Scope and Budget, PFC2019-0294
 - 6.3 Council Innovation Fund Application - Chinatown Cultural Plan and Local Area Plan - PFC2019-0282
 - 6.4 City of Calgary Heritage Assets, PFC2019-0223

- 6.5 2019 Business Improvement Area Tax Bylaw Amendment, PFC2019-0237
- 6.6 Established Areas Growth and Change Strategy – Referral to SPC on PUD, PFC2019-0216
- 6.7 Telling the service story on Calgary.ca, PFC2019-0196
- 6.8 Proposed Approach to Council Innovation Fund Update, PFC2019-0247
- 6.9 Social Procurement Update - Deferral Report, PFC2019-0167
- 6.10 Consideration of the Nose Creek Communities in an Economic Development Context, PFC2019-0146
- 6.11 Downtown Tax Shift Response, PFC2019-0148

REVISED MATERIALS

- 6.11.1 *Cover Report and Attachments*
Attachment 3 held confidential pursuant to Section 27 (Privileged information) of FOIP.

- 6.12 Status of Outstanding Motions and Directions, PFC2019-0288

7. ITEMS DIRECTLY TO COMMITTEE

- 7.1 REFERRED REPORTS
None

- 7.2 NOTICE(S) OF MOTION
None

8. URGENT BUSINESS

9. CONFIDENTIAL ITEMS

- 9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES
None

- 9.2 URGENT BUSINESS

10. ADJOURNMENT



MINUTES

PRIORITIES AND FINANCE COMMITTEE

**February 12, 2019, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT:

Mayor N. Nenshi, Chair
Councillor S. Chu, Vice-Chair
Councillor J. Davison (T&T Alternate)
Councillor J. Gondek (PUD Chair)
Councillor W. Sutherland (UCS Chair)
Councillor E. Woolley (Audit Chair)
*Councillor J. Farkas

ALSO PRESENT:

City Manager J. Fielding
City Solicitor and General Counsel G. Cole
Chief Financial Officer C. Male
Acting City Clerk D. Williams
Legislative Assistant L. Gibb

1. CALL TO ORDER

Councillor Chu called the Meeting to order at 9:38 a.m.

2. OPENING REMARKS

Councillor Chu provided opening remarks.

3. CONFIRMATION OF AGENDA

Moved by Councillor Davison

That the Agenda for the 2019 February 12 Regular Meeting of the Priorities and Finance Committee be confirmed.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Unconfirmed Minutes of the Regular Meeting of the Priorities and Finance Committee 2019 January 22

Moved by Councillor Gondek

That the Minutes of the 2019 January 22 Regular Meeting of the Priorities and Finance Committee, be confirmed.

MOTION CARRIED

Mayor Nenshi assumed the Chair at 9:41 a.m. and Councillor Chu returned to his regular seat in Committee.

5. POSTPONED REPORTS

None

6. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

6.1 Update: Organizational Efficiency Strategy and Intentional Management, PFC2019-0193

A PowerPoint presentation entitled "Update: Organizational Efficiency Strategy and Intentional Management", dated 2019 February 12, was distributed, with respect to Report PFC2019-0913.

Moved by Councillor Woolley

That pursuant to Sections 24 (Advice from officials) and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, the Priorities and Finance Committee move into Closed Meeting at 10:10 a.m. in the Council Lounge to consider a confidential matter with respect to Item 6.1, PFC2019-0193.

MOTION CARRIED

Committee moved into Public Meeting at 10:21 a.m. with Mayor Nenshi in the Chair.

Moved by Councillor Woolley

That the Committee rise without reporting.

MOTION CARRIED

Administration in attendance during the Closed Meeting discussions with respect to Report PFC2019-0193:

Clerk: D. Williams. Advice: J. Fielding, G. Gibbs-Gray, R. Arling, C. Collier.
Legal: G. Cole.

Moved by Councillor Davison

That with respect to Report PFC2019-0193, the following approved:

That the Priorities and Finance Committee recommends that Council:

Approves funding from the Budget Savings Account Reserve of up to \$10 million to be used for accommodations costs described in this report from 2019 to 2022.

MOTION CARRIED

6.2 2019 Supplementary Property Assessment and Tax Bylaws, PFC2019-0027

Moved by Councillor Chu

That with respect to Report PFC2019-0027, the following be approved:

1. That Council give three readings to the 2019 Supplementary Property Assessment Bylaw and 2019 Supplementary Property Tax Bylaw.
2. That Report PFC2019-0027 be forwarded to the 2019 February 25 Regular Meeting of Council.

MOTION CARRIED

6.3 Status of Outstanding Motions and Directions, PFC2019-0149

Moved by Councillor Chu

That with respect to Report PFC2019-0149, the following be approved:

That the Priorities and Finance Committee receive this report for information.

MOTION CARRIED

7. ITEMS DIRECTLY TO COMMITTEE

7.1 REFERRED REPORTS

None

7.2 NOTICE(S) OF MOTION

None

8. URGENT BUSINESS

None

9. CONFIDENTIAL ITEMS

9.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

9.2 URGENT BUSINESS

None

10. ADJOURNMENT

Moved by Councillor Chu

That this Meeting adjourn at 10:29 a.m.

MOTION CARRIED

That the following items be forwarded to the 2019 February 25 Combined Meeting of Council:

Consent:

Update: Organizational Efficiency Strategy and Intentional Management, PFC2019-0193

Other:

2019 Supplementary Property Assessment and Tax Bylaws, PFC2019-0027

The next Regular Meeting of the Priorities and Finance Committee is scheduled to be held on 2019 March 05.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK

UNCONFIRMED

**Community Services Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0096**

One Window Update

EXECUTIVE SUMMARY

Since 2016 November, The City has been working as a member of the Community Housing Affordability Collective (CHAC) to lead the One Window initiative towards a community-based, made-in-Calgary solution to improve the housing system. The goal for this initiative is to create a coordinated intake process across over 60 non-market housing providers in Calgary. The project team has worked collaboratively with a Steering Committee, a Client Panel and the One Window Indigenous Collaboration (OWIC), to design the recommended operating model.

The proposed model is to establish a new non-profit entity, independently staffed and governed, that will provide a coordinated citizen-centric service for application and intake into non-market housing. This new entity will absorb responsibilities of various government-related housing organizations and will be solely focused on helping Calgarians search for safe and affordable housing through multiple channels, both online and in person.

One Window is ready for implementation contingent on securing funding from the Government of Alberta. The proposed implementation plan would require The City to continue leading the project transition until the new entity is operational.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council:

1. Advocate to the Government of Alberta, Ministry of Seniors and Housing by writing a letter requesting funding for implementation and ongoing operational funding for the One Window initiative; and,
2. Pending program funding and approval by The Government of Alberta, direct Administration to continue leading the implementation and transition of the One Window initiative with the non-profit housing community until the new entity is operational.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 October 30, Council deferred Administration's One Window Update report to no later than Q2 2019 to allow additional time to gather stakeholder endorsement (PFC2018-1181).

On 2017 June 26, Council directed Administration to proceed with the next design phase of work for One Window and report back to Council through the Priorities and Finance Committee (PFC) by Q4 2018. Council also authorized an extension of remaining funds from the previously approved commitment to support the next design phase of work (PFC2017-0221).

On 2016 February 22, Council approved a one-time increase to Calgary Housing's operating budget from the Community Economic Resiliency Fund and directed Administration to report back to Council through PFC by Q3 2017. Of this budget increase, \$500,000 was committed for scoping and planning of the One Window initiative (PFC2016-0081).

BACKGROUND

From late 2016 to mid-2017, The City conducted scoping and planning of the One Window initiative. As part of this first phase, Administration completed an in-depth current state analysis,

**Community Services Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0096**

One Window Update

analyzed options for a future coordinated process, and recommended a long-term vision that would centralize all aspects of the housing application.

In 2017 June, Administration proceeded with the design phase of the One Window initiative, jointly funded by The City and the Government of Alberta. An integrated project team was formed to include City staff from Calgary Housing and Information Technology (IT), as well as an external consultant. The project team worked collaboratively with a Steering Committee (Attachment 1), a Client Panel, and the One Window Indigenous Collaboration to design the future state system. A comprehensive business process review, defining the end-to-end future processes, was completed to inform requirements for an IT system. Best practices within British Columbia and Ontario were also investigated. All results of the design phase of work are presented in the One Window Recommendation Report, available online at www.calgary.ca/onewindow.

Concurrently, two “quick wins” were also implemented to make information more transparent and available to clients about their housing options and improve application processes in the short term. These included creating and distributing an Affordable Housing Guide that listed Calgary’s non-market housing options, and co-locating intake staff from different housing providers at the Safe Communities Opportunity and Resource Centre (SORCe).

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Steering Committee considered various operating models for One Window based on detailed research, focus groups and workshops conducted with stakeholders. An analysis of the models considered is summarized in Attachment 2. The model that was unanimously recommended and supported in principle by the Steering Committee, who collectively represent over 80% of Calgary’s non-market housing stock, was for One Window to be incorporated as an independent non-profit entity. Under this model, a separate physical application centre, supported by an IT system, would be created to manage the client intake processes across participating housing providers. This model has been successfully implemented in Ottawa, where the Social Housing Registry has operated as an independent organization for over 20 years.

Should adequate, multi-year provincial funding be secured by April 2019, the One Window initiative is ready for implementation with an estimated launch date in 2021. Based on a Class Three cost estimate, \$7.5M over three years (2019-2021) is required to establish the new organization and implement a technology system, and \$3.0M of annual funding (beginning in 2022) is needed to support ongoing operations. The proposed implementation plan would require The City to provide project management, change management, organizational development, information technology and legal resources until the new entity is operational. Housing providers participating in One Window will also provide in-kind resources to support implementation.

Stakeholder Engagement, Research and Communication

The One Window initiative is a key outcome of the Community Housing and Affordability Collective (CHAC)’s Action Plan. A letter from CHAC is provided in Attachment 3. Letters from five community-based organizations and individuals are provided in Attachment 4.

**Community Services Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0096**

One Window Update

Administration collaborated closely with the Steering Committee, housing providers, tenants and applicants of affordable housing, the One Window Indigenous Collaboration (a sub-committee of the Aboriginal Standing Committee on Housing and Homelessness), social service agencies that assist Calgarians in finding affordable housing, and consultants with industry expertise to co-design the recommended model. Research was conducted to understand best practices from other Canadian jurisdictions. Focus groups and business process review workshops helped gather technical, business and functional requirements to inform model design. Administration also engaged with Government of Alberta representatives to understand how a One Window system could align with and advance provincial affordable housing objectives.

The project team hosted three open houses in 2019 February and leveraged communications through CHAC to share the recommendation report with stakeholders.

Strategic Alignment

The One Window initiative is aligned with The City's Corporate Affordable Housing Strategy through Strategic Objective 6: "Improve the Housing System." It is also identified under the Implementation Plan as Strategic Objective 6, Initiative B, Action 1: "Investigate feasibility of a coordinated intake process to be implemented across all non-market housing providers."

The One Window initiative is also identified as a recommendation in many external strategies and plans, including:

- The Government of Alberta's Provincial Affordable Housing Strategy (2017)
- The Community Housing Affordability Collective's (CHAC) Prioritized Action Plan (2016)
- The Calgary Poverty Reduction Initiative (CPRI): Enough for All Poverty Reduction Strategy (2013)

The Calgary Homeless Foundation's Updated Plan to End Homelessness (2015)

Social, Environmental, Economic (External)

Implementation of a One Window coordinated intake process will:

1. Provide better customer service outcomes by offering clients a single, accessible, dynamic application form for multiple housing providers, and increased transparency about options and eligibility through real-time analytics.
2. Better utilize existing non-market housing stock as clients are more efficiently matched to the most appropriate housing unit for their needs across all non-market housing supply in Calgary.
3. Provide new citywide data and analytics on non-market housing need and supply to support informed housing policy decisions and allocation of resources.
4. Support sector collaboration through a formalized common intake process, providing opportunity for more efficient transfers within the housing system and coordination of housing options for existing tenants as needs change.
5. Create efficiencies for housing providers as staff currently focused on intake are freed to focus on other priorities, such as improving tenant support.

**Community Services Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0096**

One Window Update

6. Replace outdated, paper-based and manual intake processes with modernized technology.
7. Support sector transformation by being flexible to accommodate new housing types and emerging markets as providers transition to new social and affordable housing models.

One Window will ultimately improve the housing system by transforming how Calgarians access non-market housing. However, it will not lessen the gap between non-market housing supply and demand in Calgary, nor change existing regulations governing prioritization of applications for social housing. This is one initiative of many needed to transform the entire housing system.

Financial Capacity

Current and Future Operating Budget:

One Window is proposed to proceed to implementation with no new requirements for City funding.

The City does not provide operational funding for non-profit housing entities. The Government of Alberta has been identified as the most appropriate funding source for this initiative, given its existing role in regulating and funding intake activities and monitoring compliance for provincially-owned and provincially subsidized housing programs. Should provincial funding be secured, it is recommended that The City offer an extension of Administrative resources to continue leading the transition to create the new One Window entity until it is established to ensure project continuity and momentum.

Current and Future Capital Budget:

Current and future capital budgets are not impacted by the recommendation.

Risk Assessment

Successful implementation of a coordinated One Window intake system depends on a number of factors outside the control of Council and Administration. Top risks are summarized below.

Risk	Likelihood / Impact	Description/ Mitigation
Lack of funding to create the new entity	Medium/ High	Ultimately, the availability of Government of Alberta funding will determine if this project proceeds to implementation. It is recommended that multi-year funding be secured to leverage the existing Steering Committee and project team to carry forward sector momentum that has been built since project inception in 2016. Funding delays could result in a loss of community participation and disbandment of the project team. Additional time and resources would be required to bring One Window back to scale in the future. To mitigate funding risks, Administration has submitted three funding request letters and a business case to the Government of Alberta.
Housing providers may not	Medium/ High	Many organizations have indicated their strong support in principle for this recommendation and willingness to continue committing staff time toward this project. As autonomous organizations

**Community Services Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0096**

One Window Update

adopt One Window		<p>however, there is a risk that housing providers may revoke their future participation.</p> <p>To mitigate this risk, the project team is recommending that engagement and change management activities be conducted on an ongoing basis throughout implementation. Updated project plans and timeliness should be prepared in advance to enable housing providers to best manage their resources and schedules.</p>
One Window does not improve the client experience	Low/ High	<p>To mitigate this risk, the One Window model has been developed with input from multiple stakeholders, including the client advisory panel. Concerns were addressed in the model development and clients will be involved in the implementation, design and testing phase. One Window will also develop an evaluation plan to monitor performance of the system and address issues.</p>

REASON(S) FOR RECOMMENDATION(S):

One Window will ultimately improve the housing system by transforming how Calgarians access non-market housing. It will allow existing non-market housing stock to be used more efficiently, and provide new data and analytics to better inform policy and investment decisions. Furthermore, it will support sector collaboration and transformation.

Implementation of One Window and the creation of the new entity is contingent upon securing funding from the Government of Alberta. Advocacy from Council to the Government of Alberta will help reinforce the need for funding to ensure this project can move forward. Continuation of City resources to lead implementation until the new entity is established will ensure project continuity and sustained momentum.

ATTACHMENT(S)

1. Attachment 1 – One Window Steering Committee Members
2. Attachment 2 – One Window Operating Model Alternatives
3. Attachment 3 – Letter from Community Housing Affordability Collective
4. Attachment 4 – Letters from Community Stakeholders

One Window Steering Committee Members

The Steering Committee for the One Window Initiative, comprised representatives from non-market housing providers, agencies and the Government of Alberta. These organizations are listed below. They represent approximately 80% of the non-market housing stock. The role of the Steering Committee was to co-design the One Window model with the project team.

- Aboriginal Standing Committee on Housing and Homeless Community Liaison
- Bethany Care Society
- Bishop O'Byrne Housing Association
- Calgary Heritage Housing
- Calgary Homeless Foundation
- Calgary Housing Company
- Gracewood Housing Group Ltd.
- Government of Alberta, Alberta Seniors and Housing
- HomeSpace Society
- Horizon Housing Society
- Norfolk Housing Association
- Silvera for Seniors
- The Mustard Seed Society
- Trinity Place Foundation of Alberta

One Window Operating Model Alternatives

The Steering Committee considered various operating models for One Window based on detailed research, focus groups and workshops conducted with stakeholders. The model that was unanimously recommended and supported in principle by the Steering Committee, was for One Window to be incorporated as an independent non-profit entity. An analysis of the models considered is summarized below.

Model and Description	Challenges	Benefits
Non-Profit Entity Owned and Operated (Recommended Option) One Window would be established as a separate organization with its own Executive Director and Board of Directors.	<ul style="list-style-type: none"> - Potential funding and start-up challenges 	<ul style="list-style-type: none"> - Ability to focus on One Window's growth and strategic direction, allowing it to be innovative and adaptive to sector transformation - Clarity on staff roles and reporting - Potential scalability for future expansion into other surrounding cities as well as provincially.
Government Owned and Operated The City of Calgary or Government of Alberta would be requested to take ownership of One Window and be responsible for operations and staffing.	<ul style="list-style-type: none"> - Perception of added bureaucracy - Potential loss of community voice, ownership and support for One Window 	<ul style="list-style-type: none"> - Access to existing organizational resources
Housing Provider Owned and Operated One housing provider would take ownership of the One Window's responsibilities in addition to their organizational responsibilities	<ul style="list-style-type: none"> - Perceived potential bias of One Window toward the interests of the selected provider - Uncertainty about whether the provider could adequately focus on One Window's growth amidst other priorities 	<ul style="list-style-type: none"> - Leverage existing expertise, infrastructure, client relationships and trust
Network Model Distributed Operation The clear owner of One Window was not finalized in this structure. However, the staff would be existing staff of the housing providers who would be seconded to One Window, based on differing capacity and scale of each provider.	<ul style="list-style-type: none"> - No dedicated staff could lead to inadequate resourcing and multiple reporting structures - Added administrative burden and organizational instability for some housing providers 	<ul style="list-style-type: none"> - Leverage existing expertise, infrastructure, client relationships and trust

February 25, 2019

Priorities and Finance Committee
City of Calgary
P.O. Box 2100 Station M
Calgary, AB T2P 2M5

RE: Support for One Window Coordinated Intake Process for Non-Market Housing

Dear Members of the Priorities and Finance Committee,

On behalf of the more than 100 individual and organizational members of the Community Housing Affordability Collective (CHAC), we are pleased to provide our support for One Window, the coordinated intake process for non-market housing in Calgary.

In Calgary, we currently have dozens of separate housing waitlists. A coordinated intake process will eliminate the need for applicants to submit their information multiple times, while improving data and reducing the length of time housing units remain vacant.

A centralized point of entry will improve customer outcomes and reduce stress for applicants, many of whom are already vulnerable. It will also reduce the burden on social workers and case managers who help clients navigate the housing system.

As well, the enhanced citywide data and analytics will result in better evidence to inform policy, programs and investment decisions, leading to a more efficient and effective housing system. Critically, it will also reduce the time units sit vacant, allowing the housing sector to do more with current resources.

This initiative aligns with CHAC's Action Plan, as well as *Enough for All: The Calgary Poverty Reduction Initiative*. It is also in direct alignment with the sixth Strategic Objective in *Foundations for Home: Calgary's Corporate Affordable Housing Strategy*, which focuses on improving the housing sector.

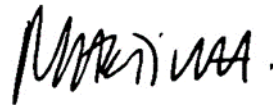
We respectfully request that you approve Administration's recommendations and 1) advocate for provincial funding for One Window, and 2) direct Administration to continue to champion and coordinate this vital initiative until funding is secured and the initiative is operational.

Thank you for recognizing the importance of housing affordability and your continued support. Together, we can build a stronger housing sector and, most importantly, transform the lives of low-income Calgarians seeking a place to call home.

Respectfully,



Beverly Jarvis
Director of Policy, Projects & Government Relations
BILD Calgary
Co-Chair, CHAC
beverly.jarvis@bildcr.com



Martina Jileckova
Chief Executive Officer
Horizon Housing Society
Co-Chair, CHAC
martinaj@horizonhousing.ab.ca

CC: Susan Taylor, Deputy Minister, Seniors and Housing, Government of Alberta
John Thomson, Assistant Deputy Minister, Seniors and Housing, Government of Alberta

Endorsed by:



February 24, 2019

City Council and Priorities & Finance Committee
The City of Calgary
P.O. Box 2100, Stn. M
Calgary, Alberta, Canada T2P 2M5

Dear Members of City Council and Priorities and Finance Committee,

My name is Carma Mahoney, I'm living in South East Calgary in the community called Lynnwood, and I'm very thankful to be living in a affordable housing building provided by The Calgary Housing Company, called Crestwood 1. I'm writing to you today in support of the One Window Project. I was honoured when I was asked to be apart of the One Window Project as a representative of the Client Advisory Group.

Let me tell you about this critical project known as The One Window Project. Currently in Calgary we have more than 60 agencies who are trying to meet the daily increasing numbers of Calgarians who are in need of affordable housing. With the One Window Project coming to fruition we will bring all 60+ below market housing providers under One Window. Then all Calgarians who are seeking affordable housing will be able to go to one location and be able to fill in one application, then through improved analytics and data collection created for affordable housing parameters, will be matched up electronically to all One Window available housing options. Then the applicant and the housing agency will be introduced to each other. With this collaboration happening more and more applicants will have there affordable housing needs addressed, and housing agencies will increase the number of tenants for existing available units. Other important features that the One Window Project will achieve include, a convenient and accessible location that will offer flexible days and location hours. Support staff will be available to answer all questions related to the One Window application. Electronic translators will be able to meet the needs of applicants who speak other languages. Applicants will also have the option to apply online at one website. One Window will create a consistent service delivery that may not be able to be achieved with the current service models.

On a more global scale One Window Project will be able to show our Calgary City Government, the Alberta Provincial Government, and the Federal Government of Canada critical details including the current numbers of Calgarians who are in need of subsidized housing due to living in poverty. They will receive a clear picture of how many more affordable housing units are needed to meet the housing needs for Calgarians. Data showing existing housing models that are in need of repair due to age and wear, will be clearly relayed to all levels of Government and maintenance issues will be addressed. In conclusion I would like to share a personal family experience demonstrating the importance of having the One Window Project here in Calgary, Alberta. I have a daughter Jenny who has developmental disabilities, and complex mental health diagnoses. In 2013 when the flood waters came to Calgary, I received a phone call from Jenny she told me that she was walking in water near her waist, she said I'm scared Mommy what should I do? I asked her if she could see any flashing lights around her? She said that there was flashing lights close to her, I asked her to walk towards the flashing lights and to stay on the phone with me as she walked. She was able to reach the first responders and receive the care she needed. I'm thankful to God and the First Responders that day for getting my Jenny to safety. I truly believe the One Window Project will meet many vulnerable Calgarians, like my Jenny with one of the basic human needs, affordable housing. Thank you very much for allowing me to submit this letter in support of the One Window Project.

Sincerely,

Carma Mahoney
One Window Client Panel Member

2019 February 25

City Council and Priorities & Finance Committee
The City of Calgary
PO Box 2100 Stn. M
Calgary, Alberta
T2P 2M5

To whom it may concern,

Re: CITY OF CALGARY ONE WINDOW INITIATIVE

As the Chair of Calgary Housing Company's Board of Directors (CHC), I provide my support for, and endorsement of the City of Calgary's One Window Project.

Calgary Housing Company provides safe and affordable housing for approximately 10,000 households and over 25,000 Calgarians, while also managing an active waitlist of almost 4,200 households eligible for and in need of housing. We see first-hand the challenges our clients face in navigating the existing non-market housing landscape, and the tremendous opportunities of a coordinated intake system for non-market housing in Calgary.

Calgary currently does not have one place where citizens in need of affordable housing can find information about and apply for non-market housing. Clients are required to contact each housing provider to find information about housing services and must submit a separate application to each housing provider. It is a process that is siloed, misaligned, and burdensome to clients. As the largest housing provider in Calgary, Calgary Housing Company recognizes the need to collaborate with partner housing providers and adopt a more customer centric approach with applicants. The current process requires applicants to travel around the city to fill out multiple application forms and submit a range of additional documents, which is inefficient and frustrating to them. Oftentimes, applicants are not aware of alternative housing options that may be better suited for their specific needs. The system faces challenges in ensuring that clients have access to the right program at the right time.

One Window has the ability to change this. It is a truly transformative project in the housing sector with a vision to create a coordinated intake process across Calgary's non-market housing providers. One Window will improve the experience for Calgarians needing access to non-market housing and enable more people to be efficiently and successfully housed.

Corporate Office
Rocky Mountain Plaza
800, 615 Macleod Trail SE
Calgary, AB T2G 4T8

East District Office
Marlborough Mall
320, 433 Marlborough Way NE
Calgary, AB T2A 5H5

South District Office
Glenmore & Centre Shopping
Centre
#18, 6624 Centre Street SE
Calgary, AB T2H 0C6

West District Office
Braithwaite Boyle Centre
1701 Centre Street NW
Calgary, AB T2E 8A4

The design of the system will enable providers to leverage improved data and analytics to inform the continued development and evolution of the housing system. The future One Window system should have access to data on housing demand, housing supply, client demographics, success factors, and outcomes. This information could be used to inform evidence-based policy, programs and investment decisions from all orders of government.

Calgary Housing Company fully supports the recommendations outlined in the One Window report to Priorities and Finance Committee. We believe that the recommended operating model will provide an opportunity to address many of the issues that cause stress, confusion and frustration for our clients, and will ultimately lead to a better client experience and improve our ability to more efficiently and successfully house clients. Furthermore, on behalf of the Calgary Housing Company Board, I would like to reinforce our desire to see a longer term commitment to funding (i.e. three years).

On behalf of the Board of Calgary Housing Company, we would greatly appreciate The City's support and consideration of the recommendations outlined in the One Window Report.

Sincerely,



Druh Farrell
Chair, Calgary Housing Company
Councillor, Ward 7

Corporate Office
Rocky Mountain Plaza
800, 615 Macleod Trail SE
Calgary, AB T2G 4T8

East District Office
Marlborough Mall
320, 433 Marlborough Way NE
Calgary, AB T2A 5H5

South District Office
Glenmore & Centre Shopping
Centre
#18, 6624 Centre Street SE
Calgary, AB T2H 0C6

West District Office
Braithwaite Boyle Centre
1701 Centre Street NW
Calgary, AB T2E 8A4

13 February 2019

City Council and Priorities & Finance Committee

City of Calgary
P.O. Box 2100, Stn. M
Calgary, Alberta, T2P 2M5

Re: Support for the One Window Steering Committee's Final Report to City Council and Priorities & Finance Committee

Dear Recipient:

As the system planner for Calgary's Homeless Serving System of Care, the Calgary Homeless Foundation (CHF) is uniquely positioned to identify service gaps and innovative solutions to respond to homelessness in effective and compassionate ways. Our goal in this letter is to lend our support to the One Window Steering Committee's final report and its recommended operating model.

CHF has appreciated the opportunity to contribute to the One Window Steering committee as this transformational project will help to address Calgary's affordable housing crisis. Rental units remain financially out of reach for many low-income renters in our city. These conditions are exemplified by the Calgary Housing Company's 4,000-household waitlist for social and affordable housing and the reality that Calgary's 12,000 non-market housing units represent about half the national average of 6 per cent of the housing market.

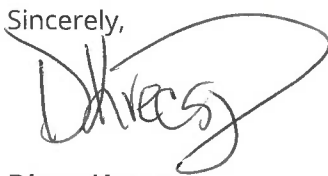
The final report represents the joint recommendation of The City project team and the One Window Steering Committee. The recommended operation model of establishing a newly created non-profit entity will allow for independent and neutral governance by a Board of Directors, which will focus on the mandate of One Window and oversee its strategic growth over time.

Housing providers will have representation on the Board, which will help to facilitate continued trust between One Window and its stakeholders. This model was also designed to be scalable for future expansion into other surrounding cities as well as provincially.

We strongly support this proposed operating model because the development of this initiative will improve the quality of life for vulnerable Calgarians. Ultimately, this model will enable a One Window entity to pursue innovative solutions based on local needs and trends to ensure more people are efficiently and successfully housed.

We thank you for this opportunity to engage and extend an offer to further consult with CHF at your convenience.

Sincerely,



Diana Krecsy
President and CEO

February 25, 2019

Priorities and Finance Committee
City of Calgary
P.O. Box 2100 Station M
Calgary, AB T2P 2M5

RE: Support for One Window Coordinated Intake Process for Non-Market Housing

Dear Members of the Priorities and Finance Committee,

On behalf of Horizon Housing Society and the more than 800 vulnerable individuals and families who call our properties home, I am pleased to write in support of One Window, the coordinated intake process for non-market housing in Calgary.

A centralized point of entry will be a game-changer. It will improve citywide data and analytics, leading to better evidence on which to base investment decisions. It will also reduce vacancies and dramatically improve the speed and ease with which vulnerable Calgarians access appropriate affordable housing.

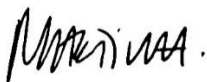
At a time when our city faces a 15,000 unit gap in affordable rental units, we need to work together to find smart solutions that allow us to do more with what we already have. One Window will do precisely that.

This initiative aligns with the Community Housing Affordability Collective's Action Plan, as well as *Enough for All: The Calgary Poverty Reduction Initiative*. It is also in direct alignment with the sixth Strategic Objective in *Foundations for Home: Calgary's Corporate Affordable Housing Strategy*, which focuses on improving the housing sector.

Please approve Administration's recommendations and 1) advocate for provincial funding for One Window, and 2) direct Administration to continue to champion and coordinate this vital initiative until funding is secured and the initiative is operational.

Thank you for your continued support of housing affordability in our city. Together, we can ensure all Calgarians have a safe and stable place to call home.

Sincerely,



Martina Jileckova
CEO
Horizon Housing Society
403.297.1705
martinaj@horizonhousing.ab.ca



NORFOLK HOUSING ASSOCIATION

February 25, 2019

Priorities and Finance Committee
City of Calgary

Re: Support for One-Window Coordinated Intake for Non-Market Housing

Dear Committee Members,

On behalf of Norfolk Housing Association (NHA), I am pleased to provide support for One Window, the coordinated intake process for non-market housing in our city.

NHA provides housing to individuals and families from all walks of life and socioeconomic circumstances. Currently, we work with a number of social service agencies and take direct inquiries from applicants in-need of appropriate housing. Consistently our staff hears stories of frustrated Calgarians in a state of hopelessness because of the challenge in navigating a complex system of housing waitlists and intake requirements. Seeking out housing amongst a spectrum of providers and agencies can sometimes lead citizens into undignified situations in which they retell the stories and traumas that led them into precariousness. We strongly feel that this cannot continue to be the status quo.

NHA sees a critical need in our sector to eliminate entry barriers and improve the intake process for Calgarians, increase efficiencies, and improve collaboration across service providers. This has been our motivation for participating as a member of the One Window Steering Committee and why we support the recommendations presented by Community Services.

The One Window initiative will not only significantly improve the intake process for Calgarians, it will allow us to collect better data so that the sector and all levels of government can make evidence-based decisions on programs, policies and future investments.

We strongly encourage the committee and city council to continue supporting and advocating for funding of this important step towards achieving a vision in which all citizens can prosper and belong in community.

Respectfully,

A handwritten signature in black ink, appearing to read 'Maya Kambeitz', is written over a light blue circular stamp.

Maya Kambeitz
Executive Director
exec@norfolkhousing.ca

.....
1118 Kensington Rd NW Calgary AB. T2N 3P1 Phone: (403) 270.3062 www.norfolkhousing.ca



**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan – Refined Project Scope and Budget

EXECUTIVE SUMMARY

On 2018 June 25, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan, subject to developing funding options and exploring external partnerships. Administration's recommendation to use three different City sources to fund the Chinatown Cultural Plan and culturally-based Local Area Plan in the amount of up to \$1,000,000 was reviewed at the Priorities and Finance Committee (PFC) meeting of 2018 October 02. Pursuant to Section 134(a) of the Procedure Bylaw 35M2017, Administration's recommendation was forwarded to Council for information. At the subsequent Council meeting of 2018 October 15, Council directed Administration to reduce the forecasted project budget and contingency by refining the project scope, and return to Council no later than Q1 2019.

Administration has now refined the project scope for the Chinatown Cultural Plan and the Local Area Plan, and on that basis reassessed the expected project costs. The reassessment has resulted in the elimination of significant consulting costs that were identified in 2018 October. Based on the refined project scope, the overall consulting budget is now estimated to be \$500,000.

Three chief reasons can be attributed to the cost savings: (i) a refined project scope developed with stakeholder input has considerably reduced the uncertainty and the associated project contingency; (ii) a considerable amount of the Local Area Plan will be undertaken by Community Planning staff, which has reduced planning consulting costs; and (iii) assurance of assistance from community stakeholders, and meaningful collaboration from the University of Calgary's researchers as part of the Urban Alliance partnership has further reduced the need for professional consultants.

The direction to proceed with developing a Chinatown Cultural Plan and culturally-based Local Area Plan requires significant financial resources, extending over multiple years, and cannot be entirely supported through Planning & Development's budget. As a result, Administration recommends funding from two City sources be used to commence the Council-directed Chinatown work. Planning & Development's operating budget has the capacity to allocate \$250,000 over the course of two years. The remaining balance, in the amount of \$250,000, is requested through a Council Innovation Fund application (PFC2019-0282). Secured project funding will permit the project team to formally enter into pending Urban Alliance agreements and commence the Council-directed work.

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Authorize the withdrawal of \$75,000 in 2019 and 2020 for a total of \$150,000 from the Planning and Development's Calgary Building Services Sustainment Reserve to secure funding for the Chinatown Cultural Plan and Local Area Plan;
2. Approve the overall funding framework for the Chinatown Cultural Plan and Local Area Plan from two City sources, being Planning & Development's 2019 and 2020 operating budget and the Council Innovation Fund application in an amount totalling \$500,000; and
3. Report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a finalized scope of work by no later than Q3 2019.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 October 15, at Confirmation of the Agenda, Council brought forward the following items to be referred back to Administration to reduce the forecasted budget/contingency by refining the project scope and by continuing to work with external partners, including Urban Alliance, returning to Council not later than Q1 2019:

- a) Item 9.3.4, report [PFC2018-1107](#); and
- b) Item 9.3.5, report [PFC2018-1133](#)

On 2018 June 25, with respect to Report [PUD2018-0514](#) Council directed Administration to:

- a) proceed with Option 3 Chinatown Cultural Plan / Culturally-based Local Area Plan, as presented;
- b) develop funding options including a potential Council Innovation Fund application and external partnerships including but not limited to the Urban Alliance to return to Council through the Priorities and Finance Committee as soon as possible; and
- c) report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work for Option 3 by no later than 2019 July, if budget for Option 3 is approved

On 2016 December 05, Council approved the recommendations of [C2016-0864](#) as follows:

1. Reconsider the reporting requirement arising from Council's direction regarding 2016 January 11 Notice of Motion NM2016-01 for Administration to report back to Standing Policy Committee on Planning & Urban Development by 2016 December on the broader scope of the work conducted with stakeholders, and direct Administration to report to the 2016 December 05 meeting of Council.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

2. Approve the Guiding Principles as outlined in Attachment 1 to be used as an interim guide to reviewing planning applications, in conjunction with the Chinatown ARP, Centre City Plan and other City policies, until a new ARP is approved by Council.
3. Direct Administration to conduct Phase 1 of work as outlined in the Chinatown Area Redevelopment Plan and Cultural Plan Scope of Work (Attachment 2) and report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a progress report by no later than 2018 Q2.

Land Use Application

On 2018 November 12, Council gave 3rd reading to Bylaw 38P2015 (being a Bylaw of The City of Calgary to amend the Chinatown Area Redevelopment Plan - LOC2012-0101/CPC2015-183/C2016-0907) and Bylaw 179D2015, (being a Bylaw of The City of Calgary to amend the Land Use Bylaw 1P2007 - Land Use Amendment LOC2012-0101/CPC2015-183/C2016-0907) as amended.

On 2016 December 05, Council adopted the recommendations of report C2016-0907 as follows:

1. Give 1st and 2nd reading to 38P2015;
2. Give 1st reading to Bylaw 179D2015;
3. Consider the amendments to Bylaw 179D2015 as set out in the Revised Attachment 2 with clerical corrections.
4. Give 2nd reading to Bylaw 179D2015, as amended.
5. Withhold 3rd reading of Bylaws 179D2015 as amended, pending the conditional approval of a Development Permit by Calgary Planning Commission
6. Withhold 3rd reading of Bylaw 38P2015 pending the conditional approval of a Development Permit by Calgary Planning Commission or the passage of a new ARP for Chinatown.

On 2016 April 11, at Confirmation of the Agenda, Council referred Report CPC2015-183 and Bylaws 38P2015 and 179D2015 and the submissions received after the tabling motion was adopted by Council, to the Administration to “undertake a Scoping Report, for a new Chinatown Area Redevelopment Plan, to incorporate the following, to return with a Scoping Report to the 2016 December 05 Combined Meeting of Council:

- i) Develop a community-wide City-led Engagement process that identifies key work to be addressed in a new Chinatown Area Redevelopment Plan, and identifies preliminary topics, issues, and aspirations conveyed by a range of stakeholders;
- ii) Based on the results of the Engagement process in i) above, provide a supplementary planning report to Council on the subject application CPC2015-183, with recommendations for amendments, as appropriate; and
- iii) Coordinate with the on-going current Engagement projects in Chinatown including the Chinatown Retail Strategy, Green Line Project, and Centre City Guidebook.”

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

Notice of Motion

On 2016 January 11, Council adopted Councillor Farrell's [NM2016-01](#) directing Administration, through a future Work Program and following the completion of the Green Line and Main Streets planning projects, to consider the preparation of a new Area Redevelopment Plan for Chinatown and to prepare a progress report on the scoping of the ARP project and to report back to City Council no later than Q4 2016 through the Planning and Urban Development Committee

BACKGROUND

Chinatown is one of Calgary's most distinctive cultural neighbourhoods. The community is highly unique in its character and composition, and Chinatown's importance in recalling and reinforcing the history of Asian immigration to Calgary cannot be overstated. The existing *Chinatown Area Redevelopment Plan* (ARP) for Calgary's Chinatown predates the *Municipal Development Plan* and *Calgary Transportation Plan*, and is considered poorly aligned with other significant City policies and corporate objectives. The built form and culture in Calgary's Chinatown are inextricably linked. A conversation about culture is needed to better understand and support the replacement of the existing ARP to ensure that future planning aligns with higher order policies, and future land use decisions and developments enhance the existing cultural character of the community.

Over the course of eight months in 2016 extensive engagement was carried out as a result of land use amendment application LOC2012-0101, and many discussions were had about the future of Calgary's Chinatown. Chinatown Phase 1 work leading up to 2018 June consisted of background research, preliminary project scoping and a high-level examination of costs and budget. As part of Phase 1 work of the Chinatown policy project, Council accepted the business case, summarized below, to proceed with the preparation of the Chinatown Cultural Plan and the culturally-based Local Area Plan (hereon in referred to as Chinatown Phase 2 work). The rationale outlined to proceed with Chinatown Phase 2 work included:

- Calgary's Chinatown is located along the gateway to Centre City, and serves as a critical link to communities of Eau Claire and East Village
- Construction on the Green Line is anticipated to start in 2020, and the current ARP and policy framework does not envision the integration of a new station nor does it promote or advance Transit-Oriented Development principles
- Chinatown is the cultural home to the Chinese community in Calgary and has the potential to become a more vibrant cultural hub and destination; and
- New developments in the community and demographic shifts and transitions could, over time, erode the community's distinctive cultural characteristics.

The outcome and response to Phase 1 work reaffirmed the importance of advancing Chinatown Phase 2 work. Administration had previously recommended that Chinatown Phase 2 work be primarily undertaken by external consultants due to complex community dynamics, broad public interest, cultural nuances, and extensive city-wide engagement.

At the 2018 October 15 meeting of Council, Administration recommended the minimum secured funding of \$600,000 for Chinatown Phase 2 work. Due to an undefined project scope, a generous contingency of up to \$400,000 was also recommended. At the Confirmation of the Agenda, Council referred the recommendation back to Administration with the direction to

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

reduce the forecasted budget and project contingency by refining the project scope and continuing to work with external partners, including Urban Alliance, and return to Council no later than Q1 2019.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In response to Council's direction from 2018 October 15, the below actions were taken.

Project Scope

Starting in late October of 2018 and over a period of six weeks, Administration refined the preliminary project scope document that was prepared as part of Phase 1 work. Various feedback loops and touch points were set up during the six weeks that allowed for internal and external stakeholders to provide comments. External stakeholders included the Chinatown Community Association, Chinatown District Business Improvement Area (BIA), and several University of Calgary researchers affiliated with the Urban Alliance partnership.

Urban Alliance is a strategic research partnership between The City of Calgary and the University of Calgary dating back to 2007. The partnership establishes a collaborative framework that enables the transfer of research between the University and The City with the benefit of communities in mind.

On 2018 December 6, the updated project scope was circulated to various stakeholders with a five-week circulation period provided to solicit feedback. Various internal and external stakeholders shared feedback on the project scope. Feedback and comments received on the project scope are discussed in more detail in the following section of the report.

The preparation of the refined project scope document (Attachment 1) has allowed Administration to reduce scope uncertainty and adjust the associated project contingency accordingly. Attachment 1 forms the same scope shared with all external stakeholders. With a reduced project scope, the Local Area Plan work can now be undertaken by Administration whereas, due to the specialized nature of the work, the Cultural Plan component will require consulting expertise. As a result, the accompanying Cultural Plan is requested to be fully funded by the Council Innovation Fund application.

Refining the project scope has allowed the project team to build on previous work completed, and further advance new areas of work. For example, Chinatown's Eight Guiding Principles are aspirational statements that were developed through the 2016 engagement work in collaboration with the community. The principles were unanimously accepted by Council in 2016 to be used as an interim guide in reviewing planning applications in Chinatown. As part of Phase 2 work, the Guiding Principles will be added to the Local Area Plan to ensure they are visible to Administration, development industry, and citizens, and carry the weight of statutory policy.

Taking into consideration Council's previous direction from 2018 June, Administration has deliberately kept the refined project scope in "draft" status in order to allow Council's Standing Policy Committee on Planning & Urban Development (PUD) the opportunity to finalize the scope

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

and provide project oversight. Should Council approve the budget for this work, Administration is prepared to return with a detailed and finalized scope of work to PUD in 2019 July.

Project budget and funding sources

Consulting costs to deliver Chinatown Phase 2 work are outlined in Table 1, and estimated at approximately \$500,000. The core budget as presented at the 2018 October 15 Council meeting has changed from \$600,000 to \$470,000, and the contingency reduced from \$400,000 to \$30,000. The overall projects costs will be higher once internal costs have been factored, and this figure is estimated to be approximately \$750,000. This is comparable to other Local Area Plan projects undertaken in the past – with the added benefit of a Cultural Plan informing the Local Area Plan as well.

The figures included in Table 1 are based on the refined project scope of work. Actual overall project costs may vary based on the Request for Proposal process and approval of specific Urban Alliance projects. Expense items have been split, where possible, and are based on the findings from submitted proposals by university researchers, relatable projects, and The City's 2017 Expression of Interest. Should the actual consulting costs increase from the estimated amount, a project contingency amount of \$30,000 has been earmarked within the overall budget. A refined and agreed upon scope developed with stakeholder input has provided certainty, and as a result, significantly reduced the project scope and contingency.

Table 1: Anticipated Chinatown Consulting Costs

PROJECT EXPENSE	ESTIMATED COST
Cultural Plan	\$110,000
*Local Area Plan	\$25,000
Urban Alliance Partnership	\$60,000
Engage Consultant	\$100,000
Communications & Engagement Implementation	\$125,000
Translation Services	\$50,000
Total	\$470,000
Project Contingency	\$30,000
Total consulting costs including contingency	\$500,000
*Note: the Urban Alliance partnership will assist with the delivery of the Local Area Plan and policy development.	

Council Innovation Fund

A Council Innovation Fund application co-sponsored by Councillors Farrell and Chu will be on the 2019 March 5 PFC agenda (see Report PFC2019-0282). The purpose of the Council Innovation Fund is to encourage innovation and pilot projects that support goals of Council and have city-wide application. Successful applications need to demonstrate the potential to change citywide policies and procedures, and support or contribute to initiatives that further Council's priorities.

At the time of writing, Administration's collaboration with the Urban Alliance had led to the submission of three research proposals that stand to benefit the delivery of Chinatown Phase 2 work. The Urban Alliance partnership has enabled academics from various fields such as Business, Environmental Design, Geography and Sociology to contribute to the project based on the refined scope. The cost associated with each proposal is approximately \$20,000, and

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0294**

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

collectively sum to \$60,000. Secured project funding will permit Administration to formally commit to the research and enter into pending cost agreements.

Integrating a Cultural Plan with a Local Area Plan is a new and emerging practice for municipalities. The City is moving towards a more deliberate and formalized approach to integrating a cultural lens when developing planning policy. In addition, Chinatown provides an opportunity to develop and pilot new engagement practices, which will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other communities across the city. The proposed Chinatown Phase 2 work would be innovative at both the local and national level, and could serve as a pilot project for a new way of informing future policy plans. The co-sponsored application is seeking \$250,000 from the Council Innovation Fund that currently has a balance of \$5,365,905.

Planning & Development Budget

Community Planning's budget has a total of \$220,000 for consulting costs for each base year. Administration's investigation to fund Chinatown Phase 2 work through Planning & Development's operating budget determined there is capacity to utilize \$50,000 from the Community Planning consulting budget in 2019 and 2020 for a total of \$100,000 over the course of two years. In addition, a one-time expenditure of \$75,000 in 2019 and 2020 for a total of \$150,000 is proposed to be funded by the withdrawal from the Calgary Building Services (CBS) Sustainment Reserve. The one-time unbudgeted draw from the CBS reserve will lead to Community Planning's base budget (program #612) to be increased, resulting in a net zero budget impact for the two years. This will enable Planning & Development to fund a total of \$250,000 of the anticipated Chinatown Phase 2 work over the course of two years.

Stakeholder Engagement, Research and Communication

Extensive City-led engagement was completed in 2016 as a result of a contentious ARP amendment and Land Use application in Chinatown. In responding to Council's latest direction, targeted consultation was undertaken between 2018 November and 2019 January as part of refining the project scope. Stakeholders included the Community Association, Chinatown District BIA, active community members and advocates, landowners and Urban Alliance researchers.

Overall, comments provided suggest that the preparation of the Cultural Plan should be well coordinated and sequenced so that the findings from the Cultural Plan work inform the built form policies of the Local Area Plan. Other pertinent feedback received that influenced the refinement of the project scope included:

- A comprehensive evaluation of the transportation (vehicular and pedestrian) network and parking analysis must inform future policies
- Project engagement and consultation should be planned around all ages, and include all of the various users that live, work and play in Chinatown
- Chinatown's culture and heritage should be referenced in the Local Area Plan, but that document itself should be focused, succinct and clear in its purpose;
- There must be clear linkages between the Cultural Plan and the implementation of the Local Area Plan policies; and
- The project team should utilize existing research and findings and build on the past work that The City has undertaken with the community.

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

Members of the Chinatown Community Association and the Chinatown District BIA reiterated their support for the Phase 2 project work and provided assurances that commit future community involvement and the donation in-kind of time and services to further offset some of the expected costs in the delivery of Chinatown Phase 2 work. As part of these community discussions, contributions from the community could include assistance with some aspects of translation, assistance with advertising and promotions, and subsidizing the full or partial cost of event venues. The community's assistance has the possibility of further reducing project costs and improving the effectiveness of consultation and overall engagement.

Chinatown Phase 2 work will require additional purposeful, intensive engagement with citizens, the development industry, community groups, and Council. Creating opportunities for further dialogue will inform the project's communications and engagement strategies prior to the finalization of the project's engagement plan. This project's engagement plan will be a critical component that integrates cultural considerations into the built-form policies of the Local Area Plan.

At the time of report finalization, letters of support to proceed with the Chinatown Phase 2 work had been received from Calgary Tourism, Calgary Economic Development, University of Calgary, Calgary Heritage Authority, Chinatown District BIA, The Calgary Chinese Elderly Citizens' Association, QuadReal Property Group, Anthem United Communities, and John Hooks of PHX Energy Services Corp. (refer to Attachment 2).

Strategic Alignment

Secured funding to undertake Chinatown Phase 2 work aligns with direction from the *South Saskatchewan Regional Plan* (SSRP), which directs municipalities to increase the proportion of new development within already developed lands through infill and redevelopment. Further, the SSRP calls for planning to be undertaken in such a manner that new development makes use of existing infrastructure.

Completion of Chinatown Phase 2 work also aligns with *Municipal Development Plan* policies that call for creating a livable, vibrant, and diverse Centre City; fostering distinctive complete communities with a strong sense of place; and creating great communities by fostering community dialogue and participation in community planning. Chinatown Phase 2 work will also build on Transit-Oriented Development principles with the 2nd Street SW Green Line station location expected near Chinatown's Daqing Square.

Social, Environmental, Economic (External)

Work on the proposed Chinatown Phase 2 work will provide new comprehensive policies and growth direction based on social, environmental and economic priorities of community stakeholders and all Calgarians that work in, live in, and visit Chinatown. Direction and secured funding for Chinatown Phase 2 work will advance the following Council priorities:

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency and be a place of opportunity.
- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life.
- A City That Moves – Ensuring access to safe and affordable transportation choices.

Financial Capacity

Current and Future Operating Budget:

Information presented within this report has an impact on the future Planning & Development operating budget with \$250,000 earmarked towards the consulting cost to undertake the next phase of the Chinatown work. One hundred thousand dollars will be funded from Planning & Development's base budget with the remaining \$150,000 funded from the expenditure budget (as per Administration Recommendation 1) to be fully offset by a revenue increase, resulting in a net zero impact on the budget. Secured funding from the Planning & Development operating budget and the Council Innovation Fund application provides a lump sum total of \$500,000, which is adequate to deliver the refined project scope.

Current and Future Capital Budget:

There are no impacts regarding this request.

Risk Assessment

Chinatowns across North America are facing a number of pressures that threaten their continued existence. Calgary's Chinatown finds itself at a cusp whereby a new vision is needed to strengthen the community identity and provide direction on the suitable integration of new developments. Failure to secure the requested funding for Chinatown Phase 2 work will result in the continued existence of an outdated policy plan that does not align with higher order policies and corporate objectives stated within the *Municipal Development Plan*. An outdated policy framework makes the review and outcome of current and future planning applications more unpredictable and costly. This may put the community, customer, Council, and Administration in a position of uncertainty, and delay timely approval of applications. Inevitable demographic changes and the development of the Green Line will undoubtedly affect the community. The continued surge in the willingness from the community members to participate in a new direction, if not capitalized and appropriately funded, could be a missed opportunity.

Without a source of secured funding, the progress of the project is compromised. Appropriately funding Chinatown Phase 2 work enables an opportunity to pilot a new way of informing future Local Area Plans by integrating a cultural lens when developing built-form policies.

Planning & Development Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0294

Chinatown Cultural Plan and Local Area Plan - Refined Project Scope and Budget

REASON(S) FOR RECOMMENDATION(S):

The appropriate funding for Chinatown Phase 2 work presents a unique opportunity to define a detailed vision for Chinatown's future based on current policy and corporate objectives. Securing project funding of \$500,000 through the Council Innovation Fund and Planning & Development's operating budget avoids significant risks that will delay the delivery of the Council-directed Cultural Plan and the Local Area Plan. Piloting new processes that include engagement practices that will influence The City's approach to culturally sensitive engagement, benefiting not only Chinatown, but also other plan areas across the city sets this project apart from other Local Area Plan projects. Without new direction for Calgary's Chinatown, the processing of future planning applications, especially adjacent to the Green Line light rail network may be further complicated. Secured funding for this project will send a strong message of commitment for a vibrant and active Chinatown into the future.

ATTACHMENT(S)

1. Refined Chinatown Phase 2 Scope of Work
2. Chinatown Cultural Plan and Local Area Plan – Letters of Support

Refined Chinatown Phase 2 Scope of Work

Cultural Plan for Chinatown

Background:

Over the course of eight months in 2016 extensive engagement was carried out, and many discussions were had about the future of Calgary's Chinatown. Concerns about the erosion of the unique cultural identity and viability of Chinatown, including but not limited to the built environment, have been identified by the community. A common vision for cultural preservation and development is needed to provide some certainty and specific actions that the community and other stakeholders can undertake together to strengthen Chinatown's cultural identity into the future.

While The City will project manage the development of the Cultural Plan this would be a community-owned plan, calling for participation and implementation by a range of stakeholders.

Development of the cultural plan for Chinatown will consider implications for the built environment and integration of elements into the Chinatown Local Area Plan.

Potential Components

1. **Policy and plan review/synthesis:**

Analyze and synthesize key research, studies and initiatives (e.g. Chinatown Historical Context Paper, Guiding Principles, public art inventory, Canada 150 storytelling project, Exploring Communities-Chinatown paper, demographic studies, tourism and economic development plans, Green Line engagement input). Summarize what they tell us about the current and future state regarding Chinatown's cultural identity as well as its built environment.

2. **Cultural resource mapping and information gathering:**

Based on Statistics Canada's cultural resources framework and using mapping work undertaken by The City of Calgary, I Love YYC Chinatown, Calgary Arts Development and other sources, work with Chinatown stakeholders to compile and analyze key tangible and intangible cultural resources.

3. **Stakeholder consultation to identify opportunities, challenges and priorities for cultural future:**

Undertake leader interviews, community facilitation and alternate listening and gathering strategies with stakeholders both directly and indirectly connected to Chinatown's cultural life. Consider implications for tourism as a contributor to both cultural and economic viability. Translation, inclusion of youth voices, seniors and cultural workers important.

4. **Cultural Plan for Chinatown:**

Based on the above activities, develop a draft cultural plan which includes vision statement(s); cultural development goals and objectives; implications for the built environment; an implementation plan with actions, roles and responsibilities; timelines, governance and resource requirements.

5. **Built environment and cultural integration:**

Provide recommendations for integration of components from the Cultural Plan for Chinatown into the Local Area Plan.

6. **Public consultation and engagement:**

Circulate for input to obtain feedback; refine and improve the plan; discuss the implications of the plan for the community. Finalize and adopt.

7. **Plan launch:** conduct a launch in the community which includes action plans.

Culturally-based Local Area Plan

Problem statement:

Ensure that development proposals for Calgary's Chinatown are evaluated against updated policy that adequately addresses Chinatown's unique history and cultural character. Much of the existing 1986 Chinatown ARP is outdated and no longer fulfills the purpose of providing meaningful development direction. The following will serve as potential components of the new Local Area Plan:

1. Community Character and Vision

What this is: The community character and vision section will identify defining features of the look and feel of the community as a whole in terms of what makes it "unique." This work will strive to capture the essence of the existing built-form along with what areas of the community are open to transition. Key findings from the Chinatown Cultural Plan will help finalize the community character and vision section.

What this will do: Provide Calgary's Chinatown with a clear description about the community's character based on its unique and distinct character. In certain cases, identify and promote areas to be conserved. In other instances, identify a vision for areas within the community that can gradually and sympathetically evolve with contextual reference to surrounding Centre City communities. This work will allow future built-form policies to be developed and implemented through the review of planning applications.

Who conducts this work: Input from the community character statement will be derived from the Chinatown Historical Context Paper, which is currently underway by local historians working with the Sien Lok Society and supervised/vetted by the Calgary Heritage Authority and The City's Heritage team. Findings from other bodies of work undertaken as part of the Cultural Plan and through the Urban Alliance partnership will also assist in the delivery of the Community Character Statement.

Why do this work? Chinatowns across North America are facing a number of pressures that threaten their continued existence. Calgary's Chinatown is in stronger position than many others, but a new vision is needed to strengthen community identity in the face of inevitable change, such as demographic shifts, and imminent developments.

Engagement: The community will need an opportunity to comment on it this work

2. Add the 8 Guiding Principles to the Local Area Plan

Given Chinatown's overall importance to Calgary, its function as a social and cultural hub for the Chinese community, and changes expected as a result of the future development and LRT project, it is appropriate to define a vision that builds on the 2016 engagement work and supports the Guiding Principles developed in collaboration with the community.

What are these: The Guiding Principles are 8 statements that reflect what Chinatown perceives itself to be. The principles are aspirational statements that were unanimously accepted by Council in 2016 December to be used as an interim guide in reviewing planning applications

What this will do: The Guiding Principles are forward-looking statements intended to provide direction for new development within Chinatown. Although they were approved by Council in 2016 December, adding them to the Local Area Plan will add an additional layer of assurance that they are visible to Administration, development industry, citizens and carry the weight of a policy. Implementation and acceptance of the Guiding Principles against a significant development application proved to be difficult in 2018. Community stakeholders disagreed with the developer's interpretation of the guiding principles. Additional work on clarity and "visualizing" the principles may be needed as part of integration into the Local Area Plan.

The principles will be added within the body of the document and serve as a foundational work for other key policy areas of the document. May need to be cross-referenced within the Cultural Plan as well.

Engagement: The Guiding Principles were derived from community feedback during Phase I engagement and confirmed in Phase 2 Engagement (April-December 2016). They were accepted unanimously by Council. No further specific engagement is required on the principles themselves, aside from engagement on how they are featured within the Local Area Plan (or other document)

3. A new Land Use Concept Plan

What is this: A statutory map that organizes the Plan Area by providing direction on active corridors (i.e. Centre Street and 2nd Avenue SW), community interface and transitions, open/green spaces (Sien Lok Park), and residential/commercial areas

What this will do: Sets a new formal land use framework for the community with direction on development expectations. This exercise will specifically remove the land use table and associated map from the APR for a new map. While a 2016 development analysis concluded that only a limited number of changes are needed to the existing heights and density, a more effective Land Use framework will ensure that revitalization efforts are funded and supported through a modern heritage and density bonusing system for: 1) Community improvements 2) Open/green space and 3) Affordable Housing. This work will also clarify density and allowed heights through form-based transition area policies and shadow impact analysis. The need to amend the existing sunlight protection policies to safeguard sunlight access to both public and private realm will also be explored.

Engagement: The community and other stakeholders (landowners) will be directly involved with this work, and must have an opportunity to comment on it. Any update that results in wholesale changes will require more engagement and commensurate resources

Note: This work is identified as a critical component in allowing for Transit Oriented Development land use framework in anticipation of Green Line operations in 2026.

4. Green Line Integration

What this is: The Green Line will become a key connection for Chinatown in relation to The City's overall light rail network. A station will be located on 2nd Street SW near Daqing Square. The station will offer an opportunity to bring more visitors into the community. Construction is anticipated to begin in 2020 on Stage 1 of the Green Line with a tentative opening day of 2026. Green Line City Shaping has the following goal: "People living in communities along the Green Line have access to cultural destinations, local spaces and a connection to Calgary's heritage". Area developers are aware that the Green Line is the most significant capital project facing Chinatown, with a station to be located at 2 Avenue / 2 Street SW. Updated Local Area Plan policies need to address the capital project and community integration that includes connectivity and pedestrian linkages.

What this will do:

- The current ARP does not contemplate the Green Line or the station to be located at 2 Street and 2 Avenue SW. Green Line will affect nearby development sites and increase community accessibility;
- A local area plan process is an opportunity for station area placemaking and to explore land uses that promote vibrancy and activity around the station and identify connections throughout the community;
- Construction is anticipated to start in 2020. On opening day in 2026, the station is expected to have 8200 riders, increasing to over 10,000 in by 2043;
- Green Line may also prompt some landowners towards development.

With the start of Green Line construction in 2020, a timely understanding of development policy in Chinatown is needed.

5. Design Guidelines and Signage Plan

What this is: Establishing new design guidelines will encourage visually distinctive architectural and built-form design features that celebrate traditional and contemporary characteristics of Chinatown. A defining character of Chinatowns historically has included distinct design motifs, community entrance and gateway features and signage. In order to celebrate and commemorate Calgary's Chinatown, more elaborate guidelines are needed that fully articulate design intent. Strict application of signage regulations has also resulted in signage that is flush with building frontages, in accordance with current land use regulations. New policies can differentiate character areas and precincts within the community and allow for new policies that allow the Approving Authority additional latitude in making decisions.

What this will do: This plan will explore ways that Chinatown can incorporate architectural elements (Chinese and Asian motifs) and non-standard signage types. This work will lead to design guidelines based policy and allowances for bylaw variance. It is envisioned that by encouraging both traditional and contemporary characteristics the evolution of Chinatown will offer variety and an eclectic mix in the built-form. Further, a special scheme for signage in Chinatown will allow the community to add to its distinctive character.

Who conducts this work: The work will be conducted by an Urban Designer, in conjunction with Urban Alliance.

Engagement: The community will be interested in this initiative and will require engagement with building / business owners, potentially via the BIA.

6. Evaluate transportation network and market conditions

What this is: A comprehensive inter-disciplinary study that will focus on the transportation (pedestrian and vehicular) network, parking analysis and how the two affect the business activity and market conditions in Calgary's Chinatown. For example, does the price of parking in Chinatown affect consumer behaviour and travel patterns in and outside of Chinatown (when comparing it to Centre Street North where a number of Asian businesses have established)? Is there a strong correlation between the supply of parking and market rents, availability of leasable space and foot-traffic in the community? Are provisions for surface parking important for a community located within the core of the city and so close to the CBD (central business district with access to the +15 network)? This study will inform future policies on mobility and infrastructure requirement that will have the most impact on commercial and residential users. Opportunities to capitalize on the integration a future Green Line station within the community will also be a key focus of the study.

What this will do: A market analysis that includes an assessment of who lives, who shops and visits Chinatown, and how, and for what reasons can assist in telling what transitions have taken place over the years, and perhaps help predict the forces at-play that will determine the future of Chinatown. Future developments in Chinatown are also bound to take into consideration the opening of a LRT station as part of the new Green Line. Local Area Plan policies that emphasize investment on public infrastructure investments and placemaking will help the transition of Chinatown over the coming 20-30 years.

Who conducts this work: The work will be conducted by a researcher from the University of Calgary as part of the Urban Alliance partnership.

Engagement:

In order to undertake this work, Chinatown business owners and operators need to be consulted.

Chinatown Cultural Plan and Local Area Plan – Letters of Support



February 26, 2019

Re: Chinatown Cultural Plan and Local Area Plan Council Innovation Fund application

Dear Mayor Nenshi and Council,

As the city's destination marketing and development organization, Tourism Calgary evaluates opportunities that relate to the visitor economy through the lens of what's needed to make Calgary the Ultimate Host City. To support cultural preservation and development in Chinatown for the benefit of Calgarians and visitors, Tourism Calgary is in favour of resources from the Council Innovation Fund being allocated toward the development of the Chinatown Cultural Plan and Local Area Plan.

Chinatown has served as an iconic experience and integral part of Calgary's downtown core for over 100 years. The district's existing Area Redevelopment Plan is over 30 years old and no longer aligns with the Municipal Development Plan or other significant city policies and objectives. An opportunity also exists to align strategic cultural and development planning in Chinatown with recommendations outlined in Calgary's long-term, stakeholder-led and endorsed Destination Strategy: Ultimate Hosts. Ultimate Host City.

As steward of Calgary's Destination Strategy, Tourism Calgary is committed to fostering collaborative action toward the advancement of its recommendations, including the need to energize Calgary's iconic anchor experiences. Chinatown is not only an iconic neighbourhood, it is a social and historically-significant hub that helps shape Calgary's cultural fabric and make our city a vibrant, exciting and active place to live, work and visit. To grow Chinatown's importance and contributions to the community and economy, the district must continue to be energized. Developing a Chinatown Cultural Plan and Local Area Plan is a unique opportunity to accomplish this by developing a common, culturally conscious vision and development strategy for Calgary's Chinatown that supports collective efforts to become the Ultimate Host City.

Tourism Calgary looks forward to working alongside the City of Calgary and key stakeholders like the Calgary Heritage Authority and Calgary Economic Development to support the development of the Chinatown Cultural Plan and Local Area Plan for the benefit of Calgarians and visitors.

Sincerely,

Cassandra McAuley
Executive Director, Stakeholder Engagement & Destination Development
Tourism Calgary | 403-835-0711 | cassandram@tourismcalgary.com

Calgary Economic Development's
collaborative energy makes us a
conduit, connector, catalyst and
storyteller for Calgary.

February 26, 2019

Office of the Mayor,
The City of Calgary
P.O. Box 2100, Station M
Calgary, AB, T2P 2M5

Re: Support for funding for the *Chinatown Cultural Plan* and *Local Area Plan* from the Council Innovation Fund

Mayor Nenshi and Council,

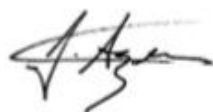
I am writing this letter as the Commissioner for Film, Television and Creative Industries for Calgary Economic Development ("CED"). Part of my job is to support the *Cultural Plan for Calgary* by working with individuals, companies, organizations and government to increase employment through the development of Creative Industries in Calgary. As such I would like to lend my support for Support for the application of funding for the *Chinatown Cultural Plan* and *Local Area Plan* from the Council Innovation Fund.

Chinatown has been recognized as one of Calgary's most distinctive and important neighbourhoods due to its history, rich cultural life, contribution to the economic success of downtown Calgary and its role in fostering cultural activity. Given this importance, Creative Industries sector of Calgary Economic Development supports the funding application to the Council Innovation Fund for the development of the *Chinatown Cultural Plan* and *Local Area Plan*.

The plans will help sustain Chinatown by guiding development and cultural life into the future. They support the implementation of the Cultural Plan for Calgary through strategic cultural planning in Chinatown, engagement approaches that reflect the nature of the community and the integration of cultural considerations into planning documents. It is our understanding that results from the overall project will help integrate cultural considerations into planning processes in the future.

If you would like to discuss this application further please feel free to contact me.

Best Regards,



► Commissioner | Film, Television & Creative Industries
► tel: 403 221 7868 | email: lazevedo@calgaryeconomicdevelopment.com

calgary economic
development
be part of the energy

731 1st Street SE, Calgary, Alberta, T2G 2G9
Main: (403) 221-7831
Toll-free: 1 (888) 222-5855
Media: (403) 880-7040
calgaryeconomicdevelopment.com



Office of the Vice-President (Research)

A100, Administration Building
2500 University Drive NW
Calgary, AB T2N 1N4
CANADA
www.ucalgary.ca/vpr

February 26, 2019

The City of Calgary
800 Macleod Trail SE
Calgary, Alberta
T2P 2M5

**LETTER OF SUPPORT FOR CHINATOWN POLICY WORK – NEW CULTURAL PLAN AND LOCAL
AREA PLAN**

Dear Mayor Nenshi and respected members of Council:

The University of Calgary wishes to confirm our enthusiastic support for the proposed Council-directed Chinatown policy work that envisions the delivery of a Cultural Plan and a culturally-based Local Area Plan for Calgary's Chinatown.

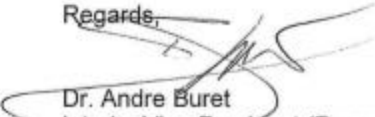
Members of Council are likely aware that the Urban Alliance is our strategic research partnership between The City of Calgary and the University of Calgary dating back to 2007. Based on Council direction, The City of Calgary's Chinatown project team reached out to the University and we had a great response from our faculty members. The City team has been collaborating with professors from several faculties/departments (Environmental Design, Haskayne School of Business, Geography, Sociology, Education and others) through the Urban Alliance framework since July of 2018. Research proposals have been put forward that are targeted to the knowledge gaps identified by the City team.

The partnership between city departments and university researchers is of mutual benefit to both organizations, and reinforces the collaborative framework that enables the transfer of research between the University and The City, with the broader benefit to Calgary's Chinatown. University research provides tremendous value for low cost by engaging top-level experts with deep knowledge of relevant issues, accessing the ability to leverage other funds and resources, and providing hands-on experience tackling city problems to students who may eventually be employed in positions of value to The City.

The proposed policy formulation work will advance development direction for one of Calgary's most unique communities. Based on the project scope we are supportive of Green Line integration, and applaud the overall aim of raising the community profile as a cultural hub and a destination. We hope that this will be the first of ongoing opportunities for the City and University to work together on culturally sensitive and informed community (re)development of real benefit to Calgarians.

The University of Calgary strongly supports the project and looks forward to continued collaboration.

Regards,


Dr. Andre Buret
Interim Vice-President (Research)



February 25, 2019

Mayor Nenshi & Council
City of Calgary
P.O. Box 2100, Stn. M, MC 8001
Calgary, AB T2P 2M5

Dear Mayor & Council:

Subject: Chinatown Cultural Plan and Local Area Plan

It is recognized that Chinatown is one of Calgary's most distinctive and important neighbourhoods due to its history, rich cultural life, contribution to the economic success of Downtown, and its role in local and regional tourism.

Given this importance, the Calgary Heritage Authority (CHA) supports the funding application to the Council Innovation Fund for the development of the Chinatown Cultural Plan and Local Area Plan.

These two documents will help sustain Chinatown by guiding development and cultural life into the future. They support the implementation of the Cultural Plan for Calgary through strategic cultural planning in Chinatown, engagement approaches that reflect the nature of the community and the integration of cultural considerations into planning documents. We understand that learnings from the overall project will help integrate cultural considerations into planning processes in the future.

Currently, the CHA is undertaking evaluations in Chinatown thanks to a grant from the Community Initiatives Program (CIP). With this grant we will be evaluating or re-evaluating 11 sites to be added or re-added to the Inventory of Evaluated Historic Resources. These sites were identified through a Historic Context Paper for the community that is being developed in partnership with the City's Community Planning group. The grant will also allow local community groups to develop a photographic exhibit of Chinatown.

As an important cultural district and historic neighborhood in Calgary we know how important it is to preserve Chinatown's heritage and history.

Sincerely,

A handwritten signature in blue ink that reads "Josh Traptow". The signature is fluid and cursive, with the first name "Josh" being more prominent than the last name "Traptow".

Josh Traptow
Executive Director
Calgary Heritage Authority

Cc: Janet Lavoie, Business Strategist – Arts & Culture

Calgary Heritage Authority, P.O. Box 75065 Cambrian, Calgary, AB T2K 6J8
403-805-7084 | www.calgaryheritageauthority.com | CRA Number: 782117691 RR0001



2019 February 25

The City of Calgary
800 MacLeod Trail SE
Calgary, Alberta T2P 2M5
Canada

Attention: His Worship Mayor Nenshi
& Members of Calgary City Council

PFC2018-1107

Chinatown Cultural Plan and Local Area Plan – Update on funding and external partnerships
Refined Chinatown Cultural Plan and Local Area Plan Scope of Work

The Chinatown District Business Improvement Area (CDBIA) supports the development of a Chinatown Cultural Plan and a new Local Area Plan to replace the former Chinatown Area Redevelopment Plan (ARP) starting later this year with completion, hopefully, by 2021.

Chinatown is a living, serving and vital community for its 2,000 residents, 200+ small / mid-size businesses and corporate entities, 50+ cultural associations / societies, and the tens of thousands of visitors every year. Our cultural distinctiveness and celebration of festivals, events, culinary delights, arts, culture, academic, and social gathering is vibrant and unique in Calgary as evident in recent Chinese Lunar New Year celebrations. Calgary's Chinese and Southeast Asian community of 100,000+ residents enjoy Chinatown as a place of gathering, socialization, learning, shopping and dining. We cannot afford to lose this unique visual, vibrant, vital and valued community characteristics to development that is less than consistent (if at all).

Together with the Chinatown Community Association, the Calgary Chinese Elderly Citizens Association and others, the CDBIA pledges its support of The City's plans to establish a Chinatown Cultural Plan and Local Area Plan as presented in the scope of work to Calgary City Council. We are also committed to its intent, expressed outcomes, and an efficient plus effective process through contribution of our community facilitators, language translators, meeting spaces, and public gathering venues within our capacity.

Sincerely,

Grace Su, CDBIA Chair

Terry Wong, CDBIA Executive Director



卡城華人耆英會

The Calgary Chinese Elderly Citizens' Association



February 25, 2019

The City of Calgary
800 MacLeod Trail SE
Calgary, Alberta T2P 2M5

Attention: His Worship Mayor Nenshi & Members of Calgary City Council

PFC2018-1107

Chinatown Cultural Plan and Local Area Plan – Update on funding and external partnerships

Refined Chinatown Cultural Plan and Local Area Plan Scope of Work

The Calgary Chinese Elderly Citizens' Association (CCECA) supports the development of a Chinatown Cultural Plan and a new Local Area Plan to replace the former Chinatown Area Redevelopment Plan (ARP).

CCECA was established in 1985. We run a senior drop in centre in Chinatown which is a cultural hub for 2,064 members, 5,245 clients with 145,120 client contacts in 2018. Our citywide services include outreach, health, social/recreational, education and adult day support program are provided to all Calgarians not limited to the residents in Chinatown.

Chinatown is second home for many seniors who live, play and volunteer on a daily basis. Seniors can live independently in Chinatown to pursue their interests and to lead a healthy and happy life. We cannot afford to lose this unique, vital and valued community characteristic to development that is less than consistent (if at all).

In support of the City's plan to establish a Chinatown Cultural Plan and Local Area Plan, CCECA is prepared to provide free space and volunteer interpreters/facilitators for community consultation and meetings.

Yours truly,

Liza Chan
Executive Director

Partly Funded by



United Way
Calgary and Area



111 Riverfront Avenue S.W., Calgary Alberta, Canada T2P 4Y8
Tel: 403 269 6122 Fax: 403 269 1951
email: cceca@cceca.ca website: www.cceca.ca
Charitable Registration Number: 126698018 RR0002 



QuadReal Property Group
Suite 301, 240 – 4th Avenue SW
Calgary, AB T2P 4H4
Canada

T 403-202-7500
www.quadreal.com

February 22, 2019

Fazeel Elahi
Senior Planner, Centre West Team
Community Planning, Planning & Development
The City of Calgary
Floor 5, The Municipal Building, 800 Macleod Trail S.E.
P.O. Box 2100, Station M, Calgary, AB T2P 2M5

Re: Chinatown Cultural Plan and Local Area Plan

Dear Fazeel:

Please accept this letter as QuadReal Property Group's formal support for the work currently underway by the City of Calgary's Community Planning Group on the Chinatown Plan and Local Area Plan. We share the view of other stakeholders that this work is important to ensure the cultural character of Calgary's Chinatown is respected and preserved, while also planning for future growth in the community that will result in a vibrant and progressive community that will be enjoyed by residents and Calgarians alike for many years to come.

We agree that the existing Chinatown ARP is outdated and no longer provides the appropriate framework and vision for forward thinking and thoughtful growth and development within the community. It is our expectation that a new ARP will better serve the community and City by incorporating a more modern land use framework, a vision for new building design and signage that respects the existing built forms, yet allows for the creation of modern, progressive buildings, and incorporates the existing transportation infrastructure including the future Green Line LRT project. Furthermore, by creating the ARP and Cultural Plan as separate documents, it is expected the end result will be a simpler, more understandable, user-friendly planning process that will meet the needs and expectations of all involved.

In conclusion, we reiterate our support for the work being undertaken by the City on this important initiative and remain available for ongoing engagement through the duration of this process.

Should you wish to discuss the foregoing in further detail or require any additional information, please do not hesitate to contact me at (403) 202-7516.

Sincerely,
QuadReal Property Group

A blue ink signature of Jeff Hyde.

Jeff Hyde
Senior Vice President, Development



February 21, 2019

To: Fazeel Elahi, Senior Planner, Centre West Team, Community Planning, Planning & Development
Re: Chinatown Cultural Plan and Local Area Plan

Dear Fazeel,

Through this letter, Anthem Properties wishes to formally provide our strong support for the work being completed by the administration project team on the Chinatown Cultural Plan and Local Area Plan. This work is vital to ensuring that the unique cultural character of Calgary's Chinatown is preserved and celebrated, while also planning for measured, future growth within the community.

The existing Chinatown ARP is significantly outdated and no longer represents a realistic vision for well thought out development and growth within the community. The new ARP will better serve the community and the City by integrating a more modern land use framework, a vision for culturally appropriate design and signage, as well as an inclusive approach to the incorporation of the overall transportation network, including the future green line.

By creating the ARP and Cultural Plan as separate documents, the end result will be a simpler, more understandable, more user-friendly planning document which will function symbiotically with a robust and comprehensive cultural preservation plan. The work being undertaken on this project is critical to creating guidance for future development in the area while ensure the cultural roots of Chinatown are maintained for future generations.

We are happy to support the work being undertaken by the City on this project and we look forward to continued engagement as the two plans are crafted into their final forms.

Regards,

A handwritten signature in blue ink, appearing to read "Joel Tiedemann", with a stylized flourish at the end.

Joel Tiedemann
Development Manager
Office 403.266.0334
Cell 403.477.2854
jtiedemann@anthemproperties.com



Fazeel,

Pleased that you reached out to me as a property owner in the Chinatown district.

Background

I am the owner of a vacant lot at 140 2nd AVE SW – I purchased this property for investment a number of years ago when Calgary was a thriving business community that we all embraced.

The last four years have been a very real challenge with the drop in commodity prices and the change in the provincial and federal governments that choose to decouple our economic advantages that we previously had.

Long story short that is why the property remains vacant and probably will for the future until we see a change in leadership at all levels of government.

I reside in Calgary and operate an energy service company and my office looks into the Chinatown district and due also to my proximity believe I have considerable knowledge on the area and the challenges it has and will have without change.

I applaud you for this scope of planning you are undertaking as I firmly believe this district can be very special.

Thoughts:

The Chinatown district is ripe with opportunity if a few major items are supported.

- 1) Chinatown is in a great location and needs people to purchase, rent and reside in the district – the focus should be on younger working professionals and people that work in the downtown core. Presently the area is populated with senior residences and this is fine but we need to bring a new youthful population that is active and spends funds.
- 2) The area needs parks (real parks) for kids and activities that a family would find attractive. The current parks are boring and tired and not even used.
- 3) This area could be a haven for artists and murals and art should be considered as a new way to attract persons from outside the area and tourists to visit and spend money.
- 4) All of the above will attract new retail and restaurant business that is the cornerstone of all successful districts in cities – I know because for decades I have and still travel for business extensively and personally have witnessed the transformation.
- 5) Lastly it needs marketing and a new vibe.

The elders in the district direct the strategy for the area and to be blunt it is not working and if directed down this same path it will continue to starve and die.

Someone needs to get some vision and make the changes and allow creative thinking and opportunities to attract new blood into this very tired but very unique area.

THE POTENTIAL IS EXCITING

**Mayor's Office Report to
Priorities and Finance Committee
2019 March 5**

**ISC: UNRESTRICTED
PFC2019-0282**

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Local Area Plan

EXECUTIVE SUMMARY

Through unanimous approval of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514) at the 2018 June 25 Regular Meeting of Council, Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan.

Councillor Farrell and Councillor Chu are sponsoring an application to the Council Innovation Fund ("CIF") with the cooperation and support of Community Planning and Calgary Recreation. This application is seeking \$250,000 to support the one-time creation of the Chinatown Cultural Plan and a culturally-based Local Area Plan. Funds from the CIF would go towards the total estimated budget of \$500,000 and would be used for consulting costs to deliver the Council-directed Chinatown work.

Community Planning and Calgary Recreation will jointly manage the project. The budget split between these two business units is not yet determined. The recommended approach would be for all funds from the Council Innovation Fund to be administered by Community Planning. Recreation will recover their costs from Community Planning by means of a Letter of Agreement. A summary of key findings and an update on the project work will be provided to Council through PFC no later than Q3 2020.

RECOMMENDATION:

1. That the Priorities and Finance Committee recommend Council approve this application for Council Innovation Fund for the Chinatown Cultural Plan and Area Redevelopment Plan in the amount of \$250,000; and
2. That the Priorities and Finance Committee direct Administration to report back to PFC with a project update and how the funds were utilized no later than Q3 2020.

PREVIOUS COUNCIL DIRECTION / POLICY

Council Innovation Fund:

As part of the 2010 November deliberations on the 2011 budget, Council established the CIF and directed Administration to develop Terms of Reference for the fund and create criteria that would guide Council on withdrawals request from the CIF. The Terms of Reference (see attachment 2) were adopted in March 2011 and are based on the following:

- The project will contribute to Council's goals and has potential City-wide application;

Mayor's Office **Report to**
Priorities and Finance Committee
2019 March 5

ISC: UNRESTRICTED
PFC2019-0282

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Local Area Plan

- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Successful applications must provide detailed documentation and address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have potential to change city-wide policies and procedures.

Any Council member(s) can submit an application to the Priorities and Finance Committee for review and consideration and ultimately for Council's consideration and approval. The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

Chinatown Cultural Plan:

Through unanimous approval of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514), Council directed Administration to proceed with developing a Chinatown Cultural Plan and a culturally-based Local Area Plan. Council directed Administration to report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work by no later than 2019 July. It is expected that the project scope will be finalized in early Q3 2019.

A previous application for this project was submitted to the Council Innovation Fund (PFC2018-1107) and discussed at the 2018 October 2 Priorities and Finance Committee meeting, where the motion was defeated and forwarded to the 2018 October 15 Regular Meeting of Council. Council directed report PFC2018-1133 be referred to Administration to return to Council no later than Q1 2019 during Confirmation of Agenda. Administration has responded to Council's last direction and an updated report on the Chinatown Cultural Plan and culturally-based Local Area Plan has been prepared, see report PFC2019-0294.

BACKGROUND

In November 2018, Council approved the transfer of \$5 million to the Council Innovation Fund. At present date, the balance of the Fund is \$5,427,028. This would draw down the Council Innovation Fund by \$250,000. Should Council approve this application, the remaining balance in the Council Innovation Fund would be \$5,177,028.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

See Attachment 1 for more details.

Mayor's Office **Report to**
Priorities and Finance Committee
2019 March 5

ISC: UNRESTRICTED
PFC2019-0282

Council Innovation Fund Application

Council Sponsor: Councillor Druh Farrell and Councillor Sean Chu

Internal Sponsor(s): Community Planning & Calgary Recreation

Name of Project: Chinatown Cultural Plan and Local Area Plan

Stakeholder Engagement, Research and Communication

See Attachment 1 for more details.

Strategic Alignment

See Attachment 1 for more details.

Social, Environmental, Economic (External)

See Attachment 1 for more details.

Financial Capacity

Current and Future Operating Budget:

See Attachment 1 for more details.

Current and Future Capital Budget:

See Attachment 1 for more details.

Risk Assessment

See Attachment 1 for more details.

REASON(S) FOR RECOMMENDATION(S):

This application meets the existing Terms of Reference for the CIF. This project is a one-time funding request that has the potential to have a city-wide impact. The Chinatown Cultural Plan and culturally-based Local Area Plan advances the Citizen Priorities and Council Directives. In addition, Council has provided unanimous support for this project and funds from the CIF would help implement this direction.

ATTACHMENT(S)

1. Attachment 1 – Councillor Farrell and Councillor Chu's CIF Application: Chinatown Cultural Plan and Local Area Plan
2. Attachment 2 – City Manager Report – Council Innovation Fund Terms of Reference (Policy Interpretation) PAC2011-05 - 2011 March 01

Application to The City of Calgary Council Innovation Fund

Date: 2019 March 5

Name of Project: Chinatown Cultural Plan and Local Area Plan

Sponsor: Councillor Farrell and Councillor Chu

Affected Business Unit(s) and/or Departments: Community Planning & Calgary Recreation

Amount of Funds Requested: \$250,000

Project Description:

Chinatown is unique in its history, character and composition and is one of Calgary's most distinctive neighbourhoods. Chinatown is a community with strong cultural, social, and heritage aspects, and serves as an important economic contributor to the Downtown through regional tourism.

The existing Area Redevelopment Plan (ARP) for Calgary's Chinatown is over 30 years old. It is considered to be outdated and not aligned with the Municipal Development Plan or other significant City policies and corporate objectives. To sustain and enhance Chinatown into the future, this project will support the development of a Cultural Plan and a culturally-based Local Area Plan as approved unanimously by Council through the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514).

The Cultural Plan for Calgary was approved by Council in November, 2016. Foundational to its implementation is the integration of a cultural lens across all facets of local government planning and decision-making through the practice of planning culturally. Given the history and dynamics of Calgary's Chinatown, there is a need to preserve and grow its unique culture through a Chinatown Cultural Plan and have its cultural vision inform future land use and development decisions through a culturally-based Local Area Plan.

Culture is anything that defines the unique identity of a community or social group, including such characteristics as social customs, seasonal traditions, geography, cuisine, oral traditions, fashion, visual and performing arts, literature, music, and religious expression.

Funding from the Council Innovation Fund will cover the anticipated consulting costs for the Chinatown Cultural Plan, funding for the Urban Alliance partnership, and partially cover the cost of the engagement consultant.

Project Benefits – Why is this project needed, and why now?

The existing Area Redevelopment Plan (ARP) for Calgary's Chinatown dates back to 1986. The format of the document is outdated and it provides limited development direction. For example, the document does not anticipate the future integration of the Green Line station or contain policies that promote mixed-use and Transit-Oriented Developments. Further, the ARP policies are not well aligned with the Municipal Development Plan or other significant City policies and corporate objectives.

The City is moving towards a more deliberate and formalized approach to include a cultural lens in planning and decision-making across the Corporation. Chinatown provides an opportunity to develop and pilot this practice in relation to the planning policy and engagement practices, which will inform The City's approach to other community plans and engagement approaches city-wide.

Calgary's population over the years has become increasingly diverse, and that diversity is not well observed in the planning process. Lessons learned from the proposed work in Chinatown will influence current processes and procedures related to both engagement and planning. Chinatown's demographic trends also indicate that a transition is underway, with pressures that do not align with the community's vision of how the community should evolve. This was apparent in 2016 when an application to redesignate a site was met with a high degree of controversy within the community and required extensive City planning, communications, and public engagement resources. With many Chinatowns across North America struggling, providing timely support to Calgary's Chinatown will help develop a vision for appropriate and sustainable development.

Significant work was completed since 2016 and the community is eager to continue working with The City on a long term vision for Chinatown. A recent undertaking by The City on Chinatown's Historical Context Paper to document its history fits well with the cultural planning process. Combining a Cultural Plan with a new Local Area Plan in Chinatown would be a first for Calgary and could serve as a pilot project for a new way of informing future Local Area Plans. Undertaking a culturally-based Local Area Plan in Chinatown offers the opportunity to develop the practice of planning culturally at The City, incorporate insightful lessons into future planning processes, and offer the opportunity to test engagement techniques.

Given Chinatown's overall importance to Calgary, and the growing momentum within and around the community, now is the appropriate time to identify planning direction and develop a cultural vision for Chinatown's future. A critical component in developing a Cultural Plan and a culturally-based Local Area Plan will be community consultation and engagement that will be undertaken in various languages and with methods adapted to the local context. Previous public consultation and engagement as part of preparing other Local Area Plans across the city have typically been in English only and followed a standardized approach. Funding from the Innovation Fund will enable Administration to advance and potentially enhance the city-wide processes on consultation and engagement with ethnically diverse groups. Lessons learned as part of the work undertaken on Chinatown will be captured and shared for use in future consultations with other ethnically diverse communities across Calgary.

As referenced earlier, the existing Chinatown ARP does not contemplate the Green Line or the station to be located at 2 Street and 2 Avenue SW. The Green Line will affect nearby development sites and increase community accessibility. A new culturally-based Local Area Plan for Chinatown is a significant opportunity for station area placemaking, exploring land uses that promote vibrancy around the station, reflecting the character and promoting the attractions of

Chinatown and identifying connections throughout the community. Further, a new policy framework can ensure development readiness of critical vacant sites while bolstering the resiliency of the Downtown, and assist with profiling Chinatown as a cultural hub and a regional tourism destination.

How does this project meet the Criteria of the fund as set out in the Terms of Reference?

Administration's work on the Chinatown Cultural Plan and the culturally-based Local Area Plan aligns with the Council Innovation Fund's purpose to support one-time funding for projects that can impact policy and procedures. Work on these plans supports innovation in allowing the community's culture to inform the built-form policies of the Local Area Plan. In the long term, innovation will be demonstrated through the documentation of lessons learned, and examples of cultural considerations for Local Area Plans. This will further the practice of planning culturally and inform developing practices on consultation and engagement with multi-cultural populations across the city.

The Chinatown Cultural Plan and culturally-based Local Area Plan work advances the following Citizen Priorities:

- A Prosperous City – Supporting The City of Calgary and Calgary as a whole to continue to attract diverse talent, build resiliency, and act as a place where there is opportunity for all.
- A City of Safe and Inspiring Neighbourhoods – Supporting the realization of safe, accessible, and inclusive neighbourhoods that foster the opportunity for diverse community members to participate in civic life and equally benefit from City services.
- A City That Moves – Ensuring access to safe and affordable transportation choices. Supporting understanding of differing safety and accessibility priorities for diverse groups, as well as identifying tangible actions to address these different needs.
- A Healthy and Green City – Supporting the delivery of equitable City services that reflect the diverse needs of Calgarians with respect to recreation and living opportunities.
- A Well-Run City – The City of Calgary is further supported as a high performance organization that leverages diverse talents, engages in evidence-based, conducts quality decision-making, and delivers efficient and effective services.

Project Overview and Budget

Consulting costs to deliver the Cultural Plan and culturally-based Local Area Plan are outlined in Table 1. Further work on the project and hiring the consultant(s) will start immediately following the consulting budget approval. The direction approved by Council as part of PUD2018-0514 on 2018 June 25 requires significant resources, likely over an extended time, and cannot be entirely supported through Planning & Development's consulting budget. It is estimated that the consulting cost to deliver the Council-directed Chinatown work will cost

approximately \$500,000. The overall project costs will be higher once internal costs are factored.

Table 1: Anticipated Chinatown Consulting Costs

PROJECT EXPENSE	ESTIMATED COST
Cultural Plan	\$110,000
*Local Area Plan	\$25,000
Urban Alliance Partnership	\$60,000
Engage Consultant	\$100,000
Communications & Engagement Implementation	\$125,000
Translation Services	\$50,000
Total	\$470,000
Project Contingency	\$30,000
Total consulting costs including contingency	\$500,000
*Note: the Urban Alliance partnership will assist with the delivery of the Local Area Plan and policy development.	

NOTE: The figures provided above are based on a draft project scope of work. Actual costs may vary based on the successful candidate from the Request for Proposal (RFP) process and approval of specific Urban Alliance research projects. Expense items have been split, where possible, based on the findings from research proposals, relatable projects, and The City's 2017 Expression of Interest (EOI).

As part of the Chinatown Area Redevelopment Plan Phase 1 Report (PUD2018-0514), Council directed Administration to report back to Council, through the Standing Policy Committee on Planning & Urban Development, with a detailed scope of work by no later than 2019 July. It is expected that the project scope will be finalized in early Q3 2019.

Community Planning and Calgary Recreation will jointly manage the project. The budget split between these two business units is not yet determined. The recommended approach would be for all funds from the Council Innovation Fund to be administered by Community Planning. Recreation will recover their costs from Community Planning by means of a Letter of Agreement. A summary of key findings and an update on the project work will be provided to Council through PFC no later than Q3 2020.

**City Manager Report to
Personnel and Accountability Committee
2011 March 01**

**ISC: UNRESTRICTED
PAC2011-06
Page 1 of 2**

**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

SUMMARY/ISSUE

As part of the 2010 November deliberations on the 2011 budget, Council established the Council Innovation Fund (CIF). Subsequent Council direction gave rise to the need to create Terms of Reference identifying criteria to qualify for withdrawals from the Fund.

PREVIOUS COUNCIL DIRECTION/POLICY

On 2010 November 29 Council adopted a motion amending the 2011 Operating and Capital Budgets and Business Plans, authorizing up to \$5 Million from the Fiscal Stability Reserve to be used for innovation and pilot projects subject to the approval of Council. On 2011 February 14 Council adopted a motion directing Administration to consult with Members of Council in drafting a Terms of Reference (TOR) for the Innovation Fund, to return to the Personnel and Accountability Committee (PAC) no later than 2011 March 01 and ... that no applications to the Innovation Fund be approved until the TOR have been adopted by Council.

ADMINISTRATION RECOMMENDATION:

That PAC recommends that Council adopt the Terms of Reference (see Attachment) for applications to the Council Innovation Fund.

INVESTIGATION

Council established the Council Innovation Fund through the 2010 November deliberations on the 2011 budget.

Candidate projects requesting withdrawals from the Council Innovation Fund have been brought forward to Council individually for approval. To date two projects have received funding: a facilitated review of The City's municipal purpose and core services (up to \$2.5 million) and the Mission Road Main Street Project (\$300,000).

Given the level of interest in the CIF to date it is anticipated that more funding requests will be forthcoming. Some criteria and a process for requesting and approving funds are needed.

The proposed Terms of Reference (Attachment 1) establish some guidelines for disbursements from the CIF, based on the following:

- The project will contribute to Council's goals and has potential City-wide application;
- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Candidate projects will be expected to provide detailed supporting documentation.

An approved Terms of Reference will provide helpful guidelines to applicants wishing to requisition monies from the fund, which will make the application process easier to understand and comply with and therefore more efficient. Clear Terms of Reference will enhance the transparency and fairness of decision-making regarding use of the Council Innovation Fund, and will enable Council to demonstrate value for money to the taxpayers.

BUSINESS PLAN/BUDGET IMPLICATIONS

Establishing the Terms of Reference will make decisions regarding expenditures from the Council Innovation Fund more transparent and easier to understand.

The Council Innovation Fund should be used for operating budget items.

Applications to the CIF will be entertained throughout the 2011 calendar year. To date \$2.8 million has been allocated, leaving

**City Manager Report to
Personnel and Accountability Committee
2011 March 01**

**ISC: UNRESTRICTED
PAC2011-06
Page 2 of 2**

**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE
(POLICY INTERPRETATION)**

\$2.2 million in the Fund. In order to ensure that some monies remain available for the latter part of the year, no more the \$1.1 million from the funds remaining in the CIF should be disbursed before 2011 July 01. This will ensure that \$1.1 million remains in the Fund for applications that may be submitted between 2011 July 01 and December 31.

RISKS

The proposed Terms of Reference for the Council Innovation Fund have been developed to be flexible enough to support a wide variety of candidate projects. The risk associated with adopting the proposed Terms of Reference is that the flexibility created results in ambiguity as to whether a project does or does not qualify for the fund. This risk is of low impact as Council retains discretion and final decision-making power over withdrawals from the fund.

ATTACHMENT

Terms of Reference for the Council Innovation Fund.

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Council Innovation Fund

The broad purpose of the Council Innovation Fund (CIF) is to encourage innovations or pilot projects that have the potential to support or contribute to the goals of Council and that have city-wide application.

Guidelines

1. Process for Applications

- a) Applications for the withdrawal of funds from the CIF shall be brought by members of Council to Council for approval through a report included in the agenda of the Personnel and Accountability Committee (PAC). PAC will recommend approval or rejection to Council.
- b) The Mayor's Office will be the point of contact for all applications and will forward all proposals to PAC. Applications should be submitted to the Mayor's office no later than the 15th of the month.
- c) The applicant will be expected to complete and submit a prescribed form to the Mayor's Office. It is the responsibility of the member of Council seeking to access the CIF to use the application form to make their case to Council in the context of these guidelines.
- d) Successful applicants must report back to Council through PAC indicating how the money was spent and the outcomes of the project within 12 months of the approval of funding.
- ↓
- e) Any unused portions of CIF awards must be returned to the CIF.

2. Criteria for Successful Applications

Applications should demonstrate that the proposal is consistent with the Purpose of the Council Innovation Fund as set out in these Terms of Reference.

Successful applications will address one of the following:

- a) One-time start up or "seed" funds for initiatives or programs which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have the potential to change city-wide policies and procedures.

Applications for funding must include detailed documentation..

The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

EXECUTIVE SUMMARY

Heritage conservation is an important component of sustainable city building – it provides significant benefits in terms of economic development, environmental sustainability and quality of life /social objectives. Recognizing the value of heritage conservation by citizens, through the One Calgary 2019-2022 Service Plan and Budgets, Council directed that heritage should be better conserved to enrich the sense of place in our communities.

The importance of heritage conservation is identified in Calgary's Municipal Development Plan and the Council-approved Calgary Heritage Strategy (2008). The Calgary Heritage Strategy identifies a number of actions required to fulfill the City of Calgary's heritage conservation goals.

Some of the more challenging actions of the Calgary Heritage Strategy have yet to be fully implemented. These actions include the development of a variety of conservation incentives, including property tax relief. Some such incentives may require significant resources, funding, and corporate support.

To advance heritage conservation in Calgary, this report outlines the status of our city-owned historic resources, as well as identifying tools and approaches used elsewhere to conserve heritage conservation and their applicability of use here.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council direct Administration to conduct further analysis on heritage preservation tools and financial incentives and report back to SPC on Planning and Urban Development no later than Q4 2019.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 February 4, Council, through VR2019-0010 made the following Motion: "Direct Administration in consultation with CMLC to bring a briefing on our heritage assets and specific tools to preserve heritage assets across the community, directly to PFC, no later than March 2019."

On 2015 November 7, Council approved the portfolio prioritization criteria for funding allocations across the heritage portfolio.

On 2014 November 24, during budget deliberations, Council approved that Recommendation 6, contained in Report C2014-0863, be adopted, as follows:

"That Council:

6. (a) Approve the creation of a City-Owned Heritage Building Preservation Fund (the "Fund") consisting of a one-time allocation of up to \$35 Million, funded from the 2014 operating surplus, to restore and preserve city-owned heritage buildings; and
- (b) May allocate monies from the Fund, from time to time, upon receiving a report from Administration which outlines the rationale for the funding request, such report to go to Council though the Land and Asset Strategy Committee."

On 2012 May 28 Council approved CSPA036, the Cultural Landscape Policy

On 2011 July 25, Council approved LAS2011-46, the *City-owned Historic Building Management Plan*, and directed Administration to prepare an annual status update to the Plan.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

BACKGROUND

The Calgary Heritage Strategy, approved by Council in 2008, presents a vision for historic conservation for Calgary. The Strategy outlines a wide variety of actions to improve the conservation of heritage resources focused around three elements – identification, protection and management.

To date, there has been much success in accomplishing the goals of The Strategy, however some actions of the Strategy have not been fully implemented - most notably, the development of new financial tools and programs to incentivize heritage conservation.

Calgary Heritage Strategy Achievements to Date:

Significant success has been achieved in implementing many of those actions including, but not limited to:

- approval of a strategy for City-owned and managed heritage buildings, which resulted in establishment of a Heritage Portfolio Program within Facility Management (FM);
- establishment of the Historic Resource Conservation Grant Program, which has supported the conservation of 22 designated heritage properties;
- the Cultural Landscape Strategic Plan and Policy and the creation of the Cultural Landscape portfolio within Parks;
- advancing conservation of archaeological resources by hiring an archaeologist in 2017 to help identify and manage Parks' land with archaeological resources;
- the designation of 18 City-owned properties as Municipal Historic Resources and ongoing designation of others;
- creation of a new evaluation system for the Inventory of Evaluated Historic Resources and associated online presence.
- review of the management, role and function of the Calgary Heritage Authority; and
- growth of the Inventory of Evaluated Historic Resources by 312 sites and the designation of 85 Sites.

Since a review of The Strategy in 2016, Administration has further:

- worked with the Calgary Heritage Authority to better financially support the organization, resulting in improved governance and staffing;
- provided significant input into the City Charter process, seeking to acquire more authority from the Province for The City to better protect and manage heritage resources. Ultimately, however, those heritage conservation recommendations, approved by Calgary and Edmonton City Councils were not accepted by The Province;
- comprehensively researched tools and approaches used across North America for heritage conservation;
- implemented a character home retention overlay district in Bridgeland;
- devised draft Developed Area's Guidebook policy to establish Heritage District Overlays;
- assisted the Calgary Heritage Authority in revamped the evaluation system for the Inventory of Evaluated Historic Resources to better acknowledge and evaluate archaeological resources and culturally significant Indigenous areas.

Most recently, with the One Calgary four-year Service Plans and Budget approved 2018 November, heritage conservation was further advanced by:

- establishment of the Calgary Heritage Authority as a Civic Partner, with funding increased from \$175,000/year to \$200,000/year (with the full increase to \$350,000 in 2020);

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

- increase to the Historic Resource Conservation Grant program of \$275,000/ year (effective 2020) for total yearly funding of \$500,000/ year;
- funding of \$13.3M for the Heritage Portfolio Program, including:
 - o \$3.443M to perform Building Condition Assessments on heritage buildings to develop sustainable operations and maintenance plans, and prioritize Heritage sustainment;
 - o \$4.545M to perform restoration and rehabilitation work on Heritage Assets, as prioritized and developed by the Heritage Planning Program;
 - o \$5M for partial rehabilitation of the Historic Beltline YWCA including building stabilization & rehabilitation of historic elements; and
- \$400,000 to re-validate existing stabilization measures at the Calgary Public Building.

Advancing the Calgary Heritage Strategy in 2019:

- proposing updates within the Developed Areas Guidebook to support heritage district overlays and community investment funds to support heritage conservation;
- investigating funding and financing tools that may be used to support heritage conservation;
- developing a property tax relief incentive to incentivize heritage conservation.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Council has directed Administration to provide a briefing on City-owned heritage assets as well as an overview of specific heritage preservation tools.

The following table outlines how many sites are one the City of Calgary's Inventory of Evaluated Historic Resources, including how many of those are City-owned sites and their designation status.

Inventory	City-Owned	Non-City Owned	Total
Designated as Municipal Historic Resource	27	67	94
Designated as Provincial Historic Resource	14	49	63
Non-designated	85	540	625
Inventory – Total	126	656	782

City-Owned Heritage Assets

Currently the Inventory of Evaluated Historic Resources contains 126 sites that are owned by The City and the Calgary Municipal Land Corporation (CMLC), comprising: 40 buildings, 71 cultural landscapes (including a combination of historic parks, gardens, cemeteries, homesteads, boulevards, and sites with significant archaeological resources, structures, and buildings); 10 bridges; and five miscellaneous sites. Of these sites, 27 are protected by a Municipal Historic Resource designation. Attachment 1 identifies all City-owned heritage assets and outlines their condition.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

Facility Management's Heritage Portfolio Program includes 28 buildings, owned and directly managed by The City. To ensure a strategic approach to buildings in Heritage Portfolio Program, Administration developed criteria to prioritize each building on the list of heritage properties for future capital investment. In developing these criteria, Administration researched best practices and identified criteria used in other relevant historic building management programs and ensured that these principles align with Council Priorities. Based on the prioritization criteria rehabilitation and restoration work is on-going with eight buildings in the heritage portfolio. To further inform future investments on buildings in the portfolio Administration has completed 13 building condition assessments and conservation plans. Additional assessments and plans will be completed throughout the next budget cycle.

FM follows the best practice process of "Understand, Plan, Intervene" to plan and implement all heritage building conservation projects for all properties in the Program. 16 of the 28 buildings are currently protected as designated heritage buildings.

Parks' Cultural Landscape portfolio includes the management of 71 historic resources identified on Calgary's Inventory of Historic Resources. Of these 14 are legally designated as Municipal Historic Resources, Provincial Historic Resources or National Historic Sites. All 71 are managed with established best practices (Standards and Guidelines for the Conservation of Historic Places in Canada) and Council approved policy (Cultural Landscape Policy, 2012).

Parks is currently developing a Parks-specific archaeology strategy. Of the 1392 ha of City-owned land, 4819 ha have known archaeological resources, with Parks manages 76% of that land. Awareness of these, typically unseen, historic resources varies, putting these resources at risk. Archaeological resources are the property of the Alberta Government and are regulated via the Alberta Historical Resources Act. The archaeological policy will ensure these lands are managed via applicable legislation and best practices.

Parks also acknowledges that there are thousands of years of pre-contact history marked upon the landscape, some of which are still intact within Calgary's network of natural park spaces. In 2018, Parks met with each of the Treaty 7 Nations (the Blackfoot Confederacy Nations of Siksika, Piikani, Kainai, the Stoney Nakoda Nations of Bearspaw, Chiniki, Wesley and the Tsuut'ina First Nation) and the Métis Nation of Alberta Region 3 to discuss the value of a Traditional Land Use Study and the identification of culturally significant Indigenous areas within Calgary's parks. This was supported by all Nations and Parks has developed a project plan to undertake this work. The plan is currently unfunded.

City-Owned Heritage Assets Status Summary:

Attachment 1 outlines the general condition of all City-owned heritage assets across all Business Units. Outlining more detailed condition and funding requirements for all these assets would necessitate a more comprehensive report.

FM is effectively managing all heritage portfolio properties. Rehabilitation and restoration work is on-going with eight buildings in the heritage portfolio. FM has completed 13 building condition assessments and conservation plans to identify risks, and rehabilitation and funding requirements. Additional assessments and planning are ongoing to will be completed throughout the next budget cycle.

Heritage Conservation Tools

Attachment 2 outlines 11 land-use planning, legislative and financial tools which are most commonly used in North America to conserve heritage resources.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

Tools Currently in Use in Calgary:

Currently, the three tools that are most commonly used in Calgary to encourage heritage conservation are municipal and provincial conservation grants, bonusing (density transfer), and alternate land uses contingent upon heritage retention.

Since approval of the Calgary Heritage Strategy, The City has continued to implement policy and seek additional ways to conserve heritage resources in association with corporate planning initiatives. Such policy has sought to de-incentivize the redevelopment of heritage resources through initiatives such as the Bridgeland character-home retention overlay. As well, funding and financing tools such as bonus / density transfer mechanisms to incentivize heritage retention have been explored as part of local area planning initiatives, following the success of 13 density transfers in the Centre City since 2008.

Tools Available to Calgary, not Currently in Use/ Limited in Use:

There are seven additional tools outlined in Attachment 2 which could potentially be employed, or more broadly employed for used in Calgary comprising: heritage district overlays, tax uplift / community revitalization levies, bonusing (density transfer), demolition disincentives, off-site levies, community-specific grants, and property tax relief.

Administration is currently proposing consistent city-wide policy as part of the Developed Areas Guidebook update, which will be presented to Council in Q3 2019. This includes policy to support the use of heritage district overlays, outlining when and where such overlays shall be established. Also, to clarify the use of bonusing in Local Areas Plans to enable a density transfer system in communities with significant heritage resources and densities supportive of such a system.

Additional work is underway in Planning and Development to investigate funding and financing tools to support change in established areas. Some of these funding and financing tools may be appropriate in providing community benefit/amenity, which could include heritage conservation, and will be presented to Council in Q1 2020. These may include opportunities to further explore Tax Uplift or Community Revitalization Levies (called Tax Increment Financing, or TIF in the United States), off-site levies, dedicated heritage fund contributions through land use bonusing, and community-specific conservation grant programs that could be established as part of a community investment fund through the Local Area Planning Process in communities where heritage is identified as a priority.

In 2018, Administration explored a property tax abatement program that would forgive the rise in assessed value and the associated increase in property tax resulting from the rehabilitation of historic resources (an 'opportunity' cost). Ultimately, it was determined that such an approach presented significant limitations in applicability and attractiveness to heritage property owners due to the unpredictability of assessment values and uncertainty of return to the property owner. Other property tax relief approaches were identified, but would represent a loss in revenue to The City. Its Administration's plan to continue to develop property tax relief options for heritage conservation in 2019 and present a recommendation to Council in Q4 2019.

Administration proposes to determine what funding options for heritage conservation may be possible as part of the funding and financing tools to support change in established areas currently being reviewed by Planning and Development and informed by that, determine what additional property tax relief program may be recommended.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

Tools Unavailable to Calgary:

There are three important heritage conservation tools, commonly used elsewhere in North America which are unavailable for Calgary to use. Those tools are enabling legislation providing the City with more authority to protect heritage properties/ districts; income tax credits for restoration expenditures; and income tax deductions for easement donations on heritage properties.

Administration and Council have unsuccessfully advocated for changes to enabling legislation through the City Charter process. Through that process, the cities of Calgary and Edmonton requested the same authority for the municipalities that The Province has in creating heritage districts and protecting individual heritage sites. The current Provincial enabling legislation makes it difficult for a municipality to protect heritage sites or create heritage districts without getting consent and providing compensation to property owners, unlike legislation elsewhere in most of North America. Members of Council have also advocated to the Federal Government for additional tools such as income tax credits on restoration expenditures. In the USA such tax incentives have been hugely successful in making heritage conservation more financially feasible. Administration sees opportunity for The City to continue to advocate for such tools.

Heritage Conservation Tools Summary:

Of the seven additional tools outlined in Attachment 2 which could potentially be employed, or more broadly employed, to assist in conserving heritage resources all but one (demolition disincentives) are currently being either proposed in Developed Guidebook policy (overlays and bonusing) or are being further explored in Planning and Developments existing work program (community-specific grants, tax uplift/ community revitalization levies, off-site levies, and property tax relief).

Stakeholder Engagement, Research and Communication

Numerous City of Calgary departments and partners have provided the input on the status of city-owned resources (Attachment 1), including Facilities Management, Parks, Roads, Water Resources, Civic Partners, Public Art as well as CMLC.

CMLC has reviewed this report and has outlined in Attachment 3 the tools and approaches that it believes would be especially effective in help to conserve the types of heritage resources which they have dealt with in their portfolio. These recommendations align with tools and approaches outlined by Administration.

Through the One Calgary 2019-2022 Service Plan and Budgets engagement conducted in 2018 October, "investing in heritage" was identified by the public as having value.

In response to the Enoch Sales House fire, a letter from the Calgary Heritage Initiative was circulated to Council voicing support for additional conservation tools, incentives, and investment for heritage resources (Attachment 3).

The Calgary Heritage Authority has also provided comment on the direction provided by Council to Administration at the 2019 February 4 meeting of Council. (Attachment 3).

Strategic Alignment

On 2018 November 30, Council Approved the One Calgary 2019-2022 Service Plan and Budget (C2018-1158), which identified the priority of creating A City of Safe and Inspiring Neighbourhoods.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

Council's Directive (N3) indicates the need to cherish and protect our heritage to enrich the sense of place in our communities. This will ensure that The City's heritage processes are suitable to improve the protection and enhancement of heritage assets. The City Planning & Policy service line supports the preservation of irreplaceable heritage buildings, and through Council direction, will improve the protection and enhancement of heritage assets.

The Calgary Heritage Strategy supports the identification, protection and management of Calgary's historic resources. Identified historic resources should be protected by Designation Bylaws, when possible, to ensure their preservation. This protection prevents demolition, provides appropriate management of physical interventions and is critical to ensuring effective management of historic resources.

Social, Environmental, Economic (External)

Social

Historic resources connect us to our past, our future, and to each other. They provide places of learning and places of understanding for all Canadians. Historic resources are integral to the identity of our community and help to strengthen its distinctiveness. Historic resources add to the beauty, character and visual interest of our urban environment, which contribute to the city's liveability and are sources of community pride.

Environmental

The preservation of historic places capitalizes on their embodied energy. Re-using existing resources requires a much smaller expenditure of materials and energy than demolishing and reconstructing a city's building stock. Studies have shown that it takes 10 to 80 years for a new "green" building to make up for the negative climate change impacts of its construction (2011, National Trust for Historic Preservation).

Economic (External)

Historic resources add character and visual interest to streetscapes, increasing the attractiveness of an area to investors. Studies show that heritage buildings and districts are more economically resilient than non-heritage buildings and areas during economic recessions, and appreciate in value faster than non-heritage buildings and areas during good economic times (2015 National Trust for Historic Preservation). Investment in conservation is also a driver of job creation. Studies show that rehabilitation generates upwards of 21% more jobs than the same investment in new construction (2010, State of Delaware).

However, redevelopment pressure on heritage areas or sites as a result of intensification creates a financial incentive for property owners to redevelop. More tools and financial incentives are required to make it equally economically attractive (or more so) to retain a heritage resource as to redevelop it, given that it's otherwise challenging for The City to protect heritage sites or areas with the limited enabling legislation.

Financial Capacity

Current and Future Operating Budget:

None associated with this report.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0223**

City of Calgary Heritage Assets

Current and Future Capital Budget:

None associated with this report. Attachment 1 highlights condition status of City-owned resources, with funding requirements needed for some of them. Some of the various funding tools outlined in Attachment 2, such as a property tax abatement or reduction program, could have financial implications.

Risk Assessment

There are no specific risks associated with this report. Risks of City-owned assets are being managed by the stewarding department or business unit to ensure there are no assets at risk of “demolition by neglect”. Any vacant properties are investigated daily to ensure risk of fire, vandalism, or unintentional demolition is mitigated.

To address any risks associated with City-owned historic resources, Council approved the City-owned Historic Building Management Plan. Since that time, The City has made significant progress in advancing the Strategy based on an overall process of “Understand, Plan, Intervene”. Progress has been made on seven principles identified in the Management Plan: develop a citywide strategy, know what you own, champion quality/set a good example, make the most of heritage assets, providing access to everyone, take a positive attitude to sale of heritage assets, and avoid dereliction and risk. As part of this work Calgary has been a national leader in taking a city-wide portfolio approach to city-owned historic resources and helping to address any risks associated with not strategically managing its city owned historic resources. The portfolio of assets has evolved over time as new properties are identified or others have been disposed of. Administration has provided regular updates on this program of work and can continue to provide updates as progress continues to be made in advancing this city-owned heritage building program.

Culturally significant Indigenous areas are unidentified at present and therefore potentially at risk. Parks has worked with all 8 Nations to complete a currently unfunded business case to mitigate this risk. Archaeological resources are also considered at risk as awareness of these, typically unseen, resources varies across the corporation. Parks is currently developing policy to mitigate this risk.

REASON(S) FOR RECOMMENDATION(S):

The recommendations in this report advance the provision of financial and land use planning tools for the preservation of privately owned and City owned heritage assets in Calgary.

ATTACHMENT(S)

1. Attachment 1 – Table of City-owned Heritage Assets & Condition
2. Attachment 2 – Land-use Planning & Financial Heritage Conservation Tools / Approaches
3. Attachment 3 – Stakeholder Letters

Table of City-owned Heritage Assets & Condition

There are 126 extant City-Owned assets listed on the Inventory of Evaluated Historic Resources. They fall into to 4 types: 40 Buildings; 71 Cultural Landscapes (historic parks, gardens, cemeteries, homesteads, boulevards, and sites with significant archaeological resources); 10 Bridges; and 5 Other – a total of 27 of these sites are designated as Municipal Historic Resources. There are also 8 demolished assets listed on the Inventory.

The following tables list each asset including a hyperlink to the Inventory of Evaluated Historic Resources where additional information is available such as photos, address, year of construction, community, original use of, architectural style, development era, status of legal protection, and statement of significance. The tables below also provide departmental steward of each asset as well as condition assessment using the following legend(s):

STEWARD ACRONYMS:

CFD – CALGARY FIRE DEPARTMENT

CH – CALGARY HOUSING

CMLC – CALGARY MUNICIPAL LAND CORPORATION

FM – FACILITIES MANAGEMENT

RE&DS - REAL ESTATE & DEVELOPMENT SERVICES

TRANSP – TRANSPORTATION INFRASTRUCTURE

WR – WATER RESOURCES

Condition	Type of Asset	Definition
Fair	Building; Bridges; Other	Lacks maintenance and/or repairs
Poor	Building; Bridges; Other	Major Repairs needed
Good	Building; Bridges; Other	well maintained and few/no evidence of deferred maintenance
Fair – Project Planned	Building; Bridges; Other	Lacks maintenance and/or repairs – Project planned
Poor – Project Planned	Building; Bridges; Other	Major Repairs needed – Project planned
TBD/Unknown	Building; Bridges; Other	Condition Assessment needed
At-Risk	Cultural Landscapes	Cultural landscapes that are not currently managed via effective policy
Stable	Cultural Landscapes	Cultural landscapes that are safe and stable and managed via effective policy and best practice
Restored	Cultural Landscapes	Cultural landscapes that have undergone a restoration/redevelopment project

TYPE: BUILDING			
	WARD	STEWARD	CONDITON
Bow River Pumphouse No. 2 (Pumphouse Theatre)	8	FM (RECREATION)	Poor
Bowness Town Hall	1	FM (CFD)	Good
Calgary Public Building	8	FM	Exterior – Poor Interior/base building - Good
Calgary Zoo Conservatory - Tropical Aviary	9	CIVIC PARTNER	Good
Capitol Hill Cottage School	7	FM	Poor - Project planned
Centennial Planetarium	8	FM (RECREATION)	Good
Central Memorial Park Library	11	CIVIC PARTNER	Fair
Cliff Bungalow School	8	FM	Poor
Cross Residence	9	FM	Fair
Deane House	9	FC	Good
Eau Claire & Bow River Lumber Co.	7	FM	Fair
Electric Substation #14	1	PARKS	Fair
Fire Hall No. 1	7	FM	Fair
Fire Hall No. 2	11	FM	Good
Fire Hall No. 6	7	FM (PARKS)	Poor – Project Planned
Fire Hall No. 6 (1964)	7	FM	Good
Glenmore Water Treatment Plant	11	FM (WR)	Good
Grand Trunk Cottage School	7	FM	Fair
Guide-Scout Service Centre	7	FM (PARKS)	TBD
Haultain School	11	FM (PARKS)	Good
Hillier Block	7	CMLC	Good
Historic City Hall	7	FM	Good
Holy Angels School	8	FM	Fair
Hunt House	9	CIVIC PARTNER	Good
McInnes Barn	13	FM (PARKS)	TBD
McHugh House	11	FM (PARKS)	Good
New East Ward (Alexandra) School	9	FM (CN)	Good
North Mount Pleasant School	7	FM (RECREATION)	Fair
Reliance (Armour) Block	7	FM (CHC)	Poor - Project planned
Rouleau Residence	11	FM	Poor – Project planned
Rutledge Hangar (Municipal Airport No. 1)	9	RE&DS	TBD
Simmons Factory Warehouse	7	CMLC	Good
Southern Alberta Pioneers' Memorial Building	11	FM (PARKS)	TBD
St. Louis Hotel	7	CMLC	Good
St. Mary's Parish Hall/CNR Station	11	FM	Fair
Sub-station No. Four	8	CH	TBD
Union Cemetery Caretaker's Cottage	9	FM (PARKS)	Good
Union Cemetery Mortuary	9	FM (PARKS)	Good
W.R. Castell Central Library	7	CMLC	Fair
YWCA	11	FM	Poor –Project planned

TYPE: CULTURAL LANDSCAPES - (PARKS) WITH A BUILDING			
NAME	WARD	STEWARD	CONDITON
Bow Valley Lawn Bowling Club	7	RE&DS	TBD
Colonel Walker Residence and Homestead Lands	9	FM/PARKS	Building: Fair; Landscape: Stable
Edworthy Residence, Homestead Lands and Quarries	8	FM/PARKS	Building: Fair; Landscape: Stable
Elbow Park Swimming Pool and Grounds	11	FM/PARKS	Building: Good; Landscape: Stable
Inglewood Lawn Bowling Club	9	PARKS	Building: Good (new); Landscape: Stable
Reader Rock Garden	9	FM/PARKS	Building: Good (new); Landscape: Restored
Riveredge Park	11	PARKS	Building: TBD; Landscape: Stable

TYPE: CULTURAL LANDSCAPES - PARKS; CEMETARY; ARCHAEOLOGICAL			
NAME	WARD	STEWARD	CONDITON
12 Mile Coulee Archaeological Sites	1	PARKS	At Risk
Battalion Numbers	6	PARKS	Restored
Bridgeland / Riverside Vacant Lot Garden	9	PARKS	Restored
Bowness Park	1	PARKS	Restored
Burnsland Cemetery	9	PARKS	Stable
Capitol Hill Park	7	PARKS	Stable
Carleton Plot	8	PARKS	Stable
Cartier Park	8	PARKS	Stable
Central Memorial Park	11	PARKS	Restored
Century Gardens	8	PARKS	Restored
Chinese Cemetery	11	PARKS	Stable
Confederation Park	7	PARKS	Stable
Crescent Park	7	PARKS	Stable
Fort Calgary Archaeological Site	7	CIVIC PARTNER	Restored
Jefferies Park	9	PARKS	Stable
Lindsay's Folly	11	PARKS	Stable
Olympic Plaza	7	PARKS	Stable
Nose Hill Archaeological Resource	4	PARKS	At Risk
Paskapoo Slope Archaeological Sites	6	PARKS	At Risk
Quarry Road	8	PARKS	Stable
Ranchlands Hills Parks	2	PARKS	Stable
Reverend George McDougall Memorial Site	3	PARKS	Restored
Riley Park	7	PARKS	Stable
Rotary Park Lawn Bowls	7	PARKS	Stable
Scotland Street Plot	8	PARKS	Stable
Scotsman's Hill	9	PARKS	Stable
Shaganappi Point Golf Course	8	RECREATION	Stable
South Mount Royal Park	8	PARKS	Stable
Talon Avenue Park	8	PARKS	Stable
Triangle Park	8	PARKS	Stable
Union Cemetery	9	PARKS	Stable
Senator Patrick Burns Memorial Rock Garden	7	PARKS	Stable
St. Mary's Cemetery	11	PARKS	Stable

TYPE: CULTURAL LANDSCAPES - BOULEVARD			
NAME	WARD	STEWARD	CONDITON
10 Avenue N Boulevards	7	PARKS	Stable
11 Avenue N Boulevards	7	PARKS	Stable
11 Street NW Lilac Median	7	PARKS	Stable
4a Street NW Boulevards	7	PARKS	Stable
5 Avenue NE Boulevards	7	PARKS	Stable
5 Street NW Boulevards	7	PARKS	Stable
5A Street SW Boulevards	8	PARKS	Stable
6 Avenue NW Lilac Medians	7	PARKS	Stable
6a Street NW Boulevards	7	PARKS	Stable
7 Avenue NE Boulevards	7	PARKS	Stable
7 Street NW Boulevards	7	PARKS	Stable
8 Avenue NE Boulevards	7	PARKS	Stable
8 Street NE Boulevards	9	PARKS	Stable
9 Avenue N Boulevards	7	PARKS	Stable
9 Avenue SE Boulevards	9	PARKS	Stable
9 Street SE Boulevards	9	PARKS	Stable
Balmoral Circus	7	PARKS	Stable
Beaumont Circus	9	PARKS	Stable
Bowness Road NW Lilac Medians	7	PARKS	Stable
Frontenac Avenue SW Boulevards	8	PARKS	Stable
Garden Crescent	8	PARKS	Stable
Memorial Drive	7	PARKS	Stable
Montcalm Crescent SW Boulevard	8	PARKS	Stable
Montreal Avenue SW Boulevards	8	PARKS	Stable
Quebec Avenue SW Boulevard	8	PARKS	Stable
Riverdale Avenue SW Boulevards - East	11	PARKS	Stable
Riverdale Avenue SW Boulevards - West	11	PARKS	Stable
Senlac Street SW Boulevard	8	PARKS	Stable
Sharon Avenue SW Boulevards	8	PARKS	Restored
Shelbourne Street SW Boulevards	8	PARKS	Stable
Sifton Boulevard SW Boulevards	11	PARKS	Stable

TYPE: BRIDGE			
NAME	WARD	STEWARD	CONDITON
12 Avenue Elbow River Bridge	7/9	TRANSP	Good
Canadian Northern Railway Bridge (Mission)	11	PARKS	TBD
Centre Street Bridge	7	TRANSP	Fair
Cushing Bridge	9	TRANSP	Fair
East Calgary (Inglewood) Bridge	7/9	TRANSP	Poor (Replacement planned in next year)
Hextall (Shouldice) Bridge	7/1	PARKS	TBD
Hillhurst (Louise) Bridge	7/8	TRANSP	Good
Mewata Bridge	7/8	TRANSP	Fair
Mission Bridge	11/8	TRANSP	Fair
Reconciliation Bridge	9/7	TRANSP	Fair (upgrades underway)

TYPE: OTHER			
NAME	WARD	STEWARD	CONDITON
Dinny the Dinosaur	9	CIVIC PARTNER	Poor - Project Planned
Eamon's Bungalow Camp (Sign)	1	TRANSP	Good
Glenmore Dam	11	WR	Good
Original Centre Street Bridge Lions (Four)	-	PUBLIC ART	Poor; Fair – Project Planned; and Good
Neilson Block (façade)	7	FM (CIVIC PARTNER)	TBD

TYPE: DEMOLISHED		
NAME	WARD	DEMOLITION DATE / COMEMORATION
Calgary Lawn Bowling Club	8	2016 / Yes, portion of lawn retained in new park
Fire Hall No. 5	8	2012 / Commemorative feature incorporated into landscaping
Hotel Cecil (Cecil Hotel)	7	2015 / Original sign preserved for future use
Rideau Park Pedestrian Bridge (Elbow River)	11	2013 (Flood) / Commemorative feature installed along Elbow Drive at 34 AV SW
River Park (Sandy Beach) Pedestrian Bridge	8/11	
Riverdale Avenue - Sifton Boulevard Pedestrian Bridge	11	
Sales (Enoch) Residence	11	2019 / TBD
St. George's Island Bridge	9	2017 / Commemorative feature installed adjacent to new bridge

Land-use Planning & Financial Heritage Conservation Tools / Approaches

There are various heritage conservation tools used across North America including enabling legislation, financial incentives, property tax relief and land use planning tools. Some tools are not implementable at the Municipal level without action from the Federal or Provincial government; however, there are several tools currently implemented in Calgary. Further, through other Planning & Development initiatives, a list of financial tools is being investigated, some of which may be applicable to supporting heritage conservation. Once that work is completed, the tools identified here will be reviewed for applicability in a City of Calgary context.

The following tables provides an overview of the various tools that could be applicable in Calgary.

ENABLING LEGISLATION	
Enabling legislation – City Charter; Historical Resources Act	
Description	Enabling legislation for municipalities to designate individual properties and areas/ districts without owner consent or paying compensation (for municipalities to have same current authority as The Province).
Jurisdiction	Provincial
Status/ Use in Calgary	<p>This important tool is not available in Alberta. It is broadly used in Ontario and Quebec as well as sparingly in other Provinces.</p> <p>The tool was requested by Calgary and Edmonton City Councils as part of the City Charter discussions but was rejected by the Provincial government, along with the other heritage recommendations.</p> <p>Alternatively, if the Province amended the <i>Historical Resources Act</i> such enabling legislation changes could be achieved in that way.</p> <p>Administration sees opportunity for The City to advocate for changes to the Act.</p>

LAND USE/PLANNING	
Heritage District Overlays	
Description	A special set of rules or policies for an area that serve to make heritage retention more feasible and equitable, when compared to redevelopment, and to protect character of an area. Such rules may include certain building heights/ envelope sizes, setbacks, design and landscape requirements, as well as more permissive land use rules if heritage resources are retained.
Jurisdiction	Municipal
Status/ Use in Calgary	Administration is currently proposing policy supporting the use of heritage district overlay and outline when and where such overlays shall be established as part of the Developed Areas Guidebook. This work is scheduled to come to Council for consideration in Q3 2019.
Alternate Land Use Rules for heritage resources	
Description	Allow land uses, densities and provisions, if a heritage resource is retained, that would otherwise be precluded.
Jurisdiction	Municipal
Status/ Use in Calgary	Used frequently in Calgary to secure historic resource designation in exchange for alternate land use provisions on the site. The Land Use Bylaw allows for relaxations for heritage resources as does policy elsewhere such as Developed Areas/ Centre City Guidebooks.

FINANCIAL INCENTIVES: FEDERAL / PROVINCIAL	
Tax Credit	
Description	An income tax credit on restoration expenditures on protected historic resources
Jurisdiction	Federal; Provincial
Status/ Use in Calgary	In Canada, these tools do not exist. However, in the past the federal government has contemplated such measures and calls for such measures continue. Administration sees opportunity for The City to advocate for such tools.
Easement donations	
Description	Allowance for easements (covenants) on historic properties to be donated to an organization or government, enabling owners to get a charitable tax receipt
Jurisdiction	Federal; Provincial
Status/ Use in Calgary	In Canada, these tools do not exist. However, in the past the federal government has contemplated such measures and calls for such measures continue. Administration sees opportunity for The City to advocate for such tools.
FINANCIAL INCENTIVES: MUNICIPAL	
City-wide Grant	
Description	Grant programs allow for a direct financial incentive to property owners. There are a variety of system across North America. The City of Calgary has a conservation grant program, re-established in 2012 with an initial reserve of \$1.6 million and \$225,000 allocated to the program each year.
Jurisdiction	Municipal
Status/ Use in Calgary	The grant program is almost fully subscribed through 2019. Additional funding, allocated through the One Calgary budget process of \$275,000/ year will be available beginning in 2020, for a total grant program funding of \$500,000/ year, plus an extra \$85,000/year, through 2021 and \$82,000 in 2022, to cover outstanding commitments to the Lougheed Building. Tax-funded programs are included in the financial tools review by Planning & Development.
Community Specific Grant	
Description	Grant programs allow for direct financial incentive to property owners.
Jurisdiction	Municipal
Status/ Use in Calgary	Community-specific conservation grant programs could be established as part of a community investment fund through the Local Area Planning Process in communities where heritage is identified as a priority. Community investment funds are included in the financial tools review by Planning & Development.
Tax Uplift/ Community Revitalization Levies (also known as Tax Increment Financing (TIF) in the United States)	
Description	This tool is commonly used elsewhere to fund area redevelopment and infrastructure improvements. Tax uplift resulting from increased development could be captured and used for heritage conservation (funding mechanism for a community-specific restoration grant program). Many municipalities in the USA use TIF to fund heritage grant /conservation programs in defined areas.
Jurisdiction	Municipal
Status/ Use in Calgary	This tool was used in Calgary in the East Village, to fund area redevelopment and infrastructure improvements including supporting the restoration of 3 heritage properties (Simons Building, Hillier Block, and St. Louis Hotel). Tax Uplift and Community Revitalization Levies are included in the financial tools review by Planning & Development.
Bonusing - Transfer of Unused Development Rights (Density Transfer)	

Description	<p>Dedicated contributions to a heritage fund through bonusing funds could be directed towards heritage conservation programs (this may be a mechanism to fund community-specific conservation grant programs).</p> <p>The transfer of unused development rights (Density Transfer) is a component of a bonus system. When there is a cost to acquire that density, a market is enabled to sell/transfer unused development rights from heritage properties to development sites, for development sites to achieve their desired densities.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Bonusing fund contributions are in use in Calgary, although funds are not directed directly towards heritage conservation, with the exception of the Hillhurst/ Sunnyside Community Investment Fund which lists heritage conservation as a recipient of funds.</p> <p>Bonusing to benefit heritage conservation through the transfer of unused development rights is in use in Calgary in Beltline and Downtown/ East Village, with most uptake in the Beltline.</p> <p>The Developed Areas Guidebook which will be presented to Council Q3 2019 will contain policy supporting the use of bonusing in Local Area Plans to enable a density transfer system in communities with significant heritage resources and densities supportive of such a system.</p> <p>Bonus contributions are included in the financial tools review by Planning & Development.</p>
Off-site Levies	
Description	<p>Levies are common tools in Canada to generate funds. Levies are commonly applied to fund infrastructure improvements although some cities also fund community benefits/ amenities which could include heritage conservation.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Off-site levies are not currently used in Calgary to fund heritage conservation</p> <p>Off-site levies are included in the financial tools review by Planning & Development.</p>
Demolition Disincentives	
Description	<p>This could include an increase cost/decrease ease to demolish through higher fees, longer timelines to receive permits, or increased recycling requirements.</p> <p>This could also include restrictions on demolition sites such as requirement to have development plans for sites before demolition or no 'bonus' density allowed on demolition sites containing heritage building.</p>
Jurisdiction	Municipal
Status/Use in Calgary	<p>Calgary does not have any form of demolition disincentives aimed at conserving heritage resources or the recycling of material from the demolition of historic resources.</p> <p>Administration sees the opportunity to explore demolition disincentives.</p>

PROPERTY TAX RELIEF	
Differentiated Property Tax	
Description	An incentive where a designated historic resource pays a lower property tax rate than if it were not designated.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not currently have a differential property tax program but has the ability to provide differential tax rates for residential properties. Administration sees the opportunity to explore a differentiated property tax program for residential properties that are designated as a historic resource. Property tax programs are included in the financial tools review by Planning & Development.
Abatement /Ad Valorem	
Description	Relief of all/ portion of increase in taxes (from higher assessment) resulting from restoration of property for a specified period of time. This system is used in several cities in Ontario and in numerous cities in USA.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not have a property tax relief program for heritage conservation purposes. Financial incentives for the Lougheed Building restoration were provided, loosely based on a form of abatement with the difference in pre- and post-restoration taxes estimated, and with that amount guaranteed and refunded to the owner each year for 15 years. The amount refunded has not been an accurate representation of what would have otherwise been forgiven from forgiving the rise in assessment resulting from restoration given the dramatic drops in assessments for that property. In 2018, Heritage Planning, with Assessment, explored a property tax abatement approach that would forgive the rise in assessed value and the associated increase in property tax resulting from the rehabilitation of historic resources. It was determined that such an approach would be present significant limitations due to the unpredictability of assessment values. There would be no certainty to heritage property owners of when they will see a reduction if assessments fall below pre-restoration levels presenting a significant limitation. Property tax abatement programs are included in the financial tools review by Planning & Development
Reduction	
Description	Relief of a percentage of restoration expenditures over a specified period of time. A number of Canadian cities offer a reduction in property taxes equal to 35-75% of restoration expenditures for a specific period of time. Other Canadian cities offer 30-50% reduction in taxes for specific periods of time based on conservation expenditures.
Jurisdiction	Municipal
Status/ Use in Calgary	The City of Calgary does not have a property tax relief program for heritage conservation purposes. Based on the 2018 work completed around the potential for a tax abatement program it is suggested that a reduction-based program may provide more certainty to a property owner. Further work would be needed to determine what such a program could look like in the Calgary context. Property tax reduction programs are included in the financial tools review by Planning & Development

Stakeholder Letters



February 12, 2019

To: Mayor Nenshi and Members of Council

From: Calgary Heritage Initiative Board

The Enoch Sales house in Victoria Park burned to the ground on Saturday, February 2, 2019. This is a prime case of demolition by neglect, after years of inaction despite calls for preservation and adaptive reuse, and several viable plans that fell through. The City of Calgary needs to properly protect our heritage resources and value what these buildings and sites contribute to our city.

The Enoch Sales home, despite its documented historical significance and increasing status as one of the last remaining homes in Victoria Park, was never designated as a protected historic resource. The Calgary Municipal Land Corporation (CMLC) had a 3 million dollar budget to restore the house. However, Michael Brown, president and CEO of CMLC said the most recent proposed revitalization plan never moved forward as it “would not be supported by some members of council”.

At issue is City Council’s lack of will to preserve Calgary’s heritage buildings and sites. Unless Council supports comprehensive policies along with increasing resources and funding for Calgary’s heritage buildings and sites, they will continue to disappear.

City Council must be held accountable and do better by designating all qualifying sites on the Inventory of Historic Resources as well as providing resources to evaluate sites not yet on the inventory. Changes to strengthen heritage policy include: planning and heritage policy in the Developed Area Guidebook, support for Heritage District Overlays as a planning tool, and support for heritage tools (like density bonusing) and incentives (like restoration grants and tax breaks) that provide monetary resources to preserve heritage. The City of Calgary’s support for legislative changes at the Provincial and Federal levels may also be necessary. In addition, resources to advocate and communicate about the value of designation, preservation, and the economic, social and environmental benefits of heritage buildings and sites are critical.

It is time for City Council to act and ensure future generations have the opportunity to enjoy our heritage building and sites. Many Calgarians already feel there is no history here. If Council does not act, we can expect more of the following. The same weekend that the Enoch Sales house burned, the 1912 Cope House in Mount Royal was demolished to make way for a new infill. In 2017, thirteen century homes came down to make way for a 93-unit residential development along Memorial Drive west of 10 Street NW, forever changing that sense-of-place streetscape to a ubiquitous, anyplace character of a modern build. The Calgary Brewing and Malting Co. site in Inglewood continues to sit empty, plans for the Nimmons house continue to change, and Council has allowed for de-designation of one protected site, the Eau Claire Smokestack. Other sites are lost every year.

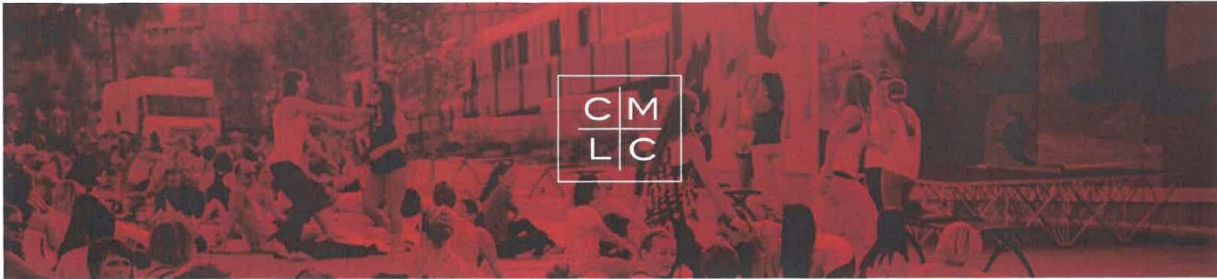
We will continue to mourn the loss of the Enoch Sales house, but we must use this as a point to change City Council's stance and attitude towards heritage and go forward with a comprehensive strategy with concrete support for the preservation and adaptation of our few remaining heritage buildings.

Please, step up now! Support heritage policies along with increasing resources and funding for Calgary's heritage buildings and sites. As our elected officials, you are responsible for protecting Calgary's heritage resources and ensuring that future generations have the opportunity to enjoy what these buildings and sites contribute to our city.

Sincerely,



Lindae Stokes
Board Member -- Director, Advocacy
On behalf of the Calgary Heritage Initiative Society Board



February 15, 2019

The City of Calgary
P.O. Box 2100, Station M, #8117
Calgary, AB Canada T2P 2M5

Attention: Clint Robertson, Senior Heritage Planner, City Wide Policy Planning and Development

Clint,

CMLC is supportive of The City of Calgary advocating and lobbying the Federal and Provincial governments for more financial incentives including property tax relief, Federal and Provincial tax credits and conservation incentives.

These types of incentives would be beneficial to CMLC as the steward of several heritage properties in the city of Calgary. In our experience without these types of incentives, non-governmental organizations will have difficulty saving and preserving these historic assets.

Sincerely,

Michael Brown, President and CEO
Calgary Municipal Land Corporation

O 403.718.0300
F 403.718.0500
info@calgarymlc.ca
calgarymlc.ca

Calgary Municipal Land Corporation
430 - 8 Avenue SE
Calgary, Alberta, T2G 0L7



February 25, 2019

Mayor Nenshi & Council
City of Calgary
P.O. Box 2100, Stn. M, MC 8001
Calgary, AB T2P 2M5

Dear Mayor & Council:

Subject: PFC2019-0223 – City of Calgary Heritage Assets

The Calgary Heritage Authority (CHA) is very supportive of the tools and incentives outlined in this report. They are needed to encourage property owners to preserve their heritage assets.

Amendments to the City Charter or Historic Resources Act needs to give the City of Calgary the same authority as the Province to designate individual properties and areas/districts without owner consent or paying compensation.

Historic District Overlays are also needed to ensure heritage retention is more feasible and equitable, when compared to redevelopment, and to protect the character of an area.

Incentives from all levels of government are also key to heritage preservation.

Overall, we are very pleased to see the City starting to look at heritage incentives and tools and will support the development and implementation of them.

Sincerely,

Josh Traptow
Executive Director
Calgary Heritage Authority

Cc: Heritage Planning

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0237

2019 Business Improvement Area Tax Bylaw Amendment

EXECUTIVE SUMMARY

A 2019 January decision of the Court of Queen's Bench of Alberta (the "Court of Queen's Bench") held that specific sections of the 2016 Business Tax Bylaw, 1M2016 (the "2016 Business Tax Bylaw") were of no effect. Except for these specific sections, the rest of the 2016 Business Tax Bylaw was held to remain in force.

Although business tax was eliminated for Calgary businesses in 2019, the 2019 Business Improvement Area Tax Bylaw ("Bylaw 1M2019") allows for the imposition of a tax on businesses within Business Improvement Areas ("BIAs") for the purpose of collecting Business Improvement Area tax ("BIA tax"). Bylaw 1M2019 contains sections which mirror the sections of the 2016 Business Tax Bylaw held to be of no effect. Administration is proposing amendments to remove these sections from Bylaw 1M2019.

ADMINISTRATION RECOMMENDATION:

1. That the Priorities and Finance Committee recommends that Council give three readings to the proposed bylaw to amend Bylaw 1M2019, the 2019 Business Improvement Area Tax Bylaw.
2. That Report PFC 2019-0237 be forwarded to the 2019 March 18 Combined Council Meeting.

PREVIOUS COUNCIL DIRECTION / POLICY

Council passed Bylaw 1M2019 on 2018 December 17, prior to the Court of Queen's Bench decision being rendered on 2019 January 04.

Council passed the 2019 Business Improvement Area Tax Rates Bylaw and approved the proposed 2019 Business Improvement Area budgets on 2019 February 04.

BACKGROUND

The *Municipal Government Act* provides municipalities with the ability to levy taxes on businesses. Until 2018, Council passed an annual business tax bylaw authorizing business taxes to be collected from businesses operating within Calgary. Business tax was eliminated for Calgary businesses in 2019.

Bylaw 1M2019 authorized the imposition of a tax on businesses within the BIAs for the 2019 tax year solely for the purposes of collecting a BIA tax (also known as the BIA levy) in accordance with section 20 of the current *Business Improvement Area Regulation* (the "BIA Regulation"). This bylaw applies only to businesses operating within a current BIA or any new BIA established during the 2019 tax year.

The BIA Regulation provides that a business improvement area tax bylaw or any amendment to it applies to the year in which it is passed, only if it is passed before May 01 of that year. Therefore, any amendments to Bylaw 1M2019 must be passed prior to 2019 May 01.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0237

2019 Business Improvement Area Tax Bylaw Amendment

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Historically Assessment assessed the operators of commercial parking facilities, which include owners and landlords of commercial office space with parking spaces used by tenants, for the purposes of business tax. This was completed under the authority of the annual business tax bylaws and was continued for the purposes of collecting BIA tax through Bylaw 1M2019.

On 2019 January 04 the Court of Queen's Bench released its decision in *Airstate Ltd. v. Calgary (City)*, 2019 ABQB 10 (the "Court of Queen's Bench Decision"). This decision held that the sections of the 2016 Business Tax Bylaw providing authority to assess the owners of commercial office space with parking spaces used by tenants for business tax were of no effect. Except for these specific sections, the rest of the 2016 Business Tax Bylaw was held to remain in force.

Bylaw 1M2019 contains language which mirrors the sections of the 2016 Business Tax Bylaw which were held to of no effect, specifically sections 3(1)(h), (i) and (k)(iii) and 4(2). Administration therefore proposes amendments to Bylaw 1M2019 solely to remove the following:

- Section 2(1)(i);
- Section 2(1)(j);
- Section 2(1)(l)(iii); and
- Section 3(3).

The content of these sections are reproduced in Attachment 2. The remainder of Bylaw 1M2019 will remain unchanged.

The proposed amendments will result in owners of commercial office space with parking spaces used by tenants not being assessed and taxed for the purposes of the BIA tax, which aligns with the Court of Queen's Bench Decision.

To ensure compliance with the Court of Queen's Bench Decision, approximately 500 BIA business accounts were not included within the BIA base used for the calculation of the 2019 BIA tax rates.

Stakeholder Engagement, Research and Communication

After the Court of Queen's Bench Decision was released, Administration immediately began to examine the implications of the decision and its effects, and to determine possible options for The City of Calgary to address the decision. The work group included staff members from Law, Finance and Assessment.

Strategic Alignment

Approving the amendments to Bylaw 1M2019 will allow BIAs to receive funding to serve their business communities which supports the Citizen Priority of "A Prosperous City" in One Calgary 2019-2022. BIAs are included as part of the Economic Development & Tourism service line in One Calgary.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0237

2019 Business Improvement Area Tax Bylaw Amendment

Social, Environmental, Economic (External)

No social or environmental impact is anticipated from the proposed bylaw amendments. Administration believes the proposed amendments will ensure Bylaw 1M2019 does not contain language mirroring sections of the 2016 Business Tax Bylaw held to be of no effect by the Court of Queen's Bench.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget impacts.

Current and Future Capital Budget:

There are no implications on the capital budget.

Risk Assessment

The proposed amendments are intended to ensure compliance with the Court of Queen's Bench Decision by removing similar language to the sections of the 2016 Business Tax Bylaw which were held to be of no effect. If not removed, these sections of Bylaw 1M2019 could be successfully challenged on the basis of the Court of Queen's Bench Decision.

REASON(S) FOR RECOMMENDATION(S):

The proposed bylaw to amend Bylaw 1M2019 addresses the issues raised by the January 2019 Court of Queen's Bench of Alberta decision.

The intent of the proposed bylaw to amend Bylaw 1M2019 is to remove the sections of the Bylaw 1M2019 which are similar to the sections of the 2016 Business Tax Bylaw declared to be of no effect.

ATTACHMENT(S)

1. Attachment 1 – Proposed wording for the bylaw to amend Bylaw 1M2019
2. Attachment 2 – Excerpts from Bylaw 1M2019

**Text for a Proposed Bylaw to Amend the 2019 Business
Improvement Area Tax Bylaw**

1. Sections 2(1)(i), 2(1)(j), 2(1)(l)(iii) and 3(3) are hereby deleted.
2. This bylaw comes into force on the day it is passed.

Text for Discussion

Excerpts from Bylaw 1M2019

Definitions and Interpretation

2. (1) In this Bylaw:

- (i) “Operator of a Parking Facility” means a Person that operates a Parking Facility whose responsibilities include any one or more of the following:
 - (i) the lease, license, or rental of area or spaces in a Parking Facility,
 - (ii) the allotment of area or spaces in a Parking Facility,
 - (iii) the allocation of area or spaces in a Parking Facility,
 - (iv) the general maintenance and upkeep of the Parking Facility, which may include but is not limited to repairs, the security of the Parking Facility, and the obtaining of insurance for the Parking Facility,
 - (v) the collection of fees from the users of the Parking Facility, and
 - (vi) the delegation or assignment of one or more of the above responsibilities;
- (j) “Parking Facility” means any space used for the parking or storage of motor vehicles and includes but is not limited to a parkade, parking garage, or parking lot;
...
- (l) “Premises” means any space used in connection with a Business, and without limiting the generality of the foregoing includes:
...
 - (iii) a Parking Facility;

Assessment of Businesses

3. (3) Subsection (1) applies to an Operator of a Parking Facility, regardless of:
- (a) whether parking space in the Parking Facility is used by any of the following:
 - (i) the owner,
 - (ii) a tenant, or

- (iii) the public;
- (b) the source or ownership of the motor vehicles parked or stored in the Parking Facility;
- (c) the allocation of area or spaces within the Parking Facility; and
- (d) the location of the Parking Facility.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0216**

Established Areas Growth and Change Strategy – Referral to SPC on PUD

EXECUTIVE SUMMARY

The purpose of this report is to refer the discussion of the Established Areas Growth and Change Strategy (EAGCS) to the Standing Policy Committee (SPC) on Planning and Urban Development (PUD) to be heard on 2019 May 01. This will allow for the discussion to occur in conjunction with the topic of the Main Streets Investment Program – a closely aligned and collaborative initiative with the Established Area Growth and Change Strategy.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council direct Administration to bring the Established Area Growth and Change Strategy update report to the 2019 May 01 SPC on Planning and Urban Development meeting, in conjunction with the Main Streets Investment Program update report, and combine the two updates into one report.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 September 24, as part of the Established Area Growth and Change – Scoping Report (PFC2018-0891), Council directed:

“That the Priorities and Finance Committee recommend that Council direct Administration to undertake the Established Area Growth and Change work in accordance with the scope identified in Attachment 1 (PFC2018-0891).”

Attachment 1 of that report identified an update report be brought forward to the Priorities and Finance Committee by 2019 May.

During the One Calgary (2019-2022) service plan and budget discussions in November 2018, with respect to Report C2018-1158 in relation to the Main Streets Investment Program, Council directed Administration to:

1. Develop a Main Streets Investment Program to implement strategic investments in growth areas within the developed areas, including proposed investment scenarios, These growth areas include, but are not limited to:
 - a) The 24 corridors identified as urban and neighbourhood corridors (now called Main Streets) in the MDP;
 - b) New corridors as identified through Developed Area Guidebook-supported Local Area Planning exercises;
 - c) Transit Oriented Development sites; and
 - d) Other key growth areas identified within the MDP or through DAG-supported Local Area Planning.
2. Develop appropriately scaled, sustainable, & long-term funding mechanisms, and alternative funding options, providing for capital and operating funding as required. These mechanisms may include, but are not limited to:
 - a) Dedicated tax support;

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0216**

Established Areas Growth and Change Strategy - Referral to SPC on PUD

- b) Dedicated tax room from other orders of government;
 - c) Localized tax uplift capture; and
 - d) If there are any capital cost savings available as infrastructure projects in the New Community Growth Strategy and Actively Developing Communities - funded through the dedicated property tax increase of 0.75% in 2019 and 1.4/0.4/0.4/0.4% (2019-2022), respectively - draw to completion, Council consider redirecting those funds to the Main Streets Capital Program. These potential capital cost savings would be monitored and identified at project completion.
3. Provide an update report to Council, through the SPC on Planning and Urban Development, no later than Q2 2019, and in conjunction with the established area growth and change strategy update report.

BACKGROUND

The Established Area Growth and Change Strategy is the second part of a comprehensive city-wide growth strategy. A primary focus of the work is to make recommendations to Council for the application of strategic investment and planning tools to support long term policy goals of the Municipal Development Plan and Calgary Transportation Plan. This strategy work was scoped in 2018 as a multi-stakeholder and cross-departmental initiative to bring strategic recommendations in support of growth and change in the existing communities of the city. Recommendations are anticipated for 2020 March to the Priorities and Finance Committee (PFC), in time for consideration in the November 2020 mid-cycle budget adjustments, with an update report on this work to PFC on 2019 May 14. As there are several city initiatives that are currently seeking to further the long term policy goals in these areas, such as Main Streets, it is important to collaborate and align desired outcomes.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

During the One Calgary (2019-2022) service plans and budget discussions in November 2018 with respect to Report C2018-1158, direction was received to develop a Main Streets Investment Program, including related funding mechanisms and options, and bring an update report to the SPC on Planning and Urban Development (PUD) no later than Q2 2019, in conjunction with the EAGCS update report. In order to report on these two initiatives together, it would be best to have them come to the same committee meeting.

Administration is proposing to combine these two reports into one report to demonstrate the connections between the EAGCS and Main Streets Investment Program, and to enable Committee and Council to have an aligned and comprehensive discussion on these topics. The combined May update report is not expected to seek financial decisions from Committee or Council, and therefore would be appropriate to discuss at the SPC on PUD. Future reports on these initiatives that seek a decision on recommendations related to funding and financing would likely be brought to the Priorities and Finance Committee.

Furthermore, by taking the report forward to the SPC on PUD, public submissions can be made. The stakeholders associated with the EAGCS will be made aware of the opportunity to make

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0216**

Established Areas Growth and Change Strategy - Referral to SPC on PUD

public submissions at the 2019 May SPC on Planning and Urban Development meeting should Council approve the recommendation in this report. In addition, the report will include discussion about planning policy goals, and how they can be enabled through investment.

Stakeholder Engagement, Research and Communication

This referral recommendation, and the intent behind it, has been communicated to the stakeholders of the EAGCS and the Main Streets Investment Program, as well as the Chairs of PFC and the SPC on PUD.

Strategic Alignment

The comprehensive, city-wide growth strategy work continues to be based on enabling growth that is aligned to the MDP/CTP, balances market factors, and manages financial investment impacts. This referral allows the May update report of the EAGCS to proceed to the SPC on PUD, which is expected to focus on progress, direction and process.

Social, Environmental, Economic (External)

None regarding this referral request.

Financial Capacity

Current and Future Operating Budget:

None regarding this referral request.

Current and Future Capital Budget:

None regarding this referral request.

Risk Assessment

None regarding this referral request.

REASON(S) FOR RECOMMENDATION(S):

Combining the updates and directing the reports to the same committee of Council on these two topics ensures a coordinated conversation and supports an aligned approach. In addition, bringing these reports to the SPC on Planning and Urban Development allows for the public to make submissions on the item, which is anticipated to be of interest to both community and industry stakeholders.

ATTACHMENT(S)

Attachment 1 – Established Area Growth and Change Strategy Proposed Project Deliverables, Timelines, and Stakeholders (Attachment 1 from PFC2018-0891 Scoping Report)

Established Area Growth and Change Strategy
Proposed Project Deliverables, Timelines, and Stakeholders
(Attachment 1 from PFC2018-0891 Scoping Report)

Proposed Project Deliverables, Timelines and Stakeholders

PFC2018-0891
ATTACHMENT 1

Deliverables and Timelines						
March 2018	Sept 2018	November 2018	February 2019	May 2019	November 2019	March 2020
New Community Growth Strategy Council Report Recommendation	Priorities and Finance Committee (PFC) & Council			Priorities and Finance Committee (PFC) & Council		Mid-Cycle Budget Adjustments
D E L I V E R A B L E S	Scoping Report	1. Set the context for the work through definition of the area, data analysis, and influencing factors	3. Identify what infrastructure, amenities, and planning and strategic outcomes are critical to enabling community growth and change in the Established Area	7. Identify opportunities to leverage other public and private opportunities to support growth and change in communities to achieve strategic goals	6. Outline a strategy that supports Established Area growth and change, and that aligns with the 2019-2022 mid-cycle adjustment process (subject to financial considerations), and that is integrated with the New Community Growth Strategy for the 2023-2026 business cycle	8. Recommend strategic actions across the Established Area that meaningfully support community growth, change and quality of life
		2. Complete best practice research on area redevelopment programs from other cities	4. Develop options for sustainable financial tools to enable development that supports MDP/CTP goals and delivers on community identified needs	5. Develop an evidence-based consideration and evaluation process that supports MDP/CTP aligned growth and responds to market demand		
				Update Report on Strategy to PFC		

Stakeholder Breakdown Structure					
Community Members	Business Improvement Associations (BIAs)	Development Industry	Internal Departments	Council	Governance Committees
Federation of Calgary Communities, Inner City Coalition, Community Groups, Community Representation Framework Steering Committee, Citizens	All BIAs within the Established Area	BILD - Calgary Region, NAIOP Commercial Real Estate Association Calgary, Established Areas Working Group, Developer Advisory Committee	Planning & Development, Finance, Law, Water Resources, Transportation, Calgary Fire Department, One Calgary, Engage, Infrastructure Calgary, Urban Strategy, Deputy City Manager's Office (Facility Management), Community Services	Mayor and Council	DIGC Technical Subcommittee (DTS), Directors Integrated Growth Committee (DIGC), General Managers Strategic Growth Committee (GMSGC)

**One Calgary Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0196**

Telling the service story on Calgary.ca

EXECUTIVE SUMMARY

Over the past four years, the annual Citizen Satisfaction Survey has shown that 92 to 93 per cent of respondents agree or strongly agree that they are interested in knowing how their property tax dollars are invested. However, the percentage of Calgarians who believe The City of Calgary is doing a good job of providing citizens with this information is declining from 67 per cent in 2014 to 60 per cent in 2018.

Through the work of the One Calgary Program in 2018, a strong focus has been put on service value and transparency. This represents a shift in mindset by Administration from tax and spend, to invest and value – reflected in the 2019-2022 Service Plan and Budget approved by Council in November 2018.

Part of being more transparent meant improving public communication channels, specifically online. As part of the communications work for the 2019-2022 plan and budget cycle, the One Calgary Program was granted \$150,000 from The City's Innovation Fund (PFC2018-0721) to improve The City's transparency of how Calgarian's tax dollars are invested and the service value created by this investment. These resources were required to better define The City's value for tax dollars story, and to update and improve current information and online tools. The goal was to make The City's web presence as useful and engaging as possible to tell the service story.

From June through to December 2018, work was completed to build out The City's service story online, with a focus on user experience and engagement. Along with the new information, the online property tax calculator was also updated to align with The City's 61 services. Once launched after the 2019-2022 Service Plans and Budgets were approved by Council in November, a marketing campaign was completed to create awareness of the online service story and promote visibility and use of the property tax calculator with citizens. The following is a report back on the success of this work.

ADMINISTRATION RECOMMENDATION:

That Council:

1. Receives this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 June 5 (PFC2018-0721) Council approved the application "Improving Budget Transparency" to the Council Innovation Fund.

BACKGROUND

Information that helps citizens understand their tax investment increases their satisfaction with the services The City provides. With over 90% of Citizen Satisfaction Survey respondents stating they are interested in knowing how their property tax dollars are invested, and only 60% agreeing The City does a good job at informing them on this, One Calgary began laying a foundation to close this gap and increase transparency as part of the service approach. To

**One Calgary Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0196**

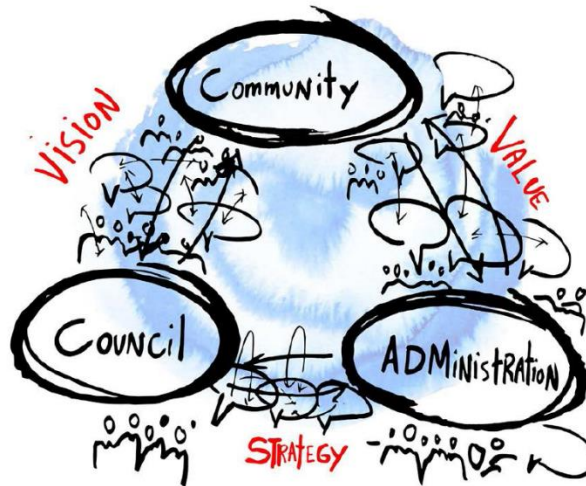
Telling the service story on Calgary.ca

initiate this, the One Calgary program applied for a grant of \$150,000 from The City's Innovation Fund to:

1. Develop The City's service and budget story online
2. Tell The City's service and budget story to citizens

Council approved the grant on 2018 June (PFC2018-0721) at the Strategic Meeting of Council June 18, 2018. This report provides information about how the Innovation Fund grant was invested to develop and tell The City's service and budget story through calgary.ca and the results of that work.

The One Calgary approach to creating this online story was aligned to the "Three Conversations, One Calgary" framework shown below demonstrating three sets of relationships, conversations and results.



These three conversations are demonstrated online in a visual way – taking users through the three conversations journey. From public input results informing Citizen Priorities, to the strategic direction for Administration put forward by Council, and lastly to delivering service value to citizens, customers, communities and businesses, including continuous improvement of that value provided.

The online story improves The City's transparency on service value and value for tax dollars, by communicating to, and engaging citizens to understand and be a part of the service story.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Developing The City's service and budget story online

Through the One Calgary program, The City developed the 2019-2022 service plans and budgets by its 61 services instead of by department. This service view improves how The City shows the value and cost of each City service to citizens, communities, customers and businesses. The online story had to demonstrate how a service view improves transparency and clarity on The City's budget. The aim was to create a web presence that provides more

**One Calgary Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0196**

Telling the service story on Calgary.ca

transparent and easy-to-understand information and satisfies citizens' desire to better understand the City budget overall, the impact of tax rates on City service delivery, how much a service costs, and how well a service is performing.

An overarching, citizen-friendly online narrative was created including common themes that are woven through the updated web pages. These themes are:

- Citizen-centric service delivery – We're working for you, on outcomes that matter to you.
- Clarity and transparency – You'll easily know what's happening and where the money is going.
- Resiliency – We're building a stronger, sustainable Calgary, for all Calgarians, in everything we do.

In developing this online story, we considered feedback from users of our website which highlighted citizens' interest in:

- Seeing where their taxes are invested
- Understanding how much a service (e.g. snow clearing) costs
- Giving feedback about which services should get more/less funding
- Downloading the total budget for The City
- Knowing if property taxes will go up and if so, understanding why

To address some of these points, and based on further user experience testing, service pages were created at calgary.ca/yourservices and categorized by topics that match the structure and navigation of calgary.ca, making them consistent with the user experience elsewhere on the site. These topics were selected based on user research patterns which indicate that people are more likely to find what they are looking for when content is organized in simple, plain language topics.

The original grant application also included a proposal for the creation of an "open budget". However, this option was not approved by Council on 2018 June (PFC2018-0721), but instead earmarked to be revisited in the future. An open budget would require one-time funding to set-up and continuous operational funding for maintenance. In the context of continuing to develop The City's service and budget story, and in increasing transparency, it may be worth considering this option going forward.

Attachment 1 showcases the journey citizens take as they experience the story of our strategy and services, as well as showing the allocation of tax dollars by service in our online property tax calculator (calgary.ca/tax-breakdown). This calculator allows users to enter their property tax amount (or best estimate) and was designed to be easy for users to interact with and show results in a visual and clear way. The entire web presence shown in the attachment, along with the tax calculator was developed online for approximately \$46, 000 of the total \$150,000 grant.

Telling The City's service and budget story to citizens

To engage citizens online, a marketing campaign was created to focus attention on those services citizens use most during the winter months. Web data and 311 call data from the past few years were reviewed to understand the services citizens were searching for most, or calling

**One Calgary Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0196**

Telling the service story on Calgary.ca

about the most, for the months of December and January during which the campaign would run. The result revealed that citizens are most interested in the following services during those months: Public Transit, Streets, Sidewalks & Pathways, Parks and Open Spaces and Recreation Opportunities. The content of the marketing campaign was designed to help citizens make service connections they may not make on their own, and build a more comprehensive narrative about the breadth of City services. The concept may serve as a blueprint for future campaigns.

The remainder of the grant (approximately \$104,000) was used towards this marketing campaign. Advertisements were designed in a service-focused theme with aligned messaging which included the web link to both the services website (calgary.ca/yourservices), and the property tax calculator (calgary.ca/tax-breakdown). These advertisements were promoted through multiple communications channels which were chosen based on audience research and web user data, such as television, radio, print (English and multicultural), social media, search engine marketing and online. The first marketing push ran throughout December and January 2019, and the second in late February, early March of 2019.

Stakeholder Engagement, Research and Communication

The most recent updates to The City's web presence are not the first attempt to communicate value for tax dollars to citizens. Over the past several years, The City identified key learnings that the One Calgary marketing strategy built upon.

- The value for tax story is a complex one. It cannot be told in a day or a week, and not through a single brochure or webpage. It needs long-term commitment over the course of a year, and over multiple years.
- If you build it, citizens will not use it...unless you promote it.
- Informing and educating citizens on the service value they receive for the tax dollars they invest does not equate to value perception. However, it's a starting point.
- Timing, relevancy and context are key.
- The City has made progress towards communicating the "what" (taxes are due, transit fares increasing, utility fee changes, etc.) but needs to increase its efforts in building the next layer around the "why" (value).

Through the marketing campaign that supported the One Calgary public engagement, The City gained insight that the most responsive audiences were Calgarians between the ages of 25-54, engaged citizens/homeowners, citizens residing in Calgary for 10 years or less (these were more likely to see value in the services provided), and newcomers/multicultural groups. The City's research showed that those using digital/online tools to find information were most likely to:

- Be under 65 years of age (40% vs. 14% 65+).
- Have completed education above high school (40% vs. 20% with high school or less).
- Have household income over \$90K (44% vs. 26% <\$90K).
- 47% of citizens indicate they would prefer information from The City from online sources, second is print at 18% (skews higher for those speaking languages other than English).

**One Calgary Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0196**

Telling the service story on Calgary.ca

This information was used to refine the marketing approach to increase awareness for the new web presence and the updated tax calculator. The integrated marketing campaign consisted of print, online, radio, television, and social media advertisements delivering over 4.6 million ad impressions (estimated number of times an advertisement was run/displayed or aired) resulting in 63,894 pageviews to our website.

Attachment 2 outlines the marketing approach chosen which leveraged The City's Multicultural Strategy for Communications and Marketing, and showcases sample ads, demonstrating how the campaign successfully increased awareness of City services and promoted the tax calculator to citizens.

Overall, progress towards closing the gap between the over 90 per cent of people who want to know more about how their taxes are spent, and the 60% who feel The City is not providing this information, will take time to achieve. In most cases, measures that are tracked over one marketing campaign will not significantly move. However, a foundation has been created to better demonstrate service value for tax dollars to citizens. Improvements in perception can already be seen through base measures established throughout the process of updating and promoting The City's service and budget story. To measure the success of this campaign with citizens, One Calgary established a base measure with a sample of citizens through the Citizens' View Panel. Two surveys were run – the first before the web pages and tax calculator were updated and promoted, and the second after the updates and promotions.

Attachment 3 contains an overview of these findings, demonstrating where successes were made, and where there is still room for improvement. This base measure is a great starting point for continuous measurement of the website efficiency over time, and the creation of longer-term comparable data points. The success of a campaign like this can be seen in its momentum over time; success is seen in the staying power of the message and shifting citizens' perception of the information they receive from The City.

Strategic Alignment

The improvements and additions to calgary.ca and the online property tax calculator support the Citizen Priority *A Well-Run City*, specifically, "...the need to speak in a collective voice that improves communication with Calgarians to help them understand: the services The City delivers; how their taxes are invested; that their municipal government functions to service Calgarians; and that their municipal government is well-run and efficient."

Additionally, it supports the "Three Conversations" model, helping to improve the conversation between Administration and the community. By clearly defining The City's "value story" and using modern tools online, we can better communicate the value of our services and be transparent about how the tax dollars of Calgarians are invested, in a consistent way. Building a renewed online story and improving our financial information and tools, including the online tax calculator, will enable The City to create awareness of our services, the value for tax dollars and our success along the way. Furthermore, these tools and information can be used by both Council and Administration in their external communications with citizens, customers and communities to provide consistent and engaging information to Calgarians.

One Calgary Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0196

Telling the service story on Calgary.ca

Social, Environmental, Economic (External)

The services that The City provides contribute to social, environmental and economic outcomes for citizens. This project improves citizen's understanding of how City services contributes to these factors, showcasing the value they are receiving for their tax dollars.

Financial Capacity

Current and Future Operating Budget:

This project was funded with \$150,000 one-time funding from the Council Innovation Fund (PFC2018-0721). Going forward, continuation of this work will be funded within existing operating budgets. **Attachment 4** provides a summary breakdown of the spending of this grant.

Current and Future Capital Budget:

There are no capital budget implications in this report.

Risk Assessment

Given the one-time nature of the Council Innovation Fund, there is a potential risk in sustaining this work. However, as work continues throughout 2019, opportunities to redirect existing resources towards supporting this work will be explored.

REASON(S) FOR RECOMMENDATION(S):

This report provides the results on how administration leveraged the Council Innovation Fund grant to improve budget transparency of the 2019-2022 Service Plans and Budgets for citizens. This work has been completed and there is no decision required by Council at this time.

ATTACHMENT(S)

1. Attachment 1 – Telling the service story online
2. Attachment 2 – One Calgary Marketing Approach Overview
3. Attachment 3 – One Calgary Citizens' View panel survey
4. Attachment 4 – Financial Summary for Grant Spending

One Calgary: Telling the service story online

Online strategy

Show value

Citizens are aware of the value and balance of services The City provides.

Be transparent

Provide easy-to-understand information.

Collect feedback

Citizens can easily provide feedback about the budget.



Implementation

Strategy pages

Telling our service value story

Home
Our culture
Our leadership
Our strategy
One Calgary
Our services
Our finances
Plans and Budgets 2019 - 2022

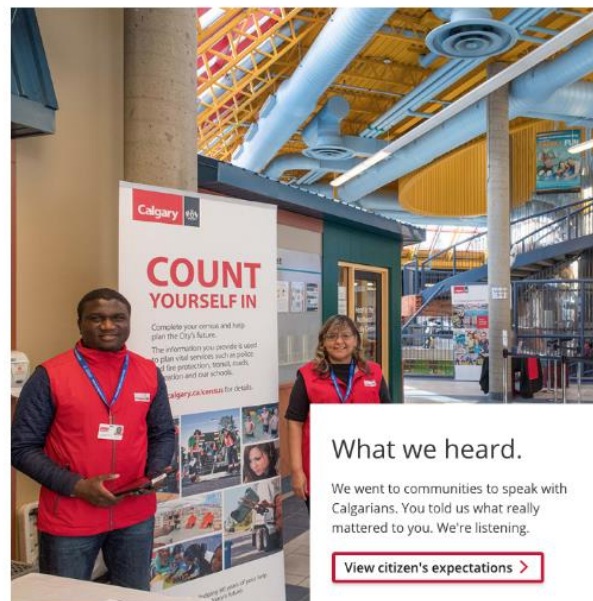


OUR ORGANIZATION

Our strategy

We're working together to make citizens' lives better, every day. We're focusing on what's important to you, improving how we do business, and ensuring we plan for our future to build a strong, resilient Calgary.

“Calgary: a great place to make a living, a great place to make a life”



What we heard.

We went to communities to speak with Calgarians. You told us what really mattered to you. We're listening.

[View citizen's expectations >](#)

Citizen priorities

Priority

Practical examples

“

Making life better, every day.”

Citizens want:

A prosperous city.

We attract talent, have opportunities for all and we're the best place to do business in Canada.

Affordable housing: *we're planning and providing housing options that are accessible and economical to ensure all Calgarians have a home.*

A city of **safe** and **inspiring** neighbourhoods.

We're a safe, mixed and inclusive city with equal public investments in each community.

New community emergency services - *we're building new fire stations to keep our communities safe*

A city that **moves**.

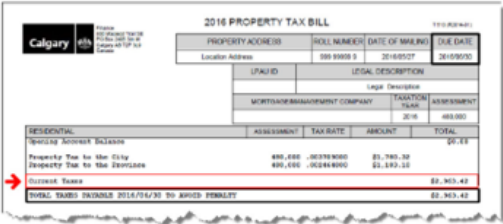
Tax
breakdown
by service
line

Get your tax breakdown

Do you want to know how your property tax dollars are being spent?

Enter your 2019 property taxes below and get a breakdown for how they were used.

You can find your annual property tax on your property bill (mailed out at the end of May) shown as the "Current Taxes" line.



My 2019 property tax amount

\$ 3,000

Calculate >

Provincial property tax	Percentage (%)		Tax amount	Breakdown
Provincial Property Tax ⓘ	38%	<div></div>	\$1170	

Program and services	Percentage (%)		Tax amount	Breakdown
Bylaws and Public Safety ⓘ	22.7%	<div></div>	\$680	<div>Details ^</div>
Transportation ⓘ	15.2%	<div></div>	\$456	<div>Details v</div>
Enabling services ⓘ	9.8%	<div></div>	\$292	<div>Details v</div>
Parks, recreation and culture	6.1%	<div></div>	\$198	<div>Details v</div>
Social programs ⓘ	1.8%	<div></div>	\$58	<div>Details v</div>
Environment ⓘ	1.4%	<div></div>	\$42	<div>Details v</div>
Building, planning ⓘ	1.2%	<div></div>	\$35	<div>Details v</div>

Users enter their property taxes

...your property bill (mailed
...the "Current Taxes" line.

My 2019 property tax amount

\$ 3,000

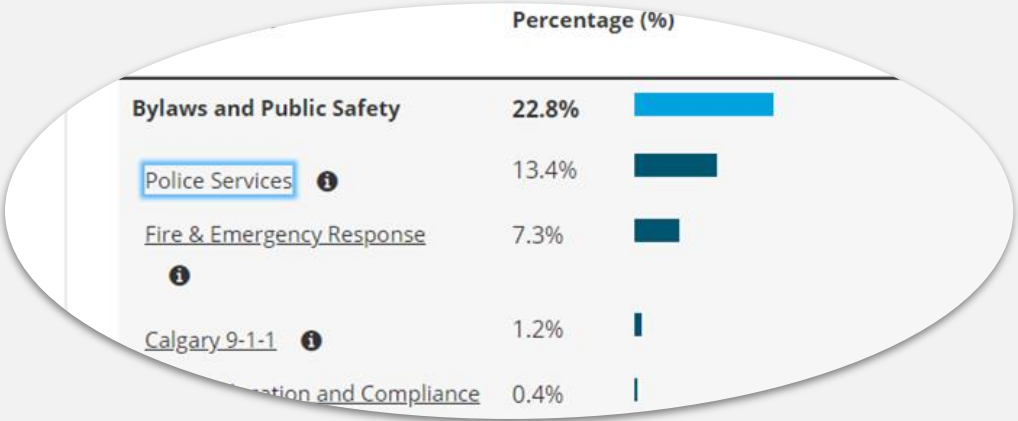
Calculate >

Percentage (%)	Tax am
----------------	--------

They can see how much of their tax bill goes to each service

	Percentage (%)		Tax amount
y ⓘ	22.7%	<div></div>	\$680
	15.2%	<div></div>	\$456
	9.8%	<div></div>	\$292

Categories open to reveal service lines



Users can click on a service line to see its budget and related web pages



Service line
pages

Popular
related
web
pages

Service
performance
and cost
information

OUR ORGANIZATION

Home

Our culture

Our leadership

Our strategy

One Calgary

Our services

Our finances

Plans and Budgets 2019 - 2022

Public Transit

Safe, effective, reliable and affordable public transportation

[Back to Our Services](#)

Service description

Public Transit provides a network of train and bus transportation for citizens and visitors to get from place to place safely, reliably and affordably. We have rapid transit service by bus and C-Train, local bus routes and a support system that keeps customers safe, comfortable and informed.

Most requested services

[Bus Rapid Transit \(BRT\)](#)
[Green Line - Map](#)

[Calgary Transit App](#)
[Plan a Trip](#)

[Careers](#)
[Schedules & Maps](#)

[Fares & Passes](#)

Service performance

<div>Projected ridership</div> <div>104M</div> <div>in 2018</div>	<div>Customer satisfaction</div> <div>87%</div>	<div>On-time arrival reliability</div> <div>87%</div>
---	---	---

Service cost

<div>2019 Operating budget (net)</div> <div>\$244M</div>	<div>2019 Capital budget</div> <div>\$299M</div>	<div>Operating cost</div> <div>\$4.10</div>
--	--	---

Service line pages

Citizen survey summary

Council's direction for the service

Routes and a support system that keeps customers safe, comfortable and informed.

[Calgary Transit App](#)

[Plan a Trip](#)

[Careers](#)

[Schedules & Maps](#)

[Fares & Passes](#)

Service performance

Projected ridership

104M

In 2018

Customer satisfaction

87%

On-time arrival reliability

87%

Service cost

2019 Operating budget
(net)

\$244M

2019 Capital budget

\$299M

Operating cost

\$4.10

per trip

What we heard

You've said you want a public transit system that is safe and secure, accessible for all ages and abilities, reliable and comfortable to use. Reliability and safety of service are your top priorities. We're investing in these to ensure we get you where you need to go, on time, and safely.

2018 Citizen Satisfaction Survey

[View survey result](#)

Council direction

Council has directed that Public Transit be a safe and attractive choice for all Calgarians. We're investing in safety of transit to protect you and our employees. We're also improving our service in existing, new and developing communities and expanding rapid transit routes to make public transit a better option for more Calgarians.

Have feedback about this service?

[Contact 311](#)



Results

2,719

Tax breakdowns
provided

37,332

Service line
page views

89%

Of visitors clicked on
a service page



One Calgary Marketing Approach Overview

Campaign concept

To create the campaign concept to inform the visual look and feel of the ads that would promote the service pages and the property tax calculator, the One Calgary communications team considered:

1. Campaign timing (late December to early March)
2. Research on services that were utilized most during the winter season (based on 311 call data, and web research on user searches)
3. One Calgary approach – focus on services and collaboration between services to deliver better service results

Top of mind for citizens during the winter season were: Public Transit, Streets, Sidewalks & Pathways, Parks and Open Spaces and Recreation Opportunities. The concept of “Keeping you on the move” was created to show how these services together helped keep citizens on the move in winter. This concept creates connections that may not be obvious and builds a more comprehensive narrative about the breadth of City services.

Marketing plan

Push 1 (December 2018 to January 2019)

Type	Channel	December					January				Audience
		3	10	17	24	31	7	14	21	28	
DIGITAL	Online Ads										All audiences, including multicultural communities.
	Digital Display Unit Ads										All audiences, including multicultural communities.
	E-Newsletters										600+ subscribers interested in City's planning and budgeting process.
	Social Media										Primary: adults, youth, millennials. Secondary: seniors.
TRADITIONAL	Broadcast - Report to Calgarians Video										TV: adults, seniors. Cineplex: adults, youth, millennials.
	Radio - 30s Spots										Adults 25-54
	Daily Newspapers										All audiences.
	Multicultural Publications										Multicultural communities: Chinese, Punjabi, Filipino, Latino.

Push 2 (February 2019 to early March 2019)

Type	Channel	February				March				Audience
		4	11	18	25	4	11	18	25	
DIGITAL	Online Ads									All audiences.
	Digital Display Unit Ads									All audiences.
	Search Engine Marketing - Google Adwords									Adults searching for City services and tax related keywords.
	Social Media - Paid Ads									Adults, youth, millennials.
TRADITIONAL	Broadcast - Report to Calgarians Video									TV: adults, seniors. Cineplex: adults, youth, millennials.

Sample ads and some success measures

Online ads



Approx. **140,509**
people reached
5.4 times

1.1 million impressions
and **141,299** average
weekly circulation for
Calgary Herald and Metro

Print ads

4 STARMETRO CALGARY

Confronting the 'stigma' of domestic violence in Alberta

All female homicide victims in Calgary and Edmonton in 2018 were domestic violence cases



When 22-year-old Nadia El-Dib was killed by ex-boyfriend Adam Bettiab last March, her family wanted everyone to know her story.

"People see domestic violence as certain categories, certain criteria, certain demographics," Nadia's sister Rachael said. "A lot of women would send me a message and say, 'I see myself in Nadia. That could have been me.'"

Rachael and her family specifically asked Calgary police to release difficult details about Nadia's murder, and Rachael has become an advocate for preventing domestic violence. She started recording her own podcast and she worked with the charity Gems for Gems to establish a



Station 16 crew's culinary skills go beyond 'hot, brown and lots'

Calgary firefighters have started whipping up far healthier, greener meals of their own between calls. It's about eating healthier, but also team bonding. Get an extra helping of how firefighters cook up a storm at thestar.com/calgary



Multicultural publications

Chinese



Total weekly
circulation:
125, 000

Punjabi



Social media

PFC2019-0196
ATTACHMENT 2

435,515 impressions and **6,789** link clicks
91,563 video views
2,643 reactions, **341** comments and **90** shares

Facebook

City of Calgary – Your Local Government
Published by Salesforce Marketing Cloud [?] · January 17 at 9:00 AM · 🌐

It takes a variety of municipal services to keep you moving this winter.

- There are 16,636 paved kilometres of roadway in our city.
- 3.2 million trips every day on our roads as a driver or passenger with a \$0.20 operating cost per trip.
- 8,219 painted crosswalks.
- 1.1 million people use City sidewalks and pathways every day with a \$0.10 operating cost per trip.
- 99.5% of citizens have access to City parks within a five-minute walk or 400 metres.

Find out how we're investing in the services you use every day and use our calculator to get a breakdown of where your property tax dollars go at calgary.ca/yourservices.



CALGARY.CA

Plans and budget 2019-2022 (One Calgary)

The 2019-2022 Service Plans and Budgets (One Calgary) describe how w...

Instagram



Twitter

City of Calgary @cityofcalgary Following

Do you want to know how your property tax dollars are being spent? Use our online tool to get a breakdown. calgary.ca/tax-breakdown

calgary.ca
Tax Bill Sample

My 2019 property tax

100 Calculate >

Category	Percentage	Amount
Provincial education tax	38.6%	\$38.63
Bylaws and Public Safety	22.8%	\$22.80
Transportation	15.3%	\$15.25
Enabling Services	9.8%	\$9.76
Parks, recreation and culture	6.5%	\$6.53
Social programs and services	1.9%	\$1.93

2019 property tax breakdown
Enter your property taxes on our online calculator and get a breakdown for how they were used.



One Calgary Citizens' View panel survey Results summary

Background

In updating existing web pages, and refreshing new web pages, the One Calgary communications team sought to establish a baseline measure on user experience of the web pages via a survey on the Citizen's View Panel. Once the new web pages were launched and promoted, the same survey was run again to judge if the feedback showed an improvement on the usability of the site content and methods to promote the site.

Citizens' View Panel

An online panel that encourages citizens to participate in shaping City of Calgary programs and services through surveys, discussions and engagement activities.



One Calgary survey

This survey was launched with the specific intent of better understanding Calgarians' attitudes and perceptions of The City's services website and the property tax calculator.

- **Wave 1 (August 14 to 23, 2018)**
A total of 458 panelists came to the survey site, among whom 105 (6% of the total outgo) dropped out and 353 (19% of the outgo) panelists completed the survey.
- **Wave 2 (January 16 to 23, 2019)**
A total of 533 panelists came to the survey site, among whom 103 (5% of the total outgo) dropped out and 430 panelists (22% of the outgo) completed the survey.

(Please note: The following findings may not be statistically representative of all Calgarians. The work is exploratory because of the makeup of online panelists currently on the Citizens' View panel. The results should be regarded as directional and should not be projected to the larger population without research with a representative sample of citizens.)

Findings

Services website (calgary.ca/yourservices)

In all cases, metrics for the services website were above findings from Wave 1 of the survey in September 2018.

Results from Wave 2 of the Citizens' View panel survey indicate that citizens have high levels of satisfaction and overall positive impressions of The City's services website.

Almost eight-in-ten (79%) of respondents say they have an "excellent" or "good" overall impression of the website, a 10-point jump in positive impression from Wave 1 (69%).

Moreover, a majority "strongly" or "somewhat agree" that the information available on the page is clear, visually appealing, easy to find, and useful.

Among the sharpest increases from the September survey wave to the January wave can be seen in how respondents approach and understand information on the services website.

- **85%** strongly or somewhat agree, "I found the information useful", **up 15%** from Wave 1.
- **86%** strongly or somewhat agree, "Information on the page is clear", **up 8%** from Wave 1.

Overall, most respondents agree that information on the services website is valuable, and see a marked improvement from the previous survey wave's data.

Please indicate your level of agreement or disagreement with the following statements.		
	Wave 2 (January 2018)	Wave 1 (September 2019)
I found the information useful		
Strongly agree	33% ↑	25%
Somewhat agree	52% ↑	45%
Somewhat disagree	10% ↓	22%
Strongly disagree	4%	4%
The information on the page is clear		
Strongly agree	37% ↑	30%
Somewhat agree	49% ↑	48%
Somewhat disagree	10% ↓	25%
Strongly disagree	3%	4%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Visual appeal also saw large gains from the previous survey as did the proportion of respondents agreeing the information was easy to find.

- **88%** strongly or somewhat agree the services website is "visually appealing", **up 8%** from Wave 1.

- **79%** strongly or somewhat agree, “It was easy to find the information I was looking for”, **up 6%** from Wave 1.

Visual appeal for the site is important as it attracts and retains attention, evokes emotion and contributes to the overall user experience. The high rate of satisfaction with information being “easy to find” indicates that users can easily navigate the website and find the information they seek quickly– which ultimately lends credibility to a website. This combination of visual appeal and functionality creates an experience for the user that is important for building lasting connections with citizens.

Please indicate your level of agreement or disagreement with the following statements.		
	Wave 2 (January 2018)	Wave 1 (September 2019)
The page is visually appealing		
Strongly agree	41% ↑	23%
Somewhat agree	47% ↓	53%
Somewhat disagree	10% ↓	16%
Strongly disagree	1% ↓	4%
It was easy to find the information I was looking for		
Strongly agree	32% ↑	24%
Somewhat agree	47% ↓	49%
Somewhat disagree	14% ↓	16%
Strongly disagree	5% ↓	6%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Related to finding information “useful,” “clear,” and “easy to find,” a large majority of respondents also agree that The City provides services they were not aware of before looking at the webpage, and that they have a better understanding of which services are offered by The City, two measures that are crucial for measuring success of this program.

- **83%** strongly or somewhat agree they have a “better understanding of which services are offered by The City” after viewing the site, **up 8%** from Wave 1.
- **67%** strongly or somewhat agree “The City provides services that I was not aware of before looking at this webpage”, **up 10%** from Wave 1.

These measures indicate that the intent of the of the web presence to increase transparency and help Calgarians understand The City’s services better is successfully met. Given the overall success, it is recommended to continue investment and energy directed to this strategy to maintain momentum.

Please indicate your level of agreement or disagreement with the following statements.		
	Wave 2 (January 2018)	Wave 1 (September 2019)
I have a better understanding of which services are offered by The City		
Strongly agree	34%↑	25%
Somewhat agree	49%	49%
Somewhat disagree	12%↓	22%
Strongly disagree	3%↓	5%
The City provides services that I was not aware of before looking at this webpage		
Strongly agree	25%↑	18%
Somewhat agree	42%↑	39%
Somewhat disagree	22%↓	28%
Strongly disagree	8%↓	10%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Respondents' overall high user satisfaction with and credibility of the website results both in the creation of a user "following" and increase of the user base.

- **77%** strongly or somewhat agree they are "likely to visit the webpage in the future", **up 15%** from Wave 1.
- **73%** strongly or somewhat agree they are "Likely to recommend the site to other people", **up 5%** from Wave 1.

Please indicate your level of agreement or disagreement with the following statements.		
	Wave 2 (January 2018)	Wave 1 (September 2019)
I am likely to visit the webpage in the future		
Strongly agree	32%↑	20%
Somewhat agree	45%↑	42%
Somewhat disagree	15%↓	25%
Strongly disagree	6%↓	9%
I am likely to recommend the Services webpage to other people		
Strongly agree	30%↑	18%
Somewhat agree	43%↑	40%
Somewhat disagree	17%↓	28%
Strongly disagree	7%↓	10%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Messaging and communicating about The City's services and services website also saw marked improvement across channels. Of those who do recall seeing information about services and programs offered by The City, the most popular vehicle was "News media" (40%), followed by calgary.ca itself (38%), and radio (20%), pointing to a successful channel strategy. Print and social media saw smaller returns and increases from Wave 1. As with the success of the services website above, it is recommended to continue investment and energy directed to this strategy to maintain momentum.

In the last six months, do you recall seeing any information about services and programs offered by The City?			
	Wave 2 (January 2018)	Wave 1 (September 2019)	
Calgary.ca	38%	36%	↑
Other websites (please specify)	2%	4%	
TV screens in City facilities	11%	7%	↑
Report to Calgarians (TV and cinema commercials)	24%	24%	
Radio	20%	15%	
Print	17%	14%	
Brochure in your tax bill	31%	30%	
Social media	24%	22%	
News media	40%	32%	↑
None	16%	24%	
Other (please specify)	4%	4%	
Prefer not to answer	2%	2%	
Base: Total respondents (2019 n=430 2018 n=353)			

Property tax calculator (calgary.ca/tax-breakdown)

Metrics for the calculator indicate that residents are now generally more aware of, and seek information, on how The City invests municipal property taxes, how property taxes are calculated, how much The City spends on different services, and other elements of City investment.

When it comes to looking for tax-based information, the results from Wave 2 of the Citizens' View panel survey show the following:

- **48%** have looked for information in the past two years on how their property taxes are calculated, **down 53%** from Wave 1.
- **31%** have looked for information in the past two years on how The City invests their property taxes, **up 4%** from Wave 1.
- **27%** have looked up information on property tax payment options, **up 4%** from Wave 1.
- **24%** have looked up how to apply for TIPP, on par with Wave 1.
- **8%** have looked up how to get help with paying property taxes due to financial hardship, on par with Wave 1.

Have you looked for the following types of information in the past two years?		
	Wave 2 (January 2018)	Wave 1 (September 2019)
How my property taxes are calculated	48% ↓	53%
How much The City spends on different services	38% ↑	30%
How The City of Calgary invests my municipal property taxes	31% ↑	27%
Property Tax Payment Options	27% ↑	23%
How to apply for the Tax Installment Payment Plan (TIPP)	24%	25%
How to get help with paying property taxes due to financial hardship	8%	7%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

A majority respond they have found information on the calgary.ca website. In some cases, some residents still report that they are unable to find how their property taxes are calculated and how much The City spends on different services, two crucial pieces of the larger taxation story.

A majority (81%) still reports that they are not aware that The City of Calgary has a Property Tax breakdown tool.

In all cases, a majority of those who sought any tax-based information found it on calgary.ca, and in every case this sees an increase from Wave 1 results.

Did you find the information you were looking for on each topic, and if so, where?			
		Wave 2 (January 2018)	Wave 1 (September 2019)
How The City of Calgary invests my municipal property taxes	Yes, on Calgary.ca	49%↑	40%
	Yes, by calling 311	1%	1%
	Yes, other	21%	20%
	No	27%↓	36%
How my property taxes are calculated	Yes, on Calgary.ca	60%↑	52%
	Yes, by calling 311	1%	2%
	Yes, other	25%↓	31%
	No	12%	13%
How much The City spends on different services	Yes, on Calgary.ca	51%↑	40%
	Yes, by calling 311	1%	1%
	Yes, other	22%↓	30%
	No	24%↓	36%
↑↓ Indicates a data point is up or down from the previous wave			
Base: Total respondents (2019 n=430 2018 n= 353)			

Overall, more respondents report being aware of the calculator in Wave 2 than in Wave 1. Although the work completed on the property tax calculator indicates The City is on the right track, research results seem to suggest that increased marketing, communications and targeted messaging would be required for The City to realize the full potential of this citizen-facing informative tool.

Before today, were you aware that The City of Calgary has a Property Tax breakdown tool?		
	Wave 2 (January 2018)	Wave 1 (September 2019)
Yes, and I had already visited it	7%↑	5%
Yes, but I had not visited yet	11%↑	8%
No, I was not aware	81%↓	88%
Prefer not to answer	0%	1%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Almost one-quarter (23%) report their overall impression of the calculator as “excellent,” up 3% from Wave 1. However, just over four-in-ten (45%) say the site is “good,” a slight drop from Wave 1.

What was your overall impression of the Property Tax breakdown tool?		
	Wave 2 (January 2018)	Wave 1 (September 2019)
Excellent	23%↑	20%
Good	45%↓	49%
Fair	23%↓	22%
Poor	9%	7%
↑↓ Indicates a data point is up or down from the previous wave		
Base: Total respondents (2019 n=430 2018 n= 353)		

Financial summary for grant spending

Cost breakdowns	Cost
Developing The City's service and budget story online Creation/enhancement of website pages and tax calculator tool including: <ul style="list-style-type: none"> • Project planning/documentation and conceptualization • Sitemap review • User experience design • Development • Visual design • Web content writing • Project management • Data visualization and infographics tool • Tax calculator functionality enhancements + update to align with services 	\$45, 559
Telling The City's service and budget story to citizens Marketing campaign ad concepting and promotional tactics including: <ul style="list-style-type: none"> • Creative concept and design • Print ads (English and multicultural) • Online ads • Radio ads • Broadcast – Report to Calgarians video (twice run) • Search Engine Marketing – Google Adwords • Social media (Twitter, Facebook, Instagram and YouTube) 	\$104, 441
	Total = \$150,000

Deputy City Manager's Office Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0247

Proposed Approach to Council Innovation Fund Update

EXECUTIVE SUMMARY

The Council Innovation Fund (the Fund) has been in place since 2011 to encourage innovative and pilot projects that have the potential to support or contribute to the goals of Council and that have city-wide application. This report provides an update on the financial status of the Fund and proposes changes to the Council Innovation Fund's Terms of Reference.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council approve the proposed Terms of Reference for the Council Innovation Fund.

PREVIOUS COUNCIL DIRECTION / POLICY

As part of the 2019-2022 One Calgary Operating and Capital Budget Plan discussions on 2018 November 30, Council unanimously approved the following motion:

Direct Administration, in conjunction with the Mayor's Office and Members of Council, to return in Q1 2019 to the Priorities and Finance Committee with revised Terms of Reference for the Fund (Council Innovation Fund), including but not limited to:

- a. A better definition for what Fund should be used for;
- b. A revised application process; and
- c. Consideration of using a portion of the Fund for Community-driven projects throughout The City.

On 2018 June 25, Council directed Administration to engage with Council around the possibility of developing a fund to support community-driven projects and report back through the Priorities and Finance Committee with an update no later than Q1 2019.

BACKGROUND

The Council Innovation Fund was established as part of the 2011 Operating and Capital Budgets and Business Plans discussions, authorizing up to \$5 million from the Fiscal Stability Reserve (FSR) for innovation and pilot projects subject to the approval of Council. As part of the 2012-2014 Business Plan and Budget discussions, Council approved an additional \$1 million be added to the balance of the Fund to be funded from the FSR. During the 2015-2018 Action Plan Business Plans and Budgets discussions, \$1.894 million of unspent money was transferred from the Office of Economic Development and Policy Coordination to the Council Innovation Fund. Most recently, \$5 million was allocated to the Council Innovation Fund during the 2019-2022 One Calgary Operating and Capital Budget Plan discussions in 2018 from the FSR.

Since the creation of the Fund, 40 projects have been approved totaling over \$8 million in allocated funds. Over the years, the Fund has been used consistently and by various members of Council. A full listing of approved projects can be found in Attachment 1.

In June 2018, a Fund application was put forward by Councillor Davison for the Springbank Hill Community Park PFC2018-0717. At Council, the application generated debate among Council members on whether this application met the Fund's criteria. Through an amendment to the

Deputy City Manager's Office Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0247

Proposed Approach to Council Innovation Fund Update

Recommendations, the Springbank Hill Community Park was approved using funds directly from the FSR, but further work was directed around the Council Innovation Fund.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

When considering Council's direction to explore a fund for community-driven projects, the following options were considered:

- Amend the terms of the Council Innovation Fund to include similar types of projects to Springbank Hill, and increase the amount set aside in the Innovation Fund;
- Establish a new fund for projects similar to Springbank Hill with a separate terms of reference and funding mechanism;
- Amend the terms of other funds or programs already in place; and
- Any other ideas presented by Council.

As the Council Innovation Fund is established and familiar to Council, Administration determined expanding the Fund's purpose would be the most straightforward option. The changes to the proposed Terms of Reference (Attached 2) include:

- Community-driven projects are now eligible for funding;
- The administrator of the Council Innovation Fund will transition from the Mayor's Office to the Chief Financial Office Department;
- A funding limit of \$500 thousand per application; and
- Fund replenishment and reporting terms have been added.

Stakeholder Engagement, Research and Communication

Based on discussions at Council on 2018 November 30 and 2018 June 25, it was clear there was strong support and value in adding a funding mechanism for community-driven projects.

To engage the Mayor's Office and Council, email correspondence was circulated to collect thoughts, comments and suggestions on the Council Innovation Fund. An open invitation to meet was also extended.

Strategic Alignment

The proposed Council Innovation Fund update supports the 2019-2022 Council Directives for One Calgary, specifically related to A Prosperous City and A Well-Run City.

Social, Environmental, Economic (External)

Not Applicable

Financial Capacity

Current and Future Operating Budget:

In November 2018, Council approved the transfer of \$5 million to the Council Innovation Fund. At present date, the balance of the Fund is \$5,427,028.

Current and Future Capital Budget:

There is no impact on the capital budget.

Deputy City Manager's Office Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0247

Proposed Approach to Council Innovation Fund Update

Risk Assessment

Given the proven success of the Fund, the risk associated with approving the proposed Terms of Reference is low. The proposed Terms of Reference remain flexible enough to support a wide variety of projects and Council retains the approval authority over withdrawals from the Fund.

To ensure the Fund continues to be used responsibly, a \$500 thousand limit per application has been introduced. With only two approved projects exceeding \$500 thousand, the cap should not negatively impact future applications.

REASON(S) FOR RECOMMENDATION(S):

The proposed approach to the Council Innovation Fund fulfils Council direction given on 2018 November 30 and 2018 June 25.

ATTACHMENT(S)

1. Attachment 1 – Council Innovation Fund Financial Status Update
2. Attachment 2 – Proposed Terms of Reference for the Council Innovation Fund

				Budget			
				Budget 2011	5,000,000		
				Budget 2012	1,000,000		
				Budget 2015	1,894,000		
					<u>\$ 7,894,000</u>	A	
Requests/Commitments	Sponsor	Approval Date	Budget Allocated	Actual Expenses	Savings on Completed Projects	Future Commitments	
Engagement Process	Ald. Lowe	2010 Dec 2	\$ 905,874	\$ 905,874	\$ -		
Mission Road - Main Street	Ald. Carra	2011 Feb 14	300,000	285,250	14,750		
Cut Red Tape (Phase I)	Mayor Nenshi	2011 Apr 11	110,000	110,000	-		
International Ave Pilot Project	Ald. Chabot	2011 Apr 18	41,135	41,135	-		
Airport Express Bus	Mayor Nenshi	2011 May 16	336,000	336,000	-		
Bow to Bluff Corridor: Community Spaces	Ald. Farrell	2011 May 16	150,000	150,000	-		
Rectangular Rapid Flash Beacon (RRFB)	Ald. Demong/Pootmans	2011 June 20	200,000	186,241	13,759		
Calgary's Community Addictions Strategy	Ald. Colley-Urquhart	2011 July 25	150,000	83,252	66,748		
Initiative to Reduce Poverty in Calgary	Mayor Nenshi	2011 July 25	200,000	200,000	-		
1st Street SW Underpass	Ald. Mar	2011 Sept 19	100,000	93,823	6,177		
Calgary Food System Assessment & Action	Ald. Carra	2011 Nov 14	45,000	41,274	3,726		
Cut Red Tape (Phase II)/Analytics Calgary Innovation Program	Mayor Nenshi	2011 Dec 5	125,000	86,613	38,387		
Social Innovation Calgary "Community Innovation Hub" (CIH) Project	Ald. MacLeod/Demong	2012 Mar 19	75,000	75,000	-		
Supporting Partnerships for Urban Reinvestment (SPUR)	Ald. Pincott	2012 May 7	232,000	202,000	30,000		
Cut Red Tape (Phase III)/Analytics Calgary Innovation Program	Mayor Nenshi	2012 June 25	150,000	127,264	22,736		
S-Park Pilot	Ald. Mar	2012 July 30	20,000	12,959	7,041		
Roads On-Line Service Requests	Ald. Demong	2012 July 30	185,000	98,543	86,457		
Soul of Your Community Project	Ald. Mar	2012 Nov 19	225,000	182,347	42,653		
Bio-Energy Pilot Project	Ald. Carra	2012 Nov 19	170,000	170,000	-		
School Site Review	Ald. Lowe/Stevenson	2013 Jan 22	150,000	149,137	863		
Calgary Energy Efficiency Innovation Lab	Ald. Pincott & Ald. MacLeod	2013 Mar 18	120,000	113,318	6,682		
Off-Leash Ambassador Pilot Program	Ald. Macleod & Ald. Hodges	2013 May 27	75,000	74,922	78		
Neighbourhood Pace Car	Ald. Dale Hodges	2013 July 29	5,700	5,700	-		
Calgary Poverty Reduction Initiative-Transition Funding for Implementation	Mayor Nenshi	2013 July 29	117,841	-	117,841		
Affordable Housing Energy Efficiency Retrofit Demonstration Project	Ald. MacLeod	2013 July 29	124,000	120,565	3,435		
Citywide Approach to Retail/Commercial Planning and Development	Ald. Lowe	2013 July 22	375,000	358,354	16,646		
Interactive Park Mowing and Roads Map	Cllr. Demong & Cllr. Pincott	2014 April 22	300,000	258,198	41,802		
The Heart of the New East - Incubation Project	Cllr. Chabot	2015 May 11	98,500	98,500	-		
Medical Response Unit Pilot	Cllr. Colley-Urquhart	2015 May 11	175,000	145,444	29,556		
17th Avenue SW Pocket Plaza	Cllr. Woolley	2017 Apr 04	300,000	299,758	242		
Community Representation Framework Project	Cllr. Carra	2016 Nov 15	250,000	250,000	-		
Census Online Data Capture	Mayor Nenshi	2014 May 26	250,000	224,036			25,964
Legislative Governance Task Force Work Plan Implementation Project	Mayor Nenshi	2015 March 17	350,000	298,799			51,201
WALK21 Community Microgrants	Cllr. Farrell, Carra, and Pincott	2017 Mar 21	172,500	157,500			15,000
Improving Budget Transparency	Cllr. Demong	2018 June 18	150,000	65,975			84,025
Gender Equity and Diversity Baseline Assessment	Cllr. Carra	2018 July 30	170,000	25,145			144,855
Calgary Community Court: Pilot Readiness	Cllr. Sutherland	2018 July 30	250,000	-			250,000
On Demand Transit Service Pilot	Cllr. Gondek and Keating	2018 Nov 09	338,000	-			338,000
One Calgary Policy Review	Cllr. Demong	2018 Nov 09	525,000	-			525,000
Total as at 2018 December 31			\$ 8,016,550	\$ 6,032,927	\$ 549,578	\$ 1,434,045	
				B		C	
Total Budget				A	7,894,000		
Actual Expenses				B	(6,032,927)		
Future Commitments				C	(1,434,045)		
2019 One Calgary					<u>5,000,000</u>		
2019 Total Budget					<u>5,427,028</u>		

TERMS OF REFERENCE FOR THE COUNCIL INNOVATION FUND

Purpose of the Council Innovation Fund

The broad purpose of the Council Innovation Fund (CIF) is to encourage innovative or community-based projects that have the potential to support or contribute to the goals of Council or that have city-wide application.

Guidelines

1. Process for Applications

- a) Applications for the withdrawal of funds from the CIF may be prepared by City Administration or external organizations (e.g. Civic Partners and community associations) and must be sponsored by a member of Council prior to submission to the Chief Financial Office.
- b) The Chief Financial Office will be the point of contact for all applications.
- c) The Chief Financial Office shall submit all applications to Council for approval, through a report to the Priorities and Finance Committee (PFC). PFC will recommend approval or rejection to Council.
- d) The applicant must complete and submit a CIF application form to the Chief Financial Office. It is the applicant's responsibility to use the prescribed application form and describe the project in the context of these guidelines.
- e) Applications should be submitted to the Chief Financial Office no later than six weeks in advance of the targeted PFC meeting date.
- f) The maximum CIF award for any single project shall be \$500,000.
- g) The applicant shall return any unused portion of CIF awards to the Chief Financial Office.

2. Criteria for Successful Applications

Applications should demonstrate that the proposal is consistent with the Purpose of the Council Innovation Fund as set out in these Terms of Reference.

Successful applications will address one of the following:

- a) One-time start up or "seed" funds for projects which will support or contribute to Council's priorities.
- b) Pilot projects or experiments that have the potential to change city-wide policies and procedures.

Applications for funding must include detailed documentation.

The proposal for funding must demonstrate credibility, fiscal responsibility and good management which will be important considerations in the evaluation of applications.

3. Reporting and Fund Replenishment

- a) Successful applicants must submit an update report to the Chief Financial Office indicating how the CIF award was spent and the outcomes of the project, within 12 months of the funding approval.
- b) The Chief Financial Office shall submit a summary report to Council through PFC annually, on CIF awards and the overall status of the CIF.
- c) A CIF summary report identifying all projects, project approval dates, project budgets and total fund expenses, shall be included in the four-year service planning and budget process.
- d) Council may review the financial status of the CIF as part of The City's four-year service planning and budget discussions and direct that additional funding be allocated to the CIF.

Deputy City Manager's Office Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0167

Social Procurement Update - Deferral Report

EXECUTIVE SUMMARY

In 2018 December, Council directed Administration to proceed with the Social Procurement Policy and to create Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force, Scoping Report for three pilot projects and a Workplan. Council directed Administration to report back through the Priorities and Finance Committee no later than Q1 2019. This report requests a deferral to no later than 2019 May.

Over the last two months, Supply Management has been diligently scanning how other similar groups work and examining current City and other jurisdictions terms of reference and governance models. Through collaborating with Buy Social Canada and other business units, a draft workplan and terms of reference are nearly complete. However, given that this is a new way of doing procurement and will include engaging groups that Administration has not necessarily engaged with in the past, additional time will enable Administration to ensure that governance model set out in the Terms of Reference will be the most effective. More engagement with appropriate stakeholders and review for alignment with other City initiatives will be pivotal to ensuring the success of this initiative.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommend that Council defer Administration's Social Procurement response to no later than 2019 May.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 April 05, Council unanimously adopted a Notice of Motion C2018-0396 directing Administration to develop a report on social procurement and report back to Council no later than Q4 2018.

On 2018 December 17, Council directed Administration to proceed with the Social Procurement initiative C2018-1379 by developing Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force, a Scoping Report for the three pilot projects and a Workplan and report back to Council through PFC by Q1 2019. Council also approved a budget of \$505,000 for the Social Procurement initiative to be funded from the Budget Savings Account (BSA).

BACKGROUND

Historically, procurement has been about choosing the supplier offering the lowest price while still meeting technical requirements of providing high quality products or services at minimal risk. Social procurement is about "encouraging a shift towards procurement based on achieving multiple outcomes in addition to maximizing financial value". It means using your procurement dollars to achieve overarching institutional, governmental, or individual goals such as environmental and social sustainability.

Deputy City Manager's Office Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0167

Social Procurement Update - Deferral Report

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Stakeholder Engagement, Research and Communication

Supply Management is working with Buy Social Canada, on the Terms of Reference for the Sustainable, Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force; a Scoping Report for the three pilot projects; and a Workplan. Through this work Supply Management has engaged Calgary Neighbourhoods and Resilience and Infrastructure Calgary in this work to ensure alignment and support moving forward. Additionally, a few external groups have expressed interest and Supply Management is currently reviewing the best way to engage these groups in this initiative.

Strategic Alignment

Social procurement aligns with many Council priorities including a commitment to creating and sustaining a vibrant, healthy, safe and caring community that works for all today and tomorrow. This commitment has been expressed through policies, plans and strategies including the Triple Bottom Line Policy Framework, Calgary's Resilience Strategy (under development), the imagine CALGARY plan, the Social Wellbeing Policy (under development) and the 2020 Sustainability Direction. The City recognized the potential to achieve many of these objectives by leveraging its existing purchasing power with the adoption in 2008 of the Sustainable Environmental and Ethical Procurement Policy (SEEPP). The addition of social procurement would be the next step in leveraging procurement dollars to achieve greater community benefit.

Social, Environmental, Economic (External)

Financial Capacity

Current and Future Operating Budget:

None.

Current and Future Capital Budget:

None.

Risk Assessment

No risks have been identified with respect to this deferral.

REASON(S) FOR RECOMMENDATION(S):

Administration requires additional time to engage potential stakeholders and to determine the best option for governance for the terms of reference for this initiative. This information constitutes a critical success factor for the initiative and will impact Administration's recommendations to Council in the report now proposed for 2019 May.

ATTACHMENT(S)

None

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0146**

**Consideration of the Nose Creek Communities in an Economic Development
Context**

EXECUTIVE SUMMARY

This report arises from the 2018 July 30 New Community Growth Strategy discussion at Council where, in preparation for the One Calgary (2019-2022) service plan and budget cycle, Council approved 14 communities through the New Community Growth Strategy 2018. At the same meeting, Council also approved a Motion Arising directing Administration to work with Calgary Economic Development (CED) on five items related to the business case for the two communities in the Nose Creek Area Structure Plan (ASP) that were not approved as part of the New Community Growth Strategy 2018. The Motion Arising included direction to broaden the scope to consider the context of Calgary's competitiveness in attracting commercial investment generally, and also in relation to the larger Calgary economic region.

In responding to the Motion Arising, an ad-hoc committee was assembled to include the Nose Creek business case proponent, QuadReal Property Group (QuadReal), staff of CED, and members of CED's Real Estate Sector Advisory Committee (RESAC). Administration also engaged the mover of the motion, Councillor Gondek, and Council's representative to CED, Councillor Davison.

To protect proprietary or commercially sensitive information pertaining to the QuadReal business case, it was agreed that a high-level overview of the business case be considered by the ad-hoc committee members in order to understand the general premise of the proposed development, and consider potential synergies with CED's goals and work.

The ad-hoc committee put forward the following suggested actions for The City to consider. These include:

1. Focus on drivers that enable economic growth and instill investor confidence/ attract investment;
2. Consider the tax pressures on Calgary's non-residential customers and seek opportunities to address the tax shift issue;
3. Engage Industry on the upcoming review of the Off-site Levy Bylaw;
4. Work collaboratively to shift the story of Calgary and identify reasons for optimism, including the value proposition of a vibrant city offering advantages on amenities and housing affordability; and
5. Leverage the unique opportunities of the Northeast and North Central parts of the city.

There will be an opportunity for further improvements and facilitating increased awareness through initiatives that are already underway or will commence shortly. These include the ongoing efforts of CED to attract talent, businesses and economic growth, the forthcoming Industrial Growth Strategy, the Off-site Levy Bylaw Review, and the growth business case review process planned for the One Calgary mid-cycle budget adjustment in 2020.

In the meantime, QuadReal is working on updates to the Nose Creek business case in preparation for Council's consideration during the 2020 mid-cycle adjustment. These updates are expected to include a revised market assessment, engagement with the Province on

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0146**

**Consideration of the Nose Creek Communities in an Economic Development
Context**

provincial transportation infrastructure considerations, and required studies to inform discussion on the benefits and costs of the proposed development.

At this time, Administration does not recommend removal of the Growth Management Overlay for the Nose Creek business case area.

ADMINISTRATION RECOMMENDATION:

Administration recommends that the Priorities and Finance Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Direction from the Council on 2019 February 4:

Council adopted the following recommendation of the Priorities and Finance Committee, dated 2019 January 22:

That the Administration Recommendation contained in Report PFC2019-0018 be adopted:

That the Priorities and Finance Committee recommends that Council approve Administration's request to defer the report on the consideration of the Nose Creek business case in an economic development context, and direct Administration to return to the Priorities and Finance Committee with a report in 2019 March.

Direction from Council on 2018 July 30:

That with respect to Report C2018-0900, the following motion arising be adopted, in part:
That Council:

Direct Administration to work with Council's representative on Calgary Economic Development (CED) to identify appropriate members of CED staff and the CED Commercial Real Estate Committee to serve as an ad hoc working group that will review the Nose Creek business case to:

1. Establish viability as contemporary mixed-use, campus-style development sites;
2. Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work;
3. Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base;
4. Evaluate ability to prevent neighbouring municipalities from poaching investment opportunities from Calgary; and
5. Provide sound rationale (if any exist) for removal of the growth management overlay (GMO). Report back through PFC in 2019 January.

Direction from Council on 2018 July 30 regarding further growth consideration timelines:

That with respect to Report C2018-0900, the following be adopted:

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0146**

**Consideration of the Nose Creek Communities in an Economic Development
Context**

That Council:

4. Direct Administration to bring the next recommendations for new community growth and development approvals by no later than 2020 March, and in coordination with the One Calgary 2019-2022 four year service plan and budget mid-cycle adjustment process.

**Direction from Council on 2018 November 14 regarding report C2019-1158, One Calgary
2019-2022 Service Plans and Budgets:**

That with respect to Report C2018-1158, Council direct Administration to:

3. Come back in Q1 2019 with further options on shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to:
 - a. creation of a small-business assessment class;
 - b. continuing shift from non-residential to residential;
 - c. one-time money to manage the transition;
 - d. advocacy with Federal and Provincial Governments; and
 - e. an examination of reserves and other funding sources which may be available.

Direction from Council approving the Nose Creek Area Structure Plan on 2015 December 7:

That the Calgary Planning Commission Recommendations contained in Report CPC2015-218 be adopted, as follows:

That Council:

1. ADOPT the proposed Nose Creek Area Structure Plan, in accordance with Administration's recommendation; and
2. Give three readings to the proposed Bylaw 46P2015.

BACKGROUND

As part of the New Community Growth Strategy 2018, QuadReal submitted a business case for two communities in the Nose Creek ASP. Proposed communities were assessed based on three guiding factors for making comprehensive, city wide growth recommendations to Council: (1) Municipal Development Plan/Calgary Transportation Plan Alignment; (2) Market Forces; and, (3) Financial Impact.

A review of the business case was completed by Administration and provided to the Priorities and Finance Committee on 2018 June 28 (PFC2018-0678) and then to Council (C2018-0900) on 2018 July 30. The Nose Creek business case was not recommended by Administration to proceed at that time due to outstanding planning considerations and outstanding local and provincial infrastructure and services including transportation connectivity, utility infrastructure, and fire/emergency response coverage. To be initiated, it was calculated that the business case would also require City financial resources equal to an additional, one-time +0.41 per cent impact on the tax base for 2019-2022, and future investment in subsequent budgets for both capital and operating expenditures.

With a dedicated property tax rate increase of 0.75 per cent in 2019, Council approved 14 new communities for the New Community Growth Strategy, 2018 and provided a clear direction for

Consideration of the Nose Creek Communities in an Economic Development Context

growth in new areas that will start in 2019-2022 and continue for several decades as these new communities complete development. The City's investments are expected to eventually lead to \$27 billion in private investment once full built out is completed over 20 to 30 years.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Calgary's non-residential sector attracts diverse businesses that significantly contribute to the job market and to the diversity of the city's economy. Through engagement on this Motion, Administration and the ad-hoc committee worked to outline some of the barriers and opportunities to retaining the non-residential tax base and to attracting new investment in support of economic growth.

The process for responding to this Motion Arising included:

1. Initial engagement of Calgary Economic Development staff; identifying members for the ad-hoc committee from CED's Real Estate Sector Advisory Committee; and engaging QuadReal around their business case proposal.
2. Engagement of Councillor Gondek (as the mover of the Motion Arising) and Councillor Davison (as the Council representative on CED's Board of Directors) to discuss the motion and ensure alignment on the scope of work and the deliverable.
3. Working sessions with the ad-hoc committee on 2018 December 10 and 2019 January 23 to collect input on motion items related to identifying opportunities to stabilize Calgary's commercial tax base and remain competitive in attracting investment.
4. Defining key messages and next steps, in collaboration with CED staff and with input from the Directors Integrated Growth Committee and the General Managers Strategic Growth Committee.

The process resulted in good feedback from QuadReal, CED and the ad-hoc committee. This feedback informed the following responses to the five points included in the Motion Arising. Key findings from the engagement are summarized below.

1. Establish viability as contemporary mixed-use, campus-style development sites

QuadReal's Nose Creek business case proposes the development of two communities located within the Nose Creek ASP. The proposed business case envisions a 248 hectare development as a self-contained master-planned community inclusive of residential and non-residential development. Approximately 96 hectares of the area are envisioned as light industrial development which would be centered on an office park and mixed-use spaces. The proponent highlights the inclusion of industrial employee-intensive, commercial, and other uses, to reflect a "Live-Work-Thrive" community. For more information, please see Attachment 1, submitted by QuadReal, which outlines their vision for the area.

QuadReal informed Administration that while there are no updates to the business case at this time, they are currently working to update their business case and intend to include any new information on the items that were noted to be unresolved, hold further discussions with the Province, and submit for consideration in advance of the mid-cycle budget adjustment in 2020. Currently QuadReal is moving forward with planning considerations and have submitted an Outline Plan/Land Use application that is being reviewed through the Corporate Planning

Consideration of the Nose Creek Communities in an Economic Development Context

Applications Group (CPAG) process for completeness. For these reasons, further analysis by Administration of the Nose Creek business case was not conducted. Administration looks forward to reviewing QuadReal's updated submission in 2020.

2. Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work;

The ad-hoc committee provided input at a meeting on 2018 December 10, at a workshop on 2019 January 23, and via electronic communication to help identify opportunities to attract targeted and prospective investors to Calgary. These opportunities include:

- a. Continue to communicate and raise awareness of the Opportunity Calgary Investment Fund (OCIF).
 - o Administration of the Fund is managed by CED.
- b. Use innovation to spur diversification. Ensure that entrepreneurial and other opportunities are fostered throughout the city's non-residential sector.
 - o Continues to be considered by CED in their economic development work and through the forthcoming Industrial Growth Strategy, as well as the City Planning and Policy Work Plan 2019.
- c. Leverage Calgary's position as an Inland Port and The City's Goods Movement Strategy to attract businesses.
 - o Continues to be promoted by CED in their economic development work, through Transportation's work on the Goods Movement Strategy and will be considered in the forthcoming Industrial Growth Strategy.
- d. Align with the forthcoming Industrial Growth Strategy.
 - o The scoping for the Industrial Growth Strategy is commencing in 2019 in alignment with the new community and established areas strategies. Administration has engaged Industry representatives and CED on this work through the Industrial Strategy Working Group.
- e. Enhance communication and address any misinformation around Calgary's economy, quality of life, opportunities and culture. Leverage recent communication updates on [Calgary's Industrial Sector](#), by keeping content current and sharing it broadly.
 - o The benefits of Calgary's Industrial Sector are to be shared more broadly both by Industry and Administration.

Many of the ideas generated by the ad-hoc committee align with CED's work on economic diversification as outlined in Calgary's Economic Strategy, titled *Calgary in the New Economy*. In that strategy, four focus areas and their key initiatives and indicators are identified. The four focus areas include attracting talent; fostering innovation; supporting Calgary in place-making through urbanization and connectivity in the core; and, fostering a business-friendly environment. More information around alignment of CED's work on economic diversification and opportunities to draw targeted and prospective investors is provided by CED and outlined in Attachment 2.

3. Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base;

The ad-hoc committee, CED and Administration identified that the tax pressures on non-residential properties, and the non-residential property tax gap between Calgary and its

Consideration of the Nose Creek Communities in an Economic Development Context

municipal neighbours needs further consideration to support economic growth and competitiveness. In a presentation delivered by the Altus Group at the 2019 January 23 workshop, it was noted that a number of market and non-market factors have led to increases in Calgary's non-residential tax rates. These factors include phasing out of the business tax and tax shift from downtown office properties. Altus stated that Calgary's ratio of non-residential to residential tax is above a 4:1 ratio, and within the Municipal Government Act requirements of a maximum ratio of 5:1.

During the One Calgary (2019-2020) budget considerations, Council directed Administration to consider options on shifting from non-residential assessment base to the residential assessment base. This work is underway and includes consideration of creating a small-business assessment class, continuing to shift from non-residential to residential, one-time incentives, advocacy with other orders of government and consideration of reserve funding sources.

Some members also communicated a desire to re-examine off-site levies (as they relate to non-residential development) during the next review. Similar to the successful engagement process that was undertaken in 2015, Administration will engage Industry and other interested stakeholders in the Off-site Levy Bylaw Review process that is expected by 2021.

Despite some of the financial concerns noted above, it was identified and agreed that Calgary's industrial lands have served as consistent areas of economic growth as industrial activity has remained fairly constant since 2014, showing the resiliency of the sector even amid softening energy markets. Industrial development, and subcomponents like logistics and warehousing, were mutually agreed to as areas of importance to Calgary's economic diversification efforts.

CED has included feedback from the ad-hoc committee on opportunities and barriers around retaining urban uses within the city to help stabilize the non-residential tax base. This feedback is outlined in Attachment 2.

4. Evaluate ability to prevent neighbouring municipalities from poaching investment opportunities from Calgary; and

Taking into account the local, national, and continental competitive environment, the ad-hoc committee identified barriers and opportunities for attracting and retaining non-residential investment, as well as broad policy considerations for The City to enhance competitiveness with municipal neighbours while being mindful of broader benefits that regional investment may leverage.

Concern was expressed that Calgary has higher costs for land, taxes, and off-site levies than municipal neighbours. This may dissuade businesses from locating within the city boundaries.

It was agreed that there is a need for a comprehensive assessment that considers not only the costs of taxes and land prices, but also the benefits of levels of service and community amenities. This type of assessment would get closer to outlining a value proposition for Calgary's non-residential areas. It was also acknowledged by the ad-hoc committee that Calgary has several advantages relative to its regional and continental competitors. These advantages include:

- a. Calgary offers greater amenities and services, such as transit and access to recreation facilities. These considerations can serve as advantages in attracting businesses and

Consideration of the Nose Creek Communities in an Economic Development Context

investment near desirable neighbourhoods that offer mobility links in support of a live-work lifestyle.

- b. Calgary's Northeast and North Central areas, which include much of the city's industrial lands, and have also been highlighted as contributing:
 - Building permit activity of 21 per cent of the city's total volume and 25 per cent of value in 2018;
 - Higher employment growth (+8.1 per cent growth since 2009 relative to the city amount of +5.9 per cent);
 - Higher household occupancy rates (3.01 people per unit versus the city average of 2.67); and
 - An attractive landing point for recent immigrants (11 per cent of the population in the NE versus 7 per cent city-wide).
- c. Calgary does not have a machinery and equipment tax, which many other competing jurisdictions (such as Rocky View County) apply on processing and manufacturing industries.

CED has included feedback from the ad-hoc committee to address regional competitiveness considerations. This feedback is outlined in Attachment 2. As part of the work on a comprehensive growth strategy, the forthcoming Industrial Growth Strategy will consider various factors concerning Calgary's competitiveness for non-residential investment and development. Scoping for that work is commencing in 2019, with strategy development anticipated in 2020, in preparation for investment recommendations for the next four year budget cycle (2023-2026).

5. Provide sound rationale (if any exist) for removal of the growth management overlay (GMO)

In 2018, Administration developed a process centered on three guiding factors for making comprehensive, city wide growth recommendations to Council. All three are important for facilitating a sustainable growth decision making process:



A Growth Management Overlay (Overlay) applied to an area in an Area Structure Plan indicates that the area does not satisfy one or more strategic growth factors noted above, and has unresolved funding questions for infrastructure and services. There is an Overlay on the whole of the Nose Creek ASP as unresolved/unfunded infrastructure and service needs exist in the area, including a necessary provincial interchange. Growth funding decisions that impact Overlays will be made every two years, with the next opportunity at the mid-cycle adjustment in 2020.

This decision framework provides the necessary information and evaluation criteria required to recommend an investment program that will enable strategic growth. Through the 2018 review of the Nose Creek business case, Administration identified unresolved considerations and ultimately was not able to recommend the business case as part of the New Community Growth Strategy 2018. The proponent has been advised to address these considerations through a re-

Consideration of the Nose Creek Communities in an Economic Development Context

submitted business case at the mid cycle adjustment. These considerations include, but are not limited to:

- a) Clarifying and resolving significant funding considerations for road and highway infrastructure including:
 - Highway 566/ QEII interchange upgrade (provincial responsibility that remains unfunded).
 - 160 Avenue/ CrossIron Drive / Highway QEII interchange, including rail and creek crossing;
- b) Required sanitary extension (City-sized and levy eligible infrastructure) should align with the approved Nose Creek Area Structure Plan;
- c) Fire/Emergency Response Coverage;
- d) Questions around record-high office space vacancy for downtown and suburban supply;
- e) A healthy serviced industrial land supply in the Northeast;
- f) Concerns of non-contiguous development as land parcels around the proposed business case and within city limits are undeveloped and unserved; and
- g) Need for an up-to-date market assessment.

Through a revised business case, QuadReal will respond to the first item of the Motion and aim to establish the viability of their proposal as a contemporary mixed-use, campus-style development. In response to the second item of the Motion, CED will continue to work with QuadReal, and all other interested businesses, to identify opportunities to draw targeted and prospective investors in support of Calgary's economic diversification. Through CED's ongoing economic growth work, as well as Administration's focus, efforts are underway to increase Calgary's competitiveness and to stabilize the commercial tax base. These considerations will address the third and fourth items of the Motion, and will further unfold through growth and budget decisions, continuous process improvements, the Off-site Levy Bylaw review and the forthcoming Industrial Growth Strategy.

The Industrial Growth Strategy (scoping in 2019, and strategy development in 2020) will round out a comprehensive city-wide growth strategy that consists of the New Community Growth Strategy (approved by Council on 2018 July 30), and the Established Area Growth and Change Strategy (currently under development and expected for 2020). This city-wide growth strategy will provide clear processes to determine development opportunities throughout all areas of the city, allowing greater certainty for private investment decisions.

In the meantime, the proponent is continuing to receive feedback from The City through the Outline Plan/Land Use application review process.

Stakeholder Engagement, Research and Communication

A number of stakeholders have been working together to achieve the goals of the Motion Arising, including representatives from CED, identified members of CED's Real Estate Sector Advisory Committee, QuadReal, Councillor Jeff Davison (Council's CED Board Member), Councillor Jyoti Gondek (initiator of the motion arising), and Administration. See Attachment 3 for a list of members of the ad-hoc committee and others engaged in this work.

Consideration of the Nose Creek Communities in an Economic Development Context

Calgary Economic Development

Administration engaged CED representatives, and met with them regularly to discuss the motion and chart out a work plan. The collaboration considered a high-level overview of the QuadReal business case, and broader economic factors including opportunities for retaining investment within city boundaries to help stabilize the commercial tax base, and strategies to attract and promote economic diversification within Calgary.

Members of CED's Real Estate Sector Advisory Committee were also engaged in this work to provide industry insight on the high-level vision of the business case and its alignment with CED's ongoing work and considerations around broader economic diversification. To help inform discussions at the 2019 January 23 workshop, the representative from Altus on the committee provided a presentation on tax and competitiveness considerations for industrial lands in Calgary in relation to the regional markets.

QuadReal Property Group

QuadReal was engaged shortly following 2018 July to discuss the Council direction. To ensure suitable representation of the Nose Creek business case, there have been numerous meetings and ongoing communication with QuadReal's representatives.

Strategic Alignment

There are multiple areas of work currently underway or commencing in 2019/2020 that are aligned with the topic of economic growth in Calgary's non-residential sector, including:

- Downtown Tax Shift Response (PFC2019-0148);
- Planning and Development's City Planning Policy Priorities 2019;
- The forthcoming Industrial Growth Strategy;
- Off-site Levy Bylaw Review;
- Continuous process improvements for planning application review processes; and
- The next New Community Growth Strategy review of business cases at the One Calgary mid-cycle budget adjustment in 2020.

At a corporate level, this work considered opportunities for attracting and retaining commercial and industrial investment in the city. It is aligned with the One Calgary (2019-2022) Citizen Priority: A Prosperous City that aims to strengthen Calgary's economic growth and competitiveness globally, advance purposeful economic diversification and growth, support civic and business partners, and improve city processes to foster a competitive environment.

It is also aligned with the Municipal Development Plan goal of a Prosperous Economy that strives for Calgary to be a globally competitive city that supports a vibrant, diverse and adaptable economy and maintains a sustainable municipal financial system without compromising the quality of life for current and future Calgarians.

The City Planning and Policy service line priorities 2019 scope of work includes considerations of how to best enable economic prosperity, enhance investor confidence and remove barriers to allow for nimble planning and attract desired investment.

**Planning & Development Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0146**

**Consideration of the Nose Creek Communities in an Economic Development
Context**

Social, Environmental, Economic (External)

There are no social, environmental or economic impacts arising from this report. Some of these factors will be considered through future work either on the Industrial Growth Strategy, the Off-site Levy Bylaw Review or the next business case consideration at the 2020 mid-cycle adjustment. Opportunities for land development are also considered regularly through policy planning and application review.

Financial Capacity

There are no financial impacts arising from this report.

Current and Future Operating Budget:

There are no operating impacts associated with this report.

Current and Future Capital Budget:

There are no capital impacts associated with this report.

Risk Assessment

There are no risks specifically associated with this report, however it is recognized that there are broader considerations facing Calgary around economic growth and competitiveness.

There are risks and rewards associated with growth. Growth includes financial and opportunity cost risk associated with municipal investment for capital and operating costs. Growth rewards, particularly of non-residential parcels, offers expansion of the tax base and off-site levies paid, provides opportunities for economic gains, economic resiliency, and job creation.

Administration has committed to delivering a comprehensive city-wide growth strategy designed to enable growth in all areas of the city in a coordinated manner while enhancing the context for the development in Calgary. To ensure a coordinated approach, growth decisions are considered in alignment with The City's budget process. Maintaining this approach allows for informed decision-making on growth.

REASON(S) FOR RECOMMENDATION(S):

Administration recommends that the Priorities and Finance Committee recommend that Council receive this report for information. In terms of next steps, Administration and Calgary Economic Development will continue to broadly support non-residential development through the various channels identified in this report. Administration will also stay in contact with the proponents of the Nose Creek business case to inform them of deadlines and other details with regard to the next evaluation of business cases, expected in 2020.

ATTACHMENT(S)

1. Attach 1 – Submission from QuadReal Property Group - PFC2019-0146
2. Attach 2 – Submission from Calgary Economic Development (CED) - PFC2019-0146
3. Attach 3 – Members of the Ad-hoc Committee and Others Engaged in this Work – PFC2019-0146



QuadReal Property Group
Suite 301, 240 – 4th Avenue SW
Calgary, AB T2P 4H4
Canada

T 403-202-7500
www.quadreal.com

February 13, 2019

Kathy Davies Murphy
Manager, Growth & Strategic Services
Planning & Development | The City of Calgary
Floor 4, 800 Macleod Trail S.E.

Re: Report C2018-0900 – Nose Creek ASP Lands – Update to Priorities and Finance Committee

In respect of the motion adopted by Council for the Nose Creek ASP lands as part of Report C2018-0900 (New Community Growth Strategy 2018 – Further Review and Analysis Directed through PFC2018-0678), QuadReal Property Group (“QuadReal”) on behalf of bclMC Realty Corporation (“bclMC”) has been working internally along with Administration and Calgary Economic Development (“CED”) to address the first point of the motion – “Establish viability as a contemporary mixed-use, campus style development site”. It is QuadReal’s intention to combine the information obtained through our internal analyses and the work done in conjunction with Administration and CED and prepare and submit an updated business case for consideration at the mid-cycle budget review in 2020.

The Nose Creek ASP Lands development plan possesses strong characteristics that make it a compelling candidate for Growth Management Overlay removal. The opportunities presented by the Nose Creek ASP Lands include:

1. Creation of a strategic employment cluster proximate to the growing and significant industrial and distribution node in Rocky View County, as well as the active growth areas around the Calgary International Airport, QE II Highway within the City limits and the Stoney Trail ring road.
2. Introduction of a Live-Work-Thrive community that will complement the surrounding residential developments in the Keystone ASP and provide a quality of life that will appeal to existing Calgarians and help attract new business and residents.
3. Creation of residential/job balance in the North-Central sector of the City through the introduction of industrial and employment uses that will temper the cross-city commute.
4. Creation of Calgary’s first “health-based community” through smart planning that considers the health impact of the development that will meet or exceed the City’s defined metrics for healthy communities.
5. The ability to deliver a “turnkey” project. With over \$27.4 billion under management, QuadReal is well capitalized and has a “build and hold” model that makes us an attractive development partner and landlord to many prospective users.

6. Significant economic impact through the creation of over 18,000 jobs during construction and 23,000 permanent jobs at development completion. In addition, the development is expected to generate more than \$5.0 billion in economic output.

In partnership with third-party consultants, we are currently undertaking an update to the market demand study and economic output projections included in our original business case submission. Moreover, we continue to work closely with CED to understand the locational determinants and development attributes identified by existing companies and those considering the Calgary market as a place to do business. To date, QuadReal has met with Administration, CED and the Real Estate Sector Advisory Committee (RESAC) on two occasions, to understand the drivers that enable economic growth and how the Nose Creek ASP lands can be leveraged to demonstrate the value of doing business in Calgary, while also aligning with the City's integrated growth strategy.

We have derived substantial value from our working sessions with CED and Administration to date and look forward to continuing this collaborative process to further establish the viability of the Nose Creek ASP lands as a contemporary mixed-use, campus style development site for Growth Management Overlay removal at the mid-cycle budget review in 2020.

Should you wish to discuss the foregoing in further detail or require any additional information, please do not hesitate to contact me at (403) 202-7516.

Sincerely,
QuadReal Property Group



Jeff Hyde
Senior Vice President, Development

CC: Carly Zapernick – Development Manager, QuadReal Property Group

Calgary Economic Development's **collaborative** energy makes us a **conduit, connector, catalyst** and **storyteller** for Calgary.

Nose Creek Motion Arising (C2018-0900 on the New Community Growth Strategy)

Executive Summary - March 5, 2019

Calgary Economic Development (CED) and Industry stakeholders, including an ad hoc group from the Real Estate Sector Advisory Committee, were requested to address the Motion Arising from Council with respect to Report C2018-0900 on the New Community Growth Strategy. Specifically, items 2-4 of the motion were considered:

2. Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work;
3. Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base;
4. Evaluate ability to prevent neighbouring municipalities from poaching investment opportunities from Calgary.

This summary is provided to Calgary Council for information.

Investment Attraction

Calgary Economic Development is focused on helping locally based companies grow while also attracting new companies and investment to the city. CED's activities are guided by the Economic Strategy for Calgary called "Calgary in the New Economy" approved by City Council on 2018 June 25 (PFC2018-0668). Built on the foundational pillars of Talent, Place, Innovation and Business Environment, it outlines the economic priorities for our city and the industry sectors that differentiate our competitive strengths. The key sectors identified in the strategy include transportation and logistics, agribusiness, energy, life sciences and health, financial services, tourism and creative industries.

To achieve the economic development goals outlined in the Economic Strategy, we support companies, such as developers, in their efforts to target and attract investments best aligned with their projects. As such, Item #2 of the Motion Arising requested the following:

Identify opportunity to draw targeted and prospective investors according to CED's ongoing economic diversification work.

According to the Nose Creek Business case, as proposed by QuadReal Property Group (QuadReal), approximately 65% of the development is devoted to employment uses including business/office, medical, educational, commercial/retail, light industrial, and live-work uses. (Source: Nose Creek Lands Summary of Key Aspects Supporting the Business Case). CED is able to work with QuadReal to identify and attract company targets via:

- Further evaluation and identification of company prospects from the life sciences and health sector, including companies that may emerge from the University of Calgary's newly announced Life Sciences Innovation Hub or from other health sector opportunities emerging in North Calgary.

- Identification of industrial company prospects in the sectors of agribusiness and agri-tech, transportation, e-commerce distribution centers, and advanced manufacturing facilities. Companies in these sectors include those that employ automation, robotics, geospatial and data analysis, autonomous vehicles and other new technologies which require a combination of highly skilled technology jobs as well as new collar, or vocationally trained, technology jobs.
- Businesses that supports sustainable development with a focus on healthy and active lifestyles.

Economic Competitiveness

Over two working sessions, Industry stakeholders discussed the broader issues of retaining urban uses within the City of Calgary boundaries to both stabilize the commercial tax base and to secure new investment. The main areas of discussion from the sessions are attached for reference, including key comments and proposed solutions from Industry attendees. The Industry Group did not comment directly on the Nose Creek business case.

Industry discussion around the Motion Arising Items #3 and #4 were fulsome and balanced. Recurring themes arose regarding:

- the importance of the industrial land sector to the economy to generate tax revenue for The City;
- the need for increased promotion of the industrial sector to reinforce Calgary's value proposition related to amenities, transit and talent and to attract new investment;
- the availability of industrial land to capitalize on new investment opportunities;
- the need for innovative financing tools to enable growth and minimize risk; and,
- the need to review policies and regulations that may not work in the current economic climate.

These points were balanced against the acknowledgement that new process improvements have been implemented by The City and have shown early results. It was also addressed that industry and CED have been successful in attracting new investment during the economic downturn. Concurrently, new initiatives are underway that will activate on the issues raised by Industry. There is an ongoing opportunity for all parties to work collaboratively to grow our economic base via the following: Industrial Growth Strategy; Identification of Funding and Financing Tools; Off-site Levy Bylaw Review, and Continuous Process Improvements.

Next Steps

Over the course of 2019 and beyond, Industry, CED and The City will continue to collaborate on ways to grow the economic base for Calgary and address any impediments to generating increased employment opportunities, attracting investment and supporting the diversification of our economy.

Industry Commentary on Motion Arising Items #3 and #4

Motion Arising Item #3:

Evaluate ability to retain urban uses within the City's boundaries to stabilize the commercial tax base

The group discussions focused on the following items:

- The City of Calgary's recent process improvements have been effective in supporting business growth. A continuation of this approach will yield additional benefit to the city's competitiveness by ensuring companies can become operational and profitable faster.
- In addition, The City could provide flexibility on land use to meet market demand, allowing developers to shift to uses that respond best to changing economic factors.
- It was suggested that Development and Servicing Agreements, and Development and Building Permits, should be reviewed and approved by The City in parallel, thus shortening the path for commercial development to occur.
- Industry projects submitted for approval must address ROI against economic development benefits to ensure that the communities add economic growth, not just additional costs to City Administration's budget. Approving the proposed communities brought forward under the New Community Growth Strategy allows normal market factors to apply and removes any perspectives that the City is influencing those factors.
- The Industry group suggested The City and developers could work together to address the risks associated with balancing revenue generated from development with the costs incurred by the City. With respect to capital costs, industry representatives have put forward ideas around catchment-based infrastructure costs and front-ending agreements with innovative payback terms. These ideas and others can be explored through the next Off-site Levy Bylaw Review in 2020/2021.
- There was significant discussion regarding the City's efforts to balance growth against its obligation to fund it. Specifically, the removal of the Growth Management Overlay for a community requires The City to fund infrastructure and service costs regardless of when the community will develop. The planned timing of actual development of approved communities could help inform when infrastructure costs will occur.

Industry proposed solutions to be explored through consultation:

1. Increase the flexibility of land use for non-residential parcels to maximize opportunities that align with market demand and continue supporting process improvements that enable growth;
2. Sequence approvals to better align with developer/market timing, such that strategic growth and funding decisions run concurrently with planning approvals; and,
3. Evaluate financing tools (including but not limited to front-ending infrastructure) that could allow a developer to address required infrastructure and services if a proposed community is not approved by Council through strategic growth and funding decisions.

Motion Arising Item #4:

Evaluate ability to prevent neighbouring municipalities from poaching investment opportunities from Calgary

The group discussions focused on the following items:

- Reinforce and promote Calgary's amenities as a selling feature for generating investment attraction and company growth. This includes proximity to workforce, transit routes to industrial areas, and proximity of retail amenities for workers. These features amplify the advantages for companies of locating in a city environment and shifts the conversation from focusing on cost to focusing on value.
- It was recognized that companies will choose the land product offering that best meets their needs. It will be important to differentiate why new or expanding businesses choose regional municipalities versus Calgary. New innovations and technologies in industrial sectors may shift or disrupt this trend in favour of Calgary but will not eliminate it entirely.
- Identify how the Opportunity Calgary Investment Fund (OCIF) could be used to spur increased diversification in key sectors to attract companies to industrial areas.
- Promote the value of the industrial sector to Calgarians. The City's website currently outlines the value, land use and opportunities of a strong industrial sector. The City's Goods Movement Strategy, the Industrial Strategy Working Group, CED's Transportation and Logistics sector work, and Industry all speak to the fact that industrial development supports increased tax revenue generation.
- Industry questioned the need for The City to hold such a large industrial land portfolio. Further discussion focused on the perceived inflationary effects of this approach on the market price per acre of all industrial land across the city.
- It is important to fully understand policies, regulations and standards for developments in both Calgary and the region to effectively compare them. This includes servicing, transportation, infrastructure, police and fire required on day one versus at full build out of a community.
- The Calgary Metropolitan Region Board addresses jurisdictional planning issues in the region. This should help avoid planning approvals that benefit one jurisdiction at the expense of another.
- Intermunicipal levies have been identified as a tool that would allow The City to recover the costs of infrastructure that benefits both Calgary and the region. Levies addressing highway connections and other intermunicipal infrastructure have been a topic of recent discussions involving the Province, municipalities, and industry stakeholders. However, much remains to be determined with these levies, including the calculation methods and processes for involving multiple municipalities. As more information becomes known, The City plans to engage with stakeholders to find the best methods or solutions.

Industry proposed solutions to be explored through consultation:

1. Promote to citizens the importance of the industrial sector to our economy and the diversification of our sectors.
2. Initiate discussions regarding The City's strategy around industrial land management. Explore alternate approaches around the disposition of industrial land to the private sector to accelerate economic diversification opportunities.
3. Continual engagement with Industry to determine strategies that address Industry concerns regarding Calgary competitiveness. (i.e. the Offsite Levy Bylaw Review, sessions evaluating funding and financing tools, etc.).

Members of the Ad-hoc Committee and Others Engaged in this Work – PFC2019-0146

- Calgary Economic Development's Real Estate Sector Advisory Committee
 - Trent Edwards, Chief Operating Officer, Brookfield Residential Properties Inc. (CED Board Member)
 - Guy Huntingford, Chief Executive Officer, BILD Calgary Region (Retired) (for 2018 engagement)
 - Brian Hahn, Chief Executive Officer, BILD Calgary Region (for 2019 engagement)
 - Grace Lui, Director, Strategic Initiatives and Government Relations, BILD Calgary Region (for 2019 engagement)
 - Randy Kraft, Partner, KPMG
 - Peter Zorbas, Executive Vice President, JLL
 - Dave Mewha, Senior Director, Altus
- Proponent
 - Carly Zapernick, Manager, Development, QuadReal Property Group
 - Jeff Hyde, Senior Vice President of Development – Prairies Region, QuadReal Property Group
- NAIOP Representative
 - Paul Derksen, NAIOP representative & Senior Vice President of Industrial – Prairies Region, QuadReal Property Group (for 2018 engagement)
- Council
 - Councillor Jyoti Gondek, Ward 3, City of Calgary
 - Councillor Jeff Davison, Ward 6, City of Calgary, (CED Board Member)
- Calgary Economic Development
 - Deana Haley, Vice President, Client Services
 - Leslie Shier, Manager, Real Estate, Client Services
- Administration (Calgary Growth Strategies)
 - Matthias Tita, Director (for 2019 engagement)
 - Kathy Davies Murphy, Manager
 - Matthew Sheldrake, Coordinator
 - Marlena Rogowska, Planner

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

EXECUTIVE SUMMARY

Calgary's cyclical economy affects property values and the property taxes paid by various property classes. The abrupt decline in property values of downtown office buildings of approximately \$14 billion has led to a decline in non-residential property taxes paid by these property owners of over \$250 million annually. The increase in downtown office space due to new buildings coming on stream, coupled with declining demand resulting from significant shifts in the operations of many head offices located downtown may take an extensive amount of time to recover – mid and long-term solutions are needed. Budget cuts alone cannot buffer this change and therefore a shift of taxes from the downtown office buildings to other property tax classes is necessary. To assist in alleviating the impact of the shift in 2019, this report considers the immediate options that Council may consider to address the shift along with other mid and long-term options that speak to the underlying cause of this issue which is largely economic in nature.

ADMINISTRATION RECOMMENDATIONS:

- 1) Direct Administration, in accordance with Council's direction of 2018 November 19, to continue to reduce non-residential property taxes and rebalance the residential/non-residential ratio using the following tools:
 - a) continue the use of one time funds in 2019 to mitigate the impact to eligible properties through a 2019 Municipal Non-Residential Phased Tax Program (2019 PTP) or similar program in the amount of \$44 million to be funded from the Fiscal Stability Reserve ;
 - b) transfer an amount of taxes borne by non-residential property accounts to residential property accounts of \$22 million in 2020, \$21 million in 2021 and \$20 million in 2022 and apply efficiencies or reductions in the City's budget over the period from 2020 to 2022 to the non-residential property tax rate as a highest priority, with a target of \$60 million,
 - c) should tax room become available in 2019, include an option to apply all or part of the tax room to reduce the non-residential property tax rate as a highest priority;
- 2) Direct Administration to continue to work with internal and external stakeholders to identify and examine both mid-term and long-term potential solutions to the economic issue facing Calgary and return to the April 1 Strategic Session of Council for a facilitated discussion;
- 3) Direct that Attachment 3 remain confidential pursuant to section 27(1)(a) of the *Freedom of Information and Protection of Privacy Act*; and
- 4) Direct Administration to launch the Financial Task Force and finalize the draft Terms of Reference (Attachment 4).

PREVIOUS COUNCIL DIRECTION / POLICY

As Council direction on this topic is extensive, Administration has included Attachment 1 which summarizes and references all previous Council direction.

BACKGROUND

Calgary's cyclical economy has a direct impact on the local real estate market. The annual property assessment cycle reflects annual changes in the market value of properties due to economic fluctuations that affect the local real estate market.

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

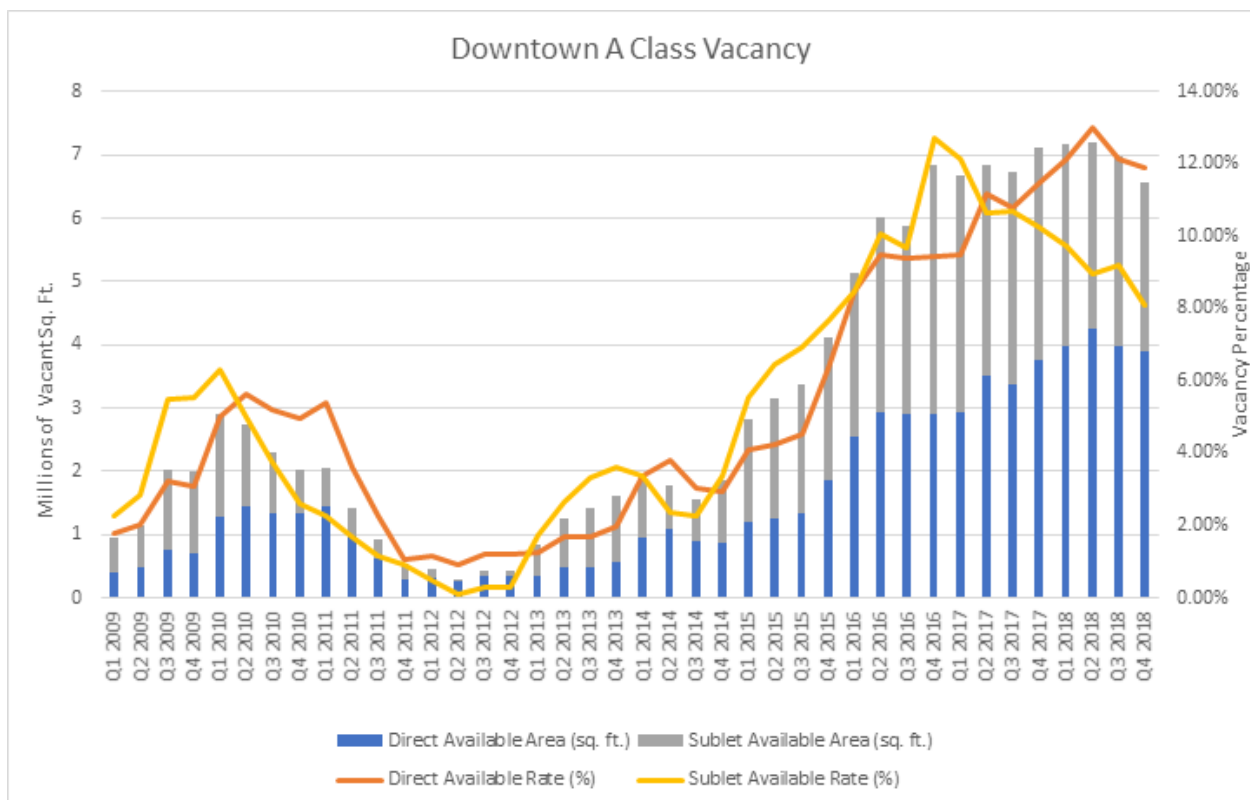
The decline in oil prices, which started in early 2014, contributed to a 19-quarter decline in the demand for downtown office space. It fell from a peak of 39.1 million square feet to a trough of 32.9 million square feet. Factors responsible for the decrease include:

- (a) the 2015-16 recession and the resulting loss of jobs through cyclical unemployment;
- (b) job losses for those occupational categories typically associated with office work;
- (c) shifts in the geography of jobs away from the downtown core to the Beltline and suburbs; and
- (d) a continued shift to more efficient space utilization through a transition from offices to cubicles.

In addition to lower downtown office demand, a significant increase in quantity and improvement in the quality of downtown office supply has put further downward pressure on resale prices and lease rates. For the period from 2001 Q3 to 2018 Q2, the downtown office market experienced:

- (a) additional supply with a 14 per cent increase in the number of downtown office buildings;
- (b) more supply per building with an 18 per cent increase in square footage per building; and
- (c) a shift to better quality space with a 53 per cent increase in Class A space, a 4 per cent increase in Class B space, and a 13 per cent decrease in Class C space.

The chart below shows the magnitude of the increase in vacant Downtown Class A from 2009 to the end of 2018. It includes both direct and sublease space and does not include the new buildings which will be completed in 2019.



**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

The business needs of companies have changed due to changes in the economy, lowering demand for downtown office space and creating a high downtown office vacancy rate. An excess of newly built inventory combined with high vacancy has resulted in a large decrease in associated property values.

Many of the economic cycles experienced by Calgary in the past have not had the same unusually prolonged impact on the downtown office market. It is useful to compare with the experience during the 2008-09 global financial crisis. For that period, the demand for downtown office space fell for six quarters before rebounding. This time around, it has taken three times as long for the rebound to start.

There is a loss of \$250 million in municipal tax revenue previously generated from robust non-residential property assessment values in the downtown core. The source of the revenue was several large class A office buildings that were headquarters to some of the large oil and gas companies, along with all the professional services firms.

The substantial decline in downtown non-residential property market values between 2017 and 2019 has resulted in a redistribution of property tax that is of concern to both property and business owners – who may or may not be the same parties. The share of property taxes previously paid by the owners of class A downtown office buildings has shifted to other non-residential properties, which have not had their values impacted as significantly, in particular industrial, office and retail properties primarily located outside the downtown core.

Since downtown vacancies are high, office buildings in the core will have to reduce their rental rates to remain competitive in the market. With lower rents, the overall market value of these properties will remain lower than the 2017 and 2018 values, which will also be evident when these properties sell in the real estate market. As a result, the tax base that these properties previously carried will need to be redistributed to other properties.

Optimistic forecasts that reduce the current high downtown office vacancy rate and project assessment values to return to their previous values rely on four assumptions that may or may not materialize:

- (a) No new investments in office buildings in the medium term;
- (b) Sustained recovery of crude oil prices to above \$50 per barrel;
- (c) Renewed investments in the energy sector; and
- (d) Job growth for office workers that keeps pace with overall job growth in the Calgary region.

While this report will focus on the short term, this is not only a short-term issue that will be solved with immediate solutions. The analysis in this report will highlight subsequent required work that will address both medium term (within the four year budget cycle) and longer term strategies for The City of Calgary and its many partner organizations that have a vested interest in developing a resilient economy for Calgary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

How the Assessment Tax Working Group approached the task

As Council has recognized, this is a very complex problem and involves a large number of organizations and interested parties who are all looking for ways to address the economic issue that has both short term, medium term and long term implications on The City and its

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

businesses and residents. The Assessment Tax Working Group membership is outlined in Attachment 5. The ATWG approached the tasks as directed by Council incorporating the following tools and tactics:

1. Stakeholder engagement
2. Research
3. Mapping of the initiatives currently underway (both internal and external)
4. Clarifying the timelines that need to be considered
5. What remains unknown

The sections below provide a status update of the work that has been completed to date and highlights of the work that is still in progress.

1) Stakeholder engagement

Administration has engaged Heuristic Consulting Associates (“Heuristic”) to engage with various stakeholders representing the real estate industry, economic development, small business and other groups to understand issues and potential solutions that would be meaningful for them. The ATWG has asked them to identify and engage key external stakeholders in both one-on-one meetings and through an interactive workshop to better understand the community’s comprehension of the issues as well as to identify a range of possible solutions for further consideration.

As a result of that stakeholder engagement, Heuristic found five key themes that emerged from the stakeholder input held to date as follows:

- Adjust residential and non-residential tax rates such that a larger proportion of tax is borne by the residential assessment base;
- Reduce the overall size of The City of Calgary’s budget by reducing costs and gaining efficiencies;
- Review alternate revenue sources, including selling City Assets;
- Review measures to reduce property tax volatility;
- Grow the tax base and invest in the future.

Further stakeholder engagement will continue, based on the results of learnings from this report to ensure that Administration have connected with a representative sample of parties who are impacted by this issue. Administration also wants to dig further into these mid and long-term options so that they are better understood and a focused approach can be developed to address them. Administration proposes that a facilitated discussion take place at the forthcoming Strategic Meeting of Council on 2019 April 1.

2) Research

Another aspect of the work Heuristic was engaged to do was to better understand how other jurisdictions in Canada and elsewhere have responded to drastic changes in property values resulting from economic instability or measures they may have in place to avoid significant annual property tax fluctuations.

Work is still underway to connect with jurisdictions that may be able to provide insightful input, but preliminary measures that have been identified for additional exploration include:

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

- Market value increase changes phased in over a period of years or capped in a single year;
- Averaging of assessed market values over a period of years (smoothing); and
- Caps to tax increases or decreases.

The results of this research can be further discussed at the 2019 April 1 Strategic Session of Council and will be fully investigated by the Financial Task Force to further explore how these potential measures can mitigate the impact of significant economic swings and their ability to fit within the legislative framework of Alberta. The end goal of this work is to identify potential options that are possible within our current legislative framework or, if some are not viable, to develop an advocacy position for legislative change with the provincial government.

3) Mapping of the initiatives currently underway (both internal and external)

As both Council and Administration have noted, there are many initiatives underway both internally and externally through various interested parties.

The first step the ATWG has taken has been to identify the parties who currently are meeting to discuss and strategize around the Downtown Tax Shift and related issues. Administration's next steps will be to inform the various groups of the work within the scope of the ATWG and to continue to understand the work underway by external groups and the role The City may or may not have within it.

Some of the key internal teams who have an interest in this issue include Resilience Calgary and the Centre City Plan and Urban Strategy teams. Calgary Economic Development ("CED") is one of the key parties who is very active in working through the four pillars of their "Economic Strategy for Calgary" and much of this work is complimentary to work underway at The City. In addition to CED, the Chamber of Commerce is also engaging with and leading work groups looking to address the economic issue and the impact upon businesses and property owners in Calgary.

As part of Council's approved advocacy strategy, Intergovernmental & Corporate Strategy (ICS) continues to develop content and tactics to advocate for short-term support for Calgary's economic recovery, from other orders of government.

Calgary is developing a resilience strategy to place a lens, lift awareness and leverage action on the major stresses and shocks facing our community including economic resilience. Following the work of flood recovery in 2013, The City realized more than ever how important a resilient community is when experiencing and adapting to the stresses and shocks that can impact us. A resilience team has been undertaking the work to understand and assess our community's resilience, to spend some time deliberately investigating key areas of concern, and to identify outcomes, initiatives and actions to build our resilience.

Through a series of engagement sessions, community residents and stakeholders have shared perceptions on Calgary's top stresses (economic uncertainty, climate change, and inequality), top shocks (economic crisis, extreme weather events, cyber-attacks, and drought) and how well Calgary is performing related to city resilience. This work led to Calgary's Preliminary Resilience Assessment (PRA) shared with Council in 2017, the presentation of four discovery areas to Council in 2018, and use of this information and the

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

resilience lens to support the One Calgary service plans and budgets. The four pillars of the strategy under development include Economic, Inclusive Leadership and Decision Making, Natural Infrastructure and Infrastructure resilience. The resilience strategy will be shared with Council by mid-year, 2019, with an update on implementation intended to occur in 2021.

The Centre City Plan Refresh Project is revisiting the City's long term vision and goals for the Centre City area with a view to repositioning the area to be vibrant and successful in the new economy. This will include developing an action-oriented implementation strategy for capital investment, programs and initiatives. The project is working to ensure alignment with Resilience Calgary.

Overall, in recognition of Council's strategic priority to improve the economy and encourage economic prosperity, ALT will review related activities in order to strategically manage the overall economic issue and consider the option of a coordinating body to oversee this multifaceted work and provide guidance where necessary.

4) Clarifying the timelines that need to be considered

As work currently underway is reviewed and gaps are identified in either the representation on the various working groups and committees we have had an eye to the timelines involved. Much of the work related to near term options to be discussed in the next section has been completed within The City as these are items that will respond to business and property owner concerns and are something The City can take responsibility for directly.

As we move to consider mid-term (within a 4-year cycle) and long term opportunities these initiatives will involve both internal and external stakeholders and requires additional planning and engagement to shape this work.

What can be done now regarding the Tax Shift?

There have been 5 different options explored at the request of Council for immediate measures that can be considered for implementation in the near term to address the economic situation and resulting impact on assessment and tax revenue for The City. The 5 options that will be discussed in the following sections are:

1. Transfer of the relative share of taxes paid from the Non-Residential to Residential property class
2. Intentional management of The City's budget
3. Use of one-time funds to mitigate the impact of extraordinary tax increases to eligible non-residential properties
4. Creation of a Small Business Sub-Class
5. Implementing an annual cap to the decrease in taxes to 10%

The following sections provide a brief description of each option, a summary of the analysis, a recommendation and a planned course of action or next steps. The final section of the report as well as the attached legal opinion provides a risk assessment of these options.

1) Transfer of the Relative share of taxes paid from Non-Residential to Residential

Historically, Calgary has benefited from the highly concentrated premium office space located in the downtown which has paid a substantial portion of the non-residential property taxes. As assessment values of downtown office buildings has dropped significantly and

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

while these values may recover, it is unlikely they will return to 2014 levels. One solution is to transfer the amount of tax revenues generated by the non-residential property class to other property tax classes.

The *Municipal Government Act* (MGA) specifies that a municipalities non-residential to residential property tax ratio cannot be greater than 5:1. Council's direction during budget deliberations to fix the residential tax rate increase at 3.45% means that the ratio of non-residential tax rate to the residential tax rate is 4.47:1.

Administration has examined several scenarios related to a shift of taxes from non-residential to residential. The first scenario relates specifically to tax room, if available, in 2019. In the event the provincial requisition for 2019 remained at 2018 levels, residential tax room could become available and Council could choose to use the room to shift the tax burden from non-residential. The provincial requisition and resulting tax room available will not be known until the provincial budget is released or the Province otherwise informs The City.

In addition, over the next three years of the One Calgary budget cycle in 2020-2022, Administration recommends:

- (a) A transfer in an amount of taxes borne by non-residential property accounts to residential property accounts of \$22 million in 2020, \$21 million in 2021 and \$20 million in 2022, and;
- (b) The transfer in the amount of taxes is primarily offset by \$20 million in savings, efficiencies or service reductions to be found in each of the next three years,

Assuming no other changes to the assessment roll or tax room, it is estimated that by 2022, the ratio of non-residential to residential tax rate ratio would decrease to 4.13:1 (excluding the impact of tax room in 2019). This combination of a transfer in taxes borne by the non-residential property accounts to residential property accounts offset by savings, efficiencies and service reductions, such that the typical residential property owner's tax increase in each of 2020, 2021 and 2022 would essentially be the same value as the 2019 tax increase (or \$65 per year in 2020, 2021 and 2022, assuming no other changes to the residential property's assessment);

If Council so directed that an additional \$25 million in savings, efficiencies and reductions were found in each of the next three years (rather than \$20 million per year as noted above), assuming no other changes to property assessment values or tax room, it is estimated that by 2022, the ratio of non-residential to residential tax rate ratio would decrease to 4.07: 1 (excluding the impact of tax room in 2019).

2) Intentional management of The City's budget

The intentional management of The City's budget has been a priority for Council and Administration over the previous Actions Plan cycle and will continue as committed during the One Calgary budget deliberations. While \$40 million in efficiencies were included the approved One Calgary plans and budgets, Administration is committed to finding an additional \$60 million of efficiencies and budget reductions within the 2019-2022 cycle to be used to shift from the non-residential base to the residential base. However, the loss of approximately \$250 million in municipal tax revenue previously generated from robust non-

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

residential property assessment values in the downtown cannot be solved by budget reductions alone without impacting service delivery.

3) Use of one-time funds to mitigate the impact to eligible properties

The Municipal Non-residential Phased Tax Program (PTP) was developed to mitigate, on a one-time basis, the impacts caused by the decline in market value of downtown offices and the resulting redistribution of tax load within the non-residential tax class. PTPs were approved by City Council for tax year 2017 and tax year 2018; both operated independently and capped tax increases from the previous year at five per cent (5%) for qualifying properties effectively phasing-in market-based increases in the share of taxes paid.

To date the 2017 PTP has reimbursed approximately \$26.5 million and over 5,000 non-residential property owners have received a tax credit for market related increases in taxes above five per cent over the 2016 tax year. The program was funded by a transfer of \$45 million to the Community Economic Resiliency Fund from intentional savings in 2016 Corporate Programs. Approximately \$3 million in 2017 PTP credits are currently set aside for accounts with outstanding proceedings before the Assessment Review Board or Alberta Court of Queen's Bench.

For the 2018 PTP, to date, approximately \$29.3 million in 2018 PTP credits have been distributed to over 6,900 accounts. The program was funded by a transfer of \$41 million to the Community Economic Resiliency Fund through a transfer from intentional savings in 2017 Corporate Programs. Approximately \$4.2 million in 2018 PTP credits is set aside for accounts currently before the Assessment Review Board or Alberta Court of Queen's Bench.

Fewer accounts have benefited from the PTP programs as the original amounts approved by Council were based on estimates of the number of possible recipients and the estimated amounts of credits to be applied. These estimates were made prior to the finalization of tax rates and prior to the tribunal process. Eligible accounts which filed a complaint against their 2017 and/or 2018 assessment values have delayed PTP credits from being [processed. In addition, decision of the ARB reduced the assessed values and the resulting tax changes to either a lower percentage year-over-year increase, or below the 5% threshold. These accounts will still have paid less taxes, just not through the PTP programs.

Potential 2019 PTP

If Council chooses to provide a tax relief program, a 2019 PTP would be a separate one-time program, not an extension of the 2018 or 2017 programs, and is recommended to limit the increase in municipal non-residential property taxes to ten per cent (10%). Like previous one-time PTPs, the 2019 PTP would be calculated using the actual 2018 municipal non-residential property tax rate, compared to the 2019 revenue neutral municipal tax rate. The calculation would not include the effect of Business Tax Consolidation, provincial requisition, 2017 Council Approved Rebates, 2018 PTP credits or 2017 PTP credits. The cost of this one-time program is estimated to be \$44 million, funded from the Fiscal Stability Reserve. Administration will also explore the potential for rebates in future years to residential homeowners.

Downtown Tax Shift Response

4) Creation of a Small Business Sub-Class

The term sub-class refers to the dividing up of a property assessment class to intentionally shift the distribution of shared taxes within that class. Overall, the division does not increase or reduce municipal tax revenues.

New provincial legislation, Matters Relating to Assessment Subclasses (MRAS) Regulation gives Council the discretion to divide the non-residential property into three subclasses: "small business", "vacant" land and "other" non-residential property. This division would allow Council to set the municipal "small business" sub-class tax rate at seventy-five per cent to one hundred per cent of the rate that would be applied to the other two non-residential property sub-classes. The Provincial legislation defines small business as less than 50 employees.

Administration will require time to review the legislation and how this may be implemented at The City. Further background information and preliminary analysis is found in Appendix 2.

5) Capping decreases in taxes to 10%

Another possibility raised by businesses would be a phase in or cap of large year over year tax decreases. By capping tax decreases, property owners who experience a decrease in the assessed value of their property (in comparison to other properties in the municipality) would not see an immediate and corresponding reduction in their property taxes. Instead, the property owner would effectively pay taxes in addition to the amount levied according to the assessed value of their property.

Administration has been exploring the feasibility of this within our legislated assessment regime.

What is being considered for the mid-term (the 4 year cycle)?

As Administration move from the options currently being considered for implementation towards additional options under review for the mid-term, our review has confirmed that there are many parties currently exploring alternatives from many different perspectives to address the economic issue facing Calgary.

Some of the primary work underway is currently centered on these focused areas noted below. Administration cautions that this is not an exhaustive list and further stakeholder engagement is being planned to ensure that a broad representation of perspectives is brought to the table to consider Calgary's collective economic future.

1) Encouraging ongoing dialog with the Calgary Economic Development and the larger Downtown Business Community

Since the direction from Council to "consult with Calgary Economic Development to undertake a policy, process, and membership gap analysis, regarding Downtown recovery, to ensure alignment and maximize capacity-build" The City has continued to work alongside Calgary Economic Development (CED) as they develop out the implementation strategy for the "Place" Focus Area (or pillar) of The Economic Strategy for Calgary. While the "Place" Focus Area is city-wide in scope, it is targeting the downtown as its major short-term focus. This CED-led process has continued to expand the stakeholders to better represent the various interests and organizations that have an economic stake in the downtown. The

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

Place sub-committee includes several key City Business Units as well as the Councillors from Wards 7 and 8 and representatives from The Mayor's Office.

At the same time, The City's Centre City Refresh project has continued with public engagement events reaching out to a broad range of stakeholder interests that include many of the same participants in the Place sub-committee, but also includes a broader range of interests that encompass resilience, environmental and social dimensions. The City and CED will continue to align these two major initiatives as they progress to ensure they are aware of and inclusive of other initiatives that impact the downtown. The Centre City Plan process includes the involvement of many City Business Units that have interests in the downtown and will continue to play a corporate coordinating role to ensure various City initiatives and strategies are aligned to implementing a common vision with shared goals and objectives.

By continuing to work together and sharing information and results, CED and The City are confident that the two initiatives will form an aligned and integrated approach to delivering on actions and strategies to address the short, mid and long term needs of the downtown as it transforms to adapt to the new economic realities of Calgary. On-going reporting from both CED and The City will include summaries of stakeholder engagement and will identify any areas where further engagement efforts may be required to bolster the effectiveness of the two projects.

2) Encourage capital dollars into the downtown to support renovation or repurposing of existing non-residential buildings

The work with CED and other related downtown committees as noted in the previous section is working towards supporting this objective.

3) Implementation of a Financial Task Force

As directed, Administration has considered the membership and terms of reference for a financial task force. The purpose of the Financial Task Force as directed by Council is to form a group comprised of both internal and external experts to develop a strategy or strategies related to short term mitigation measures, potential long term solutions and new revenue options that can work toward improving financial resiliency for The City.

A draft framework has been prepared for the work to be done by the task force and is available in Attachment 4 - Financial Task Force Terms of Reference. Included in the draft terms of reference are a number of steps for task force member selection which includes:

1. An external advertisement of the establishment of the Financial Task Force including the Terms of Reference accompanied by a call for external applicants with specific skill sets.
2. After the closing date for applications, there will be a review of submissions against a Council approved skills matrix, by members of a pre-established selection committee.
3. A final selection decision will be made by Council tentatively scheduled to be at the 2019 May 13 Strategic Meeting of Council based on the recommendations of the selection committee.

Once the above steps are complete, it is anticipated that the Financial Task Force will commence its work shortly thereafter. Planning for objectives, tasks and related timelines

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

will be established by the group with a preliminary first report due back to Council no later than Q4 2019.

4) Advocacy with the Province of Alberta

In the short term, as part of a Council approved advocacy plan Intergovernmental & Corporate Strategy (ICS) has been developing content and tactics calling on other orders of government to “Promote Economic Recovery for Calgary,” including support for a downtown strategy. Among other things, this includes calls for tools to support and grow Calgary business including contributions to the Opportunity Calgary Investment Fund and some form of provincial property tax relief. ICS will continue to work through the IGA Committee to ensure all Members of Council are apprised of these efforts and in possession of whatever materials they require to support their own advocacy.

5) Resiliency Calgary and 100 Resilient Cities work

The resiliency of a city improves when all are encouraged and able to participate in a diverse and strong economy. With our community and 100 Resilient City partners, #ResilientYYC, under the Economic Resilience pillar, look to accelerate economic development initiatives that enhance the quality of life for Calgarians. Building on Inclusive Leadership, Natural Infrastructure and Infrastructure outcomes, #ResilientYYC economic actions focus on talent development, addressing digital disparity, business continuity and business growth and attraction.

6) Focus and reprioritization of Industrial Land Strategy

Real Estate & Development Services (RE&DS) is keenly aware of the how City owned real estate, coupled with the expertise of RE&DS staff, can be leveraged to maximize strategic outcomes and benefits for Calgary and Calgarians. Currently, there are three specific strategies being implemented by RE&DS that will deliver and align specifically to generating additional tax revenue for The City: Industrial Land Strategy 2013-2022, Industrial Land Marketing Strategy, and Enhanced Rationalization. RE&DS has committed to report regularly to the SPC on Utilities and Corporate Services on the status of the strategies and the real estate market generally.

In this regard, RE&DS has an Industrial land strategy. The incentive for The City being in the business of developing industrial land is that we're in it for the long-term benefit of all Calgarians. We work to attract diverse and quality employers, make infrastructure investments that are good for all nearby land owners, provide purchasing opportunities for local, national and international businesses of all sizes, and engineer quality parks with build commitments, which protects the value of the purchaser's investment. Through these efforts, we maximize the long-term generation of tax revenue and also contribute to affordable housing.

Industrial Land Marketing Strategy

Realizing the importance of how a key result of the Industrial land strategy is the generation of new non-residential tax base, RE&DS is underway with an Industrial Land Marketing strategy for implementation, in an effort to increase the velocity of sales of City-owned industrial parcels. RE&DS marketing strategy and execution will provide the following benefits to Calgary and Calgarians: increase awareness of our available industrial land, highlight the strategic benefits of locating in Calgary, promote our city's status as an

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

established Transportation and Logistics hub, promote and support the economic diversification of Calgary, and to generate leads from North American businesses looking to expand their operations to Calgary.

Additionally, RE&DS is dovetailing its marketing efforts with Calgary Economic Development to attract companies in the Transportation & Logistics sector that need Calgary's unparalleled transportation infrastructure, skilled workforce and strategically located industrial parks.

Enhanced Rationalization

In addition to our Industrial land strategy, RE&DS understands that other City-owned land can also be leveraged for similar outcomes. As a corporation, we are continuously improving our land asset management process to leverage The City's real property assets for the benefit of all Calgarians, with this work being led by the Corporate Land Administration team within RE&DS. In recent years we have successfully implemented best-in-class governance standards and processes, and a state-of-the-art land inventory data tool, to support wise land management decision making. The process for improving inventory management was known as Rationalization. Rationalization required all business units that steward land in the corporation to rationalize their current or future need for every City owned parcel. This entailed a review of 8,140 individual City owned parcels by the end of 2018. Follow up work is underway on this strategy.

In the mid-term, building on this foundation and with the 2019-2022 One Calgary Service Plans and Budget approval, we can now vastly improve inventory management (known as Enhanced Rationalization) to further uncover land no longer needed for future municipal purposes. The intended result of the Enhanced Rationalization project will be an increase in the velocity of sales of surplus City-owned real estate, and the associated increases to the tax base as that real estate becomes a privately held taxable asset.

What are currently being examined as long term initiatives?

The recognition that there is a need for economic transformation in Calgary has risen to the surface as a result of the evolution of the oil and gas industry and challenges facing that industry. This transformation is something that will take place over an extended period of time and involves many stakeholders.

1) Support "Calgary in the New Economy" the Economic Strategy

In 2018, CED brought forward an Economic Strategy "Calgary in the New Economy" that is focused on four pillars – Talent, Innovation, Place and Business Environment. CED is expected to report back to Council in May 2019 with an update on the implementation of the strategy. Council has further supported CED's work on the economic strategy with additional resources approved in the current budget cycle.

2) Advocacy – Provincial and Federal

Over the medium- to longer-term, a broader advocacy strategy may need to be considered. The immediate-term options intended to cushion the effects of the tax-shift contained in this report lie within The City's existing authorities. Many of the medium- and long-term changes, however, lay outside of The City's jurisdiction and will require either legislative change from, or at least the support of, other orders of government. When anticipating the

**Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05**

**ISC: UNRESTRICTED
PFC2019-0148**

Downtown Tax Shift Response

receptivity of the Government of Alberta in particular, two considerations should be borne in mind.

- The Government of Alberta recently completed a comprehensive review of the Municipal Government Act and may be reluctant to explore further changes. As the challenges we are facing are specific to the Calgary context, however, necessary changes could be pursued through the City Charter process.
- Here too, however, the province may display some reluctance for a new round of charter negotiations, following the recent amendments to the City Charter Regulation and passage of the *City Charters Fiscal Framework Act*. This “Charter fatigue” may be compounded if a new government is elected in the spring election and must first be brought up to speed on the existing changes. There may be a particular reluctance on the part of the Government of Alberta to consider proposed solutions involving changes to the fiscal framework or the revenue sources available to The City of Calgary, given the recent conclusion of a two-year long process to establish the latest changes to the fiscal framework.

Nevertheless, with Council direction on a preferred list of medium and longer-term solutions, ICS will work with affected departments to identify which changes are required from other orders of government and develop an appropriate advocacy and engagement strategy to pursue those changes.

3) Collaborations between Government, Civic Partners and Community based groups

As many parties are currently meeting and discussing various opportunities to contribute towards potential positive movement in an economic recovery and downtown revitalization, we need to work together to determine the role of The City and other orders of government in a potential coordinating body for all of this work. The City will work to identify the potential groups to be involved and what a potential coordinating body and resulting structure may entail.

Stakeholder Engagement, Research and Communication

A significant amount of engagement has taking place around the tax shift discussion as well as the broader topic of economic diversification, downtown rejuvenation and resilience of the community. Many groups and committees have been or will be engaged with including Calgary Economic Development, the Chamber of Commerce, Business Improvement Areas and many others. In addition to these groups, there have been discussions with the real estate advisory committee and other small business community members.

Strategic Alignment

This work aligns with all Council's priorities and direction.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0148

Downtown Tax Shift Response

Financial Capacity

Current and Future Operating Budget:

Administration is committed to efficiencies and savings in the One Calgary 2019-2022 business plan and budget cycle. The various strategies, tactics and initiatives underway are currently afforded within the One Calgary 2019-2022 business plan and budget cycle. Administration will carefully review resource requirements for the mid and longer term solutions to ensure proper resources are assigned.

Current and Future Capital Budget:

None at this time.

Risk Assessment

The impact of the economic downturn on property assessment values and resulting reduction in property tax income impacts all parts of The City. The primary corporate risks related to the Downtown Shift are:

Capacity for change risk – Calgary is in a time of significant change, the energy industry is undergoing major structural changes and as a result, businesses, real estate and residents are impacted. Ability to adapt to change is a significant risk for businesses, individual residents, property owners and governments, including our own staff in this changing economic environment.

Financial risk – the lower property tax revenues generated from the downtown office towers and related shift of those taxes onto other non-residential property taxes. The magnitude of this problem cannot be addressed through budget reductions at The City alone and therefore part of the lost property tax revenues must be shifted to other properties.

Legal & Compliance Risk – some of the proposed changes require further detailed review of existing legislation and the ability to enact some of the proposed solutions within that legislation.

Political risk - The economic downturn has impacted investment, businesses and jobs in Calgary. For The City, taking no action may result in further job losses across the small business sector.

REASON(S) FOR RECOMMENDATION(S):

The recommendations in this report focus upon the immediate solutions that can be implemented through the tax rate finalization process this spring.

ATTACHMENT(S)

1. Attachment 1 – Previous Council Direction
2. Attachment 2 - Creation of a Small Business Subclass
3. Attachment 3 – Legal advice, confidential
4. Attachment 4 – Draft Financial Task Force Terms of Reference
5. Attachment 5 – Assessment Tax Working Group Membership

PREVIOUS COUNCIL DIRECTION

Date	Meeting Type	Report Number	Decision
2018 November 19	Council	PFC2018-1134	<ol style="list-style-type: none"> 1) Direct the Assessment & Tax Working Group to present its final report to the Priorities and Finance Committee, no later than Q1 2019. 2) Direct Administration to consider the following: <ol style="list-style-type: none"> a) Budget reductions to offset tax-shift to reflect the New Norm; b) Solutions to reduce swings in redistribution; c) City-Initiated diversification of revenue sources to reduce reliance on the property tax; d) Alternatives to the Phased Tax Program to support businesses directly; e) Reducing the ratio between residential and non-residential over a period of 5 years; f) Incentivizing/reducing barriers to residential development in the Centre City; and g) Council Strategic Session outlining challenges and opportunities in the Downtown. 3) Direct Administration to consult with Calgary Economic Development to undertake a policy, process, and membership gap analysis, regarding Downtown recovery, to ensure alignment and maximize capacity-building, and return to Council with recommendations and budget implications no later than Q1 2019. (Not the subject of this report) 4) Direct Administration to convene a Financial Task Force comprised of internal and external experts to develop a strategy on the following: <ol style="list-style-type: none"> a) Short term mitigation b) Long term solutions c) Revenue options to improve financial resiliency 5) Return to Council through Priorities and Finance Committee with the recommended membership, framework, and terms of reference no later than Q1 2019.

<p>2018 November 14</p>	<p>Council</p>	<p>C2018-1158</p>	<p>Direct Administration, that if provincial tax room should become available for 2019, to make use of the tax room to reduce the municipal non-residential tax property tax rate Council's highest priority.</p> <ol style="list-style-type: none"> 1. Find salary and wage savings to achieve a property tax increase of 2.45% in 2019, and fix the residential tax rate increase at 3.45% to achieve a shift from the non-residential assessment base to the residential base. (Not the subject of this report) 2. Better inform mid-cycle budget considerations and to shape the focus of anticipated Zero-based reviews, direct Administration (specifically Corporate Initiatives and Intergovernmental & Corporate Strategy) to work with Mayor Nenshi and Cllrs Colley-Urquhart and Gondek in drafting the agenda and outcomes for the January 28 2019 Strategic Meeting of Council that will accomplish the goals of: <ol style="list-style-type: none"> a. Setting Council strategic priorities for the remainder of the term; b. Discussing the major unfunded capital projects, and c. Inform the agenda and outcomes for a subsequent session to conduct a review of the 61 services lines (and subsets) before the end of Q3 2019 (Not the subject of this report) 3. Come back in Q1 with further options on shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to: <ol style="list-style-type: none"> a. Creation of a small-business assessment class b. Continuing shift from non-residential to residential; c. One-time money to manage the transition; d. Advocacy with the Federal and Provincial governments; e. An examination of reserves and other funding sources which may be available. 4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April
-----------------------------	----------------	-------------------	---

			2019, to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to the Priorities & Finance Committee on May 14, 2019.
2018 April 25	Council	C2018-0489	Council approved the indicative tax rates.
2018 March 19	Council	PFC2018-0045	Council recommended the implementation of the one-time 2018 Municipal Non-Residential Phased Tax Program (2018 PTP). The 2018 PTP limited the increase in 2018 municipal non-residential property taxes for eligible non-residential property owners to five per cent (not including the effect of Business Tax Consolidation (BTC)).
2017 January 23	Council	C2017-0057	Council recommended the implementation of the one-time 2017 Municipal Non-Residential Phased Tax Program (2017 PTP). The 2017 PTP limited the increase in 2017 municipal non-residential property taxes for eligible non-residential property owners to five per cent (not including the effect of Business Tax Consolidation (BTC)).
2012 April 09	Council	PFC2012-35	<p>Council approved, the consolidation of business tax revenue into the non-residential property tax, based on the following schedule for the incremental transfer of budgeted 2013 business tax revenue, adjusted for physical growth and contingency amounts in future years:</p> <ul style="list-style-type: none"> • zero per cent in 2013; • 10 per cent in each of the years 2014-2015; and • 20 per cent in each of the years 2016-2019, with business tax, for business tax purposes, eliminated in 2019.

Matters Relating to Assessment Subclass (MRAS) Legislation

The term subclass refers to the dividing up of a property assessment class to intentionally shift the distribution of shared taxes within that class. Overall, the division does not increase or reduce municipal tax revenues.

New provincial legislation gives Council the discretion to divide the non-residential property into three subclasses: “small business”, “vacant” land and “other” non-residential property. This division would allow Council to set the municipal “small business” subclass tax rate at seventy-five per cent to one hundred per cent of the rate that would be applied to the other two non-residential property subclasses.

Potential Benefits

The prescribed criteria make it difficult to identify what types of property would be eligible. “Small business” non-residential property is defined as a property or portion of a property that is owned or leased by a business that is (1) operating under a business license or is otherwise identified in a municipal bylaw and (2) has fewer than 50 full-time employees across Canada on December 31 of the year before the tax year and (3) is not sub-leased to someone else. The legislation allows Council discretion to set a smaller maximum number of employees, additional qualifying criteria and to set an alternative cut-off date.

Administrative Considerations

Qualification and reporting requirements may introduce new administrative burdens and “red tape” for both business and property owners. In terms of reducing barriers to operating a small business within Calgary, there is no simple streamlined process to capture and record the necessary information and no guarantee a reduced tax rate could be passed from the landlord/property owner to a qualifying tenant. This in turn may impact their interest in acquiring a “small business property” classification. Therefore, creating a small business subclass may not benefit those who are most in need of support.

Currently, a property may be assigned one or both residential and non-residential assessment classes and any change in classification requires a lengthy process. The relevant tax rates are then applied based on proportion, not individual premises. If the property has more than one occupant, the total tax amount is distributed amongst the tenants by the landlord, usually set out in lease terms along with other operating costs.

Any changes to subclasses and tax rates on a property would involve additional administration for the landlord and some tenants incurring disproportionately higher property taxes than others. The property owner would be required to advise The City whenever there are changes to onsite business operations as tenancy, business ownership and numbers of full-time employees may change during the tax year.

Risks

The assessment subclass and tax rates must accurately reflect the property to ensure preferential tax treatment is not unfairly provided to properties that do not qualify. Property owners can file complaints at the Assessment Review Boards on their own and others’ properties regarding the classifications and sub-classifications applied. Because other non-residential properties will be required to carry a higher tax burden, there will be a financial motive for some businesses to alter staffing and or contracting practices to meet the full-time employee maximum.

Many businesses have multiple locations, particularly retail and foodservices businesses. It is possible that different locations will be classified and taxed at different rates. The City business licensing process does not distinguish between independent, locally-owned locations and those that may be owned and operated by a company with more than 50 employees across Canada.

In addition, not all businesses are required to have a municipal license to operate because the business activities are out of scope for Bylaw purposes or they fall under other regulatory or oversight bodies.

Implementation Considerations

The procedures to allow for the effective administration of assessment subclass and tax rates must be set out by municipal bylaw. The bylaw would have to include:

- an applied definition and criteria for “small business”;
- a method for determining what businesses are or should be licensed;
- a method for determining and counting full-time employees, and verifying the accuracy of information on file;
- the “as of” date and the frequency of that count;
- in-year changes in occupancy due to businesses opening and moving.

The lead up to implementation would have to include:

- New tools to capture data in consultation with business and property owners
- Changes to Assessment and Tax IT systems to accommodate different subclasses and tax rates
- Additional licensing and business registration bylaws should Council wish to expand the types of businesses that might be included
- Changes to licensing and business registration processes to collect the necessary data based on small business property subclass definition
- Review and reclassification of all non-residential properties and businesses

Potential Systems costs

Assessment: Subclasses are not a component in the current system and were not within the scope of the system currently under development. New integration pieces would be needed, with significant expansion of approved budgets.

Tax: At a high level, developing an upgrade to the property tax system would require an estimated \$1,000,000 (2018 \$ estimate) with one year to develop and integrate Assessment and Tax systems.

Licensing: Estimated costs to license-related systems are unknown at this time; resources will need to be allocated for an evaluation and investigation of POSSE capabilities to capture required data.

Operating Budget Impacts

Should Council choose to establish the subclasses, an increase in staffing levels would be required for the administration of information collection and property reclassification, as well as additional FTEs for ongoing information management, property account maintenance and related customer service support.

Financial Task Force Draft Terms of Reference

Contents

1. Purpose	1
2. Scope.....	1
3. Objects.....	2
4. Deliverables	3
5. Operational Guidelines and Responsibility Matrix	4
6. Governance and Accountability.....	5
Exhibit 1: City of Calgary Council Direction on Financial Task Force.....	6
Exhibit 2: Framework for Task Force Deliverable	8
Exhibit 3: Summary of the Governance and Accountability Structure	9
Exhibit 4: Skills Matrix for Potential Task Force Members	10

Draft Version v2.0
Completed February 19, 2019

Draft Terms of Reference for the Financial Task Force

1. Purpose

- a. These Terms of Reference establish the roles and responsibilities for The Financial Task Force (the “Task Force”) as directed by recommendation #5 and #6 of PFC2018-1134 that was amended and approved by City of Calgary Council at the 2018 November 19 Regular Meeting of Council. **Exhibit 1** of the Terms of Reference outlines Council direction for this work.
- b. The setting up of the Task Force reflects the need to address fiscal challenges arising from a shift in the property tax load across groups of non-residential property owners due to persistently lower downtown office assessment values following the 2015-16 Calgary recession. Members of the Task Force are expressly directed to develop a strategy that will focus on:
 - i. “Short-term mitigation;
 - ii. Long-term solutions;
 - iii. Revenue options to improve financial resiliency.”
- c. The Task Force will engage with key stakeholders and other parties to share ideas and develop options.
- d. Members of the Task Force will need to identify options and make recommendations to Council that respond to the summary diagnosis outlined in the City Manager’s PFC2018-1134 presentation.

2. Scope

- a. The strategy developed by the Task Force should provide a platform for implementing necessary changes. The focus will be on addressing financial vulnerabilities and improving equity and fairness in funding for The City’s services to Calgarians;
- b. Following City Council’s direction, **Exhibit 2** of the Terms of Reference provides the framework for analysis and strategy development that will define the specific work of the Task Force.
- c. As highlighted in Exhibit 2, the final report of the Task Force will examine and make recommendations on options that would respond to the summary diagnosis outlined in the

City Manager's PFC2018-1134 presentation. Options to consider include, but are not limited to:

- i. Application of spending and other restraints that are non-disruptive to generate savings;
 - ii. Utilization of financial reserves;
 - iii. Distribution of the tax load across taxpayer groups;
 - iv. Expansion of the revenue base and revenue options;
 - v. Configuration of Intergovernmental transfers and revenue generating authority; and
 - vi. Identification of incentives for a burgeoning private sector.
- d. A skills matrix outlining the requirements for Task Force members is available as **Exhibit 4** of the Terms of Reference.
- e. There will be a three-step process for task force member selection. The first is an advertisement of the Terms of Reference accompanied by a call for external applicants. The second is a review of applications, using the skills matrix, by members of a selection committee. The third is a selection decision by Council at the (Strategic Session – TBD) based on the recommendations of the selection committee.

3. Objectives

- a. The Task Force will rely on the result of the engagement with the Chamber of Commerce, Commercial Real Estate Advisory Committee, Calgary Economic Development, other interested stakeholders, organizations, and other orders of government due before the 2019 May 14 Priorities and Finance Committee (PFC) discussion. The Task Force will use the outcome of stakeholder engagement for additional understanding of challenges and opportunities facing The Corporation;
- b. The Task Force will establish a standard set of principles and rules to guide member contributions to the report deliverables. The report deliverables will include one-time and mid to long-term measures that will evolve to counteract the economic reality of the day;
- c. The Task Force will identify and evaluate options and alternatives that enhance or improve financial and economic resilience, a balance of revenue sources, and The City's long-term fiscal position;
- d. The Task Force will explore and potentially propose amendments to provincial and federal legislation, including the Municipal Government Act and The Calgary Charter, that can be explored to realize meaningful change;

- e. The Task Force will consider and suggest potential processes, performance measures and metrics, as necessary to respond promptly to volatility in the local economy.
- f. The Task Force will periodically report to Council the progress of its work, and provide support to a Strategic Session(s) of Council to enable The Mayor and Councilors to identify, evaluate, and formulate The City's response to the current fiscal challenges at The City;

4. Deliverables

- a. Expectations: In general, the role of the Task Force is to recommend a strategy or series of options that responds to the summary diagnosis outlined in the City Manager's PFC2018-1134 presentation. Specific deliverables are:
 - i. A report that would include individual chapter reviews of options to reflect the outcome of the assessment conducted by members of the Task Force;
 - ii. The report recommendations should respond to the summary diagnosis outlined in the City Manager's PFC2018-1134 presentation;
 - iii. A draft strategic communications plan including the potential need for press releases and associated briefing documents or issue papers;
 - iv. The performance measures and metrics and processes for communicating progress;
 - v. The identification of changes to provincial and federal legislation and regulations;
 - vi. A supporting advocacy strategy for other orders of government to consider the proposed changes identified in "v" above;
 - vii. A proposed Strategic Session of Council with Task Force members along with designated Administration and potential external subject matter experts to support Calgary City Council's decision-making;
 - viii. Periodic reporting to Council, including a final report to Council no later than TBD.
- b. Out of Scope: The following activities are excluded from the scope of the Task Force:
 - i. Specific proposals for changes and amendments to The City's service delivery and capital budgets;
 - ii. Implementation, staging, and operation of local events to advance a new Financial Framework.

5. Operational Guidelines and Responsibility Matrix

Members of the Task Force are responsible for and agree that building and maintaining a positive and cooperative working relationship with key stakeholders, community groups, other orders of government and individual Calgarians is vital to the success of The City's transformation efforts.

The mandate and deliverables of the Financial Task Force and the different groups in the accountability structure supporting the work of the Task Force is outlined in the responsibility matrix below:

Responsibility	Mandate	Deliverable
Financial Task Force	Directed by Council and led by the Chief Financial Officer – to develop a coherent set of actions that will make up the strategy for a response to uncertainty and volatility in the local economy.	4a (i to ii)
Project Management Office	Support the work of subject matter experts on the Task Force by monitoring risks, quality and project timelines and assist with communications.	4a (iii) 4a (viii)
Steering Committee	To develop targets and performance measures that will inform the adjustments to evolving local conditions by following the strategy. To pursue engagement with other orders of government as needed to realize the strategy.	4a (iv to vi)
Project Sponsor	To provide the oversight function for the work of the Task Force and to identify, evaluate and recommend The City's response to the current fiscal challenges from the Financial Task Force findings and recommendations.	4a (vii)

6. Governance and Accountability

- a. Governance and Collective Accountability: To deliver on Council's direction and achieve effective governance and decision-making support for the work of the Task Force, **Exhibit 3** provides a visual summary of the proposed governance and accountability structure.
- b. Individual Accountability: Roles and responsibilities for groups in the governance and accountability structure are summarized below.
 - i. Calgary's City Council will remain accountable for the work of the Task Force throughout its lifespan.
 - ii. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* will govern the meetings of the Financial Task Force.
 - iii. The Chair of the Financial Task Force will be the Chief Financial Officer (CFO) of The City of Calgary.
 - iv. The Financial Task Force will appoint a co-chair who will act as chair in the absence of the CFO. A member may decline the position of Co-Chair without cause or consequence.
 - v. The Chair will lead the work of the Steering committee. The Chair will select members of the steering committee from the Administration of The City of Calgary.
 - vi. The Project Management Office (PMO) will coordinate dialogue and engagement with members or between members throughout the lifespan of the Task Force.
 - vii. The Chair of the Task Force will appoint a Project Manager that will drive the execution of deliverables.

Exhibit 1: City of Calgary Council Direction on Financial Task Force**Item 9.3.2 at the Regular Meeting of Council held on 2018 November 19****2019 Projected Tax Shift Non-Residential Properties, PFC2018-1134****MOTION CARRIED:**

1. Direct the A&T Workgroup to present a final report to PFC no later than Q1 2019. In this, Administration should consider the following:
 - a. Budget reductions to offset tax-shift to reflect the New Norm;
 - b. Solutions to reduce swings in redistribution;
 - c. City-Initiated diversification of revenue sources to reduce reliance on the property tax;
 - d. Alternatives to the Phased Tax Program to support businesses directly;
 - e. Reducing the ratio between residential and non-residential over a period of 5 years;
 - f. Incentivizing/reducing barriers to residential development in the Centre City; and
 - g. Council Strategic Session Outlining Challenges and Opportunities in the Downtown.
2. Direct Administration to consult with Calgary Economic Development to undertake a policy, process, and membership gap analysis, regarding Downtown recovery, to ensure alignment and maximize capacity-building and return to Council with recommendations and budget implications no later than Q1 2019.
3. Direct Administration to convene a Financial Task Force comprised of internal and external experts to develop a strategy on the following:
 - a. Short term mitigation
 - b. Long term solutions
 - c. Revenue options to improve financial resiliency.
4. Return to Council through Priorities and Finance Committee with the recommended membership, framework, and terms of reference no later than Q1 2019.

Regular Meeting of Council held on 2018 November 26 – 30**One Calgary Budget for 2019 to 2022****CURRENT DIRECTION:**

3. Direct Administration to come back in Q1 2019 with further options on the shift from non-residential assessment base to the residential assessment base as previously directed by Council, including but not limited to:
 - a. creation of a small-business assessment class;
 - b. continuing shift from non-residential to residential;
 - c. one-time money to manage the transition; and
 - d. advocacy with Federal and Provincial Governments.
4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April 2019 to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to Priorities & Finance Committee on May 14, 2019.

Exhibit 2: Framework for Task Force Deliverable

A high-level description of the framework for the primary task force deliverable, which is a report outlining “a strategy on (a) short term mitigation; (b) long term solutions; and (c) revenue options to improve financial resiliency” is summarized below:

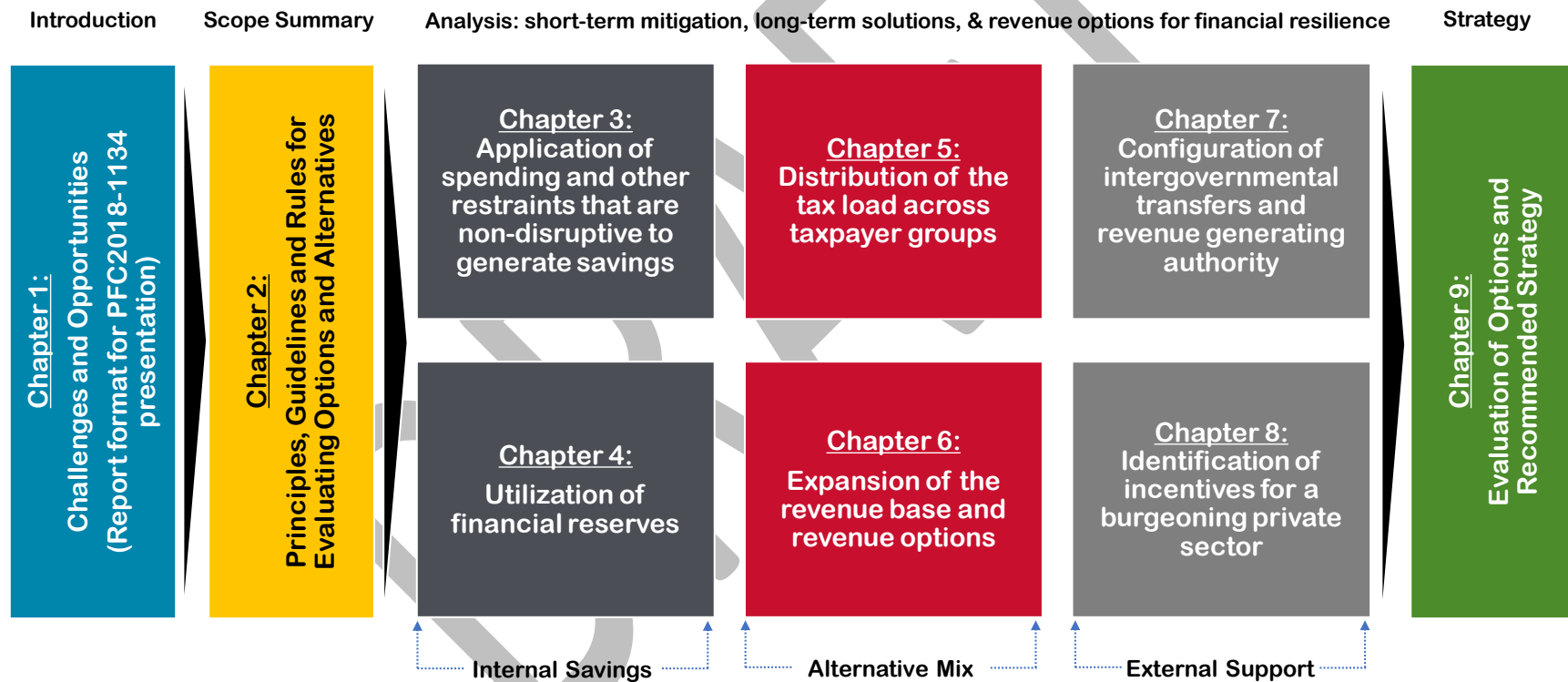


Exhibit 3: Summary of the Governance and Accountability Structure

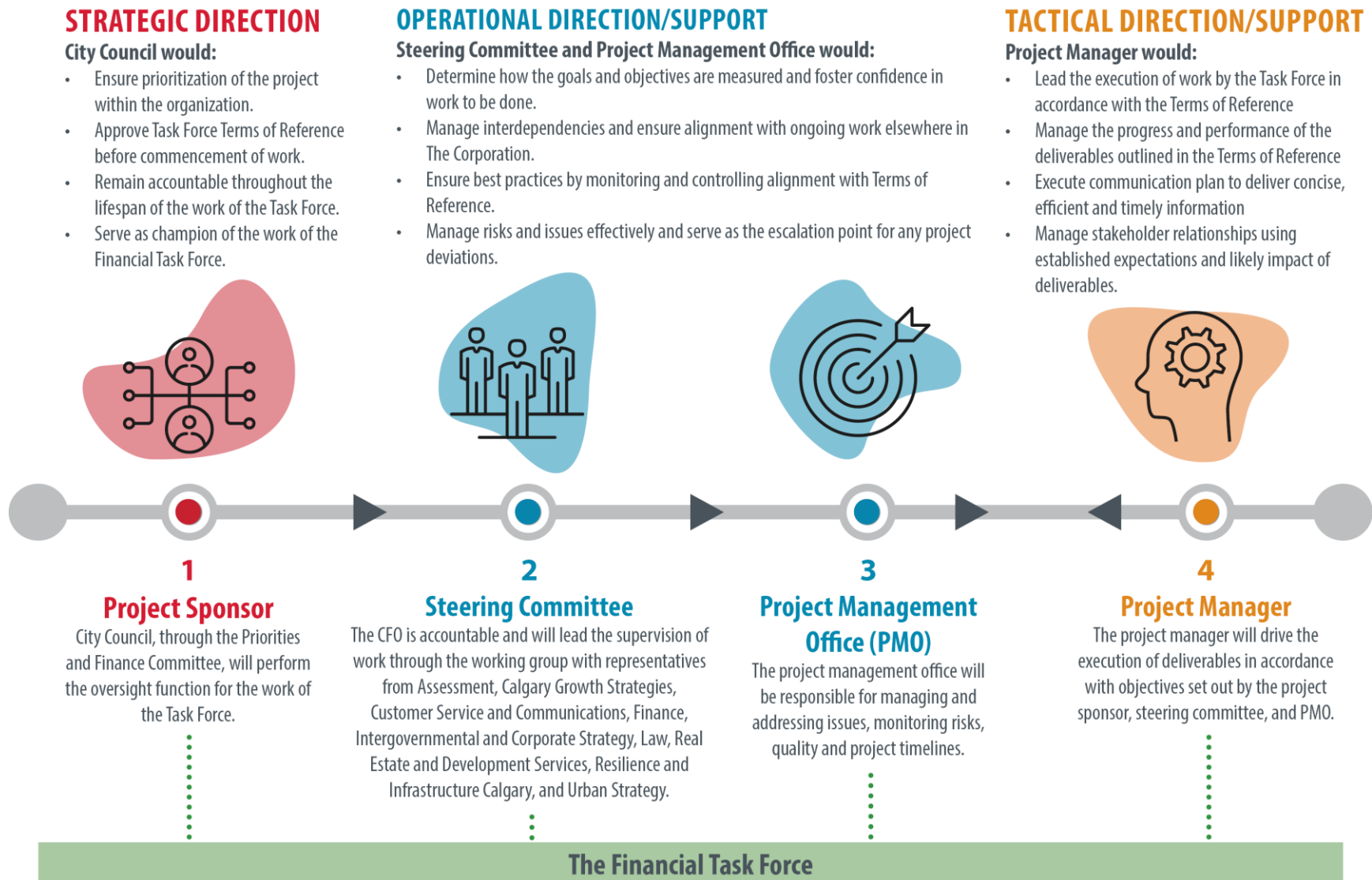




Exhibit 4: Skills Matrix for Potential Task Force Members

ELIGIBILITIES:

TERMS OF REFERENCE DEFINITION OF ELIGIBILITIES

QUALIFICATIONS:

DESIRED SKILLS AND EXPERIENCE

LAST NAME	FIRST NAME	<u>Economic Expert: Diagnostic Overview of Challenges and Opportunities</u>	<u>Policy Expert: Coherent Principles and Rules for Evaluating Alternatives</u>	<u>Accounting Expert: Applying spending & other restraints that are non-disruptive</u>	<u>Finance Expert: Utilizing financial reserves</u>	<u>Tax/ Fiscal Policy Expert: Distributing the tax load across taxpayer groups</u>	<u>Economic Expert: Expanding the revenue base and revenue options</u>	<u>Intergovernmental Expert: Configuring revenue generating authority</u>	<u>Private Sector Incentives Expert: Incentives for burgeoning private sector</u>	<u>Strategy/ Policy Expert: Evaluating options and recommending a strategy</u>	Academic experience or Doctor of Philosophy degree	Policy and public administration knowledge	3 to 5 years previous board experience (any kind)	Experience and training for media / public relations engagements	Good verbal and written communication skills	Budget planning and financial management experience	Finance designation (e.g. CA)	COMMENTS	RECOMMEND Yes / No
Male	Carla		Xx	Xx	Xx					Xx		Xx	Xx	Xx	Xx	Xx	Xx		
City Staff	Name A																		
City Staff	Name C																		
City Staff	Name D																		
Applicant	Number 1																		
Applicant	Number 2																		
Applicant	Number 3																		
Applicant	Number 4																		
Applicant	Number 5																		
Applicant	Number 6																		
Applicant	Number 7																		
Applicant	Number 8																		
Applicant	Number 9																		
Applicant	Number 10																		
Applicant	Number 11																		
Applicant	Number 12																		
Applicant	Number 13																		

ASSESSMENT TEAM WORKING GROUP MEMBERS

- Chris Arthurs, Director - Resilience & Infrastructure
- Jason Cameron, Program Lead – Resilience & Infrastructure
- Doug Cassidy, Director - Real Estate and Development Services
- Henry Chan, Lawyer - Law
- Jeremy Clarke, Sr. Strategist - Intergovernmental & Corporate Strategy
- Andrea Cole, Lawyer - Law
- Andrew Cornick, Manager Industrial and Land Valuation - Assessment
- Jill Gaume, Client Liaison - Customer Service & Communications
- Nelson Karpa, Director - Assessment
- Stephanie Knight, Strategy and Business Lead - City Manager's Office
- Thom Mahler, Manager Urban Strategy - Planning and Development
- Carla Male, A/Chief Financial Officer- CFOD
- Spencer McClurg, Manager Sales & Acquisitions – Real Estate and Development Services
- Sheryl McMullen, Departmental Strategic Advisor - CFOD
- Jennifer McMurtry, Director – Customer Service & Communications
- Kathy Davies Murphy, Manager Growth & Strategic Services – Planning and Development
- Katelynn Paton, Issue & Communication Strategist – Office of the Mayor
- Krista Ring, Manager Customer Experience – Customer Service & Communications
- Oyinola Shyllon, City Economist & Regulatory Leader - Finance
- Kirk Thurbide, Leader Client Liaison – Customer Service & Communications

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0288

Status of Outstanding Motions and Directions

EXECUTIVE SUMMARY

Outstanding items for the Priorities and Finance Committee as of 2019 February 13.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

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.

BACKGROUND

None.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

None.

Stakeholder Engagement, Research and Communication

None.

Strategic Alignment

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

Social, Environmental, Economic (External)

None.

Financial Capacity

Current and Future Operating Budget:

None.

Current and Future Capital Budget:

None.

Risk Assessment

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 a specific direction or motion will be dealt with in the context of the report on that direction or motion.

REASON(S) FOR RECOMMENDATION(S):

This report assists with the Priorities and Finance Committee to proactively track and manage its work.

Chief Financial Officer's Report to
Priorities and Finance Committee
2019 March 05

ISC: UNRESTRICTED
PFC2019-0288

Status of Outstanding Motions and Directions

ATTACHMENT

Status of Outstanding Items for the Priorities and Finance Committee

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
ACHIEVING GOOD GOVERNANCE THROUGH OPTIMIZING COMMITTEE MANDATES	2019 January 14	C2019-0073	NOW THEREFORE BE IT RESOLVED that Council direct Corporate Initiatives, Law and the City Clerk's Office, in consultation with Members of Council and review relevant mayoral/council systems across North America , to examine options for revising the mandate for the Standing Specialized Committee of Priorities and Finance to evolve it into an executive committee of Council and report back to Council through the Priorities and Finance Committee , no later than the end of Q2 2019 ;	2019 Q2
SOCIAL PROCUREMENT: STATE OF PRACTICE AND RECOMMENDATIONS	2018 December 17	C2018-1379	Direct Administration to return to the Priorities and Finance Committee no later than Q1 2019 with a: <ul style="list-style-type: none"> a. Terms of Reference for the Sustainable , Ethical, Environment Procurement Policy (SSEPP) Advisory Task Force; b. Scoping Report for the three pilot projects; and c. Workplan. 	2019 Q1

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
RELATED PARTY DISCLOSURE REPORT	2018 December 04	PFC2018-1391	Direct Administration to review the existing Disclosure Policy for Members of Council (CC044) to include the disclosure requirement in 2019 and send any recommendations for amendment to Council through the Priorities and Finance Committee no later than the end of September 2019.	2019 September
One Calgary 2019-2022 Service Plans and Budgets	2018 November 14	C2018-1158	4. Meet with the Chamber of Commerce, Commercial Real Estate Advisory Committee of Calgary, Economic Development and other interested stakeholders by the end of April 2019 to share ideas and options generated through the tax shift work undertaken in point 3 above. Following this engagement, bring a joint Administration/business community presentation to Priorities & Finance Committee on May 14, 2019.	2019 May 14
CIF APPLICATION: ONE CALGARY POLICY REVIEW	2018 November 06	PFC2018-1300	That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q3 2020.	2020 Q3

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
CIF APPLICATION: ON DEMAND TRANSIT	2018 November 06	PFC2018-1291	That the Priorities and Finance Committee direct Administration to report back to PFC indicating how the money was spent and outcomes of the projects no later than Q2 2020.	2020 Q2
INDEPENDENT REVIEW OF NON- RESIDENTIAL ASSESSMENT AND APPEAL SYSTEM	2018 October 30	PFC2018-1222	That the Priorities and Finance Committee recommend that Council direct the City Manager to assign a lead to monitor and report back on the implementation of the consultant's recommendations as well as their impact on the non-residential assessment and complaint system, no later than 2019 Q3.	2019 Q3
HISTORIC GRAND LODGE OF THE FREEMASONS	2018 July 30	C2018-0959	That with respect to Notice of Motion C2018-0959, the following Motion Arising be adopted: That Council direct Administration to prepare a report, and return to Council through the Priorities and Finance Committee no later than 2019 Q2, that provides an overview of the legislation governing property tax exemptions and tax cancellations in Alberta, Administration's current process for administering property tax exemptions, the property tax base exempt from taxation and previous Council direction regarding property tax cancellations.	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
COMPASSIONATE PROPERTY TAX PENALTY RELIEF	2018June 05	PFC2018-0325	That the Priorities and Finance Committee recommends that Council: Direct Administration to report back through Priorities and Finance Committee on the results of the proposed program, including cost and number of participants, no later than 2019 Q4.	2019 Q4
CORPORATE AFFORDABLE HOUSING STRATEGY Q2 2018 UPDATE	2018June 05	PFC2018-0584	That with respect to Report PFC2018-0584, the following be approved, as amended: That the Priorities and Finance Committee recommend that Council: 1. Direct that Administration return to Council, through the Priorities and Finance Committee, with an update on this work, no later than Q2 2019; and 2. Invite the Community Housing Affordability Collective to provide an update on their work to the Priorities and Finance Committee no later than Q2 2019.	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
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.	2018 Q4
BUSINESS TAX CONSOLIDATION – 2018 ANNUAL STATUS REPORT	2018 May 28	PFC2018-0190	That with respect to Report PFC2018-0190, the following be adopted: That Council: 1. Direct Administration to bring: (a) A 2019 status update report to the Priorities and Finance Committee in 2019 May; and (b) A final report on Business Tax Consolidation (BTC) to the Priorities and Finance Committee in 2019 July.	2019 May 2019 July
ECONOMIC DEVELOPMENT INVESTMENT FUND GOVERNANCE AND TERMS OF REFERENCE	2018 March 06	PFC2018-0187	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.	2019 Q2

Status of Outstanding Items for the Priorities and Finance Committee

ATTACHMENT

As at 2019 February 13

ITEM	DATE OF REQUEST	SOURCE	SUBJECT	DATE DUE
NEW COMMUNITY GROWTH STRATEGY	2018 February 22	PFC2018-0200	4. Direct Administration to bring a monitoring report on the implementation of the New Community Growth Strategy to the Priorities and Finance Committee no later than Q4 2019; and	2019 Q4
COUNCIL INNOVATION FUND APPLICATION – WALK21 COMMUNITY MICROGRANTS	2017 March 21	PFC2017-0289	That the Priorities and Finance Committee recommends that Council approve the Council Innovation Fund Application – Walk21 Community Microgrants in the amount of \$172,500 and Administration report back to the Priorities and Finance Committee no later than Q4 2019.	2019 Q4