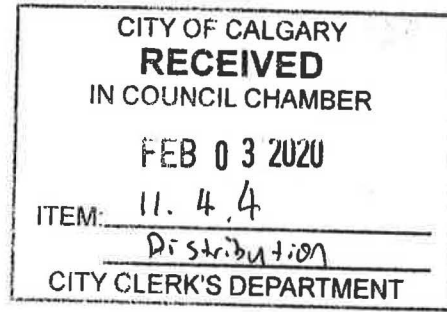




January 30th 2020

Mayor Nenshi & Members of Council



**Re: PFC2020- 0131
Identifying a Funding Source for Public Realm Improvements in Established Areas**

NAIOP has been working closely with the Growth Strategies team on the Established Areas Growth and Change Strategy for the past year.

One of the most complex issues is how to fund the necessary improvements to an area as it redevelops, including life-cycle maintenance, new amenities, public realm improvements and below grade infrastructure. Not only finding an on-going funding source(s) but also how to find 'seed' funds to get projects moving forward.

The PFC2020-0131 Notice of Motion brought to PFC on January 21st, sponsored by Councillor Gondek, provides a solid path to addressing the new amenities and public realm improvements. Other necessary upgrades will be funded using other funding sources.

Of all the required funding sources to advance redevelopment in established areas, new amenities and public realm improvements are the hardest to source. This notice of motion directly addresses this need and will make a material difference in how the Established Areas Growth and Change Strategy unfolds.

The notice of Motion provides 'seed' funds (\$30M) as well as a clear path to replenish the initial amount annually. NAIOP is fully supportive of this funding initiative.

Members of the Established Areas Financial Working Group have created a graphic (attached) that speaks to the various funding sources required. The key takeaway from this graphic is that all planning and funding issues must be addressed holistically. That said, the Notice of Motion provides for a solution to the most complex of the funding sources.

NAIOP asks that Council show support for the Established Areas Growth & Change Strategy by passing this motion.

Sincerely, on behalf of, NAIOP Calgary

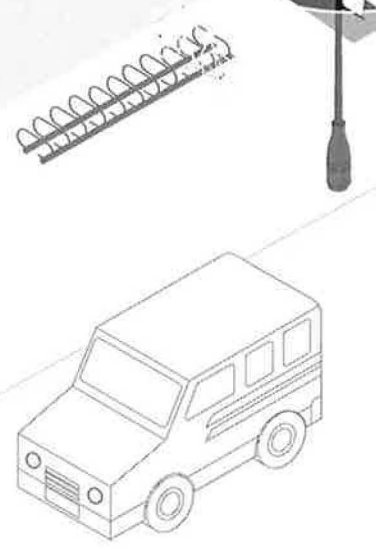
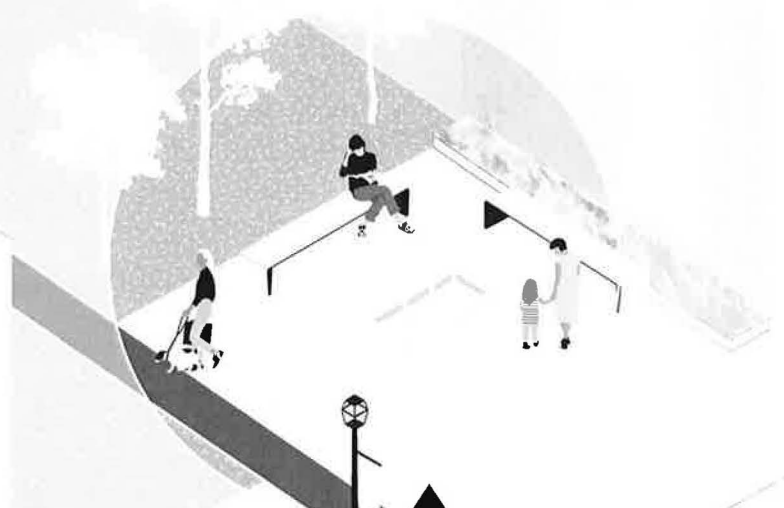
Guy Huntingford, Director Strategic Initiatives, NAIOP Calgary

cc: Stuart Dagleish, GM Planning & Development
cc: Kathy Davies-Murphy, Manager Growth & Strategic Services

Funding Framework.

Financial Tools for Delivering Infrastructure + Community Amenities in the Established Areas

There are a variety of necessary components to a "framework" for success for the Established Area Growth + Change Strategy – adequate / sustainable funding is key. The Strategy's growth goals require a **holistic planning + funding framework** in order to achieve the shared goals of the Municipal Development Plan vision.



KEY COMPONENT 02 New + Enhanced Public Amenities

With density must come amenity

Who's responsible for funding:

- City – what portion?
- Developers⁴ – what portion?

Funding mechanisms proposed:

- Incremental Tax Redirection
- Ad hoc funding through City Budget cycles¹
- No agreement on a sustainable mechanism

What's missing:

- Secure + sustainable funding
- Cost allocation between City + developers
- Comprehensive EAGCS²
- Local MCP³ implementation / consideration
- List of enhanced amenities + anticipated costs
- Sustainable + transparent method of establishing priorities

KEY COMPONENT 03 Developer-Sized Piped-Servicing Upgrades

Growth requires infrastructure

Who's responsible for funding:

- City – what portion?
- Developers⁴ – what portion?

Funding mechanisms proposed:

- New levy being explored
- Ad hoc funding through City Budget cycles¹
- Development Permit Conditions
- No agreement on a sustainable mechanism

What's missing:

- Comprehensive EAGCS²
- Local MCP³ implementation / consideration
- Agreement on levy methodology
- Better City information + utility mapping to inform capacity limitations / anticipated costs

KEY COMPONENT 01 Existing Public Infrastructure + Life Cycle Maintenance

Addressing repair + replacement

Who's responsible for funding:

- City – collection of municipal taxes + utilities

Funding mechanisms proposed:

- Ad hoc funding through City Budget cycles¹
- No agreement on a sustainable mechanism

What's missing:

- Secure + sustainable funding
- Comprehensive EAGCS²
- Local MCP³ implementation / consideration
- List of existing deficits + anticipated costs
- Sustainable + transparent method of establishing priorities