

**Planning & Development Report to
Priorities and Finance Committee
2020 March 10**

**ISC: UNRESTRICTED
PFC2020-0274**

Council Innovation Fund Request for The Future of Stephen Avenue – Activate + Experiment

EXECUTIVE SUMMARY

Since Summer 2019, Administration has been working in partnership with the Calgary Downtown Association (CDA) to procure and collaborate with a diverse team of local and world-renowned consultants on *The Future of Stephen Avenue* project, which spans from Olympic Plaza (Macleod Tr SE) to Mewata Armoury (11 St SW). This project seeks to address pressing social, environmental and economic issues on the Avenue and reinforce its place as one of Calgary's most iconic streets.

Currently the project team is working on the first phase, the Public Realm Strategy, scheduled for completion this summer. The project would then remain dormant until a capital funding request for Detailed Design (Phase 2) and Construction (Phase 3) is submitted for the 2022-25 budget cycle. Administration has identified a unique opportunity to use the "dormant period" to test innovative ideas on the Avenue. The Council Innovation Fund (CIF) is an ideal funding source for this innovative work.

With CIF support, Administration will enact change immediately along the Avenue, allow the project team to prototype and test innovative ideas, and communicate to Calgarians that The City is committed to attracting tourism, promoting commerce and improving public safety along the Avenue. This work will be completed in partnership with Calgary Downtown Association and other strategic partners (i.e. civic partners, post-secondary institutions, building owners and local business), and will directly support the Downtown Strategy and Calgary's Comeback.

This project is an ideal candidate for the Council Innovation Fund because it closely aligns with the purpose of the Fund, the Fund's definition of innovation, and the guidelines and detailed criteria of the Fund. More importantly, funding will enact change through "light, quick and cheap" interventions that will improve the immediate social, environmental and economic conditions of Stephen Avenue, while allowing Administration to learn from these interventions and refine the ultimate design for the Avenue.

This Council Innovation Fund Request is sponsored by Councillor Farrell, Councillor Woolley and Councillor Davison.

ADMINISTRATION RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council:

1. Approve this application to the Council Innovation Fund for *The Future of Stephen Avenue: Activate & Experiment*, in the amount of \$300,000; and
2. Direct Administration to report back to PFC on the outcomes of this project by Q1 2023 as per the fund guidelines.

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PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 February 3, Council approved the City Planning and Policy 2020 Workplan, which included the Centre City – Stephen Avenue Streetscape Master Plan, item 41, with a start date of Q3 2018 and an end date of Q2 2020.

BACKGROUND

Why it's time to enact change on Stephen Avenue

Currently, Stephen Avenue is a street that was designed and is operated to create a vibrant urban experience from roughly 9am to 5pm on weekdays. With the ongoing economic downturn, a significant reduction in downtown office workers, and a persistent rise in social disorder on the Avenue, the 9-5 weekday model is no longer sufficient to sustain the same safe, welcoming and attractive environment that Stephen Avenue once offered to Calgarians, tourists, and business visitors. This decline in attractiveness is further compounded by aging physical infrastructure as the Avenue approaches the end of its usable life cycle as the pedestrian mall was constructed in the early 1990s.

Prior to the economic downturn, local businesses thrived along the Avenue, despite a lack of activity on evenings and weekends. Today, those quiet periods are making it exceedingly difficult for local businesses to succeed. Private investment in the area has languished, and storefront vacancies are rapidly increasing.

In response to these setbacks, efforts are underway to survive the downturn and thrive in the long-term. Calgarians have resolved to adapt, diversify, and overcome these economic hardships. This period of economic transition means now is the opportune time to plan a path forward, refresh our thinking, and envision a new future of possibilities for Stephen Avenue.

What is Administration currently working on along Stephen Avenue?

Currently, The Future of Stephen Avenue project team is working on a Public Realm Strategy for the Avenue that reimagines the street through the lenses of economic recovery, addressing public safety concerns, and adapting to changes in how people move, live, work and play. The Public Realm Strategy will propose short, medium and long-term changes to the physical design of the Avenue, as well as a series of recommendations that would improve operations and maintenance, current governance models, and programming and activation strategies.

The Public Realm Strategy is jointly funded through a partnership with The City and Calgary Downtown Association.

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How CIF will enact immediate change on Stephen Avenue

Since its inception in 2018, The Future of Stephen Avenue project has striven to be innovative, cost-effective and impactful. With a gap between the Public Realm Study and capital funding, the project aspires to utilize this interim period to enact change immediately by testing new ideas that respond to systemic change facing Calgary's downtown. It will address social issues and inject life into a struggling retail and hospitality environment.

Administration recognizes Stephen Avenue as one of Calgary's most iconic streets, one that holds immense potential to bolster the vitality of Downtown Calgary as a premier destination, a thriving business economy and an exciting place to live – if done right. With the public realm study coming to completion in Summer 2020, and no funding in place for detailed design and construction, there is an enormous opportunity to improve the avenue now through cost-effective, short term interventions. More importantly, the lessons learned from these experiments and interventions will be used to refine the design should capital funding become available in the future. This iterative approach to design – whereby ideas are tested, outcomes are measured, and then the design is refined – is closely aligned with CIFs definition of innovation, making The Future of Stephen Avenue an ideal applicant for the fund.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Administration has identified two scenarios for moving The Future of Stephen Avenue project forward. The conventional approach would be followed if no funds are made available for short-term activations and experiments. The alternative, with support from CIF, is an innovation approach that allows for immediate action on the Avenue. These are summarized in greater detail below.

Conventional Approach

In Summer 2020, the Public Realm Strategy will be complete. There is no existing funding allocated for detailed design or construction now, meaning the project will sit dormant until funding becomes available. A capital funding request will likely be brought forward to Council for the 2022-2025 budget cycle. If this project follows this "conventional approach" to capital project delivery (refer to attachment 1), no visible improvements to the Avenue will be complete until construction commences.

A dormant period in the project, commencing in Q2 2020, under the conventional approach would be disappointing to stakeholders and strategic partners, who are eager to see changes on the avenue and address immediate social, environmental and economic concerns.

Innovation Approach

With CIF funding, which will be used to leverage funding from strategic partners, Administration will be able to embark on an "innovation approach" to enact immediate change on the Avenue by testing ideas from the Public Realm Strategy (refer to attachment 1). This new "Phase 1a: Activate + Experiment," would play a critical role in the long-term economic success of the Avenue, in that it will allow The City to work with strategic partners (i.e., civic partners, post-secondary institutions, building owners and local business) to prototype innovative solutions to numerous challenges facing Stephen Avenue and adjacent areas. These prototypes are intended to be **lighter, quicker and cheaper** than traditional design processes. This lighter,

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quicker, cheaper approach will allow the project team to test, measure and refine solutions identified in Phase 1 while minimizing risk, attracting economic activity, and creating new opportunities for social interaction throughout the length of the Avenue. While this approach has not been widely utilized in Calgary, this has proven as an ideal model for testing and refining public realm redevelopment ideas in places like Times Square in New York City, Market Street in San Francisco, and the 16th Street Transit Mall in Denver.

In order to maximize the value of this phase on the overall outcome for The Future of Stephen Avenue, Administration will undertake a threefold approach to interim project delivery: 1) *enact change*, 2) *quantify change*, and 3) *communicate change*. This approach is discussed in greater detail below.

1. Enact change

Administration will work with internal and external partners to create, implement and support public space activations, design interventions, public safety improvements, and governance experiments to prototype ideas for the “beta version” of the Future of Stephen Ave. These activations, interventions and experiments will use CIF funds in combination with leveraged external funding through partnerships. This will include winter, evening and weekend activations when activity on the Avenue traditionally wanes.

2. Quantify change

Impacts of interventions on Stephen Avenue will be quantified. These include metrics that quantify changes in social behavior, measure intensity of use by the public, and estimate both economic and environmental impacts. Data will then be used to determine final solutions for long term solutions.

3. Communicate change

Administration will focus on getting the word out that Stephen Avenue is a great place to be. We will work closely with Communications to inform the public on the great work The City and its partners are doing to *Make Life Better Every Day* on the Avenue through a proactive communications and marketing program throughout Phase 1a. Communication efforts will be used to generate media attention, create a flurry of positive activity on social media, and keep the public up to date with the vibrant and strategic nature of the project.

The work proposed, and the overall approach fully meet the criteria of the Council Innovation Fund. CIF provides financial support for innovation projects that aim to improve quality of life in Calgary. Innovation is defined as: *the translation of ideas into new or improved services, products, processes, or social interaction, that create value for the community.*

Why this project is innovative:

- The project will experiment with short term activations and infrastructure to better understand their impact and success, and to ultimately inform long-term infrastructure decisions. Prototyping allows us to collect design intelligence, directly from the market we intend to serve. This will result in an improved product – the streetscape – and lead to greater social interaction along the Avenue.
- This is an adaptation of the Lean Startup model (a progressive product delivery model utilized in the tech industry with great success) to a city building project. The model

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focuses on rapid prototyping to build a more refined solution than the initial untested concept. Findings from this innovation phase will be documented and reported on. Learnings will be carried forward to other Urban Initiatives projects and available to other City projects. This work will result in an improved process.

- “We measure what we care about”. We will be filling the measurement gaps with new tools that can be utilized on other City public space projects. These measurements will quantify impacts of the experiments and activations, and the vitality of Stephen Avenue over time. This work will result in the testing of a new service that can be utilized on other city projects.
- This work will cut red tape and feed into a new governance model that will empower businesses and organizations to take greater ownership over the street. Findings could feed into a new activation model for Downtown and all of Calgary.

For further detail on how *Activate + Experiment* meets the criteria of the CIF Terms of Reference see attachment 2.

Stakeholder Engagement, Research and Communication

Since Fall 2018, *The Future of Stephen Avenue* project has engaged the public and stakeholders extensively, conducted research along the avenue, and provided a strong level of communication on the project. Meetings with business and institutional stakeholders have uncovered strong interest and support in activating the Avenue. Among savvy property and business owners, the need to innovate in the face of a changing economy and the evolving nature of retail, workplace, entertainment, technology and mobility, is well understood. Stakeholders and the public want to see big changes in the long term, but also want to see small changes in the immediate future.

In December 2019, the CDA hosted a Blue Ribbon Panel Event titled *The Economics of Placemaking*, which generated a lot of excitement with attendees, and they recognized the potential of light, quick and cheap interventions in improving our public realm. Urban Initiatives also hosted a two-day public storefront on the Avenue that attracted a wide demographic of downtown workers, tourists, general public, and business owners.

Strategic Alignment

The Future of Stephen Avenue: Activate + Experiment is fully aligned with the Downtown Strategy and Calgary’s Comeback. Through the Downtown Strategy, Administration is committed to making life better every day for citizens, customers, residents and businesses through a focus on four pillars:

- 1) Place - Building and supporting programming in the downtown that creates a destination and experience for all Calgarians and visitors to enjoy.
- 2) Work - Supporting the development of new and existing business in downtown Calgary by ensuring our policies and services support business success in Calgary.
- 3) Live - Ensuring that downtown is a neighbourhood of choice to reside by providing the amenities to enhance the quality of life for people living downtown.

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- 4) Connect - Creating and managing the frameworks that connect people, goods, information and ideas.

Administration will work with the Downtown Strategy leadership team to ensure the funding will contribute to all four focus areas. Many of the identified strategies of the Downtown Strategy (outlined in attachment 2) align with the desired outcomes of this project.

The proposed work also fully meets the criteria of the Terms of Reference for the Council Innovation Fund. For further detail on this alignment refer to attachment 3.

Social, Environmental, Economic (External)

The *Activate and Experiment* Phase is based on the fundamental principles of sustainable development and the Triple Bottom Line (TBL) framework that is used by The City of Calgary. Work in *Phase 1a* will test innovative solutions and activations along the Avenue that will target improvements to the social, environmental and economic fabrics. Each prototype or activation undertaken will incorporate one of the three TBL components. A brief summary of our approach for each TBL component is provided below. For a more comprehensive presentation of example project ideas, refer to attachment 4.

Social

This work positively impacts the social environment of the Avenue. It increases street activity during peak and non-peak periods; encourages social mixing and shared experiences; addresses social disorder and helps people feel safe.

Environmental

This work positively impacts the health and well-being of citizens and reduces the environmental impact of the urban realm. It increases physical and mental well-being of citizens; increases ecological diversity; increases storm water retention; decreases waste; decreases GHG emissions; considers the adaptive reuse of the street over its lifespan.

Economic

This work generates a positive economic impact on Stephen Avenue and the downtown. It increases spending on Stephen Avenue and surrounding area; attracts investment; leverages other assets (institutions, organizations, businesses) to activate the public realm.

Financial Capacity

As of 2020 February 26, the balance of the Council Innovation Fund is approximately \$3.4M. This application is a one-time funding request of \$300K.

Current and Future Operating Budget:

This interim phase was not initially contemplated during project initiation and chartering – it has evolved through the process of working with the consultant team and engaging with stakeholders and the public. There is no current or future operating budget allocated beyond Phase 1 of this project, but stakeholders and citizens are adamant in enacting change now – not later.

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If the results from Phase 1a demonstrate the value of advancing *The Future of Stephen Avenue* project further, Administration would pursue continued funding by building on partnerships, seeking new investments or opportunities for alignment, continuing to work with businesses and stakeholders, and engaging Council around next steps for project success and support.

Current and Future Capital Budget:

Phase 1a was not initially contemplated during project initiation and chartering – it has evolved through the process of working with the consultant team and engaging with stakeholders and the public. Currently there is no current capital budget allocated towards this phase

Risk Assessment

There are several risks associated with not funding this interim phase of work. Taking no action to address short term needs may result in Administration's loss of credibility with citizens and stakeholders. A dormant period on the project will reduce the momentum and energy that has been created by the City of Calgary and the Calgary Downtown Association amongst stakeholders who are looking for investment in the area to support plans for their businesses and buildings. It would also be a lost opportunity to accelerate actions that support the Downtown Strategy. Additionally, testing innovative solutions at smaller increments reduces risk of the overall project from a quality, time and cost perspective. Tested longer-term investments will benefit from the experience The City will gain from this pilot work.

REASON(S) FOR RECOMMENDATION(S):

This application meets the existing Council Innovation Fund Terms of Reference. This pilot is a one-time funding request for an innovative pilot project that has the potential to impact city-wide processes, policies and procedures around public space construction projects, how we measure public life and cut-red tape along the Avenue. Implementation of these innovative solutions will support Council Priorities and has the potential to revitalize the area, advance the Downtown Strategy and build field tested knowledge and internal capacity to further the strategies for the four pillars: Place, Live, Work, Connect.

ATTACHMENT(S)

1. Attachment 1 – Project process diagram for *The Future of Stephen Avenue*
2. Attachment 2 – Application for Council Innovation Fund
3. Attachment 3 – Downtown Strategy, Summary of Focus Areas
4. Attachment 4 – Supplemental Information for *The Future of Stephen Avenue: Activate + Experiment*
5. Attachment 5 – Estimated budget for *The Future of Stephen Avenue: Activate + Experiment*
6. Attachment 6 – Letters of Support for *The Future of Stephen Avenue: Activate + Experiment*