

Council Innovation Fund Application for Downtown Accelerator Program - 1 Million Square Feet

C2020-0463

April 27, 2020

Purpose

- Administration is seeking a Council Innovation Fund (CIF) grant to share start up expenses with the Calgary Downtown Association for a lease accelerator program
- The amount requested is \$250,000
- Requested CIF amount would be matched with an equal amount for start up costs from other partners
- This program aims to activate one million square feet of retail and amenity space in the downtown
- The proposed program delivers on Council priorities and approved policies
- Post pandemic, the program would support the comeback of commercial services and public activity back to the downtown

Strategic Alignment

- Calgary's Comeback
- Downtown Strategy
- Calgary in the New Economy: An economic strategy for Calgary
- Future of Stephen Avenue project
- Recent Land Use Bylaw updates
- Meets intent of Council Innovation Fund
 - Creates value for community
 - Ideas are transferrable
 - Aligned with Council Priorities
 - Fiscally sound
 - Well managed

Partnerships

- City of Calgary
- Calgary Downtown Association
- Makespace Group Inc.
- Building owners in pilot area



Project Goals and Actions

Goals:

1. Accelerate and grow full time tenants
2. Change the image of downtown
3. Spark and leverage private investment

Actions:

- evaluate the existing offering of commercial services in the first pilot area
- determine a complementary program of commercial services
- reduce competing services
- assist with lease creation, documentation and terms
- test retail and restaurant concepts
- provide activity spaces; and
- evaluate successes to secure long-term leases



CIF Grant in Program Budget

Funding 2020/21

The City of Calgary	\$250,000
Calgary Downtown Association	\$50,000
Makespace Group Inc.	\$50,000
Landlord program contributions	\$175,000
Additional program partners, sponsors	\$25,000
Total start up / operations	\$550,000

ADMINISTRATION RECOMMENDATION:

That Council:

1. Approve this application to the Council Innovation Fund for the Downtown Accelerator Program - 1 Million Square Feet (1M), in the amount of \$250,000
2. Approve amendments to the Calgary Downtown Association's 2020 budget to reflect expenses and associated grant revenue for the proposed project (Attachment 2);
3. Direct Administration to execute an agreement with the Calgary Downtown Association that, among other items, identifies that the Calgary Downtown Association is to only use approved grant funds to cover the proposed project expenses; and,
4. Direct Administration to report back to the Priorities and Finance Committee on the outcomes of this project by Q2 2022.



Place

Construction Value ↑
\$389M

Average Office Net Rental Rate
Central Business District
\$11.85/sq.ft ↑

Central Business District & Beltline Office Sales ↑
\$4.5M

Building Permits ↓
181

Work

Office Absorption Volume

Central Business District
-261,291 sq.ft. ↓

Beltline
5,170 sq.ft. ↓

Retail

Central Business District & Beltline
Supply ↑
4,428,620 sq.ft.
Vacancy ↓
Q3 12.07% | Q4 8.94%

Office

Central Business District & Beltline
Supply ↑
48,662,993 sq.ft.
Vacancy ↑
Q3 26.65% | Q4 27.17%

Live

Private Apartment Vacancy Rate

Central Business District
3.4%

Beltline
3.2%

Economic Impact of Downtown City Events

\$4M
Estimated economic impact

Downtown Events

City of Calgary	Civic Partners	Total
19 Events	501 Events	2,228 Events and programs
570,550	1,708 Programs	835,717 Attendance
Estimated attendance	265,167 Attendance	

State of Calgary's Economy

Calgary's *Comeback*

Calgary's Downtown: the core of our city's vibrancy and economic resilience

GDP Growth
1.3%
(Forecast Sept. 2019)

Jobs
921,800

Population
1,285,711

Connect

2,507
Posts Across Platforms ↑
#downtownyc

CALGARY DOLLARS

Calgary Dollars (C\$) Spent in Downtown
185 C\$ leveraging \$1,665 CAD ↑

12
Projects completed since 2013 to make Downtown more flood resilient

Customer Overall CTrain Trip Satisfaction
Q3: 92% --> Q4: 85%

Calgary Internet Exchange (YYCIX)
Q4 Data Transfer Peak ↑

24 GBs, 35 GBs, 39 GBs