

A night-time photograph of a church tower with a pointed roof and clock faces, illuminated by warm lights against a dark sky. The tower is the central focus of the background image.

# 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	<b>\$250,000</b>
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**

## State of Calgary's Economy

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



Jobs  
**921,800**

Population  
**1,285,711**

## Live



Private Apartment  
Vacancy Rate

Central Business District  
3.4%  
Beltline  
3.2%



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	



Economic Impact of  
Downtown City Events

**\$4M**  
Estimated economic impact

## 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

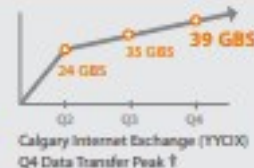
Central Business District & Beltline  
Supply ↑  
**48,662,993 sq.ft.**  
Vacancy ↑  
Q3 26.65% | Q4 27.17%

## 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%

