



## Infrastructure Calgary Prioritization Stimulus Criteria

### Background

The COVID-19 Pandemic has risked the health and livelihoods of residents, prompting The City and the Province to declare a state of emergency. The measures that have been put in place, while necessary in the fight against the virus, have had significant impacts on the economy, effectively slowing or even shutting down many sectors and resulting in substantial job losses. This effect has been compounded with the oil supply and price war between the Organization of the Petroleum Exporting Countries (OPEC) and Russia, sharply decreasing the price of oil below break even levels.

As the pandemic eases, and current measures in place begin to relax, The City will be looking at ways to recover – economically and socially. It is anticipated that one piece of the economic recovery will include stimulus funding for infrastructure to help spur multiple sectors and create jobs.

The projects and programs The City invests in should be prioritized to provide maximum value to the community and minimize future risk. Below is a listing of recommended prioritization criteria, in the event that criteria is not provided by the granting levels of government (Provincial and/or Federal).

### Recommended Criteria

**Investments will be considered if they meet one or more of the following criteria. These criteria directly support *The City of Calgary's COVID-19 Priorities for the Government of Canada and Government of Alberta*, particularly item four – Stimulative Infrastructure.**

**Note: If provincial or federal stimulus funding is tied to specific types of investments, the master list of investments will be narrowed down prior to applying the criteria listed below.**

- Creates jobs and stimulates the economy
- Contributes to a resilient city
- Enables economic diversification
- Enhances long-term value of assets and reduces operating cost
- Attracts investment and supports the growth and change strategy
- Facilitates equitable services
- Supports the post COVID-19 service environment

**Investments may be ineligible if:**

- The project is not shovel-ready
- The project draws resources away from projects currently in flight or competes directly with more beneficial projects in other cities across Alberta
- The project faces significant COVID-19 challenges (e.g. supply chain, resources, materials)

### Definitions

#### **Creates jobs and stimulates the economy**

Economic stimulus refers to investments that can spur growth during the recovery. Emphasis will be placed on two economic indicators – Jobs created and GDP (Gross Domestic Product) increase estimated from the project. Each indicator will be estimated using the CRIOM model – an input output model for the Calgary Economic Region, developed to highlight the inter-industry structural linkages which exist in the region using Statistics Canada Supply Use Tables. In other words, the idea is that direct spending in one area indirectly creates transactions and spending in other areas of the economy.



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### **Contributes to a resilient city**

A resilient city is one that is prepared for the stresses and shocks that may affect the city, such as a flood or climate change. Intentional investment in infrastructure can support our resilience to shocking weather events, public health emergencies, technological advancements and economic stresses. Investment in technology related infrastructure can also help attract investment and corporations to the city.

Special attention will be paid to the following investment types:

- **Adaptable:** Can quantify a reduction of risk and vulnerabilities to shocks and stresses
- **Climate:** Can quantify a positive impact on climate change or quantify how the investment adapts to climate change – e.g. a reduction of carbon emissions, adaptation and mitigation of climate impacts
- **Smart:** Are smart city projects – using data, innovation and technology

### **Enables economic diversification**

Diversifying an economy is not an easy undertaking, requiring multiple actions by multiple stakeholders over time. There may be opportunities for The City to build certain infrastructure that could support The City and Calgary Economic Development's four focus areas (Talent, Innovation, Place, Business Environment) and reduce some barriers to entry for established and emerging industries (e.g. Logistics, Agribusiness, Tourism, Creative, Life Sciences & Financial Services).

Examples could include roadway access for the logistics industry, facilities and renovations for start-up companies or technology infrastructure that could support multiple industries.

Investments in this category must be able to qualify how the investment could enable diversification and cite research from companies or industries that have identified it as a barrier to entry into Calgary / Alberta.

### **Enhances long-term value of assets and reduces operating cost**

Completing regular and preventative maintenance and lifecycle activities, along with strategically timed replacements helps to extend the life of The City's assets, reduce future costly repairs, improves safety, and can reduce the overall cost of providing service. Intentionally investing in assets before they fail is essential to providing continuous, safe and cost effective service.

Special attention will be paid to investments that:

- Can quantify a reduction in operating cost / replacement cost over time
- Can quantify a reduction in risk associated with service disruption / breakdowns over time

### **Attracts investment and supports the growth and change strategy**

These criteria focuses on projects that have secured private investment, and /or government or other public funding to support the proposal. Investments that are aligned with the growth and change strategy, that can help attract investment in specific areas. Alternative funding mechanisms (such as shared service delivery models and cost/revenue sharing mechanisms) may be considered. By attracting and or leveraging other funding sources and partnerships with external organizations, The City can provide services and infrastructure at a reduced financial burden while adhering to funder requirements.

### **Facilitates equitable services**

"Equitable" or "Equity" means conditions are adjusted to meet people's diverse needs, strengths and social realities. It requires recognition that different barriers (often systemic) exist for diverse individuals or groups. The result of Equity is all people have the opportunity to benefit equally from City Services.



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Special attention will be paid to investments that enable individuals or groups who currently have less access or opportunity to benefit equally from City services.

### **Supports the post COVID-19 service environment**

Calgarian's needs and how they use city services will likely change in a post COVID-19 environment. Investments that move City services to match future demand and needs may be considered for investment. Note that future service delivery discussions should first take place, followed by capital investment decisions that support new service delivery expectations.

### **Shovel-ready**

The primary intention of any stimulus funding provided is to help recover from the economic impacts of the pandemic. It is therefore important that any investments chosen are either ready or are near being ready to implement, thereby enabling job creation and spending.

In this context, shovel-ready means:

- Design/ Approvals, Asset/ Land Ownership, Environmental permits in place
- Leading infrastructure in place
- City has resource or capacity or alternative delivery option

### **Draws resources away**

The One Calgary capital portfolio reflects investments needed by The City to deliver on current service expectations and Council directives. This portfolio was unfortunately impacted by the re-balancing exercise in 2020 January to account for an estimated 73 million in lost Municipal Sustainability Initiative funding from the province. It is assumed that, for the most part, current portfolio investments take precedence over new investments identified through stimulus funding.

Serious consideration will be given to limiting the number of new investments that may take resources (human capital, materials etc.) away from investments already within the capital portfolio.

Similarly, focus needs to be placed on the economic recovery of Alberta. An investment that competes directly with another, more beneficial investment in another part of Alberta, may be considered ineligible for this round of funding.

### **COVID-19 Challenges**

Given that the primary intention of any stimulus funding provided is to help recover from the economic impacts of the pandemic, investments that may require materials or human capital that have been compromised or will continue to be compromised in the aftermath of the pandemic should be considered carefully.