



Calgary

CITY OF CALGARY
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MAY 11 2020

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CITY CLERK'S DEPARTMENT

COVID-19 Capital Program Update and Stimulus Readiness, C2020-0524

Infrastructure Calgary

2020 May 11



Background

- The COVID-19 pandemic has significantly disrupted health, livelihoods and the economy
- The City has declared a state of local emergency, diverting resources to emergency management and response
- Many City activities have, and will continue to be disrupted, until the critical stage has passed
- The City remains committed to supporting our vision of *Calgary: a great place to make a living, a great place to make a life*



Overview and key messages

- The COVID-19 pandemic is a disruptive event yet The City remains optimistic about its ability to deliver its capital portfolio approved in the One Calgary Service Plans and Budgets, in support of service delivery, Citizen Priorities and quality of life outcomes.
- IC is monitoring the risks, issues, impacts and status of capital investments as a result of the COVID-19 pandemic and is working with services that deliver capital investments to support risk mitigation and advance projects where possible.
- The medium and longer term impacts of COVID-19 remain to be understood. Administration will have an ongoing dialogue with Council as we move through response and recovery to consider all impacts and aspects of service delivery.
- Should stimulus funding be made available, The City is prepared to deliver shovel-ready investments that support immediate job creation, economic growth and diversification.
- The City is confident we will get through the pandemic and looks forward to future project successes with industry partners and delivering infrastructure and services benefiting all Calgarians.
- The City continues to work with industry partners to maintain construction as an essential service and keep Calgarians working safely through the pandemic.



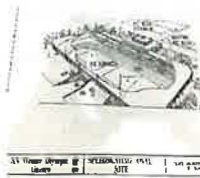
We are a community that is resilient to the shocks and stresses of our economy, our climate, and our people.

When we are most challenged with an issue, we come together, identify a go forward plan, and get to work.



Glenmore Reservoir Development

Investment following the 1930s Economic Depression



Multiple Legacy Infrastructure Projects

Investment support following 1980s recession



Flood Mitigation

Investment following the 2013 flood



Capital portfolio prior to COVID-19

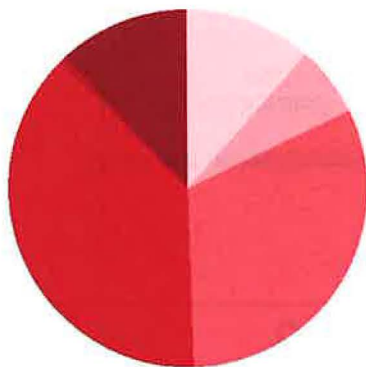
\$4.27 Billion

Total 2020-2023+ Investment

\$84.7 Billion

Value of City-owned infrastructure

Investment by Citizen Priority

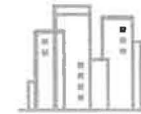


- A Prosperous City
- A City of Safe & Inspiring Neighborhoods
- A City that Moves
- A Healthy & Green City
- A Well-Run City
- Enabling Services

Asset Value



Engineered Structures
88.16%



Buildings
5.35%



Land Improvements
3.39%



Vehicles
2.14%



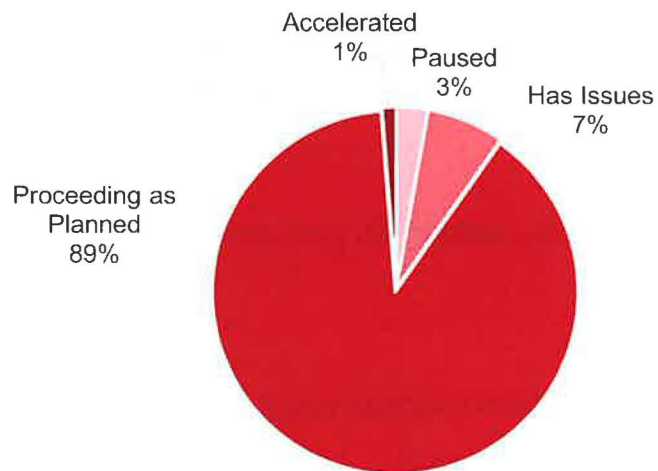
M&E
0.95%



The City's current capital situation

Overall, The City continues to move forward with capital investments

How are investments proceeding?



- Most investments are proceeding as planned
- While some issues are being experienced – e.g. contractual, access to human capital, access to materials - we are working on mitigating these with minimal impact
- Some current capacity issues (e.g. access to contractors) may become opportunities into the future
- Procurement strategies are being looked at to mitigate potential supply challenges

City of Calgary COVID-19 Priorities for the Government of Canada and the Government of Alberta



Aid to vulnerable citizens and non-profits that support them

Immediate priority for the most vulnerable

- Isolation options for homeless and vulnerable people
- Stronger community and economic supports
- Income and rapid housing supports
- Funding for domestic violence shelters
- Assistance for non-profits serving people in poverty



Aid to business

Direct support to business

- Focus on small and medium enterprises and vulnerable industries
- Immediate commercial rent, mortgage and property tax relief
- Coordinated communications to provide businesses with a one-stop-shop hotline to navigate government programs
- Planning for a long recovery, including a small business stabilization fund



Aid to municipalities

A backstop for municipalities incurring unrecoverable operating losses

- Cities facing response costs and revenue losses
- Cities cannot easily run deficits
- Substantial losses cannot be recovered from reserves or borrowing
- City of Calgary weekly losses: \$10-15 M
- The federal government and provincial government need to provide a backstop within their respective borrowing powers



Stimulative infrastructure

A major new infrastructure plan to get people working and the economy humming

- Streamline processes and flexibility for local project funding, while funding municipalities directly
- Mitigate timing or cost escalation for current projects
- Priorities: Immediate repair and maintenance of existing assets including affordable housing, shovel-ready projects for a shorter 2020 construction season, and projects ready for design and procurement now, with shovels in 2021



Long term economic resilience and a new deal for cities

A vision to recover and rebuild

- Building a more diversified and resilient economy in Alberta
- Direct supports for the energy industry
- Measures to build capabilities within companies to enable the energy transition
- A whole-of-government approach to help Alberta's economy recover and grow





How The City is responding



Monthly Investment Reporting & supporting the current portfolio

1 5



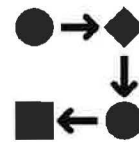
Working with industry & partners

2 5



Seizing opportunities where available

3 4 5



Monitoring supply chains, proactive procurement Strategies

2



Preparing for stimulus funding (Job creation & resilience)

1 2 4



Longer term resilience and service delivery paradigm shifts

1 4 5

Calgary



City of Calgary COVID-19 Priorities for the Government of Canada and the Government of Alberta

1. Aid to vulnerable citizens and non-profits that support them
2. Aid to business
3. Aid to municipalities
4. Stimulative infrastructure
5. Long term economic resilience and a new deal for cities



Working with industry and partners



Stakeholder Groups:

1. **External Vendors** (Contractors, Consultants, i.e. Alberta Joint Industry Response Team)
2. **Alberta Public Owners** (City of Edmonton, Alberta Infrastructure, Alberta Transportation)
3. **Calgary Public Owners** (incl. U of C, SAIT, Mt. Royal University, CMLC)

Approach:

1. **Understand challenges, resulting impacts and mitigating tactics**
 - individually and cumulatively
 - Immediate and long term
2. **Align messaging** (with owners, to industry)
3. **Look for collaboration/ leverage common priorities**



Proactive Strategies - Procurement



- Current Request for Standing Offers
- Engineering, Construction Services



- New Request for Standing Offers
- Engineering, Construction Services



- <\$200k Construction – 3 quote process
- Phased, smaller projects
(e.g. lifecycle maintenance)



- Request for Proposals
- Bundled – Area, Type
 - Enabling Works
 - Construction Management



Applicable Trade Agreements



Stimulus Funding



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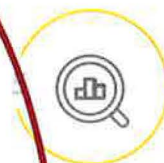
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Long term economic resilience and a new deal for cities

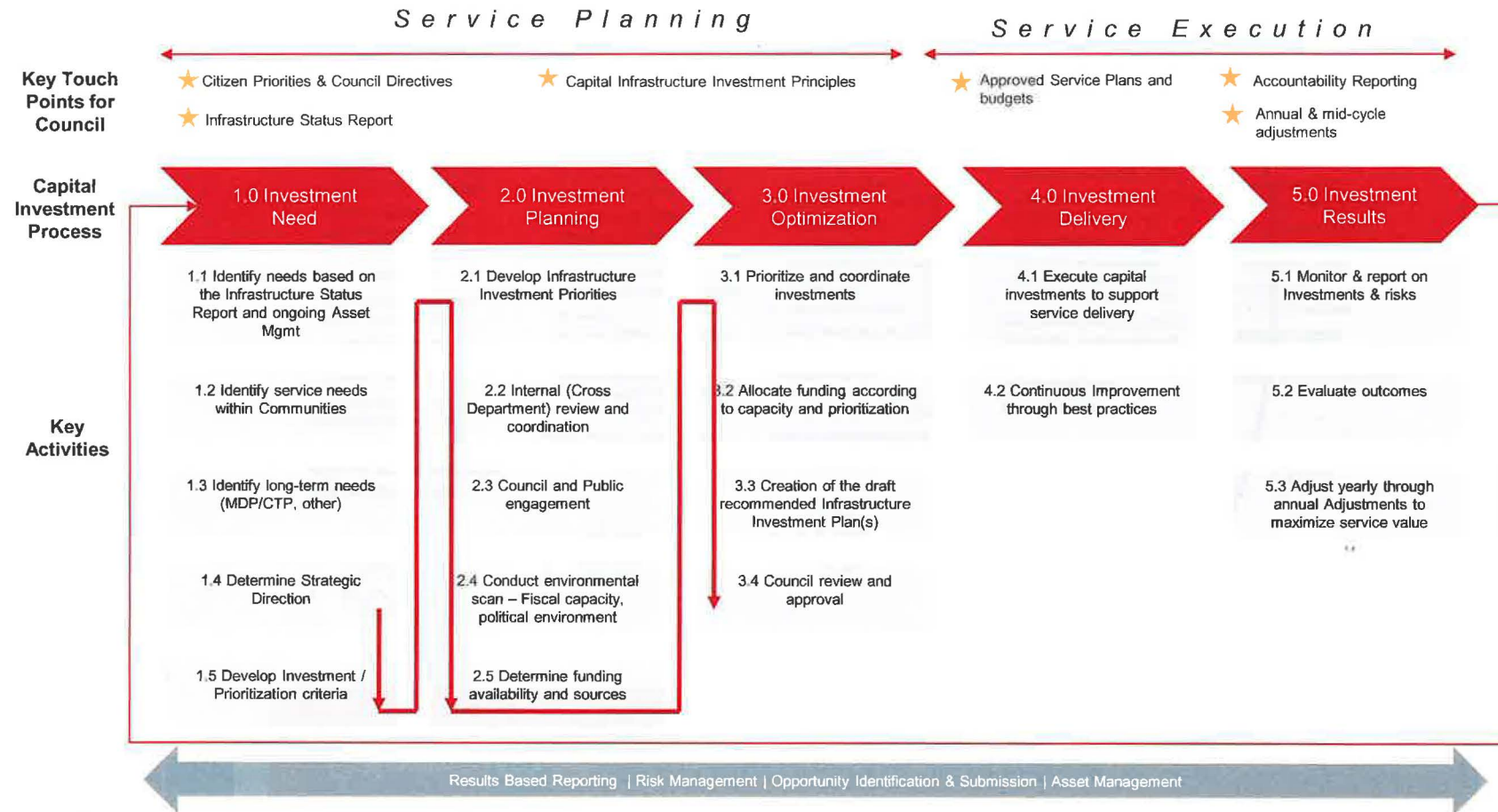
A vision to recover and rebuild

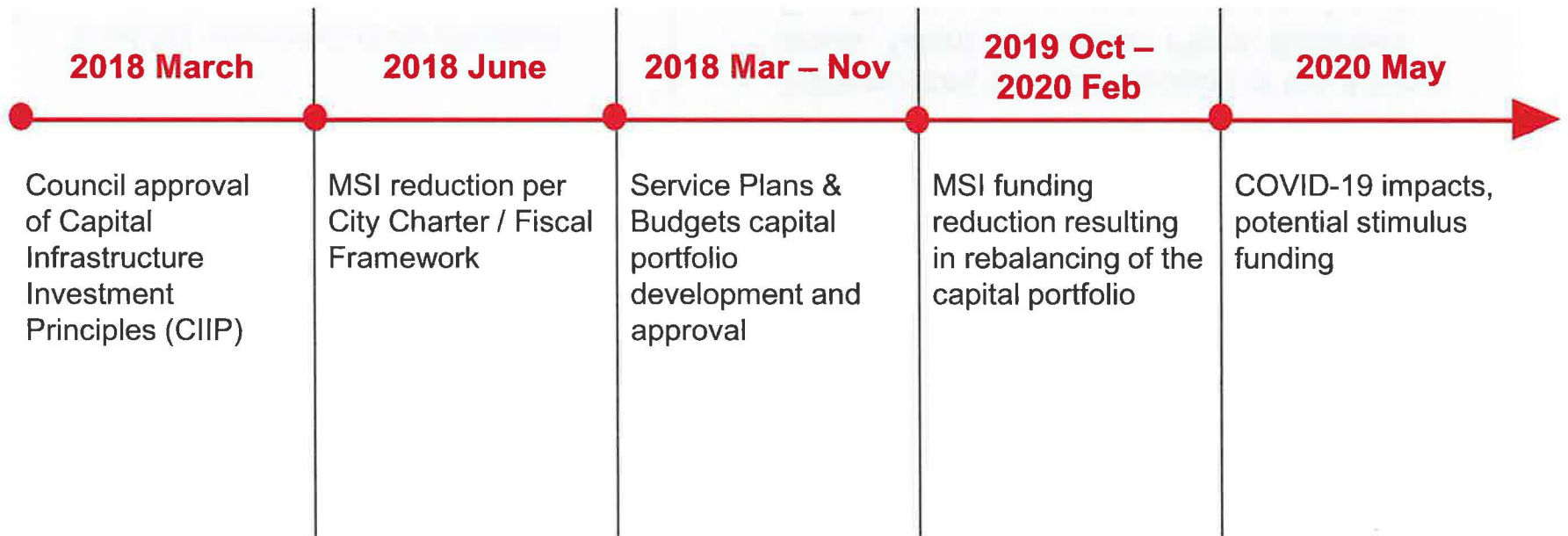
- Building a more diversified and resilient economy in Alberta
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New funding follows this process







Stimulus criteria



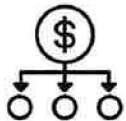
Creates jobs and stimulates the economy

- Focus on jobs created (and retained) and GDP
- Calgary Economic Region Input-Output model



Contributes to a resilient city

- Quantify a positive impact on climate or quantify adaptation / mitigation
- Quantify a reduction in risk to shocks / stresses

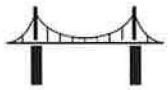


Enables economic diversification

- Infrastructure that is in support of the 4 focus areas: Talent, Innovation, Place, Business
- E.g. Roadways – Logistics industry, Facilities – Start-up technology companies, 5/6G technologies to facilitate financial transactions



Stimulus criteria



Enhances long-term value of assets and reduces operating cost

- Retrofits, repairs and preventative maintenance
- Prolongs life of assets, reduces need for repairs
- E.g. LED streetlight retrofits



Attracts investment and supports the growth and change strategy

- Projects that have secured other investment
- Projects that help attract growth
- E.g. public realm improvements, increased sewer capacity



Facilitates equitable services

- Projects that provide equal access across the city and populations
- E.g. recreation upgrades in underserved communities



Supports the post COVID-19 service environment

- Service demand and delivery may change post COVID
- E.g. Fiber / Network infrastructure



That Council approve the Infrastructure Calgary Prioritization Stimulus Criteria in Attachment 1, as follows:

- 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 post COVID-19 service environment