

Request to Create a New Reserve

Reserve Name: Established Area Investment Fund

Purpose of New Reserve

Notice of Motion PFC2020-0131 was adopted by Council on 2020 February 3. This Notice of Motion identified the initial \$30M funding from the Corporate Fiscal Stability Reserve (FSR) for public realm improvements in the Established Area Growth and Change Strategy (EAGCS). The purpose of this reserve request is twofold:

- 1) Transfer the \$30M funding from the Corporate FSR to a new Established Area Investment Fund reserve to accommodate capital investment, and
- 2) To set out the terms and conditions to replenish funding levels. This will allow for on-going investments in established areas aligned with the Established Area Growth and Change Strategy in Phase 2 and into future budget cycles (2023+).

Type of Reserve

Capital

Expected Time Period

Ongoing program

Specific project or on-going program

Budget Id- 481650 "Public Realm (EAGCS)"

Anticipated Funding Source

1. Phase 1:
 - \$30M one time from FSR
2. Phase 2:
 - Minimum of 1 per cent of the favourable budget variance from investment income within Corporate Programs annually until 2026 (PFC2020-0131)
 - Pilot program in 2021 and 2022: property tax allocation program in the North Hill Communities Local Area Plan associated with property tax increase related to growth (outlined in Attachment 3 of this report)
 - Others, to be determined
3. Investment income on reserve balance

Calculations Associated with Funding Source(s) (if required)

Contributions to the reserve will be the same as stated in the funding source section above

List Budget Programs Affected

- Budget Id - 481650 Public Realm (EAGCS) will be used to fund the work
- Capital spend starting from 2021 onwards

Anticipated Target Balance for the Reserve

There is no target balance for this reserve. The intent is to use or draw down the reserve to deliver capital public realm improvements and one-time programming in public realm for communities experiencing growth and change. However, in cases where the monies are being assembled for longer-term projects, they may remain in the reserve in the interim.

Other Reporting Requirements

No additional formal reporting requirements. The use of funds and reserve balance will be reported annually by Calgary Growth Strategies as part of the Growth Monitoring Report to Council through the Priorities and Finance Committee.

List and explain any Condition(s) and/or Restrictions

- The reserve will fund approved capital spending for public realm improvements in established areas, and one-time programming in public realm, as outlined in the Established Area Growth and Change Strategy
- Funds are internally restricted, but the reserve may fund other public realm improvements at The City's discretion.

Consequence of not creating the reserve

If a reserve is not created, funds will be held in the FSR and would need to be tracked separately. It would also make visibility, tracking, and monitoring more difficult. The risk of the dedicated funding being directed to other priorities would also be higher. This would leave the Established Area Growth and Change Strategy without dedicated funding to implement the Established Area Growth and Change Strategy and reduce the ability to deliver public realm investments.

Reserve Review Guideline

Three-year review cycle is appropriate.

List key operating and financial contacts responsible (for information purposes only).

Operational Lead: Kathy Davies Murphy, Manager, Growth Funding & Investment (CGS)
Matthew Sheldrake, Manager, Growth & Strategic Services (CGS)

Financial Lead: Lyanne Wong, Finance Lead, Calgary Growth Strategies