

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



APPLICATION FOR COUNCIL INNOVATION FUND

CC 941 (R2019-10)

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Date of Submission

2020-03-23

Name of Project

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

Sponsoring Councillor

Druh Farrell, Evan Woolley

Applicant Name

Kevin Barton

Applicant Contact Number

(403) 268-5927

Include area code, no spaces

Applicant Business Unit or Name of Organization

Calgary Growth Strategies

Affected Business Units and/or Departments

Calgary Growth Strategies

Amount of Funds Requested - please attach budget breakdown details in an attachment

\$250,000.00

Draft PFC cover report attached

☐ Yes ☒ No

Please list supporting documents provided.

Draft Budget

Applications for the Council Innovation Fund are to be submitted to the Chief Financial Officer Department (name of person) no later than six (6) weeks in advance of the targeted Priorities and Finance Committee (PFC) meeting date.

Only completed applications supported by a PFC cover report will be submitted for placement on the PFC agenda. The PFC will review the report and proposal and provide their recommendation to Council. The recommendation and report will then be forwarded to Council at their next scheduled meeting.

Provide a summary description of the project to a maximum of 2 pages.

Councillor Farrell and Woolley are sponsoring this application to the Council Innovation Fund that will be

managed through Planning and Development, Calgary Growth Strategies and the Calgary Downtown Association. The application is seeking \$250,000 to support a lease accelerator program in the Downtown. The Council Innovation Fund amount would be matched by private sector contributions, providing a total of \$500,000 for start up and operational costs for the program, which is anticipated to generate more than \$500,000 in private investment in leasehold improvements and fill empty building space with permanent leases by the end of the 18 month program.

The Calgary Downtown Association and Makespace Group Inc. would lead the lease space accelerator program that aims to activate one million square feet of retail and amenity space in the downtown through a curated mix of pop-up, special events and entrepreneur development programming. The program has three main objectives: accelerate and cultivate tenants into long term leases; change the image of downtown to a place of active and vibrant amenities; and, stimulate private investment into buildings and leasehold space by facilitating collaborative lease agreements.

A funding agreement between the Calgary Downtown Association and the City of Calgary would specify that this \$250,000 would be only available for the accelerator program, funds would be released as the complementary match of private funds were secured and additional funds would be released in a phased approach once the previous funds spent showed success. The Council approved budget for Calgary Downtown Association requires an update to accommodate receiving the additional \$250,000, and this adjustment is reflected in the recommendation.

Calgary Growth Strategies will submit an update report to the Chief Financial Office within 12 months of the project completion detailing how the Council Innovation Fund grant was spent and the outcomes of the program. The Chief Financial Office will submit a summary report to Council through Priorities and Finance Committee, as per the Council Innovation Fund Terms of Reference requirements.

Identify how this project meets the criteria as outlined in the Terms of Reference for the Council Innovation Fund.
Please attach additional information as required.

The 1m proposal will create a new approach to fill empty commercial space with active and interesting pilot business, that will be supported by the program committee, building owners and program aspects that will take the businesses to permanent leases. The second phase of the 1M proposal will take lessons learned from the first group of business ventures, apply the program to additional floor space to allow more commercial uses to test concepts and move to permanent leases. A repeated and sustainable model can continue to be applied in other areas of the downtown, and potential to other commercial areas in the city. The grant will be soundly managed the Calgary Downtown Association and phased release of funds will have oversight by Calgary Growth Strategies.

Outline the proposed timeline for this project, including the final report back date.

The program will have a duration of 18 months with two cohorts or phases of tenant support. The first phase will include a program kick off event, followed by start up and development and test concepts chosen and temporary uses deployed, within 2 months. Evaluation of the test business, then transitions to lease agreements in about 10 months. Lessons learned and data analysis from the first cohort will support phase two, with second round of uses deployed about 8 months from the start of the program. Tentatively starting in May or June 2020, finishing this initial program in October 2021.

Calgary Growth Strategies will submit an update report to the Chief Financial Office within 12 months of the project completion detailing how the Council Innovation Fund grant was spent and the outcomes of the program.

Identify what success looks like, and how it will be measured.

There are three primary goals for the proposed downtown accelerator program - 1 Million Square Feet (1M):

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

Fostering new tenants will start with an examination of the test area and the participating buildings, the project will map and curate a vision for the area. Determine ideal uses and activations and then create short term lease arrangements to accommodate these uses. Prototype temporary retail and amenity uses and support building owners and tenants with lease, marketing and other services.

A downtown image that attracts creative businesses with incubator services and aligned complementary uses. Exciting and active uses will enhance the value of the area by uptake in lease space with a range of interesting businesses and services that should attract more customers, generate a more active street and create natural surveillance.

This project will fund and facilitate the relationship between the landlord and tenant. Create new tools that allow successful test concepts to move into permanent leases with associated leasehold improvements. Build knowledge and techniques that allow more flexibility in landlord/tenant agreements.

Specific measures will include amount of floor space secured with new leases, value of leasehold improvements and value of retail/commercial service provided by new businesses.

Your personal information is being collected, used and disclosed for the administration and processing of your application for funding under the Council Innovation Fund Project. Your information is collected pursuant to section 33(c) of The Freedom of Information and Protection of Privacy Act ("FOIP Act") of Alberta. If you have any questions about the collection, use or disclosure of your personal information, please contact The City of Calgary's Chief Financial Office (#8003), The City of Calgary P.O. Box 2100, Stn. M, Calgary, AB T2P 2M5 and by calling at 403-268-5664.