

A night-time photograph of the Calgary Clock Tower, showing its illuminated clock faces and the pointed roof of the building. The image is dark, with the tower's lights providing the main illumination.

Supplemental Report – Responding to Council Questions on the Council Innovation Fund Application for Downtown Accelerator Program - 1 Million Square Feet

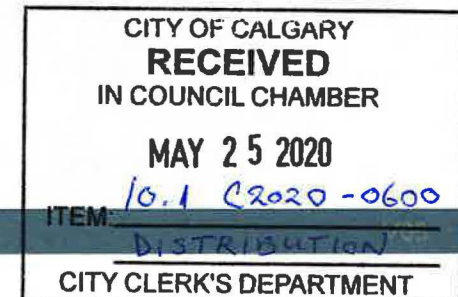
C2020-0600

May 25, 2020



Purpose

- The application for the *Downtown Accelerator Program - 1 Million Square Feet* was presented to Council 2020 April 27. Administration was directed to return to Council with answers to questions raised.
- 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, which if successful would be matched by private sector contributions, thus doubling The City's investment in rebuilding the health of Calgary's downtown lease market and overall economy.



Program Approach

This program aims to fill one million square feet of vacant retail and amenity space in the downtown, by:

- evaluating the existing offering of commercial services in the first pilot area
- determining a complementary program of commercial services
- assisting with leases for temporary uses to test concepts
- testing retail and restaurant concepts
- evaluating successes
- assisting with long-term leases



Council Questions 2020 April 27

1. How many jobs would be created by the proposed program?

Estimates for one million square feet of commercial floor space using the standard projection would see approximately **1858 jobs** (pre-COVID estimate).

2. How is the requested \$250,000 being spent?

Program funds will cultivate tenants into long term leases, change the image of downtown and stimulate private investment into buildings, by:

- research and inventory of existing businesses in the first pilot area
- analysis of market demands for services
- connecting with building owners and potential tenants
- developing marketing plans
- communication and marketing
- term lease agreements and documentation
- tracking and monitoring of the program performance.

3. What are the procurement requirements for this program?

Funding will be a grant by The City of Calgary to the Calgary Downtown Association. A grant agreement will outline the terms and conditions including all applicable Council policy and trade agreements.

4. Is the proposed program aligned with all City of Calgary civic partners? Does the program meet the goals and objectives of *Calgary in the New Economy: An economic strategy for Calgary* and the work of Calgary Economic Development?

Yes, the proposed 1M program is very much aligned with civic partners and does meet the objectives of the *Calgary in the New Economy: An economic strategy for Calgary*.

Calgary Economic Development has been involved in the development of the program and have provided a letter of support for the program (Attachment 4).

Council Questions 2020 April 27

5. Is the proposed program aligned with all project work included in the Downtown Strategy?

Downtown Strategy Leadership Team reviewed and supported the initiative to promote business development and improve downtown private and public spaces.

This program supports Calgary's downtown and the whole city in attracting investment, tenants and innovators to take up leases.

6. How is accountability and progress being reported?

A grant agreement will be put in place with various stipulations including only releasing funds in a staged manner when matching funds are confirmed. CDA will also be required to report on program achievements and expenditures.

Reporting would occur at the end of phase 1, approximately March 2021, and then at the end of the program, in the spring of 2022.



Strategic Alignment

This program supports the recovery of Calgary's downtown.

As The City invests in placemaking, this program will match businesses with landlords and help stimulate the economy and create sense of place in the downtown.

The program leverages capacity of the local Business Improvement Area (Calgary Downtown Association) to revitalize commercial areas in a phased manner while implementing Council priorities and the Downtown Strategy.

This initiative is even more pertinent with current global COVID-19 pandemic. As businesses are allowed to reopen, the 1M program would support the comeback of commercial services, public activity back to the downtown, and investment which benefits Calgary as a whole.

Administrative Recommendation

That Council approve the recommendations outlined in Attachment 1 – Council Innovation Fund Application for Downtown Accelerator Program – 1 Million Square feet (C2020-0463) to:

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.