

REPORT BACK ON THE DOWNTOWN ECONOMIC SUMMIT

EXECUTIVE SUMMARY

The City of Calgary (The City) and its partners Calgary Economic Development (CED) and Calgary Municipal Land Corporation (CMLC) are taking action to keep Calgarians working, invest in infrastructure, and increase the effectiveness of local government. It is important that The City and its partners take deliberate steps and use a more nimble and responsive approach to identify the city's best growth prospects to reduce the impact of the economic downturn on citizens and local businesses and help ensure Calgary's ongoing success into the future.

Calgary's Centre City and downtown is an economic driver and employment centre. The downtown, fueled by the concentration of energy industry headquarter offices, historically generated 40 per cent of non-residential tax revenue and 25 per cent of city-wide employment. With record high unemployment and office vacancy rates, there is a need to focus on and elevate the awareness of a coordinated strategy that leverages the collective efforts of The City and its public and private sector partners. In response to this immediate need, Calgary City Council approved NM2017-01 *Downtown Calgary and Economic Uncertainty: A Coordinated Response* on 2017 January 23, which directed Administration to work with CED to host a Downtown Economic Summit to identify emerging trends and opportunities and create a short-, medium- and long-term action plan report.

The Conference Board of Canada (CBOC) predicts Calgary's economy will grow by 2.3 per cent in 2017. Calgary's gross domestic product (GDP) is forecasted to be approximately \$117.8 billion in 2017, compared to \$120.7 billion in 2014. While job growth will resume, it will not return in the same form, rate or compensation prior to the recent recession. According to the CBOC, Calgary's downtown office vacancy rate was 25 per cent in 2016 and forecasted to reach 27.3 per cent in 2017, with approximately 12 million square feet of unoccupied office space. The CBOC projects that Calgary is unlikely to see any new downtown office real estate investment for at least 12 years. Gradually rising oil prices will help Calgary pull out of recession. However, the fact is the oil and gas industry has fundamentally changed. The correlation between GDP growth, job creation and office space absorption is not the same as before and is unlikely to come from the large energy companies. Job growth is projected to mainly come from companies that are less than five years old. Furthermore, technology changes and innovation will further impact employment and demand for large spacious floor plates and long-term leases of office space. This combination of factors along with weak residential investment suggests that Calgary's already weakened construction sector will be at further risk with no anticipated office real estate investment coming into market for the foreseeable future. Therefore, continued investment in infrastructure for large scale buildings will be critical to stimulate the economy, create jobs and to achieve the vision for *Calgary: a great place to make a living, a great place to make a life*.

The Downtown Economic Summit was held on 2017 March 2 and was hosted jointly by The City, CED and CMLC with approximately 160 participants. Throughout the event, participants answered specific questions about Calgary's Centre City, including its current strengths and possibilities to help address vacant office space and job creation. Participants then put the possibilities into priorities and identified tactics to consider moving forward. As per Council's direction, this report consolidates the feedback and ideas heard at the Downtown Economic Summit. Specifically, this report highlights themes and supporting projects and tactics.

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In addition, The City, CED and CMLC have a number of strategies and projects underway that address the ideas identified by participants at the Downtown Economic Summit. An action plan with short-, medium- and long-term actions can be found in ATTACHMENT 2.

ADMINISTRATION RECOMMENDATION:

That Council receives this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 November 3, Council adopted *Building on our Energy*: an Economic Strategy for Calgary, directing Administration to lead or partner with Calgary Economic Development to advance strategies needed to build a community that attracts expert talent and business investment as part of the implementation plan (PFC2014-0809).

On 2015 February 10, Administration presented the Economic Resilience Strategy to Council (VR2015-0014) to focus efforts and to respond to the emerging economic downturn. The seven strategies of the Economic Resilience Program emphasize the need for The City to continue to deliver services to Calgarians in a responsible fashion and to stay financially prudent in the midst of changing economic conditions.

On 2016 November 21, as part of the Action Plan Mid Cycle Adjustments, Council approved the Capital Investment Plan and authorized the Deputy City Manager to continue to identify capital funding sources, including allocations and efficiencies from existing capital budgets and to transfer funds to the Budget Savings Account.

On 2017 January 23, Council approved the Municipal Non-Residential Phased Tax Program. Under this program, the 2017 non-residential municipal property tax increase will be phased in by limiting the increase in 2017 to five per cent, not including the effect of business tax consolidation or any provincial property tax requisition.

On 2017 January 23, Council approved Notice of Motion NM2017-01, "Downtown Calgary and Economic Uncertainty: A Coordinated Response," directing Administration to "work with Calgary Economic Development to organize a Downtown Economic Summit... to identify emerging trends and opportunities to ensure The City uses its capacity to best position resources for the future."

On 2017 March 6, Council responded to a motion arising to direct Administration "... to explore the creation of an Economic Development Fund to respond to the prolonged economic challenges and capitalize on new opportunities that will create jobs, drive economic recovery and revitalize the downtown core. This will include funding options and opportunities for public and private partnerships and report back through the Priorities and Finance Committee no later than Q2 2017."

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On 2017 April 24, Administration brought forward a report for reconsideration on the report back date for both the Downtown Economic Summit (NM2017-01) and the motion arising regarding the report on an Economic Development Fund. The reconsideration was approved by Council, and it was determined that both reports would come forward to the 2017 May 29 Regular Meeting of Council.

On 2017 May 15, Council approved Mayor Nenshi's motion, Green Sheet, Deferral of Downtown Strategy Recommendations to reconsider its decision from the Minutes of the 2017 April 24 Regular Meeting of Council and direct that the reporting prepared in response to Resolution 3 of the Downtown Calgary and Economic Uncertainty: A Coordinated Response, NM2017-01 and the motion arising "to explore the creation of an Economic Development Fund to respond to the prolonged economic challenges and capitalize on new opportunities that will create jobs, drive economic recovery and revitalize the downtown core" to the 2017 June 19 Strategic Council Meeting for consideration.

BACKGROUND

Geopolitical circumstances and global commodity prices have had a major impact on the energy industry and consequently on many businesses and citizens in Calgary. Calgary's Centre City and downtown is an economic driver and employment centre, historically generating 40 per cent of non-residential tax revenue and 25 per cent of city-wide employment. There is a need to focus on and elevate the awareness of a comprehensive and coordinated strategy that leverages our collective efforts.

The City approved the Centre City Plan in 2007. The Plan officially recognized the importance of the Centre City to Calgary's social and economic fabric. When the Centre City thrives, so does the rest of the city. Downtown is the economic engine and hub. That is why it is vitally important for The City and the community to invest in planning and creating a livable, thriving and caring Centre City, especially when faced with the challenges of the economic downturn and the journey to recovery.

The 2015 Centre City Citizen Perception Survey findings continue to demonstrate that great strides have been made in building a vibrant Centre City. The City's investment in the Centre City since 2007 has created a more attractive core that has a greater capacity to support and encourage future investment and growth. The bi-annual survey will be undertaken in fall of 2017 and will provide an updated snapshot of citizen perceptions and activity levels since the economic downturn took hold.

Calgary's Centre City and downtown is a great place to live, work and play.

Calgary's Centre City and downtown is a great place to live, work and play. It is the hub for culture, arts, sports, entertainment, events and a big tourism driver attracting visitors and business travellers. The City's investment in the Centre City since 2007 has created a more attractive core that has a greater capacity to support and encourage future investment and growth.

- The opportunities to leverage on these strengths are even more heightened now.

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- Council's recent approval of Phase 1 of the Green Line project along with upcoming deliberations on major initiatives could have the potential to further contribute to the vibrancy of the downtown and the entire city.
- Opportunities to repurpose and convert office buildings into other uses such as institutional or residential can increase density and activity in the Centre City and help grow the economic engine of the city more strategically.

The Canadian Urban Institute: Value of Investing in Canadian Downtowns, October 2013

"The study collected data from 17 cities across Canada, to illustrate the importance of investing in downtowns. The study documented the major contribution downtowns are making to the economic health of their respective cities, now and into the future. The downtowns featured in the report often take up as little as one percent of city-wide land area, but attract 10 or 20 times that in terms of contributing to The City's assessment base and generating property tax revenues. All of the downtowns featured in the report are making major contributions to their city's bottom line and economic prosperity. In most cases, downtowns serve as the engine for local economies and also represent the image and character of a city to the rest of the world. Downtowns are unique in that they are typically the only neighborhood that belongs to and is shared by everyone in the region. In today's global economy with competition between municipalities for jobs and talent, it is critical that cities have a shared vision centered on a redevelopment plan for their downtown." (Sources: Canadian Urban Institute; and Andy Kisinger, AIA, AICP)

Council at its meeting on 2017 January 23 dealt with NM2017-01, Downtown Calgary and Economic Uncertainty: A Coordinated Response (Councillor Farrell and Councillor Woolley):

*"ADOPT, Moved by Councillor Farrell, Seconded by Councillor Woolley, that Councillor Farrell and Woolley's Motion, NM2017-01 be adopted, **after correction**, as follows:*

*NOW THEREFORE BE IT RESOLVED that City Council direct Administration to work with Calgary Economic Development to organize a Downtown Economic Summit with Calgary Economic Development's Real Estate Advisory Committee (including members from **CMLC**, NAIOP, BOMA, UDI and private sector) and the Economic Strategy Leadership & Implementation Team (including members from the Calgary Chamber, Vibrant Communities Calgary and the Government of Alberta) and other economic thought leaders to identify emerging trends and opportunities to ensure The City uses its capacity to best position resources for the future.*

AND FURTHER BE IT RESOLVED that the Administration and Calgary Economic Development create a short-, medium- and long-term action plan report;

AND FURTHER BE IT RESOLVED that Administration and Calgary Economic Development present findings from the Downtown Economic Summit and action plan report to City Council at a Strategic Planning Session by late Q2, 2017."

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Downtown Economic Summit Overview

The purpose of the summit was to help address two issues that are closely linked: vacant office space and unemployment. The Downtown Economic Summit was held on the afternoon of 2017 March 2 at the Calgary TELUS Convention Centre. The invitation-only event included approximately 160 participants from CED's Real Estate Advisory Committee, including members from the CMLC, National Association for Industrial and Office Properties (NAIOP), Building Owners & Managers Association of Calgary (BOMA), Urban Development Institute (UDI) and private sector, and the Economic Strategy Leadership & Implementation Team, including members from the Calgary Chamber, Vibrant Communities Calgary and the Government of Alberta. Additional participants included the Honourable Kent Hehr, representatives from City Council, City departments and business units, the United Way, and citizens at large, among others. Throughout the event, participants answered questions and submitted ideas using Ipsos' ideation technology, which was generously provided to The City of Calgary at no cost.

Pittsburgh, a city that had been undergoing economic contraction for decades, has in recent years revitalized the downtown core and created a new and more diverse economic foundation. The Downtown Economic Summit agenda included a panel discussion sponsored by the Rockefeller Foundation's 100 Resilient Cities network with the former Mayor of Pittsburgh Tom Murphy, as well as current Chief Resilience Officer for the City of Pittsburgh Grant Ervin. The discussion focused on key themes that are necessary to help a city through a structural economic downturn. These themes included the need to:

- create a funding model for making strategic investments;
- develop and sustain relationships with public institutions, particularly universities and post-secondary institutions, as well as with businesses in the private sector;
- leverage lands as both an asset and an opportunity to create catalytic developments that spur additional investment; and,
- harness ideas to be bold and re-imagine the city's potential.

On 2017 March 3, the Deputy City Manager's Office hosted the #ResilientYYC Agenda-Setting Workshop as part of The City's membership in the Rockefeller Foundation's 100 Resilient Cities network. Participants worked together to identify the top shocks and stressors for Calgary. Economic uncertainty and macro-economic stress was identified by participants as the top shock and stressor facing Calgary.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Trends & Facts

Gross Domestic Product (GDP)

- The CBOC predicts Calgary's economy will grow by 2.3 per cent in 2017.
- After two years of contraction, Calgary's GDP is forecasted to be approximately \$117.8 billion in 2017, compared to \$120.7 billion in 2014.

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Unemployment

- Calgary's current unemployment rate is 9.3 per cent. The CBOC forecasts Calgary's unemployment rate will drop to 8.0 per cent in 2018. It predicts 9,000 jobs will be added this year and 10,000 more next year.
- While modest job growth will resume, it will not return in the same form, rate or compensation prior to the recent recession.

Office Vacancy Rate

- According to the CBOC, Calgary's downtown office vacancy rate is forecasted to reach 27.3 per cent in 2017, with approximately 12 million square feet of unoccupied office space. The CBOC projects that Calgary is unlikely to see any new downtown office real estate investment for at least twelve years.

The Oil and Gas industry has fundamentally changed.

- Gradually stabilizing and modestly rising oil prices will help Calgary pull out of recession. However, the fact is the oil and gas industry has fundamentally changed.
- According to CED and the Calgary Chamber of Commerce's Spring 2017 Business Leaders Market Perceptions Survey, 81 per cent of leaders believe this is not a normal economic cycle and the future of Calgary's economy depends on other sectors becoming stronger to compensate, which is up from 72 per cent from last year.
- In addition, only 39 per cent believe the price of oil will come back and we will be fine, down from 54 per cent last year.
- The correlation between GDP growth, job creation and office space absorption is not the same as before.
- Small to medium sized businesses (SMEs) are of particular importance to Calgary's economy representing almost 95 per cent of all Calgary businesses. Job growth is projected to mainly come from new companies that are less than five years old (*Source: Forbes and the Kauffman Foundation*).

Construction

- The construction sector made up 13 per cent of the workforce in 2014 and now makes up 10 per cent, resulting in 23,500 jobs lost during the recession.
- According to the CBOC, even when overall employment starts to show signals of modest recovery, the resumption of job growth in the construction sector will lag behind other industries.
- Employment in this sector is not expected to recover until 2021. Therefore, it is critical to continue to invest in infrastructure to keep construction workers employed or Calgary may be at risk of losing highly skilled trades talent.

Special Report: Conference Board of Canada – Calgary's Downtown Office Market Outlook and Impact

The CBOC was commissioned by CED to conduct a medium- and long-term forecast of Calgary's downtown office market, including its assessed and total tax values, in an effort to help shape strategies and solutions to address challenges posed by the high office vacancy rate. The forecast predicts that Calgary and Alberta can look forward to moderate economic growth in the coming years with the slow improvement of oil prices, although these prices are

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anticipated to remain well below peak prices. In addition, the CBOC forecasts that the metropolitan area's economy will expand by 2.3 per cent in 2017.

Unfortunately, the research indicates that a near-term recovery for the downtown office market is unlikely. The combination of high vacancy rates and imminent office building completions suggests that it will take about a decade for the available space to be absorbed. In addition, two new buildings are opening this year that will add a total of almost two million square feet of office space, with a third 430,000-square-foot building set to open in 2019. Calgary's downtown office vacancy rate reached 25 per cent in 2016, and is forecasted to reach 27.3 per cent in 2017 with approximately 12 million square feet of unoccupied office space. The CBOC projects that Calgary is unlikely to see any new downtown office real estate investment for at least 12 years.

Property assessments on these buildings are also tumbling, which has consequences for The City. From 2016 to 2018, CBOC forecasts that \$7.5 billion will have been wiped out from the assessed value of the downtown office market. As such, the total tax value generated from these buildings will not surpass its 2015 peak until 2020.

Over the medium- and long-term, Calgary's economy is expected to post moderate growth as oil prices continue their gradual ascent. Rising employment will help fill the available office space in the downtown core. The vacancy rate is expected to remain above 20 per cent until 2023 and above double-digits until 2032.

Priorities

The main focus of the summit, as directed by the Notice of Motion, was to bring together economic thought leaders in Calgary to "identify emerging trends and opportunities to ensure The City uses its capacity to best position resources for the future." Throughout the event, participants answered questions about the current strengths of Calgary's City Centre and identified possibilities for the future. When asked "What do you think is possible for Calgary's Centre City?" participants identified the priorities:

- Residential densification;
- Creating more hubs/innovation centres and centres of excellence (entrepreneurial, exchange, high tech research and development);
- Arts and Culture District;
- Repurposing existing downtown real estate;
- Events and festivals;
- Bringing more post-secondary downtown;
- Walkability and cycling infrastructure;
- Music city/district and supports;
- New arena; and,
- Convention centre expansions.

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Tactics

Once the priorities were identified, facilitators asked participants to work with their tables to determine how the items might be accomplished. The tactics that emerged most frequently in table discussions included:

- Funding/seed capital from both public and private sector, land incentives;
- Partnerships/collaboration between public and private sector;
- Attracting entrepreneurs and innovative industries;
- Integrating and/or co-locating incubators and accelerators;
- Improving government processes/cutting red tape;
- Enabling legislation/improved zoning and land use;
- Repurposing office space in the downtown for other uses/providing space for free;
- Building a downtown university campus with student housing;
- Adjusting parking strategies to accommodate residential; and,
- Improving neighbourhood vibrancy.

Main Themes

The priorities have been reviewed, assessed, and synthesized or distilled into two main themes:

1. Create spaces for collaboration and innovation in the Centre City and Downtown; and,
2. Continue to invest in live, work, play in the Centre City and Downtown.

The table below summarizes the alignment between the priorities with the main themes with the Economic Strategy and Real Estate Sector Advisory Committee (RESAC) Top Ten List.

Alignment with Themes

Priorities	Alignment				
	Themes			Existing Work	
	Innovation & Collaboration	Live Work Play		Economic Strategy	RESAC Top Ten List
Residential densification	✓	✓		✓	✓
Creating more hubs/innovation centres and centres of excellence (entrepreneurial, exchange, high tech research and development)	✓	✓		✓	✓
Arts and Culture District	✓	✓		✓	
Repurposing existing downtown real estate		✓		✓	✓
Events and festivals		✓		✓	
Bringing more post-secondary downtown	✓	✓		✓	✓
Walkability and cycling infrastructure		✓		✓	
Music city/district and supports		✓		✓	
New arena		✓		✓	
Convention centre expansions	✓	✓		✓	

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Theme 1: Create Spaces for Innovation & Collaboration in the Centre City and Downtown

- The speed of technology change and innovation is very rapid, which impacts where, when and how people work. This shift directly affects the demand and absorption of office space, job growth, and on talent retention and attraction.
- Over the years, Calgary has developed an exceptional ecosystem in the energy sector for below-the-ground innovation through the collaboration of companies, post-secondary institutions and other organizations such as Canadian Oil Sands Innovation Alliance (COSIA).
- Calgary needs that type of ecosystem to support the above the ground innovation across all sectors, after all technology is no longer a sector – digitization is a way of doing business.
- Calgary is well positioned to be a prime market leader for the Industrial Internet of Things.
- For the first wave of the Internet, people were connected to a desktop computer and maybe a server. The second wave was connecting with a mobile device and the cloud.
- The next wave is to connect the over 50 billion devices worldwide by 2020 – just two and a half years away. Seventy per cent of those devices will be deployed in industrial sectors and health care using big data, artificial intelligence, machine learning and cyber security to make real-time decisions.
- There is an opportunity to digitize Calgary's key sectors. We will only remain competitive by being more efficient, effective and productive and above the ground innovation is the solution.
- Silicon Valley looks at Calgary and knows we have talent that understands what data needs to be collected where and when, and we have a concentration of head offices or potential clients.
- Calgary also has entrepreneurial capital from the highest concentration of millionaires in Canada that have typically invested below-the-ground innovation not above-the-ground innovation.
- CED is focused on collaborating with the Rainforest Network and Innovate Calgary to advance the innovation ecosystem at the university and strengthen the ecosystem in the downtown. In 2017 Q1, Council approved the release the release of \$325,000 in Community Resiliency funding for CED to establish a pilot to enhance, expand, and deliver Startup Calgary's programs and services for earlier stage entrepreneurs.

Theme 2: Continue to invest in Live, Work, Play in the Centre City and Downtown.

This theme is supported by the Economic Strategy and actions particularly under the Community Energy area of focus: *Build Calgary as a model city for sustainable development and affordable housing; and, Build and promote Calgary as a city to live a creative, active life.*

- Direct future growth in a way that fosters more compact and efficient use of land, creates complete communities, allows for greater mobility choices and enhances vitality and character in local neighbourhoods.
 - Support development and redevelopment that provides a broader range of housing.

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- Encourage higher densities in areas of the community that are more extensively served by existing infrastructure, public facilities and transit.
- Address greater connectivity between Calgary's primary cultural, recreation and commercial districts in the centre city.
 - Create and support great public spaces for residents, workers, and visitors.
 - Support the investigation of convention space needs.
- Establish Calgary as an artistically vibrant and cultural destination in Canada.
- Build a city where all Calgarians can participate in sport and recreation in the extent they choose.
 - Support sport and sport tourism development.

The theme also aligns with the CED Real Estate Sector Advisory Committee's Top Ten List including:

- Establishing an environment that encourages non-traditional use of space including incubators/accelerators, schools and universities;
- Converting office space to residential or repurposing space;
- Developing a retail strategy to revitalize vacant areas;
- Improving cycle time for building permits and approvals; and,
- Providing greater certainty on change of use permits.

Strategies

The City, CED and CMLC are taking action to keep Calgarians working, invest in infrastructure, and increase the effectiveness of local government. Recent economic forecasts suggest that the recovery from the current downturn will be slow, and Calgary's economy is unlikely to see significant improvement in 2017. It is important that The City and its partners take deliberate steps and use a more nimble and responsive approach to identify the city's best growth prospects to reduce the impact of the economic downturn on citizens and local businesses and help ensure Calgary's ongoing success into the future.

Leveraging the ideas and discussion at the Downtown Economic Summit, Administration is outlining five strategies The City and its partners CED and CMLC will employ to help encourage investment in Calgary. More information on these strategies, including descriptions and examples, can be found in ATTACHMENT 1:

- Ideas;
- Partnerships;
- Financial investment;
- Land, assets and real-estate; and,
- Enabling government processes.

Actions

Following the Downtown Economic Summit, Administration, CED and CMLC reviewed the priorities and ideas and developed an action plan with the following approach:

- Review existing business plans for alignment;
- Cross reference priorities with strategies and plans including the Economic Strategy and Real Estate Sector Advisory Committee Top Ten Priority List for alignment;

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- Identify actions that may need to be expedited; and,
- Assess the opportunity to bring forward potential new actions that may require new funding and direction to Council for consideration as part of the 2018 business plan and budget adjustment process in November, 2017 and/or the 2019-2022 business plan and budget process.

It is important to document the depth and breadth of actions to demonstrate the collaboration and comprehensive approach to address challenges and opportunities. The City, CED and CMLC have a number of strategies and projects underway in the Centre City that address the themes identified by participants at the Downtown Economic Summit which supports and aligns with the Economic Strategy. These actions, including a timeline for implementation (short-, medium, and long-term), have been outlined for information in ATTACHMENT 2. Where possible, actions have been grouped by theme and the organization or business unit responsible for completing or coordinating the completion of the action has been identified.

Implementation

The implementation of the actions requires leadership from The City, CED, CMLC, and other stakeholders. A small core team of key representatives from The City, CED, CMLC and other stakeholders should meet regularly to advance the actions and strategies. A process to identify and review ideas for strategic investments will be developed. Ongoing communications and updates should be provided to demonstrate leadership, collaboration and progress.

Stakeholder Engagement, Research and Communication

The City and CED continue to conduct, research about the needs and changing priorities of Calgarians, gauging perceptions on quality of life, the economy and infrastructure investments. A majority of Calgarians believe that The City has an impact on their quality of life and an obligation to support the local economy.

Strategic Alignment

The report and its attachments directly align with Council Priorities for 2015-2018, particularly with the priority of “A prosperous city,” encouraging economic growth by supporting civic, business and community partners to attract local and global investment. This report also has strong alignment with Calgary Economic Development’s *10-Year Economic Strategy for Calgary: Building on our Energy*, which speaks to a collaborative effort between business, government and community partners to position Calgary as the location of choice for business and investment, foster trade and develop Calgary’s workforce.

In addition, the Report Back on the Downtown Economic Summit is in alignment with The City’s seven key result areas in the Economic Resilience Strategy, as well as with the East Village Area Redevelopment Plan, the Centre City Plan, which presents a 30-year vision for creating a Centre City that is a liveable, thriving and caring place and Imagine Calgary’s vision – Calgary: a great place to make a living, a great place to make a life.

The actions identified in ATTACHMENT 2 align to The City’s Capital Investment Plan (C2017-0214), as well as with the work underway through The City’s membership in the Rockefeller Foundation’s 100 Resilient Cities network among other city plans and strategies.

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Social, Environmental, Economic (External)

The City of Calgary is working to address the needs of Calgarians in light of economic changes in the community. The City has conducted, and continues to conduct research about the needs and changing priorities of Calgarians, gauging perceptions on quality of life, the economy and infrastructure investments. Findings indicate that citizen perceptions of quality of life and the economy have weakened. A majority of Calgarians believe that The City has an impact on their quality of life and an obligation to support the local economy.

Financial Capacity

Current and Future Operating Budget:

There are no impacts to current or future operating budgets anticipated as a result of this report or its attachments. CMLC paid for costs associated with hosting the Downtown Economic Summit and CED commissioned the research from the CBOC. Administration and CED contributed a significant amount of employee time and resources toward the initiative and the development of this report in-kind.

Current and Future Capital Budget:

There are no impacts to current or future capital budgets anticipated as a result of this report.

Risk Assessment

From an Integrated Risk Management perspective, there is no inherent risk in the recommendation of this report. The recommendation has accounted for potential risks in the areas of social, economic, and reputational as identified in The City's Principal Corporate Risk Register. All identified risks are low and are actively being mitigated by The City.

- **Social and economic:** recent economic forecasts suggest that the recovery from the current downturn will be slow and the unemployment rate will remain high, which will continue to have impacts on citizens and businesses.
- **Reputational:** it is important that The City and its partners take deliberate steps to reduce the impact of the economic downturn on the downtown, citizens and local businesses to help ensure Calgary's ongoing success into the future.

REASON(S) FOR RECOMMENDATION:

The City of Calgary and its partners including CED and CMLC are taking action to keep Calgarians working, invest in infrastructure, and increase the effectiveness of local government. It is important that The City and its partners take deliberate steps and use a more nimble and responsive approach to identify the city's best growth prospects to reduce the impact of the economic downturn on citizens and local businesses and help ensure Calgary's ongoing success into the future.

ATTACHMENTS:

1. Strategies
2. Actions in the Centre City