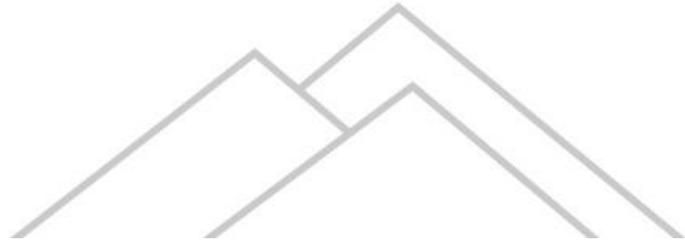


Industry Letter



November 24, 2020

Priorities and Finance Committee
City of Calgary
800 Macleod Trail South
Calgary, AB T2P 3P4

Dear Members of the Priorities & Finance Committee:

RE: EAGCS Phase 2 Update on Financial Tools & Strategies; PFC 2020-1245

BILD Calgary Region (BILD), in conjunction with NAIOP Calgary, would like to acknowledge administration and stakeholders for their commitment and effort in launching EAGCS Phase 2.

The Phase 2 Comprehensive Investment Tools (CIT) Working Group has been reconstituted with a mix of new and Phase 1 member participation. There is a great deal of investigation and analysis to be done on the various financial tools and funding sources referenced in the report.

Regarding the **property tax uplift (PTU) pilot**, this report is presented at early stages of the work. Industry members are eager to dive deeper into the assumptions and the methodology:

- Industry might have chosen a more market-supported area to pilot however it is understood the selection was determined by the Local Area Planning process and appreciates future analysis will include testing assumptions and methodology on other actively redeveloping communities; and
- In Phase 2, Industry will work with Administration to review multiple case studies on the actual PTU on completed redevelopment projects to test the preliminary assumptions reflected in Attachment 4.

Property Tax Allocation – Industry is highly supportive of the work evaluating the contribution redevelopment makes towards the City’s general revenues and financial resilience and quantifying the annual value received from growth-related tax revenue from redevelopment – leading to better-informed corporate investment decisions.

With respect to **density bonusing (DB)**, it is critically important that communities experiencing redevelopment are supported with adequate funding for community amenities and benefits. Accordingly, Industry members would temper what appears to be early expectations and emphasis placed on DB as a tool intended to support public realm investment in redeveloping areas. Early observations:

- Current DB programs in Calgary have delivered inconsistent and irregular results – varying from moderate realization of community benefit to the apparent inability to achieve the intended purpose;
- New Planning Generation of Planning policy tools do not yet appear to align with typical DB policy;
- An effective DB program needs a consistently climbing real estate market (eg. Vancouver); this is in stark contrast to the ebbs and flows of the Calgary real estate market; and
- DB is not a foregone conclusion - a suite of tools must be fully considered, and appropriately utilized, to find a **made-in-Calgary** solution to serve the objective of funding community benefit.

It is understood the outcome of the DB review may be recommendations to, not only exercise restraint in activating future DB programming, but potentially include the termination of some current unsuccessful policy enabled funds.

Finally, the EAGCS Phase 2 Financial Tools & Strategies review must be comprehensive, in consideration of the holistic context of funding, including levies and charges, as well as supporting planning policy.

Industry members are eager to begin the work on evaluating the contribution redevelopment makes to the City's capital and operating budget, and how the results of this evaluation will impact future work, strategies and funding recommendations, ultimately resulting in a comprehensive city-wide approach to growth.

Yours truly,

BILD CALGARY REGION



Beverly Jarvis

Director of Policy, Projects & Government Relations

c.c. Guy Huntingford, Director of Strategic Initiatives, NAIOP Calgary
Kathy Davies Murphy, Manager, Growth Funding & Investment, City of Calgary
Matthew Sheldrake, a/Manager, Growth & Strategic Services, City of Calgary
Lesley Kalmakoff, Sr. Growth Mgmt Planner, Growth & Strategic Services, City of Calgary