

## Why are we here?

To report on capital funding capacity

To seek approval in principle of new candidate projects for investment

To seek approval to reserve some funds for future capital investment priorities

CITY OF CALGARY  
**RECEIVED**  
IN COUNCIL CHAMBER

MAR 06 2017

ITEM: 4.1.1 C2017-0214  
Distribution - Public  
CITY CLERK'S DEPARTMENT

**Action Plan Mid-Cycle Adjustments (C2016-0863)**

*"3. Authorize the Deputy City Manager to continue to identify capital funding sources, including allocations and efficiencies from existing capital budgets and transfer funds to the Budget Savings Account to support recommendation 4.*

*"4. Direct the Deputy City Manager to return to Council no later than Q2 2017 with recommendations for new, or currently unfunded investment projects;"*

C2016-0863

Administration has identified potential investments while acknowledging existing economic conditions. We are mindful of the following initiatives:

- Corporate workforce planning
- Operational efficiencies
- Citizen research supporting investment

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**Reminder:  
Infrastructure Calgary  
Program Goals**

1. Stimulate the economy by increasing the quality and velocity of capital expenditures
2. Strengthen investment decision making to maximize the return for Calgarians
3. Enhance capital delivery efficiency and effectiveness
4. Improve transparency and line of sight for key stakeholders
5. Attract investment to Calgary

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Date	Report / Key Outcomes	Report Number
2015 Nov 25	Adjustments to the 2016 Budget approved	C2015-0855
2015 Nov 25	Capital Infrastructure Investment Strategy approved	C2015-0855
2015 Q4	ACER 2016 Workload Forecasting initiated	-
2016 Q1	ACER increased resourcing for capital project work commences	-
2016 May	Established Enterprise Portfolio Management Office	-
2016 Q2	ACER 2017 Workload Forecasting initiated	-
2016 Jun 27 / 2016 Jul 19	Q2 2016 Update on the Capital Infrastructure Investment Strategy	PFC2016-600 / C2016-0561
2016 Sep 20	2016 Capital Budget Recast and Other Capital Revisions	PFC2016-0713
2016 Nov 21	Action Plan Mid-Cycle Adjustments approved	C2016-0863
2016 Nov 21	Capital Investment Plan approved	C2016-0863
2016 Dec 31	Increased velocity of 2016 capital investment (\$1.547B)	-
2017 Mar 06	Identified Capital Funding Sources	C2017-0214
2017 Mar 06	Recommending New, or Currently Unfunded Investment Projects	C2017-0214

## Capital Infrastructure Investment Strategy

The strategy is comprised of the following components:

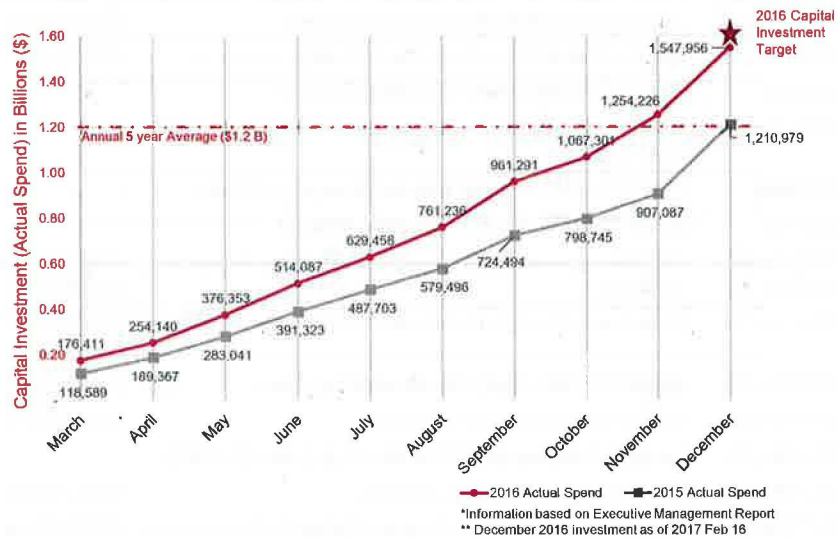
1. Critically examine and recast cash flows
2. Determine the priority projects
3. Align with Federal and Provincial Government initiatives
4. Review funding sources and switch accordingly
5. Review allocation of funding
6. Standardize processes
7. Fund additional resources
8. Examine involving the private sector to a greater extent
9. Identify and approve associated operating budget funding

2015 November 25, C2015-0855, Attachment 1

## Capital Investment Plan

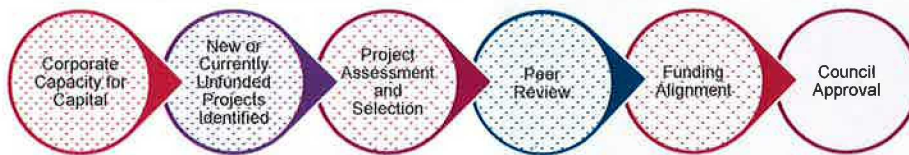
Geographic, Targeted Theme and Community Investments

## The City's Capital Investment (2015-2016)



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## Capital Investment Projects - Recommendation Process



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## Corporate Capacity Identified (by Funding Source)

A comprehensive review was conducted which identified capacity in the following funding sources for potential reinvestment.

### 1. Budget Savings Account

- Municipal Sustainability Initiative (MSI)
- Basic Municipal Transportation Grant
- Pay-As-You-Go (PAYG)
- Federal Gas Tax
- Transportation Levy
- Community Investment Reserve
- Capital Reserves
- Private Contributions
- Lifecycle, Maintenance & Upgrade Reserve (LMUR)

### 2. Corporate Capital Reserves

- Reserve for Future Capital (RFC)
- Lifecycle, Maintenance & Upgrade Reserve (LMUR)

### 3. Fiscal Stability Reserve (FSR) – Flood

### 4. RFC – Resilience

### 5. Unallocated MSI

### 6. Vacated Tax Room

### 7. Off-site Levies

### 8. Department Allocations

## New or Currently Unfunded Investment Project Identification

Infrastructure Calgary reviewed:

- Unfunded priority lists and emerging needs
- New programs/ projects directed by Council
- Federal and Provincial funding priority areas
- Project priorities from the Director's Integrated Growth Committee, Administrative Leadership Team and Infrastructure Calgary Steering Committee





## Project Assessment and Selection (Corporate Capacity Project Investment Filters)

### 1. Strategic Alignment

- Advances & aligns with strategic direction (i.e. Council Priorities, Capital Investment Plan)
- Required to meet regulatory requirement
- Considered projects that:
  - Provide short term economic stimulus
  - Add resilience in the community
  - Maintain and preserve existing infrastructure investments
  - Build a great community through legacy investments
  - Leverage public and private investment

### 2. Project Readiness\*

- Design, permits, approvals, leading infrastructure, asset, land ownership in place
- City has resource capacity or alternative delivery option
- Alignment with stakeholders (if needed)

*\* Not all projects required to be shovel ready as some are longer term city shaping projects*

### 3. Project Financials

- Project cash flow, internal and external funding sources identified
- Impact on operating identified (cost avoidance, cost reduction, increased operating)

### 4. Project Value and Benefit

- Economic, Social and Environmental Indicators as available/ applicable

### 5. Funding Alignment

- Federal & provincial grants, private contributions, off-site levies, reserve funds

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Recommendations for  
new or currently unfunded  
investment programs/ projects

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## Additional Capital Investments Exclusion

Project investigation excluded significant capital investments including, but not limited to, the following capital investments:

- Green Line
- Bonnybrook Wastewater Treatment Plant
- Infrastructure requiring significant operating budget support

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## Recommended Investments: Strategic (Subject to Provincial & Federal Funding)

	A Prosperous City	A City of Inspiring Neighbourhoods	A City That Moves	A Healthy and Green City	A Well-Run City
Airport Trail NE	X	X	X		
Crowchild Trail Short Term Improvements	X		X		
Flood Mitigation and Resiliency Measures	X	X		X	X
Main Streets Phase 1	X	X	X		

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## Other Recommended Investments (1) (Subject to Provincial & Federal Funding)

	A Prosperous City	A City of Inspiring Neighbourhoods	A City That Moves	A Healthy and Green City	A Well-Run City
Parks and Pathway Improvements (incl. Jack Long, Mills, Bridgeland, Montgomery)		X	X	X	
Community Infrastructure Lifecycle	X	X			X
Various Road Improvements (Glenmore / 68, Deerfoot / 128, 194 Ave)	X	X	X		
Baines Bridge		X	X	X	
14 <sup>th</sup> / 90 <sup>th</sup> Pedestrian overpass		X	X	X	

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## Other Recommended Investments (2) (Subject to Provincial & Federal Funding)

	A Prosperous City	A City of Inspiring Neighbourhoods	A City That Moves	A Healthy and Green City	A Well-Run City
Legacy Parks phase 2, tier 3 projects		X		X	
River Access Improvements		X		X	
NW water and sanitary upgrades (Brentwood TOD, Stadium)	X	X	X	X	
Corporate Lifecycle	X	X	X	X	X
Investment Optimization Fund					X

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