

Priorities and Finance Committee

Real Estate Working Group Update (Verbal) - PFC2021-0936

July 20, 2021

ISC: Unrestricted



1. Feedback provided on The Downtown Calgary Development Incentive Program
2. Update on the Proposed Industrial Grant Program
3. Next Topic for Real Estate Working Group
 - Leveraging untapped revenue potential – specifically related to return on Real Estate Assets and Investments (Financial Task Force Recommendation #21)



The Downtown Calgary Development Incentive Program – Feedback from The Real Estate Working Group

Program Specifics:

- Grant Amount & Funding Cap
- Eligibility & Criteria
- Timing of Incentive Allocation

Additional Considerations:

- Administration & Reporting
- Market Demand



Proposed Industrial Grant Program – Industry Feedback

Concerns & Considerations:

- Proposed grant perceived as a short term, band-aid solution
- Disparity between residential and non-residential tax rates
- Identified need for a regional approach to infrastructure cost sharing
- Risk of tenant cannibalization and downward pressure on rental rates

Bill 7 Potential – Similar concerns but remains an option that can be further explored once other issues addressed.

Next Steps – Stakeholders agreed the priority should be to address the larger, systemic issues that have exacerbated the competitiveness problem (i.e., tax rates, levies, development standards, permitting times).

**The Industrial Strategy Working Group current workplan incorporates these issues*

Work to Date:

- Coordination with Calgary Economic Development Real Estate Sector Advisory Committee on initial property analysis
- Members of the Real Estate Working Group are further assessing each asset category to determine viability and market environment

Next Steps:

- Further investigate options, including sale and potential for lease backs
- Create a framework to provide specific recommendations in each category for consideration



Report Topic	Priorities & Finance Committee
Industrial Analysis & Tax Incentives (Bill 7)	April 27, 2021
Downtown Office Vacancy	July 20, 2021
Untapped Revenue Potential	September 7, 2021
Res./Non-Res. Tax Distribution	November 9, 2021



Recommendations

That the Priorities and Finance Committee receive this presentation for the Corporate Record.



Questions