

Barron Building Residential Conversion Grant Program Terms of Reference

1. Introduction

At the 26 July 2021 meeting of Council, with respect to Report PFC2021-0779, *Downtown Strategy Implementation and 2020 Annual Report*, the following Motion Arising was adopted: That Council direct Administration to develop a potential funding mechanism to support the redevelopment of the Barron Building (610 8 AV SW), using the principles from the Downtown Calgary Development Incentive Program, including the application of the principles to this unique case and the identification of an appropriate funding source and report back to the 2021 September 07 meeting of the Priorities and Finance Committee.

The purpose of the Barron Building Residential Conversion Grant Program (Grant Program) is to provide financial support to assist with the completion of the residential conversion project of the Barron Building's existing vacant space to residential and other non-office uses that contribute to downtown vibrancy. Through this program, the Barron Building will be required to become legally designated as a Municipal Historic Resource, protecting the building from demolition in the future.

2. Grant

- The Barron Building Residential Conversion Grant is for the sole purpose of the completion of the residential conversion project for the Barron Building, located at 610 8 Avenue SW.
- The grant will be based on a calculation of \$75 per square foot of gross floor area (post completion) up to a maximum of \$7.5 million.
- A funding agreement will be required to be entered into with The City of Calgary no later than October 2022 or the funds will be reverted The City funding source.
- The grant will be payable once all the following conditions are met:
 - Full project completion
 - Issuance of unconditional Occupancy Permit
 - Legal designation as a Municipal Historic Resource by statutory bylaw to the satisfaction of The City.
 - Complete fulfillment of the Funding Agreement terms

3. Decision Making

All application decisions made pursuant to this Grant Program shall be in the sole and exclusive discretion of the Incentives Approval Committee as defined in the Downtown Calgary Development Incentive Program Terms of Reference.

4. Criteria

To be considered eligible to be approved by the Incentives Approval Committee, an applicant must first satisfy the criteria outlined below. The criteria below must be met to be considered for the Grant Program.

1. The property owner expressly agrees that a bylaw to The City's satisfaction may be presented to City Council at The City's discretion to designate the Barron Building as a Municipal Historic Resource pursuant to the Historical Resources Act R.S.A. 2000 c.H-9, as amended from time to time;
2. The property owner expressly waives all rights to claim additional or alternative compensation from The City because of The City's designation of the Barron Building as a Municipal Historic Resource. This does not preclude the owner from applying for applicable incentives for conservation which The City may offer and that the owner qualifies for;
3. Conversion from vacant space to residential space or other non-office adaptive uses that add vibrancy to the downtown.
4. The applicant is the property owner¹ or their designated agent, or the applicant provides authorization from the property owner that is satisfactory to The City of Calgary.
5. Evidence of project financing.
6. Applicant track record.
 - a. The applicant shall submit their project experience similar to scope and size contemplated in the application. If the applicant has no conversion experience, the consultants/ advisors that have conversion experience shall be named complete with their relevant experience. The development manager(s) or development consultants must have a proven track record in office to residential conversions or major urban renovation projects. The City's previous dealings with the applicant, if any, including the applicant's history of compliance with previous agreements and/or requirements of development, may also be considered.
 - b. The applicant shall prove to the satisfaction of the Incentives Approval Committee that the applicant has the human resources from a project management, supervision and execution perspective (if not own staff then via consultants) available in Calgary.
 - c. Details about the applicant shall be provided with the application as follows:
 - Age of entity/corporation;
 - Type of entity/corporation (legal and industry); and,
 - Proof of good standing with respect to annual filings, corporate standing, and financial capacity.

5. Application Process, Review, and Approval

5.1 Launch Date

Subject to Council's approval of the Terms of Reference, the Grant Program will be launched September 20 2021.

5.2 Application Intake Period

- September 20 2021 – March 31 2022

5.3 Application Requirements

¹ For the purposes herein, "property owner" means the registered owner of the fee simple estate of the subject property as registered at the Alberta Land Titles Office.

- a. Overview of the proposed project
 - Ownership of the subject property (as outlined herein)
 - Intent of project – conversion of xx square foot of vacant space to xx square foot of future use
 - Estimated total conversion costs
 - Estimated timeline to completion
- b. Description and background of the existing asset
 - Current use and vacancy status
- c. Project proposal
 - What is being proposed
 - Who will be involved in the conversion project (applicant's team and list of consultants such as architects, designers, engineers, or agents)
 - Special considerations
 - How, and from whom, financing and/or capital is to be sourced
- d. Project readiness
 - Status of financing/funding
 - Existing permits (if relevant)

5.4 Approval of Application(s)

- All application decisions made pursuant to this Grant Program shall be in the sole and exclusive discretion of the Incentives Approval Committee, as defined in the Downtown Calgary Development Incentive Program Terms of Reference.
- Application decisions, including approvals, made pursuant to this Grant Program do not: (1) constitute the granting by the municipality of The City of Calgary of any approval or permit as may be required pursuant to the *Municipal Government Act (Alberta)* or any other legislation in force in the Province of Alberta, including approvals of subdivision and permit applications and any land use redesignation applications, or (2) restrict the municipality of The City of Calgary, its Council, officers, employees or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as an approving authority over subdivision and permit applications and land use redesignation applications, or as a governmental authority.

Approvals will be provided under the following categories:

- a. Pre-approval of Application (pre-approval commitment letter)
Subject to satisfactory receipt of financing commitment from a Charter Bank or other recognized financial institution.
- b. Approval of Application
All conditions have been satisfied and applicant is ready to proceed to entering into a Funding Agreement upon receipt of satisfactory financing commitment from a Charter Bank or other recognized financial institution. If an applicant elects to self-fund, evidence of internal financing is required.
- c. Formal signing of Funding Agreement

Final commitment for the Grant Program. A Funding Agreement will be prepared for signing by the applicant and The City of Calgary, laying out the responsibilities and obligations of both parties. If stage gates during the permitting and construction process are not met, the Funding Agreement may be terminated.

- Applicant(s) must provide regular reports to the Downtown Strategy Team on progress towards completion – the details of reporting requirements will be outlined fully in the Funding Agreement. These reporting requirements may include copies of progress draws from lenders or other supporting documentation to confirm ongoing progress on the project. If an applicant elects to self-fund, evidence of internal financing is required.

5.5 Grant Payment

The grant will be payable upon fulfilment of the terms of the Funding Agreement, completion of construction, receipt of unconditional occupancy permit, and receipt of legal designation as a Municipal Historic Resource by bylaw.

6. Monitoring & Reporting

6.1 Reporting

The Downtown Strategy Team will provide a report on the Grant Program's results, financial status, and any identified recommendations to Council by Q4 2022.

6.2 Effective Date

These Terms of Reference are effective on the date they are approved by Council.

7. Confidentiality

For the purposes of this section, "**Confidential Information**" means information considered proprietary to an applicant and disclosed to The City pursuant to this Incentive Program, and includes all material, data and information (regardless of form and whether or not the same is protected by copyright, patent, or other applicable law) which is not available to the public. "Confidential Information" does not include any information that: (i) is now in or subsequently enters the public domain through means other than by the direct or indirect disclosure by The City; (ii) is already in the possession of The City; (iii) is lawfully communicated to The City, free of any confidentiality obligation; (iv) The City has received the applicant's prior written approval to disclose; or (v) The City is required to disclose pursuant to the Municipal Government Act (Alberta), the Freedom of Information and Protection of Privacy Act ("**FOIP Act**"), or any subsequent legislation of similar effect, or The City is required to disclose pursuant to any law or order of a court having jurisdiction over the matter.

Applications may include the Confidential Information of the applicants. The City shall make all reasonable efforts to maintain in confidence the Confidential Information. Without limiting the generality of the foregoing, The City will make reasonable efforts to keep, file and store all Confidential Information, together with any notes or other material incorporating or relating to the Confidential information, in a manner consistent with the FOIP Act, as well as in a manner consistent with its confidential nature and to take all reasonable action, whether by instruction, agreement or otherwise, to ensure that its employees do not disclose or use the Confidential Information directly or indirectly, for any purpose other than the purposes for which it was provided.

Notwithstanding the foregoing, The City may be required to disclose Confidential Information pursuant to its public disclosure obligations as contained in the FOIP Act. Should such disclosure be required, The City shall use its reasonable efforts to limit that disclosure and, in any event, shall make that disclosure only to the extent so required. The City shall communicate its disclosure obligations to all applicants and advise them that any disclosure of Confidential Information pursuant to The City's obligations under the FOIP Act shall not breach any obligation of confidentiality that may exist between The City and applicant.