

Background and Previous Council Direction

Background

Council approved the Terms of Reference for the [Downtown Calgary Development Incentive Program \(PFC2021-0779\)](#) with the goal of removing existing office space through building conversions to residential use. At that same meeting, it was noted that the Barron Building – a privately-owned, historically-significant Art Moderne-style building in the Downtown Core - would not qualify for funding under the Incentive Program given its current status of ‘non-office’ use.

Prior to Council’s approval of the Incentive Program, redevelopment of the Barron Building had commenced but issues arose, the project was delayed, and the property remains vacant to this day. The current owner of the Barron Building has been unable to proceed with the project, and it currently faces financial hurdles that would need to be overcome by the current owner or a future owner. Council directed Administration to explore a separate funding mechanism to support the preservation and re-use of the Barron Building.

Previous Council Direction

At the 26 July 2021 meeting of Council, with respect to Report Downtown Strategy Implementation and 2020 Annual Report, PFC2021-0779, the following was adopted:

That Council:

1. Receive the State of Downtown Calgary 2020 (Attachment 2) for the corporate record;
2. Approve the Downtown Calgary Development Incentive Program Terms of Reference (Attachment 3);
3. Direct Administration to bring the Downtown Calgary Development Incentive Program Phase 2 -Terms of Reference to Council no later than 2021 Q4;
4. Direct Administration to report on the implementation of the Downtown Calgary Development Incentive Program, the financial status, and recommendations on future program terms of reference to Council no later than 2022 Q4; and
5. Approve Redirection & Reprioritization of Cultural Municipal Sustainability Initiative Budget Funds (Attachment 5), including allocations of previously approved budgets totaling \$15.5M as outlined in Table 1 - Redirection of CMSI Funds.

At the 26 July 2021 meeting of Council, with respect to Report PFC2021-0779, 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.

At the 2021 April 26 Strategic Meeting of Council, with respect to report C2021-0524, Council approved the revised Attachment 3, 'Greater Downtown Plan – Initial Investment and Approvals' package, including \$45 million towards the Downtown Calgary Development Incentive Program.

In 2020 December, Council approved *Notice of Motion C2020-1439 Providing Incentive to Residential Development in the Downtown Core*. That with respect to Notice of Motion C2020-1439, the following be adopted, as amended: NOW THEREFORE BE IT RESOLVED that Council direct City Administration to explore the potential creation of regulatory and financial investment incentives for the development of new high-density residential complexes and the conversion of office buildings to various forms of residential occupancy or other uses within the downtown generally, but with a focus on the Downtown Core, to coordinate with the work of the Real Estate Working Group and Urban Initiatives Downtown Strategy team. AND FURTHER BE IT RESOLVED that Administration report to the Priorities and Finance Committee with its findings no later than the end of 2021 April.