

Civic Partners Update- Arts Commons Transformation Phase 1 Funding

RECOMMENDATIONS:

That Council approve the Capital budget appropriation of \$3.4 Million for Arts Commons Transformation Project (Capital Program 639-010) funded by the projected investment income from the Major Capital Projects Reserve.

HIGHLIGHTS

- In April 2021, Council approved the allocation of \$77 million from The City's allotment of the 2021 *Canada Community-Building Fund*, subject to the receipt of the 2021 funds, to provide the balance of funding needed to proceed with Phase 1 of the Arts Commons Transformation Project.
- Due to a difference in per capita calculation, The City received a \$73.6 million top-up from the *Canada Community-Building Fund* in 2021, not the \$77 million projected. With \$73.6 million approved, Administration is requesting approval of \$3.4 million from the projected investment income from the Major Capital Projects Reserve to address the shortfall.
- **What does this mean to Calgarians?** Fully funding the project enables work to continue on this priority capital project that will contribute to the economic recovery of Calgary, enhance the vibrancy of downtown, and support the financial resiliency and sustainability of Arts Commons and its resident companies.
- **Why does this matter?** Without this approval, the project will have a \$3.4 million shortfall in funding Phase 1 of the project. As a central arts and cultural hub, investment in the project aligns and accelerates implementation of the *Greater Downtown Plan* by supporting a thriving downtown that includes a mix of residential, office, retail, entertainment, and culture.
- The project contributes to *Calgary in the New Economy: An economic strategy for Calgary*, with a focus on enhancing strategies in the Place pillar.
- Most recent Council Direction: C2021-0524 Realizing Calgary's Greater Downtown Plan- Initial Investments and Incentives.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Since Arts Commons opened in 1985, Calgary's population has nearly tripled and the number of resident companies has doubled. Once completed, the Arts Commons Transformation Project will create a new, vibrant campus in the heart of Calgary. Phase 1 of the project will increase the number of venues and spaces to meet growing market demand and community aspirations. Phase 2 will modernize the existing facility, elevating the visitor experience through upgraded amenities and technology, and addressing lifecycle work.

The project will contribute to the cultural fabric of Calgary to both attract talent and retain lifelong Calgarians. The project aligns and accelerates implementation of Calgary's *Greater Downtown Plan*, *Calgary in the New Economy: An economic strategy for Calgary*, and a *Cultural Plan for Calgary*.

In early 2021, the Government of Canada announced its intention to double the federal Gas Tax Fund for one year by a top-up to its 2021 funding allocations. As well, the Government of

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Canada renamed the program the *Canada Community-Building Fund*. When presented to Council in 2021 April as a funding source for Arts Commons Project Phase 1 (C2021-0524), the estimated top-up from the *Canada Community-Building Fund* was \$77 million for The City through the Government of Alberta. The actual amount received was \$73.6 million. As a per capita funding program, The City's calculation of the projected funding available in 2021 was based on 2020 population data. However, the Government of Alberta made its calculations for the 2021 program allocation based on 2019 population data, creating a funding shortfall of \$3.4 million for the project. With the Council approval of \$73.6 million, Administration is recommending the allocation of \$3.4 million from the Major Capital Project Reserve to address the shortfall.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

This report did not require engagement or public communication. Various stages of the Arts Commons Transformation Project include a public engagement process, guided by the Engage Policy, Engage Framework and Process that aligns with its individual planning timelines.

IMPLICATIONS

Social

The Arts Commons Transformation Project aligns with the *Greater Downtown Strategy*, the Greater Downtown Plan and the associated investments. The project has been identified as a catalytic project for downtown vibrancy. The project will be required to retain an accessibility consultant who is well-versed in The City's Access Design Standards, the Rick Hansen Foundation Accessibility Certification process, Alberta's Barrier-Free Design Guide, and CNIB's Clearing our Path, to produce an Accessibility Report to guide the design

Environmental

The project will meet or exceed The City's Minimum Sustainability Performance Requirements, and is targeting LEED Gold certification.

Economic

A 2019 Deloitte Economic Contribution Analysis indicated that 3,155 jobs will be created in Calgary, with \$239 million in labour income, and \$386 million added to Calgary's GDP. Upon completion, Arts Commons (Phase 1 & 2) and its resident companies will collectively contribute \$53 million annually to Calgary's GDP, support 683 jobs and \$34 million in labour income

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Service and Financial Implications

New capital funding request

In addition to the \$73.6 million approved by Council, \$3.4 million in projected investment income from the Major Capital Projects Reserve is requested to address a shortfall in The City's 2021 *Canada Community-Building Fund* appropriation to the Arts Commons Transformation Project (Capital Program 639-010).

RISK

Not addressing the shortfall in funding will significantly impact this priority capital project. The recommendation in this report mitigates the impact and aligns with Council's previous directions that indicate this project is a priority investment for Calgary, in alignment with the City's strategies for downtown, the arts sector and the economy.

ATTACHMENTS

1. Previous Council Direction, Background

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Carla Male	CFO	Inform