

INVESTING IN COMMUNITY INFRASTRUCTURE

EXECUTIVE SUMMARY

On 2011 July 25, Council demonstrated a commitment to addressing priority community infrastructure needs through the creation of the Community Investment Fund (CIF). Since that time, \$545 million dollars have been allocated (2011-2035), to support citizen service delivery efforts via investments in recreation centres, playgrounds, libraries, swimming pools, parks, arenas, athletic fields and emergency response infrastructure. In addition, the fund has also supported community associations, Civic Partners and social recreation groups with key improvements in their neighbourhoods, from new community-based infrastructure to addressing priority facility renewal needs.

In terms of addressing future community needs, Councils ongoing CIF investment represents a significant step towards addressing the estimated \$2 billion dollar community infrastructure gap projected from 2015-2024; including associated growth and increased citizen service delivery demands. The continued commitment of CIF funding will close this identified gap in unfunded community projects by 10 per cent. This report outlines the significant community impact realized through CIF investments, summarizes CIF allocations, and includes a recommendation to direct Administration to utilize proposed CIF guiding principles (Attachment 4) to direct CIF allocations over the course of the next two business plan and budget cycles (to 2026).

ADMINISTRATION RECOMMENDATION(S)

That the SPC on Community and Protective Services recommends that Council direct Administration to utilize proposed CIF guiding principles (Attachment 4) to direct CIF allocations over the course of the next two business plan and budget cycles (to 2026).

RECOMMENDATION OF THE SPC ON COMMUNITY AND PROTECTIVE SERVICES, DATED 2015 SEPTEMBER 30:

That the Administration Recommendation contained in Report CPS2015-0647 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 December 01, Council approved C2014-0863 Action Plan 2015-2018 which contained the Community Services & Protective Services (CS&PS) capital and operating budgets for the four-year cycle, including the allocation of the \$84 million Community Investment Fund for 2017 and 2018. During the budget deliberations, Council, through a motion arising, directed Administration to *"account for the spending of the \$42 million annual Community Investment Fund for 2017, 2018 and beyond, with the intent of Council developing future policy for these funds, and return to Council through the Standing Policy Committee (SPC) on Community and Protective Services no later than Q3 2015."*

On 2011 July 26, Council approved FCS2011-18 (Amending the Community Investment Reserve terms of reference) which set out the terms by which funds from the reserve would be allocated. The reserve was amended to: hold the ongoing annual funding for community infrastructure starting in 2011; reflect the new scope of projects for which it is to be used; and that the investment income generated from the new capital dollars also remain within the reserve to defray the cost of project management and other associated program costs.

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On 2011 July 25, Council approved CPS2011-39 (Funding Community Infrastructure) which directed *“that the \$42 Million approved in Council’s 2011 Budget be transferred to the Community Investment Reserve,”* and approved *“the capital allocation (2011-2016) to fund priority community infrastructure”*.

On 2011 March 21, Council approved C2011-26, (2011 Municipal Property Tax Rates), directing *“that \$42 Million annually be spent on community infrastructure and offsetting finance charges for approved capital projects with the provision that equivalent savings be directed to community infrastructure”*; and directing *“that the SPC on Community and Protective Services be directed to allocate the funds across the CPRIPs / ERIIPs list and other municipal infrastructure, excluding transportation.”*

BACKGROUND

In 2011 July, Council allocated \$42 million in tax room vacated by the province to be invested annually to support community infrastructure projects through the establishment of a Community Investment Fund Reserve, with funds to be allocated across the Community Service & Protective Services (CSPS) unfunded capital lists, including the Culture, Park and Recreation Infrastructure Investment Plan (CPRIP) and Emergency Response Infrastructure Investment Plan (ERIIP). This ongoing investment in communities was further reaffirmed through the approval of Action Plan 2015-2018, in which Council demonstrated a continued commitment to investing in Calgary neighbourhoods and maintaining and enhancing citizen service delivery.

Attachment 3 summarises the existing CIF Council direction established through Notice of Motion (C2011-26) and the Community Investment Reserve Terms of Reference (FCS2011-18); outlining that CIF allocations “be invested in community infrastructure projects across the CPRIP and ERIIP list”.

The Council approved CPRIP and ERIIP processes employ a rigorous project and capital review methodology. Annually, each project on the list undergoes a comprehensive review and is prioritized on the basis of a detailed business case including: alignment to approved policies and Council priorities, consideration of citizen service delivery, environmental sustainability, safety/building code issues, neighbourhood facility deficits, operating savings/cost-benefit, contribution to neighbourhood social fabric, readiness factors and, opportunity to leverage other funding sources. Through a formal intake process each year, new projects are reviewed and considered for addition to the lists, or in the case of existing projects, to have their priority status reassessed. As part of this capital prioritization process, citizen-input and key stakeholder consultation are also incorporated via citizen perception and expectations research.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Council’s commitment to investing in priority community infrastructure through CIF has resulted in \$545 million directed to support community service delivery efforts in Calgary neighbourhoods. Since 2011, CIF has invested in a wide range of community projects, including \$335 million committed to playgrounds, parks, sports fields, arenas, aquatic facilities, and recreation centres; along with \$159 million invested in civic partner infrastructure and \$51 million supporting public safety and Community Association priority projects. In alignment with Council’s priorities from *Action Plan*, this ongoing funding is committed to major city-wide

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projects, such as the New Central Library and four new regional recreation facilities, along with addressing a wide range of emerging neighbourhood-based needs.

Outlined below is a high level accounting of CIF investments by Council priority. This includes an overview of funding amounts distributed by priority, along with illustrating the community impact through key completed and potential upcoming CIF projects. Further, Attachment 1 expands on the community impact of CIF in Calgary neighbourhoods, while a detailed overview of CIF allocations is provided in Attachment 2.

A Healthy & Green City

Council's *Action Plan 2015-2018* highlights the importance of a healthy and green city, including protecting air, land and water resources while encouraging healthy lifestyles. In order to support healthy lifestyles Calgarians have told us they require the facilities and recreational space to achieve their fitness and physical well-being objectives. The importance of making tangible progress on this front is further supported by a current Canadian adult obesity rate of 54 per cent and child obesity rates exceeding 23 per cent according to Statistics Canada. As a component in addressing this issue, CIF funding in the community has resulted in \$298 million invested in arenas, aquatic facilities, and recreation centres since 2011. Further, CIF has directed \$37 million in funding to the parks system since 2011. This investment supports improved air quality and addresses soil erosion while also providing protected green space in neighbourhoods throughout Calgary.

Highlighted Completed CIF Project - Ernie Starr Arena: With City-operated arenas providing 40,000 hours of ice time annually, arenas represent a key component of the recreational system in Calgary. The Ernie Starr arena renovations, completed in 2013, represented a major overhaul of the facility, including the replacement of the aging arena slab, boards, glass system, and flooring. In addition, as a means of supporting the inclusiveness of the facility, the change rooms were adapted to "flex change rooms" to accommodate the continued increase in women's and girl's hockey enrolment; which increased by 8 per cent since 2013. Further, the investment in the arena has resulted in an increase in facility usage of over 30 per cent since the completion of the project and enhanced the usability and accessibility of the space.

In terms of ongoing community recreation infrastructure need, with 50 per cent of City recreation facilities over 40 years of age, and subject to higher associated operating, facility renewal costs and the community service delivery challenges, continued investment is crucial to Calgary neighbourhoods. Addressing this need moving forward, CIF funding is focused on new regional and neighbourhood-based recreational centres, additional aquatic and arena facilities, pathway development, addition of sports fields and natural areas along with addressing the significant facility renewal requirements associated with existing recreation and parks infrastructure.

Highlighted Upcoming CIF Project - Foothills Athletic Park & Multi-use Fieldhouse: An indoor multi-use Fieldhouse and an upgrade of the existing facilities at the Foothills Athletic Park have been identified as the greatest need for Calgary through Sport Calgary's 10-year Strategic Plan for Sport Facility Development & Enhancement. The proposed Athletic Park plan includes the provision of required facilities to meet sport and recreation demands, these spaces include: 2 ice arenas, 3 pool basins, fitness space, 2 rectangular fields, 6 tennis courts and an outdoor

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400m track at a cost of \$175 million. The multi-use Fieldhouse will serve all Calgarians and is planned to include a 400m 6-lane track, full FIFA sized field, 8 gymnasiums with convertible seating for 10,000 spectators, and support services. The development of this public facility requires an investment of \$202 million, with \$94 million for the Fieldhouse itself (400m track and FIFA field) and \$108 million for associated sport spaces and site redevelopment.

A City of Inspiring Neighbourhoods

The Inspiring Neighbourhood's Council priority highlights the importance of safe, mixed and just neighbourhoods, ensuring the opportunity to participate in civic life. CIF funding supports this priority by investing in community association and public safety infrastructure; including community association facilities, fire stations and critical 9-1-1 technology.

Community Association (CA) facilities act as a key community hub, providing neighbourhood, social and recreational programs, meeting space and a gathering point for the community at large. CIF support for CA facilities has reached \$24 million since 2011, and includes essential facility repairs to address structural, mechanical and electrical issues. In the past five years alone, CIF has supported 114 CA's with a host of priority facility renewal projects including 417 facility improvements. Regarding public safety, CIF has committed \$27 million since 2011, towards fire station replacements, personal protective equipment, and critical technology upgrades for 9-1-1.

Highlighted Completed CIF Project - Cedarbrae Community Association: As a result of CIF investment, the Cedarbrae community association was able to renovate their facility to address the priority community-identified need of additional childcare options. With a large number of young families in the area and limited childcare opportunities, facility upgrades and support navigating the permitting process were required to address this emerging need. Since the completion of the renovations the CA has established a before and after school care program located within the facility, with full registration.

Continued CIF investment in CAs is critical as the majority of these facilities were constructed in the 1970's and 1980's, resulting in significant facility renewal needs. Ongoing investment in these facilities helps to reduce operating costs, increase energy efficiency, address emerging safety issues, and minimize user interruptions. Future CIF funding will enable facilities to support a range of community programs focused on seniors, youth and vulnerable populations, along with addressing critical infrastructure needs, including roof repairs and accessibility enhancements. In terms of public safety infrastructure, with over 35,000 new Calgarians over the past year alone, addressing increasing service demands due to growth continues to generate challenges and establishes a need for ongoing CIF investment to ensure critical service response times.

Highlighted Upcoming CIF Project - Varsity Fire Station Replacement: Due to the high level of re-development and associated densification occurring within the community of Varsity and surrounding neighbourhoods, community service demands will continue to increase. The replacement of the facility ensures that emergency response times to citizen service calls will continue to be met despite the demands of new development.

A Prosperous City

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The Prosperous City Council priority focuses on the continued growth of Calgary in terms of talent, opportunity and business development. CIF funding supports this priority through investments in Civic Partner infrastructure; totalling \$159 million since 2011. Civic Partners act as a key economic contributor for Calgary, attracting visitors from around the world and generating significant tourism revenue for the business community in the process. In 2014, eight million visitors contributed \$1.7 billion to the economy, with Civic Partners a major contributor to this success.

CIF community investments have included \$135 million for the New Central Library since 2011, along with \$24 million to address a range of facility development and priority renewal needs in Civic Partner facilities. This includes 47 projects addressing issues of safety, accessibility and energy efficiency resulting in more inclusive and efficient partner infrastructure. Through CIF's contribution to the Partners, every dollar invested in facility renewal is leveraged via matching funds from the Civic Partners, expanding the scope and impact of priority projects.

Highlighted Completed CIF Project - The Famous 5 Centre of Canadian Women, Heritage Park's newest exhibit, opened in June of 2014 and tells the story of influential women in Canadian history. The project includes a replica of Nellie McClung's home, and is used to share stories of the Famous 5 group of Albertan women and the examples they set as leaders in the community. The opening of the centre contributed to a 15 per cent increase in attendance over the previous year.

The ongoing need for CIF funding among the Civic Partners is significant, with facilities ranging in age from 20-50 years of age, and Partners ability to serve community members, visitors and business groups resting on the condition and operation of this infrastructure. Future funds will support key infrastructure enhancement costs associated with Calgary Zoo, Heritage Park and Fort Calgary exhibits, and Talisman Centre pool and fitness centre enhancements; ensuring Calgary remains a destination for visitors and a centre for business.

Highlighted Upcoming CIF Project - New Central Library (NCL): Calgary's public library system is continuing to see steady increases in demand, with an increase of 7 per cent in library system visits this year over last year, now reaching 5.7 million visits annually. The NCL, partially funded via CIF, will serve to address part of this demand by expanding the usable space of the existing location by 66 per cent (226,000 square feet). Further, the NCL will support the city-wide library network acting as a central storage and distribution centre, enhancing access to technology, books and materials for Calgarians across the city. The NCL will represent a core component of the redevelopment of the east village; acting as a community hub and supporting arts, culture and skill development programming for vulnerable populations and children/youth.

In summary, since 2011, CIF funding in the community has resulted in \$298 million invested in arenas, aquatic facilities, and recreation centres along with a further \$37 million in funding to the parks system. CIF support has also contributed \$24 million to Community Associations for essential facility repairs to address structural, mechanical and electrical issues, with 114 CA's supported and 417 facility improvements. Further, CIF funding also supports Civic Partner infrastructure, with \$159 million invested since 2011.

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Next Steps – CIF Policy

Moving forward CIF will continue to address community service delivery needs by supporting the development of complete communities. The CIF Council direction outlined in Attachment 3, including the dedicated focus of CIF funds on community infrastructure needs, remain crucial to supporting community service delivery efforts. Continued CIF funding based on this direction is also significant in that CIF constitutes one of the only stable sources of funding for community infrastructure. With an expectation of limited availability for future funding sources, CIF provides a predictable yearly funding amount, representing 25 per cent of the CSPA capital budget for 2015-2018, which enables community planning efforts and leveraging of funds. The importance of this major funding source is further illustrated by the fact that the continued investment of CIF funding through to 2024 will address the ongoing community need for infrastructure funding and close the projected \$2 billion dollar gap in unfunded community projects by 10 per cent.

Recognizing that community needs continue to evolve, the proposed CIF guiding principles emphasize new growth infrastructure and the redevelopment of existing infrastructure in established areas. As a part of this evolution, CIF allocations would be focused on new approaches to community infrastructure including the establishment of community hub facilities. This infrastructure model would allow for sharing of space between community and City partners, leveraging of resources and centralization access to a range of services.

Recognizing the significant community impact realized through CIF investments, and the ongoing community need, this report includes a recommendation to direct Administration to utilize proposed CIF guiding principles (Attachment 4) to direct CIF allocations over the course of the next two business plan and budget cycles (to 2026).

Stakeholder Engagement, Research and Communication

The identification and funding of CIF projects occur via the Council approved CPRIIP and ERIIP process. This rigorous process incorporates consultation with key stakeholders including community associations, social recreational groups, Civic Partners and, the citizens of Calgary as a whole. In addition, Administration also conducts ongoing citizen engagement research to generate important information related to program planning, service delivery and infrastructure capacity which further inform CIF allocations.

Strategic Alignment

Through CIF, community investment supports the following Council Priorities:

- *A prosperous city*: investing in community infrastructure, supplying facilities that provide programs and services.
- *A city of inspiring neighbourhoods*: provide and revitalize community facilities, invest in established neighbourhoods as they evolve.
- *A healthy and green city*: address changing needs of Calgarians, ensure Calgarians have access to nature and healthy and active lifestyles.

Social, Environmental, Economic (External)

Social

Calgarians have indicated that sport, art, culture, leisure activities and parks are important quality of life indicators, and that safe, cared for communities with reliable emergency and disaster response systems are communities they want to live and stay in. The infrastructure

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priorities funded via CIF are critical to deliver on service level commitments that are derived from citizen expectations about what makes a safe, healthy, inclusive and vibrant city.

Environmental

Investing in new infrastructure and facility renewal projects ensure present-day standards in energy efficiency are met. Funding for facility upgrades to community infrastructure projects will enable further environmental benefits and support ongoing environmental sustainability efforts.

Economic (External)

The ongoing capital investment in community infrastructure will have significant external economic impacts on communities and businesses, including generating employment while supporting Calgary as a destination for tourism revenue.

Financial Capacity

Current and Future Operating Budget:

Investing in facility development and renewal increases future efficiencies, lowers operating costs, and enhances service delivery.

Current and Future Capital Budget:

Between 2011 and 2035 CIF will have invested \$545 million dollars in Calgary communities and will continue to represent a necessary funding source to meet the unfunded community infrastructure investment needs currently identified within the CPRIP and ERIIP capital lists. A listing of CIF approved capital funding allocations is outlined in Attachment 2.

Risk Assessment

The investment of CIF funding in Calgary communities serves to mitigate capital and operating risks associated with community infrastructure, including addressing aging community infrastructure before it results in increased financial, safety and service delivery challenges. Further, risks associated with funding allocation are mitigated via the utilization of the Council-approved approach for identifying CS&PS capital projects; the CPRIP and ERIIP process.

Reason for Recommendation

Council demonstrated a commitment to addressing priority community infrastructure needs via the creation of the Community Investment Fund (CIF). This report outlines the significant community impact realized through CIF investments, summarizes CIF allocations, and includes a recommendation to direct Administration to utilize proposed CIF guiding principles (Attachment 4) to direct CIF allocations over the course of the next two business plan and budget cycles (to 2026).

ATTACHMENT(S)

1. Community Investment Fund (CIF): Community Impact and Future Need
2. Overview of CIF Allocations
3. Existing CIF Council Direction
4. Proposed CIF Guiding Principles