

ENMAX Legacy Parks Program Update

RECOMMENDATION:

That the Infrastructure and Planning Committee receive this report for the Corporate Record.

HIGHLIGHTS

- Since 2003, a portion of the ENMAX dividend has been directed into the Legacy Parks Program Fund. Through this program, the citizens of Calgary have benefitted from the purchase of land for new park space, design and construction of new regional parks, preservation and upgrading of significant existing parks and public open spaces.
- **What does this mean to Calgarians?** Calgarians will have more opportunities to connect with parks, open spaces, the environment, and each other, contributing to a healthy community and a high quality of life in Calgary.
- **Why does this matter?** The pandemic has highlighted the need to invest in parks and open spaces for the benefit of Calgary's future - providing healthy and vibrant parks and open spaces contributes to the health and well-being of citizens, the economy, and the environment.
- A total of approximately \$6.7 million in previously approved Legacy funding has been allocated to current parks projects.
- A projected \$71 million is expected to flow into the Legacy Parks Reserve by the end of the 2023-2026 business cycle, with approximately \$28 million available to allocate in 2022. Eligible projects are currently being prioritized and if needed a budget allocation request will come forward to Infrastructure and Planning Committee and Council later in 2022. Future fund allocation will occur through the 2023-2026 business cycle and budgeting process, subsequent budget adjustments or through Infrastructure and Planning Committee when fund allocation needs do not align with budget process timelines.
- Strategic Alignment to Council's Citizen Priorities: A healthy and green city
- Background and previous Council Direction is included as Attachment 1.

DISCUSSION

Purpose and Background:

Council created the ENMAX Legacy Parks Program in 2003 and since its inception it has been instrumental in helping Calgary build a legacy of treasured parks. The funding from the ENMAX dividend helps to create new park spaces and enhance existing ones for the benefit of Calgarians, now and into the future. During the COVID-19 global pandemic, unprecedented park use has seen throughout the city as residents turn to parks to maintain their physical and mental health. The ongoing need to invest in parks and open spaces is essential for Calgary's future.

The Legacy Parks Fund Steering Committee was established in 2003 to provide oversight and guidance on investment decisions and since that time approximately \$164 million in ENMAX Legacy funds have been invested. The fund did not see significant increases between 2016 and 2020 and the Committee was disbanded in 2016. The ENMAX dividend has now recovered, and Council determined an ENMAX Legacy Parks Program Committee should be reinstated.

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This direction to re-establish the committee along with changes to the ENMAX dividend distribution were made via a 2021 June 8 Notice of Motion on Strategic Investments in Calgary's Parks, Playfields and Open Spaces (NOM C2021-1455). The Notice of Motion directed the continuation of the ENMAX Legacy Parks Program from 2021-2025 as follows:

- The ENMAX Dividend Stabilization reserve be capped at \$18M;
- In any year where the ENMAX Dividend Stabilization Reserve is at \$18M, 100% of ENMAX dividend over \$47M shall be directed to the Legacy Parks Reserve
- In any year where the ENMAX Dividend Stabilization Reserve is below \$18M, 50% of ENMAX dividend over \$47M shall go to the Stabilization Reserve until the \$18M target is reached, with the remainder allocated to the Legacy Parks Reserve

At their 29 March 2022 meeting, Council endorsed the Legacy Parks Program Committee's recommendation from their inaugural meeting to be disbanded and to feed into the existing Infrastructure and Planning Committee. Per Council direction, the presentation provided to the inaugural Legacy Parks Program Committee is included as Attachment 2.

Project Eligibility and Prioritization:

For a project to be eligible for the Legacy Park Program it is reviewed against a set of criteria specific to the Program and is then coordinated through the corporate capital process. The Legacy Parks Program eligibility criteria considers factors such as:

- Project scale – regional parks have broader reach, impact, and significance for a higher number of Calgarians
- Equity, accessibility and inclusion in project distribution and design
- Future planning for park development through land acquisitions
- Lasting impact on the environmental and/or social well-being of our City and Calgarians
- Previous commitments on projects identified in the original Legacy Parks Program

A preliminary list of eligible projects has been established based on known projects that are currently unfunded (Attachment 3). Projects on this list have been vetted through the eligibility criteria noted above and meet the purpose and mandate of the Legacy Parks Program. Any additional projects being considered for the Program, will be vetted through this eligibility criteria as they are identified.

Prioritization of eligible projects will be done following the City's Triple Bottom Line policies and the Corporate Capital Prioritization Criteria which will ensure consistency and alignment with prioritization of other corporate capital investments. Eligible projects are currently being prioritized and a budget allocation request will come forward to Infrastructure and Planning Committee and Council later in 2022 if required. Future fund allocation will occur through the 2023-2026 business cycle and budgeting process, subsequent budget adjustments or through Infrastructure and Planning Committee when fund allocation needs do not align with budget process timelines.

Previously Approved Funding:

Although the ENMAX dividend was reduced for several years, work on previously approved Legacy projects continued as previously approved funding remained. This funding along with new Legacy funding that was approved as part of the November 2021 budget adjustments totals approximately \$6.7 million and is appropriated to previously approved projects as summarized below:

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- Haskayne Legacy Park (\$5.7 million total)
 - Access road (\$4.4 million)
 - Pathway connections (\$1.3 million)
- Century Gardens (\$152,000)
- Master Planning – Seton Regional Park (\$500,000)
- Project Planning, Design and Management (\$250,000)
- IBS Nature Centre (\$7,000)

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

Research, communication and stakeholder engagement is undertaken for each project within the ENMAX Legacy Parks Program.

IMPLICATIONS

Social

Access to a variety of parks and open spaces for socializing along with active and passive recreational activities contributes to the overall health and well-being of Calgarians.

Environmental

A healthy and connected parks system leads to increased biodiversity and environmental resiliency.

Economic

Parks and open spaces add to the vitality of our neighbourhoods and the downtown core, are a catalyst for external investment and provide opportunities for events and other commercial activities.

Service and Financial Implications

No anticipated financial impact

Projected dividends coming into the Legacy Parks Reserve are projected to be between \$8 million and \$15 million per year for the next 5 years. The reserve is anticipated to reach approximately \$71 million by the end of the 2023-2026 business cycle. The Reserve Funds are available to allocate to park projects starting with \$28 million available in 2022.

Parks & Open Spaces have identified an estimated \$400 million of long-term future funding needs for eligible Legacy projects between 2023 and 2034. This is based on the current list of known projects which meet the Legacy eligibility criteria, does not include projects yet to be identified and is not a comprehensive list of Parks & Open Spaces unfunded capital projects.

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RISK

Although park capital projects may receive funding from other sources, the dedicated source of capital funding from the ENMAX Legacy Parks Reserve has been instrumental in the expansion, protection and enhancement of Calgary's world class parks and open space system. A decrease in the dividend amount or delay in funding approval, may result in a decrease in high-quality, equitable parks and open spaces that Calgarians value and The City's ability to delivery capital projects in a timely manner.

ATTACHMENTS

1. Previous Council Direction
2. ENMAX Legacy Parks Presentation (2022 March 16)
3. Preliminary list of eligible projects

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Michael Thompson	Utilities & Environmental Protection/Infrastructure Services	Approve
Doug Morgan	Transportation/Operational Services	Inform
Katie Black	Community Services	Inform