

**BUILDINGS AND OWC FUNDING OPTIONS & ANALYSIS****Potential Funding Ideas for Buildings and Operations Workplace Centres**

This table presents a list of funding options as mechanisms that Operations Directors identified for further exploration (Roads, Parks, Fleet Services, Waste & Recycling Services, Water Resources & Water Services, Transit, Corporate Properties & Buildings, Finance & Supply)

I	<b>Sustained Funding Options</b>
1	<u>Limited term lease of excess space or surplus assets to non-City entities</u> On a short or medium term basis, lease underutilized assets until The City requires the asset for its own needs due to growth. Assets that could be leased would include excess land, underutilized buildings, machinery, and equipment. Lease payments would fully incorporate amounts for required lifecycle. (I.e. Lease to coffee shops, private waste management companies and infrastructure maintenance companies)
2	<u>Implement Public Private Partnership (P3) or other similar models</u> Utilize a Public Private Partnership (P3) or similar partnership model with the private sector to undertake certain capital projects (new assets) in alignment with the Municipal Government Act. The model could include design, build and maintenance. It is expected that, at the end of the lease agreement, the asset would revert to The City for a nominal amount.
3	<u>Pay As You Go annual lump sum for capital requirements</u> Assign a specific percentage or annual lump sum from The City's overall approved operating budget to support ongoing capital requirements. This confirmed budgetary allotment would be set aside to fund approved capital projects and would be budgeted beyond the four-year (Business Planning Budget Coordination) cycle.
4	<u>Incorporate required lifecycle funding in all growth decisions for new capital projects</u> Fully include maintenance and lifecycle projected costs and funding source, if known, into all new business cases for capital projects (including new assets and re-developments) undertaken by Business Units.
5	<u>Lease space to associated governmental agencies and entities</u> Tactically lease underutilized City-owned assets (sites and buildings) to associated public entities. Lease payments would fully incorporate amounts for required lifecycle (I.e. Lease to Alberta Health Services, School Boards, and Government Agencies)
6	<u>Implement an internal Corporate fuel surcharge</u> Create an internal fuel levy model which would be applied against each litre of fuel consumed by City vehicles.
7	<u>Incur Long Term Debt (Funding Strategy)</u> Borrow to fund capital projects. New debt would only be reissued when old debt is retired and therefore The Corporation would not accumulate debt against a borrowing limit ("debt ceiling") but would see the overall debt amount constant.
8	<u>Operational and administrative lands assigned at Area Structure Plan development phase</u> Identify suitable areas and locations of Operational and administrative sites at the Area Structure Plan development phase for new developing areas. The "reserve" lands would be set aside in coordination with the development industry and City Business Units who would articulate their long term land needs
9	<u>Voluntary growth levy - cost of growth paid by private sector developers</u> Recommend and implement a new voluntary growth levy (at Area Structure Plan stage) to the development industry who would voluntarily contribute to a capital fund after City approval is granted for projects

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I	Sustained Funding Options
10	<p><u>Provide services to third parties</u>  The City of Calgary would provide professional services at fair market value (FMV) to third parties including the private sector and small municipalities. Services could include fuel sales, electric charge stations, maintenance services and any service/expertise currently available within The City.</p>
11	<p><u>Expand the existing charge back model for services and space to include all business units</u>  Implement the existing charge back model to include all BU across The Corporation for service and space utilization. Depending on the finalized and approved model, expenses related to maintenance and lifecycle would be recovered by Corporate Properties &amp; Buildings from City BU utilizing services and space.</p>
12	<p><u>Expand the administrative recovery concept to include operational (non-administrative) employees</u>  Expand the scope of the administrative space charge back model as approved in principle by Administrative Leadership Team (October 1, 2012), to include capital and annual operating surcharge for non-administrative employees, and therefore apply to all City employees, contractor and consultants. Rates would vary depending on the type of employee</p>

II	One time Funding Sources
A	<p><u>Rationalize and divest existing assets</u>  Through a comprehensive assessment process, identify all land and building assets that are surplus to The Corporation's needs. This effort is underway and includes asset consolidation opportunities. (Proceeds from disposition would be invested in the remaining asset base).</p>
B	<p><u>Incur long term debt (one-time)</u>  This strategy would entail a deliberate and tactical borrowing up to Council's or the Municipal Government Act (MGA) approved debt limit.</p>
C	<p><u>Targeted grants – selective projects (energy efficient upgrades/additions)</u>  Apply for external grants as they are announced and available. Depending on the type of grant, capital projects could be fully funded by the grant, or projects could be enhanced using grant money (i.e. increase the asset's energy performance or enhanced features).</p>
D	<p><u>Draw from Reserves:</u>  Request from Council a onetime draw from The Corporation reserves to partially or fully address deferred maintenance backlog and development of new assets.</p>