



DELIVERING VALUE BY LIVING OUR VALUES

2023 BUSINESS PLAN AND 2020-2024 STRATEGIC PLAN UPDATE

We respectfully acknowledge that our work in the Rivers District is located at the confluence of the Bow and Elbow Rivers in a place called Moh'kinsstis, a Blackfoot word that means elbow.

In the spirit of truth, respect and reciprocity, we honour and acknowledge Moh'kinsstis and recognize the traditional territories and oral practices of the Blackfoot Confederacy, including the Siksika, Piikani and Kainai Nations; the Stoney-Nakoda, including the Chiniki, Bearspaw and Wesley Nations; and the Tsuut'ina Nation. Southern Alberta is also home to the Métis Nation of Alberta, Region 3.



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INTRODUCTION

DELIVERING VALUE BY LIVING OUR VALUES

CMLC’s focus has always been on bettering our city by building dynamic, meaningful and irresistible communities that boost Calgary’s appeal—through greater livability, affordability and diversity.

From the start, our work has been guided by organizational values established when the organization was founded—a trusted set of guiding principles that served us well over our first 15 years of operation.

In 2022, the CMLC team worked together through a staff-led engagement process designed to redefine our values and ensure they authentically reflect the spirit of our growing team—our ways of working and ways of being. Driving this undertaking was a deep understanding that clear, authentic values are the glue that holds together our company’s unique culture and unites our team with purpose and passion.

Our refreshed corporate values, which we share on the following page, mindfully consider our city’s expanding diversity and our evolution as an organization.

These four principles are far more than just words on paper. As our Ways of Working video series clearly conveys, ‘living our values’ is key to CMLC’s achievements and successes in placemaking and urban redevelopment. Our team is incredibly passionate and dedicated, and the organization understands that the ‘secret sauce’ that makes CMLC’s work both successful and rewarding is its people. There’s genuine care among CMLC staff. The support we unhesitatingly offer one another comes from shared goals and a unanimous sense of responsibility to bring our best to the table. Our values underpin our work and our successes reflect our values.

Without a belief in ‘making it count’, we couldn’t pull off a multi-part, multi-year rebuild of the city’s enormous

OUR TEAM VALUES

Trust the team.

We’re better together. We’re purpose driven, we want to make places better, and we know we can’t do it alone. That’s why we value the quality, depth and authenticity of relationships we form with CMLC teammates, partners, stakeholders and community members. We trust, respect and rely on one another and our collaborators to deliver to a consistently high standard. We do it together—by showing up for one another and bringing our whole selves to our work.

Break through.

Innovation makes us exceptional. We love nothing more than boundary-pushing opportunities and projects for which there’s no template, and we’re proud of our reputation for getting things done as leaders in best practice. We confidently bring our creativity and adaptability to creating custom approaches to projects and to inspiring our peers and our community to dream big and take smart risks with us to create beautiful, meaningful places.

convention centre. Without an authentic trust within the team, we couldn’t successfully navigate complex partnerships and processes that are the foundation of the transformation underway at 17th Avenue and Macleod Trail. It’s because we truly strive to ‘elevate everything’ that our placemaking efforts—from street festivals to safety upgrades and innovative outdoor lighting—unfailingly thrill and inspire.

Everyone who’s part of Team CMLC is unfalteringly committed to being an innovator—a commitment deeply embedded in our corporate DNA. Buildings, walkways, events, public art... in every aspect of our approach to urban redevelopment, we keep breakthrough innovation at the fore.

Make it count.

Make a difference, start to finish. Our projects may be inventive, beautiful and award-winning, but their true purpose is only realized when they’re brought to life by the community that lives among them. Every project, small to large and beyond, is conceived and designed to enhance everyday life for everyone who encounters it.

Build the city. Better the city.

Elevate everything. We’re privileged to shape the future of the city where we live, work and raise our families. That’s why good enough isn’t good enough—it’s why we bring world-class ideas to the table, passionately steward funds and budgets, and work to create international best-in-class places. We build the city to better the city: we want to create meaningful places for the good of us all, now and for the future.



A SNAPSHOT OF OUR COMMUNITY IMPACTS

**VALUE OF CITY-
BUILDING PROJECTS**

currently underway and led by CMLC

**\$1.5
BILLION**

**VALUE OF PRIVATE
INVESTMENT**

in East Village (to date)

**\$3.0
BILLION**

**\$400+
MILLION**

**INFRASTRUCTURE
INVESTMENT**

in East Village (to date)

**200,000+
TOTAL
SQUARE FOOTAGE**

occupied by East Village retailers

**PROGRAMMED
ACTIVITIES / YEAR**

in the Rivers District

650+

**RESIDENTIAL
CONSTRUCTION BOOM**

in East Village

**450 UNITS
UNDER CONSTRUCTION
IN 2023**

A TESTAMENT TO OUR VALUE

THE YEAR 2022 IN REVIEW

INITIATED DESIGN FOR ARTS COMMONS TRANSFORMATION

after announcing the project's prime design team

INTEGRATED INDIGENOUS-INSPIRED PROGRAMMING

in the Reconciliation Bridge lighting calendar

UNVEILED NEW RIVERWALK PUBLIC ART

by local artist Cassie Suche

OPENED THE EV SAFETY HUB

and formed the dedicated East Village DOAP team

LAUNCHED THE C+E NAVIGATION TOOL

helping thousands move about the district with ease

HOSTED MORE THAN 650 EVENTS

drawing tens of thousands of visitors to the Rivers District

INITIATED THE EV WASHROOM PROJECT

by launching an open design competition

WELCOMED TWO NEW DEVELOPER PARTNERS

to East Village: Minto Communities and ONE Properties

OPENED TEMPORARY STAMPEDE LRT STATION

enabling work to begin on the permanent platform

REUNITED 'TEAM CMLC'

by welcoming all staff back to the office

FINISHED INSTALLING BMO CENTRE'S STEEL STRUCTURE

to complete the expansion's structural components

ANNOUNCED A NEW HOTEL PARTNER

for the convention venue hotel

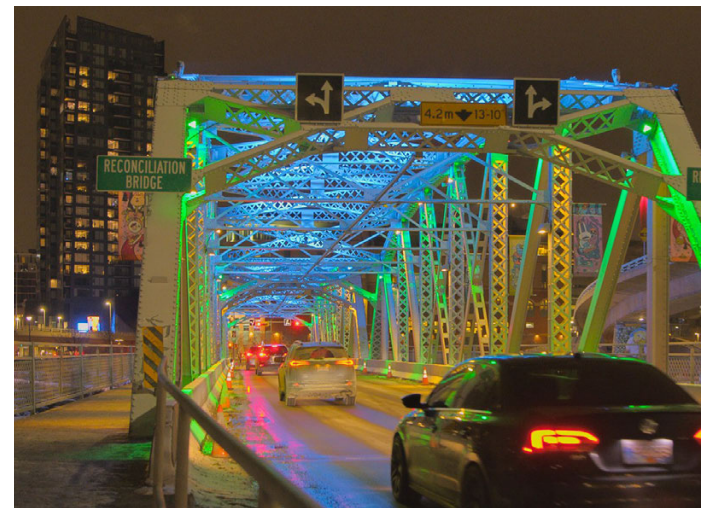
ENGAGED WITH EV PEOPLE & BUSINESSES

through biannual recovery + resiliency surveys

COMPLETED EXTENSIVE FAC WORK

across six streets and four city blocks

A SUMMARY OF OUR SUCCESSES



MONITORING & MANAGING MARKET IMPACTS

For many years before the onset of COVID, the supply chain was stable, interest rates remained steady at sub-1 percent levels, the labour market was robust and the costs of development were relatively predictable. However, the prolonged pandemic and its continued impacts on employment, the supply chain and global economies have had significant repercussions for the economics of construction and development.

As CMLC continually monitors and analyzes market conditions to best anticipate—and prepare for—challenging market dynamics, we were quick to initiate measures aimed at better understanding the implications and risks of cost escalation in the development space as the market’s current volatility took hold.

These measures included (among others) discussions with our construction management partners to understand predicted escalation; continued collaboration with project management partners to exchange market information regarding construction costs and labour; and careful review of recent tender outcomes and data from our cost consultants.

CURRENT MARKET CONDITIONS

Swelling inflation, rising interest rates and the persistent ripple effects of COVID-induced supply chain constraints are driving up the costs of construction. In Calgary, the costs of non-residential construction increased by 2.4 percent in a single quarter—from Q4 2021 to Q1 2022. As the year progressed, cost escalations increased.

Following significant increases of up to 15 percent in the cost of some construction materials in 2021, the market appears to be stabilizing. Through 2022 and 2023, overall cost escalation in Canada’s construction industry is expected to range from 2 to 5 percent a year.

This trend of cost escalation and its inevitable pressures on pricing have caused some cool-down in the marketplace.

While commodity pricing seems to have stabilized, developers and builders are bearing inflated production costs passed on by manufacturers. And while supply chains are becoming more predictable, lead times for product delivery are now significantly longer.

Escalating costs of construction are also tied to rising labour costs as the supply of qualified trades is now falling short of demand.

High fuel prices and their impacts on the manufacturing and transport of building materials are also driving the net costs of construction higher.

ADDRESSING ESCALATION IN 2022

CMLC is taking proactive measures to mitigate the risks of project cost escalations due to adverse market conditions.

As described in more detail on page 85, we’ve allocated \$45 million of CRL to support projects in early stages of their development cycles should their requirements change due to market escalation. We consider this reserve of CRL funds vital to mitigating project risks in the face of volatile market conditions

Outlined on the following page are additional measures CMLC took in 2022 to address an unprecedented and decidedly volatile market. Following those are the organization’s operational imperatives for responding effectively to market escalation.

2022 ACTIONS TO ADDRESS MARKET VOLATILITY

- Increased frequency of meetings and discussions with industry partners (for example, contractors, cost consultants and vendors) to understand the rapidly changing markets
- Reduced exposure through more conservative contingency release strategies
- Reviewed tender and construction phasing reports to determine changes in anticipated escalation
- Increased budgets for escalation risk and established a \$45-million CRL allocation for post-tender escalation

ONGOING MITIGATION MEASURES • DEVELOPMENT

- Increase frequency of project budget tracking to revise forecasts monthly
- Increase frequency of partner discussions to understand fluctuating market conditions
- To address the risk of reduced price-hold timeframes, shorten turnaround times for reviews/approvals to award and execute contracts
- Increase each project’s escalation estimate to 5-6 percent per annum to the mid-point of construction
- Modify escalation release strategy to delay reallocation to near project completion
- Leverage non-project-specific CMLC funds

ONGOING MITIGATION MEASURES • DESIGN & CONSTRUCTION

- Proactively identify alternate specifications/products in the event of a significant delay or cost increase
- Identify scopes of work in areas most at risk of material escalation and re-sequence to advance design
- Take a more conservative approach to budgeting
- Advance material purchases and execute off-site storage agreements
- Innovate through collaboration with established construction management partners by remaining flexible in approach to trade contracts
- Establish new conditions within contracts to achieve earlier cost certainty
- Adjust project schedules to allow designs to advance, and scale tender packages up or down in response to commodity pricing changes

THE ECONOMIC LANDSCAPE & OUTLOOK

Among the many considerations that shape our decisions on the timing and pace of our development projects are up-to-date understandings of local and regional macroeconomic trends and forecast market dynamics.

The good news: despite market volatility, inflationary pressures and rising interest rates, Calgary's near and mid-term economic prospects appear promising, and the inner-city real estate market is expected to continue to build on the momentum that's been growing since the dramatic COVID-induced slowdown of 2020.

Following are some highlights of current economic trends and predictions.

All of these considerations are top-of-mind as we advance conversations with prospective developer partners in the Rivers District.

CALGARY LEADS THE PROVINCE AND THE NATION IN KEY ECONOMIC INDICATORS

In anticipated GDP and employment growth, Calgary has a robust economic engine that's expected to decisively outperform provincial and national averages.

Through 2023 and 2024, Calgary's gross domestic product is anticipated to grow by 3.8 percent annually compared to 2.1 percent in the province as a whole and just 0.5 percent across Canada. Calgary is expected to sustain GDP growth averaging 2.8 to 3.0 percent a year through 2026.

Employment growth shows similar disparities. While Canada's anticipated annual employment growth rate for 2023-2024 is around 0.5 percent and Alberta's is around 1.5 percent, Calgary is expected to see annual employment growth of 2.0-2.5 percent. Calgary saw 45,000 new jobs in 2022 and is expected to add at least 18,000 more per year from 2023 to 2026.

New jobs, of course, drive demand for real estate—and demand for real estate keeps the evolution of the Rivers District in motion.

PROVINCIAL IN-MIGRATION IS ON THE RISE

With the highest first-quarter levels since 2015, Alberta saw a dramatic turnaround in interprovincial migration in 2022. According to the Government of Alberta's economic dashboard, net migration into Alberta in Q2 2022 was 34,883 compared to 1,049 in the same quarter of 2021—an increase of 3,225 percent.

Much of this influx is being driven by Calgary's brightening employment picture and rosy economic outlook.

Another contributor is Canada's increasingly ambitious immigration policy. To ensure Canada has the workers it needs to fill critical labour market gaps and support a strong economy, the government has targets to welcome 447,055 immigrants in 2023 and another 451,000 in 2024.

Calgary's robust economy and employment prospects will no doubt be attractive to many of these immigrants, bringing even more diversity to the nation's third most diverse city.

AMONG CANADA'S MAJOR CENTRES, CALGARY IS REMARKABLY AFFORDABLE

While median household income (net) was down in 2020 according to that year's census, Calgary continues to lead the nation at \$87,000. (Compare Toronto at \$85,000, Vancouver at \$79,500 and Montreal at \$65,000).

An even more revealing statistic is a city's average mortgage payment per month (based on median home price) relative to median household income. According to Bank of Canada's affordability monitor for Q3 2022, mortgage as a percentage of income was just 32 percent in Calgary versus a comparatively astronomical 91 percent in Toronto and 97 percent in Vancouver.

PURPOSE-BUILT RENTAL (À LA ARRIS AND THE HAT) IS THE RISING STAR OF CALGARY'S REAL ESTATE SCENE

The purpose-built rental market has evolved dramatically over the past two decades. From 2000 to 2009, Calgary saw an annual average of 210 new purpose-built rental units delivered to market. From 2010 to 2019, that average more than quadrupled to 950 units. From 2010 to 2022, 2021 saw the highest number of completions—roughly 3,000 units (source: Altus Group Economic Consulting).

With net in-migration and employment on the increase, and with rising interest rates creating new barriers to home ownership for many, elevated demand for rental product is expected to endure.

From 2023 through 2026, absorption in Calgary's rental market is expected to average around 2,000 units per year—up 250 percent from an annual average of 800 from 2015 to 2021.

Notably, beginning before the end of 2023, demand for purpose-built rental product in Calgary is expected to outstrip supply by around 33 percent until at least 2025. Whereas demand is expected to average around 2,000 units a year, the current and anticipated supply pipeline is expected to deliver, on average, 1,500 units per year.

To sweeten the deal for prospective developers of purpose-built rental product, average net rents have risen substantially (11.1 percent) from \$2.44 in Q3 2020/Q1 2022—the period of the pandemic—to \$2.71 per sq ft in Q2/Q3 2022.

CHAPTER ONE

OUR ROLES IN THE RIVERS DISTRICT + PROJECT SEQUENCING



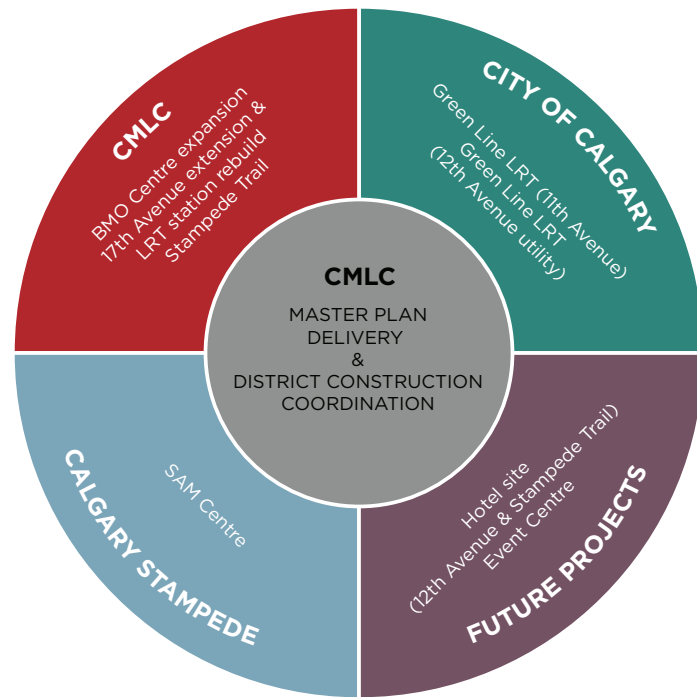
The Rivers District is humming with activity— with CMLC, The City, the Calgary Stampede, the Green Line team and other industry partners working together to realize the city’s renewal. With a clear understanding of what’s underway and what’s to come, CMLC will continue to shepherd projects through to completion with a big-picture perspective and a deep commitment to doing what’s best for the district and the city.

GUARDIANS OF THE RIVERS DISTRICT VISION

With over \$1.5 billion of new development planned from 2020 to 2024, the Rivers District is buzzing with construction activity. To help sustain the momentum and maximize the efficiency of the myriad projects underway in the district—and to formalize our role as guardians of the Rivers District vision—CMLC established the position of District Construction Director in 2021.

Through 2022, our District Construction Director continued to work with project leads, contractors and our partners at Calgary Stampede and The City of Calgary to support smooth, coordinated project delivery, maintain safe access to events at BMO Centre and the Saddledome, and minimize disruption to folks living in and moving around the Rivers District.

Our communications team is dedicated to ensuring residents, business owners and other stakeholders in the area are kept well informed about project progress and construction impacts through regular email updates and periodic mailings. The C+E Access Map—which has had more than 38,000 page views since it launched in March 2022—continues to help Calgarians navigate construction in the district. Calgary Stampede and CSEC have shared the map with their audiences, too.



PROJECT SEQUENCING

In 2020, CMLC undertook an extensive project sequencing process to stage the most effective delivery of our planned work and produce a long-term project delivery timeline.

Since then, as part of our business planning process, we have reviewed our project pipeline and project priorities annually to ensure our work is responding to the needs of the community, that we're maximizing the value and community impacts of our work, and that our timing in advancing our work gives due consideration to prevailing and anticipated market conditions.

The sequencing process is designed to evaluate our projects against a defined set of CRL investment principles. Each project is then profiled for its community benefit, external influences, and opportunity and cost. This process allows CMLC to determine the most appropriate sequence for projects to support the master-plan vision and deliver community value.

The chart to the right shows the pipeline of committed and future projects as defined in the 2022 business plan update.

Our project sequencing plan for 2023 appears on page 66 following our project updates.

2022 Project Sequencing Plan

TIER 1 & 2 COMMITTED PROJECTS	
CRL funded & approved	CRL funds (millions)
Arts Commons Transformation	\$135
BMO Centre expansion	\$334
17th Ave extension & LRT station rebuild	\$83
9th Avenue bridge replacement	\$7
9th Avenue cycle tracks	\$3
Stampede Trail	\$20
Ongoing community maintenance	\$20
Strategic projects (including Dermot Baldwin Way)	\$20
Strategic land acquisitions (including BMO Centre hotel site)	\$30
Environmental remediation	\$15
TOTAL	\$687

TIER 2 PROJECTS	
Future CRL funded / approval required	
Streetscapes/utilities (including Green Line)	
RiverWalk Stage 2	
Public art development	
East Village final phase infrastructure	
5th Street SE underpass (exclusive of land and acquisition costs)	



CHAPTER TWO

FIVE-YEAR STRATEGIC PLAN UPDATE



The five-year strategic plan we established in 2019 laid the foundation for our work over the current business planning cycle (2020-2024) and has proven its relevance and resiliency through the tumult of COVID-19. It's as pertinent today as it was at the outset in guiding our urban revitalization efforts. On the following pages, we take stock of our progress and clarify our plans for the coming year.

**STRATEGIC PILLARS:
2022 ACHIEVEMENTS & 2023 FOCUS AREAS**

01.
**MAXIMIZING
IMPACT**

For our organization, as for our city, resilience is crucial to seizing opportunities and managing challenges while remaining firmly focused on projects, priorities and our path to the future. Managing and growing our capabilities with rigour and foresight empowers us to achieve our strategic priorities and maximize community impact.

From 2020 to 2024, CMLC is focusing our efforts on four key 'pillars'. We've identified (in bold text) the outcomes we are striving toward by 2024. We've also outlined our 2022 progress and laid out our aspirations to further that work in 2023.

2022 ACHIEVEMENTS

Increased interest, investment and development in the community

- Finalized sale of two land parcels to new developer partners Minto Communities and ONE Properties
- Initiated negotiations for purchase and sale of two additional land parcels in East Village
- Announced hotel developer partner for convention venue

Increased our impact by improving resource use/ allocation and sustaining project momentum

- Undertook planning to advance CMLC's organizational strategic plan post-2024
- Aligned project teams with key personnel to support successful delivery

Improved CMLC team capacity and capabilities to align with project lifecycles

- Aligned enterprise risk management framework with strategic plan outcomes
- Managed Board governance to enhance Board effectiveness with new members

Grew employee engagement and accelerated new employee training

- Underwent staff-led engagement exercise to redefine and articulate core corporate values
- Maintained onboarding program at >95 percent
- Conducted second annual staff engagement survey
- Advanced annual work plans within IDEAS framework, focusing on leadership, learning, growth and practices
- Grew competence and capacity of CMLC team through leadership and development training program
- Continued to enhance employee attraction, retention and engagement

2023 FOCUS AREAS

- Advance work to define and articulate CMLC's 2025+ strategic plan
- Analyze and assess additional funding sources
- Expand CMLC's leadership development model

02. RELATIONSHIP MANAGEMENT

We'll mindfully advance our relationships with key stakeholders, as mutual respect and understanding are linchpins of our mandate and vision.

2022 ACHIEVEMENTS

Forged new partnerships and maintained existing ones

- Signed purchase and sale agreements with two new developer partners (Minto Communities and ONE Properties)
- Completed hotel partner agreement for convention venue hotel site
- Developed collaborative partner and stakeholder engagement processes and tools to support construction in The C+E

Fulfilled partner expectations with respect to project goals and continued to advance projects through supporting systems and processes

- Expanded stakeholder engagement and outreach programs to support awareness of CMLC-led projects

Increased learning and collaboration through greater engagement with key City of Calgary departments

- Worked with The City of Calgary on joint funding and partner agreement for EV Safety Hub
- Enhanced coordination and engagement with new City Council and Mayor's Office
- Collaborated with project and district partners and supported successful delivery of C+E projects through clear communications and construction coordination
- Supported The City of Calgary's downtown revitalization strategy (Greater Downtown Plan) and destination storyline development

2023 FOCUS AREAS

- Integrate organizational values and core competency profiles into performance management programs
- Continue to cultivate new developer partner relationships to increase private investment in the Rivers District

03. COMMUNITY- BUILDING INNOVATION

We'll build community through placemaking that fosters development, awareness and participation.

2022 ACHIEVEMENTS

Increased partnerships in community-building, contributing to long-term self-sustaining community programming targets

- Hosted placemaking initiatives in the Rivers District with more than 65 programming partners
- Delivered a range of programs with an emphasis on diversity, attracting more than 96,000 visitors (excluding attendance at the Calgary Pride parade and festival, Canada Day events and the Stampede parade)

Tested new approaches in our project portfolio

- Launched interactive digital construction map, which district partners quickly adopted to share with broader audiences and which has had 38,000+ page views
- Initiated construction/detour-related programming to mitigate the impacts of construction activity in The C+E
- Developed sustainability framework and action plan, and received approval from CMLC's Board of Directors
- Advanced coordinated community safety protocols and response to support social challenges in East Village

- Integrated IDEAS work plans into community-building initiatives, emphasizing more diverse programming
- Launched public washroom design competition to identify innovative solution to important community infrastructure need

Increased private investment

- Increased private investment with two land sales whose combined project value exceeds \$150 million
- BOSA Development initiated construction on phase 2 of Arris (337 units)
- Welcomed five new retailers (Winners, Who Cares Wear, East Village Liquor Boutique, Mr. Sun Tea, cōchu chocolatier)
- Selected retail partner (cōchu chocolatier) to repurpose and reactivate the historic Hillier Block building

2023 FOCUS AREAS

- Advance sustainability and accessibility framework into project delivery and community programming opportunities
- Advance strategic project opportunities in the Rivers District, including Olympic Plaza and the Victoria Park Transit Centre ('bus barns')

04. EXCELLENCE IN PROJECT EXECUTION

We'll deliver high-quality projects on time and on budget.

2022 ACHIEVEMENTS

Fulfilled project mandates, meeting or exceeding project goals

- Completed extensive Final Acceptance Certificate (FAC) work and maintenance upgrades in East Village
- Completed development team onboarding and structure
- Analyzed and implemented project management system to support project reporting, records management and auditing
- Completed rollout of project management processes and tools with 100 percent utilization on projects executed in 2022

2023 FOCUS AREAS

- Engage with new and existing project consultants to broaden market opportunities
- Work with partners to prepare project operational readiness plans to support BMO Centre and 17th Avenue/Stampede Station projects
- Advance awareness and partner education regarding climate change and resiliency targets

CHAPTER THREE

**INCLUSION • DIVERSITY • EQUITY
ACCESSIBILITY • SUSTAINABILITY**



As a community member and community champion, CMLC is committed to being sensitive and responsive to the changing social landscape. We commit to embracing practices that recognize and improve diversity and inclusion, equity, accessibility and sustainability within and outside of our organization.



In 2022, CMLC initiated a process to incorporate IDEAS principles into all we do—in our workplace, in our partnerships and community activations, and in the projects we’re bringing to life all around east Calgary.

The commitments expressed in the following corporate IDEAS statement now underpin all our work.

We commit to deepening our understanding of the vast diversity of human experiences, backgrounds, abilities and viewpoints. We endeavour to ensure that every perspective is valued and respected in our workplace, our redevelopment efforts and the communities we work and live in.

We will remain open and give equal voice to all people, groups and viewpoints to ensure our organization’s work reflects and respects the evolving social landscape while upholding our dedication to the betterment of our city.

We will develop places, spaces and programs that are open and accessible to all.

And we will incorporate, wherever possible, high standards for sustainability—carrying out our mandate with due consideration for the long-term environmental, social and economic well-being of our fellow citizens and our planet.

Through these efforts, CMLC will nurture engagement and belonging, build deeper connections across our communities, empower innovation, and enable the long-term sustainability, relevance and resilience of our organization and our city.



IDEAS FOCUS AREAS

In pursuing our mandate for urban renewal and community building, CMLC has always sought to advance the organization’s social, environmental and financial resiliency.

We consider the four focus areas described below—*leadership, learning, growth* and *practices*—as we pursue opportunities and manage risks.

We continue to integrate the IDEAS concepts into our overarching organizational structure and philosophy.

These four IDEAS focus areas are supported in our strategic plan, yet they are not time-bound: they will guide all of our future actions—through the lifecycle of our strategic plan and beyond.



LEADERSHIP

Responding to challenges and opportunities with the commitment to lead, mobilize and inspire efforts tied to IDEAS priorities



LEARNING

Advancing the IDEAS knowledge base of the CMLC team and stakeholders to advance their ability to deliver on CMLC’s mission and vision







GROWTH

Connecting with underserved communities within CMLC’s domain; promoting growth in universally accessible buildings, infrastructure and public spaces and in environmentally efficient and climate-resilient buildings, infrastructure and communities



PRACTICES

Evolving CMLC processes, tools and practices to better support and enable IDEAS priorities

	 LEADERSHIP	 LEARNING	 GROWTH	 PRACTICES
Diversity, Equity & Inclusion	Workplace that fosters DE&I	Commitment to education	Connecting to underserved communities	Recruitment & procurement
	Continue cross-company DE&I working group	Continue to deliver quarterly lunch & learn DE&I sessions	Maintain focus on diversity in community programming	Advance application of DE&I best practices in procurement
	Leverage internal IDEAS Teams channel to engage staff in important DE&I conversations	Embed DE&I into all communications based on DE&I communications plan and language guide	Continue applying DE&I lens in Safety & Vitality Committee	Continue to identify and embed best practices for DE&I hiring into recruitment policies
	Progress inclusive work environment assessment and plan			
	Advance DE&I measurement framework			
Accessibility	Leadership & advocacy	Commitment to education	Growth in universally accessible spaces	Facilitating technology adoption
	Advance workplan with accessibility working group	Expand accessibility knowledge base	Lead by example in delivering universal design	Conduct high-level accessibility technology review
	Enable and facilitate awareness campaigns	Deliver staff awareness, learning and development program	Develop current state, opportunity identification and delivery plans	Deliver technology pilot project to support awareness of accessibility
	Develop communications plan with advocacy component			
Sustainability	Leadership commitment	Growing our knowledge	Growth in environmentally efficient & climate resilient buildings, infrastructure & communities	Procurement & industry relationships
	Improve leadership accountability and organizational transparency related to climate change and environmental sustainability	Understand and improve, if needed, natural infrastructure in the Rivers District	Explore opportunities to reduce carbon emissions for new projects within the Rivers District	Explore opportunities to adopt The City of Calgary’s 2030 net-zero emissions targets for all new projects delivered by CMLC and our development partners
	Identify climate change and environmental sustainability as a corporate enterprise risk in CMLC risk register	Facilitate speaker series/lunch & learns to better understand how to design for net-zero emissions and reduced embodied carbon	Promote and support the use of electric vehicles in the Rivers District	Explore incorporating sustainable development and net-zero building strategies as land-sale evaluation criteria
	Communicate CMLC’s priorities for climate change and environmental sustainability	Explore opportunities to integrate carbon-negative technologies and materials into CMLC-delivered projects	Encourage use of low-emission transportation and design all building/infrastructure projects with active modes in mind	Divert waste from landfills

CHAPTER FOUR

PROJECT UPDATES



Throughout the Rivers District and beyond, CMLC continues to advance projects that bring the greatest value to our shareholder and the greatest benefit to the city and its citizens. The following pages describe the exciting initiatives we're advancing over the next 12 months.


EAST VILLAGE PROJECT UPDATE



ONGOING EAST VILLAGE MAINTENANCE & FAC WORK



 Green Meadow
Landscapes +
others as required

-  **2023 Actions**
- Perform scheduled and as-needed maintenance on CMLC-owned and maintained spaces
 - Complete FAC work for phase 12
 - Complete deficiency work on 9th Avenue cycle track

 Ongoing

Since 2007, when we received our mandate to redevelop and revitalize Calgary's East Village, CMLC has rebuilt the neighbourhood from (below) the ground up.

As our earliest infrastructure improvements and utility upgrades are now nearing 15 years old, they've earned our careful attention to keep them in good repair. From parks and plazas to bridges, streetlights and utilities, our maintenance team works year-round to keep everything in tiptop shape.


In 2023, in addition to managing the ongoing maintenance and repair of East Village public spaces and infrastructure, CMLC will complete final acceptance certificate (FAC) work for phase 12 (3rd Street SE between 5th and 6th Avenues) and deficiency work on the 9th Avenue cycle track.


DERMOT BALDWIN WAY DESIGN INTERVENTION



 **400,000**

 Dialog, EXP, SMP

-  **2023 Actions**
- Develop lighting design
 - Obtain approvals
 - Complete installation

 Q2 2023

With the goal of transforming Dermot Baldwin Way into a safer, more active public realm and establishing another inviting gateway into East Village, we've been studying the area and exploring environmental design solutions to address social challenges in the area.

In 2022, we modified the project to focus on shorter-term interventions to support the needs of the space and improve the public realm through that corridor.

To this end, in collaboration with CPS, the DI and other community partners, CMLC has begun work on a lighting program for the street and its overpasses to improve the area's visibility, vibrancy and sense of security.

Installation of the new lighting program will be completed in Q2 2023.

PUBLIC WASHROOM REDESIGN



\$ 850,000

👤 TBA

- 📋 2023 Actions**
- Complete design
 - Complete permitting
 - Construct washrooms

📅 Late 2023

In 2012, we installed two automated public washrooms near RiverWalk Plaza. They served the community well for nearly a decade; however, in the face of increasing maintenance costs and social pressures, we closed them early in 2022 and began seeking a safer, more functional alternative.

We subsequently installed a temporary washroom at the Crossroads. As this location has proven remarkably resistant to the issues that plagued the original washrooms, we elected to launch a design competition for new, permanent public washrooms in this vicinity. The competition’s aim was to identify a proponent to design and build a structure that serves the functional needs of users, meets the community’s

needs for safety, and aligns with the energy, vibrancy and personality we’ve so carefully cultivated in East Village. In August 2022, CMLC launched a request for qualifications for the new washrooms.

Shortlisted proponents were invited to respond to an RFP, and a jury reviewed the proposals for design excellence, alignment with the character of the neighbourhood, and due consideration of safety, accessibility and sustainability. The jury selection will be finalized by the end of 2022 and announced in 2023.

Design will begin in early 2023, with construction expected to wrap up late in the year.



COMMUNITY DEVELOPMENT & LAND PARTNERSHIPS

ARRIS • TOWER 2

Construction of the new Arris tower—the second residential building atop the 5th & THIRD retail podium—began in September 2021. This will be BOSA’s fourth apartment tower in East Village—its second purpose-built rental tower. Tower 2’s 337 suites will be ready for leasing by the end of 2023.

EV606 (PARCEL M1)

EV606 is a six-storey mixed-use development planned for the parcel immediately west of the Simmons building at the intersection of Confluence Way and Riverfront Avenue. Totalling 53,000 sq ft, EV606 will add 44 residential rental units and 9,300 sq ft of street-level retail space to this already thriving and lively part of East Village. Led by Alston Properties and designed by AtLRG, EV606 is expected to break ground in spring 2023.

BLOCK N

In 2022, CMLC welcomed Minto Communities as a new East Village development partner. Minto’s residential project, which includes 100 new condos in a building of nearly 100,000 sq ft, will occupy the last available parcel on East Village’s riverfront (656 Confluence Way). In 2023, Minto will advance its project design with a view to submitting a development permit to The City before year’s end.

BLOCK Q - PHASE 3 & 4

One Properties—the developer behind the BLVD Beltline complex under construction on Macleod Trail at 12th Avenue SE—has purchased block Q’s phase 3 and 4 for two mixed-use towers.

BLOCK K

We are working through a conditional sale of this block and hope to announce a new developer partner in 2023.

2023 LAND SALES

Currently, CMLC has letters of intent for two additional parcels that we will move toward purchase and sale agreements in 2023.



EAST VICTORIA PARK + DOWNTOWN— PROJECT UPDATE



BMO CENTRE EXPANSION



\$ 500 million

Stantec, Populous, S2 Architecture, PCL Construction, M3 Development Mgt.

- 2023 Actions**
- Electrical energization
 - Complete exterior envelope
 - Complete interior finishes

June 2024

CMLC is managing the BMO Centre’s \$500-million expansion—a major city-building project and a vital addition to The C+E. The expansion includes new exhibition spaces, ballrooms, meeting rooms, pre-function areas, loading docks, food and beverage facilities, and office spaces.

In November 2022, crews finished assembling the structural steel components—a major project milestone—and began installing the building’s exterior cladding. 2022 also saw completion of the new permanent front-of-house spaces for Halls B and C and decommissioning of the temporary exit hallways and washrooms that kept these buildings functional during demolition.

By summer 2023, exterior cladding will be complete and the building will be weather-tight. At that point, crews will turn their attention to interior fixturing and finishing.

The project remains on track for completion—right on budget and right on schedule—in mid-2024.

17TH AVENUE SE EXTENSION & LRT STATION REBUILD



\$ 103 million

IBI Group, O2 Planning & Design, ISL Engineering, WSP Engineering, GEC Architecture

- 2023 Actions**
- Complete Corral Trail
 - Complete roadway between LRT station and BMO Centre
 - Complete cut-over to permanent station

Substantial completion Q4 2023

This major infrastructure project, which broke ground in 2021, is forging an important pedestrian and vehicle link between new and existing mixed-use development on either side of Macleod Trail and is giving transit users a much more accessible LRT station.

In 2022, crews completed the LRT station’s utility complex, rendering the new Elbow River bridge and siding track operational. Also in 2022, the temporary station platform was completed and construction began on a permanent platform.

Both the LRT station rebuild and the 17th Avenue extension will be substantially complete by the end of 2023. Final touches and soft landscaping will continue through to spring 2024 in concert with the BMO Centre expansion.

STAMPEDE TRAIL



\$ 20 million

Procurement underway

2023 Actions

- Mobilize on site
- Complete construction from 14th Avenue to 17th Avenue

2024

CMLC is transforming a four-block section of Stampede Trail (Olympic Way SE) into 'Festival Street'. Streetscaping upgrades and roadway enhancements will turn the portion between 12th Avenue and 17th Avenue SE into a multifunctional space—a vibrant retail and commercial corridor, a multi-modal connector and, for special events, a pedestrian-only festival plaza.

In 2022, CMLC worked through the Detailed Team Review process with The City, and we received development permit approval in the fall.

To maximize efficiencies and minimize disruptions, we will coordinate Stampede Trail construction activity with work on the BMO Centre expansion, the 17th Avenue extension and the Green Line project.

Most construction will take place in 2023 and early 2024.

ARTS COMMONS TRANSFORMATION (ACT)



\$ 450 million
(Phase 1: \$240 million, fully funded)

KPMB, Tawaw Architecture Collective, Hindle Architects, SLA, Ellis Don Construction

2023 Actions

- Public design reveal
- Begin schematic design
- Proactively address market escalation

2023 (design stage)

A downtown cultural institution since 1985, Arts Commons has ably served the city's arts community for more than 35 years. The building, however, is aging; and its spaces, though well-loved, are increasingly unable to meet the growing demand for arts and culture venues that are flexible and adaptable to today's evolving entertainment and societal needs.

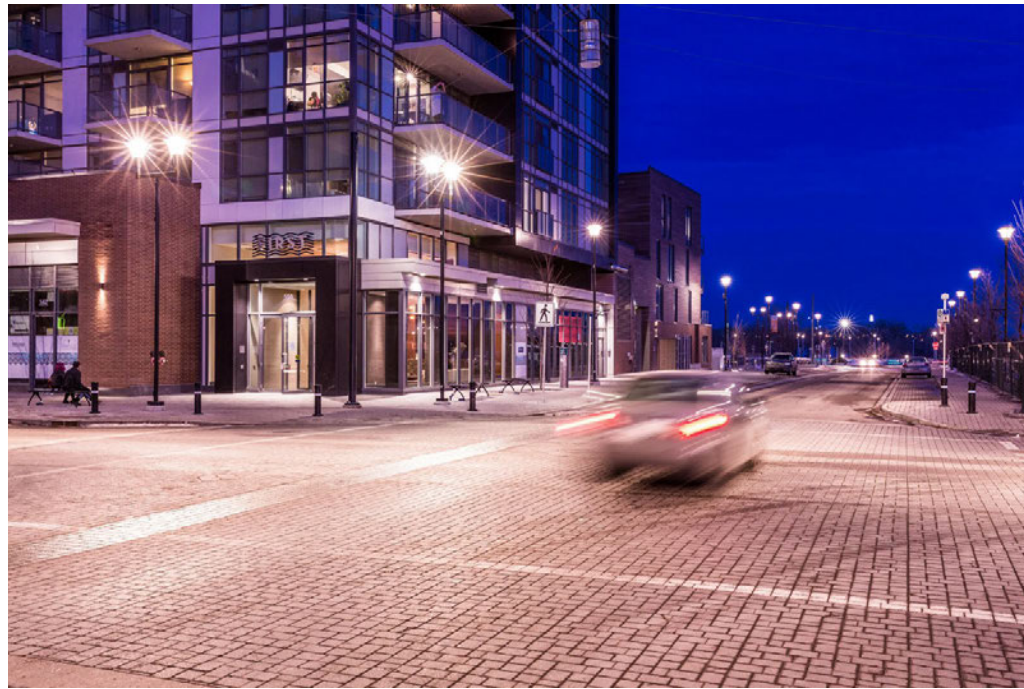
The Arts Commons Transformation (ACT) will give Calgary a modern, welcoming and inclusive arts centre and performance venue right in the heart of the city.

In 2022, CMLC and Arts Commons worked with the prime design team—KPMB, Hindle Architects, Tawaw Architecture Collective and SLA—to complete the concept design for ACT.

In 2023, we'll move into the more detailed schematic design stage for the Phase 1 expansion. A public reveal of the ACT expansion design is also planned for 2023.

CMLC is working with The City and Arts Commons to proactively address potential inflation pressures and allocate reserve CRL funding to support the ongoing needs of the project. (See page 85 for additional details.)

RIVERS DISTRICT STREETSCAPE GUIDELINES



CMLC, City of Calgary



2023 Actions

- Work with The City of Calgary to advance streetscape design and delivery plans



TBD

The Rivers District Streetscape Guidelines are a consolidation of design principles articulated in the *Rivers District Master Plan*. Formalizing these in a standalone document will allow us to maintain a consistent look and feel for all ongoing streetscaping in east Victoria Park.

We are working with The City to have the guidelines approved, and we will coordinate their implementation in concert with The City as it advances the Green Line project.

CONVENTION VENUE HOTEL SITE



CMLC, Calgary Stampede



2023 Actions

- Progress design development
- Complete development financing requirements



TBD

As part of our ongoing support to help ensure the success of the BMO Centre expansion, CMLC worked with Calgary Stampede through much of 2022 to advance negotiations with a prospective partner for a new hotel to support events and accommodate guests at the expanded BMO Centre.

In late 2022, CMLC, Calgary Stampede and our new hotel partner signed a pre-development agreement for an upper-upscale boutique hotel expected to have 200–250 rooms. CMLC updated the site's land use to accommodate hotel development.

In 2023, we will work through development and finance planning. As much as possible, we'll align the timing and logistics of construction with work on the BMO Centre expansion.

STRATEGIC OPPORTUNITIES & EXPLORATIONS

As part of our role in overseeing and delivering complex, multi-year master-plan visions, CMLC continually explores opportunities to realize the district's full development potential and to drive value for our shareholder.



VICTORIA PARK TRANSIT CENTRE



The City of Calgary's Victoria Park Transit Centre (aka, the 'bus barns') occupies half a million square feet of land on the eastern edge of the Elbow River along 7th Street SE. The *Rivers District Master Plan* re-imagines the 11-acre site as a mixed-use, predominantly residential area rich in riverfront character that elevates The C+E's development potential and creates a connection to the future Green Line LRT station a block east. In its potential for the type of placemaking that stimulates ongoing investment and sustainable redevelopment, the site holds huge potential to further transform east Victoria Park.

To enable redevelopment of this prime site, new bus garages would need to be constructed at another location. The existing bus barns would then have to be removed and the site remediated.

In 2023, CMLC will engage with The City (the land's current owner) to study alternative locations for its transit facility and to advance discussions about the site's potential.

OLYMPIC PLAZA



Since 2021, CMLC has been leading the Arts Commons Transformation (ACT) project on behalf of our partners at The City of Calgary and Arts Commons. Through the design process, purposeful integration of the adjacent public realm—particularly Olympic Plaza and Stephen Avenue—has been a key consideration.

Together with The City, CMLC is exploring opportunities to redesign Olympic Plaza in parallel with ACT—a major city-building initiative that would benefit both projects and unlock the potential of the entire block.

Given the intricacies of planning and delivering projects with such interconnected components, CMLC will work with The City to advance this project and establish oversight for its delivery.

TEMPORARY PLACEMAKING INTERVENTIONS



CMLC has been exploring concept designs to implement another temporary placemaking initiative in The C+E—a safe, inviting and fun community space to activate the area and give back to the community while construction activity is underway in the district.

The initiative is akin to our approach with spaces like The Bounce—an East Village parking lot that includes a full-sized basketball court, ping pong tables, snakes & ladders and hopscotch.

RIVERWALK STAGE 2



Since its completion in September 2012, RiverWalk Stage 1 has become one of the city’s best-loved public spaces. Calgarians use it year round for recreation, commuting and socializing. From an initial phase between Riverfront Lane and the old St. Patrick’s Bridge, RiverWalk grew to two kilometres along the Bow River’s edge from Centre Street to Fort Calgary and along the banks of the Elbow from the confluence to 9th Avenue SE.

As described in the 2010 *RiverWalk Master Plan*, Stage 2 will extend the riverside promenade past 9th Avenue SE to Victoria Park. This extension will be designed and constructed within the context of the rapidly unfolding *Rivers District Master Plan*.

In 2023, to accelerate its design and implementation, CMLC will engage a design team to re-examine the opportunity and update the design for RiverWalk Stage 2.

DAVID D. OUGHTON SITE



The David D. Oughton site is an 8.71-acre former school site in the culturally diverse Albert Park/Radisson Heights neighbourhood. CMLC purchased the land from The City in 2018, and in 2019 we signed a partnership with local developer RNSQR to repurpose the site as a multi-generational residential development.

Through 2022, we continued our due diligence and land planning process to determine the most viable development plan for the site.

In 2023, we expect to advance planning for the site as well as developer opportunities.



2023 PROJECT SEQUENCING PLAN

Based on a rigorous annual review of our project pipeline and project priorities to ensure that our work is responding to the needs of the community and that we're maximizing the value and impacts of our efforts, CMLC made some changes to our project sequencing plan for 2023.

Key changes (highlighted in the accompanying table) include:

- Update to CRL allocation for Strategic Projects from \$20 million to \$50 million
- New allocation of \$45 million of CRL in Tier 1 to address market escalation driven by inflation and rising material costs.

The 2022 project sequencing plan is shown on page 22.

TIER 1 & 2 COMMITTED PROJECTS CRL funded & approved		CRL funds (millions)
Arts Commons Transformation (ACT)		\$135
BMO Centre expansion		\$334
17th Ave extension & LRT station rebuild		\$103
9th Avenue bridge replacement		\$7
9th Avenue cycle tracks		\$3
Stampede Trail (Festival Street)		\$20
Ongoing community maintenance		\$20
Strategic projects (previously \$20M)		\$50
Strategic land acquisitions (including BMO Centre hotel site)		\$30
Environmental remediation		\$15
Market escalation (\$30M ACT + \$15M Rivers District projects/project interfaces)		\$45
TOTAL		\$762

TIER 2 PROJECTS Future CRL funded / approval required		CRL funds* (millions)
Streetscapes / utilities		\$18
RiverWalk / public realm		\$20-30
Public art development		\$3
East Village final phase infrastructure		\$20
Victoria Park Transit Centre		\$25-40
TOTAL		\$114

* Tier 2 budgets reflect estimates only and will be refined as projects move forward.



COMMUNITY WORK



SAFETY & VITALITY

In our ongoing efforts to proactively manage social issues precipitated by the pandemic, CMLC will continue in 2023 to manage the operations of the new East Village Safety Hub and support collaboration between its many partners: Calgary Police Service, Garda Security Services, East Village's dedicated DOAP team, downtown ambassadors, Calgary Transit and The City's Bylaw Services team.

As we describe in more detail on page 45, we're collaborating with our community partners at the DI to design and install a lighting program for Dermot Baldwin Way and its overpasses to improve the area's visibility, vibrancy and sense of security.

We continue to work with The City and the Province to advocate for the needs of the community and EV's vulnerable population and for investment in long-term solutions to the mental health and substance use crises.

In 2022, we conducted two community surveys with East Village residents and business owners. We will continue this engagement in 2023 to ensure we're identifying, understanding and addressing community needs, perceptions and opportunities.



PROGRAMMING & EVENTS

In 2022, CMLC hosted more than 650 events throughout the Rivers District. This represented an impressive diversity of event types and partners, and we continue to encourage community groups of all types to join us in making the most of the district's high-quality gathering spaces.

In 2022, Saint Patrick's Island played host to several high-profile and well-attended festivals, giving Calgarians prime opportunities to gather and enjoy this beautiful riverside setting. Next year, we'll continue to welcome events to SPI, prioritizing smaller events that showcase its natural spaces while also respecting the design and infrastructure of the island through, for example, reduced vehicle access for events and a smaller overall footprint for community-scale events, markets and activities. This will allow the island to continue serving as the 'community backyard' it was always intended to be.

CMLC will continue to support programming that highlights and boosts the Rivers District's IDEAS (inclusion, diversity, equity, accessibility and sustainability) aspirations.

In The C+E, we'll be engaging with people in and near the area—with signage and direct mail and through The C+E Access Map—to keep them informed about construction activities and development milestones, and to support pedestrian, cycle and vehicle movement through evolving route changes and detours.

On-site activations with the EAST Team, such as 'Whimsical Wayfinding' featuring our popular stilt-walkers and new, equally compelling programming initiatives, will keep things light, fun and informative while showcasing The C+E brand. Targeted interventions will showcase community progress and elevate the profile of our projects to visitors and passers-by.



MARKETING & BRAND

In 2022, our focus was on familiarizing key audiences with The C+E brand through integrated and strategic campaigns (including the Familiarization Campaign and the 10-Day Campaign). In 2023, we'll evaluate the impact of that work as we continue to grow awareness of and engagement with The C+E place brand by delivering campaigns in alignment with key district milestones, partnerships and programming activations.

In East Village, we'll continue to communicate the development milestones moving the master-plan vision ever closer to completion and publicize the events and activities that underpin East Village's uniquely powerful sense of place. We will also evaluate the neighbourhood's real-time traffic to better understand use of space.

And, as always, we'll continue collaborating with our project, community and civic partners to deliver dynamic and relevant messaging that helps raise the profile of our ongoing revitalization work in the Rivers District and Calgary's downtown while elevating the stature of the city as a whole.

Our marketing activities and initiatives are guided by the East Village COVID Recovery & Resiliency Strategy (originally outlined in 2020) and by our ongoing commitment to regular and meaningful engagement with East Village residents and businesses. Through April 2023, we will close out the resiliency phase of the R&R strategy.



ISC: Unrestricted

CORPORATE COMMUNICATIONS

To help manage attitudes and expectations regarding the flurry of construction currently underway in The C+E, CMLC is investing time and financial resources into tools and initiatives to help residents, local businesses, visitors, vehicle traffic, cyclists and pedestrians safely navigate the district and access its attractions.

For example, in 2022, CMLC's Event Activation and Street Team (aka 'EAST') activated several events in The C+E to help visitors find their way and to make the construction an experience instead of an annoyance. And since its launch in spring 2022, the online tool we developed to help residents and visitors make their way safely around the area has had more than 38,000 page views.

The mediums for our district construction communications range from meetings to landowner and resident engagement to media relations and direct mail.

In 2022, our media events and projects communications had an earned media value of \$10 million (as measured in advertising equivalent value).

At a project level, CMLC leads communications for the BMO Centre expansion, Arts Commons Transformation, 17th Avenue extension and overall C+E development.

For the capital campaign Arts Commons is undertaking to secure funds for the second phase of ACT—an extensive renovation and modernization of the existing Arts Commons facility—we will work with Arts Commons' leadership and fundraising team to provide communications support as needed.



CHAPTER FIVE

CORPORATE SERVICES & FINANCIAL STRATEGY



We remain devoted and accountable to our shareholder and pride ourselves on transparency in upholding our own mandate and working to advance The City's mandate through fiscal responsibility and sound project management.



MANAGING THE CRL

Designed to provide self-sustaining funding for Rivers District redevelopment with no impact on The City of Calgary's operating and capital budgets, the CRL is CMLC's main source of revenue.

We've administered the CRL and received CRL revenue since 2008, using 2007 property tax assessments in the Rivers District as our baseline for measuring incremental increases in property tax revenues directly attributable to CMLC's efforts. By channelling any growth in property taxes spurred by private investment into a fund for infrastructure improvements and placemaking initiatives, the CRL enables CMLC to repay funds borrowed to finance redevelopment of public infrastructure within the Rivers District.

While many factors that influence CRL generation are beyond CMLC's control, our team constantly monitors changes in assessed values and tax rates for existing properties and new development and, through strategic planning and big-picture thinking, we explore ways to maximize CRL generation. Considerations include the volume and pace of new construction in the Rivers District, the balance of residential and commercial development, the residential product mix, changes in assessed values for existing properties, and new development and property tax rates.

In accordance with the CRL Regulation, the CRL will terminate on the earliest of the following:

- At the end of a period of 40 years from the year in which the CRL Bylaw was approved by the Lieutenant Governor in Council (December 31, 2047)
- The date that all borrowings for the Rivers District are repaid or recovered from the revenues associated with the *Rivers District Community Revitalization Plan*
- An earlier date specified by the Lieutenant Governor in Council.

In Q2 2022, we conducted a review of the CRL as part of our ongoing management of our funding mechanism and to assess the impacts of evolving market conditions. CMLC remains on target to meet our obligations. We will continue to monitor CRL revenues and forecasts throughout 2023.

CORPORATE SERVICES

1. Governance and Policy

CMLC’s Board of Directors continues to provide strong, committed leadership to the company, and a subcommittee of the Board provides specific governance leadership. To further assist with governance, additional subcommittees focus on compensation & human resources; audit & finance; corporate governance; and environment, health & safety.

At an operational level, CMLC’s management continues to update corporate policies and our employee and Board of Directors manuals as necessary. CMLC will continue to operate in a transparent, timely, efficient manner and in the best interests of our shareholder, The City of Calgary.

Corporate governance plays an important role in the way CMLC works with consultants and stakeholders to deliver all our projects. To ensure project success, we aim to balance the needs and interests of our key stakeholders with a strong governance plan.

In 2022, we underwent our annual risk-management exercise with the Board in support of the organizational enterprise risk management (ERM) process.

In 2023, we will continue to align the skills and expertise of our Board with the needs of CMLC moving forward and will fill Board positions as required based on Board terms.

2. Strategic Planning

CMLC’s Board and staff are committed to bringing ongoing value to our shareholder and, ultimately, to the citizens of Calgary.

We are now three years into the delivery of our current strategic plan (2020-2024), which uses the following strategic pillars to focus our city-building efforts:

- 1 Maximizing impact
- 2 Relationship management
- 3 Community-building innovation
- 4 Excellence in project execution.

In 2022, CMLC and our Board worked to define a set of planning principles for our 2025–2029 strategic plan.

In 2023, we will continue to advance the strategic planning process with our Board and shareholder, setting the direction for our continued service as Calgary’s go-to city-building placemaker.

3. Administrative Operations

A significant component of CMLC’s administrative operations involves supporting infrastructure delivery, development deals and our internal business units. We ensure our development partners work in accordance with the *East Village Master Plan* and *Rivers District Master Plan* throughout the design process, and we assist them with The City of Calgary’s planning and permitting process.

Other ongoing administrative operations include information technology support; building operations oversight; corporate financial reporting and financial analysis; contracting and purchasing; risk management; review of CMLC’s internal controls; and formalizing CMLC’s operating best practices.

In 2022, we welcomed five new people to the CMLC team, and we welcomed back three employees returning from maternity leave. A group of our team members— the ‘leadership cohort’—completed a 12-month leadership development program. We also completed the second year’s iteration of our annual staff engagement survey, which revealed an increase in staff engagement from 86 percent in 2021 to 89 percent in 2022.

4. Enterprise Risk Management

CMLC’s Enterprise Risk Management (ERM) program gives the organization a systematic approach to managing risk. The ERM program is embedded in CMLC’s business activities to support effective project management, and

it gives the Board, the senior management team and the rest of the organization useful risk information to support strategic decision-making.

The ERM program gives us a clearly defined risk governance structure with roles and responsibilities and alignment between strategic objectives and organizational risks.

In 2022, we aligned the ERM with our strategic plan outcomes and updated our ERM with our executive team, senior managers and Board.

In 2023, we will work to integrate our ERM program with key outcomes of our strategic plan.

5. Succession Planning

To effectively complete the projects approved by our shareholder, our organization must be nimble and responsive. Throughout 2023, we will continue to ensure the skills and capacities of our team align with our current and future project needs.

In support of this, we’ll continue to provide staff development opportunities and structure our senior management team to support the strategic direction of the company.

We will continue through 2023 to advance the organization’s succession planning process.



FINANCIAL STRATEGY

CMLC's financial strategy for 2023 represents a synthesis of plans and project information current to December 2022. The following financial analysis addresses the five main aspects of our financial strategy:

- 1 The Community Revitalization Levy (CRL)
- 2 Project costs
- 3 Debt financing
- 4 Administrative costs & revenues
- 5 Alternative forms of financing

We expect certain land sales to close in 2023, and we may contemplate further land acquisitions. We have included estimates of these amounts in the cash flow projections; however, the contracts may allow for the closings to be deferred.

1. Community Revitalization Levy (CRL)

The CRL, which has appeared on the property tax bills for Rivers District residents since 2008, continues to be CMLC's primary source of revenue. The estimated total CRL generation for 2023 is \$39.5 million.

This estimate is based on the projected tax rate increase for 2023 and the actual 2022 assessment values for the Rivers District as well as projected values for 2023.

Our method of estimating future CRL revenue continues to be conservative as it is based on projecting future incremental property tax assessments resulting from new development in the Rivers District.

2. Project Costs

APPROVED PROJECT COSTS

To the end of December 2022, CMLC has obtained approval from our shareholder, The City of Calgary, to undertake \$1.07 billion in projects. This table shows current budgets, estimated spend to the end of 2022 and planned spending for 2023:

PROJECT	Approved budget (\$ millions)	Estimated spend to Dec 2022 (\$ millions)	Projected 2023 spend (\$ millions)
BMO Centre expansion	500.0	278.0	182.1
Arts Commons Transformation	240.0	8.6	5.9
East Village infrastructure	133.0	130.5	1.0
17th Avenue extension & Stampede LRT station rebuild	103.0	66.6	36.4
Strategic land acquisitions	30.0	0.2	7.8
Stampede Trail	20.0	11.0	3.5
Environmental remediation	15.0	4.7	3.0
9th Avenue bridge	7.0	6.8	0.2
Strategic projects	20.0	16.0	4.0
TOTAL	1,068.0	522.4	243.9

NEW PROJECTS

As part of this 2023 business plan, CMLC is requesting approvals for debenture for the following projects. If approved, they will require financing through The City of Calgary, which will need to issue new borrowing and loan bylaws accordingly:

Strategic Projects

Since 2007, CMLC has carefully and astutely managed the CRL as the funding mechanism that supports build-out of the Rivers District as envisioned in the master plans for East Village and east Victoria Park. We update our CRL forecasts annually as part of our project prioritization process (see page 22).

In 2021, as our work in east Victoria Park picked up steam, CMLC identified the need to allocate CRL funds to support special community-building opportunities that arise as development of the district progresses. Such projects—like the EV dog park, which wasn’t identified in the original master plan—add energy and intrigue to the district while elevating people’s sense of belonging in the community.

The CRL allocation to strategic projects also supports sustainability initiatives and ‘interface projects’—vital solutions to the infrastructure requirements that arise between the district’s diverse array of vertical builds. These undertakings are crucial to creating a cohesive, accessible, safe and inviting district.

As part of our ongoing work in the Rivers District, we are seeking an increase of budget appropriation of \$30 million for execution of strategic projects.

Market Escalation

In 2022, amid Canada’s rapidly swelling inflation rate and significant increases in the material costs of construction and development, CMLC assessed the actual and potential impacts of market escalation for projects in different stages of their development.

Moving into 2023, to prepare for new cost pressures and ensure projects are set up to endure these challenges, CMLC allocated CRL funds to support project requirements that emerge due to market escalation.

We consider this reserve of CRL funds vital to mitigating projects risks. CMLC will use these CRL funds to support Rivers District projects and project interfaces.

CMLC is requesting budget appropriation of \$15 million to support projects currently underway in the Rivers District.

Arts Commons Transformation

To address the actual and anticipated impacts of inflation and market escalation, CMLC has allocated CRL funds to keep the Arts Commons project moving forward.

To support the project’s continued progress, CMLC is seeking budget appropriation of \$30 million for Arts Commons phase 1.

3. Debt Financing

To date, The City of Calgary has approved nine loan bylaws totalling \$908.8 million. To the end of 2022, \$573.3 million had been advanced against these loan bylaws.

In 2023, we expect \$177.3 million in advancements to fund ongoing project construction.

DEBT COSTS	Estimated 2022 (\$)	Projected 2023 (\$)
Interest expenditures	10,400,000	15,400,000
Principal repayments	17,000,000	16,200,000
TOTAL DEBT REPAYMENTS	27,400,000	31,600,000

4. Administrative Costs & Revenues

CMLC's perennial objective is to prudently and effectively manage administrative costs. In 2023, we will continue to undertake budgeting exercises aimed at further reducing costs.

ADMINISTRATION COSTS	Estimated 2022 (\$)	Projected 2023 (\$)
Cost of sales - land inventory	1,350,000	4,450,000
General administration	10,500,000	10,850,000
Donations and contributions	105,250,000	132,000,000
Repair and maintenance - East Village	1,700,000	2,000,000
Amortization expense	4,850,000	7,000,000
Interest - debentures	6,350,000	8,400,000
Loan administration fees	600,000	650,000
Financing charges	4,100,000	7,000,000
TOTAL ADMINISTRATION	134,700,000	172,350,000

REVENUES	Estimated 2022 (\$)	Projected 2023 (\$)
Community Revitalization Levy revenue	38,100,000	39,500,000
Community Revitalization Levy revenue - BMO expansion	102,750,000	129,600,000
Land sales	1,325,000	8,440,000
Rental income	950,000	1,300,000
Project management fees	2,300,000	2,300,000
Other income	44,000	90,000
TOTAL REVENUE	145,469,000	181,230,000

RENTAL INCOME

Rental income represents income earned from various land parcels and heritage building assets owned by CMLC.

PROJECT MANAGEMENT FEES

Project management fees represent the income earned to cover CMLC's administrative costs when we complete project work on behalf of third parties.

COST ESCALATION

Amid the changing economic environment and the impacts of COVID-19, the costs of construction have increased due to supply chain constraints and shortages in materials. CMLC mitigates this risk by modifying our tendering strategies and securing prices of materials in advance. In the coming years, CMLC will continue to monitor the industry and use best practices in contracting to minimize cost escalation on our projects.

5. Alternative Forms of Financing

DEBT FINANCING

CMLC’s current debt capacity is set at \$45 million. This line of credit facility is with ATB—CMLC’s financial institution. This capacity enables CMLC to seek and engage in work outside the Rivers District. To date, we have \$1.32 million in Letters of Credit being applied against this line of credit facility.

JOINT VENTURES

To realize our long-term financial goals and expand our reach beyond the Rivers District, CMLC will seek to establish strategic, mutually beneficial joint venture partnerships. Joint ventures will help CMLC engage in projects that will see our business grow faster, increase productivity and generate profits. CMLC can participate in joint ventures by contributing land, professional expertise and cash. Establishing joint ventures allows us to maximize project impact through combined resources, shared risks and costs, and access to greater resources (including specialized staff). Joint ventures also give us access to inexpensive forms of financing we would otherwise be unable to access.

Our success in a joint venture will depend on comprehensive research and analysis of goals and objectives. Effective communication of the business plan to everyone involved will also be essential.

CONSULTING & ADMINISTRATION REVENUE

We’ve been able to leverage our internal expertise by providing consulting and project management services to external stakeholders. We have been approached by numerous potential partners to help manage projects—work for which we can charge administration fees. We will continue seeking ways to expand this line of business in 2023 and beyond.

RISK ASSESSMENT

CMLC continues to monitor the ever-changing economic and market conditions that impact the Calgary real estate and construction markets. Consistent with prior years, if conditions warrant, CMLC will quickly reassess our position in relation to our financial model and make any necessary adjustments. Given the conservative nature of our planning, we anticipate no need for adjustments. CMLC continues to live within its means and to operate conservatively with the projects we undertake.

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