

## Reallocation of Cultural Municipal Sustainability Initiative Funds

To align with Council's Refined Strategic Directions, Administration recommends supporting investment in downtown revitalization by redirecting unused Cultural Municipal Sustainability Initiative (CMSI) funds to the Glenbow Revitalization Project. Strategic investment in cultural capital infrastructure is necessary to achieve Calgary's Greater Downtown Plan's vision, and this recommendation optimizes funding for a significant project that provides artistic, cultural, economic, and social value to downtown Calgary, all Calgarians and visitors. The recommended reallocation of \$12 million will continue to support cultural infrastructure development. With the replacement of the Municipal Sustainability Initiative (MSI) program with the Local Government Fiscal Framework (LGFF) at the end of 2023, this funding is at risk of being relinquished to the Province.

While the Province has assured The City that unspent MSI funds on active projects will be transferable to the LGFF, unspent CMSI funds on projects not started are at risk. Transferring funds to an eligible CMSI project that can be utilized before 2023 will remove the risk of losing the identified funding and ensure the investment of CMSI funds in cultural infrastructure.

### Current Projects

To support reallocation, Administration has reviewed CMSI budgeted capital projects and identified initiatives with the highest level of project readiness and funding needs. Evaluation of the final recommendation was based on the corporate prioritization framework and considered risk mitigation for an ongoing capital project.

The redirection of CMSI funding optimizes the delivery of arts and culture infrastructure for the benefit of Calgarians while aligning with the goals of Calgary's Greater Downtown Plan to strengthen Calgary's economy, foster business development and function as catalysts for revitalization and private investment.

As noted in Table 1, the two funded CMSI projects being suggested for reallocation include the following:

**Calgary Opera Capital Project** - Calgary Opera has advised Administration that they evaluated their plan to build a new facility on the Calgary Stampede grounds and determined they will not be moving forward. The decision was based on financial concerns related to

leadership changes, the economic landscape, COVID-19 pandemic disruptions and sustainability concerns for the proposed facility.

**Fort Calgary Renovation and New Museum Project** - The Fort Calgary Preservation Society’s (the Society) Renovation and New Museum Project is currently paused as they work to refine their strategic direction and complete a master plan for the site as required in their License of Occupation with The City. The Society is committed to completing a project that will align with its functional program and meet contractual obligations in place with the Government of Alberta. Administration continues to work with the Society and will bring forward any funding requests at a future date.

**Table 1 – Redirection of CMSI Funds**

<b>CMSI Budgeted Project</b>	<b>Relinquished Budget</b>	<b>Reallocation</b>	<b>Budget ID</b>
<b>Calgary Opera</b>	\$7,500,000		480652 (A480652)
<b>Fort Calgary</b>	\$4,500,000		400260 (P512_892)
<b>Glenbow Museum</b>		\$12,000,000	414191 (P633_002)

**Recommendation reallocation to the Glenbow Museum Revitalization Project Description**

As one of the primary cultural institutions in downtown Calgary, the Glenbow Museum’s significance to our city has grown for over 50 years. The museum’s collection provides insight into local, national, and international cultures, fosters inspiration through contemporary art, and educates visitors through shared stories.

As Calgary grows and our global reputation as a tourist destination enhances, it is vital to ensure the museum continues to be relevant and responsive, serving the needs of local communities and reflecting globally changing perspectives in collections and

museum management. To achieve this, the Glenbow Revitalization Project was launched in 2018 to amplify the museum's role in Calgary and rejuvenate its presence in the city's cultural heart.

Anchoring Calgary's cultural district, Glenbow Museum's Revitalization Project includes a new facade that will impact the street-level public space on Stephen Avenue, engaging pedestrians and invigorating Calgary's core with new retail, theatre, and restaurant amenities. An outdoor terrace will overlook the heart of downtown, providing a new space for small gatherings and creative activations.

Renovation of every museum floor will refresh the physical experience of visitors by expanding the exhibition space size and functionality. This modernization will allow new innovative exhibitions and enable diverse programs and educational initiatives. The project supports a revitalized cultural institution which is community centred and focused on providing positive social and cultural impact for visitors.

The project's initial budget of \$115 million was developed from estimates that no longer align with the current economic realities in the post-pandemic environment. Significant budget impacts include cost escalations for materials and labour, hazardous materials abatement, conserving and moving art, and additional code upgrades mandated by The City. The project requires additional funding to support the completion of the current and future phases of the museum's redevelopment.

The City's current project investment totals \$25 million, including \$14 million in Municipal Stimulus Program funding and \$11 million through the CMSI fund. Administration has been working with Glenbow who have submitted a business case to The City requesting an additional \$18.25 million in funding. The additional reallocated \$12 million of CMSI funding would support this request and put The City in line with the Government of Alberta and Government of Canada funding while remaining aligned with the 35 percent outlined in *Investing in Partnerships Policy*.

The project continues to leverage private and public funding from all levels of government to ensure the redeveloped facility may continue to care for more than 250,000 works of art and historical objects on behalf of the residents of Alberta. The newly reimagined museum design ensures a sustainable and resilient facility by adapting and reusing the existing architectural asset to transform the building inside and out.