

02/02/2016





## Investment Overview

### 1. Budget (tax and fee relief for residents)

- Property tax reduction 4.7% to 3.5%
- Business tax frozen for 23<sup>rd</sup> straight year
- Administration working on options for 2017 as part of mid-cycle review
  - Mid cycle review will review revenue projections
- Approval of \$30m operating fund
  - Portion **approved** for "fee relief" (\$15.6m)
  - Portion referred to PFC



## Investment Overview

### 2. Business/Not-For-Profits

- PFC2016-0081
- Portion referred to PFC (\$14.4) with report back February 2 after consultation
  - CED has created a framework in response to economic conditions
    - "Stimulus" Head Office/Real Estate Action Stimulation
    - "Talent Retention" Global Talent Hub
    - "Diversification" Pursue expansion, retention & trade
    - "Marketing Campaign" – Be Part of the Energy 2.0
  - CHC has ready suggestions for immediate use of funding for Housing
- Notice of Motion today for proposed \$60m for business tax relief – moved to February 2






## Investment Overview continued

**3. Community – Civic Partners**

- Community Investment Fund - \$42m **approved** by Council
- Addressing priority community infrastructure needs
- Playgrounds, pools, arenas, fields
- Gap is approximately \$2b over 2015-2024 timeframe

02/02/2016
Presentation
5

## Investment Overview continued


**4. Infrastructure – Letters to Federal & Provincial Ministers**

- **Seeking** Provincial commitment on Greenline (letter sent)
- Full listing top unfunded projects in investment areas
- Overall prioritization based upon time to market with maintenance (shovel ready)
- Areas of Focus
  - Program design
    - Block funding; Longer term investment; Time to market or “shovel ready”
    - Acknowledgement of Provincial funding constraints – looking to partner on public investment
  - Flood Resiliency Infrastructure\*
  - Transit/Transportation Infrastructure
  - Social Infrastructure
    - Affordable Housing
  - Green Infrastructure
- Based upon approved traditional Infrastructure Investment Plans (TIIP, CPRIP etc)

\* amount dependent upon Provincial investment

02/02/2016
Presentation
6

Calgary




## Investment Overview Conclusions

Conclusions – Actions Taken & In Progress

- Municipal Budget
- Business/Not-For-Profits
- Community
- Infrastructure Areas of Focus
  - Program Design
  - Flood Resiliency Infrastructure\*
  - Transit/Transportation Infrastructure
  - Social Infrastructure
    - Affordable Housing
  - Green Infrastructure
- **Once funding decisions made at budget time (Fed & Prov), report back on Administrative actions under Infrastructure Calgary & recommendations on funding allocations**

02/02/2016
Presentation
7

Calgary



## Community Economic Resiliency Fund Report Business Tax

**Direction/Process**

- 2015 December 14 – Administration directed to meet with the Chamber, analyze proposal and report on feasibility and implications of this and other economic resiliency efforts.
- 2015 December 16 – Administration and Chamber met to discuss proposal and economic environment.
- 2015 January 25 – Councillor Woolley's NM2016-04 referred to Administration for further analysis.

**Key Elements of the Chamber Proposal included:**

- Deferral of a portion of non-residential/business tax; eligibility metrics; and tax relief targeted at "small" business suffering financial hardship.



**Key Challenges of the Chamber Proposal included:**

- Defining business income; evaluating balance sheet position; defining "hardship"; defining business "size"; targeting the business operator; and securing The City's financial position.

**Outcome**

- Chamber to pursue additional avenues of relief with other orders of government, Administration to support this endeavour where possible.
- Administration analyzed and developed additional options – one is presented today for Committee's information.

02/02/2016
Presentation
8

## Community Economic Resiliency Fund Report Business Tax

**Another Option Considered**

- Similar to NM2016-04 (difference in scale and dollar amounts)
- Rebate assigned to business tax account holders
- Eligibility determined by annual rent equivalent
- Scalable to various levels of rebate


**Summary of other option considered:**

Duration	Cost/Year	Total Cost	Average Annual Rebate	Total Average Rebate	Number of Accounts
1 Year	~\$7 million	~\$7 million	~\$270	~\$270	~25,500

**Summary of NM2016-04:**

Duration	Cost/Year	Total Cost	Average Annual Rebate	Total Average Rebate	Number of Accounts
2 Years	\$30 million	\$60 million	~\$1,200	~\$2,400	~25,500

02/02/2016
Presentation
9





## Community Economic Resiliency Fund - Process

- Calgary Housing engaged with organizations in the affordable housing community on the proposed initiatives. CH has brought forward initiatives to support an increase in supply and improve access to housing in Calgary.
- Administration worked with, Calgary Economic Development, our civic partner who promotes the full spectrum of the business, investment and job opportunities in Calgary across Canada and in key markets around the globe, on proposed initiatives.
- Through continuous engagement with the business community and stakeholders, including the Chamber, CED has brought forward initiatives that address short term immediate needs, and broader strategies that build Calgary's resilience and recovery in the long term.
- Proposed initiatives align with key strategies of Economic Resiliency and 10-Year Economic Strategy for Calgary.

02/02/2016
Presentation
10



<b>Calgary</b>		<b>Proposed Investment &amp; Allocation</b>
<b>CALGARY HOUSING COMPANY</b>		
Affordable Housing Development Financial Incentive Program		\$6.9 million
Coordinated Housing Application		\$0.50
<b>Calgary Housing - TOTAL</b>		<b>\$7.4 million</b>
<b>CALGARY ECONOMIC DEVELOPMENT</b>		
Marketing Campaign		\$1.5 million
Global Talent Hub- WORKshift Worldwide		\$0.50
Head Office/Real Estate Action Plan		\$0.75
Accelerated Diversification in Logistics, Film & Creative Industries, Agribusiness and Renewables		\$3.925 million
Build an Innovation Movement		\$0.325
<b>Calgary Economic Development - TOTAL</b>		<b>\$7 million</b>
<b>GRAND TOTAL</b>		<b>14.4 million</b>

02/02/2016

Presentation

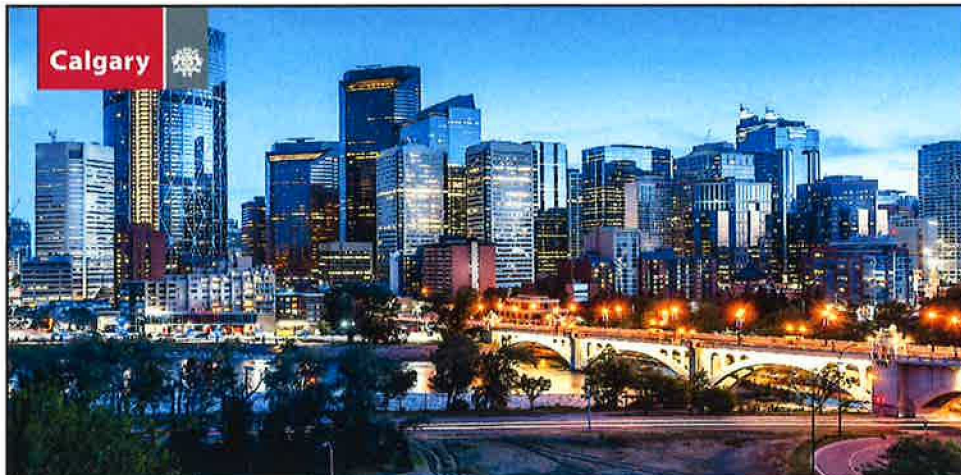
11

<b>Calgary</b>		<b>Administration Recommendations:</b>
<p>That the Priorities and Finance Committee recommend that Council:</p> <ol style="list-style-type: none"> <li>1. Approve a one-time increase to operating budget program 449 - Calgary Economic Development by \$7 million from the Community Economic Resiliency Fund to carry out the initiatives detailed in Attachment 3 and direct CED to report back on the use of the funds through their 10-Year Economic Strategy update to the Priorities and Finance Committee;</li> <li>2. Approve a one-time increase to operating budget program 494 - Calgary Housing by \$7.4 million from the Community Economic Resiliency Fund to carry out the initiatives detailed in Attachment 2 and direct Calgary Housing report back to Priorities and Finance Committee by Q2 2017; and</li> <li>3. Refer Attachment 1 to the Mid-Cycle Review Process for further consideration.</li> </ol>		

02/02/2016

Presentation

12



Calgary

QUESTIONS

02/02/2016 Presentation 13

