

**Infrastructure Services Report to
Infrastructure and Planning Committee
2024 March 13**

**ISC: UNRESTRICTED
Revised Report IP2024-0293**

Advancing business-friendly approaches to City-led infrastructure construction

PURPOSE

The purpose of this report is to inform on the actions undertaken by The City to address requests from various local businesses to mitigate the impact of City-led infrastructure construction on business operations and customer access and to provide financial support to affected businesses.

Administration continues to explore different business-friendly construction approaches and is seeking Council direction to pilot a Main Streets Business Financial Support Grant in 2024 and advance work to establish a business-friendly construction policy.

PREVIOUS COUNCIL DIRECTION

In November 2022, Infrastructure Services committed to piloting approaches to mitigate the impacts of construction on businesses and to create positions to liaise with businesses throughout construction (BAC2022-1129). See Attachment 1 for additional background.

RECOMMENDATIONS:

That the Infrastructure and Planning Committee recommends that Council:

1. Direct Administration to initiate a Main Streets Business Support Grant pilot in 2024 and report back to Infrastructure and Planning Committee in Q1 2025 on the outcomes and effectiveness of the pilot.
2. Direct Administration to advance work on establishing a Business-Friendly Construction Policy and present the Policy to the Infrastructure and Planning Committee in Q1 2025.
3. Forward this item to the 2024 March 19 Regular Meeting of Council.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

The General Manager of Infrastructure Services supports the recommendations in this report.

HIGHLIGHTS

- The City has been receiving a growing number of requests from local businesses to implement business-friendly construction management approaches.
- Infrastructure Services has piloted a variety of approaches aimed at supporting businesses and mitigating construction impacts on business operations and customer access, such as project impact assessments, City business liaisons and City-led business area supports.
- Businesses are requesting The City further lessen the impacts of construction on the mobility network, on-street parking and customer access, and provide financial support to affected businesses.
- In 2024, Administration will continue exploring and testing different business-friendly approaches to further mitigate construction impacts.

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- Administration is requesting Council direction to initiate a Main Streets Business Support Grant pilot to help businesses prepare for construction and implement strategies to offset construction impacts.
- Additionally, Administration is seeking Council direction to establish a Business-Friendly Construction Policy that outlines expectations for considering business needs in the planning and delivery of City-led infrastructure projects, and which formally responds to requests for financial support.

DISCUSSION

Issue

- The City has been receiving a growing number of requests from local businesses to implement business-friendly construction management approaches, including:
 - Establishing liaison positions to coordinate with businesses during construction,
 - Mitigating construction impacts on businesses operations and customer access, and
 - Providing financial support to businesses affected by City-led construction.
- The City does not provide financial compensation to businesses and there is no obligation under the Municipal Government Act to compensate for the effects of City-led infrastructure construction (e.g. Public utilities).
- This situation is not unique to Calgary; major municipalities across Canada are facing similar requests to implement business-friendly construction management practices and provide financial support to businesses affected by construction.
- Currently, Montreal is the only Canadian municipality we know of with an established program providing financial support, including a lump sum \$5,000 subsidy.

Piloting business-friendly construction management approaches

- Infrastructure Services has been piloting a variety of approaches aimed at supporting businesses and mitigating construction impacts, including:
 - a) Project impact assessments - a formal process to evaluate and develop actions to mitigate construction impacts on business operations and customer access.
 - b) Preparing businesses for construction - early outreach to inform on construction plans and provide businesses time to prepare their operations.
 - c) Business liaisons - City staff regularly meeting with businesses to build relationships, share construction updates and resolve issues.
 - d) City-led business area supports - initiatives to offset construction impacts on business operations and customer access and encourage Calgarians to support businesses during construction.
 - e) Business Improvement Area Financial Support Pilot - providing Business Improvement Areas with up to \$20,000 to allow them to lead their own initiatives to offset construction impacts and encourage community support for businesses throughout construction.
- Feedback on business-friendly approaches piloted to date varies.
 - Individual businesses appreciate City liaisons for personalized communication about construction activities and assistance in resolving issues, and Business Improvement Areas value the financial support for initiatives like wayfinding and marketing campaigns.
 - Businesses continue to request The City further lessen construction impacts on the mobility network, parking and customer access, and provide financial support to affected businesses.

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2024 plans to expand pilot and establish business-friendly construction policy

- Administration will continue exploring and testing different business-friendly approaches to further mitigate construction impacts, including:
 - Innovative strategies for construction area parking.
 - Coordinated planning of road closures, access and communications in areas undergoing multiple infrastructure projects.
 - A proposed Main Streets Business Support Grant pilot that aims to assist businesses in preparing for construction and implementing their own strategies to offset construction impacts, as detailed in Attachment 2
- Additionally, Administration recommends a Business-Friendly Construction Policy be developed that outlines expectations for considering business needs in the planning and delivery of City-led infrastructure projects, and which formally responds to requests for financial support.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

The City has received a growing number of requests from interest-holders to implement business-friendly construction management approaches by either mitigating impacts on business operations and customer access or providing financial support to affected businesses. These requests include recommendations from Council's Business Advisory Committee (BAC2022-0518), a letter to Council from the Canadian Federation of Independent Business, various communications from local businesses to Council and senior Administration, and direct dialogue with businesses impacted by a various of City-led infrastructure projects.

Recently, Administration sought perspectives on the proposed Main Streets Financial Grant pilot by engaging with Marda Loop business owners, Marda Loop and Bridgeland Business Improvement Areas, and the Canadian Federation of Independent Business. Feedback received demonstrates support to advance the pilot as a means to help offset construction impacts.

IMPLICATIONS

Social

Mitigating the impacts of construction on business operations and customer access will help businesses remain operational during construction and continue to foster community well-being by sustaining economic activity and community services.

Environmental

Implementing business-friendly construction approaches will help maintain The City's momentum in implementing investments in Main Streets which support walking and wheeling in communities.

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Economic

Supporting businesses during construction demonstrates The City’s commitment to being business-friendly. While infrastructure construction projects bring long-term-term benefits, they can pose short-term challenges to business operations and customer access. The ongoing exploration and piloting of business-friendly approaches, including the proposed Main Streets support grant pilot, and establishment of corporate policy are anticipated to support the continued economic success of local businesses during construction.

Service and Financial Implications

Impact to Future Capital Budgets

No additional operating or capital budget is required to implement the recommendations. The development of a Business-Friendly Construction Policy can be accommodated within the Infrastructure Services workplan. The proposed Main Streets Business Support Grant pilot will be funded from the existing Main Streets capital program. The grant costs will impact the ability to deliver future Main Streets improvements planned in the current budget cycle; either a reduction of scope for these future projects, or a delay in construction until a future budget cycle. Should Administration recommend that the grant pilot become a permanent program and cost against future projects; future projects may require larger capital budgets or The City may have the funding capacity to deliver fewer projects.

RISK

There is risk the Main Streets business support grant might not yield a significant return-on-investment in helping business offset the effects of construction. To address this risk, the grant will be implemented as one-time pilot in 2024. This approach will allow Administration to gather data on how the grant was used and obtain insights into its overall effectiveness at helping offset construction impacts. This evaluation will help Administration make informed decisions about whether to continue, modify or discontinue the program in the future.

There is risk that businesses do not participate in the evaluation process to share feedback on how the funds were used and to help Administration assess the grants overall effectiveness. To mitigate this risk, Administration will develop a simple and convenient evaluation process that reduces potential barriers for businesses to share feedback, and which integrates the evaluation process into regular outreach and dialogue conducted by City business liaisons.

ATTACHMENT(S)

- 1. Previous Council Direction, Background
- 2. Proposed Main Streets Business Support Grant Pilot – General Terms of Reference
- 3. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
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Francois Bouchart, Director	Infrastructure Services – Capital Priorities & Investment	Approve
Michael Thompson General Manager	Infrastructure Services	Approve
Stuart Dalglish, Chief Operating Officer	Chief Operating Office	Inform
Carla Male, General Manager	Corporate Planning & Financial Services	Inform
Doug Morgan, General Manager	Operating Services	Inform
Chris Arthurs, General Manager	People, Innovation & Collaboration Services	Inform
Katie Black, General Manager	Community Services	Inform
Debra Hamilton, General Manager	Planning & Development Services	Inform
Jill Floen, City Solicitor- General Counsel	City Solicitor - General Counsel	Inform
Kerensa Fromherz, Director	Infrastructure Services – Public Spaces Delivery	Inform
Graham Duckworth, Director	Infrastructure Services – Utility Delivery	Inform
Campbell Barry, Director	Infrastructure Services - Real Estate & Development Services	Inform
Ryan Vanderputten, Director	Infrastructure Services – Engineering & Business Services	Inform

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