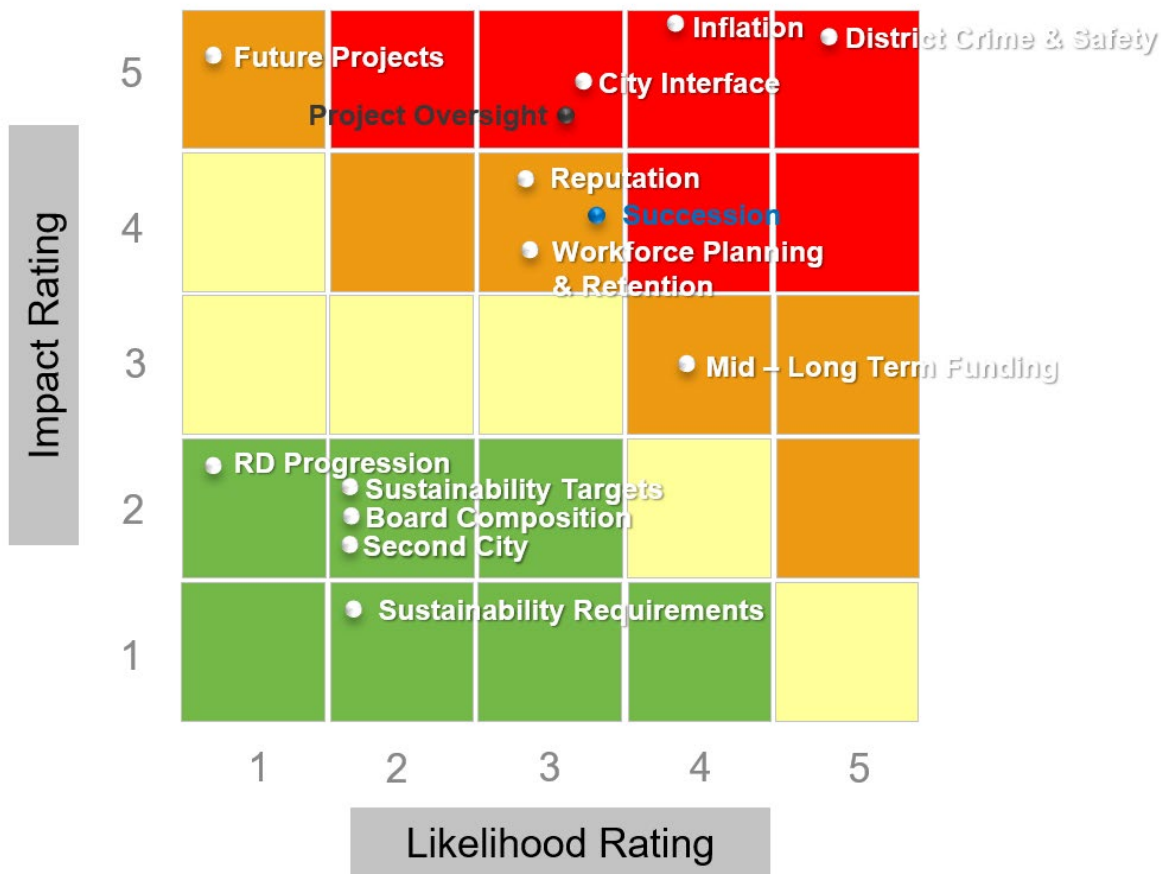




Calgary's go-to city-building placemakers

Calgary Municipal Land Corporation Enterprise Risk Management Heat Map



Note:

1. Risks marked in BLACK have increased since the last assessment.
2. The risks marked in WHITE have remained in their positions as last year.
3. Risks in BLUE have decreased since last year

Risk Identification				Risk Assessment			Progress Tracking
ID	RISK EVENT	RISK DEFINITION	RISK OWNER	RISK MITIGATIONS	RISK RATING	VELOCITY	UPDATES
1	Strategic Risk: <i>The risk of not meeting the City of Calgary's objectives for urban densification and community renewal, infrastructure investment and placemaking.</i>						
1A	Inflation	CMLC's ability to manage long term inflationary pressures that impact debt servicing, project delivery or prevent projects from commencing. Also has a flow on cost of living impact on staff remuneration	KB & KC	We continue have discussions with our banking partners and City Finance to look at how to best mitigate this risk. We continue to review policy on swaps and financial risk management and such financial instruments are being considered as part of future tools. We have begun borrowing directly from the City, rather than through ACFA, securing lower interest rates and more flexible borrowing/repayment terms. Within projects, reserves and escalation procedures are being reviewed and adjusted to better manage supply chain and cost pressure. Processes and tools not historically used to mitigate market inflation, such as off-site storage agreements, specification changes and early sequential tendering, are being implemented where appropriate to reduce exposure. These processes are becoming the new "normal" in project planning but are not sufficient to mitigate the risk of uncertainty in the market. The risk of inflation/escalation has shifted from primarily being associated with material costs and supply chain cost impacts, to increased skilled labour costs due to shortage of workers and project competition. As inflation (construction escalation) reserves within project budgets are required to be higher in value in order to mitigate risk, in some instances it would push the project to be non-viable - alternate funding sources are required to extent of escalation allowance required.	Critical	STEADY	Monthly
1B	City Interface	Autonomy and advocacy are essential for the success of CMLC and its mandate	KT & ELT	Redefined governance structures and development agreements on multi-partner projects. Continued engagement and collaboration with Council to advocate for CMLC and underscore CMLC's mandate.	Critical	STEADY	Monthly
1C	Future Projects	Will CMLC remain relevant as major Rivers District projects are completed in 2024 and with limited land ownership and how will CMLC prepare for future growth outside of the	KT & ELT	Strategic planning sessions with the Board to look at opportunities beyond the current strategic plan and to support development of the 2025-29 strategic plan. CMLC has developed planning principles to guide development of the plan and to guide assessment of future land opportunities outside of Rivers District. We have started engagement with the City Administration on future (Transit Oriented Development) TOD opportunities that would align with with CMLC's talent base.	Medium	FALLING	Quarterly

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2	Environment, Health and Safety Risk: <i>Events arising from inadequate safeguards to maintain public safety, the natural environment and / or CMLC's human capital well-being.</i>							
2A	District Crime & Safety	How do we manage community safety and others needing facilities e.g. the un-housed, whilst also mitigating the risk of losing critical private investment and public perception. How do we clearly establish clear parameters of involvement?	CL	Environmental, Health & Safety Committee meets quarterly to assess and improve our standards. Independent third-party site audit on all our developer sites to ensure they are complying with the Health and Safety standards. Constant monitoring of sites by our Building & Infrastructure team. Increased coordination between social service partners and third-party security providers. Working with City, CPS and the HELP Team to support increased patrols, outreach and support to address social disorder. Quarterly Safety & Vitality committee (stewarded by CMLC) to proactively address safety issues. We increased our daily security patrols through 3rd party service and implemented web-based incident tracking and reporting system to streamline workflow and response times. Communication strategies to provide safety related community messaging. Investment and partnership with Calgary Police Service to bring multi-agency safety hub to East Village. Proactive advocacy with Provincial Government.	Critical	GROWING	Monthly	

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3	Operational Risk: Risks pertaining to the delivery of services. These could include risks involving human resources, controls and processes.						
3A	Project Oversight	A lack of required influence over interdependencies and direction and quality of developments can create suboptimal outcomes and create reputational risk.	KC	Continue to be innovative, produce tangible quality results, and complete projects on budget, on time and on quality. Strengthen development agreements (DMA) language to demonstrate and enable stronger position of influence for CMLC eg. the Olympic Plaza Transformation and 6th Street Underpass. Additional due diligence related to costing, refraining from entering into early agreements before full impacts are assessed ("good faith"), developing temporary agreements to address initial concerns before larger agreements, leverage City OSC members to advocate to a greater extent. Leverage lessons learned on projects with complex stakeholder structures (ex. 17th Ave SX/EX), to ensure governance supports the appropriate level of project control to reduce risk to CMLC - reputational and financial. Expand procurement practices and create contract conditions that support CMLCs ability to successfully deliver projects. Communicate to a greater extent at project outset, the roles, responsibilities, and accountabilities of project partners.	Critical	STEADY	Quarterly
3B	Sustainability Targets	Determining the pace and scale of implementation required to achieve the City's requirements defined in the Calgary Climate Strategy a goal of net zero	KC & JW	Presently a Framework proposed by the City with outcomes to achieve by 2030 and 2050. Risk lies in adding non-regulatory requirements to a project and the impact to a projects budget and delivery, both for internal and external project management.	Low	STEADY	Quarterly
3C	Applicability of Sustainability and Climate Resilience requirements	The risk that sustainability requirements and climate resilience targets are not coordinated and/or do not apply and/or do not align and exceed current code.	KC & JW	Multiple layers of government are reacting to and creating policy around the climate change crisis. The Board approved CMLC's sustainability framework. We collaborate with the City of Calgary Climate & Environment group to ensure timely implementation of project specific sustainability and climate resilience initiatives. Pro-actively engaging with industry to understand best practices and innovative strategies in preparation for Council directed City of Calgary updates to agreements with civic partners and subsidiaries to support and ensure alignment with Calgary's emissions reductions targets.	Low	STEADY	Quarterly
4	Reputation Risk: A situation, occurrence, business practice or event that has the potential to materially influence the public and / or external stakeholders perceived trust or confidence in CMLC.						
4A	Reputation	Negative sentiment of CMLC brought about by external factors or actions of our partners.	CL	Annual strategic communications plan to build CMLC profile and reinforce CMLC work/community progress. Dedicated communications leadership on each CMLC -led projects to manage public awareness and perception. Proactive media planning and monitoring.	Medium	GROWING	Monthly

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5	Human Resource Risk: <i>Inability to attract, retain or properly train qualified individuals.</i>						
5A	Succession	There is a need to ensure that each role at CMLC has a suitable and ready candidate to step in and deliver continuity.	KB	Increased professional development opportunities for CMLC staff including leadership development plans for senior/high growth staff to develop skill set and build team capacity. Interviews have been conducted with all members of ELT and draft succession plans have been created. In the process of conducting an organizational structure review through the strategic workforce planning. Leverage existing skillsets/competencies in phased approach to projects. Conducting annual staff engagement surveys and actioning any recommendations that are suggested. CMLC is promoting its pipeline of projects to create a greater vision and aspirational workplace.	Medium	STEADY	Monthly
5B	Workforce Planning & Retention	There is a need to have a skills mix amongst the CMLC team that prepares it to deliver on future projects and roles. At the same time, there is a retention risk to CMLC whereby staff may be attracted to pursue attractive external opportunities.	KT AND KB	Executive management has taken a proactive approach and completed a workforce planning document allocating existing staff to projects from 2023 onward ensuring we have appropriate coverage. Strategic Workforce Planning for 2025- onward kicked off in April. CMLC has engaged consultant Korn Ferry. Further assessment of an existing skills matrix is ongoing through the workforce planning work. Utilizing the results of the annual engagement survey will identify areas of improvement and acting on those items will help with retention. Further, ensuring we offer competitive total compensation and benefits will attract and retain talented staff. CMLC continues to offer employees extensive resources to promote an engaging work environment that encourages growth and learning. Leading to success in both attracting and retaining talent. Leaders and employees discuss growth and learning opportunities through regular 1:1's and through our Performance & Development program.	Medium	STEADY	Quarterly
5C	Board Composition	The need for diversity in representation and skill sets	KT	Conducting an annual Board skills matrix to identify any skills and competency gaps that need to be filled. When recruiting, ensuring that we are inclusive in our search and include appropriate language that encourages diversity in our postings. Highlighting on our corporate website our commitment to diversity. Apply learnings and framework from DE&I into Board recruitment process. Conducting an annual Board skills matrix to identify any skills and competency gaps that need to be filled. When recruiting, ensuring that we are inclusive in our search and include appropriate language that encourages diversity in our postings. Highlighting on our corporate website our commitment to diversity. Apply learnings and framework from DE&I into Board recruitment process.	Low	STEADY	Quarterly

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6	<i>Financial Risk: Risks associated with operating and capital funds and budgets.</i>						
6A	Mid to Long-term Funding	The cost and availability of capital in the 5 to 10-year time frame ahead	KB	Continuous monitoring of our revenue streams. Annual reforecasting of CRL and the assumptions that are associated with its generation including economic conditions and population growth. Investigating avenues to increase other revenue streams like land sales, parking, and rental revenue. Engaging with the developers and financial institutions to understand their capital deployment plans and how we can help them. Given the effect of risk 1A this risk has grown in significance and will be monitored and reported on quarterly.	Medium	STEADY	Quarterly
7	<i>Emerging Risk: Inability to identify and respond to emerging trends which may be highly unlikely but with high impacts, or whose likelihood could grow very rapidly.</i>						
7A	2nd City	A trend and change in work practices that sees young people moving away from city cores	CL	Development of multi-year Recovery and Resiliency program to identify and plan for shifts in trends impacting mixed-use development. Annual place brand strategy development + marketing programs to position inner-city community living. Active solicitation of developer partners whose interest align with EV master plan. Quarterly monitoring of condo and rental market to identify trends in sales/leasing. It is accepted that with recent data, this risk is trending down but remain relevant. Bi-annual community resident surveys to assess community satisfaction, perception and needs to guide CMLCs community strategies.	Low	STEADY	Quarterly
7B	Rivers District Progression Development	Slower development than anticipated resulting in a negative perception of master plan progress	CL	Ongoing communications to highlight development progress, construction starts and land sales. Developer solicitation and marketing of available land opportunities. Outreach to developer audiences in Calgary, Vancouver and Toronto underway. Ongoing updates to community retailers (monthly) and community residents (semi-annual) to keep apprised of development progress.	Low	STEADY	Quarterly