

Planning & Development Services Report to
Executive Committee
2024 July 23

ISC: UNRESTRICTED
EC2024-0801

Downtown Post-Secondary Institution Incentive Program Terms of Reference

PURPOSE

The purpose of this report is to seek Council approval for the revised Terms of Reference for the Downtown Post-Secondary Institution Incentive Program.

PREVIOUS COUNCIL DIRECTION

At the 2023 March 14 Regular Meeting of Council, Council approved the Downtown Post-Secondary Institution Incentive Program Terms of Reference.

RECOMMENDATION:

That the Executive Committee recommend that Council approve the updated Downtown Post-Secondary Institution Incentive Program Terms of Reference contained in Attachment 2.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2024 JULY 23:

That Council approve the updated Downtown Post-Secondary Institution Incentive Program Terms of Reference contained in Attachment 2.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

General Manager Debra Hamilton concurs with this report. The proposed Terms of Reference updates will support the continued revitalization and diversification of Calgary's downtown. The changes support consistent and clear expectations for applicants, with several improvements based on learnings from program implementation to-date.

HIGHLIGHTS

- Proposed updates to the existing Downtown Calgary Development Incentive Program will enable further progress on the goals and vision of the Greater Downtown Plan.
- Key revisions include improvements to the governance structure, additional clarity on review and decision-making processes, as well as changes to incentive funding allocation and eligibility.

DISCUSSION

Background

The Downtown Calgary Development Incentive Program ("the Program") was established in 2021 April as a key component of report [C2021-0524, Realizing Calgary's Greater Downtown Plan – Initial Investments and Incentives](#). The purpose of the Program is to provide financial incentives to assist with the removal of approximately six million square feet of office space to address the disinvestment in Calgary's downtown and catalyze its transformation towards a more balanced mix of residential, office, retail, entertainment, tourism and culture.

Due to its early success, Council allocated additional funds to the Program for a total investment of \$162 million, including \$153 million for the Downtown Calgary Development Incentive

Downtown Post-Secondary Institution Incentive Program Terms of Reference

Program and \$9 million to support a more significant presence of post-secondary institutions in the Downtown through the conversion of existing underutilized office space.

Implementation to-date of the Downtown Office to Post-Secondary Institution Incentive Program

Multiple post-secondary institutions have been interested in the Program and they have actively engaged Administration in their plans to initiate or expand their presence in Downtown. The City is interested in incentivizing these projects given their potential to improve the Downtown and because projects may face significant cost barriers.

Proposed Revised Downtown Office to Post-Secondary Institution Terms of Reference (Attachment 2)

In 2023 March, City Council approved Administration's previous recommendation that this Program requires distinct Terms of Reference since the "approval process, funding sources, and other elements of the proposed PSI Program scope" differ from those of other conversion projects (EC2023-0102). To improve Program feasibility, the following is a summary of the key updates to the Program:

- **Governance:** The Incentives Approval Committee (IAC) has been updated to include the General Manager of Planning & Development Services, the Director of Finance and the Director of Real Estate & Development Services or delegates. An Administrative Review Panel has been created to provide an avenue to applicants for appeals of decisions, which will consist of the Chief Financial Officer and the Chief Operating Officer.
- **Funding:** Clarified that funding will only be allocated to publicly funded post-secondary institutions at this time and the Government of Alberta is a welcomed funding partner instead of a required funding partner for the Project.
- **Evaluation Criteria:** The review and evaluation process has been revised and clarified. A Review of 'pass/fail' criteria has been established to determine application eligibility based on legal and financial requirements.
- **Applicability:** Program applies equally for the entire Greater Downtown Plan Area.
- **Occupancy Commitment:** Occupancy commitment is a minimum of 15 years.
- **Process:** Additional clarity provided for applicants on the information required during the process. The proposed expression of interest initiates collaboration between the PSIs and The City through the application
- **Payment of Funds:** Incentive provided directly to the PSI rather than the building owner.

EXTERNAL ENGAGEMENT AND COMMUNICATION

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

Since the launch of the Program, Administration has been closely engaged with the post-secondary institutions ready and interested in expanding post-secondary academic use Downtown. Administration has also remained in frequent contact with building owners, brokers and real estate advisors. While no formal engagement was done in preparation of this report, it includes the insights and advice gained from the feedback of these industry professionals.

Downtown Post-Secondary Institution Incentive Program Terms of Reference

IMPLICATIONS

Social

The Program will further incentivize post-secondary institutions to locate or expand their presence Downtown which will bring more post-secondary students Downtown to activate city streets and support small businesses.

Environmental

The Program continues to support office to post-secondary institution conversion projects through the retention and re-purposing of existing buildings. Additionally, energy efficiencies may be achieved through upgrades to building façades, mechanical and electrical systems.

Economic

The revised Program will help to accelerate investment in the Downtown. The provision of post-secondary institutions helps to create a vibrant Downtown and supports the retention and attraction of new businesses while expanding the customer base for local retailers and service providers.

Service and Financial Implications

No anticipated financial impact

No additional funding requests are being made through this report.

RISK

There are no identified risks associated with the approval of this report. Given the current Terms of Reference were limited in their ability to support these projects, there is a risk that projects in pre-consultation may not proceed if the updated Terms of Reference are not approved.

ATTACHMENTS

1. Previous Council Direction, Background
2. Downtown Post-Secondary Institution Incentive Program Terms of Reference
3. Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Stuart Dalglish	Chief Operating Officer	Consult
Debra Hamilton	Planning and Development Services	Approve
Carla Male	Corporate Planning & Financial Services	Approve
Lynne Davies	Law, Legislative Services & Security	Consult

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