EC2025-0611

ISC: UNRESTRICTED

Planning & Development Services Report to Executive Committee 2025 June 17

Downtown Post-Secondary Institution Incentive Program Revised 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 (EC2023-0102).

At the 2024 July 30 Regular Meeting of Council, Council approved an updated version of the Downtown Post-Secondary Institution Incentive Program Terms of Reference (EC2024-0801).

RECOMMENDATION(S):

That the Executive Committee recommend that Council:

1. Approve the revisions to the Downtown Post-Secondary Institution Incentive Program Terms of Reference contained in Attachment 3.

RECOMMENDATION OF THE EXECUTIVE COMMITTEE, 2025 JUNE 17:

That Council approve the revisions to the Downtown Post-Secondary Institution Incentive Program Terms of Reference contained in Attachment 3.

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

General Manager Debra Hamilton concurs with this report. The proposed Terms of Reference revisions will support the continued revitalization and diversification of Calgary's downtown. Bringing students downtown supports downtown's vibrancy during all hours of the day including support to existing businesses and encourages the creation of new businesses. The changes to the Terms of Reference support consistent and clear expectations for applicants, with several improvements based on learnings from program implementation to-date.

HIGHLIGHTS

- A summary of the proposed changes is outlined in Attachment 2.
- Updates to the language in the Terms of Reference will clearly define what space and square footage within an office building is considered in scope for funding.
- Proposed updates to the Terms of Reference will support the goal of increasing student presence and street-level vibrancy.

DISCUSSION

The Downtown Post-Secondary Institution Incentive Program (PSI Program) was established in 2021 April by Council in report *C2021-0524 Realizing Calgary's Greater Downtown Plan: Initial Investments and Incentives.* The approved report was presented in conjunction with report *PUD2021-0220 Calgary's Greater Downtown Plan: Roadmap to Reinvention* that detailed the 10-year implementation plan.

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In November 2022, Council approved \$9M to be allocated to the PSI Program. Revised Terms of Reference were subsequently approved by Council in 2024 July.

The Downtown Strategy (DTS) team was actively engaged with post-secondary institutions, including the University of Calgary (U of C) since 2022. The U of C submitted a proposal for up to 180,000 square feet of space to expand their campus in the downtown core. A funding agreement for up to 180,000 square feet and up to \$9M was reached with the U of C in 2024 December and announced publicly in 2025 April. While other institutions indicated interest, the University of Calgary was the first institution to submit and receive approval.

During the execution of the agreement, a challenge was identified regarding the eligibility of the square footage in U of C's proposal. The current Terms of Reference state program funds are allocated based on "the original rental area of existing office space." However, the applicant incorporated 4,739 square feet of "retail" and "storage" as rentable area in its lease, leading to a funding gap of \$236,950 for the U of C

Through discussions with other post-secondary institutions, these spaces, which are often main floor lobby spaces, are essential to intended program delivery and used things like gallery and event functions, student access and lounge areas, and for the assembly of large-scale projects. Under the current Terms of Reference, these areas are not considered eligible space.

Administration is seeking to revise the Terms of Reference to resolve the funding challenge with the U of C, as well as clarify space eligibility should the program receive future funding as this issue could arise with future applicants.

EXTERNAL ENGAGEMENT AND COMMUNICATION

Public engagement was undertaken	\boxtimes	Dialogue with interested parties was
Public/interested parties were		undertaken
informed		Public communication or
		engagement was not required

Formal engagement on this topic was not required however, through discussions with other post-secondary institutions, Administration believes these changes would support future applications from eligible institutions should the program receive additional funding in the future.

IMPLICATIONS

Social

Revisions to the Terms of Reference for the Program will allow post-secondary institutions to activate additional spaces within an office building bringing more students and vibrancy to street-level.

Environmental

There are no anticipated environmental implications. The Program continues to support postsecondary 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.

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Economic

The revised Terms of Reference for the Program will help to remove barriers for post-secondary institutions considering expansion to empty office buildings by allowing them additional flexibility in the spaces for which they are eligible to receive funding.

Service and Financial Implications

No anticipated financial impact

No additional funding requests are being made through this report. Council has already approved \$9M for the Program and the U of C has received approval for **up to** \$9M. The revisions to the Terms of Reference would allow The City to provide the **full** \$9M in funding to the University of Calgary.

RISK

Through consultation with Law, there are no identified legal risks associated with the approval of this report. There are no projects currently under consideration as the Program is currently fully subscribed. The revised Terms of Reference only applies to the U of C project, and any future projects should the Program receive additional funding.

ATTACHMENT(S)

- 1. Attachment 1 Background and Previous Council Direction
- 2. Attachment 2 Summary of Proposed Changes to the Terms of Reference
- 3. Attachment 3 Revised Downtown PSI Terms of Reference
- 4. Attachment 4 Letter of Support
- 5. Attachment 5 Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Debra Hamilton	Planning and Development Services	Approve
Thom Mahler	Downtown Strategy	Approve

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