








7. CONSENT AGENDA

The Consent Agenda items were brought forward, by general consent, to be dealt with immediately following the Presentation(s) and Recognition(s).

Moved by Councillor Colley-Urquhart

Seconded by Councillor Chu

That the Committee Recommendations contained in the following Reports be adopted in an omnibus motion:

- 7.1 CFD Medical Response Business Model, IGA2018-0830 
- 7.2 The City of Calgary Regional Water Licence Update, IGA2018-0828 
- 7.3 Code of Conduct Annual Report, AC2018-0794 
- 7.4 External Auditor 2017 Management Letter, AC2018-0635 
- 7.5 Employee Expense Audit, AC2018-0756 
- 7.6 Deferral Request Regarding Amendments to the Hillhurst/Sunnyside ARP, PUD2018-0826 
- 7.7 Social Wellbeing Advisory Committee Terms of Reference, CPS2018-0870 

Moved by Councillor Carra

Seconded by Councillor Colley-Urquhart

That with respect to Report CPS2018-0870, the following be adopted, **after amendment**:


That Council:

1. Approve Attachment 1 "Social Wellbeing Advisory Committee Terms of Reference";
2. **Direct the Social Wellbeing Advisory Committee to advise on the development of the Gender Equity and Diversity Strategy;** and
3. Direct Administration to work with the Social Wellbeing Advisory Committee following the appointment of members at the 2018 October Organizational Meeting of Council and return to Standing Policy Committee on Community and Protective Services no later than Q2 2020 with its first annual report.

MOTION CARRIED

- 7.8 This Report was removed by the City Clerk.

Note: This Item was added in error.

- 7.9 2026 Olympic and Paralympic Winter Games City Secretariat Update, OPC2018-0866 

Moved by Councillor Woolley

Seconded by Councillor Colley-Urquhart


That with respect to Report OPC2018-0866, the following be adopted:
That Council approve the Secretariat budget included as Amended Attachment 3 to Report OPC2018-0866 with funds to be transferred from anticipated 2018 Corporate Programs intentional savings to the Budget Savings Account for a one-time budget increase in 2018 and 2019 in Law and Legislative Services provided that the release of any funds required for 2019 remain subject to Council deciding to submit a bid for the 2026 OPWG.


ROLL CALL VOTE

For: (12) Councillor Carra, Councillor Chahal, Councillor Colley-Urquhart,
Councillor Davison, Councillor Demong, Councillor Farkas,
Councillor Gondek, Councillor Jones, Councillor Keating, Councillor Sutherland, Councillor Woolley, and Mayor Nenshi

Against:
(3) Councillor Chu, Councillor Farrell, and Councillor Magliocca

MOTION CARRIED

- 7.10 2017 Audited Financial Statements for Business Revitalization Zones and Business Improvement Areas, PFC2018-0821 

- 7.11 2017 Report on Reserves and Long Term Liabilities, PFC2018-0765 


Moved by Councillor Chu

Seconded by Councillor Sutherland

That with respect to Report PFC2018-0765, the following be adopted:
That Council:

1. Receive the 2017 Report on Reserves and Long Term Liabilities (Attachment 1) for information; and
2. Direct that the Closed Meeting discussion remain confidential subject to Sections 23 and 24 of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED


- 7.12 Pension Governance, PFC2018-0818 







Moved by Councillor Colley-Urquhart

Seconded by Councillor Jones

That with respect to Report PFC2018-0818, the following be adopted:
That Council receive this Report for information.

MOTION CARRIED

- 7.13 Council Innovation Fund Application Council Sponsor: Councillor Gian-Carlo Carra, Ward 9 Internal Sponsor(s): Calgary Neighbourhoods Name of Project: Gender Equity and Diversity Baseline Assessment, PFC2018-0910 

- 7.14 Discussion Regarding MDP and CTP 10-Year Review Timeline Options (PUD2018-0696 Referral), PFC2018-0867 
- 7.15 Council Innovation Fund Application, Councillor Sutherland, Project: Calgary Community Court. Pilot Readiness, PFC2018-0925 
- 7.16 National Trade Corridors Fund – Airport Trail Phase 2, TT2018-0856 
- 7.17 South Shaganappi Study Report, TT2018-0822 
- 7.18 Glenmore Trail East Functional Planning Study, TT2018-0827 
- 7.19 Bus Rapid Transit Network Marketing Strategy (PFC2018-0776), TT2018-0905 

Moved by Councillor Keating

Seconded by Councillor Davison

That with Respect to Report TT2018-0905, the following be adopted:
That Council approve funding option 2 and allocate \$366,000 to Calgary Transit Program 110 from the Fiscal Stability Reserve for the Bus Rapid Transit Network Marketing Strategy.


ROLL CALL VOTE

Mayor Nenshi, Councillor Carra, Councillor Chahal, Councillor

For: (9) Davison, Councillor Demong, Councillor Farrell, Councillor Gondek, Councillor Jones, and Councillor Keating

Against: Councillor Chu, Councillor Colley-Urquhart, Councillor Farkas,
(5) Councillor Magliocca, and Councillor Sutherland

MOTION CARRIED

7.20 Water, Wastewater, and Stormwater Lines of Service Cost of Service Study, UCS2018-0884 

Item 7.20, Report UCS2018-0884, was postponed, by general consent, to the end of the Agenda.

Item 7.20, Report UCS2018-0884, was brought forward and dealt with at this time, by general consent.

Distributions made with respect to Report UCS2018-0884:

- A PowerPoint Presentation, dated 2018 July 30; and
- A Revised Attachment 2 to Report UCS2018-0884.

Moved by Councillor Sutherland

Seconded by Councillor Demong


That with respect to Report UCS2018-0884, the following be adopted, **after amendment**:

That Council:

1. Direct Administration to develop water, wastewater and stormwater rates for 2019-2022 for each inside city customer class, and for outside city customers following the strategies articulated in **Revised Attachment 2** of this report, and report back to Council as part of One Calgary in 2018 November;
2. Direct Administration to prepare related Bylaw amendments and report back to Council in 2018 November.
3. Direct Administration to develop an implementation plan for a variable stormwater rate structure and report back to Council by Q4 2020 for potential implementation for the 2023 to 2026 business cycle.
4. Direct Administration to report back on rates and limits for Wastewater extra strength surcharge parameters no later than 2020 November.
5. Direct Administration to develop water, wastewater and stormwater rates for 2023-2026 that recover 100% of the cost of service for each customer classes.

MOTION CARRIED

7.21 Integrated Civic Facility Planning Program Update & Policy, UCS2018-0525 

7.22 Proposed Framework – Transacting with Non-Profit Organizations below Market Value, UCS2018-0912 

7.23 Calgary Aboriginal Urban Affairs Committee – Resignation, C2018-0850 

MOTION CARRIED

Item # 7.22

**Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 July 20**

**ISC: UNRESTRICTED
UCS2018-0912
Page 1 of 5**

Proposed Framework – Transacting with Non-Profit Organizations below Market Value

EXECUTIVE SUMMARY

The purpose of this report is to respond to Section 2 of Notice of Motion C2018-0509, where Council directed Administration to develop a framework for the disposition of land at less than market value to non-profit organizations (the “Framework”).

Through this Framework, Administration is recommending that unless otherwise directed by Council through a Notice of Motion, Administration will continue to transact on real property with non-profit organizations in alignment with Real Property Bylaw 52M2009 (the “Bylaw”).

It is proposed that, in circumstances where direction from Council is received to explore opportunities to dispose of real property to non-profit organizations, Administration will present a Non-Profit Method of Disposition Report to Council for consideration. Based on the information and options provided within the Non-Profit Method of Disposition, Administration will look to Council to provide direction on the preferred option.

ADMINISTRATION RECOMMENDATION:

The SPC on Utilities and Corporate Services recommend that Council approve the proposed Framework as detailed within this Report and in Attachment 2.

RECOMMENDATION OF THE SPC ON UTILITIES AND CORPORATE SERVICES, DATED 2018 JULY 20:

That the Administration Recommendation contained in Report UCS2018-0912 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 April 23, Council adopted Notice of Motion C2018-0509 among other matters, directed Administration to provide a framework for disposing of land at less than market value to not-for-profit organizations, and to report back to Council through the Standing Policy Committee on Utilities and Corporate Services, no later than Q3 2018.

BACKGROUND

Real Estate & Development Services (“RE&DS”) is a City business unit whose lines of service include the acquisition, disposition, occupation, and development of City owned real property. Administered and managed through the Bylaw, RE&DS is authorized to transact real property on behalf of The City.

Often, RE&DS is contacted by interested parties seeking to acquire City owned land for various purposes, and on occasion, these interested parties include non-profit organizations. Currently, the Bylaw does not address the delegation of authority to dispose of real property with one party differently than another. Thus, if not already directed through policy or approved strategy, such as the Affordable Housing Strategy, Administration will seek Council’s direction and approval on transactions which do not follow standard process as outlined throughout the Bylaw.

Approval(s): **Stevens, Brad** concurs with this report. Author: **Benson, Tamara**
City Clerk’s: **Debbie Williams**

Item # 7.22

Deputy City Manager's Office Report to
SPC on Utilities and Corporate Services
2018 July 20

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Proposed Framework - Transacting with Non-Profit Organizations below Market Value

As directed by Notice of Motion C2018-0509, RE&DS has developed this Framework in an effort to provide consistency when transacting with non-profit organizations. The current process for the disposition of City owned real property is summarized in Attachment 1.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

RE&DS, being the authorized business unit to transact on real property on behalf of The City, is committed to being responsible with The City's real property assets, and thus, is guided by the following key principles of good land management;

- The City is a good steward of real property and manages its holdings as corporate assets;
- RE&DS provides professional real estate services and advice to its corporate partners and to Council;
- City owned real property will be leveraged to provide the maximum value for The City and for Calgarians;
 - This is typically achieved through public marketing and the sale of real property at market value
- RE&DS maintains its financially sustainable, non-mill rate supported programs through transactions of real property.

By virtue of these key principles, RE&DS is proposing the following 4 step framework when transacting with non-profit organizations. A visual summary of the proposed Framework is shown in Attachment 2.

Step 1: Notice of Motion

When a non-profit organization is interested in acquiring or occupying City owned real property for less than market value and/or through a direct negotiation with said organization, RE&DS recommends that Council direct Administration, through a Notice of Motion. Administration will work with members of Council and report back with a Non-Profit Method of Disposition Report which shall include the appropriate information and options for Council to make an informed decision.

Step 2: Non-Profit Method of Disposition Report

Upon direction through a Notice of Motion, Administration shall prepare a detailed land report, that will include the following information/analysis for Council's deliberation;

1. Background of Non-Profit Organization:
 - a) Who they are, and what they do
 - b) What is their proposed use of the real property
 - c) Perceived alignment to corporate and community values and outcomes
2. Site Assessment:
 - a) General information of the property
 - b) Corporate Land Management Framework circulation comments and results
 - c) Estimate of market value
 - d) Highest and best use analysis

Approval(s): Stevens, Brad concurs with this report. Author: Benson, Tamara
City Clerk's: Debbie Williams

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Proposed Framework - Transacting with Non-Profit Organizations below Market Value

3. Social, Environmental, Economic Impact Analysis
4. Alignment with corporate and strategic objectives
5. Options
 - a) Publicly market the property and transact at market value (appropriate if the property is determined to be a standalone parcel)
 - b) Direct negotiate with non-profit organization at market value (appropriate if the property is determined to be a remnant parcel)
 - c) Direct negotiate with non-profit organization at book value plus administration fees and all associated transaction costs
 - d) Direct negotiate with non-profit organization at nominal value plus administration fees and all associated transaction costs
 - e) Do not proceed with a transaction with the interested non-profit organization

6. City Contribution Analysis
 - a) Value comparison:

	Market Value	Book Value	Nominal Value
Additional Associated Costs i.e. Administration fees, survey costs, Road Closure/Land Use application fees...etc.			
Municipal Contribution to Non-Profit Organization			
Total Consideration			
Total Contribution			

- b) Lease vs. sell analysis (where appropriate)
 - c) Alternative opportunity analysis (is there a more appropriate location)

7. Summary of annual contribution under this Framework

	Market Value	Transacted Value	Municipal Contribution to Non-Profit Organization
e.g. UCS2018-XX1 (address)	\$1,000,000.00	\$10	\$999,990.00
e.g. UCS2018-XX2 (address)	\$500,000.00	\$100,000.00	\$400,000.00
Total Contribution for 2018			\$1,390,000.00

Step 3: Report Back & Decision

Administration to report back to Council through SPC on Utilities & Corporate Services with a Non-Profit Method of Disposition Report within the timeframe specified within the Notice of Motion.

Council shall elect an option outlined in the Non-Profit Method of Disposition Report, or, propose an alternate option not outlined in the report.

Approval(s): Stevens, Brad concurs with this report. Author: Benson, Tamara
City Clerk's: Debbie Williams

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Proposed Framework - Transacting with Non-Profit Organizations below Market Value

Step 4: Transaction

Upon Council direction, Administration shall proceed based on the option approved by Council through the Non-Profit Method of Disposition Report.

If the direction by Council is for Administration to proceed with a transaction with a non-profit organization, Administration shall prioritize the transaction through the RE&DS standard prioritization matrix and assign an agent as soon as possible. The transaction may be approved through delegated authority in the Bylaw by the Deputy City Manager, unless otherwise directed by Council.

The proposed process is summarized in Attachment 2.

Valuation

Upon direction by Council through a Notice of Motion to prepare a Non-Profit Method of Disposition Report, Administration shall follow its current valuation process to determine the Market Value of the property; an internal review or an independent appraisal shall be prepared and endorsed by Administration's Valuation Review Committee.

Stakeholder Engagement, Research and Communication

N/A

Strategic Alignment

Administration is developing a Corporate Land Strategy, which will document how it delivers Real Estate and Land Development & Sales services within an overall corporate approach. It is intended that the Framework will form the basis of a section of this strategy.

Additionally, Administration is developing an Affordable Housing Disposition Strategy, which is intended to advance a framework that will leverage City owned land for the purposes of encouraging the development of affordable housing. The Framework herein is intended to focus on non-profit organizations where affordable housing is not a primary line of business.

As the details of the Corporate Land Strategy and Affordable Housing Disposition Strategy are developed and key internal stakeholders are engaged, the process presented here will be reviewed for alignment and consistency with the comprehensive land management approaches.

Social, Environmental, Economic (External)

No implications identified for the purposes of this report, however, if the proposed Framework is approved, Social, Environmental, and Economic implications will be analyzed on a case by case basis through the Non-Profit Method of Disposition Report.

Approval(s): Stevens, Brad concurs with this report. Author: Benson, Tamara
City Clerk's: Debbie Williams

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Proposed Framework - Transacting with Non-Profit Organizations below Market Value

Financial Capacity

No implications identified for the purposes of this report, however, if the proposed Framework is approved, budgetary implications will be analyzed on a case by case basis through the Non-Profit Method of Disposition Report.

Risk Assessment

If the proposed Framework is not approved, inconsistencies will remain when transacting with non-profit organizations at below market value. Frustrations will continue to occur between Council, Administration, and non-profit organizations. This risk can be mitigated by either approving the proposed Framework, or creating a framework that works for the parties involved.

REASON(S) FOR RECOMMENDATION(S):

The proposed Framework is intended to provide a consistent approach to transacting directly with non-profit organizations below market value as well as mitigate potential social, legal, financial and reputational risks.

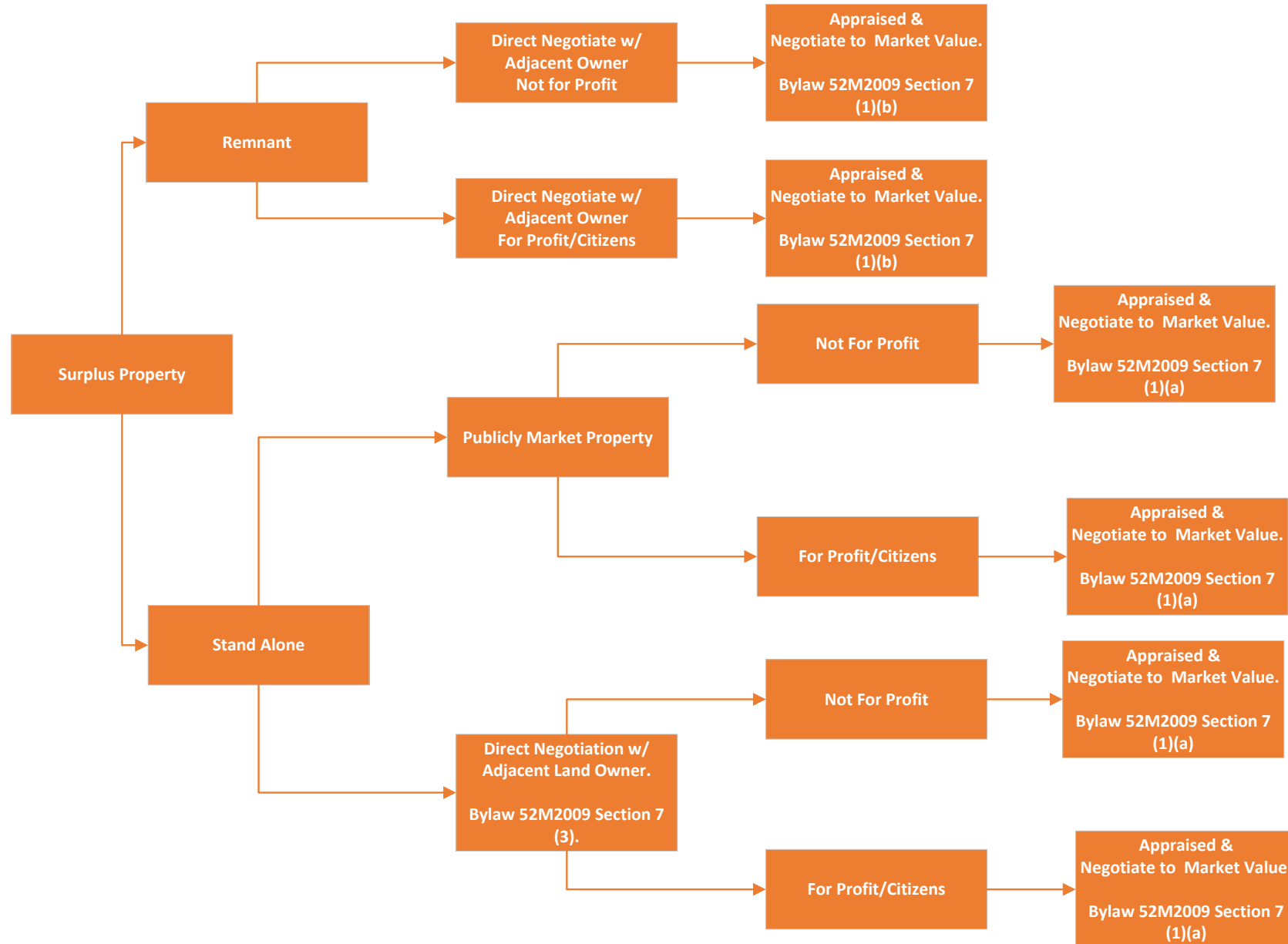
Administration has developed this framework with the understanding that Administration can provide information but should not be the authority to decide whether the disposition of land should be transacted below market value; this decision should reside with Council.

ATTACHMENT(S)

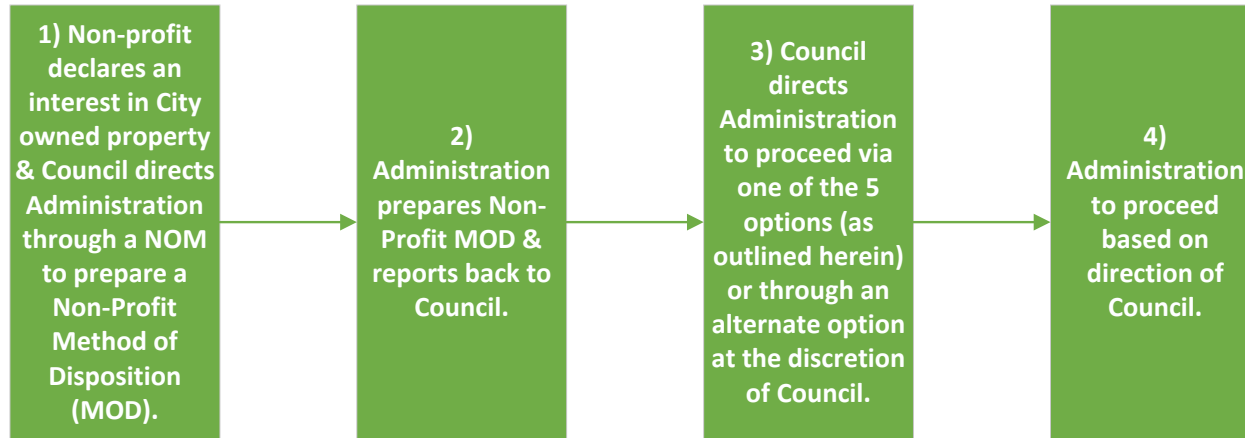
1. Attachment 1 – Current Disposition Process Flow Chart
2. Attachment 2 – Proposed Non-Profit Framework Flow Chart

Approval(s): Stevens, Brad concurs with this report. Author: Benson, Tamara
City Clerk's: Debbie Williams

Current Disposition Process Flow Chart

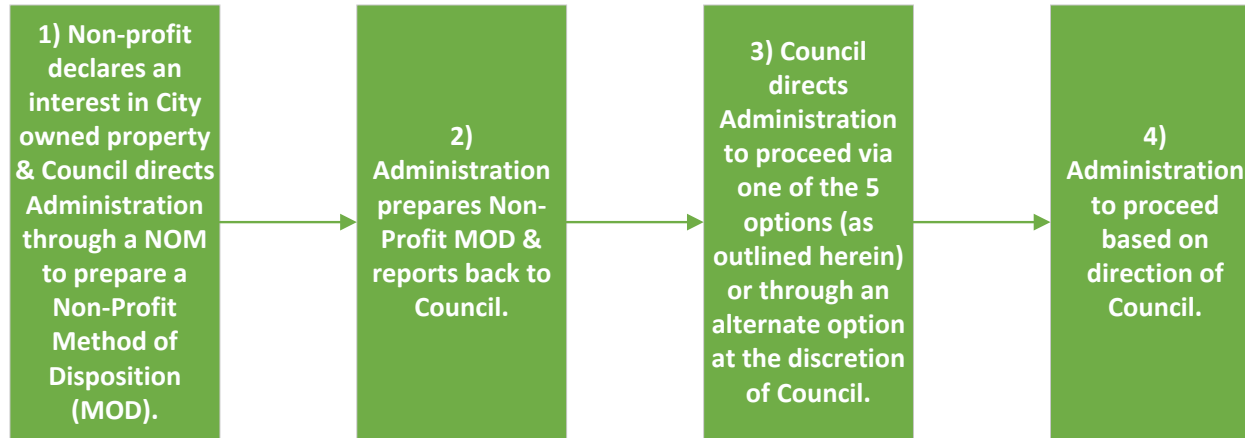


Proposed Non-Profit Framework Flow Chart



- Options:**
- 1) Publically market the property and transact at market value.
 - 2) Direct negotiate with Non-Profit organization at market value.
 - 3) Direct negotiate with non-profit organization at book value plus administration fees and all associated transaction costs.
 - 4) Direct negotiate with Non-Profit organization at nominal value plus administration fees and all associated transaction costs.
 - 5) Do no proceed with a transaction with the interested Non-Profit organization.

Proposed Non-Profit Framework Flow Chart



- Options:**
- 1) Publically market the property and transact at market value.
 - 2) Direct negotiate with Non-Profit organization at market value.
 - 3) Direct negotiate with non-profit organization at book value plus administration fees and all associated transaction costs.
 - 4) Direct negotiate with Non-Profit organization at nominal value plus administration fees and all associated transaction costs.
 - 5) Do no proceed with a transaction with the interested Non-Profit organization.