

Main Streets Business Support Grant Pilot Evaluation

Executive Summary

In 2024, Council directed Administration to pilot a one-time \$5,000 Main Streets Business Support Grant to evaluate the effectiveness of providing financial support for the stated intent to help businesses prepare their operations for construction and implement their own strategies to encourage customer patronage during construction and which aligned with business-friendly construction approaches The City has been piloting.

The pilot provided \$1.33 million in grant funding to 266 eligible businesses in the Marda Loop and Bridgeland Main Streets areas and was evaluated through surveys, interviews, and focus groups with businesses, customers, and City staff.

The evaluation found that the grant was not effective in achieving its stated intent.

- Most businesses (71%) used funds to offset general operating costs.
- Only about one-third used funding for business-led initiatives related to preparing their operations for construction and implementing their own strategies to encourage customer patronage.
- While some businesses found the grant helpful, overall sentiment was mixed.
- Many businesses were looking for The City to cover alleged business losses, but this was not the intent of the grant program, and there is no obligation for The City to provide this type of compensation.
- While businesses were seeking more substantial support, engagement findings showed stronger support for investing in area-based measures that improve customer access and business area vitality during construction

Engagement and jurisdictional research indicate that the most critical business needs during construction relate to maintaining customer access, providing convenient parking, clear vehicle and pedestrian wayfinding, business visibility, and building customer confidence that businesses remain open. These priorities are more effectively addressed through broad area-based supports.

Based on these findings, Administration has determined that the Main Streets Business Support Grant, as designed, does not effectively support businesses to prepare their operations or encourage patronage during construction.

Administration has determined that expanding area-wide business supports would benefit more businesses, support customer access, and avoid potential legal risk. This approach is aligned with the Business-Friendly Construction Policy and The City is well positioned to deliver this support.

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Grant Overview

Since 2022, The City has been piloting business-friendly construction approaches focused on supporting business continuity and helping customers continue to access businesses during City led construction. In 2024, in response to calls from businesses and business advocacy groups to provide financial support to businesses in areas experiencing major construction impacts, City Council directed Administration to initiate the Main Streets Business Support Grant pilot. The objective of the pilot was to evaluate the effectiveness of providing financial support to businesses, with the stated intent of helping businesses to prepare their operations for construction and to implement their own strategies to encourage patronage during construction. Council further directed Administration to report back on the outcomes and effectiveness of the grant.

Pilot Objectives

The pilot was designed as a tool to learn from and evaluate the effectiveness of providing construction financial support, and as outlined in the Terms of Reference (*Appendix A*), the grant pilot had five objectives:

1. Assess the effectiveness and outcomes of providing businesses with financial support to help them prepare for and manage the potential effects of construction on business operations.
2. Uncover and aim to resolve potential unanticipated challenges that could arise through the administration of the grant (e.g. potential challenges with eligibility requirements or administration process).
3. Better understand internal resourcing requirements and processes associated with administering the grant.
4. Develop recommendations to refine and adjust should The City proceed with formalizing a Council-approved grant program.
5. Evaluate overall effectiveness of the pilot to help inform a recommendation on potentially formalizing a business support grant for Main Streets infrastructure projects.

Terms of Reference were approved by Council, and the application period was open June 20, 2024, until October 31, 2024.

Stated Intent of the Grant

Implemented as a pilot in 2024, it provided a one-time \$5,000 grant to eligible businesses affected by City-led construction of the Marda Loop and Bridgeland Main Streets projects. The stated intent of the grant was to provide financial support to help businesses:

1. Prepare for the potential effects of construction by adapting their operational practices, and
2. Implement their own strategies to encourage patronage during construction.

The grant was not compensation, it was intended to supplement City-led mitigation efforts and BIA-led promotional strategies, by enabling businesses to implement their own strategies, for example, to adapt operations during construction (e.g. update website to inform customers about construction detours and

temporary parking), improve storefront visibility and wayfinding, implement promotions, and otherwise encourage customers to continue accessing their business.

Eligibility Criteria

The grant was designed to support customer and client-oriented businesses located within one block of active construction. To be eligible for the grant, businesses must have met all requirements:

- Operate a physical storefront location within one city block of 2024 planned construction activities for Marda Loop and/or Bridgeland Main Streets projects.
- Provide retail sales, product rentals or consumer services, which require customers to travel to the site of business to complete the business transaction.
- Be licensed by The City of Calgary and possess one or more of the Licence Types identified in the Terms of Reference (*see Appendix A*).
- Be operational at any point during the grant application period.

Business licence information was used to facilitate the verification process and enable an expedited rollout of the grant; it was considered useful to support scalability for future programs. Businesses that were not required to be licensed by The City of Calgary were ineligible for the grant. Council was aware of this exclusion at the time the grant terms were approved.

Evaluation Approach

Grant evaluation activities ran from June 2024 to June 2025. Participation in the evaluation process was voluntary, 243 businesses participated, providing insights specific to the grant, and an additional 275 businesses provided insights as part of the *Business-Friendly Construction Survey* and *Focus Groups*. Together, the evaluation includes perspectives from:

- Businesses who applied and received a grant
- Businesses who applied and were ineligible for the grant
- Businesses affected by construction beyond the pilot areas
- Customers
- City staff involved in administering the pilot (e.g. Project managers, business licensing, data and analytics, law, privacy, accounts payable, business liaisons, partnerships, business and local economy, communications)

Methodology

To evaluate the grant, feedback was gathered using a variety of quantitative and qualitative research methods, including in-depth interviews, focus group sessions and multiple surveys. Participation in the evaluation process was voluntary.

Quantitative data was gathered through the *Grant Application Feedback Survey* (conducted when businesses applied for the grant) and the *Post-Grant Applicant Survey* (in the months following the grant pilot). The first survey gathered information from grant applicants on how their business planned to use

the grant, an assessment of information clarity, as well as level of satisfaction with the application process. The second survey gathered information on the different ways businesses used the grant, and to what extent the grant was considered helpful to businesses for different purposes.

Broader business and customer insights were gathered through the *Business-Friendly Construction Survey*, to get feedback on business's experiences and perceptions of construction, the information and communication shared by The City for City-led construction projects, potential challenges that businesses may experience during City-led construction, and preferences for how businesses would use grant funds in the future, should a grant program be formalized.

Qualitative insights gathered through thirty *In-Depth Interviews* with business owners, and six *Focus Groups* with 51 participants provided deeper insights into why businesses used the grant the way they did, how they felt about the grant program in general, and their priorities related to City-led construction, including potential ideas for how they want The City to support businesses or for what kind of supports they want The City to provide businesses during construction.

Interviews were conducted with City staff to identify opportunities for refinement in the cross-corporate coordination activities required to implement the pilot program.

The table below summarizes the various methods used to gather feedback and participation rates.

| Method | Participants | Number of participants |
|--|---|--|
| Grant application feedback survey | Optional survey for business applicants as part of the grant application process | 111 surveys completed out of 312 applicants |
| Post-Grant Applicant Survey | Owners and managers of businesses who applied for the Main Streets Business Support Grant pilot and promoted generally, shared through BIA channels in Marda Loop and Bridgeland (Online Survey) | 102 surveys completed |
| In-depth interviews | Owners and managers of businesses located in Marda Loop and Bridgeland that experienced Main Streets construction. This included those who qualified for and received a grant, as well as those who did not receive a grant | 30 individual in-depth interviews completed |
| Focus groups | Owners and managers of city-wide businesses that have been affected by construction or may be affected by construction projects in the future | 51 participants (six focus groups) |
| Business-Friendly Construction Policy Survey | Members of the Corporate Research Team's Business Panel and promoted to businesses and customers city-wide (Online Survey) | 224 responses - 91 were members of the Business Panel, 133 from the open link survey (of that 133, 73 indicated they were business owners and 60 were customers) |

Grant Outcomes

The grant application period was open for just over four months, during which time, 312 grant applications were received, of which 266 businesses met the eligibility criteria and received a \$5,000 Main Streets Business Support Grant. The pilot disbursed a total of \$1.33 million to businesses.

Distribution breakdown between two grant pilot areas:

| Project Area | Applications Received | Grants Issued | Value of grants issued |
|--------------|-----------------------|---------------|------------------------|
| Marda Loop | 212 | 181 | \$905,000 |
| Bridgeland | 100 | 85 | \$425,000 |
| Total | 312 | 266 | \$1,330,000 |

Evaluation Findings

This section outlines the evaluation findings for the grant pilot, organized by each of the five pilot objectives, and concludes with a recommendation regarding the future of the grant and other approaches to supporting businesses.

Objective 1: Effectiveness in Achieving the Stated Intent

The first objective of the pilot was to learn if the grant as designed was effective in helping businesses to prepare for and manage the potential effects of construction on business operations. While there was a clear stated intent for the use of grant funds, no specific requirements or enforcement mechanisms were applied, as the pilot was intentionally designed to allow insight into how businesses would use the funding if made available. The grant evaluation sought to uncover not only preferences for how businesses chose to use the funds, but also perspectives on how effective the grant was in meeting the above objective.

High-Level Findings

Overall, business sentiment was mixed on whether the grant helped businesses prepare for construction impacts or adjust operations, or whether it helped individual businesses attract customers. In-depth interviews indicated the intent of the grant – to support business operations and encourage customer patronage – was not viewed as highly impactful. Business owners shared that they each have their own needs and felt it is more effective for them to decide how to use the funds. With respect to the application process, they indicated that they valued the simple application process and reported receiving funds quickly.

Most businesses used the funds to cover immediate operational costs (e.g., payroll, rent, utilities), which was not the stated intent of the grant. Only a few applied grant funds to marketing or patronage building initiatives. The businesses were looking for The City to cover alleged business losses, but this was not the intent of the grant program, and there is no obligation for The City to provide this type of compensation.

When asked about the possibility of formalizing a grant program in the future, the majority of businesses said they would use a future grant to cover general operating costs or debt, while about one-third said they might use it for strategies to encourage patronage or to prepare their business by adapting their operational practices. This response was consistent whether businesses were asked during the application process, following the grant, or in focus groups, individual interviews or as a future focused survey question.

Findings by Method of Feedback

The detailed findings from each evaluation method are presented in the following sections.

Grant Application Feedback Survey

Businesses were surveyed at the point of applying for the grant. When asked, how their business planned to use the funds:

- One-third of respondents identified actions consistent with enhancing their business or attracting customers (e.g. marketing, advertising, business development or improvements),
- Two-thirds of respondents indicated they would use the grant to cover operational costs, debts, or other financial obligations.

Post-Grant Applicant Survey

A post-application survey was used to gather data on how businesses had used the grant. More than one use could be selected, providing a proportional distribution of how the funds were used by businesses.

- 71% of respondents used some or all the funds to support their business (e.g. operations, expenses, staffing, etc.), which was not the intended purpose of the grant.

A smaller proportion of businesses used some or all the grant funds consistent with the stated intent:

- 23% to promote their business and attract customers through marketing or promotions
- 20% to make adjustments to their business to maintain business access or operations
- 13% to improve their business' online presence or sales or service capabilities
- 10% to provide a different service to help improve their customers' experience

When asked if businesses found the grant to be helpful:

- 64% of respondents agreed or strongly agreed that the grant helped to mitigate or offset the impacts of construction to their business access and operations.
- 34% agreed or strongly agreed that the grant helped them to attract customers during construction.
- Notably, 48% strongly disagreed that the grant helped to attract customers during construction.

Business-Friendly Construction Policy Survey

As part of the *Business-Friendly Construction Policy Survey*, businesses were asked how effective they felt a \$5,000 grant would be at achieving the stated objectives of the grant. Business sentiment was generally split.

- 49% of businesses indicated a \$5,000 grant would be very effective or somewhat effective in helping their business implement strategies to encourage patronage during construction
- 49% of businesses indicated a \$5,000 grant would be very effective or somewhat effective in helping their business prepare for potential impacts of construction by adapting their operational practices

When asked how they would use the funds if The City were to offer a \$5,000 grant in the future, nearly two-thirds (60%) of business respondents indicated they would use the funds to cover general business operations costs, and debt.

- 36% indicated they would use the funds to implement strategies to encourage patronage
- 32% indicated they would use the funds to prepare their business by adapting their operational practices
- 15% indicated other

Regardless of when or how the question was asked, the majority of businesses indicated they planned to use, they did use or would prefer to use the grant funds to cover general business operating costs (e.g. rent, staff wages, utilities), which is not aligned with the stated intent of the grant.

In-Depth Interviews

At the same time as the post-grant survey, a third-party research firm conducted individual in-depth interviews with a cross-section of businesses in Marda Loop and Bridgeland. In-depth interviews allowed for deeper insights and to explore what was behind the survey responses such as:

- The grant was not seen as especially helpful, but many businesses were grateful to receive it.
- When asked how businesses used the funds, most said they put the money towards general operations and business expenses rather than towards specific efforts or strategies to deal with the disruptions of construction.
- Nearly all businesses interviewed said they would not use the money differently if they were to re-apply for the grant and said they would always opt to cover operating expenses first.
- When asked whether the timing of the grant had influenced how businesses chose to use the funds, businesses indicated this was not the case. Even if they had applied for and received the grant sooner, most indicated they would have just put the money towards day-to-day running their business.
- A small number of businesses highlighted they set the money aside for marketing, allocating these funds to promote social media posts that they used to reach potential customers.
- Some businesses also advocated providing more money to certain types of businesses that are more reliant on foot traffic or providing more to those who experienced proportionally greater amounts of disruption.
- Business representatives overwhelmingly appreciated the opportunity to apply for the grant, emphasizing that “something is better than nothing” and that “every little bit helps” in offsetting the financial strain that occurred during construction disruptions.

The business insights confirmed that businesses were looking for The City to cover alleged business losses, but this was not the intent of the grant program, and there is no obligation for The City to provide this type of compensation. The report also underscored the importance of customer foot traffic to business vitality – a core objective in The City’s business-friendly construction approach – and an opportunity that exists for The City to better support businesses by focusing on ways to help customers continue to access business areas during construction.

Focus Groups

During focus group sessions, while businesses were told the grant was not compensation, most business owners indicated that they were looking for The City to cover alleged business losses; however, this was not the intent of the grant program and there is no obligation for The City to provide this type of compensation. Several felt that the grant should be larger, with a few suggesting a monthly or recurring payment. In several focus groups, participants felt that reducing business or property taxes would be a more effective support, especially during extended construction projects.

Summary of Feedback Themes

While some businesses indicated they were happy with the amount, the predominant theme across all evaluation methods was the grant amount was not enough to make a meaningful impact.

- In the application survey, only one-third indicated they planned to use grant funds for the intended purpose; this indicated a disconnect between the stated intent of the Main Streets Business Support Grant being piloted, and how it was perceived by businesses.
- Underscoring this disconnect, in the post-grant survey, many respondents commented throughout the survey that the funds provided were not enough to offset the losses their business experienced due to decreases in foot traffic and sales throughout the construction project.
- Through in-depth interviews the majority of businesses reported the money they received went right to covering general operating expenses, including wages, their lease payment, utilities, etc.
- When asked why they spent the money this way, several – especially smaller companies, and those that heavily relied on foot traffic inside their business – indicated they felt they had no choice to do so as they were experiencing a significant decrease in revenue.
- For smaller businesses that lost customers, they indicated they simply needed to cover their monthly expenses; larger businesses, on the other hand, noted that the \$5,000 they received was barely noticeable in the grand scheme of their operations anyway.
- Many businesses interviewed indicated they appreciated the universality of the current grant. They liked the fact that it was easy to apply for, had very open and straightforward eligibility criteria and did not come with specific terms or conditions.
- Comments shared through open-ended survey responses and focus groups indicated most businesses felt the amount of the grant was inadequate.

Based on how funds were used, the grant was not effective in achieving its stated intent, and it is unlikely to be effective in meeting the stated intent if formalized.

Objective 2: Unanticipated Challenges

The second objective of the pilot was to identify and better understand any unanticipated challenges that could arise through the administration of the grant, including those related to eligibility requirements/exclusions, application process, administration and accountability. As a pilot, the program provided an opportunity to observe how the design and delivery functioned in practice and where challenges emerged across different stages of implementation. The evaluation examined both business and internal perspectives to identify areas where processes created barriers, confusion, or administrative

challenges, and to inform potential adjustments should this or a similar program be considered in the future.

The following sections provide an overview of the challenges that emerged during the administration of the grant. Considerations for addressing these challenges are incorporated within Objective 4: Refinements and Adjustments for Future Grant Applications.

Ineligible Businesses

Through the evaluation it was found that there were several challenges raised around which businesses were eligible for the grant. These eligibility concerns were related to 1) the eligible geographic area and 2) the business type.

Grant Eligibility Area

The grant was designed to support businesses that rely on in-person transactions or client interaction and that were located within a defined geographic area surrounding active construction. For the pilot, eligibility was established using a one-block radius around planned construction limits, with boundaries confirmed based on construction plans. This approach was intended to target businesses most directly affected by construction activity and to test criteria that could be applied consistently across the city, rather than relying on Business Improvement Area (BIA) boundaries, which are not present in all locations.

Through implementation, several concerns emerged related to how the geographic boundary was defined. Some businesses outside the one-block radius reported experiencing construction-related impacts such as detours, reduced traffic flow, and customer perception challenges, despite not having active construction immediately adjacent to their location. The pilot also highlighted challenges associated with identifying construction areas early in the season, as construction schedules and impacts can shift over time. Together, these findings suggest that the eligibility boundary and associated administrative approach should be reviewed to determine whether there are more effective ways to identify and target businesses most affected by construction.

Business Licence

Eligibility criteria required businesses to hold specific types of municipal business licences (*Appendix A*). For the pilot, business licence data provided a practical and consistent way to identify eligible businesses, estimate program uptake, and support budgeting. This approach also enabled the grant to be tested beyond Business Improvement Areas (BIAs), where no comprehensive City inventory of businesses exists outside of business licensing records.

While the use of business licence criteria supported efficient administration by streamlining verification and facilitating program budgeting, businesses expressed concerns that this requirement was exclusionary. Some businesses that otherwise aligned with the intent of the program were not required to, or were not able to, obtain a municipal business licence (e.g., certain professional or education services). As a result, some business types that reported experiencing construction-related impacts were not eligible for the grant. This eligibility approach consequently excluded businesses that experienced similar impacts and may have benefitted from the program in comparable ways to eligible businesses.

Prolonged Grant Application Period

Through this evaluation, the length of the grant eligibility period (June 20, 2024, until October 31, 2024) was found to create challenges with administering the grant. The business environment is not static – new businesses open, some close, others relocate, and the longer the grant application period, the more time, cost and effort are required to ensure the program is effectively administered. The verification process, which continued throughout the eligibility period, for applicants was challenging. The process was not automated, it was multi-layered, and required significant coordination across departments to administer, and for some criteria, required the team to meet business owners on site to confirm a business was operational. From an administrative perspective, a prolonged eligibility period increases complexity and resource demands, as ongoing business changes require continuous verification and coordination across multiple teams.

Eligibility Exclusions and Limitations of Fixed Licence-Based Criteria

The grant Terms of Reference (*Appendix A*) included limited, clearly defined exclusion criteria and did not allow for discretion in eligibility determinations. In accordance with these criteria, only one grant was permitted where a business held multiple licence types, and businesses not required to hold an eligible municipal business licence were excluded from the pilot. While this approach supported clarity and consistency in administration, it revealed limitations for certain business models. Collective or shared-space businesses, such as cooperative salons or markets, did not align well with fixed, licence-based rules, creating administrative complexity and the potential for the grants to provide disproportionate benefits to a single location. If the grant proceeds in future, consideration should be given to introducing additional exclusions or more principle-based objectives to guide discretion in determining eligibility.

Businesses in Good Standing

Businesses that are not in good standing with The City—such as those with outstanding business improvement area fees—were able to receive grant funding during the pilot, as the program was not integrated with other City systems that track arrears. Unless this is addressed, grants may continue to be disbursed to businesses that are in arrears, resulting in outstanding revenue for The City and creating challenges for other departments.

Program Reporting and Accountability

The pilot prioritized ease of access and minimal conditions, which limited The City's ability to effectively audit and report on the use of the grants. The open and straightforward eligibility criteria, limited terms and conditions, and voluntary reporting that was praised by many businesses limited The City's ability to effectively audit how public funds had been used. Mandatory reporting requirements would have made this more effective and would need to be incorporated for any future program, however introducing greater accountability measures will result in a less streamlined application and administration process. Balancing the desire for a streamlined program and the need to provide adequate accountability will be an ongoing challenge for any program.

Objective 3: Resourcing and Administrative Implications

The third objective of the pilot was to gain a clearer understanding of the internal resourcing requirements and processes associated with administering a business support grant. The pilot required coordination across multiple business units and relied on both existing systems and new processes to support application intake, eligibility verification, and payment administration.

The evaluation looked at how these processes functioned in practice, the level of effort required to administer the grant, and lessons learned related to efficiency, capacity, and cross-departmental coordination and found several resourcing and administrative challenges.

The pilot was delivered through a streamlined application and payment process, successfully distributing 266 grants to businesses across the two pilot areas. The grant period was open for just over four months. The application experience received positive feedback from applicants: 83% reported they were satisfied or very satisfied with the application process; 99% found the application easy to use; and 95% felt the eligibility requirements were clear and easy to understand.

Despite this streamlined approach, several resourcing and administrative challenges were highlighted during the pilot, which was operating on a small scale:

- Grant was delivered using a manual process that was not integrated with existing business systems.
- Required significant cross-team support relying on staff time that was not dedicated to the program (approx. 0.8 FTE direct, plus regular advisory support).
- Dedicated resources were lacking and would be required to run a program effectively.
- Postal strike added complexity and time to administration; direct deposit processes could mitigate this for future programs.
- Requirements to provide current business licence address could minimize administrative and processing challenges.
- City Business ID would be effective cross-reference for verification in addition to business licence.
- In addition to automation of the application, review and accounts payable processes, consider automated reporting to provide ongoing updates to project teams, and integration with other City-implemented grant programs.

Objective 4: Refinements and Adjustments to Apply to a Future Grant

The fourth objective was to develop recommendations to refine and adjust should The City proceed with formalizing a business support grant program. While there were several small process improvements learned through the pilot, key refinements and adjustments are identified in the table below and should be addressed if the grant is to be continued or if another program aimed at individual businesses is developed in the future.

| Theme | Adjustments and Refinements |
|-------|-----------------------------|
|-------|-----------------------------|

| | |
|--|--|
| <p>Eligibility criteria</p> | <ul style="list-style-type: none"> • Consider expanding eligibility beyond business licence data to consider businesses that may experience similar challenges but are not required or able to obtain a business licence (e.g., certain professional or educational services) • Consider defining eligibility using a clearly established grant area rather than proximity to active construction. • Review the one block radius, clarify whether eligibility includes businesses on both sides of the street, and/or consider a wider radius to reflect impacts related to traffic disruption, access, and customer convenience, not just active work directly in front of a business. • Review exclusions to consider collective business models and consider whether there should be discretion identified in Terms of Reference. |
| <p>Grant use and accountability</p> | <ul style="list-style-type: none"> • Suggest mechanisms to better ensure funds are used for the stated purpose, such as requiring a brief proposal be approved that outlines intended use and submission of receipts for reimbursement, or audit and repayment process where funds are not used as intended. |
| <p>Administrative refinements</p> | <ul style="list-style-type: none"> • Explore increased automation and integration with business data systems to improve efficiency. • Identify procedures to address competing priorities around City services including licensing and payments. • Consider multiple business identifiers and strengthen documentation and verification as part of grant application to support administration process. • Introduce direct payment to further streamline grant disbursement process. |
| <p>Grant promotion, communication</p> | <ul style="list-style-type: none"> • Align program timing with construction season and communicate grant and project information together. • Consider shortening application period to allow for stronger promotion to eligible businesses and more effective administration. • Communication plans should be discussed to address the disconnect that has occurred between the intent The City had for the grant and how it was perceived and used by businesses. |

Even with the above refinements, the evaluation findings indicate that the grant would still not address the core issue identified under Objective 1, which was a misalignment between business expectations and the grant’s stated intent.

Objective 5: Overall Effectiveness

The fifth objective was to evaluate the overall effectiveness of the pilot to help inform whether to recommend the formalization of a business support grant for Main Streets infrastructure projects. The assessment is informed by grant evaluation findings, feedback from participating businesses and Business Improvement Areas (BIAs), legal input, and jurisdictional research, alongside broader engagement related to business-friendly construction policy.

Effectiveness

The evaluation found that the grant was not effective in achieving its stated intent. Most businesses (71%) used funds for general operating costs such as rent, payroll, and utilities, while approximately one-third used funds for business-led initiatives aligned with the grant's intent, the grant was widely perceived and treated as financial relief.

While some businesses appreciated the funding and the simplicity of the application process, many indicated that businesses were looking for The City to cover alleged business losses, but this was not the intent of the grant program, and there is no obligation for The City to provide this type of compensation.

Business and Customer Priorities

Engagement conducted through the grant evaluation and broader business-friendly construction policy work identified consistent priorities The City should focus on during construction. Businesses emphasized the need for mitigation measures such as maintaining customer access, parking availability, clear detours, effective wayfinding, and increased area-based marketing and visibility. Customers identified a lack of confidence that businesses are open and that destinations remain easy to access as key factors influencing their willingness to visit construction areas.

These findings suggest that the most pressing needs, for both businesses and customers, during construction are business continuity and customer access, convenience and confidence, which are better addressed through providing mitigation support rather than through individual cash grants.

Feedback from Business Improvement Areas (BIA's)

BIA's have demonstrated experience and interest in delivering area-based marketing and promotional initiatives and are already established partners with The City in supporting business area vitality. BIA's noted that area-wide approaches have the potential to provide broad reach, consistent benefits, and greater visibility for a business area. BIA's also emphasized that promotional activities are effective when foundational mitigation measures such as access, parking, and wayfinding are in place to support customer patronage during construction.

Jurisdictional Research

Comparative jurisdictional research indicates that Canadian municipalities prioritize mitigation-based approaches over direct financial support to individual businesses. These approaches focus on predictable staging, clear communication, dependable timelines, and maintaining customer access. Calgary's existing business-friendly construction practices align with these widely adopted approaches.

Quebec remains the only province offering financial support programs related to construction impacts. Within Quebec, City of Montreal programs are currently under evaluation, and no evidence has yet been made available demonstrating their effectiveness.

Legal and Administrative Considerations

The intent of the grant program was not to provide compensation for alleged business losses, and there is no obligation for The City to provide this type of compensation. Continuing the grant program potentially introduces unnecessary legal risk. The pilot also identified administrative challenges related to eligibility boundaries, verification, accountability, resourcing, and scalability. Formalizing a grant program would require investment in automation, auditing, reporting, and dedicated staffing, increasing program complexity and cost without clear evidence of proportional benefit.

Recommendation

Administration recommends discontinuing the Main Streets Business Support Grant and focusing investment on the City's business-friendly construction approach.

This recommendation is based on the evaluation findings, engagement with businesses and customers, jurisdictional research and legal and administrative considerations that indicate the Main Streets Business Support Grant, as designed, does not effectively support business readiness or customer patronage during construction.

Expanding broader business-area supports, such as temporary customer parking, flaggers and wayfinding, and business-area promotional programs delivered by The City or in partnership with BIAs, would better support business continuity, customer access, and area vitality across business areas during construction.

This recommendation also strengthens The City's business-friendly construction approach as the primary means of supporting businesses impacted by Main Streets infrastructure projects.

Appendix A – Main Streets Business Support Grant Pilot Terms of Reference

Summary

- The Main Streets Business Support Grant Pilot will provide a lump sum \$5,000 grant to eligible businesses affected by City-led construction of the Marda Loop and/or Bridgeland Main Streets projects boundaries in 2024.
- This grant pilot is specifically designed for these particular Main Streets projects due to the extended duration and cumulative impact that construction activities, including road closures, detours, utility relocations, and sidewalk replacements, can have on customer access and business operations.
- This grant is not financial compensation and there is no requirement in Alberta's Municipal Government Act to compensate business owners for the effects of City-led infrastructure construction (e.g. Public utilities).
- This grant is intended to provide financial support to help businesses:
 - a) prepare for the potential effects of construction by adapting their operational practices, and
 - b) implement their own strategies to encourage patronage during construction.
- This is a one-time grant being implemented as a pilot in 2024. The pilot will serve as a tool for The City to learn from and evaluate the effectiveness of providing construction financial support.

Pilot Objectives

1. Assess the effectiveness and outcomes of providing businesses with financial support to help them prepare for and manage the potential effects of construction on business operations.
2. Uncover and aim to resolve potential unanticipated challenges that could arise through the administration of the grant (e.g. potential challenges with eligibility requirements or administration process).
3. Better understand internal resourcing requirements and processes associated with administering the grant.
4. Develop recommendations to refine and adjust should The City proceed with formalizing a Council-approved grant program.
5. Evaluate overall effectiveness of the pilot to help inform a recommendation on potentially formalizing a business support grant for Main Streets infrastructure projects.

Financial Support Provided

The City of Calgary will provide a one-time lump sum \$5,000 grant to eligible businesses.

Eligibility

- Businesses must provide in-person retail sales, product rentals or consumer services, which require customers to travel to the site of business to complete the business transaction.

- Businesses must operate with a physical storefront location within one city block of 2024 planned construction activities for Marda Loop and/or Bridgeland Main Streets projects. Eligible businesses will be identified once 2024 construction plans are finalized in Q2 2024.
- Businesses must provide in-person retail sales, product rentals or consumer services, which require customers to travel to the site of business to complete the business transaction.
- Businesses must be licenced by The City of Calgary and possess one or more of the Licence Types listed in Table 1.
- Businesses must be operational at any point during the grant application period, which is anticipated to open by end of Q2 2024 and will close on 31 October 2024.

Exclusions

- In the situation where an individual business has two or more Business Licence types, only one grant will be provided.
- Businesses that are not required to possess one or more of The City of Calgary Business Licences listed in Table 1 are not eligible for financial support through this grant pilot.

Grant Application Process

Administration will establish the grant application process in Q2 2024, which will be outlined in the grant application package distributed to eligible businesses.

Evaluating Success

- Evaluation metrics will be developed in Q2 2024 and business participation and reporting requirements will be outlined in the grant application package.
- Eligible businesses will be requested to participate in the grant pilot evaluation process. This may be conducted through one-on-one dialogue with City business liaisons, short surveys, optional focus groups or other means to be established.
- The City will seek feedback on topics including but not limited to:
 - Grant administration, eligibility criteria and application process.
 - The way(s) in which businesses used the funding.
 - Assessment of the effectiveness of the grant to help businesses prepare for the potential effects of construction and implement strategies to encourage patronage during construction.
 - Suggestions and ideas for future business support initiatives, including financial support and non-financial supports.

Table 1. City of Calgary licenced business types eligible for the Business Financial Support Grant Pilot

| BUSINESS TYPES ELIGIBLE FOR GRANT (Business type as defined in Business Licence Bylaw 32M98, Body Rub License Bylaw 53M2012 and Massage License Bylaw 52M2013) | |
|---|---------------------------------|
| Alcohol Beverage Sales | Liquor Store |
| Amusement Arcade | Massage Centre |
| Auto Body Shop | Motor Vehicle Dealer – Premises |
| Body Rub Centre | Motor Vehicle Repair & Service |
| Cannabis Store | Outdoor Patio |
| Cinema | Pawnbroker |
| Entertainment Establishment | Payday Lender |
| Fabric Cleaning | Personal Service |
| Food Service – Premises | Retail Dealer – Premises |
| Fuel Sales/Storage | Secondhand Dealer |
| Furniture Refinishing | Tobacco Retailer |
| Hotel/Motel | Vaping Retailer |
| Kennel Service/Pet Dealer | |