

Corporate Capital Prioritization Framework – Target Outcomes, Categories & Criteria

This attachment provides an overview and descriptions of each criterion being assessed in the Corporate Capital Prioritization Framework.

Target Outcomes

Target Outcome	Definition
Service Performance	The City strives to deliver public facing and enabling municipal services, meeting targeted service levels for residents and individuals.
Risk Management	The City strives to effectively manage risk arising from its assets and the services they provide.
Operational Efficiency	The City strives to modernize and improve the efficiency and effectiveness of its operations and available capital usage across its asset's lifecycle, to better deliver on its mandate and meet the needs of the public.
Economic, Social, and Climate & Environmental	The City strives to be a resilient City, through economic, social, and climate & environmental improvements.

Categories

Service Performance

Category	Definition
<i>Maintain Level of Service</i>	Investments that support an asset to maintain its existing levels of service and address any underperforming assets.
<i>Enhance Level of Service</i>	Investments that support an asset to improve on its existing levels of service.
<i>Enables Growth</i>	Investments that support the creation of new communities and grow established communities or industrial areas.

Risk Management

Category	Definition
<i>Compliance to Legal/Regulatory Change</i>	Investments necessary to meet The City's legal obligations arising from legislation, regulations, agreements, and laws.
<i>Manage Organizational Risk</i>	Investments to manage potential threats, vulnerabilities, and risks to the organization, its assets, and the services that are provided.

Operational Efficiency

Category	Definition
<i>Operational and Lifecycle Funding</i>	Investments that enhance the effectiveness of the organization's operating budget through improving lifecycle spending efficiency and optimizing use of funds throughout the lifecycle of a project or asset to ensure maximum value and longevity. This can also include the generation of new revenue streams for the organization and/or City Partners to bolster the operating budget and provide more financial flexibility.
<i>Modernizes Government Through Technology</i>	Investments that leverage the use of technology, data, and analytics to help The Corporation make better decisions, work smarter, provide efficient services, and facilitate innovation in service delivery. Technology investments can be used to mitigate risk – to proactively keep The City's assets, employees, customers, and residents safe.

Economic, Social, and Climate & Environmental

Category	Definition
<i>Improves Economic Resilience</i>	Investments that allow The City to stimulate economic growth and support its ability to recover from economic disruptions as it relates to jobs, Gross Domestic Product, workforce, and funding.
<i>Improves Social Resilience</i>	Investments that support equity and fairness for all peoples, cultures, and communities in The City, especially vulnerable populations.
<i>Improves Climate & Environmental Outcomes</i>	Investments that prevent and/or reduce negative climate and environmental impacts and support positive contributions to natural infrastructure.

Criteria

Category	Criteria	Definition
Maintain Level of Service	<i>Maintain Service Quality</i>	Describes how an investment helps The City to maintain currently defined service standards (i.e. acceptable Levels of Service) or address deficiencies or deviations from the currently defined Levels of Service. Investments in this area should help to sustain and align existing assets across The City to service needs or implement new assets in areas where service quality may be lacking. Quality is described as the level of performance being provided by services. Typically, this considers the ability to conform to requirements, comply with standards, processes, specifications of its service offering.

	<i>Maintain Service Reliability</i>	Describes how an investment supports The City in sustaining the reliability of its services over time. Investments in this category should demonstrate how they support the sustainment of performance over time to mitigate detrimental effects, as well as reductions or loss of service to customers. Reliability is described as the certainty with which a certain level of service performance can be provided and maintained over time.
	<i>Maintain Condition</i>	Describes how an investment impacts the condition or state of an existing asset to ensure effective asset health, functionality, efficiency, and lifespan. The City uses a 5-point condition rating scale to help determine and manage the state of assets across its portfolio. To support benefit evaluation, changes in condition grading have been used to help determine how an investment might generate value for The City's asset portfolio.
Enhance Level of Service	<i>Enhance Service Quality</i>	Describes how the investment helps The City to improve the quality of service being provided beyond the currently set service standards (i.e. Level of Service). Consider how the investment helps the asset(s) raise their performance, capacity, or capabilities to meet higher service requirements. Quality is described as the level of performance being provided by assets. Typically, this considers the ability to conform to requirements, comply with standards, processes, specifications of its service offering.
	<i>Enhance Service Reliability</i>	Describes how an investment supports The City in enhancing the reliability of its services over time. Investments in this category should demonstrate how they improve service reliability over time to mitigate detrimental effects, as well as reductions or loss of service to customers. Reliability is described as the certainty with which a certain level of service performance can be provided and maintained over time.
Enables Growth	<i>New Communities</i>	Investments that support the development and growth of new communities. This may involve the creation of physical structures such as roads, bridges, and other public facilities. The goal of these initiatives is to improve the quality of life of community members, stimulate economic activity, and promote sustainable development.
	<i>Established Communities</i>	Investments that support the renewal, improvement, and revitalization of existing established communities. These projects may involve the improvement, expansion, or modernization of physical structures such as roads, bridges, and other public facilities. The goal of these initiatives is to improve the quality of life for community

		members, stimulate economic activity, and promote sustainable development and growth throughout The City.
	<i>Industrial</i>	Investments that support the development and expansion of industrial areas. These projects aim to create new infrastructure or enhance existing industrial infrastructure and assets within a community or region to foster industrial growth and the development of new business. This involves the improvement, expansion, or modernization of physical structures such as factories, warehouses, transportation systems, and other industrial facilities. The goal of these initiatives is to stimulate industrial activity, create jobs, increase productivity, and promote sustainable industrial development.
Compliance to Legal/Regulatory Change	<i>Addresses Legal or Regulatory Requirements</i>	Describes how the investment aligns and supports The City in addressing changing or new legal regulatory requirements. The City's legal or regulatory obligations can arise from sources such as: • Provincial or Federal legislation addressing service delivered by municipalities. • Provincial or Federal legislation, agreements, and court decisions. • Environmental Protection regulations. • Agreements and contracts already in place for future cycle years. • Provincial Occupational Health & Safety legislation. Capital investments qualify for these criteria if there is specific direction in legal or regulatory documents such as the Municipal Government Act (MGA), other provincial regulations and applicable law. This grouping is intended to consider value of work related to legal or regulatory needs that are important but do not meet the requirements to be classified as a "Required" investment.
Manage Organizational Risk	<i>Manage Organizational Risk</i>	Describes how an investment might manage down-side risks to the organization, its assets, and the services that The City provides. For this assessment, risk parameters are defined in alignment with The City's Corporate Impact Categories: • Workforce • Technology • External • Financial • Strategic • Operational
Operational and Lifecycle Funding	<i>Impact to Operating Funding</i>	Capital investments that have a positive net impact on The City's operating budget aligns well to these criteria, such as investments that will reduce future operating costs (e.g., spending to save, enhancing the life of assets, and reduced energy consumption).

		A Net Present Value (NPV) view of future operating costs and savings will be considered for these criteria.
	<i>Improves Lifecycle Spending Efficiency</i>	Capital investments that reduce the cost of owning an asset over its estimated useful life. This include projects that help to enhance the life of the asset, reduce the cost to operate or maintain it, or undertake work that is “spend to save” by nature.
	<i>Generates Additional Revenue Streams for The City</i>	Capital investments that increase the ability to generate revenue for The City through avenues such as user fees, taxes, and other sources.
Modernizes Government through Technology	<i>Modernizes Government through Technology</i>	Investments that leverage the use of technology, data, and analytics to help The Corporation make better decisions, work smarter, provide efficient services, and facilitate innovation in service delivery. Technology investments can be used to mitigate risk – to proactively keep The City’s assets, employees, customers, and residents safe.
Improves Economic Resilience	<i>Encourages or Supports Job Creation</i>	Refers to investments that can spur growth during recovery (economic recovery and pandemic related recovery). Job creation / growth for each project will be estimated using the Calgary Regional Input-Output Model (CRIOM) model.
	<i>Enhances Gross Domestic Product (GDP) Growth</i>	Refers to investments that can spur growth during the recovery (economic recovery and pandemic related recovery). GDP for each project will be estimated using the Calgary Regional Input-Output Model (CRIOM) model.
	<i>Enables Sustainable Economic Diversification</i>	Diversifying an economy is a complex undertaking, requiring many actions by multiple interested parties over time. There may be opportunities for The City to build infrastructure that could support The City and Calgary Economic Development’s four focus areas (Talent, Innovation, Place, Business Environment) and reduce some barriers to entry for established and emerging industries (e.g. Industrial, Agribusiness, Tourism, Creative, Life Sciences and Financial Services). Examples include roadway access for the logistics industry, facilities and renovations for start-up companies, or technology infrastructure that can support multiple industries.
	<i>Attracts and/or Retains Talent</i>	Describes how an opportunity is expected to attract and retain talent within The City of Calgary. Clear statements must be made to show how the investment will help the expansion of an existing business and attract future talent.
Improves Social Resilience	<i>Enables Equitable Outcomes for All</i>	Equitable new or retrofitted capital investments results in equal outcomes for all Calgarians regardless of gender, race, age, ability or socio-economic status or other identity factors. Equitable investments:

		▪ Removes barriers to equity deserving groups' participation in society or City services. ▪ Prioritizes the needs of communities or groups with constrained options (lack financial or alternative means) or may have been underserved in the past. ▪ Collaborate with the community to ensure the proposed infrastructure is aligned with diverse and cultural community needs. ▪ Make purposeful or intentional efforts to engage with communities that account for power and privilege, particularly when an infrastructure project is considered high risk or socially undesirable. (Example: Prevents undesirable infrastructure from going into a lower income community due to potential lessened community resistance) Investments that enable individuals or groups who currently have less access or opportunity to benefit equally from City services will be weighted higher. The removal of barriers that impede access, which may include social, financial, language, culture, geographic and physical barriers. Incorporate universal design of products, environments, programs, and services so they are useable by all people, to the greatest extent possible without need for adaptation or specialized design.
	<i>Advances Truth and Reconciliation</i>	Capital investments advance truth and reconciliation with Indigenous and non-Indigenous Peoples and the project is completed in alignment with the Indigenous Policy. Capital investments align to these sub-criteria if it can prove that it will design, build, and operate in alignment with the Indigenous Policy.
	<i>Facilitates Complete Communities</i>	Targeted investment fosters distinctive and complete communities* with a strong sense of place (MDP 2.2.4) by identifying and addressing service gaps. Examples include, but are not limited to, increased mobility choices, access to recreational opportunities or cultural events and a range of housing choices. * A community is defined as a geographic area of between 5,000 and 20,000 residents that was planned comprehensively and developed over a period of time. Capital investments will qualify for these criteria if their scope aligns with one, or all, of the following criteria: ▪ Investment improves a resident's overall ability to connect and reach services and activities (i.e. reduces time and / or cost, increases connectivity for all residents). ▪ Investment improves the participation of individuals in the services offered by The City and community-based events. This means accessibility – the

		removal of barriers that prevent individuals and/or groups from fully participating, contributing, and benefiting from all the social, economic, cultural, spiritual, and political opportunities. The proposed investment aligns with MDP targets, Local Area Plan updates or established area growth strategies in new, currently developing or developed areas.
	<i>Enhances Community Vibrancy & Cultural Diversity</i>	Capital investments that demonstrate the advancement of community vibrancy and cultural development. This requires identifying how an investment strengthens and grows neighborhood vitality, supports community-based cultural expression, enables the advancement of cultural industries and tourism, and ensures the preservation of cultural heritage. Capital investments will qualify for these criteria if the scope identifies actions which support culture in any of its diverse forms. Examples include: ▪ Develop or sustain creative industries such as film, music production and recording, festivals and events, live performance, publishing etc. ▪ Support local artists and cultural groups, including creative organizations and ethnocultural associations/groups Conserve and celebrate Calgary's built, natural and Indigenous heritage. ▪ Projects that reinvigorate Centre City as the cultural heart of Calgary ▪ Invest in active and passive cultural uses of public spaces. ▪ Target cultural development in diverse or underrepresented communities ▪ Contribute to the growth of cultural or creative clusters and hubs. ▪ Build more sustainable, complete communities that are more accepting of different traditions and customs. ▪ Establish platforms for cultural innovation and expression at the neighborhood level to make cultural production and consumption accessible everywhere. ▪ Create spaces and places for public events throughout The City to incubate culture citywide, at all scales and sizes. ▪ Integrate a cultural lens in the planning stages in order to be sensitive to cultural needs and opportunities of communities
Supports Climate & Environmental	<i>Reduces Greenhouse Gas (GHG) Emissions</i>	Prioritization should assess how the investment impacts corporate and/or community-wide greenhouse gas emissions over the life cycle of the project (for new capital

		projects) or compared to business-as-usual (for retrofit capital projects). The City of Calgary aims for a reduction in community greenhouse gas (GHG) emissions in both the short and long term. Calgary's target is reduction to net zero GHG emissions by 2050. Capital investments can support this goal by reducing emissions below current levels and showing a pathway to net zero emissions for City buildings and operations. Capital investments will support these criteria by implementing some or all the following strategies: ▪ Design for energy conservation ▪ Contract for renewable and clean energy supply ▪ Include on-site or off-site renewable energy generation. ▪ Improve equipment efficiency at end of lifecycle replacement. ▪ Enable users of infrastructure to reduce their GHG emissions
	<i>Protects, Restores or Facilitates the Construction of Natural Infrastructure</i>	Natural infrastructure makes up the environmental systems critical to supporting biodiversity, sequestering carbon, reducing climate risk, and providing ecosystem services that enhance the wellbeing of Calgarians. Natural infrastructure should be preserved, restored, and maintained to enhance their health and function in the natural environment. Prioritization should assess whether natural infrastructure will be removed/destroyed and if there is a potential for adverse environmental effects on natural infrastructure. Conversely, if the project will lead to enhanced protection, restoration, or construction of natural infrastructure it would be positively contributing to The City's portfolio of natural infrastructure. Natural infrastructure includes grasslands, wetlands, forest, riparian areas, and trees. The City of Calgary has set restoration, biodiversity, and tree canopy targets, and the impact of a proposed project on the ability to meet these targets should be considered.
	<i>Reduces Resource Consumption and Waste</i>	Prioritization should assess how the investment reduces or minimizes the consumption of new resources and/or reduces the amount of waste generated (garbage, recyclables, compostables, and construction materials) throughout the life cycle of the project and/or compared to business as usual. Considerations may include the use of minimal, recycled, or renewable materials; designs and materials that are durable, repairable, or reusable; how the asset will be managed at end of life; and impacts on consumption of resources and/or waste generation in the community as a result of the investment.

		Consider the longevity (durability), quantity (including renewables) and toxicity of the material inputs required to design/build and use this asset over its lifecycle. Potential to reduce waste being produced when building, maintaining, and disposing of capital assets. This includes concepts like circular economy (reuse of waste materials from one sector for another, deconstruction of an asset at the end of its life, or the adaptability of the asset to be modified and suited for purpose (an example is moveable partition walls to change office configurations without demolition and renovation). Perhaps purpose of capital itself is waste minimization/diversion (landfill mining equipment, material handling, collection vehicles).
	<i>Prevents Pollution</i>	Prioritization should assess how the investment reduces or minimizes pollution or reduces the amount or toxicity generated throughout the life cycle of the project and/or compared to business-as-usual. Considerations may include the use of less toxic materials; technology designed to capture or treat pollution; and/or improving environmental quality as a result of the investment. Potential to prevent pollution to land, air, water from the capital asset – design/build, use, maintenance, disposal through reduce emissions or use of less toxic materials. If the purpose of capital itself is pollution prevention (air scrubbers, water purification, soil remediation, secondary containment systems, backfill/flow prevention) it could be prioritized here. There is an element of environmental emergency preparedness related to minimizing environmental impact from asset failure.