



# **BRINGING NEW ENERGY TO DOWNTOWN CALGARY**

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## MESSAGE FROM **NDP LEADER RACHEL NOTLEY**

Calgary's downtown has long served as a fundamental part of Alberta's economy and activity within it has generated tremendous wealth for the people living here. However, the crash in the price of oil that saw prices dip into negative territory, coupled with the pandemic, have been devastating. Downtown office vacancies have hit record-high levels and the city's unemployment rate is among the highest in the country.

Our province's economy is now in the midst of structural changes, and despite the recent spike in oil and gas prices, we will also need to look to other sectors to drive growth.

While these factors create uncertainty and present an enormous challenge, they also present an opportunity to reimagine Calgary's downtown and restore it as a vibrant core.

This means making economic diversification a priority, which includes building on our strengths, as well as supporting new and emerging industries. By doing so, we will attract people and businesses, attract investment and create good jobs while building a stronger, more resilient economy.

It will take support from all three orders of government, in concert with the private sector, to build the physical and social infrastructure to support a modern economy in Calgary and across Alberta. This will also take time and hard work, but with our entrepreneurial spirit and our greatest resource — our people — we can restore vibrancy, bring a new energy into downtown Calgary, and continue to generate prosperity for our province.

Rachel Notley



## MESSAGE FROM **NDP MUNICIPAL AFFAIRS CRITIC JOE CECI**

During my 15 years as a city councillor, we saw our downtown go through tremendous growth — as well as downturns — but nothing like the prolonged series of challenges that exist today. The crash of the price of oil and the COVID-19 pandemic have led to the hollowing out of the downtown core. If this trend continues, Calgary’s downtown could suffer devastating and long-lasting negative impacts for decades to come.

Despite the challenges currently facing Calgary, there are a number of strengths that can be leveraged to reverse these trends.

Calgary has consistently been ranked as one of the best cities in the world to live. However, the city has slipped in rankings over the past few years. When combined with our young, diverse, and educated population, and innovative and entrepreneurial spirit, we have an opportunity

to show the world what Calgarians already know: that this is THE best city in the world to live. But in order to do so, we need bold and innovative ideas.

We are putting forward an initial set of proposals to revitalize the core. The ideas proposed on the following pages focus on making our downtown an attractive place to live, work, learn, play, and connect. This means improving the quality of life and building the necessary infrastructure that draws people and businesses in by creating a community that people will love.

Joe Ceci



# EXECUTIVE SUMMARY



With Calgary's downtown office vacancy rate at levels not seen since the Great Depression, it will take direct and immediate action to bring people back into the downtown core and restore a sense of vibrancy.

Jurisdictions across North America have also faced persistently high downtown office vacancy rates and have taken steps to successfully address the issue. However, the rate of office vacancies in Calgary is one of the highest ever recorded in North America, which presents a unique challenge for the city.

While the vacancy rate is both a symptom and a problem, the solutions must be addressed from a more holistic perspective. The revitalization we seek will not only address empty buildings, it has to also bring people downtown to work, play, and live. As such, the solutions we consider in this

paper are wide ranging in their scope.

The City of Calgary has already developed and started its own plan to bring people into downtown and lower the office vacancy rate. To date, the provincial government has offered very little in support and details on how it will support downtown Calgary.

Given the importance of Calgary's downtown to the city and the provincial economy, we are putting forward a series of proposals to revitalize Calgary's downtown.

To accomplish this, we make 10 proposals that fall under three categories:

## **Partnering with the City, Leveraging Provincial Responsibility, and Standalone Proposals.**

### **THE 10 PROPOSALS WITHIN THE THREE CATEGORIES INCLUDE:**

- 1. Supporting office conversions by matching a further \$100 million to the City's existing plan;**
- 2. Matching the City's \$55-million investment to improve public places and restore vibrancy to the area;**
- 3. Making economic diversification a priority;**
- 4. Supporting the creation of a world-class innovation district by working with Calgary post-secondary institutions to relocate or expand campuses downtown;**
- 5. Creating additional child care spaces downtown;**
- 6. Growing affordable housing downtown through dedicated funding while working with the City and developers to leverage investment for office conversions;**
- 7. Investing in mental health and addictions and reduce barriers to accessing services;**
- 8. Supporting small businesses to move downtown or revitalize through targeted grants;**
- 9. Bringing more events and festivals into Calgary's downtown;**
- 10. Exploring a cost-sharing agreement for the Calgary-Banff rail line;**

These proposals are the result of extensive consultations with Calgarians across a wide range of sectors. We will continue this conversation and welcome additional ideas on ways to bring new energy to downtown Calgary.



## BACKGROUND

Even before the pandemic, investment dropped, the economy shrank, and we saw massive layoffs across the energy sector in 2019 as companies like Ovintiv, formerly known as Encana, packed up and left the province. As a result, downtown office vacancy sat around 25 per cent.

The pandemic has only accelerated this trend with Husky disappearing in a merger and Shaw soon to follow after being acquired by Rogers. Now, Calgary's unemployment rate remains among the highest in the country, and according to some estimates, roughly 30 per cent of all downtown office space sits empty. It's been reported that four buildings are completely vacant.

Oil and gas prices have recovered recently, which is an encouraging sign for Calgary's economy. However, it is unclear whether or not these prices will persist and what, if any, effect this will have on returning people to jobs in the downtown core.

To address the high vacancy rate, the City of Calgary began work on a comprehensive plan designed to reimagine Calgary's downtown. In April 2021, Calgary City Council approved the Greater Downtown Plan, designed to create a mix of residential, office, retail, entertainment, tourism, cultural spaces and events in the downtown core.

### THE DOWNTOWN STRATEGY IS BUILT AROUND FOUR PILLARS:

- 1. PLACE:** Investing in physical spaces, buildings, and infrastructure to increase the number of downtown residents and visitors.
- 2. WORK:** Supporting the development of new and existing business in downtown Calgary.
- 3. LIVE:** Ensuring that downtown is a neighbourhood by providing amenities for people living downtown.
- 4. CONNECT:** Connecting people, goods, and information by investing in physical and digital infrastructure.

# BACKGROUND

**IN ORDER TO IMPLEMENT THE GREATER DOWNTOWN PLAN, THE CITY HAS IDENTIFIED FIVE “STRATEGIC MOVES”:**

- 1. Neighbourhoods for vibrant urban life: developing unique, mixed-use neighbourhoods with vibrant gathering places, housing choices and all of the amenities residents need close by. This includes converting empty office space into mixed-use spaces;**
- 2. A green network for a healthy environment: creating a vibrant urban environment whose residents and visitors benefit from an interconnected system of regional and local parks, natural spaces and river frontage connected by main streets;**
- 3. Streets for people: streets network and a Plus 15 network that contribute to creating vibrancy and activity by improving the environment and experience for residents, workers and visitors to the area;**
- 4. Transit for all: Make transit the quickest, safest, most convenient and most cost-effective way to travel to and through downtown. The goal is for transit to be the preferred mobility choice for the majority of residents, employees and visitors to downtown, accounting for 60 per cent of all peak-period trips;**
- 5. Future-proof and innovate for the next generation: accommodate and attract innovation from the global technology sector in order for the downtown economy to remain competitive and resilient;**





# BACKGROUND

The city estimates it will take \$1 billion over the next 10 years to implement its plan and revitalize downtown and it hopes to have funding support from the provincial and federal governments. The city has made an initial investment of \$255 million focused on areas that will start to lower office vacancy through the conversion of office buildings and improving downtown vibrancy.

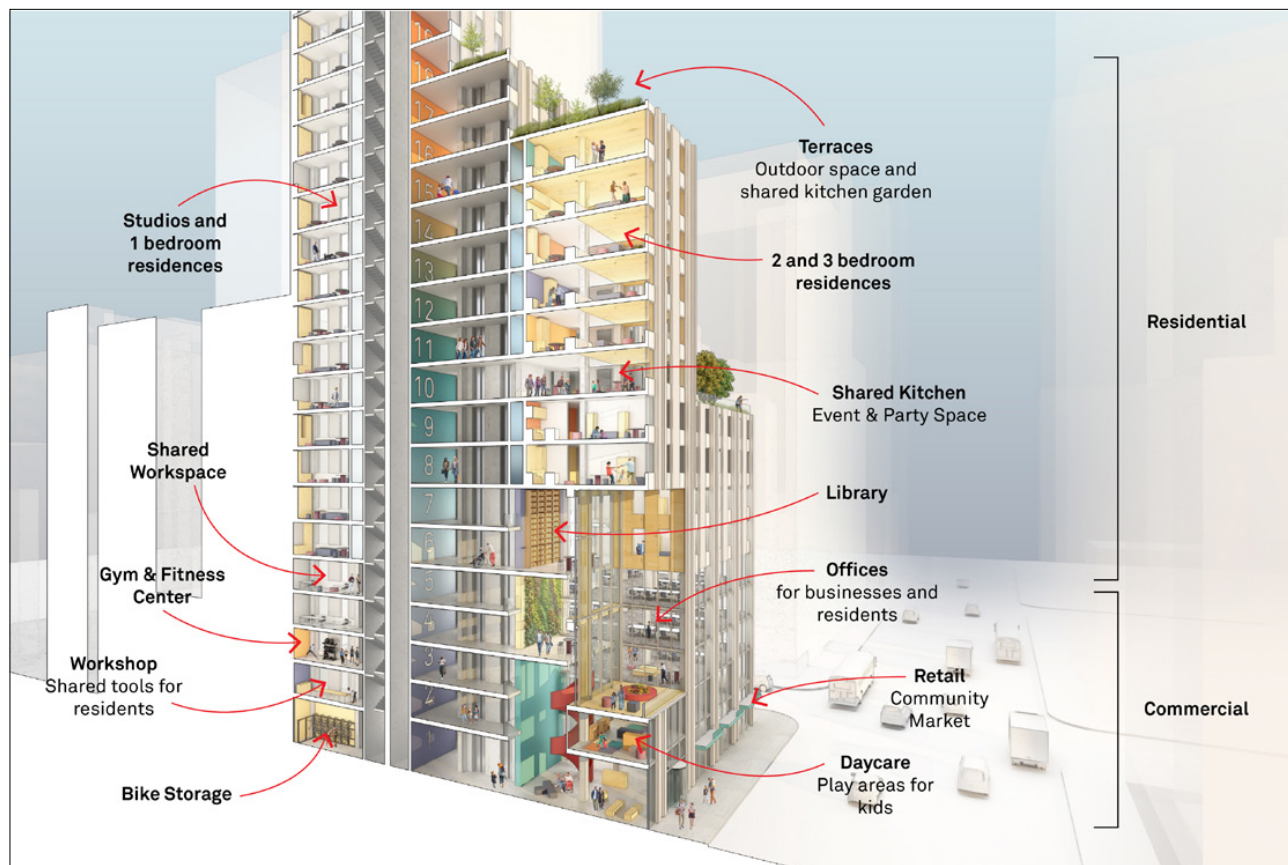
## THE INITIAL \$255 MILLION INCLUDES:

1. **\$100 million** for incentives for office conversion, office replacement and new residential development;
2. **\$5 million** to offset contributions to the Plus 15 Fund that are required for residential developments to support the construction, operation, and maintenance of downtown's Plus 15 system;
3. **\$55 million** for a capital program to increase downtown vibrancy. This includes improving public places through capital projects designed to attract people and businesses downtown;
4. **\$5 million** to build vibrancy through downtown through events, festivals, and increased safety;
5. **\$10 million** for a dedicated downtown team to oversee implementation;
6. **\$80 million** for the Arts Commons Transformation project.

The main focus of the city's plan is around converting empty office spaces into other uses. While the bulk of the spaces converted are expected to be residential, the city hopes the buildings will be mixed use with retail and commercial space on lower levels, as well as other amenities such as child care centres.

Initially, the city approved \$45 million for converting office space into other uses. However, due to strong demand for the program, they committed an additional \$55 million - bringing the total to \$100 million.

## THEORETICAL OFFICE CONVERSION IN CALGARY SHOWING A MIX OF RESIDENTIAL AND COMMERCIAL USES



Source: [Calgary Greater Downtown Plan](#)

# RESPONSE TO GOVERNMENT POLICY

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Upon coming into office, the UCP declared diversification a “luxury” and cut many of the programs designed to diversify our economy. In place of these programs, Premier Jason Kenney implemented a corporate tax cut that he promised would fill the office towers in downtown Calgary.

The tax cut was supposed to phase in from 12 to eight per cent over four years. However, in June 2020 the UCP accelerated the cut, reducing corporate income tax to eight per cent, effective immediately. At the time, Kenney said companies would be “irresponsible” not to consider moving operations to Alberta. Since then, the total number of head offices in the city has dropped from 117 to 102.

In order to backfill the fiscal hole created through their corporate tax cut, the UCP cut \$700 million from post-secondary schools — institutions that are significant drivers of research, innovation and training; and support economic diversification.

As well, the UCP imposed massive cuts to municipal funding that might otherwise have been utilized to bring new life to Calgary’s downtown. They ripped up the City Charter agreements upon coming into office in 2019, and in Budget 2021, the Government cut capital grants for Calgary by 25 per cent.

In addition, they have sold off affordable housing units, and cut maintenance budgets, while increasing barriers to Calgarians trying to access mental health and addiction services.

In January 2021, NDP Leader Rachel Notley

committed to delivering a plan to address downtown Calgary’s vacancy problem as part of the NDP’s economic policy.

When asked the following month if the UCP government would be looking at a similar plan, Finance Minister Travis Toews said no help would be coming from the UCP government and claimed it fell outside provincial jurisdiction.

However, the UCP government reversed course in May 2021 and announced the Calgary Office Revitalization and Expansion (CORE) Working Group that was tasked with making recommendations on how to lower the office vacancy rate.

The working group promised to submit a final report to the government by Sept. 30, 2021. To date, no report or recommendations have been made public.

In Budget 2022, the UCP committed \$5 million towards the revitalization of downtown Calgary. This amount is only two per cent of the funding requested by the City — something Mayor Jyoti Gondek called a “pittance” and the CEO of the Calgary Chamber of Commerce called “a drop in the bucket” and “absolutely inadequate.”

The combination of cuts and inaction from the provincial government at a time when Calgary is already suffering has only made a bad situation worse. It will take significant investments and innovative ideas focused on economic diversification, and physical and social infrastructure in order to make up for lost time and restore vibrancy to Calgary’s downtown.





## PROPOSALS

During our time in government, we introduced the City Charters Act, which would have provided predictable funding that would allow cities like Calgary the ability to make long-term plans and investments in the downtown.

We have recently committed to restoring revenue sharing that will bring stability and predictability to funding that municipalities have been asking for. This would allow Calgary to implement their downtown strategy knowing that they have a long-term and stable revenue source. In addition, we extended the Community Revitalization Levy (CRL) for 20 years at a cost of roughly \$200 million. In doing so, we provided fiscal support for projects like the Arts Commons transformation and BMO Centre expansion. However, even with these initiatives it is clear more needs to be done.

As mentioned previously, our proposals fall into three separate categories: Partnering with the City, Leveraging Provincial Responsibility, and Standalone Proposals.

**FIRST**, with the city already implementing parts of its downtown strategy, it does not make sense to duplicate or compete with the good work already started around conversions, capital improvements, and building vibrancy. Many of these are within municipal jurisdiction, and in these cases, we will partner with the City to provide direct financial support.

**SECOND**, we will leverage existing opportunities and obligations within provincial jurisdiction. This includes everything from making economic diversification a priority to improving the quality of life and providing amenities through affordable housing, child care, and supporting Calgarians who have suffered from the pandemic and economic downturn.

**THIRD**, we will establish Calgary-focused standalone proposals to attract small businesses and festivals and events into downtown, while improving transit to connect residents and visitors to the city's core.

# PROPOSALS

## PARTNERING WITH THE CITY

With the City developing and implementing its own plan, it would be inefficient to duplicate work or intrude on municipal jurisdiction. In these cases, it makes more sense to support some of the work already being done by the City.

### 1. SUPPORT OFFICE CONVERSIONS BY MATCHING A FURTHER \$100 MILLION TO THE CITY'S EXISTING PLAN

Jurisdictions across North America have undertaken office conversion programs to revitalize their downtown.

Conversions took place in Manhattan in the 1980s, downtown Chicago in the 1990s, and cities like Philadelphia and Los Angeles thereafter.

Converting office space can often be costly and the economics of the projects don't always make sense without incentives. That's why cities have typically used grants, loans, and tax incentives to support conversions that likely would not have otherwise taken place. This has been used in places such as Austin, Baltimore, Chicago, Dallas, Denver, Detroit, Houston, Kansas City, Los Angeles, Nashville, Philadelphia, Pittsburgh, and New York.

In particular, Detroit has successfully reinvigorated its downtown by offering a more diverse mix of residential, commercial, and entertainment in the core.

Many of the same problems that faced Detroit are facing Calgary now. Both cities had their main industry suffer, resulting in high downtown office vacancy rates. However, one significant difference is that when Detroit declared bankruptcy in 2014, it had a downtown office vacancy rate of only 14 per cent. Calgary's is now more than double that.

Using a mix of tax incentives, grants, and low-interest loans at the city, state, and federal levels, Detroit has seen a wave of conversions in recent years that has encouraged further investment and transformed the downtown in a city devastated by the downturn in automotive manufacturing.



# EXAMPLES

## SHINOLA HOTEL - DETROIT, MI

The Shinola Hotel has been a significant catalyst for change. Transforming four buildings into a hospitality area and revived shopping district, the newly renovated hotel is credited with helping to breathe new life into the neighborhood with shops, cafes and restaurants opening up around the hotel.



Source: [Daily Mail](#)



Source: [Wall Street Journal](#)



Source: [Curbed Detroit](#)

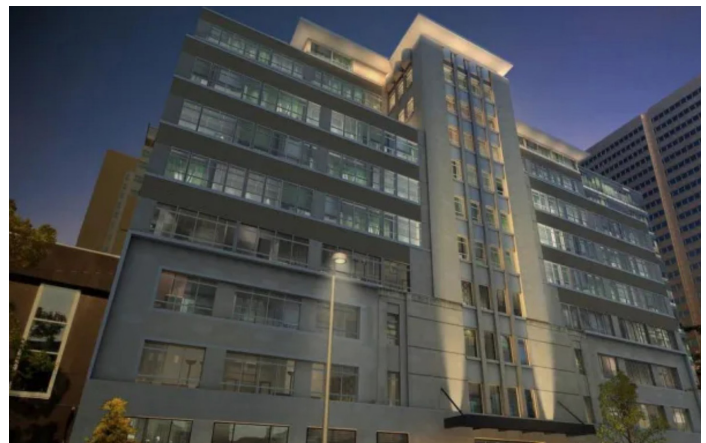
- LEFT: Singer Sewing Outlet (1996)
- CENTER: Newly Reimagined Shinola Hotel (2018)
- RIGHT: Revitalized alley at the Shinola Hotel

## BARRON BUILDING - CALGARY, AB

Some of this office conversion work is already taking place in Calgary. The Barron Building on 8th Ave SW, an office built in 1951, was undergoing a conversion prior to the approval of the City's downtown plan. However, it ran into financial trouble due to the pandemic, so the City approved \$7.5 million in funding to restart work on the project.



Current state of the Barron Building  
Source: [Global News](#)



Renderings of the Barron Building once complete  
Source: [Strategic Group](#)

# EXAMPLES

## SIERRA PLACE - CALGARY, AB



The first project officially part of the city's conversion program is Sierra Place, an affordable housing project located on 7th Ave SW.

It received funding from all three levels of government in order to convert the Dome Petroleum Building.

Source: [HomeSpace](#)

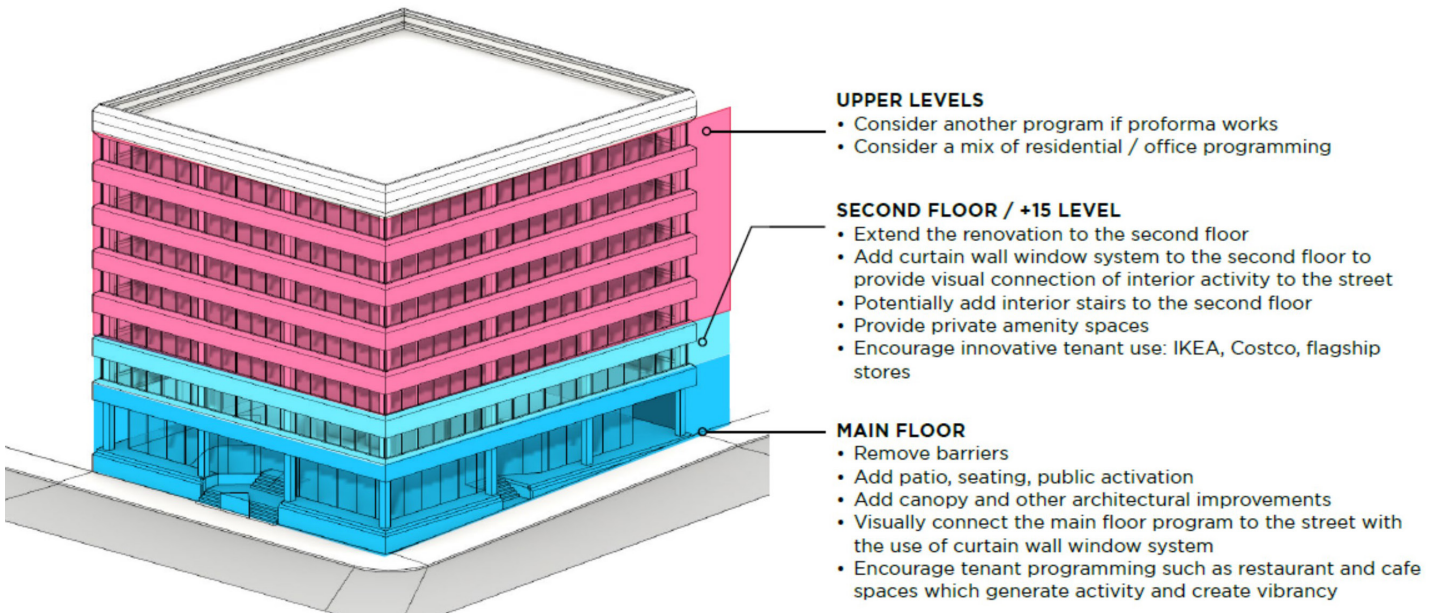
## EAU CLAIRE PLACE - CALGARY, AB

Meanwhile, other buildings are being considered for conversions. Global architecture firm Gensler recently conducted an inventory of buildings in Calgary that would be good candidates for conversion. Out of the 28 buildings studied, a dozen were found to be good candidates. If all 12 were to be converted, that would create space for approximately 4,000 people to live downtown with an additional 2,000 units on the market.

In addition, a case study of Eau Claire Place has also been undertaken by Sturgess Architecture to show what is possible if the building was converted to a mix of residential, office, and retail space.



Source: [Sturgess Architecture](#)



Source: [Sturgess Architecture](#)

These examples of the work that has been done in other jurisdictions and by the City of Calgary shows that the knowledge, opportunities, and the political will already exists to embark on a massive revitalization and reimagining of downtown Calgary through conversions. But in order to leverage private sector investment, ensure projects can move forward, and revitalize downtown, additional funding will be required.

# PROPOSALS

## 2. MATCH THE CITY'S \$55 MILLION INVESTMENT TO IMPROVE PUBLIC PLACES AND RESTORE VIBRANCY TO THE AREA

Calgary's struggling economy and the arrival of the COVID-19 pandemic has not only led to empty offices, but empty streets and public places.

In order to revitalize the downtown, we need to do more than just fill empty office spaces, we also need to restore a sense of vibrancy and energy to the area.

The City is in the process of revitalizing East Victoria Park, including the Culture and Entertainment District, which will be an attraction for Calgary residents and tourists as a hub for arts, culture, and business.

Major projects in the area include the \$500 million BMO Centre expansion, the \$400 million Arts Commons transformation, \$140 million in

infrastructure upgrades in Victoria Park, and a future Event Centre that is supposed to be an anchor project for the district.

These projects were funded, in part, by the CRL that was extended for 20 years under the NDP government and has been estimated to unlock \$800 million in funding for the area at a cost of approximately \$200 million to the provincial government.

As part of the Greater Downtown Plan, the City has committed a further \$55 million to improve public places that will attract people and businesses downtown. These include improvements to Stephen Ave, establishing a downtown public market, and redesigning and rebuilding Olympic Plaza.



# PROPOSALS

## LEVERAGING PROVINCIAL RESPONSIBILITY.

IN ADDITION TO SUPPORTING THE CITY'S PLAN IN THE AREAS ABOVE, THERE ARE ALSO SEVERAL STEPS THE PROVINCE CAN TAKE WITHIN ITS JURISDICTION TO SUPPORT THE REVITALIZATION OF DOWNTOWN CALGARY.

### 3. MAKE ECONOMIC DIVERSIFICATION A PRIORITY

Diversifying Alberta's economy is one of the most important things we can do to create jobs and a more resilient economy that will withstand future downturns. While diversification will help the province as a whole, Calgary would see significant benefits as a leader in the energy transformation.

During our time in government, we implemented several programs to support Calgary's economy that built on our strengths while supporting emerging industries, which attracted billions of dollars in investment and thousands of jobs in the petrochemical, tech, and renewable energy sectors. At the same time, we diversified markets for our resources and started construction on the Line 3 and Trans Mountain Expansion pipelines.

The crash in the price of oil and the pandemic have been devastating to the oil and gas industry, leading to structural and long-term changes to Alberta's economy. That's why we have launched Alberta's Future to engage with Albertans on ways to build a long-term economic vision for the province that focuses on diversifying our economy while creating good jobs.

We have already put forward proposals to support and grow our **hydrogen, geothermal, tech, and bitumen beyond combustion** industries.

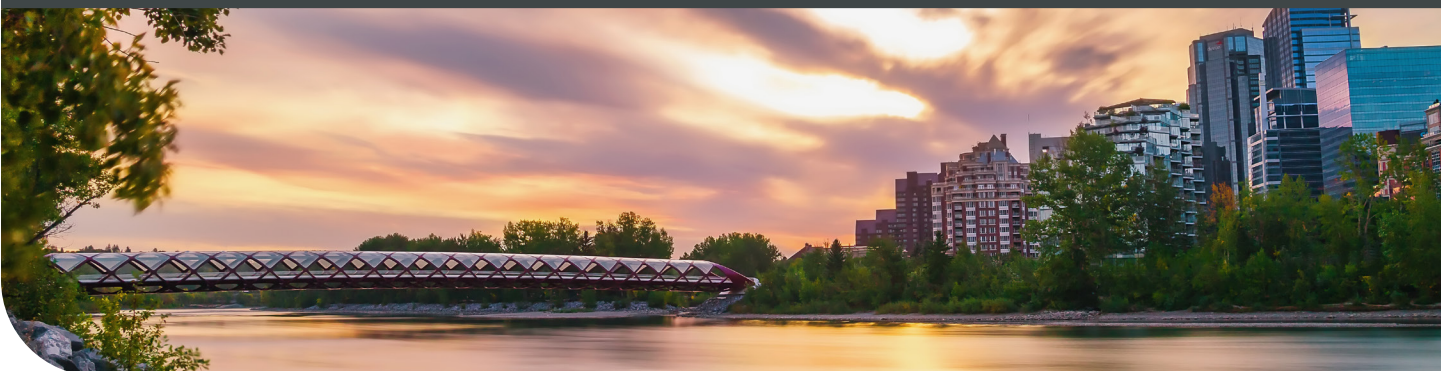
According to a report commissioned by Calgary Economic Development and Edmonton Global, achieving net-zero could lead to the creation of 170,000 jobs and \$61 billion in GDP in Alberta by 2050. We have committed to achieving net-zero by 2050 with the first step being a net-zero electricity grid by 2035, and with Calgary being home to 70 per cent of cleantech companies across the province, the city stands to gain a large proportion of those jobs.

To support diversification, we need to set the right conditions to attract investment. The NDP Government brought in the Alberta Investor Tax Credit (AITC) and Interactive Digital Media Tax Credit (IDMTC). However, they were eliminated by the UCP.

Data shows that Calgary is losing ground to other jurisdictions for tech investment<sup>1</sup>. While reinstating the AITC and IDMTC would help restore competitiveness and put us back on equal footing, we need to do more to gain a competitive advantage.

That's why we have proposed the Alberta Venture Fund that would invite all Albertans to invest directly in the growth of Alberta's tech and AI sectors. The fund would exclusively support Alberta early-stage companies, start-ups, and scale-ups. It is inspired by Premier Ernest Manning's Great Canadian Oil Sands project in the 1960s, which attracted over \$1 billion in today's dollars from roughly 100,000 Albertans.

<sup>1</sup> [https://www.cvca.ca/files/reports/year-end-2021-canadian-vc-pe-market-overview/CVCA\\_VC\\_Q4\\_2021-updated-031722.pdf](https://www.cvca.ca/files/reports/year-end-2021-canadian-vc-pe-market-overview/CVCA_VC_Q4_2021-updated-031722.pdf)







MASSACHUSETTS INSTITUTE OF TECHNOLOGY - BOSTON

## PROPOSALS

### 4. SUPPORT THE CREATION OF A WORLD-CLASS INNOVATION DISTRICT BY WORKING WITH CALGARY POST-SECONDARY INSTITUTIONS TO RELOCATE OR EXPAND CAMPUSES DOWNTOWN

In order to build a globally competitive innovation ecosystem, it will require bringing together civic, public, and private actors to build innovation networks.

The City of Calgary's downtown strategy identifies an opportunity to embrace innovation and technology as a method to diversify Calgary's economy as the energy sector faces disruptions. Furthermore, it identifies the downtown as the centre of economic growth that will attract talent and diverse and innovative businesses and jobs.

As part of its strategy, the city intends to create an innovation district to share knowledge and increase collaboration.

Innovation districts are areas where post-secondaries, entrepreneurs, companies, start-ups, business incubators, and accelerators are in geographical close proximity to facilitate collaboration and innovation. They are also typically transit-accessible, and offer mixed-use housing, office, and retail. Lastly, they present the potential for denser residential development and the revitalization of downtown cores.

Globally, cities like Barcelona, Berlin, London,

Medellin, Seoul, Stockholm have all established innovation districts, while the US has seen their creation in Atlanta, Boston, Brooklyn, Cambridge, Detroit, Philadelphia, Pittsburgh, Portland, San Francisco, Seattle, St. Louis. Closer to home in Canada, innovation districts have been designated in Kitchener, Montreal and Toronto.

Calgary has many of the necessary elements for an innovation district downtown, particularly the area around the new Platform Innovation Centre. In addition, there are multiple examples of this type of collaboration already taking place at CDL-Rockies and the recently announced Energy Transition Hub. In fact, in its first five years CDL-Rockies has generated \$1.3 billion in equity value creation and raised \$569 million in capital.

However, one key piece that is missing in downtown Calgary to create an innovation district is the lack of post-secondary institutions. Increasing the presence of post-secondary institutions, including the creation of an anchor academic institution, will support further collaboration and the formal creation of a world-class innovation district downtown that will allow Calgary to compete with cities around the world to grow Calgary's innovation ecosystem.

#### IN FACT, RESEARCH HAS FOUND THAT DOWNTOWN UNIVERSITIES:

- **Produce 80 per cent more licensing deals.**
- **Report 123 per cent more inventions.**
- **Receive 222 per cent more income from licensing agreements.**
- **Create 71 per cent more startups.<sup>1</sup>**

1

<https://www.brookings.edu/research/hidden-in-plain-sight-the-oversized-impact-of-downtown-universities/>

# PROPOSALS

## 5. CREATE ADDITIONAL CHILD CARE SPACES DOWNTOWN

As part of efforts to fill empty office space and provide amenities to downtown residents, essential services such as child care will be required.

Affordable child care is an economic driver and forms part of the social infrastructure for communities. It gets parents - particularly women - back to work, creates jobs, and ensures full participation in the economy.

As one of the youngest provinces, Alberta requires more child care spaces per capita than

other provinces, and if we want to get more people living and working downtown, we need to increase the number of affordable child care spaces in the core and increase accessibility for child care.

Creating additional child care spaces downtown will fill vacant office space, and provide access to this necessary infrastructure close to where people will live and work, while also increasing participation in the economy.

## 6. GROW AFFORDABLE HOUSING DOWNTOWN THROUGH DEDICATED FUNDING WHILE WORKING WITH THE CITY AND DEVELOPERS TO LEVERAGE INVESTMENT FOR OFFICE CONVERSIONS

We will include student housing as part of our plan to relocate post-secondary campuses downtown. This will provide affordable housing for students, while also filling vacant space, and bring a young demographic into the core.

However, access to affordable housing needs to go beyond just students and to all Calgarians.

The high office vacancy rates in downtown and ongoing conversions from office to residential present an opportunity to increase housing stock in the centre of the city that is close to other services and amenities.

However, jurisdictions that have already gone through previous waves of office to residential conversions, such as Los Angeles and New York, have seen housing affordability become out of reach as some buildings are converted into high-priced units.

As we look towards more office to residential conversions, we need to be proactive in ensuring that housing remains accessible and affordable to all Calgarians living downtown.

The conversion of Sierra Place in downtown Calgary is a prime example of what's possible. The former Dome Petroleum headquarters is a 10-storey office tower on the C-Train line that is in the process of being converted into affordable and transitional housing units, family shelter space, and services such as child care.

However, we need to do more to ensure this is not the only project and that enough affordable housing units are part of the conversions going forward.

As other cities face a new wave of office vacancies due to the pandemic and try to revitalize their downtown, they are looking at measures to increase their affordable housing stock through the conversion of empty offices and hotels.

Given that we propose supporting the City's plan for converting empty office space through a \$100 million matching investment, and the province already funds affordable housing, we would work with the City and developers to ensure a portion of that is affordable. This will leverage existing funding and will result in spending less as opposed to standalone projects.

# PROPOSALS

## 7. INVEST IN MENTAL HEALTH AND ADDICTIONS AND REDUCE BARRIERS TO ACCESSING SERVICES

The onset of the COVID-19 pandemic coupled with increased unemployment, deteriorating mental health, substance use, and homelessness, has led to public safety concerns in the downtown.

We need to ensure Calgarians struggling with mental health and addictions have access to health care and wrap-around services.

As part of Calgary's Mental Health and Addiction Strategy, the 9 Block Program intends to increase safety in the nine blocks around City Hall by working with community partners and

area businesses to address safety and support vulnerable Calgarians. The City is also piloting a Downtown Ambassadors program that is designed to connect Calgarians and visitors to information on services and support in the city.

The ambassador program is run in partnership with HIV Community Link, Alpha House Society's DOAP team and the Aboriginal Friendship Centre of Calgary.

However, the UCP has cut funding to these organizations and increased barriers to accessing mental health and addictions support.



# PROPOSALS

## STANDALONE PROPOSALS

Despite the City and the province working together to support the revitalization of downtown Calgary within their respective jurisdictions, there are some gaps not covered in the City's plan or don't neatly fall within municipal or provincial jurisdiction. As a result, we have put forward three standalone proposals.

## 8. SUPPORT SMALL BUSINESSES TO MOVE DOWNTOWN OR REVITALIZE THROUGH TARGETED GRANTS

We need to attract businesses from a variety of sectors into the downtown core in order to bring people and jobs into the area. But the pandemic and economic downturn has hurt small businesses in Calgary's downtown and left many existing storefronts sitting empty.

While the City has provided incentives for large-scale office conversions, support for small businesses will also be required.

In order to grow our economy, and provide

necessary amenities to residents and visitors to downtown, we need to attract small businesses into the core and support existing ones. This includes filling empty retail space, as well as helping existing small businesses revitalize their storefronts.

However, startup and renovation costs can often be prohibitive. Especially at a time when small businesses are already struggling. That's why we will support small businesses to move downtown and revitalize storefronts.

### WE ARE PROPOSING TWO GRANTS TO ACCOMPLISH THIS:

#### 1. VACANCY GRANTS

Vacancy grants will be available to help new businesses move into empty space downtown and provide support for upfront costs such as renovations.

The basis of this program is similar to other programs that have been implemented in other municipalities.

Edmonton has an Interior Building Improvement Grant to help property

owners and new business tenants fill vacant storefronts and beautify streets. The City provides \$750,000 in funding per year for the program and the grants generate \$19 in private investment for every \$1 in a matching city grant.

In addition, Raleigh, San Jose, Toronto and the State of Maryland have all introduced financial incentives for small businesses to move into vacant commercial spaces.

#### 2. STOREFRONT REVITALIZATION GRANTS

Storefront Revitalization Grants would be accessible to active or vacant commercial spaces to improve storefront or facades downtown.

These grants would offer support to redesign, renovate or restore facades on commercial buildings to improve street level appearance, and provide a more pleasant environment to work, shop and eat.

Facade improvement grants are available in municipalities across the country, including Toronto. Several municipalities in Alberta also have variations of these grants in place, including Edmonton, Fort Saskatchewan, and Wetaskiwin.

The City of Calgary previously had a Facade Improvement Program as part of the Downtown West Revitalization Strategy, but that has been replaced by the Greater Downtown Plan. The City has identified that activating vacant retail spaces as a priority of the new downtown strategy, but has not designed a specific strategy to address the issue.

Edmonton's budget for its storefront improvement program is \$800,000 per year and has generated an average of \$5 invested from the private sector for every \$1 from the City.

**WE WILL PROVIDE AN INITIAL \$5 MILLION IN FUNDING FOR BOTH GRANT STREAMS AND WILL DEVELOP PROGRAM DETAILS IN CONSULTATION WITH THE BUSINESS COMMUNITY.**

# PROPOSALS

## 9. BRING MORE EVENTS AND FESTIVALS INTO CALGARY'S DOWNTOWN

We need to attract residents and visitors downtown to increase vibrancy. This can be done by bringing people downtown outside regular work hours and improving nightlife and tourist attractions. This is apparent in the draw that the Calgary Stampede and other music and art festivals have in attracting tourists and residents from surrounding areas and other Albertans into the downtown.

The City plans to activate public places through supporting festivals and events that will attract people and businesses downtown. However, they have not identified how they will do so. We will provide up to \$2.5 million in funding through microgrants to establish additional events (music, arts, and festivals) and/or amenities such as farmers' markets (indoor and outdoor pop-ups), Christmas markets and other pop-up businesses to enhance traffic of residents and visitors into the core.

## 10. EXPLORE A COST-SHARING AGREEMENT FOR THE CALGARY-BANFF RAIL LINE

Public transit is vital to connecting people to the downtown core.

The C-Train has served this function for decades and the construction of the Green Line will connect tens of thousands more Calgarians to the downtown, while creating 20,000 construction and permanent jobs in the process. That's why our government committed funding to build the Green Line that would connect people to the downtown and get Calgarians back to work.

More recently, a train line from the Calgary airport

to Banff has been proposed that is expected to include a station in downtown Calgary and will boost tourism in the city.

The Calgary-Banff line is seeking \$30 million per year in funding, eventually turning ownership over to the province. The project will require various approvals at the municipal, provincial, and federal levels. If the project is approved at all three levels, we will begin exploring a cost-sharing agreement for the Calgary-Banff rail line between the province, the Bow Valley Corridor Alliance (i.e. Banff, Calgary, Canmore, and Cochrane), and the federal government.



# CONCLUSION

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As Calgarians grapple with a changing economy and a record-high level of downtown office vacancies, it can seem like a daunting problem to solve — but there is hope.

The City has already developed and started implementing a comprehensive plan to revitalize downtown Calgary, but they can't do it alone. It will take all orders of government, the private sector, and Calgarians working together to bring new energy to the city's downtown.

That's why we will advocate to the federal government to support the City's plan through additional direct funding.

It will take new and innovative ideas from Albertans to solve this complex problem, which is exactly the purpose of the Alberta's Future project: to engage Albertans on their ideas for the future of our province and build a new economic vision.

We will continue to engage Albertans on this and other challenges facing our province, so we can build Alberta's future together.



# POTENTIAL COSTS

The costs below are either new, reprofiled, or future capital plan funding.

New funding refers to incremental additional spend to further this initiative.

Reprofiled funding refers to re-allocating existing government spending towards this initiative.

Future capital plan envelope funding will also be redirected towards this initiative.

We welcome feedback on the costing of each proposal put forward as part of Alberta's Future.

POLICY	ESTIMATED COST
OFFICE CONVERSIONS	<b>\$100 MILLION</b>
CAPITAL IMPROVEMENTS	<b>\$55 MILLION</b>
EXPANSION OF POST-SECONDARIES/CREATION OF INNOVATION DISTRICT	<b>TBD</b>
AFFORDABLE HOUSING	<b>PART OF THE \$100 MILLION FOR OFFICE CONVERSIONS</b>
CHILD CARE SPACES	<b>PART OF EXISTING COMMITMENTS FOR AFFORDABLE CHILD CARE</b>
VACANCY AND STOREFRONT REVITALIZATION GRANTS	<b>\$2.5 MILLION</b>
EVENT AND FESTIVAL GRANTS	<b>\$5 MILLION</b>
CALGARY-BANFF RAIL LINE	<b>TBD</b>

# Give Us Feedback

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## WE WANT YOUR FEEDBACK

**Alberta's Future** is an initiative to build a new economy that benefits every person in our province. We want you to share your thoughts and ideas on proposals like this one.

We welcome you to submit your own proposals too!

All of our proposals and those contributed by Albertans like you can be found at **AlbertasFuture.ca**. On that website, you can also register for in-person and online conversations happening right across Alberta.

We are also hosting this conversation on social media, using the hashtag **#ABFuture**.

**Engage directly with NDP Leader Rachel Notley on YouTube, Twitter, Instagram, and Facebook**



**@RachelNotley**

