

Calgary



Program Guide

Downtown Calgary Development Incentive Program

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Downtown Calgary Development Incentive Program

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Downtown Development Incentive Program

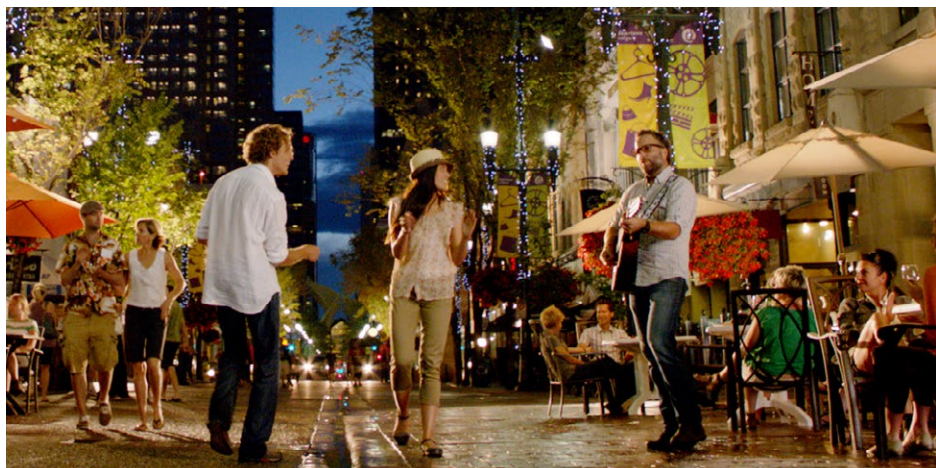
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Introduction

Calgary's Greater Downtown Plan: Roadmap to Reinvention (PUD2021-0220) was approved by Council in April 2021. The Plan illustrates the vision for the future of Downtown. The vision is based on a 10-year implementation timeframe and is estimated to require a total investment of approximately \$1 billion. In support of this plan and its vision, Council also approved report **C2021-0524 Realizing Calgary's Greater Downtown Plan: Initial Investments and Incentives**, which comprised a number of strategic investments including the initial investment to the Downtown Calgary Development Incentive Program.

The purpose of the Downtown Calgary Development Incentive Program (Incentive Program) is to provide financial incentives to assist with the removal of approximately six million square feet of office space from the downtown by 2031, and to increase downtown vibrancy through the addition of residential and non-office uses. It is estimated that of the \$1 billion total investment noted above, a dedication of \$450 million into the Incentive Program fund is necessary to achieve this goal.

This Program Guide provides an overview of the program, eligible conversion uses and their incentive rates, application requirements, evaluation criteria and project scoring considerations. Additional information can be found in the [Incentive Program Revised Terms of Reference](#), which were formally approved by Council at the March 14, 2023 [Council meeting](#).



Grant

Office Conversion

- The Incentive Program is offering a grant for office conversion projects at a specified rate per square foot based on the original gross floor area of existing office that will be converted to one or more of the approved listed uses in the table below.
- Successful applicants will be awarded a grant up to a maximum of \$15 million per property unless Council approves a greater amount for a particular application.

Eligible Conversion Uses and Incentive Rates

Use	Incentive Rate	Exclusions and Restrictions
Multi-Residential Development / Dwelling units	\$75 per square foot	Ground floor lobby and residential amenity space will be compensated at 50% of the associated rate.
Hotel	\$60 per square foot	Ground floor lobby space and ancillary uses will be compensated at 50% of the associated rate.
School	\$50 per square foot	
Performing Arts Centre	\$50 per square foot	

Active Uses at Ground and Plus 15 Level

Where an application proposes an office conversion project for one or more of the eligible uses listed above, the Incentive Program is offering a grant for the provisioning of active uses at ground and Plus 15 levels of \$50 per square foot based on the original gross building area of existing office that will be converted. Active uses may include commercial retail units, personal services, fitness facilities, food market, restaurants, daycares, and other uses deemed appropriate by the Downtown Strategy Team. Preference may be given to specific uses identified as higher need within the area, at the full and sole discretion of the Downtown Strategy Team.



Submission

Applications and Approvals

Applications will be accepted subject to available funding. If funding is unavailable, applications may be submitted to the ongoing and continual intake process for consideration when additional funding becomes available, subject to further evaluation.

Applications to the incentive program must be submitted in alignment with the following application requirements. **Incomplete applications will be rejected back to the applicant to be amended and may be resubmitted once complete.**

Application Requirements

1. Overview of the proposed project
 - Ownership of the subject property
 - Intent of project – conversion of xx square feet of office to xx square feet of future use
 - Estimated total conversion costs
 - Estimated timeline to completion, with key project milestones highlighted
2. Description and background of the existing asset
 - Current use and vacancy status
3. Overview of the physical location of the proposed project
 - Project address
 - Location map
 - Surrounding context (i.e.: uses, amenities) and neighbouring properties, if relevant
4. Project proposal
 - What is being proposed, including details around ground level activation
 - Project scoring considerations, if applicable (see below section)
 - Who will be involved in the conversion project (applicant's team and list of consultants such as architects, designers, engineers, or agents)
 - How, and from whom, financing and/or capital is to be sourced
 - Any schematics, drawings, renderings available or relevant permits
5. Project readiness
 - Status of financing/funding
 - Existing vacancy and/or remaining lease terms

Please reference the Submission Package Contents section on page 11 for further information on the preferred layout and content of your application package.

Evaluation

- The Downtown Strategy Team will review applications based on the criteria set out in the Terms of Reference.
- The Downtown Strategy Team will endeavour to review applications as received and respond to applicants within a timely manner. The timeline for response is subject to a variety of factors. Furthermore, a timely review of an application requires the applicant and the Downtown Strategy Team to work collaboratively, and the applicant must provide documentation or other information as required on a timely basis to facilitate these timelines. Failure to respond in a timely manner from applicants may result in delay or refusal of their application.
- Following review by the Downtown Strategy Team, applications will be brought forward to the Incentives Approval Committee with a recommendation for decision (approval or refusal).
- Applicants will be informed by the Downtown Strategy Team of the status of their application once there has been a decision to approve or refuse the application.
- For applicants that submit viable and acceptable conversion proposals, but where funding is not available under the Incentive Program at that time, those applications will be re-evaluated if/when funding becomes available, with no guarantee of priority status or funding allocation.

Application Approvals

- If an application is approved by the Incentives Approval Committee or Council a Funding Agreement in The City's form will be prepared for signing by the applicant and The City, laying out the responsibilities and obligations of both parties. If stage gates during the construction process are not met, the Funding Agreement may be terminated, at The City's sole discretion.
- Successful applicants must provide regular reports to the Downtown Strategy Team on progress towards completion – the details of reporting requirements will be outlined fully in the Funding Agreement. These reporting requirements may include copies of progress draws from lenders or other supporting documentation to confirm ongoing progress on the project. If an applicant elects to self-fund, evidence of internal financial resources is required.

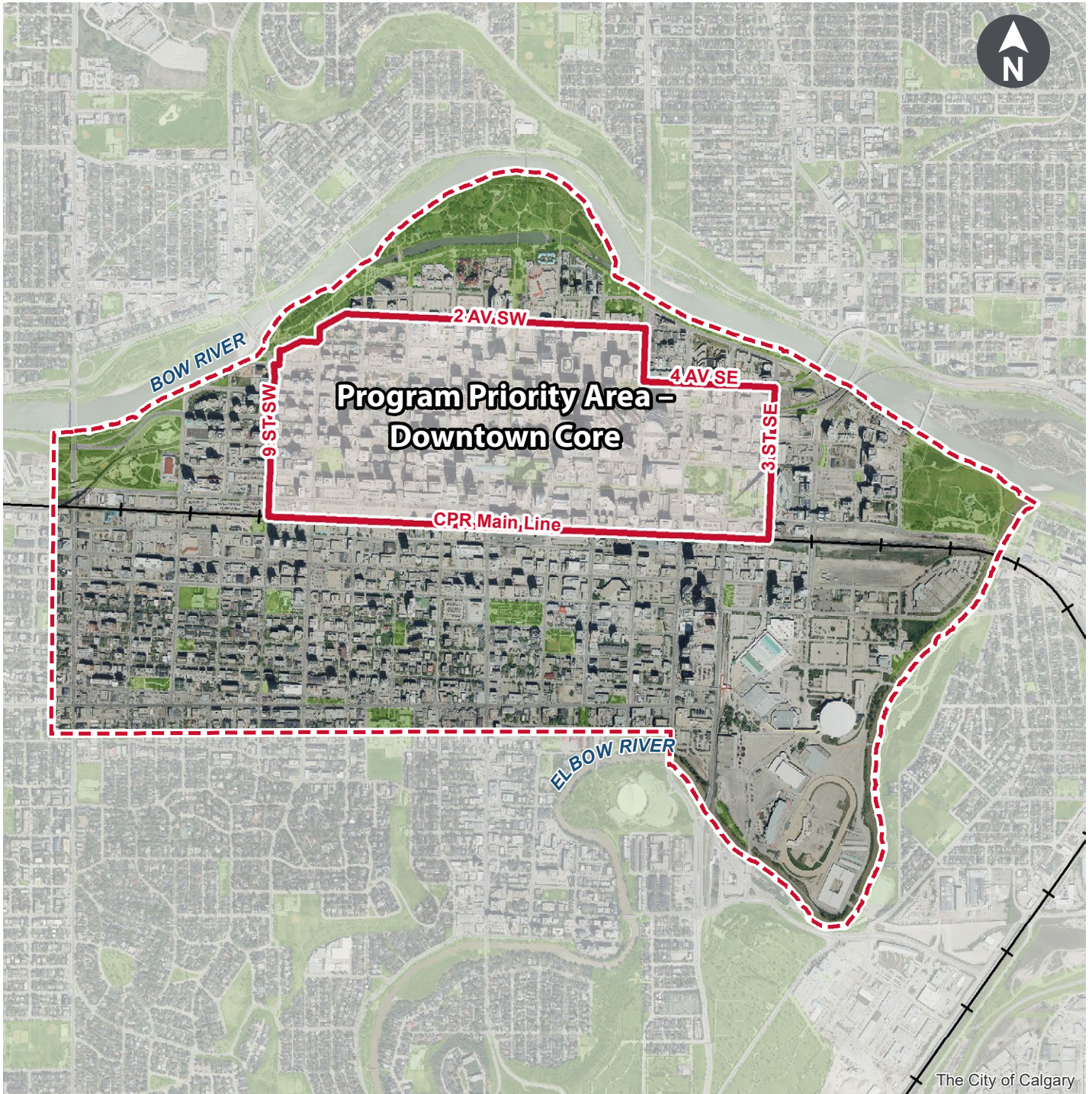
Criteria and Considerations

Key Criteria

To be eligible for approval by the Incentives Approval Committee or Council, an applicant must first satisfy the criteria outlined below. The criteria below must be met to be considered for the Incentive Program.

1. The proposed conversion project results in the elimination of office space.
2. The proposed conversion is from office space to one or more eligible conversion uses as specified in table 3.2.
3. The property is located within the Greater Downtown Plan Area with priority given to projects located in the Priority Area of the Downtown Core (see provided map).
4. The applicant is the property owner or their designated agent, or the applicant provides the Downtown Strategy Team with letters of authorization.
5. Evidence of satisfactory project financing.
6. Applicant track record.
 - a. The applicant shall submit their project experience similar to the scope and size contemplated in the application. If the applicant has no conversion experience, the consultants/advisors that have conversion experience shall be named along with their relevant experience. The development manager(s) or development consultants must have a proven track record in office conversions or major urban renovation projects. The City's previous dealings with the applicant, if any, including the applicant's history of compliance with previous agreements and/or requirements of development, as well as any previous dealings under the Incentive Program, may also be considered.
 - b. The applicant shall prove to the satisfaction of the Downtown Strategy Team that the applicant has the human resources from a project management, supervision and execution perspective (if not own staff then via consultants) available in Calgary.
7. Consideration of existing tenants and uses.
 - a. The applicant must make every reasonable effort to support the relocation of any existing headlease and sublease tenants to a property within the Greater Downtown Plan Area.
 - b. For properties with any of the following uses, applicants must make every reasonable effort to retain tenants, and/or provide a relocation plan within the Greater Downtown Plan area, specifically within the Downtown Core:
 - Non-profit/social services;
 - Educational uses;
 - Cultural spaces, including murals and public art;
 - Daycare & learning centers;
 - Recreational uses;
 - Ground-level retail; and,
 - Health services.
8. Existing active ground floor and Plus 15 level commercial uses should be supported and encouraged to remain.

Downtown Calgary Development Incentive Program Map



The City of Calgary

Legend

- Downtown Office to Residential/ Adaptive Use Program Area (Greater Downtown Plan Area)

- Program Priority Area - Downtown Core, bounded by:**
 - 2 Avenue SW (north)
 - 3 Street SE (east)
 - CPR Main Line (south)
 - 9 Street SW (west)

Project Scoring Considerations

In addition to the above key criteria, other aspects may be considered and used as a means for scoring projects and allocating funding based on how proposals rank against one another. Generally, proposals that can demonstrate additional alignment to the vision and goals of the [Greater Downtown Plan](#) will be scored higher than those that only achieve the key criteria. Specific aspects that may be considered in the scoring of applications are listed below, in no particular order, and are not limited to the following:

- Active uses at grade and at Plus 15 level, where applicable
- Façade improvements
- Public realm improvements
- Heritage building preservation
- Inclusion of below-market housing
- Exterior landscaping
- Sustainable building design and improvements, beyond building code standards and requirements (i.e. emissions reduction, climate adaptation, etc.)
- Other unique features as highlighted in the application that contribute to downtown vibrancy and resilience

Additional Information

Submission Package Contents

When preparing the application requirements (as noted on page 6 of the Program Guide) in preparation for submittal, consider the following additional information regarding layout and content:

1. Overview of the Proposed Project
 - Include a detailed breakdown of the estimated conversion costs
 - Include a detailed chart outlining the estimated time to completion, including key milestones, visually representing the overlap and anticipated steps including design, permitting and construction
2. Description and Background of the Existing Asset
 - Consider including a diagram or visual representation of the current use and vacancy of the building, where relevant
 - Include additional information, photos and plans (where available) of the existing building, including noteworthy or unique features
3. Overview of the Physical Location of the Proposed Project
 - The location map(s) can be an aerial photo or digital rendering that clearly indicates the site within the program area, and should include supplementary information such as:
 - transit lines/stops; park, pathway and recreation amenities; key landmarks; businesses and services
 - Include photos and/or renderings of neighbouring properties, streets and the public realm
4. Project Proposal
 - Include a detailed rationale of how the application relates to the project scoring considerations indicated in the Program Guide
 - Include all available preliminary plans and renderings
 - When highlighting the project team and previous projects, please include only pertinent information and projects directly relevant to your application.
5. Project Readiness
 - Include a high level overview of financing/ funding and vacancy; do not include lengthy supplemental reports or documents

Application Submission

Applications can be submitted any time while the Incentive Program is open. The intake process will be ongoing and continual and will operate in relation to available funding. Submissions will be checked for completeness of information upon receipt.

Applications to the Incentive Program must be submitted via email to downtownstrategy@calgary.ca. Email confirmation of receipt will be issued within two business days.

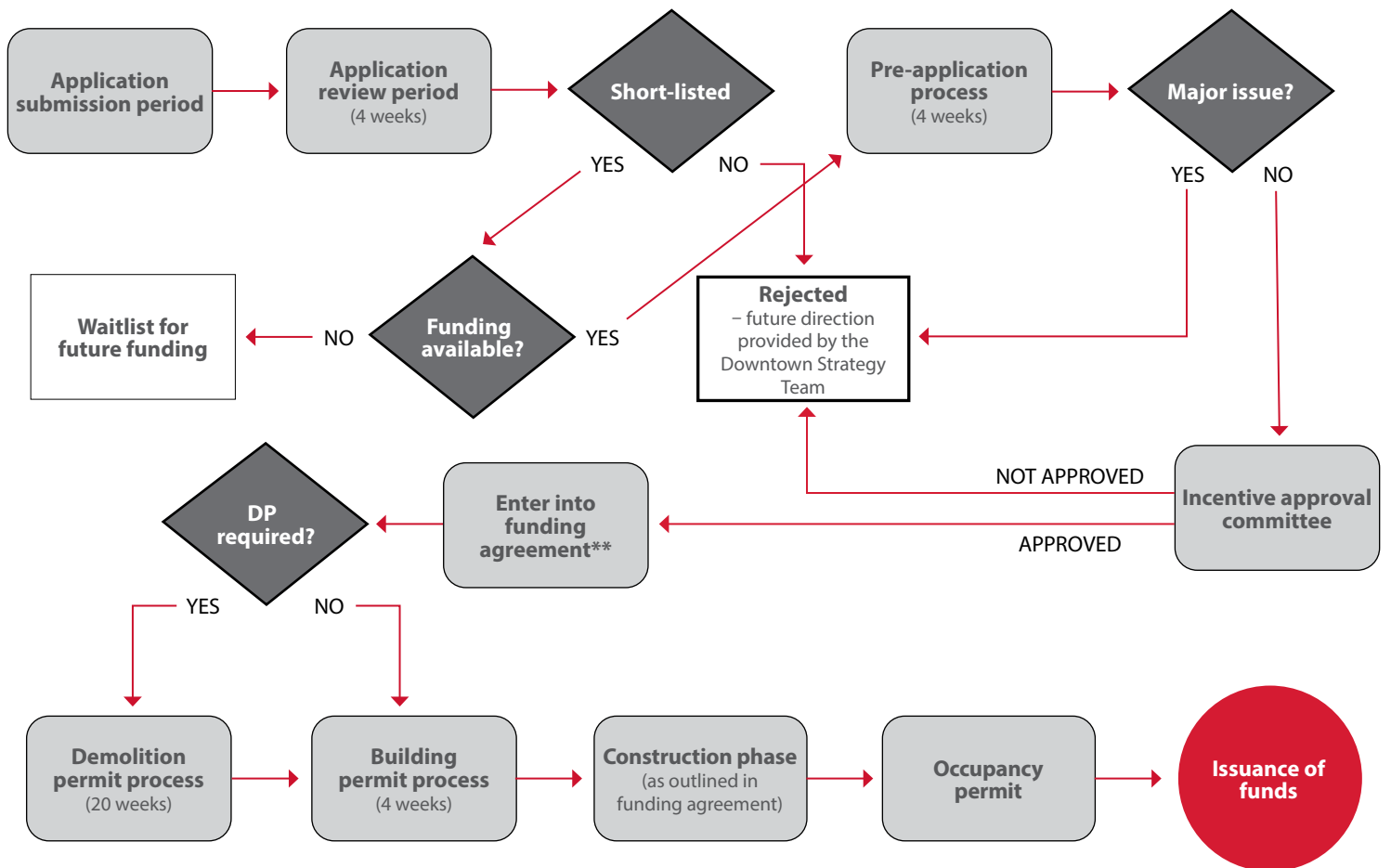
Documents and information should be packaged into one file where possible. PDF format is preferred with max file limit of 25MBs.

For all questions and inquiries regarding the Downtown Calgary Development Incentive Program, please email downtownstrategy@calgary.ca

calgary.ca/downtownincentives

Application Process Flow Chat

Downtown Development Incentive Program – Conversion Application Process



** For projects up to \$15M only. Project above \$15M must be approved by Council - add 4 weeks.