

Calgary



Program Guide

Downtown Office Demolition Incentive Program



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Downtown Office Demolition Incentive Program

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Introduction

The Downtown Office Demolition Incentive Program (Demolition Program) was established by Council on 14 March 2022. The Demolition Program was established in support of **Calgary's Greater Downtown Plan: Roadmap to Reinvention (PUD2021-0220)** and its associated implementation plan **Realizing Calgary's Greater Downtown Plan: Initial Investments and Incentives (C2021-0524)**.

The purpose of the Demolition 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. The Demolition Program intends to reduce office vacancy and improve downtown vibrancy through the demolition of end-of-life buildings that are unsuitable for adaptive reuse and providing opportunities for new uses and activation on sites after building demolition.

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



Grant

- The Demolition Program is offering a grant up to 50% of demolition costs not to exceed a rate of \$15 per square foot based on the original gross building area of existing office space that will be demolished
 - An additional \$5 per square foot may be considered for projects requiring asbestos abatement and/or hazardous material removal, with a total grant amount not to exceed 50% of total demolition costs.
- The grant will be up to a maximum of \$3 million per property unless Council approves a greater amount for a particular application.



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 Demolition 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 – demolition of xx square foot of office space
 - Estimated total demolition costs with quotes from three third-party vendors
 - Estimated timeline to completion
 - Photos that show the current site and context, accompanied by how the demolition will impact the surrounding uses and ways to mitigate impacts
2. Description and background of the existing asset
 - Current use and tenants
 - Vacancy status
 - Disclose any known environmental concerns, such as the presence of toxic substances within the building and more
 - Explanation of why demolition is a better alternative of adaptive reuse/ conversion
3. Overview of the physical location of the proposed project
 - Project address/location
 - Contextual information on surrounding properties
4. Project proposal
 - What is being proposed
 - Who will be involved in the demolition 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
 - A description of the plan for remediating the land after demolition
 - An overview of the planned reuse / redevelopment of the site
 - If none, an indication of willingness to allow The City to program the site in the interim of development at no cost to the land owner
5. Project readiness
 - Status of financing/funding
 - Status of any existing leaseholds
 - Demolition / deconstruction timeline

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 within a timely manner, which requires the applicant and the Downtown Strategy Team to work collaboratively. The applicant must provide documentation or other information as required on a timely basis to facilitate these timelines.
- Following review by the Downtown Strategy Team, applications will be brought forward to the Incentives Approval Committee 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 Demolition Program at that time, those applications will be re-evaluated if/when funding becomes available, with no guarantee of priority status or funding allocation.

Applications and 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.

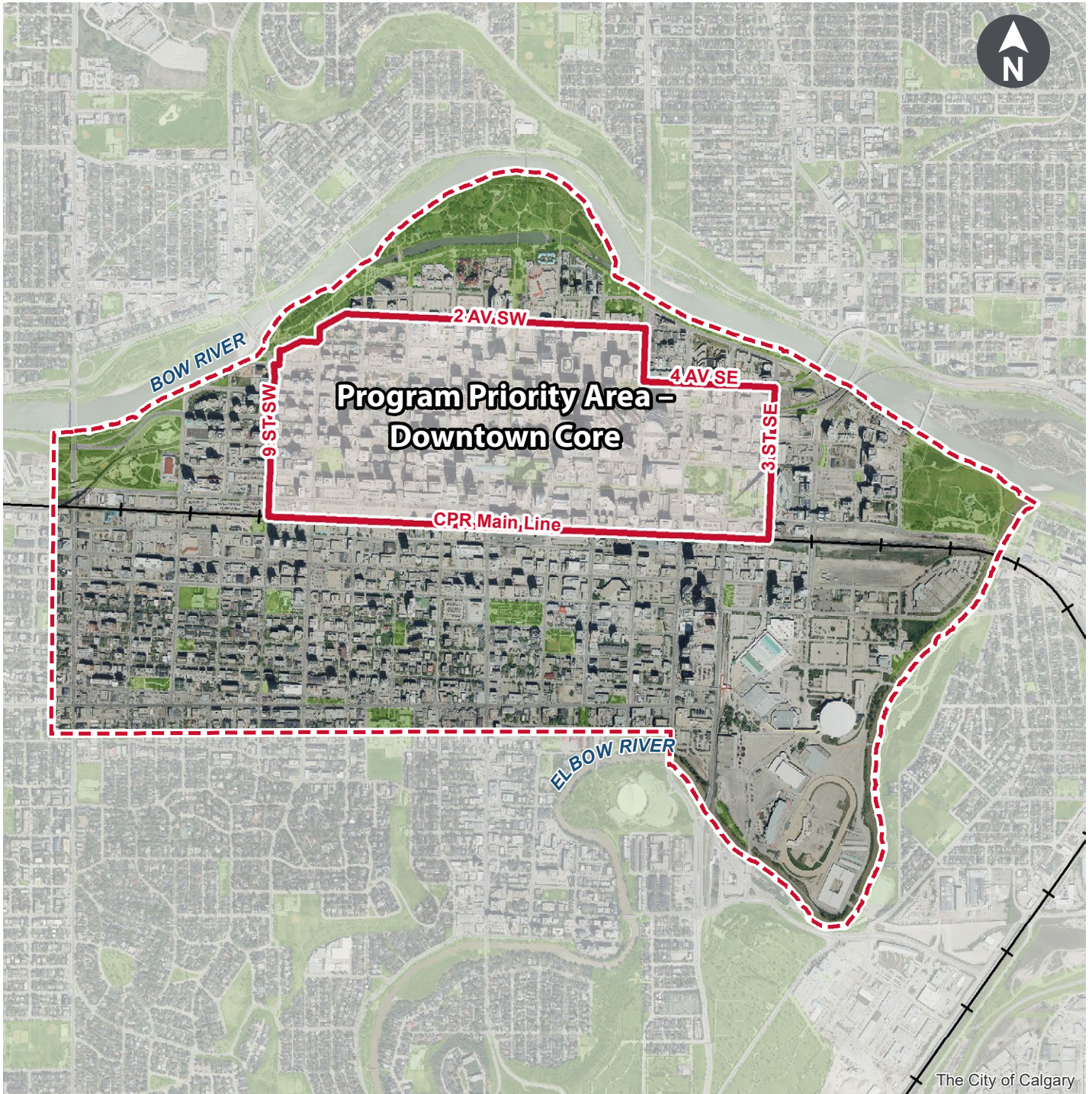
Criteria and Considerations

Key Criteria

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

1. Elimination/removal of office space.
2. Preference will be given to end-of-life buildings that are unsuitable for adaptive reuse.
3. Preference will be given to properties assessed at or close to land value.
4. Preference will be given to projects that demonstrate environmentally responsible methods for demolition, such as deconstruction, salvaging and recycling.
5. 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).
6. Buildings listed in the Inventory of Evaluated Historic Resources will not be considered.
7. The applicant is the property owner or their designated agent, or the applicant provides authorization from the property owner that is satisfactory to The City of Calgary.
8. Evidence of project financing.
9. Applicant track record.
 - a. The applicant shall submit their project experience similar to scope and size contemplated in the application. If the applicant has no demolition experience, the consultants/ advisors that have demolition experience shall be named complete with their relevant experience. The development manager(s) or development consultants must have a proven track record in large-scale demolition projects in urban areas. 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, may also be considered.
- b. The applicant shall prove to the satisfaction of the Incentives Approval Committee 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.
- c. Details about the applicant shall be provided with the application as follows:
 - Age of entity/corporation;
 - Type of entity/corporation (legal and industry); and,
 - Proof of good standing with respect to annual filings, corporate standing, and financial capacity.
10. Consideration of existing tenants and uses.
 - a. The applicant must support the relocation of any existing headlease and sublease tenants to a property within the Greater Downtown Plan Area before demolition. Buildings displacing existing tenants will not be funded.
 - b. Properties with the following uses must include a relocation plan to relocate them to the satisfaction of the Downtown Strategy Team:
 - Non-profit/social services
 - Educational uses
 - Cultural spaces, including murals and public art
 - Daycare & learning centers
 - Recreational uses
 - Ground-level retail
 - Health services
 - Other uses as determined by the Downtown Strategy Team

Downtown Office Demolition Program Area Map



Legend

-- Downtown Office Demolition Program Area

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

Post Demolition Criteria

1. The site must be cleared of debris and a final inspection report must be obtained by The City.
2. The site must not be used for the purposes of office uses for a minimum of ten years.
3. The site must not be used for the sole purpose of parking.
4. The site must be remediated to the satisfaction of the Downtown Strategy team.
5. Demolition projects without a redevelopment plan, plan of land sale or a programming strategy within a one-year timeframe must be willing to allow The City to implement programming and activation in the interim of redevelopment.

Additional Information

Application Submission

Applications can be submitted any time while the Demolition 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 Demolition Program must be submitted via email to downtownstrategy@calgary.ca

Email confirmation of receipt will be issued within two business days.

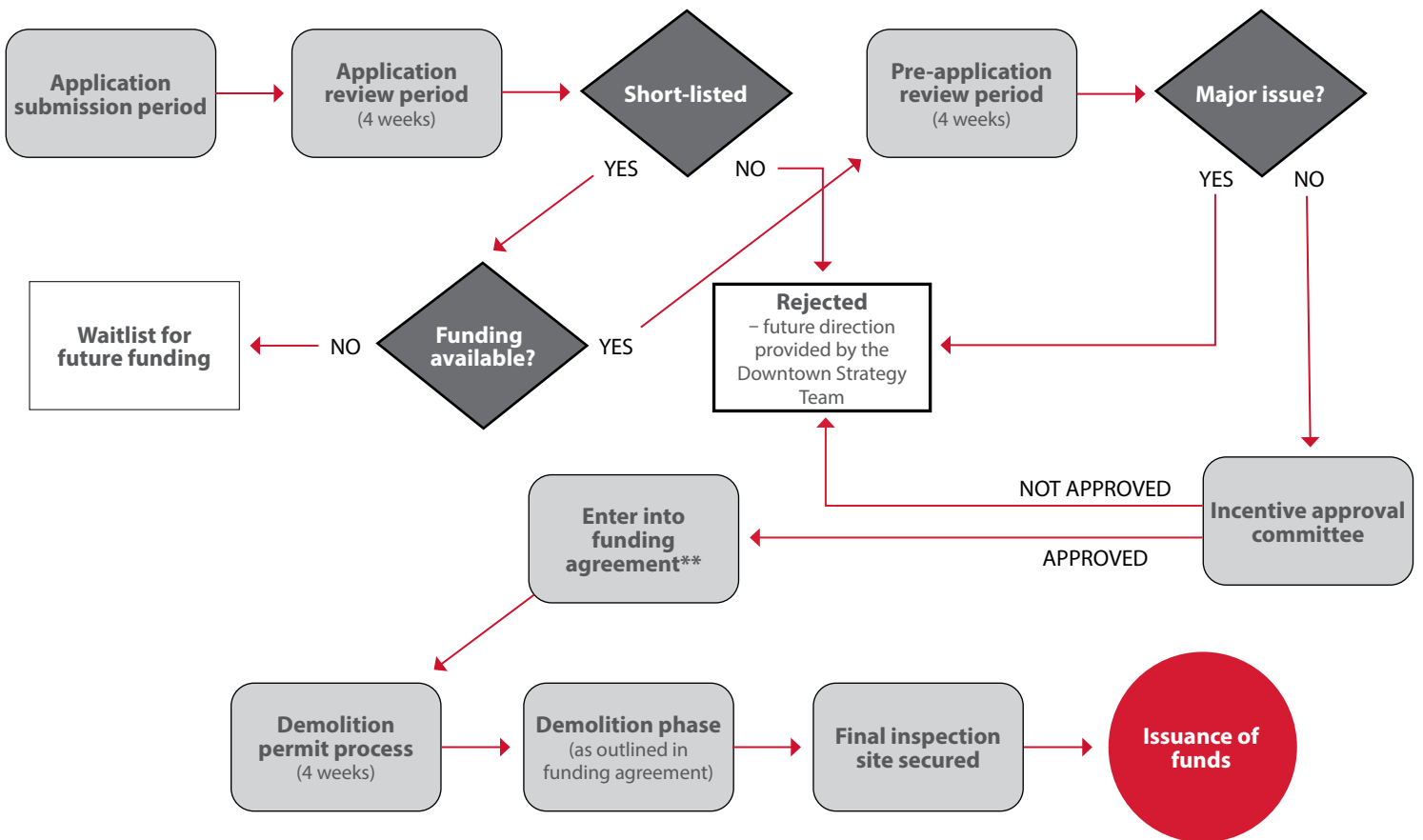
Documents and information should be packaged into one file where possible. PDF format is preferred with a max file limit of 25MBs.

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

calgary.ca/downtownincentives

Application Process Flow Chat

Downtown Demolition Incentive Program – Full Application Process



** For projects up to \$3M only. Project above \$3M must be approved by Council - add 4 weeks.