

REVISED DOWNTOWN CALGARY DEVELOPMENT INCENTIVE PROGRAM TERMS OF REFERENCE

1 PURPOSE

The purpose of the Downtown Calgary Development Incentive Program's Terms of Reference is to define the intended outcomes of the program, outline requirements and processes for applications to the program, and provide clarity and transparency of the review process and decision-making.

1.1 Intended Outcomes

The Downtown Calgary Development Incentive Program ("the Program") was established in 2021 April by Council in report *C2021-0524 Realizing Calgary's Greater Downtown Plan: Initial Investments and Incentives*. The approved report was presented in conjunction with report *PUD2021-0220 Calgary's Greater Downtown Plan: Roadmap to Reinvention* that detailed the 10-year implementation plan.

The intended outcomes of the Program are to increase overall economic activity, vibrancy and safety; accelerate the delivery of housing; and ensure good quality development in the Greater Downtown Plan Area by:

- Supporting the removal of approximately six million square feet of office space in the Greater Downtown Plan Area over a 10-year period (2021 to 2031) through the adaptive reuse of existing buildings, with a priority area of the Downtown Core;
- Reducing the downtown office vacancy rate and supporting property values and the non-residential property tax assessment base;
- Accelerating the delivery of new housing to support The City of Calgary's Housing Strategy and increase the downtown resident population to improve vibrancy and safety;
- Ensuring good quality building design and public realm is achieved; and
- Enhancing vibrancy by encouraging active uses at the ground and Plus 15 levels.

2 APPLICABILITY

These Terms of Reference supercede any prior versions issued by the Downtown Calgary Development Incentive Program and apply to all applications received by the Program after the approval of these Terms of Reference by Council, and any available funding designated to the Program.

The Program applies to office conversion projects in the Greater Downtown Plan Area. Priority will be given to applications within the 'Priority Area' as highlighted on the map in Appendix 7.1.

2.1 Out of Scope

The following applications will be considered out of scope and therefore will not be considered for the Program:

- Projects located outside of the Greater Downtown Plan Area.
- Conversions of buildings that are not currently classified by The City of Calgary ("The City") as commercial office use and a "non-residential" property for assessment and tax purposes.

- Projects whereby the applicant(s) and/or owner(s) (or ownership/management group or member thereof, or company affiliated with the applicant and/or ownership/management group) have a current funding agreement or any other legal agreement with The City of Calgary for a conversion project and have been issued a notice of event of default (notwithstanding that the default may be remedied or in the process of being remedied). Further application(s) to the Program will be deemed ineligible until the project associated with the event of default and applicant owner or ownership/management group is fully complete and a notice of occupancy for the project has been issued by The City.
- Construction of new buildings, and additions to existing buildings.
- Property owned by any municipal, provincial or federal government, or any subsidiary or affiliate thereto.

3 INCENTIVE

3.1 Office Conversions

- The Program is offering incentive funding for office conversion projects at the rate per square foot specified in table 3.2 below based on the original gross floor area of existing office space that will be converted to one or more of the approved listed uses specified in table 3.2.
- The incentive funding will be up to a maximum of \$15 million per property unless Council approves a greater amount for a particular application.
- Available incentive funding for eligible uses will be dependant on The City's funding source available at the time the application is submitted and reviewed.

3.2 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 incentive rate.
Co-living*	\$60 per square foot	Ground floor lobby space and ancillary use space will be compensated at 50% of the associated incentive rate.
Hotel	\$60 per square foot	Ground floor lobby space and ancillary use space will be compensated at 50% of the associated incentive rate.
School**	\$50 per square foot	n/a
Performing Arts Centre	\$50 per square foot	n/a

*Co-living proposals are intended to be a housing type featuring 'dormitory' style facilities with individual sleeping accommodations as well as communal facilities such as kitchens, washrooms and/or living spaces. Co-living proposals are not intended to accommodate uses which fall under the 'Care and Health Group' in Schedule A of the Land Use Bylaw 1P2007. Determination of a proposal's most appropriate use(s) as per the Land Use Bylaw will occur as part of the Pre-Application Assessment as described in Section 6.2.

**School use is intended as K-12 schools, and does not include post-secondary institutions pursuant to the provincial *Post-secondary Learning Act* (Alberta).

3.3 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 Program is offering incentive funding for the provisioning of active uses at ground and Plus 15 levels of \$50 per square foot based on the original gross floor area of existing office space that will be converted. Active uses may include commercial retail units, personal services, food markets, restaurants, daycares, and other uses deemed appropriate by the Incentives Approval Committee in their sole and exclusive discretion. Lobby space, private resident amenity, and ancillary use space will not be considered an "Active Use". Available incentive funding for active uses will be dependant on available funding sources at time of project submission and review.

4 GOVERNANCE

4.1 Downtown Strategy Business Unit

All applications to the Program will be submitted to, and reviewed by the Downtown Strategy Business Unit ("DTS team") or, in the event of a restructuring of roles, an equivalent team as may be designated by the Chief Operating Officer in their sole discretion.

The funding application process from intake to payment of funds will be led and managed by the DTS team. Funding recommendations (approval or refusal) will be made by the DTS team to the Incentives Approval Committee or Council, as applicable (per Section 4.3 Approvals & Decision-Making).

Other subject matter experts will be engaged as required for support throughout the review, project development process, negotiation of a funding agreement, execution of the project, and any other processes as required.

4.2 Incentives Approval Committee

The Incentives Approval Committee ("IAC") consists of three members:

1. General Manager of Planning & Development Services, or their designate;
2. Director of Finance, or their designate; and
3. Director of Real Estate & Development Services, or their designate.

4.3 Approvals & Decision-Making

The DTS team will make recommendations for decision (approval or refusal) to the IAC for all funding requests up to and including \$15 million for any individual application. Decisions for funding requests up to and including \$15 million shall be in the sole and exclusive discretion of the IAC.

The DTS team will make recommendations for decision (approval or refusal) to Council for all funding requests greater than \$15 million for any individual application, following endorsement

by the IAC. Decisions for funding requests greater than \$15 million shall be in the sole and exclusive discretion of Council.

Decisions made to approve an application will approve the application's progression to the next stage of the process to negotiate a funding agreement pursuant to this Program, which shall be in the sole and exclusive discretion of the IAC or Council as summarized above.

Decisions, including approvals, made pursuant to these Terms of Reference do not: (1) constitute the granting by the municipality of The City of any approval or permit as may be required pursuant to the Municipal Government Act (Alberta) or any other legislation in force in the Province of Alberta, including approvals of subdivision and permit applications and any land use redesignation applications, or (2) restrict the municipality of The City, its Council, officers, employees or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as an approving authority over subdivision and permit applications and land use redesignations applications, or as a governmental authority.

4.4 Administrative Review Panel

Applicants may request a reconsideration of the IAC's or Council's decision to the Administrative Review Panel ("ARP") within 30 calendar days of receiving notification of a decision. To be eligible for reconsideration, applicants must have new and material information that could not have reasonably been submitted with their original application, and was not considered by decision-makers in the original decision-making process.

The ARP consists of two members:

- Chief Financial Officer, or their designate; and
- Chief Operating Officer, or their designate.

The ARP will render a written decision on all requests for reconsideration within 30 calendar days of receiving the request for consideration, and upon recommendation of the ARP a reconsideration of a Council decision will be returned to Council (timelines for Council are dependent on the Council calendar).

5 APPLICATION SUBMISSION REQUIREMENTS

To be considered for the Program, all applications must be submitted by the submission period deadline and in the format described on The City of Calgary Downtown Strategy's website ("Downtown Strategy website").

Applications must include the following information and documentation:

1. **Location:** Legal address and confirmation that the project is within the Greater Downtown Plan Area.
2. **Property Assessment Status:** Confirmation that the property, at time of submission, is classified by The City of Calgary as *commercial office* and is designated as non-residential for assessment and tax purposes.
3. **Legal Status of the Property:** Confirmation of ownership of the property, property encumbrances and any existing development agreement implications provided through a recent title search completed within 30 days prior to submission. Documentation to include property title(s), any and all development agreements, encumbrances, caveats, or other legally binding items relating to the property.

If an applicant is not the current owner but proposing to purchase the property for conversion, letter(s) of authorization from the current owner(s), demonstration of a path to ownership, and provision of a letter from the property owner attesting to the proposed sale must be provided.

4. **Tenancies:** A description of current tenants and their operations, total leased areas, and the expiry date/termination clauses of their leases, including plans for tenant relocation.
5. **Project Description:**
 - Approximate square footage of office space proposed for conversion.
 - Proposed eligible use post-conversion per Section 3.2. Preference will be given to residential use.
 - Anticipated number of new dwelling units being created, where applicable.
 - Description of proposed unit mix and affordability (ie. market vs. non-market).
 - Sufficient information demonstrating how proposed use(s) can be accommodated within building footprint. For residential uses, location of windows should be indicated.
 - Additional project details where applicable, including ground level and Plus 15 uses and activation, provision of residential amenity, proposed exterior renovations and improvements climate mitigation measures , and/or any changes to site plan and/or public realm.
 - Any relevant site context, including disclosure of any known structural or environmental concerns, such as the presence of toxic substances within the building and/or contamination of the property or surrounding lands.
 - Preliminary architectural drawings,schematic plans and renderings including standard floorplan layouts, where available.
 - Any other information that may be relevant to overall project evaluation, per Section 6 below.
6. **Financial Details:** Financing plan and related timelines for fulfilment of the financing plan. Demonstration of the financial capacity of the applicant owner or ownership/management group to undertake the proposed project, including:
 - If externally funded, provision of a financing commitment letter if available at this stage. If a financing commitment letter is not available at this stage, provision of a comfort letter from the applicant's financing institution providing support for the applicant's application to the Program for the proposed project.
 - If internally funded, provision of the most recent audited financial statements of the applicant (and of its affiliates if the applicant is an ownership/management group) if audited financial statements are available at this stage. If audited financial statements are not available for the applicant at this stage, provide the most recent unaudited financial statements of the applicant (and its affiliates if the applicant is an ownership/management group).
7. **Project Readiness:** High-level breakdowns of estimated project costs (note that it is expected that further refinement and provision of updated costing will be provided throughout the project) and project timelines, including anticipated receipt of any required development and building permit approvals, construction schedule and planned

occupancy. Any prepared construction or permit drawings, where available. (Refer to Section 6.2.2 Review of Project Maturity & Readiness to Proceed).

8. **Project Experience, Capacity and Team:** Fulsome description of the project team and organizational structure, including:
 - A description of the applicant's or ownership/management group's proven development experience, which includes both internal and external resources, including the architect, development manager, and the general contractor required to complete the project, including descriptions of the experience of each. Details on any planned future property management for the project should be included if known and applicable.
 - An organizational chart that visually conveys the applicant's or ownership/management group's internal structure by detailing roles, responsibilities, and relationships between individuals within the entity, or relationships between the ownership/management group (if applicable), including an overall corporate organizational chart that illustrates all affiliated corporations of the owner.
 - Prior relevant sample projects, with specific focus on conversion projects or projects of similar scope and/or scale.
9. **Consent Forms for Due Diligence:** Applicant owners will be required to submit signed consent forms providing The City the authority to perform legal and financial due diligence searches (forms will be available on the Downtown Strategy website).
10. **Signed Applicant Agreement Form:** Applicants/owners will be required to complete any Applicant Agreement forms and include with submission package (forms will be available on the Downtown Strategy website).

If any of the above material cannot be reasonably provided at the time of application submission, applicants must provide a rationale for not including the material along with an indication of when the information will be provided. All submission requirements must be received by the DTS team prior to an application advancing to the evaluation stage outlined in Section 6.

Any additional information providing further clarity of the proposal may also be included. Further, if the information submitted lacks clarity, or the DTS team requires further information, applicants may be contacted at any time during the process to provide the required information.

6 APPLICATION REVIEW PROCESS & EVALUATION

All applications will be subject to a multi-step review process that stage-gates approvals and provides transparency to applicants regarding their application status during the review process. It also provides decision-makers with clear points within the process where an application will either move to the next stage, be deemed ineligible to proceed, or receive a decision recommendation (approval or refusal) to progress to negotiation of a funding agreement. Throughout the stages of the review process, applicants will receive written confirmation from the DTS team of the application's status (ie. ability to proceed and/or decision outcomes).

The evaluation of the application will comprise two main parts: i) a Preliminary Review to assess eligibility to the Program, and ii) a Comprehensive Application Review to determine overall scoring of applications based on the merits of the proposal. Overall application scoring will

inform the recommendations for funding and how applications will be prioritized. The DTS team will rank applications based on the aggregate score (out of 100 possible points) of each application resulting from the Comprehensive Application Review. Projects within the Priority Area (map appendix 7.1) will be considered for incentive funding before projects located outside of the Priority Area. The highest ranked applications will move forward to the next stage, which is recommendation to IAC or Council (as applicable) for approval to negotiate a funding agreement. Applications not meeting the minimum scoring requirements will be recommended for refusal.

The overall evaluation criteria and application scoring categories are summarized in the below table and further detailed throughout Section 6. Supplemental information will be available on the Downtown Strategy website.

No.	Evaluation Criteria	Scoring
1	Complete Application Submission	Pass/Fail
2	Legal Requirements – Legal Due Diligence	Pass/Fail
3	Financing Plan and Financial Capacity	Pass/Fail
4	Project Experience, Capacity & Team	40 <i>*A minimum score of 20 is required</i>
5	Project Maturity – Readiness to Proceed	30 <i>*A minimum score of 15 is required</i>
6	Project Elements	30 <i>*A minimum score of 15 is required</i>

- Preliminary Review (Pass/Fail)
- Comprehensive Application Review (Scoring Criteria)

Per Section 4, the DTS Team will be the main point of contact throughout the application review process and will communicate directly with applicants and provide guidance through the process. Other subject matter experts will be engaged as required for support throughout the application review, project development process, negotiation of a funding agreement, and execution of the project.

Application intake timing and details on how to apply to the Program will be posted on the Downtown Strategy website. The Terms of Reference, along with additional resources and further guidance on application submissions, will also be provided on the website.

6.1 Preliminary Review: Eligibility Evaluation

After intake, applications will undergo a Preliminary Review to assess the overall eligibility of the application to the Program.

The Director of Downtown Strategy, in their sole discretion, will make decisions on the eligibility of applications at the Preliminary Review stage. Applications will not proceed through the Comprehensive Application Review and will not be sent to the IAC or Council for decision-making if the application cannot satisfy all requirements at the Preliminary Review stage.

Applicants will be notified in writing by the DTS Team regarding the result of the Preliminary Review. Applications must receive a 'Pass' in all three areas of the Preliminary Review to be considered eligible for the Program and to proceed to the next stage of the review process.

6.1.1 Complete Application Review

All applications will be reviewed for completeness of submission as per requirements detailed in Section 5. Incomplete submissions will receive a 'Fail' and will not be eligible to proceed to further review.

The Complete Application Review will also determine whether applications meet minimum eligibility requirements per Section 2: Applicability, and as follows:

- Subject property is located within the Greater Downtown Plan area;
- Subject property is assessed by The City of Calgary as 'Non-Residential' with a use of 'Commercial Office' at time of application submission;
- Application proposes conversion of existing commercial office use to one or more of the Eligible Uses per Section 3; and
- Applicant owns the property eligible for conversion, or if the applicant is not a current owner but proposing to purchase the property for conversion, a letter of authorization from the current owner should be included along with demonstration of a path to ownership (such as a pending purchase/sale agreement). Documentation shall include property title(s), any and all development agreements, encumbrances, caveats, or other legally binding items relating to the property.

6.1.2 Legal Due Diligence Review

In order to be considered eligible for the Program, applicant owners or their ownership/management group (as may be applicable) will undergo a comprehensive due diligence search by The City's legal team. The search will include, inter alia, a search of land titles, property tax status, bankruptcy filings, any existing Canadian or international sanctions, litigation/prosecution status, and workers' compensation board status.

Applicants will be scored on a 'Pass' or 'Fail' basis to ensure that the applicant and/or owner/management group represents a sound investment for The City of Calgary. Applications that receive a 'Fail' will not be eligible to proceed to the Comprehensive Application Review stage.

Completed due diligence searches will remain valid for a period of six months after the date of the completion of the due diligence search. However, the due diligence search may be updated at any time at the sole discretion of the DTS Team, depending on the status of the project.

6.1.3 Financial Capacity Review

In order to be considered eligible for the Program, applicant owners or their ownership/management group (as may be applicable) will undergo a financial review to determine whether adequate financial capacity is in place to deliver the project successfully and on time.

As per Section 5, the applicant shall provide the following for evaluation:

- Financing plan and related timelines for fulfilment of the financing plan.

- Demonstration of the financial capacity of the applicant owner or ownership/management group to undertake the proposed project, which includes:
 - If externally funded, provision of a financing commitment letter if available at this stage. If a financing commitment letter is not available at this stage, provision of a comfort letter from the applicant's financing institution providing support for the applicant's application to the Program for the proposed project.
 - If internally funded, provision of the most recent audited financial statements of the applicant (and its affiliates if the applicant is an ownership/management group) if audited financial statements are available at this stage. If audited financial statements are not available for the applicant at this stage, provision of the most recent unaudited financial statements of the applicant (and its affiliates if the applicant is an ownership/management group).

The DTS team, in their sole discretion, reserve the right to request additional financial information or guarantees if they require additional support to make an assessment of financial capacity.

Applicants will be scored on a 'Pass' or 'Fail' basis in accordance with their ability to demonstrate the financial capacity to deliver the proposed project. Applications that receive a 'Fail' will not be eligible to proceed to the Comprehensive Application Review stage.

Obligations regarding financing commitments will be incorporated into the funding agreement.

6.2 Comprehensive Application Review: Project Scoring Evaluation

Applications that receive a 'Pass' on all three sections of the Preliminary Review per Section 6.1 will be eligible to proceed to the Comprehensive Application Review.

The Comprehensive Application Review will be scored based on the merits of the proposal in the categories below. Applications that do not meet minimum scoring requirements will be recommended to the IAC or Council (as applicable) for refusal. The DTS team will rank applications based on the aggregate score (out of 100 possible points) of each application resulting from the Comprehensive Application Review. Projects within the Priority Area will be considered for incentive funding before projects located outside of the Priority Area (map appendix 7.1). The highest ranked applications will move forward to the next stage, which is recommendation to IAC or Council (as applicable) for approval to negotiate a funding agreement. The Comprehensive Application Review is a one-time evaluation and not intended to impose changes to the project as submitted.

A required component of the Comprehensive Application Review process is participation in The City's "Pre-Application Assessment," administered by subject matter experts as determined by the DTS team. The Pre-Application Assessment will identify any technical, legislative and/or contractual development requirements that may impact the ability for projects to proceed. The information contained in the Pre-Application Assessment will also be used by the DTS team to support the holistic review and evaluation of applications.

Information and results of the Comprehensive Application Review will be summarized and provided to the IAC or Council, as applicable, as supporting documentation to the funding recommendation from the DTS team.

6.2.1 Review of Project Team & Relevant Experience

Per Section 5, applicants shall provide a fulsome description of the project team and organizational structure, including:

- A description of the applicant's or ownership/management group's proven development experience, which includes both internal and external resources, including the architect, development manager, and the general contractor required to complete the project, including descriptions of the related experience of each. Details on any planned future property management for the project should be included if known and applicable.
- An organizational chart that visually conveys the applicant's or ownership/management group's internal structure by detailing roles, responsibilities, and relationships between individuals within the entity, or relationships between the ownership/management group (if applicable) including an overall corporate organizational chart that illustrates all affiliated corporations of the owner.
- Previous relevant projects of similar scope and scale undertaken by the applicant owner or ownership/management group. Sample projects should include information on (i) the similarities between the sample project and the proposed conversion project; (ii) strategies implemented to develop and manage the overall schedule of the project; and (iii) strategies for effectively managing schedule, quality management, and coordination with regulatory bodies. Relevant sample projects will be evaluated in overall scoring based on their quality and relevance to the proposed project.

Applicants will be scored on their experience and demonstrated understanding of the development process (including conversion from office to residential), municipal regulatory processes, the Calgary market and construction environment, and their overall ability to successfully deliver the proposed project, which is a critical element of the criteria under evaluation. Applicants are encouraged to provide any supporting information which would demonstrate their ability to undertake this project and deliver on schedule.

A minimum score of 20 must be achieved in the evaluation of project team qualifications and experience to receive a recommendation of approval to the IAC or Council, as applicable, to progress to the next stage, regardless of scoring in other categories.

6.2.2 Review of Project Maturity & Readiness to Proceed

Applicants will be required to demonstrate project readiness and ability to deliver projects within a reasonable timeframe. Specific project timelines may be required based on the funding source, and will be incorporated into the funding agreement.

The applicant shall provide, to the degree possible given the early stage of project development, the following information:

- High-level breakdown of estimated project costs (note that it is expected that further refinement and provision of updated costing will be provided throughout the project. Further note that final project costing should align with building permit submission information, where applicable);
- High-level project timeline, including the following milestones:
 - timing of vacancy status (where applicable);
 - expected timing of development permit and/or building permit submission;

- planned construction schedule (including proposed start of construction and construction completion); and
- anticipated occupancy.
- Information regarding known site constraints, which may include environmental concerns, Plus 15, and/or utility servicing plans or challenges*;
- Information regarding the ability to accommodate current building codes and regulations and any known variances required*; and
- Any additional relevant supporting information, as applicable.

*items to be further reviewed and confirmed through The City's Pre-Application Assessment process.

Applicants will be scored on their ability to demonstrate a solid understanding of the proposed project and any development challenges arising from the site or building, and the ability to address such challenges and deliver the project within accelerated timelines.

A minimum score of 15 must be achieved in the evaluation of project maturity and readiness to proceed to receive a recommendation of approval to the IAC or Council, as applicable, to progress to the next stage, regardless of scoring in other categories..

6.2.3 Review of Project Elements

Applicants will be required to demonstrate how the proposed project addresses the elements listed below. Specific project details will be incorporated into the funding agreement.

Applications will be considered and scored based on the degree of inclusion of the following items:

1. The ability to manage any technical, legislative and/or contractual development requirements that may impact the ability for projects to proceed, as identified through the Pre-Application Assessment.
2. Inclusion of active uses at grade and Plus 15 levels. Where applicable, preference will be given to applications that maintain existing active uses at grade (ie. commercial/retail space), but consideration will be given to other proposed uses as appropriate'.
3. Demonstration of appropriate access to natural light. Applications proposing Residential use must provide for appropriate access to natural light in all dwelling units. Preference will be given to proposals that limit the number of bedrooms without exterior windows. Further preference will be given to applications that include operable windows.
4. Inclusion of amenity. For Residential use proposals, a standard provision of 5m² per dwelling unit is encouraged. Applications containing small or micro units (less than 350 sqft) should provide increased and/or enhanced amenity. Quantity of amenity proposed may be balanced with quality and useability of spaces.
5. Applications are encouraged to provide for secured bike parking stalls. Where proposals indicate a large deficiency in vehicle parking, increased bike stalls should be considered.
6. Applications are encouraged to consider façade and public realm improvements, particularly at street level. Visually indicating the change to residential or other use though the redesign of façades is encouraged.
7. Where an application's subject building is listed on The City's Inventory of Historic Resources, preference will be given to proposals willing to obtain legal heritage designation.

A minimum score of 15 must be achieved in the evaluation of project elements to receive a recommendation of approval to the IAC or Council, as applicable, to progress to the next stage, regardless of scoring in other categories.

6.3 Funding Recommendation

Following the completion and evaluation of the Comprehensive Application Review process, the DTS team will make recommendations to the IAC or Council (as may be applicable) for approval or refusal of applications.

Applicants will be notified in writing by the DTS team regarding the funding recommendation and the decision rendered (approval or refusal).

Applications that receive a decision of approval for funding from the IAC or Council, as applicable, will proceed to the next stage of the process: Negotiation of the Funding Agreement.

Applications that receive a decision of refusal from IAC or Council may request a reconsideration to the Administrative Review Panel within 30 calendar days of notification of the decision if they have new and material information that could not have reasonably been submitted with their original application, and was not considered by decision-makers in the original decision-making process. Refer to Section 4.4 above for details.

6.4 Negotiation of the Funding Agreement

After approval by either the IAC or Council to proceed to negotiate a funding agreement, the DTS team and the applicant will further refine project development details, negotiate the terms of the funding agreement and finalize the applicant's additional obligations, including but not limited to, project details and outcomes, permitting, construction schedules, financing, milestones, reporting requirements, and payment terms. Subject matter experts from The City will be included in all funding agreement negotiations and discussions, including Finance and Law. Funding agreements will be required to align with any and all requirements of applicable funding sources.

If the applicant and the DTS team cannot successfully negotiate a funding agreement within a reasonable period of time the application will be cancelled and the DTS team will send a letter to the applicant informing the applicant that their application has been cancelled. The DTS team will inform IAC accordingly.

6.5 Contract Management

After the funding agreement has been signed/executed, the applicant must provide regular reporting to The City in accordance with the funding agreement. Failure to continue regular reporting in accordance with the funding agreement could result in an event of default and potential termination of the agreement, including repayment of all or a portion of the incentive funds. Information on typical reporting documentation and requirements will be available on the Downtown Strategy website.

6.6 Payment of Funds

Payment of the incentive funding for the project will occur after the applicant's construction obligations have been achieved in accordance with the terms of the funding agreement. Construction obligations and payment of funds will align with applicable funding sources and their associated requirements.

7 APPENDIX

7.1 Greater Downtown Plan Area & Priority Area



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)*