

## 2015-2018 Business Plan & Budget Summary

**1. Organization Name:** Calgary Economic Development

**2. Current Vision and Mission:**

**Mission:** We advance opportunities for smart growth to achieve individual, business and community potential for the Calgary Region.

**Mandate:** Calgary Economic Development works with businesses, government and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce.

### 2015-2018 BUSINESS CASE

\*\*\*\*\*

**3. Synopsis of your organizational priorities and actions for 2015-2018:**

**Business Development, Trade & Investment - Conduct local business outreach & business development programs across targeted industry sectors.** Lead &/or participate in revenue-neutral inbound & outbound trade & Investment missions that produce lead generation and business matching.

**Workforce Development - Provide on-line resources for workforce recruitment and for people considering moving to Calgary.** Lead recruitment missions that promote Calgary as a destination for skilled workers and employees. Develop programs to direct graduates and recent migrants into local career opportunities.

**Community Development - Conduct events and community engagement that broaden and deepen our stakeholder base and reaffirm support for Community Economic Development.**

**Calgary Film Centre - Operate a film studio and support related screen and digital media growth.**

**Stakeholder Relations - Leverage private and public sector resources to achieve a 60:40 revenue split between our City base-grant and all other revenue.** Be a strategic resource in support of strong relationships between the City and the business and real estate development community.

**Place Marketing - Develop and execute a marketing and communications strategy to position Calgary as the location of choice to live, work and do business.**

**Economic Development Strategy – Provide stewardship and reporting, and foster collaboration for implementation of the City's Economic Development Strategy across numerous stakeholders.**

#### 4. Outline how your organizational priorities & actions align with Council Priorities for 2015-2018.

Council Priorities - Economic Growth and Competitiveness (CED response to corresponding priorities)

- We position Calgary as 'the' global business centre for energy and attracting international talent, investment and innovation, and are capitalizing on our strength in energy to further develop and diversify our economy. *(Priority P1)*
- We have sector dev't strategies focused on fostering growth and diversification in Financial Services, Transportation & Logistics, Energy, Real Estate, and Creative Industries. CED is building the Calgary Film Centre to foster growth of our screen industries. *(Priority P2)*
- We are conducting a local business outreach program to further support business retention and expansion opportunities. We are stewarding the City's Economic Development Strategy which engages multiple community stakeholders. *(Priority P3)*
- We advise business in securing development approvals. We have constituted two new committees composed of representatives from the development community to share intelligence and best practices with the City. *(Priority P4)*
- CED works with other governments, community and private sector partners to leverage our City grant by an additional 40% and to improve the effectiveness of our service delivery. *(Priority P5)*
- Struck a Residential Dev't Community Committee to advise the City on housing. *(Priority P6)*

#### 5. Provide specific examples on how your organization will work towards restraining expenses and seeking efficiencies over the 2015-2018 timeframe outlining the net impact to service delivery or organizational sustainability.

Calgary Economic Development continually reviews all expense and revenue areas with the focus on looking for and implementing changes to reduce expenses or increase revenue. From a revenue perspective, we partner with other governments or businesses to leverage the revenue we receive from the City to generate additional revenue to support our business plan activities. We expect to maintain a 35 to 40% ratio of revenue from outside the base grant we receive from the City. From an expense perspective we are diligent in reviewing all our fixed costs and project costs. As a large portion of our base grant is for staff related costs we have a policy to review all positions that become vacant to determine if there is an alternative option that may reduce our overall staff costs. Over the years we have not replaced positions in order to keep our costs contained within a flat budget environment. Over the next 4 years we will continue these reviews looking for opportunities to control overall expenses.

#### 6. Which of your key services are funded by the operating grant provided by The City?

CED's core staff-intensive business development services directed towards business retention, expansion and attraction are funded by the City's operating grant. In addition, all administration and overhead costs are also covered by the City's operating grant.

CED's program activities, marketing, international business development, workforce development and recruiting programs rely heavily on funds and in-kind resources secured through partnerships, sponsorships with community partners and the private sector, and by projects executed in partnership or with funds provided by other levels of government.

## 7. Identify performance indicators and targets you will use to evaluate your organization's performance in the 2015-2018 timeframe.

**Business Development, Trade & Investment:** Corporate expansions, relocations and new investment – 60 client success stories contributing 6,000 new or retained jobs with testimonials on CED services provided across targeted industry sectors over the next four years. Lead or support up to four trade and investment events per year that contribute to the development and diversification of the Calgary economy through new company formation and business matchmaking. Improve Global Financial Centres Index ranking.

**Workforce Development:** Execute workforce development and recruitment programming (on-line resources, labour market information, local graduate and immigrant placement) that are self-sustaining with partnership revenue. Track job placement on recruitment fairs.

**Community Development:** Complete up to six events annually that are self-sustaining and broaden and deepen our stakeholder base and reaffirm support for Community Economic Development.

**Calgary Film Centre -** Operate a financially sustainable film studio and increase film and television production from \$153 Million (2013) to \$250 Million per year by 2018.

**Stakeholder Relations -** Leverage private and public sector resources to achieve a minimum 60:40 revenue split against our operating grand and increase revenue from \$1.6 to \$2.4 Million by 2018.

**Place Marketing –** Execute a minimum of one national/international marketing campaign per year with majority funding provided by the private sector with reportable outcomes against objectives.

**Economic Development Strategy –** Report annually on the City's Economic Development Strategy

## 8. Identify how you will leverage resources in 2015-2018 and provide specific examples.

**Action Calgary:** Continued growth and expansion of CED's corporate partnership program (Action Calgary) that secures revenue from the private sector and community partners through the successful delivery of economic development programming, as well as business and brand development opportunities. Action Calgary has demonstrated incremental growth over the past five years.

**Government Programs:** CED leverages our program budget by partnering with other levels of government and applying to funding programs principally offered by departments of the federal gov't.

**Signature Events and Sponsorships:** CED seeks sponsorships and fees for events and missions to offset program costs.

**Calgary Film Centre:** The Calgary Film Centre is intended to be financially self-sustaining with some CED costs offset by a management services agreement for marketing and administrative services.

**WORKshift:** WORKshift is intended to be financially self-sustaining with some CED costs offset by a management services agreement for marketing and administrative services.

**BUDGET AND FINANCIAL INFORMATION**

\*\*\*\*\*

**9. Provide your budget projections covering the 2015-2018 timeframe** (complete table below).

<b>Operations (000's)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
City of Calgary draft operating grants	4,963,865	5,149,212	5,341,179	5,539,765
Other operating grants	192,000*	218,000*	243,000*	269,000*
Earned revenue from operations	700,000	735,000	771,750	810,338
Donations & fundraising revenue	1,450,000	1,522,500	1,598,625	1,678,556
Operating expenses	7,780,244	7,935,849	8,094,566	8,256,487
<b>Net of revenue and expenses</b>	<b>(474,379)</b>	<b>(311,317)</b>	<b>(140,012)</b>	<b>41,202</b>
Opening operating reserves	997,540	523,161	212,024	72,013
<b>Ending operating reserves</b>	<b>523,161</b>	<b>212,024</b>	<b>72,013</b>	<b>113,215</b>
<b>Capital (000's)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Opening capital reserves	-	-	-	-
Requested City of Calgary lifecycle grants	-	-	-	-
Other City of Calgary capital grants	-	-	-	-
Other capital revenues	-	-	-	-
Capital expenditures	-	-	-	-
<b>Ending capital reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**10. Financial risks or challenges related to budget projections. Provide specific examples and year in which challenges are anticipated.**

**Economic Development Strategy Stewardship:** Ongoing stewardship of the City's Economic Strategy including the monitoring, reporting and community engagement is required and critical for successful implementation. This is an unbudgeted task that CED has been asked to provide under the guidance of our Board and Chair. Stewardship of the Strategy is budgeted at \$150,000 (2015), \$155,000 (2016) \$160,000 (2017) and \$165,000 (2018) to cover the cost of one management level FTE and related incremental costs. CED requests this as an adjustment to our operating grant. **Unintended consequences of not funding:** The Strategy is intended to guide the work plans of Civic Partners and City Administration involved in delivering economic development programming over the next five years. Stewardship of the Strategy is key to ensuring all parties are working toward a common goal. Without it, execution of the Strategy will be in jeopardy as happened in the past.

**Escalating Office Rents:** CED has been advised by the City's Corporate Services Department (our landlord) that we will be required to pay escalating lease rates for our office space in the Calgary TELUS Convention Centre. CED has not been budgeted for lease rate increases and is asking that our operating grant be adjusted to accommodate this cost increase as follows: \$42,000 (2015) \$63,000 (2016) \$83,000 (2017) and \$104,000 (2018). **Unintended consequences of not funding:** Escalating rent costs will result in CED utilizing program dollars to meet this new budget item, thereby decreasing our effectiveness and ability to leverage our City grant. Leveraged funding is the main source of our program funding.

*\*in table above indicates combined annual grant requests for office rents and stewardship of the Strategy*

## 2013 ANNUAL REPORTING

\*\*\*\*\*

### 11. Outline your key services and activities undertaken in 2013 and how they advanced priorities identified in Council's 2012- 2014 Fiscal Plan for Calgary.

2013 Key Service & Activities – (Links to Council Priorities 2012-2014)

**Workforce Development:** Hosted National Skills Conference for 200 employers, post-secondary reps and HR Policy makers featuring Ministers Kenney and Alexander. Completed Labour Attraction Mission to Ontario with Mayor Nenshi. Completed Careers in Mfg. pilot project engaging 24 schools for 18 Mfg. plant tours. *(Priority B4)*

**WORKshift:** Completed business plan for national rollout positioning Calgary as a national leader in flexible work and telecommuting adoption. *(Priority B4)*

**Soul of the City Speaker Series:** Held five 'Soul of the City' events engaging a broad cross section of Calgarians in 'quality of life' discussions and priorities. Initiated a Community Grant program with the Calgary Foundation for roll out in Q1 2014. *(Priority Z9)*

**Sector Development & Business Investment Activity:** Assisted 17 companies in expansion, attraction and relocation projects impacting nearly 2,000 new and retained jobs. Completed the inaugural 'Stampede Investment Forum' for over 100 business investment delegates. Hosted a Western Canada Energy Summit with the CFA Society. *(Priority B2)*

**Film & Television:** Completed \$153 Million in Film & TV production revenue (2<sup>nd</sup> largest on record). Secured City, Provincial and private sector funding to build a Calgary film studio facility. *(Priority B2)*

**Global Business Centre & Trade Missions:** Hosted 18 tenants at the Global Business Centre, 10 of which have since established permanent offices / operations in Calgary. Led Consider Canada City Alliance Investment Mission to Europe completing 47 investment inquiries (two of which have since invested in Calgary). Led investment Mission to China with 15 companies, the Minister of Energy and the Governor General. *(Priority B4)*

**Promoting Calgary:** Created the award winning 'Right Here' Calgary video with participation from Tourism Calgary, the Convention Centre and Calgary Hotel Assoc. Launched the Calgary Economic Development Strategy Review with a 40-person Advisory Board. *(Priority B4)*

**Leveraging CED Resources:** Over \$3 Million of revenue is leveraged from the private sector, community partners and other levels of gov't to support CED's economic development programming. In 2013 CED leveraged is more than 38% of its operating grant to record level. *(Priority Z1, Z7)*

**Business Recovery Taskforce:** CED Co-chaired, with the Calgary Chamber of Commerce, the Business Recovery Taskforce in the aftermath of the June flood. CED conceived and executed a \$1.4M marketing campaign encouraging patronage of flood-impacted businesses through the 'Rediscover your City/Region' campaign. CED secured \$400K of government and private sector funding along with \$1M of in-kind media contributions. *(Priority Z1, Z7)*

## 12. Identify how you measured the success of your services and activities in 2013. Please provide examples of these results.

CED is committed to measuring performance effectiveness. The 2013 Business Plan set key performance indicators (Success Measures) for each business plan strategy. These are used internally to assess service quality and desired outcomes. CED staff report to the Board on the business plan at year-end to reflect on the progress of CED against performance measures as set in the Plan.

Staff assessed two factors, 'Importance' and 'Impact', against each Business Plan Strategy to weight the significance of each strategy using a 1-5 scale. The weighting of each strategy was approved when setting the business plan in November 2012. Staff complete the performance review by doing a self-assessment that is in turn reviewed and approved by the CED Board. The Board assessment of staff performance is then used to determine the incentive component of staff compensation and to document CED's 2013 achievements for the MD&A portion of the CED Annual Report.

Example from 2013 Business Plan – Year-end Review for Creative Industries:

### 2.5 Creative Industries (staff score: 4, Exceeded Plan)

CED is the lead agency championing the development of the Calgary Film Studio Project, purpose-built film studios and facilities to support film, television and digital media industries. CED's Film Commission is responsible for promoting, securing, and facilitating film and television production shoots for Southern Alberta.

Highlights:

- Through CED's efforts a formal RFP process to build film studio facilities in the Calgary Region was initiated in 2013 by the Government of Alberta (GoA). CED's proposal was selected as the winning submission from the seven proposals reviewed by the GoA to receive a \$5M grant
- Film production in the Calgary region was at record levels, recording \$153M in production in 2013. See attachment #5 for a list of film and television productions shot in Alberta during 2013

Deficiencies:

- Funding for a film industry familiarization tour was not secured and was deferred until 2014

## 13. Identify how you leveraged resources in 2013. Please provide examples.

### CED Financial Leverage 2013 (Unaudited)

	2012	2013
Total Base Revenue (City grant)	\$ 4,735,399	\$ 4,780,279
Leveraged Revenue – Private	\$ 1,710,191	\$ 1,553,968
Leveraged Revenue – Government	\$ 753,392	\$ 1,057,216
Leveraged Revenue – Deferred	\$ 396,857	\$ 377,232
Leveraged Revenue – Investment	\$ 19,517	\$ 17,765
Total Leveraged Revenue	\$ 2,879,957	\$ 3,006,181
TOTAL REVENUE	\$ 7,615,356	\$ 7,786,460
% of Leveraged Revenue	37.82%	38.61%