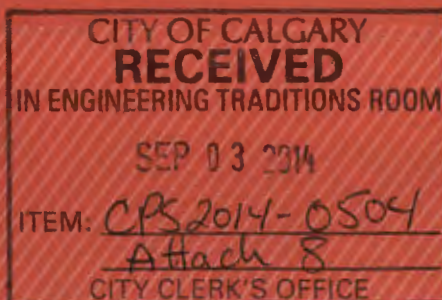


Calgary Economic Development is a conduit, connector, catalyst & storyteller

Action Plan 2015-2018 Business Plan & Budget Summary



calgary economic
development
be part of the energy™

Mission & Mandate

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
- Growing Calgary's workforce
- Stewarding Calgary's Economic Strategy



2013 Annual Achievements

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

Sector Development and Business Investment Activity: *(Priority B2)*

- Assisted 17 companies in expansion, attraction and relocation projects impacting 2,000 jobs
- Completed the inaugural Stampede Investment Forum

Film and Television: *(Priority B2)*

- Completed \$153 Million in Film and TV production revenue
- Secured Municipal, Provincial and private sector funding to build a Calgary film studio facility

Global Business Centre and Trade Missions: *(Priority B4)*

- Hosted 18 tenants at the Global Business Centre; 10 have moved on to establish facilities in Calgary
- Led Consider Canada City Alliance investment mission to Europe and investment mission to China

2013 Annual Achievements

Promoting Calgary: (Priority B4)

- Created the award-winning '*Right Here*' Calgary video
- Launched the *Calgary Economic Development Strategy*

Workforce Development: (Priority B4)

- Hosted the National Skills Conference
- Completed labour attraction mission to Ontario with Mayor Nenshi
- Completed Careers in Manufacturing pilot project

Soul of the City Speaker Series: (Priority Z9)

- Held five 'Soul of the City' events
- Initiated a community grant program with the Calgary Foundation

2013 Annual Achievements

WORKshift: *(Priority B4)*

- Completed business plan for national roll-out, positioning Calgary as a leader in flexible work and telecommuting adoption

Business Recovery Taskforce: *(Priority Z1, Z7)*

- Co-chaired, with the Calgary Chamber of Commerce, the Business Recovery Taskforce in the aftermath of the June flood
- Conceived and executed a \$1.4M marketing 'Rediscover your City/Region' campaign

Leveraging Calgary Economic Development Resources: *(Priority Z1)*

- Over \$3M (38%) of Calgary Economic Development's revenue leveraged from the private sector, community partners and other levels of government

Action Plan 2015-2018

Trends and Issues:

- Calgary is the leading economic region in Canada
 - Growth-related challenges to address strong migration
 - Cost of living and doing business
 - Workforce recruitment and retention
- National responsibility around market access for Energy
- Industry diversification leveraging our strength in Energy
- Greater collaboration in support of City marketing and related economic development efforts (in support of the Economic Strategy)
- Alignment between real estate developers and the City
- Calgary regional partnership and positioning Calgary as Western Canada's distribution hub
- Local focus for global success

Action Plan 2015-2018

Priorities & Actions:

Business Development, Trade and Investment

- Conduct a new intensive **local business outreach** and business development program across targeted industry sectors
- Lead and/or participate in revenue-neutral inbound and outbound **trade and investment missions** that generate leads for investment and business matching

Workforce Development

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

Action Plan 2015-2018

Priorities & Actions:

Community Development

- Conduct **Soul of the City events and community engagement** to 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

Action Plan 2015-2018

Priorities & Actions:

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 Strategy across numerous stakeholders



Performance Measures 2015 - 2018

Business Development, Trade and Investment:

- Corporate expansions, relocations and new investment
 - 60 client success stories contributing 6,000 - 8,000 new or retained jobs
- Lead or support up to 16 trade and investment events
- Improve Global Financial Centres Index Ranking

Workforce Development:

- Execute workforce development and recruitment programming that is self-sustaining with partnership revenue
- Track job placement from recruitment fairs

Community Development:

- Complete up to 24 events that are self-sustaining and broaden and deepen our stakeholder base and reaffirm support for Community Economic Development

Performance Measures 2015 - 2018

Calgary Film Centre:

- Operate a financially sustainable film studio
- 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 grant
- Increase revenue from \$1.6 to \$2.4 Million by 2018

Place Marketing:

- Execute and collaborate on a minimum of four national/international marketing campaigns with reportable outcomes against objectives

Economic Development Strategy:

- Report annually on the City's Economic Development Strategy implementation
- Identify incremental and collaborative opportunities and outcomes achieved through the new collaborative leadership model

Resources Leveraged

Calgary Economic Development Financial Leverage 2013 (Audited)

	2012	2013
Total Base Revenue (City grant)	\$ 4,735,399	\$ 4,780,279
Leveraged Revenue – Private	\$ 1,710,191	\$ 1,512,736
Leveraged Revenue – Government	\$ 753,392	\$ 1,113,272
Leveraged Revenue – Deferred	\$ 396,857	\$ 377,231
Leveraged Revenue – Investment	\$ 19,517	\$ 17,715
Total Leveraged Revenue	\$ 2,879,957	\$ 3,020,954
TOTAL REVENUE	\$ 7,615,356	\$ 7,801,233
% of Leveraged Revenue	37.82%	38.72%

Resources to be Leveraged

Action Calgary

- Continued growth and expansion of Calgary Economic Development's corporate partnership program
- Demonstrated incremental growth over the past five years

Government Programs

- Leverage our program budget by partnering with other levels of government and applying to funding programs

Signature Events and Sponsorships

- Seek sponsorships and fees for events and missions to offset costs

Calgary Film Centre

- Intended to be financially self-sustaining with some Calgary Economic Development costs offset by a management services agreement for marketing and administrative services

WORKshift:

- Intended to be financially self-sustaining with some Calgary Economic Development costs offset by a management services agreement for marketing and administrative services

2015-2018 Operating & Capital Budgets

Calgary Economic Development operating efficiencies:

- Partner with other governments or businesses to leverage the revenue we receive from the City to generate additional revenue
- Diligent in reviewing all fixed and project costs
- Review all positions that become vacant to determine alternative options to reduce our overall costs
 - Reduce senior management and staff levels

2015-2018 Operating & Capital Budgets

Core Services – City Funded

- Core staff-intensive business development, research services directed towards business retention, expansion and attraction
- All administration and overhead costs

Program Activities – Supported by Private Sector, Government and Community Partners

- Place-marketing (marketing campaigns)
- International business development (trade missions)
- Workforce development and recruiting programs
- Local and signature events

Project Management – Management Service Agreements

- WORKshift
- Calgary Film Centre

2015-2018 Operating Budgets

Operations (000's)	2015	2016	2017	2018
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 and 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
Net of revenue and expenses	(474,379)	(311,317)	(140,012)	41,202
Opening operating reserves	997,540	523,161	212,024	72,013
Ending operating reserves	523,161	212,024	72,013	113,215

Risks & Challenges

Economic Development Strategy Stewardship

- Stewardship, reporting and community engagement under Calgary Economic Development Board Guidance
- 1 FTE plus operating funds as an adjustment to our operating grant
- Currently an unbudgeted task which will increase leveraging from stakeholders

Year	\$
2015	150,000
2016	155,000
2017	160,000
2018	165,000

Unintended consequences of not funding:

- Critical for alignment of Civic Partners, City Administration and community stakeholders
- Common goals and increased collaboration
- Implementation is critical to relevance and success

Risks & Challenges

Escalating Office Rents

- Historically Calgary Economic Development has benefited from a \$0-net lease in City-owned space at the TELUS Convention Centre (pay operating costs only)
- Advised in June 2014 that we will be required to pay escalating lease rates for our office space
- Calgary Economic Development has not budgeted for lease rate increases and is asking that our operating grant be adjusted to accommodate this cost increase as follows:

Year	\$
2015	42,000
2016	63,000
2017	83,000
2018	104,000

Unintended consequences of not funding:

- Calgary Economic Development utilizing program dollars to meet new budget
- Reduced ability to leverage stakeholder funds by an additional 40% for program funding.

Alignment with Council Priorities

Council Priorities - Economic growth and competitiveness (*Calgary Economic Development's response to corresponding priorities*)

Council Priority P1- Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.

- **Position Calgary as 'the' global business centre for energy** as the basis for attracting talent, investment and innovation and to capitalize on our strength in energy to further develop and diversify our economy
- Foster industry engagement in the development of an **Energy Innovation and Information Centre**

Council Priority P2 - Advance purposeful economic diversification and growth.

- Sector development strategies fostering growth and diversification in **Financial Services, Transportation and Logistics, Energy, Real Estate and Creative Industries**
- Building the **Calgary Film Centre** to foster growth of our screen industries

Alignment with Council Priorities

Council Priority P3 - *Support civic, business and community partners, as well as business revitalization zones, to collaborate and **attract local and global investment**.*

- **Conduct a local business outreach program** to further support business retention and expansion opportunities
- Facilitate business investment via **trade missions, marketing campaigns and business development activities**
- We are **stewarding the City's Economic Development Strategy** which engages multiple community stakeholders

Council Priority P4 - *Cut red tape and continue to foster a competitive tax environment to help small business succeed.*

- We **advise business** in securing development approvals
- Constituted **Commercial Real Estate Advisory Committee** composed of representatives from the development community to share intelligence, trends and best practices with the City

Alignment with Council Priorities

Council Priority P5 - *Seek out partnerships with other governments and community partners to achieve community well-being.*

- Work with other governments, community and private sector partners to **leverage our City grant by an 40%** and to improve the effectiveness of our service delivery

Council Priority P6 - *Increase **affordable and accessible housing** options.*

- Struck a **Workforce Housing Committee** to advise the City in support of workforce attraction and retention

Conclusion

Position Calgary Economic Development as the 'best in class' economic development organization

- Initiated the Consider Canada City Alliance to leverage business development
- Hosting the Economic Developers Association of Canada annual conference
- Recipient of more marketing and economic development awards than any other city

Position Calgary Economic Development as a key collaborator

- Leveraged more private sector funding than any Economic Development Agency in Canada
- Developed a community brand that has been adopted by other civic partners
- Uniquely qualified to steward the City's Economic Strategy
- Proven ability to align efforts of community, private sector and government partners

Sustained revenue growth

- Maximized City's operating grant and management capacity to support our economic development mandate

thank you.

calgary economic
development
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