

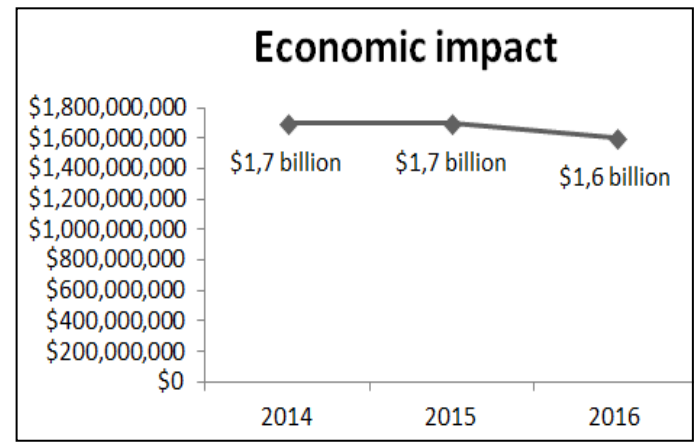
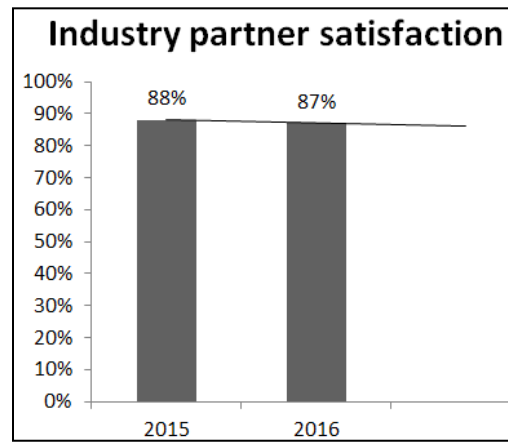
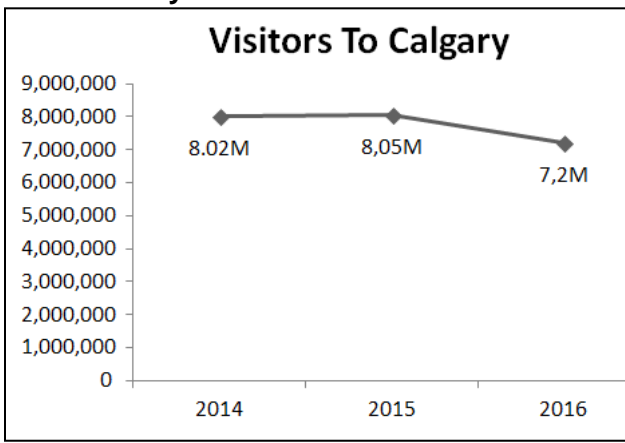
CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- TOURISM CALGARY-CONVENTION AND VISITORS BUREAU

CPS2017-0369 Civic Partners Annual Report Attachment 16
ISC: UNRESTRICTED

TOURISM CALGARY-CONVENTION AND VISITORS BUREAU (TOURISM CALGARY)
Mission: Inspire more people to visit Calgary for memorable experiences.

2016 City Investment
 Operating Grant:\$2,613,443
 City owned asset? No

How did they do in 2016?



The story behind the numbers

- The number of rooms sold in Calgary fell 3.3%. Since the available room supply in Calgary grew by 5.9% in 2016, the overall occupancy rate also declined, falling 5.5 percentage points to 58% city-wide.
- The Calgary Hotel Association’s Destination Marketing Fund was affected and Tourism Calgary’s future funding could decline.
- Tourism Calgary’s partners are satisfied with its marketing and industry support.
- Visitors support jobs in restaurants, accommodations, retail outlets, transportation services, entertainment, attractions, and more.

Snapshot of 2017-18 priorities

- Advance the new visitor and local engagement strategy.
- Under the *Be Part of the Energy* campaign, refine Calgary’s brand story and better communicate this brand to the world.
- Target 6 primary markets: China, Japan, Australia, U.K., Germany, and U.S; and 3 secondary: Mexico, South Korea and France.
- Complete a detailed review of performance measures.
- Continue implementing the Destination Strategy *Calgary: Ultimate Hosts* in collaboration with partners.
- Continued focus on cost management strategies and enhanced budgeting and forecasting processes.
- Continued support for the Calgary Bid Exploration Committee, and support for The City’s review of the Calgary Sport Tourism Authority’s governance and terms of reference.

CPS2017-0369
ATTACHMENT 16



**Tourism Calgary-Convention & Visitors Bureau
Civic Partner Annual Report 2016**

- 1. Organization Name:** Tourism Calgary-Convention & Visitors Bureau (operating as Tourism Calgary)
- 2. Fiscal Year:** 2017
- 3. Latest Annual Report available and web address:** 2016/17 Fiscal Year
visitcalgary.com
- 4. Current Vision, Mission and Mandate:**

Mandate: Increase the economic impact of the tourism economy to Calgary.

Mission: Inspire more people to visit Calgary for memorable experiences.

YEAR IN REVIEW

- 5. What key results of your organization in 2016 contributed to Council Priorities in The City's 2015-2018 Action Plan including A prosperous city, A city of inspiring neighbourhoods, or A healthy and green city? [The City of Calgary - Council Priorities](#)**

In 2016, Calgary welcomed 7.2 million visitors, who contributed to \$1.6 billion to the local economy. Tourism Calgary continued to implement its 2016-18 strategy, which has a strong focus on generating incremental visitation and spend from regional, national and international travellers. This work is achieved through significant collaboration with our local industry partners, increased focus on international travel trade, and increased marketing in the U.S. Additional initiatives included:

- Led the hosting of the 2016 JUNO Awards and JUNO Week;
- Led The Year of Music;
- Partnered with Calgary Economic Development to develop and launch the #LoveYYC campaign, aimed at encouraging Calgarians to explore their city and neighbourhoods, spend locally and share all the reasons why they love Calgary;
- Attracted 43,239 hotel room nights through the support of 70 sport, cultural and special events.

Tourism Calgary undertook several additional long-term initiatives directly related to Council priorities, including the development of a 10-year *Destination Strategy | Calgary: Ultimate hosts. Ultimate host city.* which outlines stakeholder recommendations for enhancing Calgary's hosting infrastructure, energizing our iconic experiences, developing, attracting, promoting and activating events year-round, articulating and emotionalizing Calgary's unique personality and fostering stakeholder alignment and collaboration. The implementation of this strategy over the next ten years will contribute to a prosperous city, a city of inspiring neighbourhoods and a healthy city for Calgarians and visitors.



6. Using your organization’s existing performance measurement data, please provide selected 2016 performance measures that describe how much you did, how well you did it, and how Calgarians are better off.

	Performance Measure	2014 results	2015 results	2016 results	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	7.2 million visitors to Calgary	8 million	8 million	7.2 million	The decline in overnight visits is a direct reflection of the economic conditions, and the resulting decrease in business travel and lower consumer confidence in regional markets.
How well did you do it?	87% partner satisfaction	N/A	88%	87%	Tourism Calgary partners continue to be satisfied with the organization’s approach to marketing and industry support.
How are Calgarians better off?	\$1.6 billion added to Calgary’s economy	\$1.7 billion	\$1.7 billion	\$1.6 billion	The visitor economy is an important diversifier for our city. Visitors support jobs in restaurants, accommodations, retail outlets, transportation services, entertainment, attractions, etc, which in turn contributes to employment of Calgarians, the vibrancy of our city, quality of life and much more.

FINANCES

7. What resources were leveraged to support operational activities in 2016?

Each of our activities leveraged industry partner resources. In 2016, we:

- Leveraged The City’s \$2,613,443 investment with a 2.69:1 ratio compared to 3:1 in 2015.
- Developed cooperative marketing campaigns with a record 35 partners that attracted over \$1.5 million in industry investments to increase regional and national marketing reach compared to \$1.6 million in 2015 with 29 participating partners.
- Leveraged City financial support, along with significant provincial financial support for the 2016 JUNO Awards within the Year of Music;
- Leveraged industry support and City dollars with Travel Alberta funding to the highest level in our history;
- Partnered with Calgary Economic Development to develop and implement a local campaign (LOVEYYC) with participation from partners and businesses;



- Engaged over 60 stakeholders and their organizations, researched and developed the 10-year *Destination Strategy | Calgary: Ultimate hosts. Ultimate host city.*
- Utilized membership dues and industry partnerships (over \$800,000 received) to market member services to current and future visitors which represents stability in number of members;
- Secured key sponsorships and in-kind donations for partnership events, educational seminars and the City's celebration of western hospitality – the 54th Annual Calgary White Hat Awards.

8. Do you anticipate any changes to plans and/or budget projections for 2017-2018?

We do not anticipate any significant changes to plans or budget projections for 2017-2018. As the economic downturn does impact all our partners, Tourism Calgary is ensuring every initiative involves combining and leveraging financial resources, industry expertise and partnerships in an operationally efficient and cost-effective manner.

9. Please describe the impact, if any, of the economic downturn on your organization's operations or revenues including any adjustments you have made to your operations.

The economic downturn continues to be felt across the tourism industry in Calgary. 25% of overnight travelers to Calgary come for business (compared to a national average of 11%), and business travel has experienced a steep decline since the fall of 2014. Overall in 2016, the number of rooms sold in Calgary fell 3.3%. Since the available room supply in Calgary grew by 5.9% in the year, the overall occupancy rate also declined, falling 5.5 percentage points to 58.1% city-wide.

The declines in occupancy and room rate continues to affect our hotel partners in significant ways. This has directly impacted the Calgary Hotel Association's Destination Marketing Fund and future funding levels to Tourism Calgary could be reduced should revenues not improve. Tourism Calgary continues to work collaboratively with the CHA to ensure we are addressing their concerns, developing innovative solutions where possible, and maximizing their investment in our partnership.

To enhance Tourism Calgary's operational efforts and to be prudent considering potential risks to revenues, all areas of the organization continue to focus on efficient cost management strategies in delivering on our mandate. General and administrative costs remain among the lowest for tourism organizations nationally, and enhanced budgeting and forecasting processes are being implemented.



LOOKING FORWARD

10. What are your priorities and deliverables for 2017-2018?

Tourism Calgary is mid-way through its 2016-18 strategic plan. Priorities for the next two years include:

- Advancing the new visitor and local engagement strategy from pilot phase to refinement and expansion.
- Building on the shared *Be Part of the Energy* brand, work will be undertaken to emotionalize the Calgary brand; articulating what makes Calgary distinctive. This will lead to refinement of our brand story and, helping to better communicate Calgary's brand to the world.
- Following comprehensive market analysis, strategies will be implemented targeting six primary international markets with direct air access to Calgary, and four secondary markets with non-direct air access. The six primary markets are: China, Japan, Australia, U.K. Germany and U.S. and the three secondary markets are: Mexico, South Korea and France.
- A detailed review of organizational key performance indicators will be completed and included in the next organizational strategic plan, to be developed in 2018.
- After completing a comprehensive stakeholder engagement process which informed the development of the 10-year *Destination Strategy | Calgary: Ultimate hosts. Ultimate host city.* focus in 2017 and beyond will be dedicated to implementing the plan in collaboration with our partners.
- Tourism Calgary remains a strong supporter of the Calgary Bid Exploration Committee, contributing tourism analysis and analytics, while ensuring the organization is prepared to support any potential next steps.
- Tourism Calgary continues to work with City administration to review and amend the Calgary Sport Tourism Authority's governance and terms of reference, ensuring the CSTA's continued value to The City.

UPDATE ON RISK MANAGEMENT AND GOVERNANCE

11. What are your organization's top 3-5 strategic risks? Describe briefly how you are managing these risks.

1. Funding.

The Calgary Hotel Association is a significant partner of Tourism Calgary's; they comprise nearly half of our Board of Directors, are aligned with our organizational objectives, endorse our strategies and support all of our efforts. As the CHA's Destination Marketing Fee revenues have decreased, we continue to work with the CHA to understand any possible implications to our funding.

Funding risks also extend to the unpredictable nature of co-operative marketing funding from Travel Alberta and our industry partners, which is dependent on their funding and



stability. Any decrease in partner participation in our marketing campaigns has direct implications on the size, scope (and potentially the viability) of our marketing campaigns in regional, national and international markets. To manage this risk, we take a nimble approach to campaign development, source funding in advance and have the ability of scale campaigns up or down depending on the level of partner involvement.

2. Economy.

The economic downturn continues to be felt across the tourism industry in Calgary. 25% of overnight travelers to Calgary come for business (compared to a national average of 11%), and business travel has experienced a steep decline since the fall of 2014. Overall in 2016, the number of rooms sold in Calgary fell 3.3%. Since the available room supply in Calgary grew by 5.9% in the year, the overall occupancy rate also declined, falling 5.5 percentage points to 58.1% city-wide.

Due to the economy, hotels are facing declines in occupancy and room rates. This has directly impacted the Calgary Hotel Association's Destination Marketing Fund. As a result, future funding to Tourism Calgary could be reduced if DMF revenues do not improve.

To enhance Tourism Calgary's operational efforts and to be prudent considering potential risks to revenues, all areas of the organization continue to focus on efficient cost management strategies in delivering on our mandate. General and administrative costs remain among the lowest for tourism organizations nationally, and enhanced budgeting and forecasting processes are being implemented.

3. Resourcing to achieve growing mandate from stakeholders.

Tourism Calgary's stakeholders have given the organization permission to be their advocate, and their support to lead the development and implementation of strategies for marketing and developing Calgary as a destination. The organization is also entrusted to acquire major events and to sell the destination regionally, nationally and internationally.

To ensure the continued trust, permission and support of stakeholders, Tourism Calgary must be resourced to continue to deliver on these areas of responsibility. To manage this risk, Tourism Calgary is continually evaluating the organizational activities against our strategic plans, and the needs and best interests of our industry.



12. Summarize any activities in 2016 that increased your Board's knowledge and awareness about industry trends, impact of changing economic conditions, risks faced by the organization, or other information needed to make informed decisions.

In 2016, Tourism Calgary's Board invited several key organizations to present, share insights into their strategic direction and discuss how we can best work collaboratively. These organizations included: YYC Calgary International Airport, Calgary Stampede and the Calgary Bid Exploration Committee. This work will continue with other organizations in 2017.

Tourism Calgary Board members also participated in roundtable discussions about the Destination Strategy, which offered the opportunity to hear directly from stakeholders and community leaders.

Board members actively participate in national, provincial and local industry conferences. They attend and support events of the Chamber, the universities and Calgary Economic Development.

The Audit & Finance Committee of the Board has undertaken a robust review of the organization's risks and opportunities as well as existing risk management strategies, and debriefed with PWC on our recent, unqualified audit.

In addition to updates at each Board meeting on the impact of economic conditions and organizational risks, a working committee of Board members has been struck to address funding as it relates to the changes to the civic charter and the possibility of modifications to the taxing regime.

13. Will any Board or senior management positions be vacant in 2017? If yes, please describe succession plans that are in place.

We are not anticipating any vacancies on our Board or senior management team in 2017. However, board and senior leadership transition and change is actively managed to ensure renewal and alignment to the organizational strategy.



14. (a) Mark an “X” by all statements that apply to your organization:

Our organization uses:

- Defined term limits for Board members
- A skills and experience matrix to identify gaps on the Board and recruit new board members.
- A structured process for identifying, monitoring and managing risk.
- A Board policy for risk management.
- A risk map, matrix, register or similar tracking tool to assess the risks we face.
- A risk management plan or other tool that is updated at least annually.
- Tools to communicate key risks to the Board at least annually.
- A Board committee delegated with the responsibility for oversight of our organization’s risk management practices.
- A formal crisis management, business continuity, or similar plan to be ready for an emergency situation.

(b) Add any additional comments about your organization’s risk management practices:

N/A