

CIVIC PARTNER 2016 ANNUAL REPORT SNAPSHOT- CALGARY ECONOMIC DEVELOPMENT

CPSS2017-0369 Civic Partners Annual Report Attachment 18
ISC:UNRESTRICTED

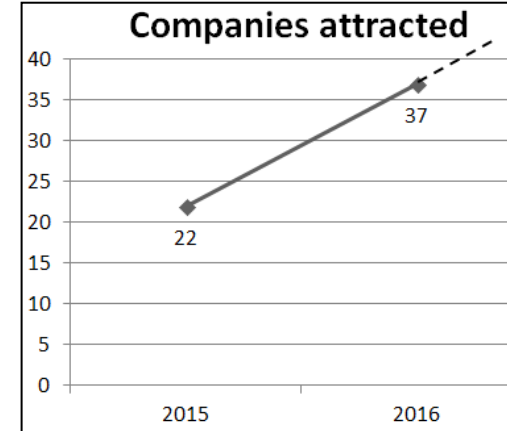
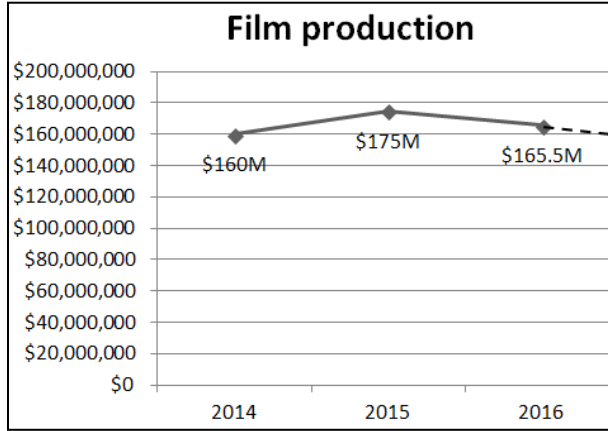
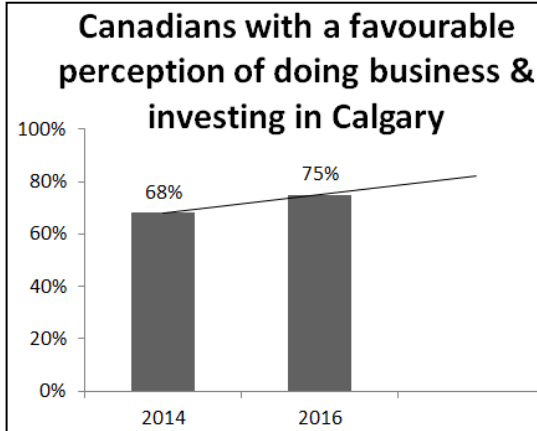
CALGARY ECONOMIC DEVELOPMENT LTD.

Mandate: Calgary Economic Development works with business, 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.

2016 City Investment

Operating Grant:\$8,867,212
One time Community Economic Resiliency funding: \$7,000,000
City owned asset? No

How did they do in 2016?



The story behind the numbers

- Even with the downturn in the economy, Canadians reported favourable impressions of Calgary as a place to do business and invest.
- Supported or attracted 37 companies and film projects to Calgary that generated 1,561 direct and indirect jobs.
- The Calgary Film Centre opened in May 2016 and achieved occupancy targets for 2016 and anticipates the same for 2017. In 2016, it facilitated a total of 588 projects including Tin Star, Fargo Season 3, Damnation Pilot, Solutrean, Dead in Tombstone 2, Wynonna Earp Season 2 and Heartland Season 10.
- The Stampede Investment Forum expanded to include renewables and agribusiness streams.
- Hosted 11 outbound trade missions (5 in 2015) and 26 inbound (24 in 2015).

Snapshot of 2017-18 priorities

- Accelerate sector development and diversification.
- Inspire stakeholder collaboration.
- Enhance Calgary's image.
- Build an authentic brand for Calgary Economic Development.
- Build organizational excellence.



1. **Organization Name:** Calgary Economic Development Ltd.
2. **Fiscal Year:** 2016
3. **Latest Annual Report available and web address:** 2016/17 Fiscal Year
4. **Current Vision, Mission and Mandate:**

<p>Mission: We collaborate to advance opportunities in achieving economic success, embracing shared prosperity and building a strong community for Calgary. - See more at: http://www.calgaryeconomicdevelopment.com/about-us/about-us/about/</p> <p>Mandate: Calgary Economic Development works with business, 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. - See more at: http://www.calgaryeconomicdevelopment.com/about-us/about-us/about/</p>

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](#)**

<p>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.</p>	<ul style="list-style-type: none"> • Calgary Economic Development participated in a community process to develop a framework for innovation. • Working with the private sector, post-secondary institutions, and government, Calgary Economic Development led the creation of the Calgary Regional Innovation Network (CRIN) in order to submit a proposal to the Federal Innovation Supercluster Fund. • Calgary Economic Development partnered with Alberta's Industrial Heartland to leverage the Alberta Petrochemicals Diversification Program in assisting Calgary based companies to expand their operations. • In 2016, Calgary Economic Development increased the number of inbound trade missions hosted from 21 in 2015 to 26 and participated in Alberta's most successful mission to China to date. • Calgary Economic Development's Be Part of the Energy campaign increased website traffic by 30% over 2015.
<p>P2 Advance purposeful economic diversification and growth.</p>	<ul style="list-style-type: none"> • Calgary Economic Development supported or attracted 37 companies and film projects to Calgary generating 1,561 direct and indirect jobs. • The Calgary Film Centre opened in May 2016 and achieved occupancy targets for 2016 and anticipate the same for 2017. • Calgary Economic Development leveraged the \$6.75M of resiliency funding for Opportunity Calgary from The



	<p>City of Calgary to secure an additional \$2 million provincial and \$1 million federal funding for a Headquarter Attraction/Downtown Action Plan over the next 2-3 years.</p> <ul style="list-style-type: none"> • Calgary Economic Development hosted 11 Re-Engage sessions providing tools and support for laid off professionals.
--	--

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?	Accelerate sector development & increase diversification				
	Sector related events/year			90	
	Conduct targeted outreach visits		N/A	178	
	Connectors with Connector Program	0	224	118	The Connector Program has engaged 118 connectors and connectees leading to 43 job offers. Turnover of staff resulted in a decrease in the number of connections.
	Film scouting and FAM tours	18	18	22	
	Outbound trade missions	3	5	11	
	Inbound trade missions	18	24	26	
	Workforce 'Best Practice' events	7	8	16	Workforce events included the delivery of 11 Re-engage series for displaced workers and saw over 2500 attendees participate.
	Global Business Centre events	122	117	159	
	Careers in Manufacturing tours	0	12	16	The Careers in Manufacturing program saw a significant jump in the number of participants both from the schools and manufacturing business side. The program secured additional funding to expand the program to include a number of industries and the preparation to launch the expanded series was done in 2016 in anticipation of an early 2017 launch.
	Participants in Careers in Manufacturing tours		220	427	
	The Calgary Film Centre opened			Q2 2016	
	Stakeholder relations				
	Soul of the City events	5	4	3	
	Government round tables & meetings		10	60	
Authentic brand for CED					
Number of participants at signature events (Economic	2,500	3,200	2,900		



**Calgary Economic Development Ltd.
Civic Partner Annual Report 2016**

	<p>Outlook, Report to the Community & Soul of the City)</p> <p>Research requests fulfilled Research reports initiated</p> <p>Enhance Calgary's image Media value generated National Be Part of the Energy promotional campaign launched Sector-related stories written</p>	<p>661 1</p> <p>\$1.7M Q3</p>	<p>492 1</p> <p>\$1.6M Q2</p> <p>111</p>	<p>769 5</p> <p>~\$11M Q3</p> <p>140</p>	<p>Over the past 18 months, we have moved to a content driven strategy to help build our awareness and strengthen our voice for Calgary – the strategy has led to significant growth in our social and media engagement.</p>
<p>How well did you do it?</p>	<p>Accelerate sector development & increase diversification Active Prospects & Leads Visits by potential investors (incl. Stampede Investment Forum) Assist start-ups with access to capital</p> <p>Stakeholder relations Action Calgary partner events hosted by CED</p> <p>Authentic Brand for CED Percentage businesses believing CED is delivering excellent experiences Businesses expressing overall positive impression of CED</p> <p>Enhance Calgary's image Percentage positive impressions of Calgary as a place to do business Number of new GBC Tenants</p>	<p>38</p> <p>n/a</p> <p>74%</p> <p>58%</p> <p>6</p>	<p>101 42</p> <p>n/a</p> <p>77%</p> <p>n/a</p> <p>5</p>	<p>211 63</p> <p>5</p> <p>6</p> <p>51%</p> <p>78%</p> <p>75%</p> <p>6</p>	<p>In 2016, the Stampede Investment Forum expanded to include renewables and agribusiness streams.</p> <p>Ongoing</p> <p>National perceptions were not measured in 2015.</p>



<p>How are Calgarians better off?</p>	<p>Accelerate Sector Development & Diversification Companies won Trade & Investment deals Number of direct/indirect jobs created/retained</p> <p>Film production</p> <p>GBC Revenue CFCL Utilization Rate</p> <p>Inspire Stakeholder Collaboration Strategy tactics initiated or completion Core indicators improved Non-core funding City/Provincial/Federal funding (non-core) WORKshift earned revenue Action Calgary earned revenue & sponsorship New Action Calgary partners Retention rate of Action Calgary partners New employer (WORKshift clients) Awareness of Economic Strategy</p> <p>Enhance Calgary's Image Canadians have a favourable perception of Calgary</p>	<p>\$160m</p> <p>\$73,159 -</p> <p>68%</p>	<p>22</p> <p>\$175m</p> <p>\$88,487 -</p> <p>71% 21%</p> <p>93%</p> <p>22%</p> <p>n/a</p>	<p>37 1 1,561</p> <p>\$165.5m</p> <p>\$88,000 65%</p> <p>87% TBD \$11.5 million \$10.1 million \$400,000 \$1.0 million 7 90% 2 35%</p> <p>75%</p>	<p>With a focus on attracting companies to Calgary, CED developed a balanced scorecard to help focus our efforts and measure our impacts. With that in mind, there are a number of metrics 2016 that were not previously measured as we benchmark our work in a more meaningful way.</p> <p>A couple of highlights from 2016 include the relocation of De Beers Canada's head office to Calgary. They relocated about 30 employees and hired an addition 30 positions in Calgary. Also, Hainan Airlines launched a Calgary-Shanghai direct service.</p> <p>A total of 588 film projects were facilitated including Tin Star, Fargo Season 3, Damnation Pilot, Solutrean, Dead in Tombstone 2, Wynonna Earp Season 2 and Heartland Season 10.</p> <p>In 2016, a private sector led initiative brought together 150 stakeholders in the technology and innovation sector to adopt a framework for building the innovation ecosystem, conduct a self-assessment and begin implementing prioritized activities to grow technology and innovation in Calgary.</p>
--	---	--	---	---	--



<p>Build an Authentic Brand for Calgary Economic Development</p> <p>Aided awareness of CED 29%</p> <p>Unaided awareness of CED 37%</p> <p>Client survey respondents considering CED services to be 'excellent' 27%</p> <p>CED clients use research services 34%</p>	<p>85%</p> <p>55%</p> <p>51%</p>	<p>40%</p>	<p>Even with the downturn in the economy, Canadians were reporting favourable impressions of Calgary as a place to do business and invest.</p>

FINANCES

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

From a revenue perspective, we partner with other orders of government and businesses to leverage. The City's base grant to generate additional revenue to support our business plan activities. CED targets a 35-40% ratio of revenue from outside the base grant, in 2016 the actual was 45% or \$5.4 million. Maintaining this ratio is going to prove particularly challenging through these tougher economic times. CED leveraged the following support for operational activities in 2016:

- Economic resiliency funding from the City of Calgary is \$1.8 million
- Action Calgary (AC) revenue earned was \$820,000, other sponsorship revenue was \$70,000;
- Revenue recognized from other orders of Government was \$707,000;
- Approximately \$460,000 of in-kind services received, primarily focused on marketing activities.

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

Operations	2016	2017	2018	2019
	\$	\$	\$	\$
City Base Grant	5,367,212	5,584,179	5,808,765	5,994,958
Other City Revenue	1,813,220	2,913,709	1,598,624	449,656



**Calgary Economic Development Ltd.
Civic Partner Annual Report 2016**

Other Government Revenue	711,540	1,820,463	1,916,000	400,000
Corporate/Private Revenue	1,917,771	1,894,465	1,595,000	1,650,000
Total Revenue	9,809,743	12,212,816	10,918,389	8,494,614
Expenses	9,610,387	12,413,228	10,988,389	8,544,614
Net Income (loss)	199,356	-200,412	-70,000	-50,000
Opening Reserve	932,898	1,132,254	931,842	861,842
Ending Reserve	1,132,254	931,842	861,842	811,842

Assumptions:

- 2016 Actual
- 2017 Based on Budget; assumes WORKshift until end of 2017
- 2018 assumes 4/5 of Opp YYC post-2017 will occur in 2018 (balance into Q1 2019)
- 2018 assumes \$400K of Other Govt revenue, over-and-above HQ (GoA/WD)
- 2018 assumes no WORKshift, and incremental \$50K growth of Business Revenue over 2017
- 2019 assumes 1/5 of Opp YYC post-2017, plus \$50K add'l City funding
- 2019 assumes \$400K of Govt revenue
- 2019 assume only moderate growth in Business Revenue & Expense

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.

Calgary Economic Development is seeing a decline in participation of event sponsorship opportunities and Action Calgary partners within our partnership community due to limited or reduced funds available.

The support of our Action Calgary Partnerships is critical to the work we do and we are especially grateful for the ones who continue to stand alongside us during this time. We continue to monitor spending in Be Part of the Energy and marketing to this revenue.

In 2016, The City of Calgary granted Calgary Economic Development \$6.675M in funding to implement the 3-year Opportunity Calgary program to accelerate sector diversification, redeploy talent and attract headquarters to Calgary. This funding allowed us to leverage an additional \$3M from the Province and Western Diversification to support our work in accelerating diversification, activating on a downtown strategy, position Calgary as a talent hub and focus on headquarter attraction in additional jurisdictions. With a key focus on attracting businesses to Calgary, 2016 was a foundational year. Additional resources were put in place to support key sector development while research and strategy projects were undertaken to provide clarity and guidance to support the areas with the best opportunities. In addition, the organization has developed a balanced scorecard to help focus our efforts and measure our impacts for Calgary. With much of this building work complete, the team is enthusiastically starting to deliver on the metrics outlined in the Opportunity Calgary plan.



LOOKING FORWARD

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

The following priorities and deliverables are detailed in Calgary Economic Development's three year strategy.

1. Accelerate Sector Development & Diversification
 - 96 Companies won
 - 18 Trade & Investment deals
 - 3,000 Number of direct/indirect jobs created/retained
 - \$175 million Film production
 - \$100 million Capital investment
 - 3 Development projects
 - \$72,000 Global Business Centre Revenue
 - 80% CFCL Utilization Rate
2. Inspire Stakeholder Collaboration
 - 50% Completion of Economic Strategy Tactics
 - 30% Core indicators improved
 - \$1.8 million Non-core funding
 - 20 new employer (WORKshift clients)
 - 10% Client survey respondents having experience with WORKshift
 - 50% awareness of Economic Strategy
 - 8 new Action Calgary partners
 - 85% Retention rate of Action Calgary partners
3. Enhance Calgary's Image
 - 75% Canadians have a favourable perception of Calgary
 - 55% Client survey respondents considering 'Be Part of the Energy' to be moving in the right direction
4. Build an Authentic Brand for Calgary Economic Development
 - 85% Aided awareness of CED
 - 55% Unaided awareness of CED
 - 55% Client survey respondents considering CED services to be 'excellent'
 - 40% CED clients use research services
5. Build Organizational Excellence
 - 75% Employee engagement
 - 10% unplanned staff attrition
 - 1 Lateral/upward internal move
 - 80% Board effectiveness rating
 - 55% Board engagement on committees and events

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.

Calgary Economic Development identifies risks in four broad categories:

1. Financial
2. Reputational & Relevance
3. Safety & Security
4. Sustainability & Operational

Within each category identified risks are assigned a low, medium or high probability of occurrence. The Enterprise Risk Matrix identifies three high risk items, three medium risk items and 13 low risk items. The matrix also assigns a low, medium or high potential impact to each identified risk. Using these categories results in the following strategic risks and the mitigating strategies:

- Financial Risk: Reduction of revenue – medium probability with high potential impact.
 - Risk is mitigated by managing programming activity to funding, identify other revenue sources, education, measurement of activity and impact.
- Financial Risk: Operating deficit – high probability with medium potential impact.
 - Risk is mitigated by taking senior management take accountability for their budgets and ensure spending decisions are impactful.
- Financial Risk: Calgary Film Centre – high probability with high potential impact.
 - Risk is mitigated by managing rent and operating costs charged per sq ft to maximize profitability, spending decisions impact to operating cash flow and create a pipeline of tenants.
- Reputational Risk: Calgary Film Centre – high probability with high potential impact.
 - Risk is mitigated by ensuring tenant satisfaction and brand awareness, consistent messaging, official spokesperson and work to ensure consistent resources and ability to maintain the facility.
- Sustainability & Operational Risk: Loss of key staff - medium probability with high potential impact.
 - Risk is mitigated by ensuring competitive salary and benefit and creating a robust succession plan.



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.

Throughout 2016, Calgary Economic Development hosted events to raise awareness of industry trends, impact of changing economic conditions, risks faced and other information needed to make informed decisions. Board members are invited to the events and summaries of the events are often included in the Board meeting packages.

1. Awareness of Industry Trends:

- a. Advisory Committees – Calgary Economic Development has Advisory Committees for each of the key industries identified in the Economic Strategy for Calgary. Board members are invited to each one. These committees are: Agribusiness (ABAC), Financial (FSAC), Renewables (REC), Real Estate Sector Advisory Committee (RESAC), LIT, Transportation & Logistics (T&L)
- b. Implementation and Leadership team met twice in 2016 and the second meeting had four Board participants.
- c. Throughout the year, Board members were invited to participate in 16 industry roundtables organized for members of the municipal, provincial and federal governments. The roundtables provide Board members with the opportunity to learn about industry trends from private sector stakeholders.

2. Changing Economic Conditions:

- a. Signature events – Board members attend the Report to the Community and Economic Outlook events. Each event brings in keynote speakers and panel presenters to provide insight into the impact of changing economic conditions.
- b. News Headlines – Calgary Economic Development prepares daily news headlines that presents articles related to the goals of the Economic Strategy or mention Calgary Economic Development or our Action Calgary Partners. The News Headlines are shared with the Members of the Board.

3. Risks faced by the organization:

- a. Calgary Economic Development has an Enterprise Risk Matrix that is tabled at each relevant board committee meeting and presented to the entire Board to increase understanding with respect to financial, reputational, safety and operational risks faced by the organization.



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

Corporate Governance & Effectiveness Committee leads the search for replacing new Board Members. In 2017, we will be replacing one board member. It is encouraged that potential Board Members sit on one of our eight industry advisory committees in advance of sitting on the Board. Action Calgary corporate partners are the first audience to be approached for Board positions then the broader business community is approached. Consideration given to Industry representatives and experience. One Board position will become vacant at the 2017 AGM and will be filled at the AGM.

There are seven senior management in place in 2017. CED will develop a long term succession plan for high potential employees and those key positions.

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:

By May 2017, CED will reduce its business continuity risk by replacing in-house servers and moving to a cloud hosted solution. Once the new infrastructure is in place, we will work with our service provider to document our business continuity and cyber security plans. A formal crisis management, business continuity plan will be developed in 2018.