

Calgary



CITY OF CALGARY  
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IN COUNCIL CHAMBER  
APR 27 2021  
ITEM: # 7.4 PFC2021-0579  
Distribution  
CITY CLERK'S DEPARTMENT

**PFC2021-0579**

**Post-Pandemic Economic Recovery**

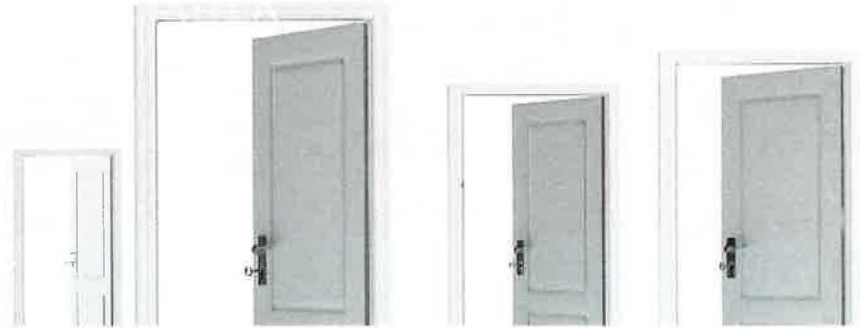
**2021 April 27**



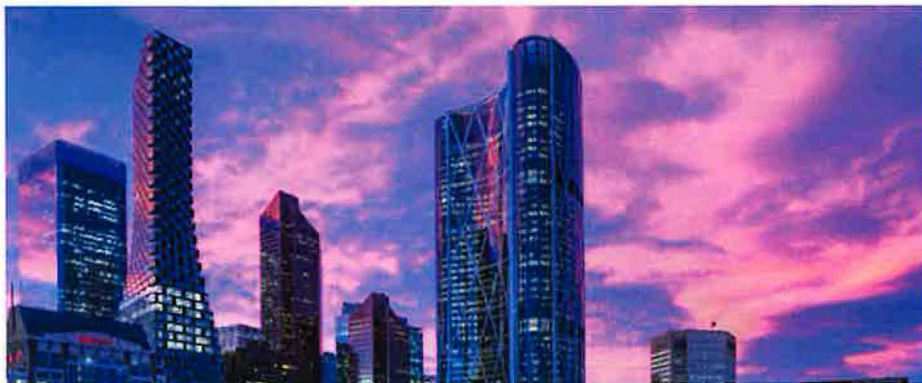
## Key Messages



**1** Many businesses and Calgarians are facing tough times



**2** Constantly exploring avenues to better support the community



**4** Getting us back on the path to the 'Prosperous City' Priority



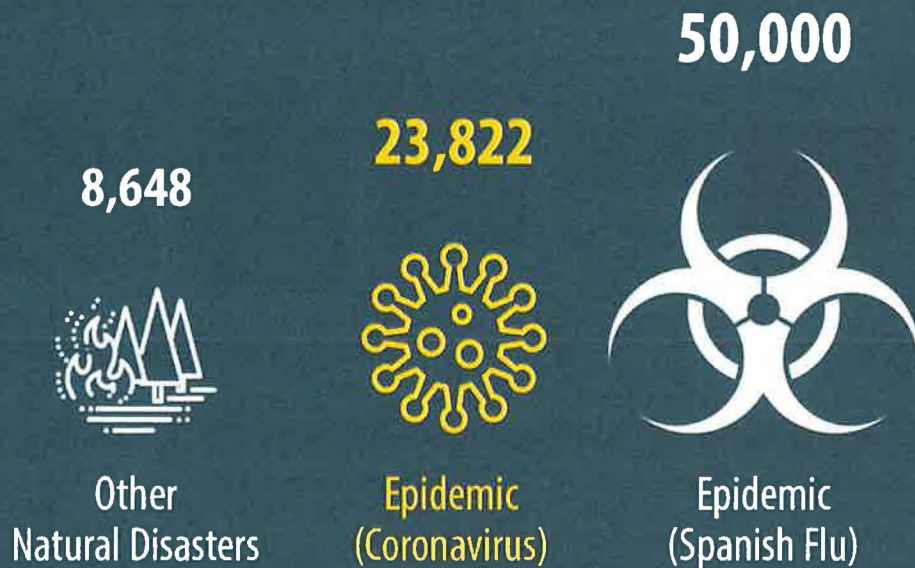
**3** Working on economic recovery activities for a quick 'snap-forward'



# Unusual event triggered large economic loss

## COVID-19 is an unusual, once-in-a-century event

The **coronavirus is the second deadliest natural disaster in Canada over the last 120 years** (1900 to 2020). It is second only to the Spanish Flu of 1918. Six other epidemics account for 562 of the remaining 8,648 deaths.

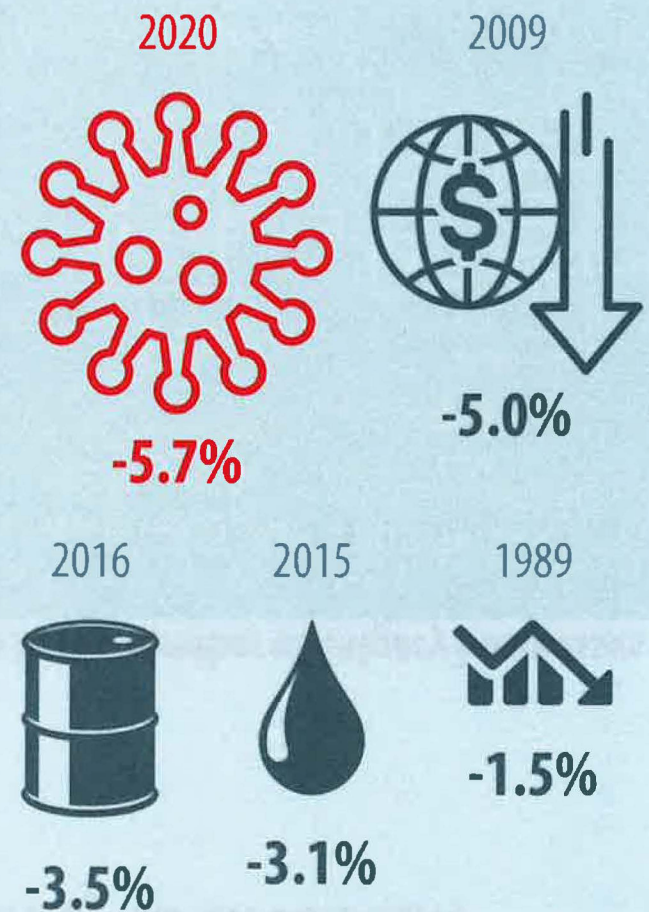


\*Note: The coronavirus was added as a 2020 event through to April 22, 2021.  
Source: Emergency Events Database Management (EM-DAT) | The International Disasters Database

## It changed our economic trajectory dramatically

Calgary's coronavirus-induced recession is the **deepest of the five annual GDP declines since 1987**.

The losses in 2015, 2016 and 2020 exceed the gains in 2017, 2018 and 2019 setting us back 6 years to economic activity corresponding to 2014.



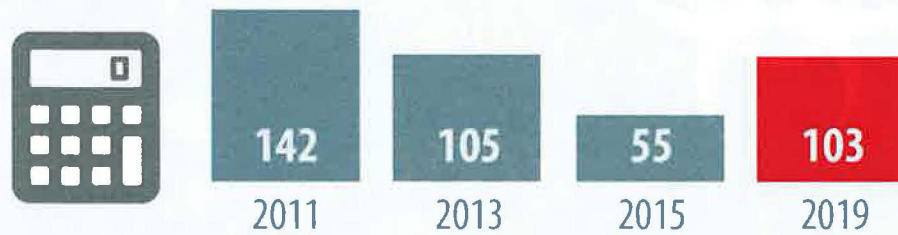
Source: The Conference Board of Canada, Spring 2021, Calgary Metro-Region Outlook



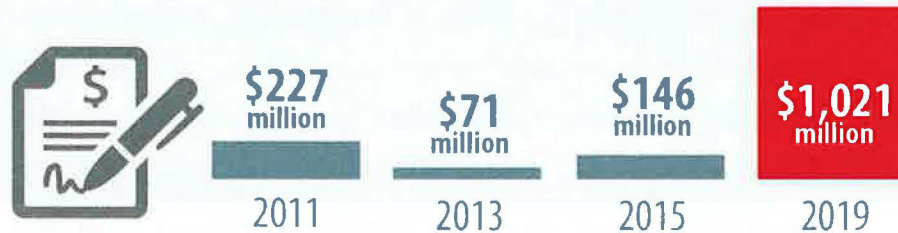
# Calgary's business community is affected

## Businesses were already more vulnerable financially

### Business Insolvency Filings



### Excess of Liabilities over Assets (at the time of filing)



Calgary region **business insolvency** declined steadily from 2011 to 2015 before structural change due to the 2015-16 recession. Filings have increased alongside the magnitude of financial vulnerability from a decade-long low of \$71M in 2013 to \$1.02 billion in 2019.

Source: Office of the Superintendent of Bankruptcies

## Sustained decline in the number of Calgary businesses

Registered businesses with employees in the city declined from 53,605 in 2015 (peak) to 51,696 in 2020. **Medium-sized and large enterprises in five industries were significantly affected.** The openings and closures of some small businesses offset each other.

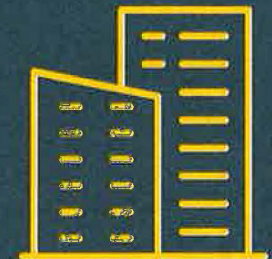
**Medium-sized enterprises**  
(50-199 employees)

**-5%**



**Large businesses**  
(200+ employees)

**-11%**



**Micro enterprises**  
(<10 employees)

**-4%**



**Small businesses**  
(10-49 employees)

**0%**

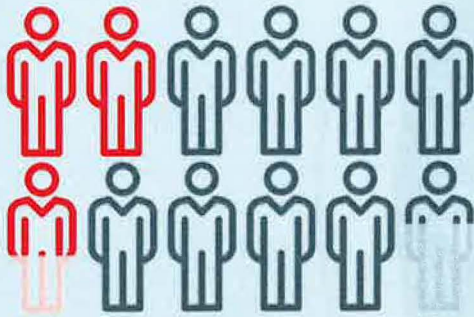


Source: Statistics Canada, Industry Canada, Government of Alberta



# Calgarians are feeling the pinch too

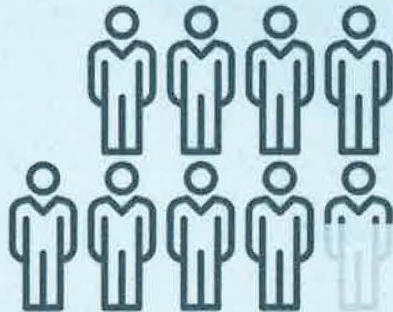
## There is an adverse impact on the Calgary job market



**2020**  
110,400 people  
unemployed

At 11.7%, the Calgary region **unemployment rate is the highest in 34 years** of uniform data. 110,400 Calgarians were unable to find jobs in 2020. That's an idle workforce about the same size as the population of Airdrie and Okotoks.

**2016**  
84,200 people  
unemployed



Source: Statistics Canada Labour Force Survey, Alberta Office of Statistics 2020 population estimates

## Sustained impact at the end of Q1 2021



Canada gained over 300,000 jobs from February 2021 to March 2021, at a time of job losses in Calgary.



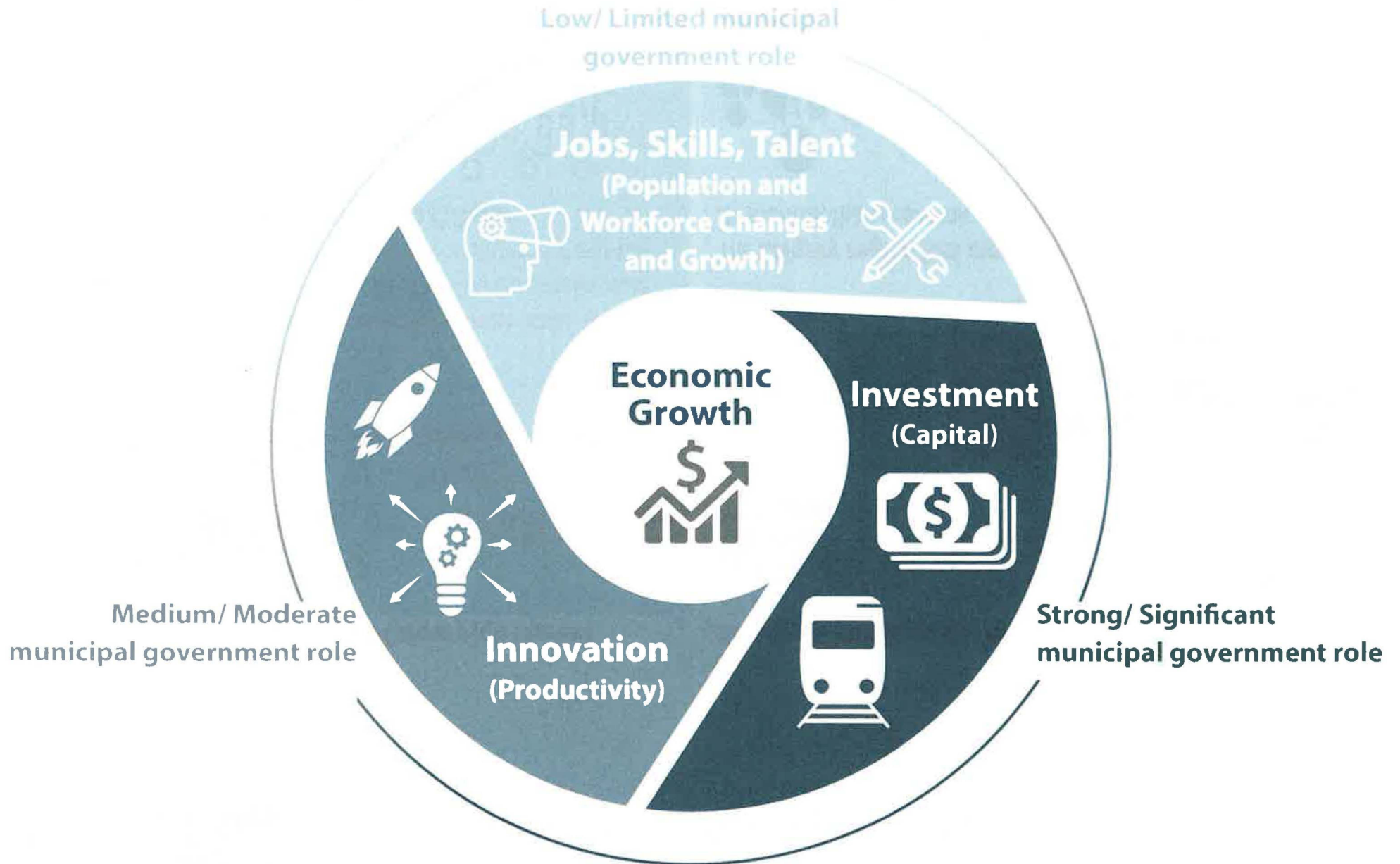
The **Calgary region lost more full-time jobs (23,700)**, in the last 24 months, than economic regions for other big Canadian cities.



Source: Statistics Canada



# Exploring avenues to support the Community





# Continued support for innovation (productivity)

## Buying Innovation



Piloting New Technologies – Sewer Line Rapid Assessment Tool

## Reducing the Risk of Innovation



Asphalt Recycling using The City of Calgary Asphalt Carrier

## Collaborating to Support Innovation



The Shepard Solar Park

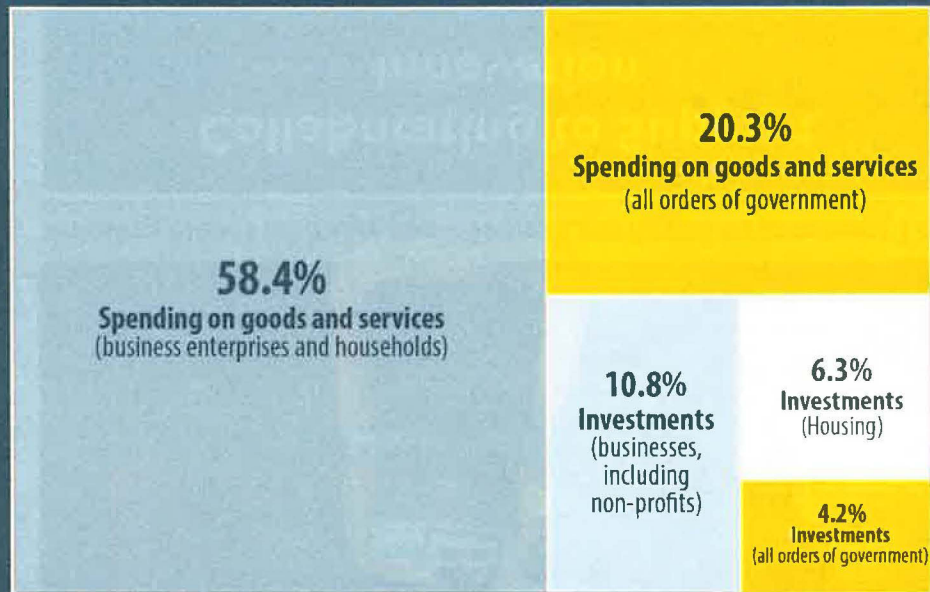
## Using Standards or Regulations to encourage innovation



Rosedale Affordable Tiny Homes

# City's support using Spending and Investment

## Government support in 2020 offset private sector losses



All three orders of Government made a significant contribution to Calgary's regional economy in 2020. The **24.5% contribution to economic activity was countercyclical**. Government spending increased with support and relief programs. Government investment increased with work on capital projects sustained.

Source: Stokes Economics

## Calgary's investment spending offered vital economic support

In 2020, The City of Calgary invested capital in numerous projects. The highest expenditures were on projects like Bonnybrook Plant D, Light Rail Vehicle Purchases, co-Generation Generator replacement, and Rangeview Sanitary Trunk.

Bonnybrook Plant D



Co-Generation Generator replacement



Light Rail Vehicle Purchases



Rangeview Sanitary Trunk



Source: City of Calgary, 2020 Financial Statements



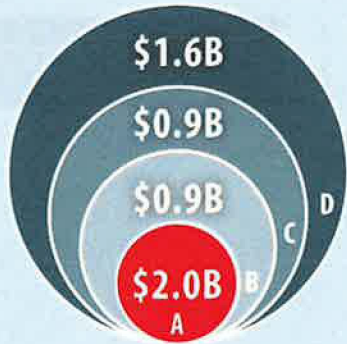


# Investments have yielded significant returns

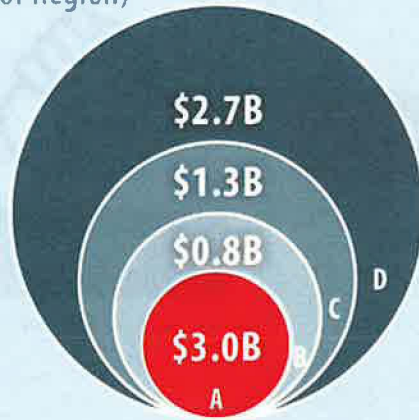
## Direct and Indirect Impact of 2020 City expenditures

Expenditures on salaries, wages and benefits supported **further income returns in the Calgary region and beyond.**

- D** Additional National Benefit (rest of Canada)
- C** Additional Provincial Benefit (rest of Province)
- B** Additional Regional Benefit (rest of Region)
- A** City of Calgary expenditure



### Income Returns



### Economic Returns (GDP)

Additional expenditures on (a) contract and general services, (b) materials, equipment and supplies, (c) interest payments, and (d) utilities led to **significant economic returns.**

Source: 1. City of Calgary (2020 Annual Report), 2. Statistics Canada (2017 Supply and Use Tables), 3. Government of Alberta, 4. City of Calgary (Corporate Economics)

## Support for jobs through 2020 City expenditures



15,800 jobs  
City of Calgary

City of Calgary expenditures also **offers economic support through the sustenance or creation of about 65,600 jobs in the local, regional, provincial and national economies.**



14,600 jobs  
Rest of Alberta



14,200 jobs  
Rest of Calgary Region



21,000 jobs  
Rest of Canada

Source: 1. City of Calgary (2020 Annual Report), 2. Statistics Canada (2017 Supply and Use Tables), 3. Government of Alberta, 4. City of Calgary (Corporate Economics)



# Economic recovery activities to 'snap-forward'

## Category 1



Identifying necessary City-Building Investment

## Category 2



Enabling Environment for Business Investment and Innovation

## Category 3



Direct Support for Innovation in Business Community

## Category 4



Investment in Local Community's Economic Wellbeing

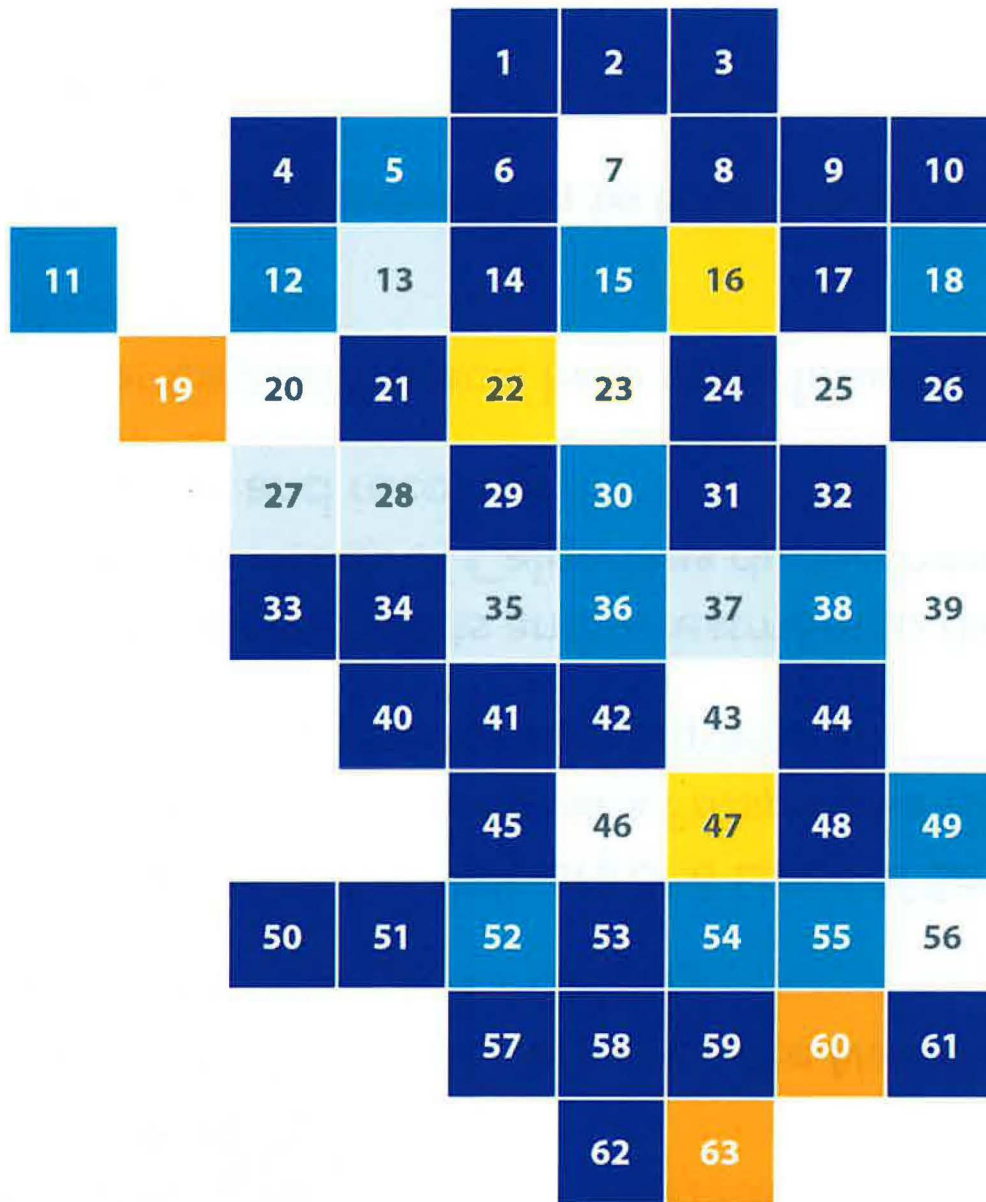
## Category 5



Direct Spending and Investment or Taxpayer Relief to Spur the Economy



# Council direction generated formidable work



## Complementary ERTF Recommendations

- 13 Better Value for City Assets
- 23 Innovation through Public Procurement
- 25 Green Investments and Financing
- 37 Youth and Community Spirit

### Legend:

- Approved, not started
- In progress - significant milestone achieved
- In progress - project planning phase / kick-off
- In progress - possible challenge identified
- In progress - progressing as planned
- In progress - One or more challenges materialized



- Deliver and support *Calgary in the New Economy: An economic strategy for Calgary*
- Contribute to the delivery of 8 Lines of Service, support Citizen Priority of a Prosperous City. Align and enhance City strategies, programs and services.
- Leverage City assets and investment to meet the changing needs of Calgarians during pandemic response and recovery.
- Major Capital Projects help drive future economic development.

## Upcoming Opportunities to hear from Partners:

- **May 18:** Update on the Economic Strategy to PFC
- **May 27:** Civic Partner Annual Report (**May 27**)
- **June 15 & 29:** Wholly owned subsidiary AGM's





# Focus is on achieving 'Prosperous City' Priority



**Strategy and Oversight**



**Plans, Programs and Initiatives**



**Governance and Implementation Teams**

# Updates will highlight impacts using ERTF tool

City of Calgary  
Finances & Risk



Revenue Generation, Cost Savings & Financial Return on City Investment

Economic Impact



Job Creation



Talent Pipeline



Resilient Economic Development



Economic Wellbeing

City of Calgary  
Finances & Risk



City Obligations & Risks



Implementation Costs & Risks



Project Probability of Success

Environmental Impact



Greenhouse Gas Reduction



Greenhouse Gas Reduction per Dollar Invested



Impact on Natural Capital Assets



Advancing the Low Carbon Economy

Social Impact



Equity



Truth & Reconciliation



Culture



Prevention



Understanding Needs



That the Priorities and Finance Committee, Direct Administration:

1. Through the Service Owner Network, to track progress on Calgary's post-pandemic economic recovery support, including communication with the broader Calgary community;
2. To report on economic recovery progress, including benefits realized, every six months starting with a 2021 November update; and
3. To incorporate concluding recommendations of the Economic Resilience Task Force (ERTF) in the 2021 November Update.