

KPI #3: YYC Calgary International Airport volumes and flights

YYC Calgary International Airport is a critical component of Calgary’s connectivity to national and international jurisdictions. The ease with which Calgary companies can connect to their trade partners and export destinations is critical for expansion and retention of local companies, while the connectedness of Calgary is also a key factor driving company attraction to the city. Of course, while YYC Calgary International Airport was one of only four Canadian airports open during COVID-19, there were significant declines in passenger volumes and direct non-stop flights from 2019 to 2020. Pre-pandemic, the airport generated \$8 billion in GDP for Calgary and the region, with 50,000 jobs indirectly tied to the airport.

Indicators	2020	2019
Number of passengers at YYC Calgary International Airport	5,700,000	18,000,000
Air cargo landings at YYC Calgary International Airport	~4,780 landings (11 per cent increase)	4,305 landings
Number of direct non-stop flights	42	88

2021 actions planned

In 2021 the City of Calgary intends to launch a Digital Playground in downtown in alignment with exploration of creating an Innovation District in Calgary.

Looking at global connectivity and YYC Calgary International Airport, the airport expects recovery from COVID-19 to occur over the next five years. Key factors YYC Calgary International Airport is tracking and believes are critical to the recovery include: lifting of restrictions in conjunction with continued roll out of vaccinations around the world; the financial health of airlines coming out of the pandemic; and public confidence in travel post-COVID-19. Importantly, the financial health of airlines is dependent upon business travel as a key revenue generator; business travel may never return to pre-COVID-19 levels. There are many uncertainties related to each factor and YYC Calgary International Airport is conducting comprehensive scenario planning to prepare for all possible recovery timelines. The airport is also looking at development of land around YYC to support supply chain view of goods and services movement and target innovative companies to support supply chain. As the home to WestJet, the number two national carrier, the recovery and success of WestJet is top of mind for Calgary. As the sector recovers, it is noteworthy WestJet did not receive federal support unlike Air Canada, who received \$5.9 billion from the federal government.

OUTCOME 2: IDENTIFY AND UNDERSTAND GLOBAL TRENDS TO HELP BUSINESSES GROW, THRIVE AND MAKE DATA DRIVEN DECISIONS

2020 key activities

2020 was an unprecedented year for Calgary businesses impacted by both the prolonged decline of the energy industry and impacts of COVID-19 on business operations. These two crises not only impacted the short-term survival of Calgary’s small and medium-sized businesses, but

also has long-term implications such as office space vacancy in Calgary's downtown. The structural changes occurring in the energy industry such as the transition to cleaner energy, digitization of remote, in-field work and efficiency of production with fewer workers, will inevitably reduce the number of jobs required to sustain the industry. Beginning in late 2020, the RESAC and the Urban Initiatives Department at the City of Calgary worked to better understand the implications, and potential solutions, to Calgary's growing office vacancy through a more vibrant and reimaged Greater Downtown.

The continuation of key infrastructure projects in 2020 also demonstrates commitment to Calgary's future. For example, investment in the BMO Convention Centre Expansion provides Calgary the opportunity to host large conventions, conferences, and other events, generating income for the city. From a provincial and municipal perspective, the Government of Alberta committed \$3 billion to capital maintenance and renewal across the province, while Calgary Municipal Land Corporation (CMLC) continues to work on key development plans for East Village and East Victoria Park to achieve their 20-year vision for Calgary's Culture and Entertainment District. 2020 also saw the completion of key milestones for the Green Line LRT, Calgary's largest ever infrastructure investment.

All three levels of government provided support for businesses impacted by COVID-19. Federally, COVID-19 supports available to businesses included the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Recovery Benefit (CERB), available to compensate for employee income and business revenues lost due to COVID-19. As of January 16, 2020, 391,690 CEWS claims were approved for Alberta businesses, equalling \$10,671,564,000.⁶³ The Government of Alberta is mobilizing funds to support business re-opening in 2021 (see 2021 Actions Planned section below). The City of Calgary also supported local businesses throughout 2020. The Business and Local Economy Team at the City of Calgary met bi-weekly with business owners through the Business Sector Task Force to help local businesses understand available supports and to better understand key challenges businesses faced throughout the year. From a financial and ease of doing business perspective, the COVID-19 Relief Package resulted in \$2.2 million waived fees for businesses. The ShopHERE pilot program was launched in 2020 to support local businesses create an online presence when in person retail shopping was not allowed due to COVID-19 restrictions. As well, over 16,000 video inspections were conducted virtually to allow Calgary's construction industry to proceed during COVID-19.

Progress and performance measurement

KPI #1: Square feet of downtown office space absorbed

Reducing vacant office space signals a vibrant downtown where businesses grow and thrive. It also provides the City with investment dollars to further support businesses through property taxes – an important positive feedback loop. Negative absorption means more office space is available in the office market, increasing supply and depressing prices of real estate. While Calgary continues to have the highest square feet of available office space in Canada, Calgary also continues to have the highest square feet of office space occupied in Canada. Since 2015, the City has lost \$16 billion in downtown office value and over \$320 million in property tax revenues. In 2020-21 the negative absorption is largely attributed to the massive consolidation in the energy industry that eclipsed the move of technology companies into downtown. Per forecasts from the City of Calgary, if no measures are taken to actively eliminate six million square feet from the downtown, office vacancy will remain high at 23.2 per cent by 2031, and it will remain difficult to convince owners and developers to invest in their assets to improve attractiveness for companies and talent. This is a more severe forecast than in the report brought forward to City Council in February 2017, which indicated a return to \$80 oil by 2020 and mid-teen vacancy rate by 2032.

⁶³ Canada Revenue Agency. Table 2i: Approved Canada Emergency Wage Subsidy (CEWS) Claims by Period and Industry Sector, Alberta. Retrieved from: https://www.canada.ca/content/dam/cra-arc/serv-info/tax/business/topics/cews/statistics/cews_p1-p12_tbl2i_ab_e.pdf

2020	2019
656,295 square feet, negative absorption	109,760 square feet, negative absorption

KPI #2: Construction value generated

Construction value is an outcome-based indicator demonstrating the economic impact construction has on the local economy.

2020
\$3.4 billion, city-wide building permits

KPI #3: Headquarters per capita

Headquarters are a symbol of power and decision making. Cities with headquarters are seen as a center of business where important decisions are made. Given the current economic condition in Calgary, continuing to maintain the highest number of headquarters per capita in Canada is an impressive showcase of Calgary’s resilience and continued reputation as a place for some of Canada’s most prestigious and fast-growing companies, including Canadian Pacific Railway, WestJet, Suncor, Benevity, Symend, Attabotics, and others. The data for this KPI is taken from the F500 list and is not reflective of start-up companies or small and medium-sized businesses headquartered or started in Calgary. In future years, this KPI may need to be updated to reflect a broader definition of company headquarters including scaling technology companies, many becoming large employers.

2020	2019
117	118

KPI #4: Business support and perceptions

The following data points illustrate initiatives and programs available for businesses to grow and thrive, as well as business perceptions of their ability to grow and thrive with the support of the City of Calgary. Where noted, the data is captured from the City Business panel surveys, often conducted quarterly, of businesses in Calgary. In 2020, many of the survey questions were updated to understand business needs because of COVID-19; and some questions were not asked on a quarterly basis due to the disruptions related to COVID-19. Many of the survey questions around business support and perceptions from the Calgary business community were updated for 2020 to better understand COVID-19’s impact on business and trust in the City to manage and find solutions to COVID-19.

Indicators	2020	2019
Dollars distributed as part of the COVID-19 Relief Package	\$2.2 million	Not applicable

#SupportLocalYYC campaign impressions	15,255, 772	Not reported
Number of businesses supported by Digital Mainstreets (ShopHERE initiative)	157⁶⁴	Not applicable
Business trust in the City (percentage of survey respondents)	35 per cent⁶⁵	21 per cent
Business awareness of City efforts to limit the spread of COVID-19 (percentage of survey respondents)	62 per cent⁶⁶	Not applicable
Business confidence the City will work with the private sector to find solutions during COVID-19 (percentage of survey respondents)	40.5 per cent⁶⁷	Not reported ⁶⁸

KPI #5: Available City of Calgary open datasets

To grow and thrive, businesses need data to make data-driven decisions in their best interest. A business-friendly city provides open access data to its community to enable entrepreneurialism and create the conditions necessary for success in a world increasingly driven by data and the ability to analyze and use data for insights and foresight.

2020	2019
340	295

2021 actions planned

In 2021 work will continue on key infrastructure projects described above including Arts Commons Transformation Project, BMO Centre Expansion, and Platform Innovation Centre and Parkade will be complete by Fall 2021.

In terms of key business supports for COVID-19, in 2021, the Government of Alberta will distribute over \$620 million to businesses through the Small and Medium Enterprise Relaunch Grant and Enhanced COVID-19 Business Benefit to offset costs of re-opening and implementing necessary public health measures. Calgary Economic Development also saw ConnectingYYC.ca uptake in early 2021, with 1,502 pageviews in Q1 2021.

⁶⁴ The ShopHERE pilot supported businesses move online to a Shopify site to increase resilience/business access when no in person shopping was allowed due to COVID-19.

⁶⁵ Average across Q1, Q2, and Q3 2020. This question was not asked in Q4 2020 due to COVID-19.

⁶⁶ Asked once during 2020 and replaced 2019 question on 'what's going on in the City'.

⁶⁷ Average across Q2 and Q3 2020. This question was not asked in Q1 2020 and missing one quarter of data due to COVID-19.

⁶⁸ In 2019 the question was asked: "I have confidence in The City to work closely with the private sector to develop investment solutions". Results in 2020 are not comparable.

Many of the municipal supports for businesses created and implemented in 2020 will continue through 2021. The ShopHERE pilot program will continue and has already received 250 applicants for Phase 2 of the program. As well, the fee freezes implemented in 2020 will continue through 2021, with a request for extension of the COVID-19 Relief Package brought to City Council on April 12, 2021. Funding is also available to help Business Improvement Areas support and promote their local areas.

OUTCOME 3: ANTICIPATE AND REDUCE BARRIERS TO DOING BUSINESS

2020 key activities

The Business and Local Economy Team at the City of Calgary worked tirelessly in 2020 to ensure businesses could do business easily and find the information needed to manage their businesses considering COVID-19. This was evident in the 43 per cent increase in online permit services and applications seen from 2019 to 2020. It was also evident in the bi-weekly Business Sector Task Force meetings with local businesses to ensure their voices were heard and needs met.

One of the most popular initiatives implemented by the City of Calgary were temporary patios in the summer of 2020. There were 116 applications approved in 2020 with fees waived for the application. These patios enabled restaurants and bars, breweries, and cafes across the city to remain open and comply with provincial health restrictions.

Progress and performance measurement

KPI #1: Webpage visits to myBusiness hub and COVID-19 support page

The City of Calgary’s Business and Local Economy Team works diligently to support businesses across Calgary start, operate, and sustain in all economic conditions. The myBusiness hub and COVID-19 support webpages were set up to support businesses and make it easier for businesses to find the information they needed to operate. While the number of webpage visits to the myBusiness hub declined in 2020, this could be due to the uptake in webpages visits to the COVID-19 support page.

Indicators	2020	2019
Increase in online applications	43 per cent⁶⁹	Not reported
Webpage visits to myBusiness hub	43,409	50,627
Webpage visits to COVID-19 support page	33,974 (January – December 2020)	Not applicable

KPI #2: City Centre Enterprise Area results

⁶⁹ As of September 30, 2020 online intake of applications has increased by 43 per cent. Customers can apply for permits online from their homes, 24 hours a day, 7 days a week, 365 days a year.

The City Centre Enterprise Area applies to downtown Calgary and Beltline. This area is where change of use, additions, or modifications to a building are exempt from requiring a development permit. Areas like these in Calgary reduce time and costs to businesses and streamline impediments to growing a business.

Indicators	2020	2019
Building permits and tenancy certificates ratio approved without development permits	69 building permits : 73 tenancy certificates	Not reported
Customer time saved	3,209 hours	Not reported
City of Calgary staff time saved	345 days	Not reported
Fees saved	\$36,000⁷⁰	Not reported

KPI #3: Applications for temporary patios on public land

In 2020, gathering outside was often the only option for Calgarians to socialize with friends and family. Temporary patios on public land were a lifeline for the restaurateurs, brewers, and other nightlife in Calgary as they struggled to stay open without indoor dine-in options. More than this, this initiative showcases the City of Calgary’s nimbleness and willingness to try new ways of creating vibrancy and community and making it easier to do business in Calgary.

2020	2019
116	Not reported

2021 actions planned

Many of the initiatives from 2020 will continue into 2021, including the temporary patios on public land. In 2021, 140 applications have already been received for temporary patios. These patios are proving to be a lifeline for restaurants, breweries, and bars as COVID-19 infection rates continue to increase in Calgary and indoor dining and gathering remain restricted.

Importantly, the City of Calgary has already consolidated the content from the myBusiness hub, COVID-19 business support, and all other business support content, into a [single website](#). As well, the City of Calgary will pilot a new Business Experience Representative position for the Restaurants and Breweries sector. This position is intended to be a single point of contact for business needs related to approvals and inspections required for opening a business. The site aims to provide a seamless and accessible user experience for businesses and entrepreneurs looking for information to support their needs.

⁷⁰ The dollars in fees saved would have equalled \$73,000 without the May permit fee waiver, a special support for businesses during COVID-19.

Conclusion

In 2020, Calgary faced a harsh new reality: low oil prices, a plunge in FDI, the biggest decrease in GDP of any province in the country, businesses struggling to survive and our unemployment rate doubling in six months. But 2020 also demonstrated the compassion, resilience, and determination of Calgarians, and that *Calgary in the New Economy* is the right strategy for the city. There was, and continues to be, a growing number of business, government, and community leaders embracing the vision of the economic strategy.

There were transformations across the city in all sectors of the economy. Calgary companies broke venture capital records amid a global pandemic. Calgary saw its fourth unicorn technology company in two years. All levels of government recognized Calgary's undeniable opportunity as a centre for global climate action and clean tech. Multiple life sciences companies were created from the Life Science Innovation Hub. When it comes to talent, Calgary was the only municipality in Canada with a positive influx of people across all age groups and our city continues to have the highest workforce participation rate in the country. This is a testament to our incredible quality of life and the opportunity to not only make a living, but to make a life.

Looking ahead to the remainder of 2021, Alberta is expected to lead the country in GDP growth. Calgary will continue to see significant venture capital investment, spurring the creation of the next generation of high-growth companies. From a vibrant downtown, to a future-ready economy, to a city that places value on shared prosperity, the success of our city will come from working together. This is our time and *Calgary in the New Economy* is the right strategy with the right vision to enable us to achieve our ambitious goals of being the city of choice for smart people to come, embrace technology and solve world challenges.