



10 Year Economic Strategy for Calgary May 2016 Update

The following is a summary of Economic Strategy activity highlights prepared by Administration since the last update to the Priorities and Finance Committee in 2015 December. Calgary Economic Development (CED) has accelerated activities in four key areas that will continue to be priorities in 2017: trade and logistics, primarily promoting Calgary's new Inland Port designation; an out of market campaign; the Head Office Attraction and Real Estate Strategy; and promoting Calgary as a Global Talent Hub. CED has developed business plans for three of these areas.

The summary below presents information in the four energy areas defined by the Economic Strategy: global, entrepreneurial, innovative, people, community, and collaborative. Action areas marked as "Opportunity Calgary Initiative" are being accelerated with Community Economic Resiliency funds.

Global Energy

Q1 2016- 89 per cent of Global Energy tactics completed or commenced
(2015 December- 80 per cent)

Renewables (Opportunity Calgary Initiative)

CED is focused at the provincial level and participated in the Energy Futures Lab and the Provincial Climate Change Panel. Industry leaders were engaged through a re-convened Renewable Energy Advisory Committee. Progress can be seen in this area with a 37 per cent increase in renewable energy jobs year over year- from 7,100 in 2014 to 11,200 in 2015.

CED is developing an action plan and strategy for building Calgary's renewable energy industry and expertise that includes research to better understand this sector and Calgary's role. In 2016, activities will focus on marketing, research and business development.

Trade Missions

Results from CED's Annual Client Survey indicate that the most common service requested by agencies is for CED to encourage external investment in Calgary and promote Calgary to external markets. In Q1, CED conducted three outbound trade missions, and three webinars for overseas trade commissioners. It also participated in the World Energy Cities Partnership gathering. Looking ahead, CED will expand the Stampede Investment Forum to also include renewable energy, financial services, and agribusiness.

Entrepreneurial Energy

Q1 2016- 89 per cent of Entrepreneurial Energy tactics had been initiated.
(Increase from 74 per cent in 2015 December)

Diversification work continued in a number of sectors including financial services. CED participated on a series of marketing missions to reassure the investment community, including trips to Toronto, Boston, New York and China. To focus on the financial services sector, CED participated with the Province at the Asian Financial Forum and re-established its Financial Services Advisory Committee.



Understanding Business Needs

Since January, CED has focused on understanding the needs of Calgary's business community. They conducted 314 outreach surveys and nine roundtables. Working with the Calgary Chamber, they conducted a Business Confidence Survey. Results indicate that while only 40 per cent of respondents believe the economy is good, 60 per cent are positive about their own business performance.

Inland Port Strategy (Opportunity Calgary Initiative)

Calgary's designation as an Inland Port recognizes the city's high concentration of distribution and warehousing centres, and highly developed multi-modal transportation corridors. Work in this area is a priority and has the highest allocation of Community Economic Resiliency funding for 2016 and 2017.

The objective of CED's Inland Port Strategy is to position Calgary as a leading North American Inland Port by supporting industry's existing efforts to reposition Calgary, and attract anchor companies that can drive development in this sector. Activities in Q1 focused on stakeholder engagement including a breakfast working session with industry leaders, and the striking of a renewed Calgary Logistics Advisory Committee. Looking ahead, activities in 2016 include further engagement, research, building a business case, and marketing. Engagement plans are being developed in collaboration with stakeholders, including The City, to ensure alignment and leverage of existing efforts.

Tourism

Tourism Calgary continued its efforts to develop Calgary's tourism industry with the development of a comprehensive Destination Strategy, slated for released in 2016 Q2. 2015 saw overall hotel occupancy rates drop 8 per cent and the Destination Strategy will aim to stop further decrease by identifying product gaps and investment potential, and building on Calgary's role as a regional destination, gateway to Banff, and a business centre. In 2016, Tourism Calgary is partnering with Calgary Arts Development Authority and the National Music Centre to celebrate the Year of Music and leverage coverage of the Junos.

Head Office Strategy (Opportunity Calgary Initiative)

As Calgary's economy continued to struggle, office vacancy in the downtown core continued to rise. CED struck a new Calgary Real Estate Sector Advisory Committee to provide insight about trends, market activity, and provide guidance and direction. This work is being led by a new Business Development Manager who started in 2016 May. CED is seeking to leverage The City's funding and proposals have been submitted to both the federal and provincial governments.

Work in 2016 will focus on marketing, business development, and lead generation. The objective is to attract new companies to locate in Calgary to reduce downtown vacancy rates and revitalize the core, and use industrial land space to advance the Inland Port, Agribusiness, and Creative Industries strategies.

Agribusiness

Work in the Agribusiness sector is underway and will continue at a steady pace from 2016 to 2019. CED hired a new Business Manager to lead this work and it will focus on research and



marketing in 2016 and business development in 2017. A detailed action plan and strategy has been developed and CED is working closely with sector leaders to align and leverage existing work.

Creative Industries

Calgary's new Film Centre opened in 2016 May. This new facility, combined with recent awards for films shot in Calgary, lays the groundwork for film and other creative industries to continue to grow.

Innovative Energy

Q1 2016- 68 per cent of Innovative Energy tactics started.
(Unchanged from 2015 December)

Increased Demand for Services

Innovate Calgary has reported a 50 per cent increase in demand for their services in 2015. They assessed 33 per cent more potential clients and supported 16 per cent more clients. Ninety two per cent of Innovate Calgary's clients were satisfied with the Innovator's Toolkit series and results show it led to significant changes to participants' practices and approaches.

An Innovation Framework for Calgary

In 2016 February, Council directed CED and Innovate Calgary to work with other key stakeholders to bring forward a plan to develop an Innovation Framework for Calgary. A report will be brought to PFC on 2016 May 31. In Q1 and early Q2 key stakeholders met for a planning meeting and a brainstorming session to identify strengths and opportunities for Calgary. The work will engage stakeholders from across Calgary's innovation ecosystem, from small start-ups to multi-nationals, to develop a made-in-Calgary approach to fostering innovation.

People Energy

Q1 2016- 60 per cent of People Energy Tactics commenced.
(Increase from 41 per cent in 2015 December)

Global Talent Hub (Opportunity Calgary Initiative)

Efforts to attract organizations that can employ Calgarians for remote work or establish satellite offices in Calgary are a priority in 2016. Activities include research into what has worked in other jurisdictions, meeting with industry in Calgary, and plans for marketing Calgary's talent in other locations. Calgary's highly educated workforce, a high level of unemployment, a low Canadian dollar, and low cost real estate are all opportunities for potential employers. Next steps include matching local excess talent with labour demands in other markets, business development and marketing activities, and measurement.

Enough for All Poverty Reduction Strategy

Vibrant Communities Calgary continued to steward implementation of the Enough for All Strategy. It co-organized Soul of the Next Economy Forum with CED that was attended by 300 leaders from Calgary's business community. In collaboration with the Plan to End Homelessness, Enough for All stakeholders helped launch the Homeless Persons Charter of Rights. Expanded partnerships resulted in increased access to financial inclusion and literacy programs for economically marginalized Calgarians.



Community Energy

Q1 2016- 87 per cent of community energy tactics started.
(Increase from 84 per cent in 2015 December)

Administration continues to bring a social lens to land-use (MDP) and transportation plans and a toolkit has been developed. The City's *This is My Neighbourhood* engaged the 14 participating neighbourhoods in visioning processes and Administration continues to help communities prioritize projects that align with their visions.

Promoting Arts and Culture

New data from Calgary Arts Development Authority (CADA) indicates that 87 per cent of Calgarians engage in the arts through media, attendance or creation-based participation. Administration collaborated with stakeholders in February and March to produce and promote activities to enhance the "Year of Music" and continue to work with CADA to develop a capital strategy for arts facilities in Calgary.

Collaborative Energy (Opportunity Calgary Initiatives)

Q1 2016- 100 per cent of tactics underway or completed.
(Increase from 83 per cent in 2015 December)

Out of Market Campaign

A priority for CED is an out of market campaign to redefine Calgary's brand. To better understand how to target the campaign, it has commissioned national perceptions research that is currently in the field. 2016 activities will focus on out of market advertising, with a lesser focus on digital assets and events.

Local Campaign

CED is working collaboratively with Tourism Calgary and other key stakeholders to develop a local marketing campaign to encourage individuals and businesses to support the local economy by using local professional services and sourcing their materials locally, among other efforts. The campaign will be focused on 2016, but will flow into 2017 as well.