

2015 Civic Partner Annual Report    Calgary Economic Development

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**1. Organization Name: Calgary Economic Development**

**2. Fiscal Year: January 1- December 31**

**3. Latest Annual Report available and web address:**

<http://www.calgaryeconomicdevelopment.com/ar2013/>

(2014 will be updated on May 26, 2015)

**GOVERNANCE**

**4. Current Vision, Mission & Mandate (include any proposed changes)**

**Mission:** We collaborate to advance opportunities for **smart growth** to achieve **individual, business and community** potential for the Calgary Region

**Mandate:** Calgary Economic Development works with business, government and community partners to achieve economic success, embrace shared prosperity and build a strong community for Calgary

**5. Identify Board and senior management positions, incumbents and vacancies:**

**Board of Directors:** Steve Allan (Chair of Board and Chair, Performance & Compensation Committee); Leontine Atkins (Chair, Audit Committee); Duncan Au (retiring from CED Board June 2015); Eric Axford (Chair, Corporate & Community Engagement Committee); Don Campbell (Chair, Corporate Governance & Effectiveness Committee) (retiring from CED Board Sept. 2015); Tom Hodson; Shane Keating; Hannes Kovac; Patricia McLeod; Brad Pierce; Murray Sigler; Quincy Smith; Rollin Stanley; Kevin Zimmer

**Senior Management:** Bruce Graham, President & CEO (departing June 30, 2015); Gillian McCormack, VP, Business & Trade Development; Mary Moran, VP, Marketing, Communications & Research; Brian McClure, Acting CFO; Luke Azevedo, Commissioner, Film, Television & Creative Industries; Karen Garrick, Manager, Executive Office

Search for new CEO is underway – expect to make offer by first week in June. Start date depends on individual's situation. CFO search will commence after new CEO in place for a few weeks/months

**6. Discuss succession planning for Board and senior management**

Corporate Governance & Effectiveness (CG&E) Committee leads the search for replacing new Board Members. It is encouraged that potential Board Members sit on 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. With two positions to fill in 2015 CG&E is currently conducting a search for two new Board members with the expectation they can be appointed at 2014 AGM on June 9, 2015

CED has prof'l dev't and performance mgmt. plans to guide staff development and succession planning.

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## **2014 YEAR IN REVIEW**

### **7. Summarize 2014 accomplishments (based on established goals or objectives)**

#### **1. Business Development Trade & Investment**

- 12 foreign direct investment (FDI) success stories and 10 company expansions generated nearly 2,400 new and retained jobs and occupied more than 2.7 million sq. ft. of space. This is compared to a total of 20 success stories planned in 2014.
- Film and Television production activity is at a near record level with 7 major productions (feature film and episodic TV) and commercial non-incentivized productions with an estimated value of \$160 million of activity compared to \$135 million planned.
- 3 outbound missions' conducted (vs 2 planned) to China, Europe and US.
- 18 inbound missions hosted (vs. 20 planned) including a very successful Stampede Investment Forum in partnership with GoA.
- 5 new GBC tenants for a total of 10 tenants throughout 2014. This is compared to the target of 8 new companies that was not achievable due to space constraints.

#### **2. Workforce Development**

- LifeinCalgary.ca was updated and rebranded with funding from ICCI (Federal) and Action Calgary partners
- Completed 10-company recruitment mission to Ireland and Scotland and national recruitment tour with Mayor
- 7 Workforce Best Practices events held compared to target of 4
- Developed Calgary Connector Program in conjunction with CREIC and PSI's

#### **3. Community Development**

- 5 Soul of the City events were completed meeting the target and Neighbourhood grants program was completed in partnership with the Calgary Foundation

#### **4. Advocacy**

- Economic Strategy unanimously approved by City Council, 30+ letters of support secure and Leadership & Implementation Team formed with letters of commitment of lead stakeholders
- Calgary Film Centre secured provincial and City funding in April and broke ground in Oct with an expected completion date of Fall 2015 for the workshop/warehouse and Winter 2016 for the studios
- Energy Literacy Centre feasibility study competed with CAPP. Recommendations being evaluated in Q1 2015.
- HOME (housing Market Opportunities and Exploration) Committee formed

#### **5. Stakeholder Relations**

- Action Calgary corporate partnership revenue exceeded target by 30% resulting in \$1.5 million in revenue

#### **6. CED Promotion**

- 3 sold out signature events for Report to the Community, First Flip and Economic Outlook

#### **7. Place Marketing**

- Calgary Be Part of the Energy national campaign resulted in 42 million impressions
- Media Hits was 1392, twice as many as 2013, with a print media value of \$1.7 million
- Perception Research indicates 40% of Canadians have an improved perception of Calgary since launching Calgary. Be Part of the Energy.

#### **8. Other Initiatives**

- WORKshift four founding partners contribution \$100K per year for 3 year for national expansion to Halifax, Ottawa, Edmonton, and the Greater Toronto Metro Area via MetroLinx for record levels of attendance
- Held EDAC Annual Conference, positioning CED as an economic development leader

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**8. Provide performance measures (targets and actual) used in 2014. Include any challenges in meeting targets**

Area of Focus	Target	Actual	Comments
Business Outreach	150	87	Under due to management change
Outbound missions	2	3	2 Conducted in partnership with CCCA
Inbound missions	18	20	Under due to staff changes
Success Stories	20	22	2400 jobs and 2.7 million sq ft
Film & TV production	\$135 million	\$160 million	Weak \$ and fam trips drove activity
GBC new tenants	5	10	Space constraints
Action Calgary	\$1.2 million	\$1.5 million	Additional funding from CHA
Be Part of the Energy campaign	25 million impressions	42 million impression	More funding from CHA allowed us to expand the campaign
Media value	\$1.2 million	\$1.7 million	Mayor's tour, Film Centre drove activity

**9. Describe how your organization's 2014 activities contributed to the economy and culture of Calgary, Calgary's environment and the well-being of Calgarians.**  
(<http://www.calgary.ca/CA/cmo/Documents/TBL%20Framework.pdf>)

The programs and initiatives activated by Calgary Economic Development resulted in the creation/retention of 2,400 jobs and 2.7M sq.ft. of occupied space. In addition, we attracted and supported \$160 million of film and TV production and were a launch pad for five new companies in our Global Business Centre.

As the lead economic development agency for Calgary we monitor Canadian's perceptions of Calgary as a place to live, work, go to school, do business and invest. In 2014 we saw a marked improvement in the perception of Calgary with almost 40% of respondents saying their perceptions of Calgary had improved over the last 3 years. The research also revealed that leveraging the Mayor as the campaign leader for our *Calgary. Be Part of the Energy* campaigns has a positive impact on people's perception of Calgary.

Through the development of the **Economic Strategy for Calgary: Building on our Energy**, Calgary Economic Development with input and support from over 400 community leaders, created a holistic community-wide economic development strategy that includes conventional economic development goals along with community economic development goals. The strategy addresses the importance of sustainable economic growth and purposeful diversification, while at the same time embraces shared prosperity and considers the impact of building a strong community – including improving cultural offerings and well-being of Calgarians. Calgary Economic Development is responsible for 14 of the 31 actions, other civic partners, City Administration, and community partners have the responsibility for the remaining 16 which include both conventional and community economic development actions.

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**10. Indicate what resources were leveraged to support operational activities, providing examples.**

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. We expect to maintain a 35-40% ratio of revenue from outside the base grant. Maintaining this ratio is going to prove particularly challenging through these tougher economic times. In addition to this revenue outside the City base grant, we also secure approximately \$500,000 in in-kind service, primarily focused on marketing.

Furthermore, CED has reduced the number of CED-led missions and partnered with other orders of government and private sector to reduce cost and gain efficiencies in the market place.

**LOOKING FORWARD**

**11. Based on your business plans for 2015-2018, what are your priorities and deliverables for 2015-2016?**

1. Stewardship of the Economic Strategy for *Calgary: Building on our Energy*
  - Three leadership & implementation team meetings
  - Report to PFC in December
2. Completion and launch of the Calgary Film Centre
  - \$28M, 95k sq.ft. workshop/warehouse and studio facilities
  - Programming to support industry development and diversification
3. Local Business Retention & Expansion
  - 300 surveys
  - 10 retention/expansion client success stories
4. Investment attraction
  - 50 Foreign direct investment (FDI) leads
  - 10 FDI client success stories
  - 4 international missions
  - 20 inbound missions
5. Film & TV Production
  - \$150 million in film
  - 1 executive familiarization trip
  - 4 scouting trips
6. Workforce Recruitment and Development
  - Post secondary inbound mission (on hold)
  - Connector program generates 25 job offers
7. Community Economic Development
  - Support CPRI Poverty awareness campaign
8. Advocacy
  - WORKShift certification launched
9. Partnership & Fund Development
  - Retain 87% of partners, all major events fully funded, Action Calgary revenue is \$1.2
10. Promoting Calgary
  - Implement national diversification campaign leveraging Be Part of the Energy brand

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**12. Identify any changes to plans and/or budget projections for 2015-2018.**

<u>Operations</u>	<u>2015 FCST</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City Base Operating Grant	4,963,865	5,149,212	5,341,179	5,539,765
Other City Grants	192,000	218,000	243,000	269,000
Earned Revenue	768,292	829,600	866,350	874,938
Sponsorship Revenue	1,688,558	1,667,500	1,693,625	1,733,556
Expenses	8,106,370	7,906,658	8,103,531	8,324,542
Net of Revenue and Expenses	(493,655)	(42,346)	40,623	92,717
Opening Reserve	994,433	500,778	458,432	499,054
Ending Reserve	500,778	458,432	499,054	591,771
Capital	NA	NA	NA	NA

Changes:

Moderate growth in Business/Sponsorship Revenue, across each of the years 2016-2018 driving overall Net Earnings slightly higher.

**13. What would be the operational impact should there be a reduction in your grant(s) from the City?**

CED's core staff intensive business development services directed towards business retention, expansion and attraction are funded by the City's operating grant. In addition, all administration and overhead cost are also covered by the City's operating grant.

If there was a reduction in CED's operating grant it would impact our ability to offer the services to both local businesses and incoming investors and/or businesses considering Calgary. With the \$4.5 million from the City's base grant, CED currently services eight sectors including Energy, Sustainable & Renewable Energy, Financial Services, Real Estate, Transportation and Logistics, Manufacturing, Creative Industries and Emerging industries. Collectively these industries represent a significant portion of the economy.

With our leveraged revenue from outside sources (private sector and other orders of government) we often have to match this revenue \$0.50/dollars. A reduction in the City's base grant would limit our ability to secure this additional funding.

**14. Identify any specific opportunities/projects that would directly stimulate the Calgary economy if supported by a strategic investment by The City.**

CED, in its business and trade development role, assists local companies with expansion and relocation requirements as well as assisting foreign direct investment for new business operations and investment in Calgary. Targets are set for both in section 11. CED staff work with staff from Planning, Development & Assessment to facilitate local business investment and future development. CED also works with the Office of Land Servicing and Housing as well as other industrial and commercial developers to secure new business.

Additional marketing materials for investment attraction and funds towards Calgary. Be Part of the Energy diversification campaign.