

2015-2018 Business Plan & Budget Summary

1. Organization Name: Tourism Calgary

2. Current Vision and Mission:

Our mandate: Increase the economic impact of the tourism economy to Calgary.

Mission: To inspire more people to visit Calgary for memorable experiences.

Our business objective: Tourism Calgary will work with our community to grow tourism revenues to \$2.3 billion by 2020. We will lead with a bold Calgary brand and leverage the tourism marketing investments of the entire industry.

2015-2018 BUSINESS CASE

3. Synopsis of your organizational priorities and actions for 2015-2018:

Generate incremental visitation and spend: Generate significant and sustainable increases in tourism revenue across the industry – at hotels, attractions, restaurants and through sports and events. 1. Grow visitation from long-haul target markets. 2. Attract, market and activate events and festivals. 3. Continually evaluate new markets. 4. Evaluate potential return on investment on business and visiting friends and relatives travel.

Energize the Calgary brand: The Calgary brand makes leisure, business, meetings, conventions and sports and events travellers more interested in coming to Calgary. 1. Grow the Calgary brand through promotion of the destination. 2. Develop brand aligned experiences. 3. Build brand awareness in key markets. 4. Build traveller advocacy.

Working together as a tourism community: Leverage investments from the tourism community to develop more effective and efficient programs and to improve the knowledge and skills of the industry. 1. Advocate with and for the tourism industry. 2. Develop and share research based insights. 3. Provide marketing and knowledge leadership. 4. Increase the skill and expertise of the tourism industry. 5. Engage industry in meaningful communication.

Enhance Tourism Calgary's ability to support and promote the destination: Operate with the discipline and focus of a high-performing, private-sector marketing organization. 1. Strengthen internal processes 2. Nurture a brand aligned culture. 3. Drive organizational performance through measurement. 4. Strengthen the Tourism Calgary team.

4. Outline how your organizational priorities & actions align with Council Priorities for 2015-2018.

Economic growth and competitiveness: Tourism drives economic development. 2011 research from Twist Marketing shows that 69% of Canadians were not born where they currently reside and that 30% of them first visited as tourists. Tourism Calgary is working to grow leisure tourism and weekend visitation so the city's tourism industry isn't over-reliant on business travellers.

Community wellbeing: Every Tourism Calgary initiative is achieved through partnership and promotes local community businesses, festivals, attractions and events. We promote, highlight and elevate local artists, entertainers, chefs and musicians with international media and tourists.

Public safety: We are working with provincial authorities and the local tourism community to promote crisis planning and business resiliency. The Tourism Calgary flood response won provincial and national tourism marketing awards for its ability to mitigate tourism losses and reassure travellers that Calgary was open for business.

Healthy living: The Calgary Sport Tourism Authority makes strategic investments in bid opportunities using a disciplined evaluation framework, looking at triple-bottom line contributions which will improve quality of life, encourage the development and restoration of new facilities, raise destination profile and grow sport at a grassroots level. |

5. Provide specific examples on how your organization will work towards restraining expenses and seeking efficiencies over the 2015-2018 timeframe outlining the net impact to service delivery or organizational sustainability.

We work with partners to align and combine resources for marketing Calgary, by:

- Aligning the destination brand;
- Combining resources for marketing initiatives;
- Developing a unified Calgary-wide strategy that aligns the marketing efforts of the city's promotional agencies, tourism businesses and provincial partners;
- Ensuring internal alignment and effective use of existing human and financial resources through cross-department collaboration;
- Sharing assets and resources with City of Calgary and City promotional agencies including Calgary Economic Development, Calgary Arts Development, Calgary TELUS Convention Centre and others.

6. Which of your key services are funded by the operating grant provided by The City?

City of Calgary funds are combined with Destination Marketing Funds, Tourism Calgary membership fees and building operation profits into one budget that supports:

- Tourism marketing (media relations, travel trade, advertising, social media, digital marketing);
- Calgary Sport Tourism Authority (event evaluation, attraction and servicing);
- Industry building (education, workshops, marketing opportunities). |

7. Identify performance indicators and targets you will use to evaluate your organization's performance in the 2015-2018 timeframe.

To measure the destination's health and tourism growth, Tourism Calgary is developing a destination brand scorecard, which will be shared with Council in the fall. In many ways, Tourism Calgary efforts cannot be fully differentiated from the destination's overall health, as many other organizations play a role. Currently, Tourism Calgary performance is measured by the following indicators:

Generate incremental visitation and spend

Number of incremental room nights generated

Number of events booked

Energize the Calgary brand

Brand awareness in key markets

Development of brand-aligned experiences

Growth of the brand through promotion

Work together as a tourism community

Number of referrals to tourism businesses

Revenue generated for collaborative marketing

Industry satisfaction index

Sharpen the focus of the organization

Staff satisfaction

General and administrative costs as a %
of total expenditures

8. Identify how you will leverage resources in 2015-2018 and provide specific examples.

Every Tourism Calgary initiative involves combining and leveraging financial resources and industry expertise and partnerships. Specific examples of opportunities to leverage resources from 2015-2018 include:

- New open-ended agreement with the Calgary Hotel Association with increased funding and strategic integration;
- Partnership-based marketing campaigns in Toronto;
- New event attraction opportunities to leverage federal and provincial funding;
- Regional cooperative summer and fall marketing campaigns;
- Increased integration with Calgary's other promotional agencies;
- Strategic exploration of long-haul markets;
- Travel Alberta cooperative marketing support;
- Gaining critical support from local businesses when hosting national and international media and tour operators;
- Visitor Information Services at airports with support from YYC and Government of Alberta.

BUDGET AND FINANCIAL INFORMATION

9. Provide your budget projections covering the 2015-2018 timeframe (complete table below).

Operations (000's)	2015	2016	2017	2018
City of Calgary draft operating grants	2,519,372	2,613,443	2,710,875	2,811,665
Other operating grants	5,974,900	5,982,600	5,992,700	6,003,100
Earned revenue from operations	1,612,801	1,560,858	1,539,992	1,819,325
Donations & fundraising revenue	400,000	420,000	440,000	460,000
Operating expenses	10,507,073	10,576,901	10,683,567	10,794,090
Net of revenue and expenses	0	0	0	0
Opening operating reserves	0	0	0	0
Ending operating reserves				
Capital (000's)	2015	2016	2017	2018
Opening capital reserves	508,050	734,610	944,540	1,126,060
Requested City of Calgary lifecycle grants	0	0	0	0
Other City of Calgary capital grants	0	0	0	0
Other capital revenues	291,560	266,930	238,520	248,090
Capital expenditures	65,000	57,000	57,000	41,000
Ending capital reserves	734,610	944,540	1,126,060	1,133,150

10. Financial risks or challenges related to budget projections. Provide specific examples and year in which challenges are anticipated.

The 4 year revenue stream includes annual funding of \$5,000,000 (2015 – 2018) from a portion of the 3% voluntary Destination Marketing Fund fees ("DMF"). DMF fees are retained by the trustee the Alberta Hotel and Lodging Association ("AHLA") for applicable hotel rooms sold in Calgary by participating hotel members from the Calgary Hotel Association. A Memorandum of Understanding was recently signed - next steps include governance changes to Tourism Calgary in advance of retroactive funding for the 2014 year.

Tourism Calgary retains ownership of its capital assets. The reserves for building and non-building within our existing operating agreement are funded through a combination of rental revenues less expenses plus an amount equal to the non-cash amortization amount for building and non-building which has been allocated from a non-City of Calgary revenue source (membership dues).

The 2013 flood impacted Tourism Calgary's building operation revenues. From 2015 to 2018, extra effort will be required to fully lease current vacant storage as well as the renewal of a lease expiry of our largest tenant for main floor office space.

The salaries and benefits envelope over this four year budget period have been estimated with an annual increase of 1% in each of the four years. This may prove difficult to maintain within the Calgary marketplace.

A \$68,391 reduction in operating grants in 2015 will be offset in subsequent years when The City of Calgary draft funding proposal becomes reality.

2013 ANNUAL REPORTING

11. Outline your key services and activities undertaken in 2013 and how they advanced priorities identified in Council's 2012- 2014 Fiscal Plan for Calgary.

Our key activities are based upon attracting visitors to Calgary to experience and enjoy our tourism experiences. Tourism activity supported an estimated \$77 million in direct and indirect municipal taxes from the \$1.6 billion in visitor spending in 2012 (according to Statistics Canada). Those tourism and hospitality businesses combine to employ close to one in 10 working Calgarians.

Our marketing activities primarily drive new leisure travellers to Calgary, diversify our economy and support labour attractions objectives.

Our sales activities create urgency for travel, but as importantly provide The City with its arm of due diligence with regards to event selection and attraction; support the development of grassroots sport; and contribute to development of Calgary sport and recreation facilities.

Our industry relations efforts are designed to develop marketing alignment with local businesses so that we can leverage the marketing investment of the entire industry aimed at attracting visitors to Calgary.

Marketing Calgary as a destination diversifies our economy, attracts visitors who become residents, promotes Calgary talent and supports local businesses with media and increased visitation. Some of the key marketing priorities from 2013 included:

- Regional summer advertising campaign (Alberta and Saskatchewan);
- Top Chef Canada – national advertising program. Season 3 finale filmed in Calgary and aired on the Food Network.

Attracting events

- Tour of Alberta;
- Cavalia;
- Shaw Charity Classic PGA Champions Tour

Building community

- Right Here video with Calgary Economic Development, Calgary TELUS Convention Centre and Calgary Hotel Association;
- Celebrating industry excellence with the 51st annual White Hat Awards.

Response to the flood

- Calgary. Our Doors are Open regional and national advertising campaign. |

12. Identify how you measured the success of your services and activities in 2013. Please provide examples of these results.

	2013 target	2013 actual
Number of events	42	50
Room nights	50,000	44,044
Visits to visitcalgary.com	1,150,000	1,306,802
Social media reach (Twitter and Facebook)	43,750	72,303
Referrals to industry partners	150,000	165,394
Partner contributions	\$725,000	\$719,363
Annual occupancy	72%	73.1%
Summer occupancy Post-Stampede	79%	81.6%
Unpaid destination awareness (media value)	\$5,000,000	\$6,072,863

13. Identify how you leveraged resources in 2013. Please provide examples.

Each of our strategic activities leveraged industry partner resources. In 2013, we:

- Leveraged The City's \$2,426,000 investment with a 2.75:1 ratio of industry funds and building operations profits;
- Developed cooperative marketing campaigns that attracted over \$1.4 million in partner / industry investments to increase regional and national marketing reach (\$195,363 from partners and over \$1.25 million from industry funding sources);
- Executed a Toronto campaign with combined resources from multiple partners that attained a variety of individual and shared objectives;
- Attracted significant federal and provincial financial support while supporting and leveraging the expertise and human resources of local sport organizations through the CSTA;
- Leveraged industry support and City dollars with Travel Alberta funding;
- Secured key sponsorships and in-kind donations for partnership events, educational seminars and the City's celebration of western hospitality – the Calgary White Hat Awards;
- Developed the Right Here destination marketing video with industry partners.