

CIVIC PARTNER 2017 ANNUAL REPORT SNAPSHOT- CALGARY ECONOMIC DEVELOPMENT

CALGARY ECONOMIC DEVELOPMENT LTD.

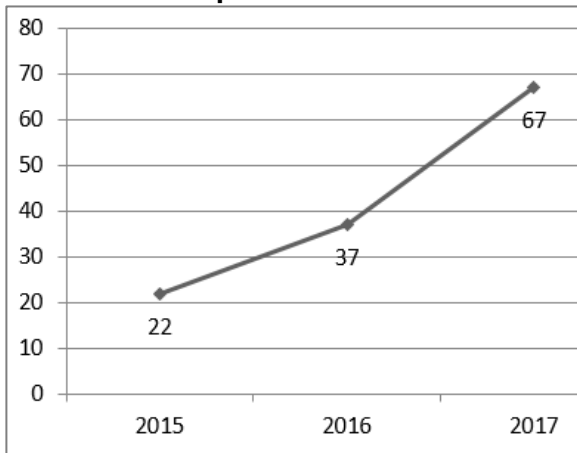
Mandate: Calgary Economic Development works with business, government and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce.

2017 City Investment

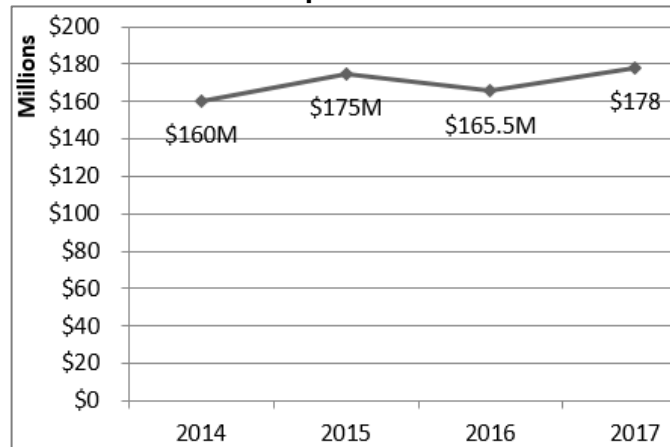
Operating Grant:\$5,584,179
Economic Resiliency: \$2.3M
City owned asset? No

How did they do in 2017?

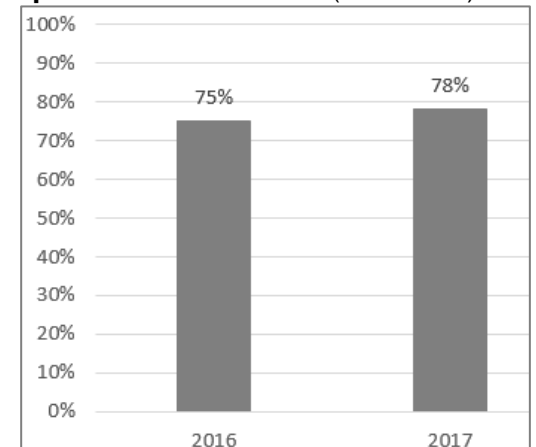
Companies attracted



Film production



Favourable impression of Calgary as a place to do business (Canadians)



The story behind the numbers

- National perceptions research is done every 18-24 months.
- CED invested \$2.3 million of the \$7 million allocated by Council to accelerate implementation of the Economic Strategy.
- In 2017, CED generated \$509 million in GDP impact and 5,719 jobs through the attraction/retention of 67 companies.
- CED Participated in 13 outbound trade missions (up from 11) and hosted 29 inbound trade missions (up from 26).
- 2017 was a record year for the Creative Industries team.

Snapshot of 2018-19 priorities

- Accelerate sector development and diversification including launching the Opportunity Calgary Investment Fund (OCIF).
- Inspire stakeholder collaboration including launching a refreshed Economic Strategy.
- Enhance Calgary's image and build an authentic brand for Calgary.
- Organizational excellence including employee engagement, board policy, and four year corporate strategy and budget.



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Organizational Structure: Wholly Owned Subsidiary

Fiscal Year: Ended December 31, 2017

Related Subsidiaries or Foundation: No

2017 Core Operating Grant: \$5,584,179

2017 Economic Resiliency Grant: \$2,300,000 (of a total \$7,000,000 allocated over three years)

2017 Total: \$7,884,179

1. Current Vision, Mission and Mandate:

Mission:

We collaborate to advance opportunities in achieving economic success, embracing shared prosperity and building a strong community for Calgary.

Mandate:

Calgary Economic Development works with business, government and community partners to position Calgary as the location of choice for the purpose of attracting business investment, fostering trade and growing Calgary's workforce.

2. What key results did your organization achieve in 2017 that contributed to one or more of the Council Priorities in Action Plan 2015-2018? (*A Prosperous City, A City of Inspiring Neighbourhoods, or A Healthy and Green City?*)

- In 2016, Calgary Economic Development initiated our first 3-year Corporate Strategy with clear metrics represented on our Balanced Scorecard. Results below are tracked monthly through this Balanced Scorecard.
- Generated \$509 million in GDP impact and 5,719 jobs (up from 1,561) through the attraction/retention of 67 companies (up from 37).
- Notable successes include the Amazon fulfillment centre in Balzac, which will generate 750 jobs when operational, and RocketSpace a deep technology accelerator.
- Curated over 400 qualified leads, up almost four-fold from 2 years ago.
- Participated in 13 outbound trade missions (up from 11) and hosted 29 inbound trade missions (up from 26).
- Supported \$178 million in film and television production (up from \$165.5 million), a record year for our Creative Industries team.
- Eight startups receiving funding through support from Startup Calgary (in just 8 months, up from 6 in previous 16 months)
- Secured \$1.5 million in joint funding with Calgary Technologies Inc. and the A100 from Alberta Innovates to increase the number of successful tech entrepreneurs in Calgary.
- Generated over 150 million media impressions for Calgary including BBC, CNN, New York Times, Washington Post and technology publications such as WIRED and Geek Wire through our bid for Amazon's HQ2.
- Additional coverage in Chinese publications through inbound media familiarization tour with 6 US based journalists working for Chinese publications as well as a roundtable with Beijing journalists.
- Self-funded through retained earnings the process to update the Economic Strategy for Calgary.
- Hosted the Downtown Economic Summit with the City of Calgary to create a downtown action plan and report for submission to Calgary City Council.
- Hosted PivotTECH with Rainforest Alberta, an event attended by 700 participants, designed to increase understanding of the gap between existing skills of the labourforce and skills required by growing technology companies.

- Responded to over 800 research inquiries, a 76 per cent increase from the previous year.

3. What challenges affected your operations in 2017? How did you transform your operations to respond and adapt?

Due to the continued economic situation, Calgary Economic Development is seeing a decline in Action Calgary revenue (down 12 per cent) within our partnership community.

The support of our Action Calgary Partnerships is critical to the work we do and we are especially grateful for the ones who continue to stand alongside us during this challenging time. We continue to monitor spending in Be Part of the Energy and marketing to the Action Calgary revenue.

In 2016, The City of Calgary granted Calgary Economic Development \$7M in funding to implement the three year Resiliency Funding (Opportunity Calgary) program to accelerate sector diversification, redeploy talent and attract headquarters to Calgary. This funding allowed us to leverage an additional \$3M from the Government of Alberta and the Government of Canada (through Western Economic Diversification) to support our work in accelerating diversification, activating on a downtown strategy, position Calgary as a talent hub and focus on headquarter attraction in additional jurisdictions. Additional resources were put in place to support key sector development while research and strategy projects were undertaken.

In 2017, we executed on the foundation created in 2016 with a strong focus on impactful activities with \$509 million in GDP impact and a record 67 company wins and over 5,700 new jobs. Research and strategy supported/conducted 13 sector and competitive studies to provide clarity and guidance in support of sector expansion and identifying trade and investment opportunities. This work included a downtown office space study and workforce related research. In May 2017, CED acquired the operations of Startup Calgary, which provides services to companies at their beginning or inception stages. Impacts in the first 8 months far exceeded expectations with 2400 participants attending events resulting in eight startups accessing funding to support the creation of six full time jobs.

In May 2016, CED's subsidiary Calgary Film Centre Ltd. (CFCL) commenced operations. In 2017, this film centre was still in its start-up phase and faced additional challenges due to market conditions, industry changes and a less competitive media fund. As a result, the film centre had a lower utilization rate than expected. CED has supported CFCL and has created a joint sub-committee with the board of each committee to monitor debt and develop a more holistic plan for the future.

CED sold WORKShift program, to a major Canadian consulting firm; the resources were deployed to Opportunity Calgary.

4. Using the chart below, please report your 2017 performance measures that demonstrate; where possible; how much you did, how well you did it, and how Calgarians are better off.

	Performance Measure	2015 results	2016 results	2017 results	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	Accelerate sector development & increase diversification				
	Qualified Leads	101	211	377	
	Connectors with Connector Program	224	118	153	Program in wind down mode
	Film scouting and FAM tours	18	22	14	

	Outbound trade missions	5	11	13	
	Inbound trade missions	24	26	29	
	Workforce 'Best Practice' events	8	5	7	
	Global Business Centre events	117	159	162	
	Careers in Calgary tours	19	12	49	Formerly called Careers in Manufacturing
	Startup Calgary Ideation Events	N/A	N/A	24	2400 participants at Ideation Events
	Stakeholder relations				
	Soul of the City events	4	3	2	Winding down Soul of the City
	Action Calgary partner events hosted by CED	8	6	10	Calgary Opera (3), Venture Quest, Chinese New Year Dinner, GlobalFest, Theatre Calgary (3), Folk Festival and 4 government roundtables
	Authentic brand for CED				
	Number of participants at signature events (Economic Outlook, Report to the Community, Soul of the City, and Startup Launch Party)	3,200	2,900	3,250	New event: Startup Launch Party (Calgary's Premiere Innovation Ecosystem event)
	Research requests fulfilled	492	769	866	
	Research reports initiated	1	5	13	Our research studies inform our marketing and investment attraction activities integrated into pitch deck and website material.
	Enhance Calgary's image				
	Media value generated	\$1.6M	~\$11M	\$5.3M	In the past year, we facilitated interviews that generated 1,378 media stories and saw an increase in National & International coverage.
	National Be Part of the Energy promotional campaign launched	Q2	Q3		Content driven campaign ran throughout the year with Canadian flights running in the spring and fall and our first US targeted campaigns launch in the fall
	Sector-related stories written	111	140	108	
How well did you do it?	Accelerate sector development & increase diversification				
	Active Prospects & Opportunities	14	14	146	CRM implementation in 2016.
	Visits by potential investors (incl. Stampede Investment Forum)	24	63	124	
	Stakeholder relations				
	Percentage Economic Strategy tactics initiated or completed	75%	87%	87%	In this past year, some tactics cancelled.
	Awareness of Economic Strategy	22%	35%	39%	
	New Action Calgary Partners	4	7	8	
	Retention Rate Action Calgary Partners	93%	90%	85%	
	Authentic Brand for CED				
	Percentage businesses believing CED is delivering excellent experiences	30%	51%	59%	

	<p>Percentage businesses likely to:</p> <ul style="list-style-type: none"> - express overall positive impression of CED - Continue working with CED - Recommend CED to others <p>Aided Awareness of CED</p> <p>Unaided Awareness of CED</p> <p>CED Client usage Research</p> <p>Enhance Calgary's image</p> <p>Percentage positive impressions of Calgary as a place to do business</p> <p>Number of GBC Tenants</p> <p>Number of new GBC Tenants</p> <p>GBC Revenue</p> <p>CFCL Utilization Rate per sq. ft.</p> <p>Build Organizational Excellence</p> <p>Employee engagement</p> <p>Unplanned staff attrition</p> <p>Lateral/upward internal move</p> <p>Board has a policy and strategic focus rather than a hands on focus</p>	<p>77%</p> <p>86%</p> <p>87%</p> <p>89%</p> <p>29%</p> <p>27%</p> <p>N/A</p> <p>7</p> <p>4</p> <p>\$88,487</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>78%</p> <p>84%</p> <p>83%</p> <p>85%</p> <p>55%</p> <p>40%</p> <p>75%</p> <p>13</p> <p>6</p> <p>\$88,000</p> <p>65%</p> <p>59%</p> <p>4%</p> <p>1</p> <p>71%</p>	<p>83%</p> <p>84%</p> <p>81%</p> <p>82%</p> <p>25%</p> <p>23%</p> <p>78%</p> <p>12</p> <p>5</p> <p>\$84,327</p> <p>52%</p> <p>61%</p> <p>8%</p> <p>3</p> <p>86%</p>	<p>Research has shown the declining economy results in negative responses to most surveys.</p> <p>National perceptions research is done every 18-24 months. The survey was not undertaken in 2015.</p> <p>Commenced operations May 2016</p> <p>These metrics began tracking in 2016 forward.</p>
How are Calgarians better off?	<p>Accelerate Sector Development & Diversification</p> <p>Companies won</p> <p>Trade & Investment deals</p> <p>Number of direct/indirect jobs created/retained</p> <p>Film production</p> <p>Assist start-ups with access to capital</p> <p>Inspire Stakeholder Collaboration</p> <p>Economic Strategy Core indicators improved</p> <p>Non-core funding</p> <p>Enhance Calgary's Image</p> <p>Canadians have a favourable perception of Calgary</p>	<p>22</p> <p>0</p> <p>N/A</p> <p>\$175m</p> <p>N/A</p> <p>29%</p> <p>\$2.2M</p> <p>N/A</p>	<p>37</p> <p>1</p> <p>1,561</p> <p>\$165.5m</p> <p>4</p> <p>21%</p> <p>\$11.5M</p> <p>75%</p>	<p>67</p> <p>6</p> <p>5,719</p> <p>\$178m</p> <p>8</p> <p>50%</p> <p>\$2.4M</p> <p>79%</p>	<p>6 – AI or NSRC, 2 VC or Angel</p> <p>Improvements in GDP, Employment and Calgarians living in poverty.</p>

5. What resources were leveraged to support operational activities in 2017?

From a revenue perspective, we partner with other orders of government and businesses to leverage the City's base grant and economic resiliency grant to generate additional revenue to support our business plan activities. CED targets a 35-40 per cent ratio of revenue from outside the base grant, in 2017 the actual is 55 per cent or \$6.8 million (2016 - \$4.4M, or 45 per cent). The increase over 2016 was driven by funding

from the City and Provincial and Federal governments for the economic resiliency initiatives. Maintaining this ratio is going to prove particularly challenging through these tougher economic times. CED leveraged the following support for operational activities in 2017:

- Economic resiliency funding from City of Calgary is \$2.4 million (2016 - \$1.8M);
- Action Calgary (AC) revenue earned was \$721,000 (2016 - \$820,000);
- Other sponsorship revenue (incl. funding for Startup Calgary Initiatives) was \$402,000 (2016 - \$172,000);
- Revenue recognized from other orders of Government was \$ 2,258,000 (2016 - \$707,000);
- Approximately \$601,000 of in-kind services received, primarily focused on marketing activities.

6. Please estimate how The City's operating funding was allocated in 2017. Mark all areas that apply by approximate percentage. For example, 45% allocated to staffing costs, 10% to evaluation or research, etc.

City Base Grant	Non-Core City ¹	Non-Core Other ²	Total Funding	Expense Category
6%	43%	39%	25%	Advertising and promotion
4%	20%	18%	12%	Programs or services
1%	0%	0%	1%	Office supplies and expenses
1%	8%	16%	8%	Professional and consulting fees
73%	19%	19%	44%	Staff compensation, development and training
0%	0%	0%	0%	Fund development
2%	0%	0%	1%	Purchased supplies and assets
5%	0%	2%	3%	Facility maintenance
2%	9%	6%	5%	Evaluation or Research
6%	1%	1%	3%	<i>Other, please name: Technology</i>
100%	100%	100%	100%	

¹ Non-Core City funding includes Economic Resiliency Grant

² Non-Core Other funding includes: WD Grant, Government of Alberta Grant, Action Calgary corporate partnership program and other grants and sponsorships.

7. Did volunteers support your operations in 2017? If yes,

How many volunteers?	120
Estimated total hours provided by volunteers:	2100-4000

8. What are your key priorities and deliverables for 2018-2019?

The following priorities and deliverables are detailed in Calgary Economic Development's 3-year Corporate Strategy and Balanced Scorecard.

1. Accelerate Sector Development & Diversification
 - Launch the Opportunity Calgary Investment Fund (OCIF)
 - 97 Companies won
 - 12 trade and investment deals
 - 4,000 direct/indirect jobs created/retained
 - \$180 million film production
2. Inspire Stakeholder Collaboration
 - 90 per cent completion of Economic Strategy tactics
 - Maximize utilization of the Calgary Film Centre

- Launch updated Economic Strategy
- 14 Startup Calgary clients receiving funding
- Stable base grant funding for Startup Calgary
- \$1.8 million non-core funding
- 3. Enhance Calgary's image
 - 75 per cent of Canadian business leaders have favourable perception of Calgary
- 4. Build an Authentic Brand for CED
 - 83 per cent Favourability of people who work with CED
 - 40 per cent of CED clients use research, data and information services
- 5. Organization Excellence
 - 65 per cent Employment engagement
 - 85 per cent Board policy and strategic focus
 - Build four year Corporate Strategy and budget

**NOT APPLICABLE FOR CALGARY ECONOMIC DEVELOPMENT--
 CAPITAL AND ASSET MANAGEMENT (for applicable partners)**

Asset: Name of City owned asset managed or operated

9. Provide a summary of your organization's 2017 capital development, including specific lifecycle/maintenance projects.

N/A

10. What funding was leveraged to support capital activities in 2017?

N/A

STRATEGY DELIVERY – 10 Year Economic Strategy for Calgary

1. What key results were achieved in 2017 for the Council-approved strategy you steward?

- Positive progress has been made in all areas with 87 per cent of tactics in the Economic Strategy commenced or completed.
- Tourism Calgary launched *Ultimate Host: Ultimate Host City* a Destination Marketing Plan for Calgary.
- Industry and post secondaries collaborated to submit two Supercluster submissions – Clean Resource Innovation Network (CRIN) and Smart Agribusiness Super Cluster (SASC). While unsuccessful both initiatives continue to explore opportunities to advance the supercluster concepts. In addition, an MOU was signed between Olds College and Calgary Economic Development creating the Calgary – Olds Smart Agriculture Corridor.
- Vibrant Communities Calgary, stewards of *Enough for All*, reported that the percentage of Calgarians living in poverty declined from 11.1 per cent in 2015 to 10.8 per cent in 2016.
- Calgary Economic Development, Startup Calgary, Calgary Technologies Inc. and the A100 formed the Calgary Innovation Coalition and secured \$1.5 million in funding from Alberta Innovates to support early stage technology entrepreneurs through programming, business development and mentoring services.



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- Stakeholders in the Economic Strategy have collaborated with the Government of Alberta to introduce tax credit programs to modifications to the Alberta Media Fund to grow the technology and media industries in Alberta.