



One Calgary 2019-2022 Business Plan & Budget Summary
Calgary Economic Development Ltd.
(Board Approved)

One Calgary Line of Service: Economic Development and Tourism

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.

1. What are your organization's priorities and actions for 2019-2022?

As stewards of the Economic Strategy for Calgary (approved by Council), Calgary Economic Development works towards prosperity for all Calgarians. Our mandate and Corporate Strategy (approved by our Board of Directors) are aligned with Calgary's Citizens' priorities most particularly 'A Prosperous City'. In light of this our 2019 to 2022 priorities and actions include the following:

1. Develop a high-performing and engaged team through empowering employees, enhancing Board engagement and skills development leading to increased success of employees.
2. Deliver exceptional client service focusing on clients with the greatest impact on job creation, office space absorption and tax assessment. We will anticipate client needs while continually improving access to research and information, real estate and workforce services. This will include an enhanced triage process allowing us to assign each client to the person best suited to manage their account.
3. Work with stakeholders, including our advisory committees and Board members to communicate Calgary's business development needs to all orders of government and align activities and outcomes to the Economic Strategy for Calgary including:
 - Pursue opportunities in advancing Calgary as a living lab
 - Developing and promoting Calgary's innovation ecosystem to support startup and scaleup businesses
 - Collaborating with secondary, post-secondary and private sector in launching a talent accelerator to build a talent pipeline to meet the needs of the new economy
 - Supporting the City of Calgary in positioning itself as the most business friendly city in Canada
4. Establish Calgary's recognition globally as a place to learn, live and do business through
 - Creating and delivering an amazing narrative communicating our established and emerging sector opportunities and unique competitive advantages in targeted geographic markets. We are developing new metrics to enhance our understanding of impacts of overall marketing campaigns and promotional efforts in key markets
 - Collaborate with partners and stakeholders in strengthening Calgary's brand and leveraging Be Part of the Energy in our collective marketing efforts
 - Improve the return on investment of our signature events drawing clearer lines to our ambassador program and lead generation efforts
5. Maintain and expand our sector development and diversification efforts in attracting companies, jobs and investment to Calgary. The efforts are focused on our established (transportation and logistics, agribusiness and energy) sectors as well as our emerging (creative industries, financial services, life sciences and health) sectors. Creative industries will grow to include digital industries and music. Life

sciences and health is a new pursuit for Calgary Economic Development based on the strength of medical research at the University of Calgary. These efforts will include:

- Enhancing inside sales and research capabilities in developing additional lead generation
 - Growing the Trade Accelerator Program and relationships with trade officers and commissioners to increase trade deals and grow local companies
 - Organizing and participating in inbound and outbound trade missions with identified target markets
 - Deploy and enterprise sales strategy and team member focused on larger companies that can absorb larger office footprints, attract talent to Calgary and enhance our perception as a city of innovation and opportunity
 - Understand and intervene with businesses at risk of leaving Calgary in improving our business retention rate
 - Managing tools for attraction and expansion opportunities such as the Opportunity Calgary Investment Fund, the Calgary Film Centre, and the Global Business Center.
6. We will actively pursue new opportunities that arise and look for leveraged funding whenever possible including our Action Calgary Program and other orders of government. Our Action Calgary Partners are key stakeholders in providing thought leadership and financial support to deliver the Economic Strategy for Calgary.

The key KPI's will focus on job growth with plans to support up to 7,000 to 10,000 new jobs annually up from 1,500 to 6,000 from 2016 and 2017 respectively. By year 4, at 10,000 jobs the City's ROI that we target will be for every \$1 invested in CED the City will receive \$60 addition to GDP.

2. Outline how your priorities align with the Citizen Priorities for 2019-2022 and Council Directives (see attached summary)

As the steward of Calgary in the New Economy: the Economic Strategy for Calgary, Calgary Economic Development is closely aligned with the 2019 - 2022 Citizen priorities and Council Directives. Calgary Economic Development and Start-up Calgary directly address the priority of A Prosperous City through our support to entrepreneurs and growth industries, revitalization of the downtown core, attracting and retaining talent and partnering with the City of Calgary in removing barriers to business growth. Careers in Calgary, the Trade Accelerator Program and Business Model Canvas workshops are examples of programs and initiatives in these areas.

CED has close working relationships and support the work of stakeholders in their efforts to implement Enough for All, build complete communities and address the need for affordable housing. Calgary Economic Development, along with The City of Calgary, our civic partners and stakeholders are all working together towards a safe, accessible and inclusive city and an economy that works for everyone. We continue to support making Calgary a better place to make a life and place to make a living and amplify Calgary's image by creating an amazing narrative for the City and distribute the success stories as well as drive Calgary's brand. We will focus on the advantages of the City with a view to attract and expand companies and jobs to allow a higher tax base.

As CED expands the services it provides to achieve the objectives in Calgary in the new Economy, the Economic Strategy for Calgary we will increase the number of jobs to 10,000 annually, the number and size of companies of 100 annually, and increase office and industrial space absorption. In achieving these objectives

we are contributing to economic resilience through increased and more stable tax base and well paying jobs for Calgarians.

3. Which of your programs and services are funded by The City's operating grant?

The programs funded by the current City's operating Grant include: Sector development for Energy, Creative Industries, Transportation and Logistics (partial), Agribusiness (partial), Workforce and Global Business Center (partial). The current base grant also includes support for the implementation of the Economic Strategy for Calgary.

The Opportunity Calgary or Resiliency Funding received over the years of 2016-2018 has supported the creation or growth of the following programs: Agribusiness, Transportation & Logistics, Start-up Calgary, Real Estate, Life Sciences and Enterprise Sales with both a domestic and international focus.

Programs such as the Trade Accelerator Program, Opportunity Calgary Investment Fund, Calgary Film Centre, Global Business Centre, and Careers in Calgary are supported through grants from other orders of government or self-funded. All programs are supported and benefit from CED's core service ranging from marketing, executive management, research, event management, facility management, contracting, payments, IT, financial reporting and payroll. These core services have been expanded by 2 resources, which is funded from Headquarter Funding from the provincial and federal government and Opportunity Calgary Funding/Resiliency Funding.

4. Identify 3-5 performance measures that you will use to evaluate your organization's performance from 2019-2022. Provide measures in the RBA format of How much you will do, How well you will do it, and Is anyone better off. (See attached sample)

With our first 3-year Corporate Strategy, Calgary Economic Development created a business plan and reporting framework to reflect the RBA format. This continues with our 4-year Corporate Strategy 2019 – 2022. Our metrics are as follows:

1. How much will we do?
 - a. 500 meetings held
 - b. 30 inbound and 50 outbound trade events
 - c. 50 events designed to generate client leads
2. How well did we do it?
 - a. 400 active leads
3. How are Calgarians better off?
 - a. 7000 (growing to 10,000) number of jobs retained/created
 - b. 100 companies attracted/retained
 - c. 500,000 sq feet (growing to 1,250,000 sq feet) Office space absorbed

We are also able to compile these metrics to report on GDP impact on the community. We strive for a return on investment goal of \$60 in GDP for every \$1 investment from The City of Calgary.

5. Identify how you will leverage resources from 2019-2022. Please provide specific examples.

CED will continue to leverage resources on specific projects and studies with other orders of government securing \$.9 million annually. CED has historically taken advantage of Headquarters Funding from the Province of Alberta and Western Economic Diversification as well as Invest Canada Community Initiatives (ICCI) and the Community and Regional Economic Support (CARES) program from the Government of Alberta. We will continue to use other orders of government funding and summer student internship programs to create and operate programs such as Careers in Calgary and the Trade Accelerator Program. Most recently, Calgary Economic Development has received funding from the Alberta Entrepreneurship Incubator Program to partner with Calgary Technologies and the A100 in delivering support to early stage technology entrepreneurs. This funding expires in 2019.

CED does plan on allocating more resources to increase the contributions from the private sector through our Action Calgary program. During the downturn this program has contracted to \$.7 million annually but with a new strategy and approach we would like to have Action Calgary generate \$2 million annually or 15% of our total funding. These funds will primarily be used for “Be Part of the Energy” campaigns to amplify Calgary’s message to the world and support our business development efforts.

CED will leverage its core infrastructure and resources to support OCIF to minimize its corporate costs. OCIF will only be responsible for direct costs of employees of approximately 1.5 FTE.

CED will support CFCL as we have historically, but CFCL will increase headcount in marketing, sales, admin support and facility support.

6. Provide your board approved budget projections covering 2019-2022:

Operations (000's)	2019	2020	2021	2022
City of Calgary proposed operating grants	10,000	10,311	10,620	10,938
Other operating grants	1,390	1,102	1,113	1,125
Earned revenue from operations	1,129	1,148	1,163	1,177
Donations & fundraising revenue	900	1,000	1,500	2,000
Operating expenses	13,419	13,561	14,396	15,240
Net of revenue and expenses	0	0	0	0
Opening operating reserves	999	999	999	999
Ending operating reserves	999	999	999	999
Capital (000's)	2019	2020	2021	2022
Opening capital reserves	0	0	0	0
Requested City of Calgary lifecycle grants	0	0	0	0
Other City of Calgary capital grants	270	70	70	70
Other capital revenues	0	0	0	0
Capital expenditures	270	70	70	70
Ending capital reserves	0	0	0	0

7. What are the key financial risks or challenges related to your organization's budget projections for 2019-2022? Provide specific examples and the year in which challenges are anticipated.

The 3 key risks identified in the 2017-2018 Civic Partner report included the following: retention of the CED team, financial and reputational risk of CFCL and the successful execution of programs such as OCIF. The retention risk is a result of having 19 CED team members hired on a term employment contract, 15 FTE are due to the temporary nature of the OC and HQ grant funding in place. With an increase in core funding we will hire 15 of these individuals on a permanent basis and reduce the risk of employee turnover and allow focus on the execution of programs thereby reducing program risk. With the planned movement of the assets and debt of CFCL to the City that will address the CFCL reputational risk. In summary, this 4 year budget addresses the key risks that currently exist.

As we move toward 2019 – 2022 the risks will include: increased reputation risk as we change to a ROI model as we focus resources on activities with the highest impact. Program execution risk for OCIF program will remain. In 2019, the office lease on the GBC and Main office will become due; if the lease is not renewed with similar terms we reallocate funding from operational activities to office expenses, thereby increasing financial and operational risk. Finally, financial risk for CED to support CFCL risk remains as we ramp up operations, the budget assumes CFCL self-fund the cost increases and is in a break-even position.

The below shows a table of the composition of the headcount in the past and that is required for the next 4 year budget cycle in order to meet the 4 year economic and 4 year corporate strategy.