



## **One Calgary 2019-2022 Business Plan & Budget Summary**

### **Tourism Calgary**

### **(Board Approved)**

**One Calgary Line of Service:** Economic Development and Tourism

**Purpose:** Inspire more people to visit Calgary for memorable experiences.

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

To ensure Tourism Calgary's continued focus on championing and implementing the 10-year Destination Strategy | *Ultimate Hosts. Ultimate Host City*, the organization developed strategic plan which describes how it will work toward implementing the Destination Strategy. The plan is articulated in four pillars of marketing, hosting, activating and advocating and is measured by seven key performance indicators.

The achievement of those success indicators will drive all actions for 2019-2022. Tourism Calgary's KPIs, and key priorities include:

- Increasing intention of Canadian travelers to visit Calgary within the next two years (achieved through consumer marketing regionally and nationally. Also includes a focus to bring international visitors to the city).
- Increasing the number of stakeholders who believe Tourism Calgary is an effective champion for industry by 2020;
- Advancing five Destination Strategy initiatives per year (both Tourism Calgary-led, and stakeholder-led initiatives);
- Growing the number of Tourism Calgary-supported events from 68 to 75 by 2020;
- Achieving incremental growth in attendees at Tourism Calgary-supported events by 3% annually;
- Increased proportions of stakeholders believing tourism in an important contributor to Calgary's economy and quality of life; and
- Increased proportions of visitors and Calgarians believing Calgary offers shareable experiences.

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

Calgary's Destination Strategy, and subsequently Tourism Calgary's priorities are strongly aligned with citizen priorities and Council's directives, for example:

- Building a prosperous city: By attracting 6.9 million annual visitors to Calgary who contribute \$1.6 billion to our economy (2017);
- A city of inspiring neighbourhoods: Tourism Calgary works with all business improvement areas, to help enhance them and market them while bringing Calgarians and visitors to our unique neighbourhoods;
- Healthy and green city: By attracting over 70 sport and cultural events to Calgary every year, Tourism Calgary contributes to quality of life by making participatory opportunities available to Calgarians and visitors.
- A city that moves: Tourism Calgary advocates for items of importance to Calgarians and visitors, including connected transportation infrastructure that increases mobility for all.

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

Currently, Tourism Calgary utilizes The City's operating grant to fund a variety of activities throughout its different lines of business. Year-to-year there can be slight variations in allocation of the grant dollars, but overall, the allocation remains fairly consistent. The majority of the operating grant is directed towards key programs and activities such as marketing campaigns, content development, and product development (approx. \$1.3 million of The City grant funds are directed to these activities).

The funds are also directed to cover portions of the staff compensation budget (approx. \$900,000 of The City funds for 36 FTE), as well as office supplies and expenses (approx. \$170,000). For certain projects, such as destination development initiatives as part of the Destination Strategy, City funds cover a majority of these budgeted costs (approx. \$143,000).

Lastly, portions of research, consulting and professional fees for finance and audit purposes, and consulting for product development are funded from The City's operating grant (approx. \$230,000).

**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)**

<b>How much did you do?</b>	Number of annual visitors to Calgary	2017 visitation numbers are up 3.7% over 2016
<b>How well did you do it?</b>	90% of stakeholders believe Tourism Calgary is an effective champion for industry	Tourism Calgary's stakeholders are overwhelmingly supportive of the organization's efforts and strategic direction
<b>How are Calgarians better off?</b>	\$1.6 billion added to Calgary's economy	2017 economic impact numbers are up 6.4% over 2016

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

Many of Tourism Calgary's activities leverage industry partner resources; this will continue through 2022, with examples including:

- Developing cooperative marketing campaigns with partners that attracted over \$1.3 million per year in industry investments to increase regional and national marketing reach;
- Leveraging industry support and City dollars with Travel Alberta funding to market Calgary regionally, nationally and internationally;
- Securing key sponsorships and in-kind donations for partnership events, educational seminars and the City's celebration of western hospitality – the annual Calgary White Hat Awards;
- Partnering with multiple Destination Strategy stakeholders to advance key strategic initiatives toward the vision of Ultimate Host City;
- Leveraging investments from City and Province to host major events including Grey Cup (2019) and Canadian Country Music Awards (2019).

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

<b>Operations (000's)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
City of Calgary proposed operating grants <sup>1</sup>	\$2,600	\$2,600	\$2,600	\$2,600
Other operating grants <sup>2</sup>	\$6,000	\$6,000	\$6,000	\$6,000
Earned revenue from operations	\$675	\$675	\$675	\$675
Donations & fundraising revenue	\$200	\$200	\$200	\$200
Operating expenses	\$9,500	\$9,500	\$9,500	\$9,500
<b>Net of revenue and expenses</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>
Opening operating reserves	N/A	N/A	N/A	N/A
<b>Ending operating reserves</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Capital (000's)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Opening capital reserves	\$900	\$900	\$900	\$900
Requested City of Calgary lifecycle grants	N/A	N/A	N/A	N/A
Other City of Calgary capital grants	N/A	N/A	N/A	N/A
Other capital revenues	\$50	\$40	\$35	\$30
Capital expenditures	\$50	\$40	\$35	\$30
<b>Ending capital reserves</b>	<b>\$900</b>	<b>\$900</b>	<b>\$900</b>	<b>\$900</b>

<sup>1</sup> Based on the City of Calgary operating grant remaining status quo for the four-year cycle.

<sup>2</sup> Including matching operational programing grants (co-op funding) from Travel Alberta and industry partnership funds.

<sup>3</sup> For the purposes of this exercise, approximations (~) and rounding was used throughout the chart above without noting such approximations.

**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 largest financial risk for Tourism Calgary historically and presently is funding stability and a lack of funding growth. Tourism Calgary's funding comes from two primary sources – the Calgary Hotel Association and The City of Calgary. These two sources account for 80% of Tourism Calgary's revenue.

Consequently, there is a risk that one or more sources could alter, reduce or eliminate their funding. Tourism Calgary sees key risks with the co-op funding program provided from Travel Alberta as the Government of Alberta manages budget challenges at the provincial level. Moreover, funding from the Calgary Hotel Association is based on revenues collected through the Destination Marketing Fund (DMF), which is directly correlated to hotel room occupancy and rates.

The organization's budget projections also make certain assumptions. For example, maintaining tenant occupancy in the building that Tourism Calgary owns and operates, as well as donations in kind and contractual terms remaining constant year-over-year. In 2020 and 2021, there are upcoming tenant lease negotiations, as well as contractual negotiations with partners that provide large donation in kind sums which could alter these budget projections.

