

CIVIC PARTNER 2018 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.

One Calgary Line of Service: Economic Development and Tourism

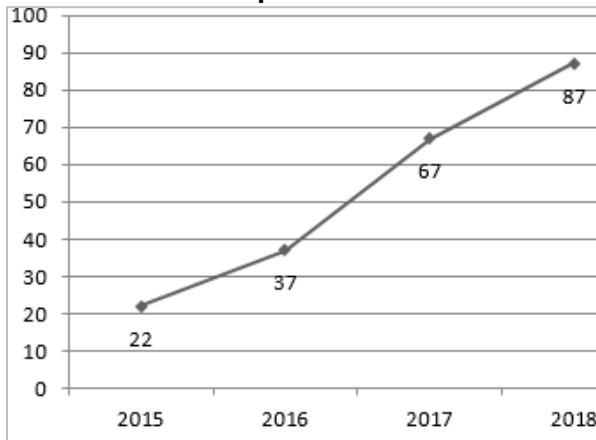
2018 City Investment

Operating Grant:\$5,808,765
One Time Funding: \$1,200,000

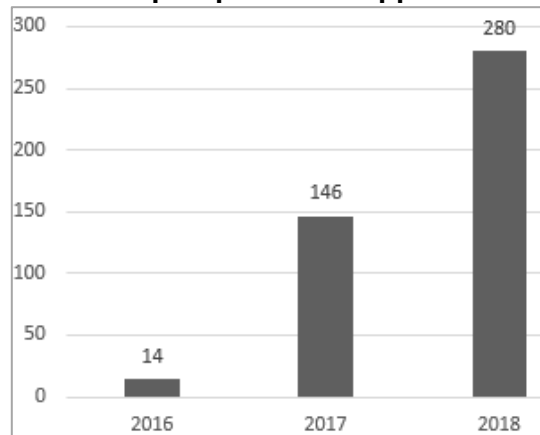
City owned asset? No

2018 Results:

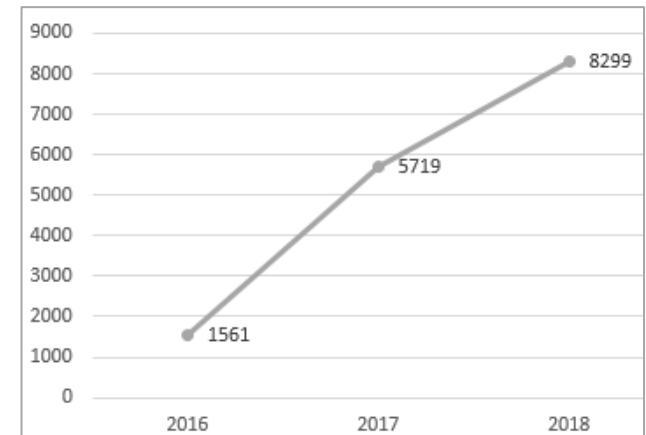
Companies attracted



Active prospects and opportunities



Jobs created and retained



The story behind the numbers

- Supported the attraction/retention of 87 companies and 4,600 direct jobs, up from 67 companies and 2,700 direct jobs in 2017.
- The increase in the number of direct/indirect jobs created/retained reflects success of initiatives such as the Trade Accelerator Program (TAP), OCIF, StartUp Calgary and the Calgary Film Centre.
- A pipeline of qualified leads is maintained to attract, expand and retain companies and some qualified leads support the attraction and expansion of companies in future years.

Strategic alignment

- As the steward of *Calgary in the New Economy: An economic strategy for Calgary*, Calgary Economic Development's work is aligned with most City strategies and plans, including the *Cultural Plan for Calgary*, and *Enough for All* poverty reduction strategy.
- In 2018, Calgary Economic Development established committees for each pillar of the economic strategy, including a Talent Committee, Innovation Committee, and Place Committee to increase the level of collaboration and alignment between The City, Civic Partners, and other key stakeholders.



Calgary Economic Development Ltd. Civic Partner 2018 Annual Report

Organizational Structure: Wholly Owned Subsidiary

Fiscal Year: Ended December 31, 2018

Related Subsidiaries or Foundation: No

2018 Operating Grant: \$5,808,765

\$1,200,000 One time funding

1. Current Vision, Mission and Mandate:

Vision:

Calgary is the city of choice in Canada for the world's best entrepreneurs. We embrace innovation and create solutions to meet the world's needs in food, health, energy and transportation.

Mission:

We champion Calgary's economic growth by focusing on our clients, embracing diversification and promoting our city.

Mandate:

Calgary Economic Development ("CED") collaborates with business, government and community partners to accelerate growth and build prosperity by promoting Calgary as the location of choice to invest, live, work, start and grow a business.

2. What key results did your organization achieve in 2018 that contributed to one or more of the Council Priorities in Action Plan 2015-2018 and created public value?

(A Prosperous City, A City of Inspiring Neighbourhoods, or A Healthy and Green City?)

In 2016, CED developed a 3-year Corporate Strategy for the organization with clear metrics represented in our Balanced Scorecard. Over the three years, CED supported the attraction and retention of 191 companies and film and TV productions. These companies, in turn, are estimated to have created or retained 8,000 direct jobs and supported a further 7,500 indirect jobs. In 2018, the following results were tracked monthly through the Balanced Scorecard to complete the final year of the 3-Year Corporate Strategy.

- Supported the attraction and retention of 87 companies and 4,600 direct jobs, up from 67 companies and 2,700 direct jobs in 2017;
- Curated over 400 qualified leads, up almost four-fold from the start for the strategy;
- Participated in 44 inbound and outbound missions;
- Supported over \$180 million in film and television production (up from \$178 million in 2017);
- 26 Startup Clients received (VC/Government of Alberta) funding (up from 16 in 2017) and over 4,000 people participated in StartUp programming;
- Responded to over 700 research inquiries;
- Completed or made considerable progress on 88 per cent of the 32 specific actions in the six focus areas of the economic strategy approved by City Council in 2014;
- Collaborated with The City of Calgary to launch OCIF, receiving and reviewing 187 applications and announced the funding of two beneficiaries;
- Supported the launch of EvolveU, a full stack developer education program which had 10 people enrolled in the initial cohort of the program in 2018; and
- Continued to support the Calgary Film Centre in growth of Calgary's creative industries achieving a 60% occupancy rate.

3. What challenges affected your operations in 2018 and how did you adjust?

In addition to the continued economic situation in Calgary and the CEO's leave of absence, Senior Management effectively managed several challenges that affected the organization's operations in the 2018 including:

- 1) The City of Calgary's Budget Cycle – In 2018, one of CED's main operational challenges was The City of Calgary's 2019-2022 budget cycle. With over 30% of CED staff on contract, the timing of the budget cycle created uncertainty whether the organization would have sufficient funding to retain contract staff. To address this issue, CED extended contracts on a short-term basis until the organization was able to determine its funding availability and was in frequent communication with the CED team throughout the process. The certainty City Council provided by their approval of CED's budget in 2018, allowed us to convert the contract staff to permanent positions enabling us to continue to provide services that City Council and the community ask of our organization in these challenging economic times.
- 2) Opportunity Calgary Investment Fund Ltd. ("OCIF") – In April 2018, The City of Calgary approved and incorporated OCIF, a \$100 million fund which invests in catalytic opportunities for economic growth, diversification, increased employment, and expansion of the property tax assessment base in Calgary. CED created the governance, internal controls and organization structure, developed due diligence, intake structure, and contracting and compliance processes. CED successfully processed three applicants through to the contribution agreement phase, of which two were announced in 2018.
- 3) Calgary Film Centre Ltd. ("CFCL") – Since opening in May 2016, CFCL, a wholly-owned subsidiary of CED governed by a Management Services Agreement, was encumbered with a heavy third-party debt from escalated construction and land costs, and no contingency funds. As a result of fluctuating occupancy rates due to low warehouse prices, uncompetitive provincial incentives, and cash flow shortfalls, CFCL was funded by CED through a loan up to \$900,000. In 2018, CFCL sold the Calgary Film Centre to The City of Calgary, which eliminated all the debt and will enable a sustainable funding model and competitive pricing.

4. Briefly describe how your key results in 2018 contributed to the following Council approved strategies (as applicable. Please note if you steward the strategy)

Strategy	Key Results
Calgary in the new economy: an updated economic strategy for Calgary	CED is the steward of the economic strategy for Calgary. In 2018, CED engaged over 1,800 Calgarians including a CEO Roundtable to create a shared economic vision for the city, <i>Calgary in the New Economy</i> . The updated economic strategy was unanimously approved by City Council in June 2018. Since the strategy was approved, the organization has been updating processes to align with the four areas of focus. This included a revised 4-year Corporate Strategy and a revised Business Plan and Balanced Scorecard to reflect the goals of <i>Calgary in the New Economy</i> . In 2018, CED also launched new committees for each pillar of the economic strategy, including a Talent Committee, Innovation Committee, and Place Committee. CED also stewards the Leadership and Implementation Committee which includes representation from all four of the pillars to oversee the overall implementation of the strategy.
Cultural Plan for Calgary	In 2018, CED developed a Digital Media Strategy and committed to the implementation and participation of both the Digital Media Strategy and the Music Strategy for Calgary. In addition, the Manager of Arts and Culture for The City of Calgary participates on the Place Committee for the economic strategy.
Enough for All Poverty	CED supported the Steering Committee for the Enough for All Poverty Reduction

<u>Reduction Strategy</u>	Strategy and continues to participate as part of a Business Advisory group for the strategy. The CEO of Vibrant Communities Calgary participates on the Place Committee for the economic strategy.
<u>Sport for Life Policy</u>	In 2018, CED stewarded an economic impact study for amateur sport for Sport Calgary, Calgary Sport Tourism Authority, and The City of Calgary.
<u>Foundations for Hope: Calgary's Corporate Affordable Housing Strategy</u>	The Calgary Housing Affordability Collective also participates in the Place Committee as part of the implementation of <i>Calgary in the New Economy</i> to ensure alignment between the two strategies.
<u>Open Spaces Plan (Calgary Parks')</u>	
<u>Recreation Master Plan</u>	As part of the implementation of the economic strategy, the Acting Director Recreation sits on the Place Committee as well.
<u>Calgary Heritage Strategy</u>	
Other:	

5. Do you support any Civic Partner approved strategies? For example, Calgary Arts Development Authority's [Living a Creative Life](#), or Tourism Calgary's [Destination Strategy](#)?

CED is a strong advocate and supporter of Calgary Arts Development Authority's ("CADA") *Living a Creative Life* and Tourism's Calgary's *Destination Strategy*. During the 2018 budget cycle at The City of Calgary, CED supported the increase in funding for CADA in order to grow Calgary's arts and culture. The Vice President of Research and Strategy at CED meets with the President and CEO of CADA on a regular basis to ensure alignment of strategies between *Living a Creative Life* and *Calgary in the New Economy*.

In 2018, CED worked closely with the Tourism Calgary on evolving the brand identity for Calgary to position our city as the ultimate host city and as a great place to make a life. The synergies between *Calgary in the New Economy* and the *Destination Strategy* are strong and highlight how collectively we can ensure Calgary's tourism economy is maximized as we mature as a destination of choice for business and leisure travelers.

On top of supporting CADA's *Living a Creative Life* and Tourism Calgary's *Destination Strategy*, CED works with Calgary Technologies Inc. ("CTI"), Calgary TELUS Convention Centre ("CTCC") and the Calgary Municipal Land Corporation ("CMLC") as Civic Partners. In 2018, CED collaborated with CTI through the Calgary Innovation Coalition and the Rainforest Initiative, ensuring consistency between the organizations in order to group Calgary's innovation ecosystem. The CTCC has played a part of the economic strategy for Calgary and continues to do so through participation in CED's Place and Leadership Committees. In 2018, CED also worked in partnership with the University of Calgary to launch the Life Sciences Innovation Hub ("LSIH") and the CMLC on several initiatives including an economic impact study of the Rivers and Entertainment District and establishing the presence University of Calgary's Faculty of Environmental Design in the old library.

6. Please estimate how The City's operating funding was allocated in 2018. 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	CED Total	Expense Category
3%	51%	21%	18%	Advertising and promotion
3%	16%	20%	11 %	Programs or services
1%	0%	0%	1%	Office supplies and expenses
4%	10%	14%	8%	Professional and consulting fees
75%	21%	32%	50%	Staff compensation, development and training
0%	0%	0%	0%	Fund development
2%	0%	0%	1%	Purchased supplies and assets
5%	0%	1%	3%	Facility maintenance
2%	2%	10%	4%	Evaluation or Research
6%	1%	1%	3%	Other, please name: Technology
100%	100%	100%	100%	

7. Did volunteers support your operations in 2018? If yes:

How many volunteers?	140
Estimated total hours provided by volunteers:	Approximately 4,500

8. What resources did your organization leverage to support operations in 2018?

The Base Operating Grant was \$5.8 million, of which 75% is used for staff compensation. CED partnered with other orders of government and businesses to leverage The City of Calgary's Base Operating Grant to generate additional revenue to support our business plan activities. This includes:

- Economic resiliency funding from The City of Calgary is \$2.5 million (2017 - \$2.4M);
- Revenue recognized from other orders of government was \$1,530,000 (2017 - \$2,258,000);
- Action Calgary (AC) revenue earned was \$660,000 (2017 - \$721,000);
- Other sponsorship revenue (incl. funding for Startup Calgary Initiatives) was \$677,000 (2017 - \$402,000); and
- Approximately \$613,875 of in-kind services received, primarily focused on marketing activities.

CED targets a 35-40% ratio of revenue from outside the base grant, in 2018 the actual is 52% or \$6.2 million (2017 - \$6.8M, or 55%). Maintaining this ratio of outside funding is going to prove particularly challenging as these grants will be fully utilized in early 2019.

¹ Non-Core City funding includes Economic Resiliency Grant.

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

9. Using the chart below, please report your 2018 performance measures that demonstrate: how much you did, how well you did it, and how Calgarians are better off. *Please identify through BOLD font, 1-2 measures that are most significant and could be presented in a chart.*

	Performance Measure	2016 results	2017 results	2018 results	What story does this measure tell about your work?
How much did you do?	Accelerate sector development & increase diversification				CED maintains a pipeline of qualified leads that helped support the attraction, expansion and retention of 97 companies and an estimated 4,600 direct jobs in 2018. Given the life cycle of some of the files in pipeline, the qualified leads also support the attraction and expansion of companies in future years. In 2018, CED reviewed 187 OCIF applications through a rigorous process that involved internal industry experts, senior management, the Board of Directors, and external consultants, which led to the announcement of funding for two projects. In market advertising, pitched sector related stories, and the ongoing Be Part of the Energy campaign generated \$5.6M in media value in 2018, increasing the awareness of Calgary both nationally and internationally in order to attract investment, talent, and companies.
	Qualified Leads	211	377	414	
	Connectors with Connector Program (program completed in 2017)	118	153	N/A	
	Film scouting and FAM tours	22	14	20	
	Outbound trade missions	11	13	27	
	Inbound trade missions	26	29	17	
	Workforce 'Best Practice' events	5	7	8	
	Global Business Centre events	159	162	239	
	Careers in Calgary tours	12	49	39	
	OCIF Applications received	N/A	N/A	187	
	Startup Calgary Ideation Events	N/A	24	39	
	Stakeholder relations				
	Soul of the City events	3	2	N/A	
	Action Calgary partner events hosted by CED	6	10	10	
	Authentic brand for CED				
How well did you do it?	Number of participants at signature events (Economic Outlook, Report to the Community, and Startup Launch Party)	2,900	3,250	2,981	
	Research requests fulfilled	769	866	715	
	Research reports initiated	5	13	10	
	Enhance Calgary's image				
	Media value generated	~\$11M	\$5.3M	\$5.6M	
	National Be Part of the Energy promotional campaign launched	Q3	Ongoing	Ongoing	
	Sector-related stories written	108	108	130	
	Accelerate sector development & increase diversification				In 2018, CED hosted 160 potential investors in Calgary during events and B2B meetings, which led to the engagement/attraction of 29 companies and 414 qualified leads. In 2018, CED launched the Trade Accelerator Program (TAP) and hosted three separate cohorts that led to the graduation of 45 companies. Six of the graduates participated in export
	Active Prospects & Opportunities	14	146	280	
	Visits by potential investors (incl. Stampede Investment Forum)	63	124	160	
	Successful OCIF Applicants Announced	N/A	N/A	2	
	TAP Cohorts	N/A	N/A	3	
	TAP Graduates	N/A	N/A	45	
	Stakeholder relations				
	Percentage Economic Strategy	87%	87%	88%	

	tactics initiated or completed Awareness of Economic Strategy New Action Calgary Partners Retention Rate Action Calgary Partners Authentic Brand for CED Percentage businesses believing CED is delivering excellent experiences Percentage businesses likely to: - express overall positive impression of CED - Continue working with CED - Recommend CED to others Aided Awareness of CED Unaided Awareness of CED CED Client usage Research Enhance Calgary's image Percentage positive impressions of Calgary as a place to do business Number of GBC Tenants Number of new GBC Tenants GBC Revenue CFCL Utilization Rate per sq. ft. Build Organizational Excellence Employee engagement Unplanned staff attrition Lateral/upward internal move Board has a policy and strategic focus rather than a hands-on focus	35% 7 90% 51% 78% 84% 83% 85% 55% 40% 75% 13 6 \$88,000 65% 59% 4% 1 71%	39% 8 85% 59% 83% 84% 81% 82% 25% 23% 78% 12 5 \$84,327 48% 61% 8% 3 86%	26% 3 95% 59% 79% 88% 81% 77% 28% 67% N/A 5 1 \$51,277 60% 65% 8% 4 N/A	missions to Japan and Seattle in early 2019. Over that past few years, the organization has grown adding more talent in order to reach increased forecasts for the organization. This has led to an increase in the internal use of space in the GBC and a decrease in external use.
How are Calgarians better off?	Accelerate Sector Development & Diversification Companies won Trade & Investment deals Number of direct/indirect jobs created/retained Film production Assist start-ups with access to capital Inspire Stakeholder Collaboration Economic Strategy Core indicators improved Non-core funding Enhance Calgary's Image Canadians have a favourable perception of Calgary	37 1 1,561 \$165.5M 4 21% \$11.5M 75%	67 6 5,719 \$178M 16 50% \$2.4M 79%	87 7 8,299 \$181M 26 N/A \$2.5M N/A	In 2018, CED exceeded the organization's forecasted jobs numbers and the previous year's metrics. The increased in metrics demonstrate the team's hard work and dedication, as well as the success of initiatives such as the Trade Accelerator Program (TAP), OCIF, StartUp Calgary and the Calgary Film Centre. Through 39 Startup Calgary Ideation Events including monthly meet ups, office hours, StartUp Weekend etc., CED helped 26 companies receive government grants at the provincial and federal levels. In 2018, CED engaged over 1,800 Calgarians on the updated economic strategy for Calgary. <i>Calgary in the New</i>



**Calgary Economic Development Ltd.
Civic Partner 2018 Annual Report**

					<i>Economy</i> was unanimously approved by City Council in June 2018, at which point CED shifted to the refreshed economic strategy which does not use the same indicators. The Spring 2019 National Perception Survey will be conducted in May 2019.
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*N/A - Not applicable due to the commencement or completion of program and initiatives.

10. CAPITAL AND ASSET MANAGEMENT (for applicable partners)

Asset: *Insert Name of City owned asset managed or operated*

- a) Provide a summary of your organization's 2018 capital development, including specific lifecycle/maintenance projects.

N/A

- b) What funding did your organization leverage to support capital activities in 2018?

N/A