

CIVIC PARTNER 2018 ANNUAL REPORT SNAPSHOT- CALGARY CONVENTION CENTRE AUTHORITY (CALGARY TELUS CONVENTION CENTRE)

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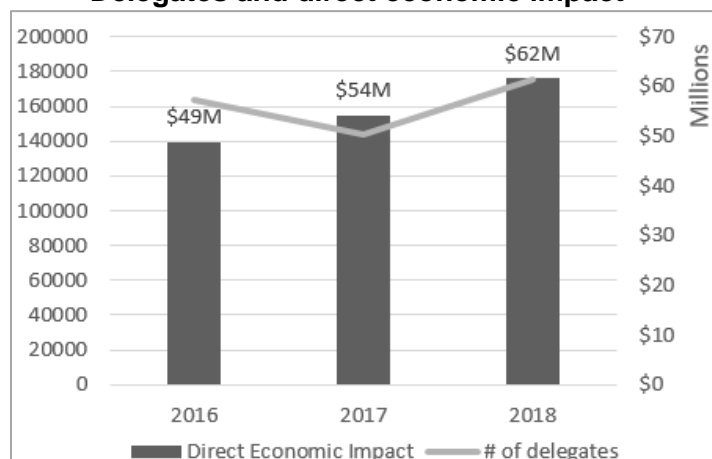
Mandate: To manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance with an acceptable range.

2018 City Investment

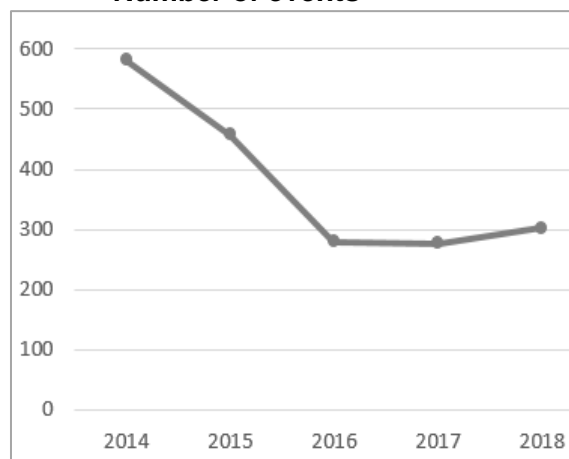
Operating Grant: \$2,381,309
Capital Grant: \$953,795
City owned asset? Yes

2018 Results

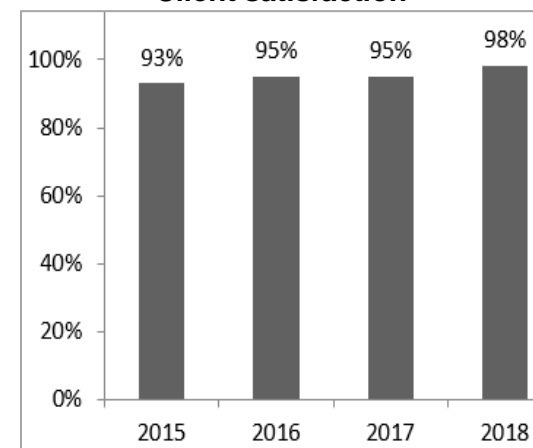
Delegates and direct economic impact



Number of events



Client satisfaction



The story behind the numbers

- International delegates increased 8 per cent in 2018, and these visitors spend on average four times more than a leisure visitor.
- When indirect and induced economic impact is added to direct, CTCC operations injected \$133.8 million into the local economy in 2018.
- While the economic conditions continue to affect the number of events there was a 10.5 per cent increase in activity in 2018.

Strategic alignment

- Key partner in implementing *Calgary in the New Economy: An economic strategy for Calgary*, and its operations contribute significantly to the local economy. The organization has aligned its internal strategies with the four pillars in the economic strategy, and marketing efforts focus on the industries prioritized in the strategy.
- Located on the historic Stephen Avenue, the facility supports implementation of the *Cultural Plan for Calgary*.
- Supports and showcases Calgary Arts Development Authority's *Living a Creative Life* strategy as a vibrant arts community supports the Calgary brand that attracts delegates to Calgary.
- Endorses Tourism Calgary's *Destination Strategy* and works collaboratively with them to align marketing and communications, and bring more visitors and businesses from around the world to Calgary.



**Calgary Convention Centre Authority
(Calgary TELUS Convention Centre)
Civic Partner Annual Report 2018**

Organizational Structure: Legislated Body set up under the *Calgary Convention Centre Authority Act*

Fiscal Year End: December 31, 2018

Related Subsidiaries or Foundation: None

City 2018 Operating Grant: \$2,381,309

City 2018 Capital Grant: \$953,795

1. Current Vision, Mission and Mandate:

Mandate

To manage, market and operate the Calgary TELUS Convention Centre in an efficient and market-competitive manner in order to maximize overall economic benefits to the city of Calgary while maintaining financial performance with an acceptable range.

Vision

The Calgary TELUS Convention Centre is Calgary's meeting place which brings the community together in a central hub to connect, learn, innovate, celebrate, support and grow.
The Calgary TELUS Convention Centre connects Calgary with the global community; leveraging our assets to create opportunities that impact the lives of Calgarians and Canadians.

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: 2018 was a transformative year at the Calgary TELUS Convention Centre. Our new strategic plan was in full force driving increased activity into the Centre and by extension into the Downtown core. The CTCC's 10.5% increase in activity helped to animate our neighbourhood and inject sales revenue into Calgary's retail shops, restaurants, and by extension adding to a prosperous city. Our international delegate count increased as well, driving more fresh dollars into Calgary to stimulate prosperity. These visitors spend on average four times that of a leisure visitor and we increased this group by 8% over 2017 numbers.

The CTCC assists in promoting Calgary's reputation by positioning its many attributes to business travelers from international destinations. As well, we provides a central meeting space for local groups. It is a gathering place for high profile political events and annual general meetings for the oil and gas sector as well as other industries. It is a space where people gather to network, to educate themselves and to celebrate achievements.

A City of Inspiring Neighbourhoods: The CTCC embraced this City Priority with vigor in 2018. Building on our 2017 success in establishing key partnerships with our stakeholder community, the CTCC initiated the coordination of a "Convention District" concept. This initiative has developed a compelling partnership that, together will activate, energize and spark our neighbourhood and by extension Calgary's downtown core. Working as a collective, our partners will share opportunities, cross-market and deliver a more comprehensive service offering to our Professional Convention Organizers. This will engage our buyers and meet Calgary's strategic markets in a new, exciting way. This is an especially effective strategy in the European market, which is looking for unique, engaging turnkey experiences.

Despite turbulent times in the local economy, the CTCC achieved the goals and objectives set for 2018. Targeted and aggressive marketing efforts in partnership with Meetings and Conventions Calgary and the Calgary Stampede continued to pay dividends. These efforts, coupled with CTCC's reputation for high

standards of service and performance as a centre for national and international business – attracted more events to CTCC than in 2016 or 2017.

A Healthy and Green City: The CTCC upgraded a number of items and systems in the Centre with a vision of reducing our environmental footprint and increasing our operational efficiency.

Upgrades to facility to increase energy efficiency

- Replaced 497 lighting fixtures with LED compatible fixtures and deployed occupancy sensors into large consumption spaces.
- Installed a new commercial dishwasher creating a 30% reduction in energy and 20% reduction in water consumption and diverted the old dishwasher from landfill by recycling (2,400lbs).
- Upgraded 562 MIRV8 Fan Filters enabling less waste, longer life, better filtration and a 3% reduction in energy.
- South Building Exterior Entrance Door System Replacement – 40 Doors – Higher efficiency glass and weather stripping.
- 8 Skylight Replacements – Higher efficiency glass and seals.
- Installed motion sensors in areas of low traffic frequency.

Recycling

- Diverted 8,000 chairs from landfill
- Diverted 45 - 45 Gallon Drums (plastic and metal) from landfill
- Diverted 420 2'x4' Gypsum Ceiling Tiles from landfill
- Diverted 400 Pallets from landfill
- Diverted 20 4'x8' Riser Units from landfill
- Diverted 475 Tablecloth Linen from landfill
- Diverted 747 Meeting room chairs from landfill (Donated to Deeper Life Church)
- Recycled 397 Lighting Fixtures
- Recycled Dishwasher (2,400lbs)
- Recycled 120 Toner Cartridges

Waste Diversion

- Recycling Diverted 71,147 lbs
- Compost Diverted 21,266 lbs
- Total Diversion 92,415 lbs
- Waste 41,130 lbs
- Current Waste Diversion Rate is 69%

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

- 1) Our operations were fortified in 2018. With many new staff settling into a new organizational structure, the CTCC developed KPIs and Performance reviews for all staff.
- 2) The approval of the BMO Centre Expansion has become a formalized challenge and increased our competitive environment. This has also caused questions in the community around how we will work together and in fact the future use of our facility.

At its Board retreat on September 12, 2018, the CCCA approved the motion that:

- I. We fundamentally believe there is not room for two competitive convention centres

II.	Do believe there are synergies in a joint convention, trade centre strategy for Calgary	
III.	The CCCA is willing to commence discussions and negotiate	

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
<p>Calgary in the new economy: an updated economic strategy for Calgary</p> <p>Convention marketing is in fact a business-to-business process. This fact aligns us well with Calgary Economic Development and the strategies embedded in Calgary's Economic strategy. The CTCC has aligned its marketing focus to the industry pillars of this strategy and established an event creation initiative that also works to align events we are building to the industry strengths of Calgary.</p> <p>In fact, our approach to selling Calgary is also focused on our industries of expertise.</p> <p>We have also embraced the focus in the strategy on "Place", working with our neighbours to engage in new ways to activate the area and present it as an experiential opportunity unique in North America.</p>	<p>With increased support from the City, the CTCC leveraged the attraction of key events that align with the city's economic strategy and create economic impact and jobs for Calgarians. We deployed the funding to create new jobs in the hospitality sector and sustain our ratio of 19:1 (\$19 of economic impact for Calgary for every dollar invested with the CTCC). For clarity, this impact tracks new dollars coming into our city that would not arise without these strategic events being attracted to the Convention Centre.</p> <p>In 2018 the CTCC achieved the following;</p> <ul style="list-style-type: none"> • Built Experience Rooms • Created Social Spaces • Updated Meeting Technology • Enhance Food Services • Increased Visibility & Accessibility • Focused on selling in new markets – settling on Europe
<p>Cultural Plan for Calgary</p> <p>The CTCC resides on the National Historic Site of Stephen Avenue. We are proud of this heritage and proud of our location, straddling one of Canada's signature turn of the century shopping districts. Building on this history and the fact that the CTCC was Canada's first purpose built convention centre, it is important that we connect with the culture surrounding us. "This involves engaging with the Glenbow Museum, Arts Commons and the Calgary Tower to provide Delegate experiences that are one of a kind.</p>	<p>The CTCC is the backbone of our community and has been here supporting businesses and community minded individuals since 1974. We have been through the economic highs and lows and have thrived through both. This has been thanks to the world-class talent, the competitive cost of doing business and a lifestyle that provides terrific work-life balance for employees.</p>

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](#)?**

In March of 2018, the CTCC formally acknowledged support to Calgary Arts Development Authority's Living a Creative Life as follows;

Calgary's TELUS Convention Centre benefits greatly by being connected to the arts community in our city.

The Convention Centre hosts delegates from the province, country and around the world who linger in our city either before or after their conventions and meetings. The artists and performers in our community play a vital role in creating exceptional experiences for our delegates and guests.

The arts in Calgary adds to the mosaic and the impact of Calgary on our visitors. This then translates into direct, indirect and induced economic impact for Calgary.

When we market Calgary to the world, it is important to be able to say that we have a vibrant arts scene and a community that supports and engages with these artists. This message allows us to add to the brand that is Calgary and attract more and more convention delegates to our city. We are a great supporter of Creative Calgary!"

CTCC's endorsement of Tourism Calgary's Destination Strategy states as follows;

"Building on Tourism Calgary's Destination Strategy, our vision for working with TC is to align our communications and marketing strategies and to look for opportunities for further collaboration. Leveraging our unique perspectives and talents, combined with our shared goal of marketing our city and region, we will work to find ways to shine the spotlight on Calgary and bring more visitors and businesses from around the globe to our doorstep."

In general, the CTCC has been leading collaboration by

- Advocating for Convention District coordination
- Advocating for community hub for activation of downtown
- Advocating for Calgary at the Destination Canada Advisory Committee Meetings
- Advocating against two competing convention centres
- Advocating for Calgary to become the 2nd largest convention city in Canada
- Advocating for Calgary at Meetings Mean Business Canada Meetings nationally
- Advocating for awareness of the meetings business in Canada
- Advocating for CTCC to be a destination of choice for Innovative Canadian Conventions
- Advocating to Calgary Hotel Association, Tourism Calgary, Meetings + Conventions Calgary
- Advocating for the meetings industry in Calgary globally
- Advocating for a City Convention attraction strategy
- Advocating for financial support for the CTCC Rejuvenation plans
- Advocating for the awareness of the Conventions industry
- Advocating for a new approach to the Destination Marketing Fund

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.

0%	Advertising and promotion
0%	Programs or services
0%	Office supplies and expenses
0%	Professional and consulting fees
0%	Staff compensation, development and training
0%	Fund development
0%	Purchased supplies and assets
100%	Facility maintenance
0%	Evaluation or Research



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0%	Other, please name:
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7. Did volunteers support your operations in 2018? If yes:

How many volunteers?	125
Estimated total hours provided by volunteers:	2,250

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

Resources are used to achieve earned revenues, which provide the majority of the funds required to operate the Centre. Other funding is received to provide services to the Glenbow and to the retail spaces in the Centre, which supports labor efficiencies. The \$1,941,309 operating grant received from the City of Calgary helped to offset the cost of building maintenance

The CTCC leverages resources to increase business potential by partnering with;

- Meetings & Conventions Calgary
- Calgary Hotel Association
- Calgary Economic Development
- Calgary Stampede
- Tourism Calgary
- Travel Alberta
- Calgary Downtown Association
- Calgary Chamber of Commerce
- Energy Cities Alliance
- Business Events Canada
- Meetings Mean Business Canada
- Professional Convention Management Association
- Meeting Professionals International
- International Congress and Convention Association
- International Association of Venue Managers
- International Association of Convention Centres

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?
Number of Events	279	277	303	Facility utilization; continued awareness for the city; assisting the struggling local economy.
Number of Delegates				Calgarians and non-Calgarians

Local	144,179	120,094	149,614	spending money in and gaining exposure to downtown Calgary; making connections;
Non-Local	<u>19,756</u>	<u>23,691</u>	<u>25,578</u>	
Total	163,935	143,785	175,192	
Economic Impact				Direct economic impact registers spending tied to the delegates specifically. Indirect and Induced impact refers to spending by businesses which are affected by the meetings and conventions happening at the CTCC.
Local¹	21.6M	18.0M	22.4M	
Non-Local²	18.2M	26.2M	28.2M	
Exhibitor²	9.0M	9.9M	10.9M	
Total Direct	48.8M	54.1M	61.6M	
Indirect³	32.2M	35.7M	40.7M	
Induced³	25.0M	27.7M	31.5M	
Grand Total	106.0M	117.5M	133.8M	
Number of fulltime equivalents	90	91	89	Providing employment for Calgarians; personal service for clients.
Quarterly Client Satisfaction Surveys	95% overall experience (good/excellent)	95%	98%	City reputation enhanced; experience leaves good impression with visitors.

10. CAPITAL AND ASSET MANAGEMENT (for applicable partners)

Asset: *Calgary TELUS Convention Centre*

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

Calgary TELUS Convention Centre Capital Expenditures to December 31, 2018		
Additions	December 31, 2018	December 31, 2017
Main Breaker Replacement S Bldg.	4,050.00	23,350
Glen 201-204 Lighting Dimming System Replacement	150.00	101,287
Exterior Doors & Skylights	125,358.77	663,513
Carpets Replacement	56,197.60	771,693
Banquet and Meeting Chairs	-	1,253,768
In House Sound System Refresh		

¹ Estimated based on average spend of \$150 per local delegate per day

² Based on "Measuring the Economic Impact of the Calgary TELUS Convention Centre: 2016 Fiscal Year", Sentis, June 2017

³ Calculated from "The Economic Contribution of Business Events in Canada" MPI Foundation, July 2014

	7,902.27	142,346
Rejuvenation Projects TELUS 111	32,648.40	-
Public Spaces Audio	-	15,000
Rejuvenation Projects Ideation Chinook 4	7,632.53	
Rejuvenation Projects Ideation Chinook 1	13,657.69	
Rejuvenation Projects Ideation Chinook Foyer	1,303.80	
Rejuvenation Projects TELUS 112	11,396.58	
Rejuvenation Projects Glen 210	68,199.60	
Phone System Replacement	134,460.26	
Breaker Replacement South Building	86,352.40	
Loading Dock Expansion Joint	53,900.00	
North Building Lighting Control System	320,855.00	
Security CCTV / Access Upgrade	518,235.05	
North Building Ceiling and Fixtures	57,662.71	
Rejuvenation Projects Arts Commons +15 Walkway	26,287.66	
Dishwasher Replacement	281,964.50	
Building - Misc.	201,003.58	7,899
Security Equipment - Misc.	10,584.03	-
Communication Equipment - Misc.	-	4,480
Computers - Misc.	77,570.84	60,780
Event Services Equipment - Misc.	11,081.46	74,994
Event Services Equipment Under Capital Lease	385,747.59	-
Housekeeping equipment - Misc.	3,600.43	-
Housekeeping equipment Under Capital Lease	41,366.94	

Shop Equipment - Misc.	-	31,424
Software - Misc.	37,058.18	26,117
Total Additions	<u>2,576,228</u>	<u>3,176,650</u>
Disposals		
Communication Equipment	-	(12,325)
Computer Equipment	-	(57,482)
Event Services Equipment	-	(401,553)
Renovations	-	(541,134)
Software	-	(218,095)
Total Disposals	<u>-</u>	<u>(1,230,589)</u>
Funding		
Major Replacement Reserve	-	174,912
City of Calgary - CPRiPs	953,796	1,336,716
Leased	427,115	-
Operating Reserve	<u>1,195,318</u>	<u>1,665,022</u>
	<u>2,576,228</u>	<u>3,176,650</u>

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

Operating Reserves

- Operating surpluses are transferred to the reserve fund. \$28,630 was transferred in 2018, and \$1,195,318 funded capital expenditures.

City of Calgary

- CPRiPs \$953,796

Leases

- Furniture and Equipment valued at \$427,115 was leased