

March 21, 2014

Action Plan 2015-2018

Business Partners Focus Groups



Prepared for The City of Calgary by:



Ipsos Reid

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Research Overview

For years, private sector companies have invested millions of dollars in building and maintaining both their product/service and corporate brand in order to influence the purchase of their goods and services. In government, however, the provision of programs and services is generally done in a non-competitive environment and for some, the need to integrate brand stewardship into the day-to-day mechanics of their public sector organization is seen as a secondary priority. At Ipsos, our research continues to show that Canadians and Calgarians alike demand more from their governments. We find ourselves in an age of instant information, a growing appetite for details, and evolving expectations that are often impacted by things outside of government control. In an environment like The City of Calgary, with over 34 Business Units delivering a wide array of services through multiple channels, brands, and messaging, creating a unified vision and brand identity can be a challenging task.

One of the largest engagement initiatives at The City is the Business Plan and Budget Coordination (BPBC) process. It involves a wide-variety of internal and external stakeholders; the analysis of trends at a global, national, provincial, and local level; and, priorities set by citizens, Administration and Council, in addition to a number of other processes that will ultimately yield the 4-year strategic plan for The Corporation. The number of inputs is vast and the need to increase citizen input/involvement is even more important today than in previous iterations of this process. This year's program is referred to as Action Plan 2015-2018.

Research Overview

The Action Plan 2015-2018 process, considers a multi-phased approach as outlined below (Five Phases: 1. Prepare & Understand 2. Explore, Discover, & Arrive 3. Develop Goals, Actions, Budgets, & Targets 4. Consolidate, Inform, Debate, Approve 5. Deliver, Measure & Adjust):



The City of Calgary's Action Plan 2015-2018 team embarked on a multi-pronged engagement approach to solicit a wide array of feedback from stakeholders throughout Calgary. As part of this process, Ipsos and The City of Calgary partnered to conduct a series of four focus groups with two key audiences; social and community agencies and the business community. **This report presents the findings from the focus groups with the business community. A separate report summarizes the findings from the focus groups with the social and community group representatives.**

Research Objectives

The core underlying objectives of this research initiative included:

- To engage stakeholders in an open dialogue about their views, perceptions, and aspirations for the city of Calgary moving forward; specifically;
- To assess stakeholder views and perceptions about Calgary as a place to do business and the impacts to quality of life past, present, and future;
- To explore views about the role that The City of Calgary plays in supporting the business community, the strengths/opportunities of these interactions, and opportunities moving forward;
- To explore areas of program/service delivery that are seen as both strengths and opportunities for The City moving forward; and,
- To engage stakeholders in conversations about key priority areas for the 2015-2018 Action Plan business period.

Methodology

In March 2014, a series of focus groups were conducted with a diverse cross-section of Calgary's diverse business community. The recruitment specifications were as follows:

- A mix of business sector agencies and associations;
- A mix of business/association sizes, both in terms of total employees and funding/earned revenue;
- A mix of participant roles (though most participants were senior members of their organization);

A total of 10 participants were recruited for each of the focus groups, which lasted ninety minutes in length. While typical focus groups include a financial incentive participation, participants shared their views without compensation for this project.

Focus Group Session Breakdown

Business Partners

Wednesday, March 12th, 2014

Group #1 – 3:00pm

Group #2 – 5:30pm

Methodology

Focus Group Session Breakdown

Business Groups

Thursday, March 13th, 2014

Group #1 – 3:00pm

Your role within the organization	Agency's gross annual revenues over the past 12 months	Type of Agency	Number of Employees
Urban Planning & Development	1-5 million	BRZ	5
Associate/Owner	n\ a	Education/Institutional	140
Senior Policy Analyst	less than \$50,000	Business Association	11
President & Chief Staff Officer	\$50,000-\$100,000	Commercial Real Estate/Association	70
CFO/Senior Vice President	over \$5 million	Education/Institutional	8
Executive Director	\$500-1million	Building & Development Agency	12
Executive Director	\$1-5 million	Business Association	136
Manager	less than \$50,000	Business Association	Full time 45, Part time 50
CEO	\$1-5 million	Community Support Agency	30
Area Marketing Director	n\ a	Consulting/Accounting	40

Methodology

Focus Group Session Breakdown

Business Groups

Thursday, March 13th, 2014

Group #2 – 5:30pm

Your role within the organization	Agency's gross annual revenues over the past 12 months	Type of Agency	Number of Employees
Executive Director	less than \$50,000	BRZ	5
Marketing Manager	over \$5 million	Retail	140
Director	n/a	Business Association	11
Executive Director	n/a	Business Association	70
Executive Director	over \$5 million	Youth Business Association	8
Executive Director	\$100-500K	Community/Business Support Agency	12
Senior Vice President	n/a	Oil & Gas	136
President	\$50-100K	BRZ	Full time 45, Part time 50
VP Sales	n/a	Building & Development	30
n/a	n/a	Media	40



Qualitative Research Caveat

The following findings are qualitative in nature. The work is exploratory as a result of the size of the groups and the method by which the sample was drawn. The results should be regarded as directional and may not necessarily be projected to the larger population without further quantitative research.



Detailed Research Findings

Views about Life in Calgary

Views about Life in Calgary: Positive Perspectives

- Participants were asked to discuss both the positive and negative aspects of Calgary, as a place to do business.
- Top positive mentions related to a number of broad categories;
 - **Entrepreneurial Spirit**– consistently, participants spoke to Calgary’s strong spirit of hard work and innovation as a key community asset;
 - **Sector Importance** – participants spoke to the importance of Calgary’s energy industry, both from a broad economic sense, but also it’s general impact on contributing to/donating towards Calgary’s quality of life.
 - **Spaces & infrastructure** – participants spoke very positively about a number of City-operated/built assets including parks, recreation facilities/services, bike paths, and libraries among others.
 - **Growth & People**– both from a broader workforce benefits perspective, but also that as we continue to grow and attract young people to Calgary, the need for a strong cultural infrastructure is important
 - **Financial Opportunities**– from a broad tax structure perspective, personal opportunities, and investment opportunities.
- **Three areas that participants spoke passionately about included:**
 - Positive entrepreneurial spirit
 - Taxes
 - Collaborative atmosphere
 - Young, skilled workforce & innovation
- Each of these areas are expanded upon in the subsequent slides.

Views about Life in Calgary: Positive Perspectives

- **Positive, entrepreneurial spirit**

- “Interesting to me going to Toronto and then coming back, you don’t realize – until you step out of our market – how other markets are lacking. Here, there’s always people making money, building businesses, and you just don’t experience that as much in other cities.”
- “Calgary has been through really big booms and busts, and I think it’s strengthened our spirit. I don’t think the pipelines will be a deal breaker – the oil and gas companies will find a way.”
- “I think it’s the frontier spirit.” “It’s almost like a virus that you get by osmosis.”
- “I don’t know sometimes if other demographics in Calgary experience this the same way that I do. I don’t know what a new immigrant feels, and I don’t know how different business owners or people who live in different areas view things. I would think that it’s common, but I don’t know.”

- **Taxes**

- “Right now we enjoy, I think, one of the lowest tax regimes in the country.”
- “It is very beneficial when you can depend on having a stable environment. You also know that the mayor just doesn’t have the authority to introduce a new tax that would change the landscape of business. That could include land transfer taxes, that could include a sales tax – basically any new fee that could change the landscape of business.”

Views about Life in Calgary: Positive Perspectives *continued*

- **Collaborative atmosphere**

- “Businesses work together in Calgary much more than in other cities, they are less competitive with each other here.” “A lot of small businesses and organizations on the same footing, so this fosters greater collaboration.”
- “A lot of public consultations – generally it’s better to have the perspective of your stakeholders.”

- **Young, skilled workforce & innovation**

- “Young people are more apt to look at things from different perspectives. From a technology standpoint, they’re more likely to be innovative.”
- “311 was a major innovation – I think the City does attempt to innovate. It’s follow through is always a problem, but the willingness to innovate and the willingness to try something different is definitely there.” “They embrace technology and social media.”
- “CPA is very innovative and lately more responsive than they’ve been in the past.”

Views about Life in Calgary: Negative Perspectives

- Participants were asked to discuss both the positive and negative aspects of Calgary, as a place to do business.
- Top negative mentions related to a number of broad categories;
 - **Cut the Red Tape/Planning Policies & Processes**– participants spent a significant amount of time discussing their challenges with planning and development processes and the impacts these areas have on business operators, both today and some speculated that it might impact the attractiveness of Calgary as a place to do business in the future.
 - **Affordable Housing & Affordability** – Tied directly to discussions about planning decisions and directions, participants spoke to the issues they see as it relates to ensuring that Calgary has a broad spectrum of affordable housing choices for residents. Participants spoke to the impacts they see regulation having on the cost of doing business in this particular area.
 - **Municipal structure/culture** – And while some participants also participate on other City of Calgary committees and recognize that some change is underway/has taken place, they believe that there are greater opportunities for City Departments/Business Units to collaborate moving forward.
- Each of these areas are expanded upon in the subsequent slides.

Views about Life in Calgary: Negative Perspectives

- **Red Tape / Permit Process**

- “Permits are taking much longer than they had in the past.” “I think a lot of issues for businesses that are just starting out struggle going through the permit process.”
- “The City has a cut red tape initiative going on, and it’s great that they recognize that they have a problem and are starting to address these things, but the committee has become more of a complaints mechanism versus a spring-board for bold new ideas.”
- “There’s been initiatives in BC where municipalities have allowed permanent business licenses, so just applying one time over the course of your business. There’s really innovative ideas - something that came out of Winnipeg, where the CRA numbers, the single identifier, through all government departments you have the same number that helps you navigate without having to remember different logins and passwords.”
- “I think the problem at this point is that they want us to do all the work. But for non-profits like us, it’s hard to take care of the scope and plan and hold their hand through everything. Departments could be innovative themselves, and it would take some pressure off us. We’re open to giving ideas, but we can’t implement and do everything ourselves.”
- “There really isn’t any serious attempt to question why certain processes exist, why they’re done. They just do them because they’ve always been done that way. If you want to think outside the box, remove the box.”

- **Affordable Housing & Affordability**

- “We have some of the highest commercial real estate costs, highest residential real estate costs, highest parking costs, and highest labour costs. On so many metrics, we see growing unaffordability, and if I were starting a business, that would be a major concern for me.”
- “The affordability issue is something we’re going to pay the price for in the not to distant future. If you’re a major corporation and you move 150-200 people a year, and your differential to move them to Calgary – either in income or outright dollars – starts to become astronomical, then you don’t move them here. When we start to erode away at the in-migration opportunity, growth stops. And nobody is looking at the result of what stopping the growth will do in this city. We have failing infrastructure in every part of the city that’s more than 50 years old, but no tax base and no guts to tax for it, and no way to replace it. So who are you going to penalize to get that taken care of it?”
- “We’re very interested affordable housing, yet we have a very, very cumbersome regulatory framework that does nothing but add costs, to everything.”
- “There’s countless studies indicating that the single largest contributing factor to the cost of a development is the regulatory process and the requirements of the approving authority, the lenders and the insurers.”

- **Municipal Structure / Culture**

- “I know that they’re trying to attempt a cultural transformation within the City – I don’t know if they’ve properly articulated exactly what that looks like, but there is a need for a cultural shift at the civic, bureaucratic level.” “At a certain point, if you’re trying to convince an army to move, you’ve got to burn the boats. And they haven’t burnt the boats yet.”
- “So much of this City is very silo-ed. They come together periodically for different events. Some play nicely, the others don’t as far as departments go. There’s a lot of struggle, a lot of competition. If you’re trying to negotiate your way through a process, sometimes you have to touch 5 or 6 different parts and you get 5 or 6 *completely* different answers – that in itself is very frustrating.”
- “Political interference is perceived in the regulatory process. Council is in the business of making policy. When it comes to implementing it, they need to be hands off.”



Detailed Research Findings

Key Trends

Participants were asked to identify key trends impacting their work and organizations for The City's consideration in the 2015-2018 Action Plan process.





Key Trends

- **“Technology creep** is translating to regulatory lag. The City actively encourages innovation, and we innovate. But there have been many innovations in construction methodologies, and the City doesn’t know how to deal with them yet.”
 - “For example, in order to change a window in a building, takes a hydraulic lift and half an hour of labour, but the City has said you need a permit to do that. The permit takes 5 weeks. Something that should take half an hour takes weeks!”
- **Difficulty of attracting talent**
 - “We’re really, really affected by not having affordable housing and rental properties. Even executive housing is lacking. You can’t grow your business if you can’t offer a city with affordable housing and affordable parking. Parking in our building is almost \$700 a month. How does that happen?”
 - “The competition for talent and dealing with compensation levels, that kills us every day. Businesses are fighting for talent, but what are we doing as a city to help?”
 - “It can be very hard for newcomers to get settled in Calgary.”
- **“Demographic shifts** – having unfunded pension liabilities is a major concern.”
- **“Commercial headquarters are moving** outside the downtown core.”
- **“Social enterprise** – I don’t think we’re leading, or remotely leading edge in Alberta. We do a lot of corporate responsibility, there’s a lot of giving and a lot of volunteering, but there isn’t an incentive to have business models around social enterprise like you have in BC and Ontario. This could negate some of the issues that Oil & Gas are facing.”
- **“The policy ‘tsunami’** – I don’t see that slowing down at all. That is affecting affordability too.”



Detailed Research Findings

Strengths and Opportunities for The City of Calgary Moving Forward



Strengths & Opportunities

- Participants were asked to discuss both the strengths and opportunities for The City of Calgary, moving forward.
- Top strengths related to a number of broad categories (these were areas that participants believe The City of Calgary should continue to focus on/or support);
 - Transit & Transportation;
 - Technology-based innovation , including the 311 app and CPA's parking app;
 - Public safety, including Calgary Police and emergency services;
 - Supporting communities; and,
 - Continued improvement with Planning & Development processes.
- Top opportunities related to a number of broad categories (these were areas that participants believe The City of Calgary should focus on/or support moving forward);
 - Continued improvement with Planning & Development processes (including Cut the Red Tape);
 - Improvements to fees for parking and other City services (to support affordability);
 - Addressing concerns with the business tax; and,
 - Continued infrastructure improvements.



Detailed Research Findings

Action Plan 2015-2018 Priorities – Top Priorities

- **In an effort to provide each participant with the opportunity to share their views and perspectives about key priorities for The City of Calgary, time was given to allow each respondent to complete a series of workbook questions about Action Plan 2015-2018.**
 - Each participant was asked to provide their individual priorities within selected buckets from online priority tool; and,
 - Each participant was asked to provide their top priority for consideration moving forward.
- **The top priorities provided by participants in this sessions included:**
 - Improved growth management practices and policies;
 - Simplification; and,
 - Addressing the property tax differential.

Action Plan 2015-2018 Priorities: Top Priorities

- **Managing growth**

- “I’d say accommodate growth, housing in particular. We want to be able to attract the talent, and we’ve got to be able to house them somewhere.”
- “If we’re going to grow and have any kind of affordability, Quarry Park is going to be the model.”
 - » “I like Quarry Park, but I’m not sure about the affordability. It’s an interesting model, you’ve got residential, the offices and entertainment. From the outside looking in, it looks like a model to follow.”
 - » “We can’t concentrate only on downtown. We need to setup other centres.”
- “Understand that the City is the steward of public interests as well as the public purse, and it has a duty to respond in a way that recognizes that everything we do is market driven. That is the reality of it. It is not right or proper to be encumbered by an incompatible regulatory environment.”
 - » “From an association point of view, we need to have the ability to respond to what market demand is. We’re keenly in favor of densification and we’re keenly in favor of green-field development.”
- “Redeveloping and investing in the inner city.”
 - » “I like the idea of densifying downtown, and I think we could be doing a better job with it. But I don’t think council should legislate choices away.”
- “We’re going to be at 2 million people before we know it, and this is the budget to be making decisions in anticipation of it, not wait until we’re at 1.5 or 1.7 when it’ll be more expensive and more of a hassle.”

- **Simplification** – “simplifying and consolidating processes in a way that enables growth.”
- **“Addressing the property tax differential** between what businesses and what residents pay. Head offices are free to move at any time, and right now the ratio is 5 to 1 – that’s what we’d like to see addressed.”



Detailed Research Findings

Action Plan 2015-2018 Priorities

Calgary's Economy

Action Plan 2015-2018 Priorities: Calgary's Economy

- **Calgary is a the undisputed choice for people and business, with a vibrant, resilient, environmentally sound and sustainable local economy that fosters opportunity for all to achieve individual economic well-being.**
 - “Attract talent.” “Provide enough housing stock for the talent.” “Develop more housing so labour coming in can find a place to live.”
 - “Recognize the global competition – preserve and enhance Calgary’s position to attract and keep new businesses and investment.”
 - “Support events/initiatives that will attract expertise to come here. For example, global oil & gas forums, etc.”
 - “Calgary is not the undisputed choice – environmental issues, exacerbated by growth, will make that choice less desirable.”
 - “The economic juggernaut creates demands on the population that are exceptional when compared with other cities.”
 - “Diversify so that we are less reliant on the O&G industry.” “Encourage business diversity – and make it easy to bring business here.” “Add/attract diversity in different economic sectors, from oil & gas to environmental.”
 - “Create a better business environment to attract new businesses here.” “Make business want to be here.”

Action Plan 2015-2018 Priorities: Calgary's Economy (continued)

- **Calgary is a the undisputed choice for people and business, with a vibrant, resilient, environmentally sound and sustainable local economy that fosters opportunity for all to achieve individual economic well-being.**
 - “Support the development of post-secondary programs that aim to supply talent to the local economy.”
 - “Create a better community environment for workers to be here.”
 - “Make sure people of all ages and abilities can get around the city.”
 - “Need to address how this city will attract visitors. This helps drive the economy.”
“Invest in tourism”.
 - “Establish a capacity building for small business – a City department with free seminars/workshops/one-on-one consultations to help small business thrive.”



Detailed Research Findings

Action Plan 2015-2018 Priorities

How The City of Calgary Works

Action Plan 2015-2018 Priorities: How The City of Calgary Works

- **The City of Calgary continues to serve the needs of citizens by achieving a sustainable financial position. The City serves citizens through engagement, transparency, resiliency and innovation.**
 - “Focus on essential services.” “Eliminate ‘pet projects’ that benefit a small proportion of the population.” “Focus on service the majority, not special interest groups.”
 - “Consider Calgary’s uniqueness – don’t try to be another New York (or any other city) when making policy decisions.”
 - “Outsource anything that should be outsourced.” “Outsource non-core activities.”
 - “Citizens are well serviced, however, we need an exceptional level of service in Calgary.”
 - “The practice of the City has fallen behind the vision for the City.”
 - “Consult and listen without a pre-set agenda.” “Don’t engage just to tick a box – listen, act and share all info.” “Increase the use of technology to meaningfully engage citizens in the decision making process.”
 - “Don’t hide – don’t bury documents on webpages so they can’t be found, for example.”
 - “Transparency means everyone – council and staff.”
 - “Establish a customer service focus/culture.”

Action Plan 2015-2018 Priorities: How The City of Calgary Works (continued)

- **The City of Calgary continues to serve the needs of citizens by achieving a sustainable financial position. The City serves citizens through engagement, transparency, resiliency and innovation.**
 - “Flatten the organization – enable and allow people to act.” “Downsize the bureaucracy/union interference.”
 - “Don’t spend dollars that don’t belong to the City (the \$52M).”
 - “Ensure tax equity between residential and non-residential properties.” “Address inequities around disproportionate non-residential taxes which are punitive to small business.”
 - “Be open to ideas that extend beyond Calgary’s borders (regional business licensing).”
 - “Bring control over the size and cost of government (through attrition, shrink the size of civil service).”
 - “Balance needs and wants. Snow removal on side streets was terrible this year. Someone actually fell on ice at my house by the curb.”
 - “Set service delivery benchmarks (e.g. reply to request within 24 hours, approve requests within 1 week).” “Establish clear budgetary and performance metrics, and report them monthly. Basically create a monthly report card for the City.”
 - “Hire better civil servants, and pay them more. Foster less complacency among City administration.”
 - “Ensure 311 calls are followed up on in a more timely fashion. Let me know if the dog I saw was caught and safely returned to the owner.”



Detailed Research Findings

Action Plan 2015-2018 Priorities

Growing Calgary

Action Plan 2015-2018 Priorities: Growing Calgary

- **Urban growth occurs in a way that fosters a more compact and efficient use of land.**
 - “Stop the suburban sprawl and focus on more efficient use of existing land parcels within the city. Denser communities save money and create better neighborhoods (spirit).”
 - “Make transit the easy choice by improving service and service coverage.”
 - “Continue stakeholder work to develop new funding tools to enable the growth of a more sustainable city. Continue to implement MDP and CTP.”
- **Plans feature a healthy mix of land uses and creates complete communities.**
 - “This drives consumers to outlying counties; Strathmore, Didsbury, etc.”
 - “I think public art is important – I love the Peace Bridge.”
 - “Again, Calgary’s growth is, and likely will be exceptional. The urban growth policies appear to have resulted in a shortage of homes, forcing migrants to live in less desirable areas in order to live here.”

- **Allow for greater mobility choices, and enhance vitality and character in local neighborhoods.**
 - “Allow the market to dictate the product.” “Ensure choice of housing and business facilities.”
 - “Promote and foster better access to affordable/attainable housing.”
 - “Don’t ruin one form of transportation for another.”
 - “Eliminate the Calgary Planning Commission.”
 - “Increase amount of serviced land to accommodate growth.”
 - “Develop an alternative funding & financing model.”
 - “Transportation does not meet the needs of our growth right now.”
 - “Address rental market.”
 - “Allow business to know how by-laws are being interpreted.”
 - “There is a need for City transit that isn’t so focused on coming into and leaving the downtown core.”
 - “Better looking streetscapes in all areas of the city (e.g. Killarney).”



Detailed Research Findings

Action Plan 2015-2018 Priorities

Additional Comments

Action Plan 2015-2018 Priorities: Additional Comments

- “Calgary is a great city that will continue to grow and prosper. We need to ensure that we make long-term, big-picture decisions on infrastructure.”
- “Take more of a collaborative approach to regional growth (e.g. water/sewers, transit, roads, recycling, etc.).”
- “Get policies in place that will support innovative growth.”
- “Change the culture of the municipality to meet the vision for the future.”
- “Business tax consolidation”
 - “Most cities have phased this out completely. Calgary is completing this process over several years as a marketing exercise to avoid the sticker shock of collapsing the two bills”
- “Mayor Nenshi should not treat business stakeholders with contempt by kicking them off committees. He should not be so aggressive on Twitter.”
- “Get the City Police out of the taxation business – speed traps & cameras – and focus on the root causes of crime, and gangs/organized crime.”
- “Consider how decisions will expand the economy before they are made.”
- “Don’t engage in City charters. New tax powers will not be received well by businesses.”
- “Do what needs to be done versus what you want to do. Consider the ‘biggest picture’.”
- “Address unfunded liabilities.”
- “Plan in a more long-term fashion – 10, 15, 20 years and beyond.”

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