

Economic Development & Tourism

Led by: Calgary Neighbourhoods

Description:

Calgary in the New Economy: An update to the Economic Strategy for Calgary stewarded by Calgary Economic Development and approved by Council in 2018 June, guides this service's initiatives and investments including the \$100 million Opportunity Calgary Investment Fund. The service supports a diversified and resilient economy including a vibrant centre city, encourages employment growth, helps build Calgary's global reputation, encourages business investment, and supports entrepreneurship and innovation. Through this service, tourism and convention centre strategies attract businesses and visitors to Calgary, and Calgarians and visitors have access to world-class attractions.

Customers:

This service meets the needs of the local, national and global business community including entrepreneurs and innovators; business travelers and leisure visitors; and Calgarians.

What is delivered to customers:

Economic diversification and sector development, convention centre services, local business promotion, branding campaigns, the Calgary Film Centre, trade missions, national and international tourism marketing, support for entrepreneurs and innovators at all stages, co-working space, a Global Business Centre, and access to cultural attractions.

Partners:


This service collaborates with other services including: Arts and Culture, Building Approvals, Business Licensing, City Planning and Policy, Development Approvals, and Land Development and Sales.

The service is delivered in collaboration with Civic Partner organizations and Business Improvement Areas that leverage City investment and assets to align and implement Calgary's economic strategy.

Service need (value proposition):

This service supports Calgary's local economy to be resilient and responsive to changes in the global economy, including a focus on diversification. It supports Calgarians to be successful entrepreneurs and innovators, and draws leisure and business travelers to Calgary. The cultural attraction infrastructure provides high-quality, accessible opportunities for Calgarians and visitors to experience. It supports a business-friendly environment that creates a high-quality of life and makes Calgary a city and destination of choice. The broad range of work in this service aligns and supports implementation of City plans and policies including the Centre City Plan, Cultural Plan for Calgary, Enough for All and Economic Strategy for Calgary.

Current state service value

<p>3,100,000 Cultural Attraction Visitors</p> <p>\$3.65 Leverage per \$1 invested</p>	<p>\$26,200,000 Convention Centre Impact</p> <p>86% Economic development satisfaction</p>	<p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p> <p>■ Tax-Support \$0 M</p> <p>■ Revenue \$33 M</p> <p>⦿ Internal Recoveries</p> <p>\$24 Annual operating cost per resident</p> <p><small>* Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget.</small></p>
<p>Connections to Citizen Priorities</p> 		<p>What the service includes (\$000s)</p> <p>Calgary Centre for Performing Arts, \$2,607; Calgary Economic Development Ltd., \$7,303; Calgary Technologies Inc., \$843; Calgary Convention Centre Authority, \$2,412; Calgary Zoological Society, \$8,435; Fort Calgary Preservation Society, \$1,166; Aero Space Museum Association of Calgary, \$254; Heritage Park Society, \$3,165; Calgary Science Centre Society, \$2,249; Tourism Calgary, \$2,858; Office of Economic Development and Policy Coordination, \$1,562; Business Improvement Areas, \$194</p>
		<p>Key Capital Investments</p> <p>The Civic Partners supporting this service manage over \$490 million in City-owned assets. Civic Partners supporting this service submitted over \$200 million in capital requests for 2019-2022 for lifecycle and growth projects.</p>



What we've heard and service outlook

What we heard: Research & Engagement Results

In 2017, 81 per cent of Calgarians reported they had visited one of The City's cultural attractions and 73 per cent agreed Calgary's attractions offer good value for tax dollars. In 2017, there was agreement that Calgary "is a great place to make a living" increased from 65 per cent in 2016 to 68 per cent. Calgarians look to The City to improve quality of life through job creation or employment. In national survey results, 75 per cent of respondents had positive impressions of Calgary as a place to do business. In 2017, 77 per cent of Calgary Technologies Inc.'s clients and 90 per cent of Tourism Calgary's partners were satisfied. Ninety-five per cent of Calgary TELUS Convention Centre's clients had a good or excellent experience.

What Council has directed

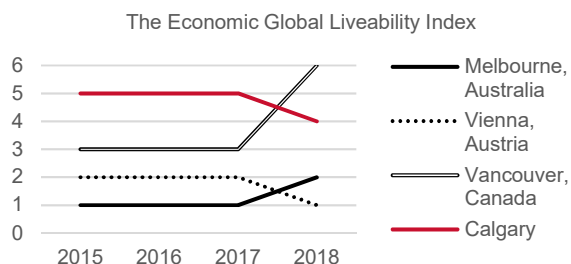
Guided by Calgary in the New Economy: An update to the Economic Strategy, this service supports Council Directives for a Prosperous City and contributes to W5 through initiatives focused on reconciliation. The service helps Calgary be a magnet for talent, a place where there is opportunity for all, and the best place in Canada to start and grow a business. It contributes to the economy through cultural attractions and convention centre delegates, supports entrepreneurs to launch and grow their businesses, supports neighbourhood businesses, and markets Calgary as a destination.

The service aligns and supports the Centre City Plan, Cultural Plan for Calgary, Living a Creative Life, Enough for All, Goods Movement Strategy, Industrial Land Strategy, Investing in Partnerships Policy, Calgary's Destination Strategy, Corporate Affordable Housing Strategy, among other strategies and policies.

What are we watching?

Guided by Calgary in the New Economy: An updated economic strategy for Calgary, this service tracks, monitors and responds to a variety of economic indicators including commercial vacancy rates and GDP, demographics changes including changes in the age of the population and increased diversity. It also tracks changes in demand for entrepreneurial support including a growth in the demand for services and programs to develop startups and then scale up to established operations. Tourism, convention and cultural attraction work is informed by data about visitors to Calgary, hotel room sales, and convention delegates numbers. While most of Calgary's visitors are from the US, overseas visitors are growing; and while the number of convention centre delegates has declined, a focus on international conferences has increased their economic impact.

Benchmarking



Source: Economist's Global Liveability Report

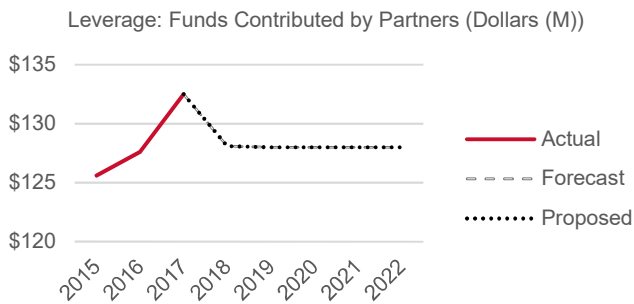
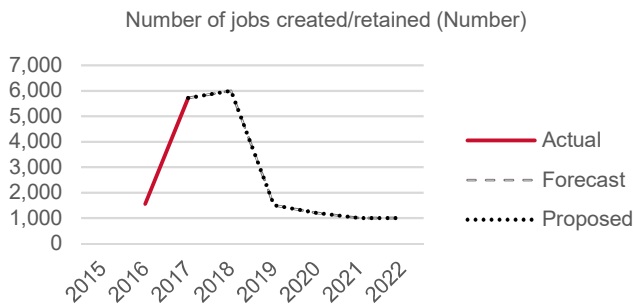
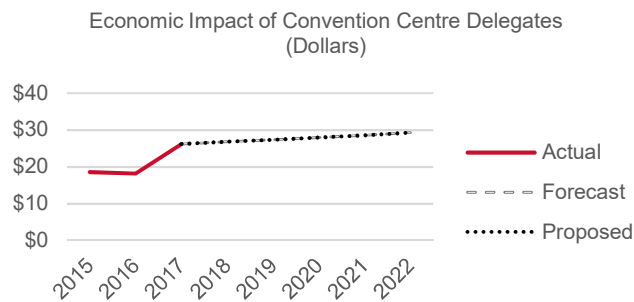
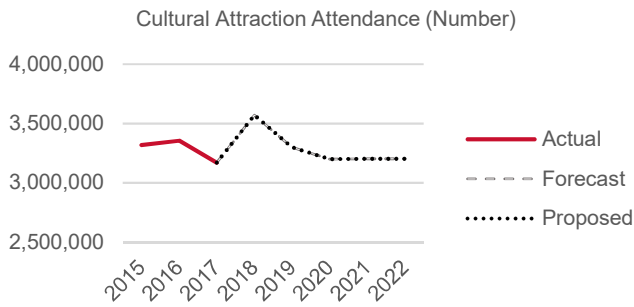
The Economist's Global Liveability Index has consistently ranked Calgary as one of the most liveable cities in the world when compared to 140 cities worldwide on 30 factors related to stability, healthcare, culture, environment, education and infrastructure. A strong local economy is a key driver of many factors that support this rating. The 2018 index ranked Calgary as the fourth most liveable city in the world, up from fifth place in 2017. Economic Development and Tourism contributes to the vibrancy of Calgary and through cultural attraction infrastructure, events, public spaces, special exhibits, school programs, and other initiatives that activate spaces across the city and support the local economy. Efforts to diversify Calgary's local economy including attracting investment and businesses support a stable and resilient city.

What matters to Calgarians

VALUE DIMENSION	DESCRIPTION
Attractiveness	Tourism attractions are world-class and offer attractive opportunities for Calgarians and visitors.
Sustainability	Service supports an economy with diverse industries and opportunities for entrepreneurs and businesses of all sizes.
Resilient	Service supports Calgary and Calgarians to withstand and recover from shocks and stressors that disrupt our economy.
Quality	High-quality services and programs attract visitors, business travellers, conventions and businesses.
Responsiveness	Responsive to changes in economic conditions and adapts quickly when needed.



How is the Service performing? Where we are headed and where do we want to go?



Story behind the curve

Cultural Attraction Attendance includes five City-owned assets managed and operated by Civic Partners. Cultural Attractions are unique destinations offering educational programs and opportunities for Calgarians and visitors to learn about history, science, aviation and conservation. They contribute to Calgary's economy through direct and visitor spending, including over \$53.8 million visitor spending in 2017. This measure reflects the attractiveness of Calgary as a tourist destination, and Calgarians' engagement. Attendance numbers are anticipated to peak in 2018 with the opening of the Calgary Zoo's Giant Panda exhibit. Attendance levels are impacted by investment in new exhibits and programs, and economic conditions.

The Calgary TELUS Convention Centre contributes to economic development results by attracting delegates to the downtown core that generate direct, indirect and induced economic benefits, and being a centre of excellence for innovators and thought leaders.

While the number of delegates dropped from 191,000 in 2015 to 143,000 in 2017 due to the economic downturn, the overall economic impact of each delegate grew. This is due to a focused strategy to attract more non-local delegates that stay longer and spend more in the local economy. For every \$1 the City of Calgary invests in the Calgary TELUS Convention Centre, delegates spend \$13 in Calgary.

Calgary Economic Development Ltd. is a City of Calgary wholly-owned subsidiary that stewards the collaborative implementation of Calgary in the New Economy: An updated Economic Strategy for Calgary. Economic development work reaches out to local businesses, businesses from other jurisdictions looking to expand or relocate; entrepreneurs, innovators; visitors, meeting planners and tourism industry members. In 2015, with the allocation of \$7 million in Community Economic Resiliency Funding over three years, CED accelerated implementation of the strategy and significantly improved its results including the number of businesses attracted to Calgary.

Partnering to deliver economic development services is mutually beneficial for The City and our Civic Partners. Partners are able to leverage The City's operating and capital funding through other sources including earned revenues, grants, sponsorship and donations. This measure demonstrates how much all Partners bring to the table to deliver these services. On average, The City provides 27 per cent of the total funding for these services.



What do we propose to do?

What we propose to continue doing

STRATEGY
Implement an updated economic strategy that diversifies and builds a resilient and prosperous local economy.
Lead tourism programs and deliver high quality cultural attractions to grow the travel and tourism industry.
Meet the demand for entrepreneurial support and foster innovation to support economic development.
Create, promote and maintain strong local business areas and engage in placemaking.
Invest in lifecycle maintenance of City-owned assets operated by Civic Partners to support high-quality offerings for Calgarians and visitors.
Invest in lifecycle maintenance of City-owned convention centre assets operated by Civic Partners to support economic development.
Reduce inefficiencies in operations and programming as required to match proposed funding levels for 2019-2022.

Why?

The City's investment of operating and capital funding in Civic Partners that manage and operate City-owned assets and steward Council approved strategies provide a cost-effective approach to delivering economic development and tourism services. Partners effectively leverage City investments and matching capital investment to ensure that assets are safe, efficient and meet the needs of Calgarians.

What we propose to do less of

STRATEGY
Programs and services based on budget levels and evaluation results.

Why?

What we propose to do more of or include as a new offering

STRATEGY
Leverage lifecycle capital funding to support lifecycle projects for resilience and sustainability of City-owned assets.

Why?

Civic Partners in this service manage and operate over \$490 million in City-owned assets. The City works with Civic Partners on Asset Management Plans that consider maintenance and lifecycle projects to improve performance and environmental efficiency, including energy audits. This work will continue to be highlighted to reflect The City's Climate Resilience Strategy and Action Plans.



What Operating Budget do we need to achieve these results and strategies?

For Council Approval

SERVICE PERFORMANCE RESULTS FOR 2019-2022	CURRENT	TREND
Cultural Attraction Attendance (Number)	3,570,771	↓
Economic Impact of Convention Centre Delegates (Dollars)	26.8	↑
Number of jobs created/retained (Number)	6,000	↑
Leverage: Funds Contributed by Partners (Dollars (M))	128.1	↔

Breakdown of net operating budget (\$000s)

	2019	2020	2021	2022
Previous Year's Budget	33,027	37,735	37,655	40,592
Less Previous Year one Time	(2,182)	(3,411)	-	-
Base	30,845	34,324	37,655	40,592
Revenue Changes	-	-	-	-
Internal Recovery Changes	-	-	-	-
Inflation	-	512	512	512
Operating Impact of Previously Approved Capital	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-
Efficiencies	-	-	-	-
Service Reductions	-	-	-	-
Service Increases	3,479	2,820	2,425	3,130
One Time	3,411	-	-	-
Realignments	-	-	-	-
Total	37,735	37,655	40,592	44,233

Operating Grants to Civic Partners (\$000s)

Civic Partner	2018 Budget at Mar 31	2019	2020	2021	2022
Calgary Centre for Performing Arts	2,565	2,565	2,632	2,698	2,765
Calgary Economic Development Ltd	5,809	10,147	10,347	10,347	10,347
Calgary Technologies Inc.	829	829	851	1,173	1,194
Calgary Convention Centre Authority	1,761	1,761	1,807	1,853	1,899
Calgary Zoological Society	8,296	8,296	8,512	8,729	8,945
Fort Calgary Preservation Society	1,147	1,147	1,177	1,206	1,237
Aero Space Museum Association of Calgary	250	475	425	425	425
Heritage Park Society	3,114	3,614	3,734	3,859	3,989
Calgary Science Centre Society	2,213	2,213	2,270	2,328	2,386
Tourism Calgary	2,812	3,278	3,851	5,924	8,998
Office of Economic Development and Policy Coordination	600	1,961	600	600	600
Total	29,396	36,286	36,206	39,142	42,785

Total Operating Budget (\$000s) for Approval

	2018 Budget	2019			2020			2021			2022		
	At Mar 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	33,051	34,347	3,411	37,758	37,679	-	37,679	40,615	-	40,615	44,257	-	44,257
Recoveries	(24)	(24)	-	(24)	(24)	-	(24)	(24)	-	(24)	(24)	-	(24)
Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	33,027	34,324	3,411	37,735	37,655	-	37,655	40,592	-	40,592	44,233	-	44,233



Recommended Capital Investment to Support Service Delivery

For Council Approval

Capital Budget for Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
Annual Investment Program(s)		6,460	4,870	4,770	3,789	-	19,889
414100	Convention Centre - Lifecycle	180	180	180	180	-	720
414191	Civic Partners Infrastructure Grant	6,280	4,690	4,590	3,609	-	19,169
Project(s)		4,020	5,750	3,750	3,750	-	17,270
480351	Heritage Park - Wet Dock	270	2,000	-	-	-	2,270
480352	TelusConvCentre - Improve	3,750	3,750	3,750	3,750	-	15,000
Program(s)		-	-	-	-	-	-
Sub-Total (New Budget Requests)		10,480	10,620	8,520	7,539	-	37,159
Previously Approved Budget Remaining		5,470	222	-	-	-	5,692
Total Capital Investment		15,950	10,842	8,520	7,539	-	42,851

Explanation of Capital Budget Requests

Annual Investment Program(s)

Activity 414100: Convention Centre - Lifecycle

New Budget Request of \$720 thousand to reduce the partner's operating grant and establish a Major Maintenance and Replacement Reserve to finance items such as lighting system upgrading etc.

Funding from Capital Reserves

Operating Impact of Capital: None

Activity 414191: Civic Partners Infrastructure Grant

New Budget Request of \$19,169 thousand to fund a grant on a matching basis to cover the cost of urgently needed maintenance, lifecycle repairs and upgrades on city owned, Partner operated facilities.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None

Project(s)

Activity 480351: Heritage Park - Wet Dock

New Budget Request of \$2,270 thousand for the Office of Partnerships to proceed with this project to replace the wet dock.

Funding from Reserve for Future Capital

Operating Impact of Capital: None

Activity 480352: TelusConvCentre - Improve

New Budget Request of \$15,000 thousand for lifecycle and improvements to increase usage and revenue while creating the best experience for The City of Calgary and the Calgary TELUS Convention Centre.

Funding from Lifecycle Maintenance & Upgrade Reserve

Operating Impact of Capital: None