workforce development
building capacity by attracting and retaining the best and brightest

The 802,200 people working in the Calgary region in December was down 11 per cent from a year earlier but GDP per capita was highest in Canada at $80,578 in 2015.

The Calgary Connector Program, a partnership with Bow Valley College and Calgary Regional Immigrant Employment Council, created 224 connections for 100 people that led to 24 job offers.

Hosted eight sold-out sessions on workforce best practices sessions supporting the changing needs of the local workforce.

promoting Calgary
changing national and international perceptions of Calgary

The Calgary: Be Part of the Energy Campaign

More than 377,000 visits to our websites, visit durations up 55 per cent.
Media included 932 stories valued at more than $1.6 million.
Wrote 104 Calgary stories as part of content strategy.

More than 22,700 Facebook followers, up 26%.
More than 12,300 Twitter followers, up 109%.
More than 4,400 LinkedIn followers, up 34%.
More than 5,700 Instagram followers, up 2,114%.

2015 Accomplishments at a Glance

major initiatives
long-term solutions for economic growth

sector developments
helping organizations to relocate, stay, expand, or invest in Calgary

Calgary Film Centre secured an anchor tenant, William F. White International, in advance of 2016 opening.
Ten companies used the short-term office space in the Global Business Centre (GBC). Of the 34 organizations that have used the GBC in the past five years, 20 have gone on to set up permanent offices in Calgary.
Action Calgary partners remained strong supporters of our work with a 93 per cent retention in 2015.

Conducted Benchmarking Calgary’s Competitiveness study with Monitor Deloitte versus 11 global cities.

Engaged more than 300 local businesses in a changing economy.
Supported 24 inbound trade and investment missions and five outbound missions including trips to China, Brazil and Europe.
Film and television productions spent more than $175 million in southern Alberta in 2015.
Calgary welcomed 3,756 new businesses in 2015, a net increase of more than 1,350 businesses.
The 59,565 businesses in the Calgary region, includes the highest number of corporate head offices, more than 150, and small businesses, more than 56,600, per capita in Canada.
Calgary had the highest labour force productivity in Canada with GDP per capita of $80,578 in 2015.
Established strategic relationships with Canada China Business Council, Council for the Americas Alberta and Kinetica Ventures.

More than 20 companies used the short-term office space in the Global Business Centre (GBC). Of the 34 organizations that have used the GBC in the past five years, 20 have gone on to set up permanent offices in Calgary.

2015 Accomplishments at a Glance
media & industry familiarization

tours hosting media and key decision makers

Conducted “scout” trips that resulted in five major film & TV productions shot in Alberta in 2015 and potential for more in 2016.

behind the scenes

Produced four episodes of Behind the Scenes and screened promotional video at regional film festivals.

Productions shot in Alberta in 2015

The Revenant
Fargo, Season 2
Hell on Wheels, Season 5/6
Heartland, Season 9
Wynonna Earp
Burn Your Maps
Lewis & Clark
The Reckoning

events

engagement through business, economic and community events

Bank of Canada Governor Stephen Poloz addressed the challenges of commodity price cycles to a sold-out Economic Outlook audience.

Alberta Premier Rachel Notley’s first speech to business audience was part of our Stampede Investment Forum that attracted investors from a dozen countries.

More than 3,000 people attended our seven Signature Events including Report to the Community, Economic Outlook and Soul of the City speaker series.

Soul of the City speaker series hosted four events and welcomed RBC Foundation to join The Calgary Foundation as a sponsor.

The Global Business Centre hosted 51 business networking and educational events.

funding sources

government and private sector support of economic development efforts

2015 Funding Sources

$12,538,308 Total

- $5,155,865 City of Calgary base grant
- $5,344,918* Leveraged revenue from other orders of government
- $1,971,939 Leveraged revenue from private sector
- $65,586 Investment
- $0 Deferred contributions

* Includes $5 million from Government of Alberta for Calgary Film Centre

2014 Funding Sources

$7,334,383 Total

- $4,785,137 City of Calgary base grant
- $259,495 Leveraged revenue from other orders of government
- $1,948,613 Leveraged revenue from private sector
- $322,959 Investment
- $18,179 Deferred contributions

$4,785,137 City of Calgary base grant

$259,495 Leveraged revenue from other orders of government

$1,948,613 Leveraged revenue from private sector

$322,959 Investment

$18,179 Deferred contributions
Message from the President and Chair

With the collapse in oil prices and continuing low gas prices, the current economic downturn has ushered in a new era for Calgary.

The economy had grown by more than 32 per cent in the decade prior to the 2.5 per cent decline in 2015. Continued migration into the city and a “rightsizing” of the workforce in the energy sector put Calgary’s unemployment rate on course to exceed the national average for the first time since the 1980s. The ripple effect left record high office vacancy rates, a softening real estate market and a decline in new building permits.

Following an overheated four-year period, the economy was unrecognizable to businesses and investors in 2015 and they quickly started re-thinking short and long-term strategies. However, in the midst of the historic downturn last year there were areas where Calgary outperformed.

Even with a 40 per cent reduction in spending, the oil and gas sector still deployed more capital than any other industry in Canada in 2015. Every Calgarian also generated almost $81,000 of economic activity last year – 80 per cent more than the Canadian average.

Our young and well-educated population is merging innovative ideas with our legendary entrepreneurial energy to lay the foundation for future growth.

Calgary Economic Development participated in two studies comparing business attractiveness to cities in North America and around the world. Both concluded a talented, globally focused workforce is Calgary’s strongest asset. They recognized Calgary is an affordable global city and one of the most competitively taxed jurisdictions in Canada.

Our business community and people endured challenging times in 2015 but Calgary remains, in a relative sense, an attractive location to open a business, a great city to make a living and, especially, a great place to make a life.

Calgary Economic Development also experienced significant change in 2015. With new leadership, the organization restructured with more focus on trade and investment opportunities in new markets. We also provided more support to hard-hit local businesses and workers. We also developed our first organizational three-year strategy aligned with the objectives in the community-wide 10 year economic strategy: Building on our energy.

With a vision for sustainable growth, shared prosperity and a strong community, we are the stewards of a strategy that’s directed by a leadership and implementation team made up of civic partners, governments, private sector and post-secondary institutions. In the first full year of implementation, activity was under way in almost 75 percent of the 32 specific actions.

Ongoing stakeholder engagement in 2015 led to slight modifications of the strategy to better reflect the opportunities and challenges in this economic downturn.

All indications suggest Calgary and Alberta will face economic headwinds through 2016 and fundamental changes beyond that. Through additional funding from The City, Calgary Economic Development has put the highest priority on talent retention and office space vacancy. We’ve also pivoted from an emphasis on recruiting people to supporting global trade opportunities. We will continue to promote Calgary’s position as an “inland port” and distribution centre. We also market our expertise in financial services, advances in agribusiness and the opening of a $28 million film centre to nurture growth in creative industries.

Economic development is a community effort. Our entire organization is grateful for the tireless effort and unwavering support many people and organizations provide through our Action Calgary partnership program and volunteering on our advisory committees.

On behalf of the Board and staff at Calgary Economic Development, our special thanks to all our Action Calgary partners, advisory committee volunteers, Mayor Naheed Nenshi, Calgary City Council and the administration team at the City of Calgary. Your commitment and thoughtful leadership is shaping the Calgary of tomorrow.

Mary Moran,  
President & CEO

Steve Allan,  
Chairman of the Board
A Message from Mayor Nenshi

On behalf of my colleagues on City Council and the citizens of Calgary, I am pleased to bring greetings to all of you reading the Annual Report from Calgary Economic Development.

It has been a difficult year for Calgarians as the plunge in oil prices reverberated throughout the economy and tested our resolve as a community. In times such as this, it is important we remember the entrepreneurial spirit, optimism and energy that Calgary is known for. Resolving the challenges that we face today is going to require an unprecedented level of work and collaboration.

Calgarians need their politicians, business and community leaders to all work together to address these challenges. Support for pipelines to get our oil and gas to global markets is critical as these projects are vital to the economic health of our city, our province and our country.

At the City of Calgary, we are accelerating diversification in the economy with the Building on our Energy strategy that supports our economic resiliency initiative, instils a sense of community, a commitment to shared prosperity and a focus on sustainable development.

I would like to acknowledge the work of the talented people at Calgary Economic Development for the crucial role they play in bringing all three orders of government and the private sector together to address major economic, societal and environmental challenges.

As stewards of the Economic Strategy for Calgary, they enhance our economic sustainability and quality of life by connecting government and business, and promoting the people and opportunities in Calgary, across Canada and around the world.

Sincerely,

Naheed K. Nenshi,
Mayor, City of Calgary
Calgary Economic Development’s Mission

We collaborate to advance opportunities in achieving economic success, embracing shared prosperity and building a strong community for Calgary.

Calgary Economic Development’s Mandate

Calgary Economic Development works with business, government, and community partners to achieve sustainable economic growth, embrace shared prosperity, and build strong communities. Managed by an independent Board of Directors, Calgary Economic Development is a not-for-profit corporation funded by the City of Calgary, community partners, other orders of government, and the private sector through the Action Calgary program.

As stewards of the 10-year Building on our Energy: the Economic Strategy for Calgary, Calgary Economic Development operates in accordance with the key objectives set out in the strategy and supports the leadership team responsible for the strategy’s implementation.

Calgary Economic Development is a conduit, connector, catalyst, and storyteller. We are opportunity makers, helping to spark and fuel the growth that makes Calgary an economic engine. We nurture prospects and potential. We harness possibilities. And we support individual and business prosperity.

We are connectors, linking business people with change makers: investors, advisors, industry leaders, partners, and employees. We introduce companies to new locations, markets, and customers. We are storytellers, getting to know Calgary and Calgarians, and telling our stories to the world.

We are a wealth of information. It’s our business to figure out what makes Calgary work. And it’s our job to share facts and resources freely with everyone who wonders why or who or how much.

Like the city we serve, we’re collaborative, entrepreneurial, innovative, social, creative, and global. We help shape and share Calgary’s story. And we’re proud to be part of the energy.
Calgary Economic Development is a **conduit**, **connector**, **catalyst**, and **storyteller**.

As economic developers, we work on a variety of initiatives throughout the year. While many of these initiatives have immediate activities and outcomes, the actual impact on a business or the community is often seen years after the initial engagement or interest in Calgary.

Calgary Economic Development’s job is to connect people with resources that can help them grow their careers or businesses, thrive in new locations or markets, and feel at home in our community.

Whether it’s a regional, national, or international business, we facilitate access to Calgary and help existing Calgary-based businesses too. Our economic development services include:

- Business retention, expansion, and attraction
- Investment attraction
- Real estate support
- Events and missions
- Workforce development
- Research and market data

Our programs and initiatives support business and workforce development, and position Calgary as the location of choice:

- **Building on our Energy: the Economic Strategy for Calgary**
- Calgary, Be Part of the Energy campaign
- Global Business Centre
- Calgary Film Centre
- WORKshift
- Action Calgary Partnership Program
Our People in 2015

With any organization, it is the **people** who truly **make a difference** in where the organization has been and where it is headed. That sentiment is **very true** at Calgary Economic Development. It is the commitment, passion, and energy of our Board, staff, Action Calgary partners, and advisory committee that enable Calgary Economic Development to play a key role in **shaping** and **sharing** Calgary’s story.

**OUR BOARD MEMBERS**

- Steve Allan, Chair, Corporate Director, Community Volunteer
- Leontine Atkins, KPMG
- Eric Axford, Suncor Energy
- Lori Calagarione, Sunzoni Consulting
- Trent Edwards, Brookfield Residential
- Jeff Fielding, City of Calgary
- Tom Hodson, Tiger Calcium Corp
- Hannes Koves, OPUS Corporation
- Patricia McLeod, Lawyer and Corporate Director
- Brad Pierce, Borden Ladner Gervais
- Murray Sigler, Sport Calgary
- Quincy Smith, Dentons
- Rob Stanely, City of Calgary
- Ward Sutherland, Councilor, Ward 1
- Kevin Zimmel, Royal Bank of Canada
- Patricia McLeod, Lawyer and Corporate Director
- Mary Moran
- Karen Garrick
- Chantal LeBlanc
- Luke Azevedo
- Lissa Craig
- Jolayne Motzuk
- Lisa Corcoran
- Jennifer Arthurs
- Jeannette Castillo
- Stephen Esart
- Claire Griffin
- Chelsea Hallick
- Jessica Whiting

**OUR STAFF**

- **Office of the President & CEO**
  - Mary Moran
  - Karen Garrick

- **Film, Television & Creative Industries**
  - Luke Azevedo
  - Lissa Craig
  - Jolayne Motzuk

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  - Joeya Bianco
  - Farn Lockwood
  - June Reid
  - Kristy Sze
  - Susan Turner

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  - David Ducasses
  - Nicole Mullings
  - Carol Theessen

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  - Katie Findlay
  - Lulu Mashonganyika
  - Bonnie Nunnari
  - Sasa Musaj
  - Alecia Peters

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* On Leave
Thank you to our Action Calgary Partners

The Action Calgary corporate partnership program engages Calgary business leaders to influence the movement of our economy. The thoughtful leadership, and generous financial and in-kind support from this group of visionary Calgarians supports Calgary Economic Development in delivering award-winning initiatives and programs, driving economic and individual prosperity, and positioning Calgary on the global stage.

Action Calgary partners not only help us shape and share Calgary’s story; they are a big part of Calgary’s story. Calgary Economic Development approaches the Action Calgary program as a true partnership with a long-term relationship in mind.

Over the past year, Action Calgary partners had first-in-line access for speaking and sponsorship opportunities at our signature events, and the Soul of the City speaker series. Our partners had the opportunity to tell their stories in local, national, and international media; connect to incoming trade and investment delegation, and participate in labour, investment, and trade missions.

On behalf of the Board and staff at Calgary Economic Development, we would like to thank our Action Calgary partners for their visionary leadership, investment, support, and participation in making Calgary’s energy felt across the country and around the world.

Action Calgary Partners provided almost $1.45 million in funding in 2015.

### 2015 Action Calgary Revenue

- **64%** Calgary, Be Part of the Energy campaign
- **11%** Action Calgary program management
- **11%** Major events
- **5%** Economic Strategy activities
- **11%** Other

### 2015 Action Calgary Revenue

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calgary, Be Part of the Energy campaign</td>
<td>64%</td>
</tr>
<tr>
<td>Action Calgary program management</td>
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</tr>
<tr>
<td>Major events</td>
<td>9%</td>
</tr>
<tr>
<td>Economic Strategy activities</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
</tbody>
</table>

### ACTION CALGARY

#### PLATINUM

- Aecor Group
- Aspen Properties
- ATCO Group
- Birchcliff Energy
- Bow Valley College
- Brookfield Residential
- Calgary Flames Hockey Club
- Calgary Regional Partnership

#### GOLD

- Calgary Hotel Associates

#### SILVER

- ATB Financial
- CAPP
- Calgary Herald
- Suncor Energy

#### BRONZE

- Axia Supernet
- Bennett Jones LLP
- Burnett, Duckworth & Palmer LLP
- Calgary Airport Authority
- Calgary Folk Music Festival
- Calgary Opera

- Calgary Municipal Land Corporation
- Cresa Calgary
- DRRT Environmental
- First Calgary Financial
- Glenbow Museum
- GlobalFest

- Calgary TELUS
- Convention Centre
- Cenovus Energy
- Dentons
- dmg events (Canada)
- Enbridge
- ENMAX
- Evans Hunt
- GE Canada
- Gowling WLG
- Joe Media Group
- JWN Energy
- KPMG
- Matco Developments
- Metro Calgary
- Mount Royal University
- Nexen Energy
- Red Point Media Group
- Resorts of the Canadian Rockies
- SAIT
- Tarpon Energy Services
- University of Calgary
- WestJet Airlines

- HBI / Haworth
- Kasian
- Lawson Projects
- PwC
- Quintaro Imaging
- RGD
- Shape Properties
- Sizeland Evans Interior Design
- St. Mary’s University
- Stone Olafson
- Theatre Calgary
- Trico Homes
- V Strategies
- YMCA Calgary
Thank you to all our Committee Members

Many of our Action Calgary and industry partners participate on our eight advisory committees. These community leaders congregate to discuss issues, create solutions, and advance opportunities that support purposeful diversification and sustainable growth for Calgary. Their unwavering commitment helps direct the organization in achieving the actions in Building on our Energy: the Economic Strategy for Calgary.

ECONOMIC STRATEGY LEADERSHIP AND IMPLEMENTATION COMMITTEE

Lori Van Roonen, Alberta College of Art and Design
Wendy Lowes, Ambrose University
Val Hony, Bow Valley College
Stephan Porter, Calgary Airport Authority
Patti Pan, Calgary Arts Development
Dean Prodan, Calgary Arts Development
Adam Legge, Calgary Chamber
Michael Brown, Calgary Municipal Land Corp.
Colleen Shephard, Calgary Regional Partnership
Bill Robertson, City of Calgary
Therese Takacs, Mount Royal University
Carole Simpson, Momentum
Jeff Loomis, Momentum
Cindy Ady, Tourism Calgary
Tereza Takacs, St. Mary’s University
Rod McKay, Tourism Calgary
Susanne Muda-Kiss, University of Calgary
Caroline Simpson, Mount Royal University
Maureen MacDonald, SAIT
Cindy Ady, Tourism Calgary
Theresa Takacs, St. Mary’s University
Rod McKay, Tourism Calgary
Susanne Muda-Kiss, University of Calgary
Caroline Simpson, Mount Royal University
Maureen MacDonald, SAIT
Cindy Ady, Tourism Calgary
Tereza Takacs, St. Mary’s University
Rod McKay, Tourism Calgary
Susanne Muda-Kiss, University of Calgary

HOUSING OUTLOOK & MARKETING EXPLORATION COMMITTEE

Jeff Dyre, Accessible Housing Association
Pat Firminger, Alberta Human Services
Evelyn Cutts, ATCO Group
Robert Geremia, Broadreach Properties
Trent Edwards, Brookfield Residential
Adam Legge, Calgary Chamber of Commerce
Michael Brown, Calgary Municipal Land Corp.
Colleen Shephard, Calgary Regional Partnership
Felicia Muller, Canada Mortgage & Housing Corp.
Rollin Stanley, City of Calgary
Michael Brown, Calgary Municipal Land Corp.
Colleen Shephard, Calgary Regional Partnership
Felicia Muller, Canada Mortgage & Housing Corp.
Rollin Stanley, City of Calgary
Matthews Tita, City of Calgary
Iain McCorkindale, M2i/Marco
Guo Sokolen, City of Calgary
Georg Paufra, Trico Homes
Guy Huntington, Urban Development Institute
Jyoti Gondal, University of Calgary

MANUFACTURING ACTION COMMITTEE

Adrian Buskii, AGM Wear
Mike Flynn, April Extrusions
Mike Holden, Canadian Manufacturers and Exporters
Duane Macawley, Dynamic Source Manufacturing
Marko Pecis, Even Consolida
Joseph Brunella, Fidelity Machine & Mould Solutions
Ralph Quarrian, Precision Machining Ltd.
Brian Rosentreter, Global Analyser Systems
Tom McCaffrey, Government of Alberta
Philip Doubleau, Mactech Manufacturing and Distribution Ltd.
Duane Hartzer, Optima Manufacturing
Chester Nagy, Plains Fabrication
Lousi Keelman, Sino Corp
David Roberge, SAIT
Michael Neumann, Standards

BUSINESS DEVELOPMENT ADVISORY COMMITTEE

Sahinder Flows, AMEC Foster Wheeler
Ian Meld, ATB
Erhard Kerler, ATCO
Robert Booth, Bennett Jones
Chris Carlsten, Birchill Energy
Colleen Shephard, Calgary Regional Partnership
Didier Lemaux, Calgary Hotel Association
Jeff Gauthin, CAPP
Kam Sandhar, Cenovus Energy
Shane Keating, City of Calgary
Donna Banks, Conoil Calgary
Lino Luzion, Entergy
Regina Corrigan, Gowling
Luciano Daia-Longa, Government of Alberta
Stace Wilts, Innovate Calgary
Bill Whitelaw, AIM
Bill Chomik, Kasson Architecture
Valerie Kinneir, Mount Royal University
Dennis Panchaud, Nexant Inc.
Rajan Shah, PwC
Munir Fatou, Suncor Energy
Jim Dewalt, University of Calgary
Jeff Bradshaw, U Strategies
Hanif Mirani, Winsight Airlines
Stephan Poirier, Calgary Airport Authority

COMMERCIAL REAL ESTATE ADVISORY COMMITTEE

Scott Hutchison, Aspen Properties
Ian Parker, Brookfield Properties
Cheryl Gottselig, Bennett, Duckworth & Palmer
Peter Stack, Cresa Fairview
Steve Allan, Calgary Economic Development
Rollin Stanley, City of Calgary
Damon Harmon, Cresal Calgary
Randy Kraft, JPMG
Norm Landry, Lawson Projects
Sarah Quayle, City of Calgary
Hannes Knes, OPUS Group
Scott Taylor, GWR Realty Advisors

LOGISTICS ADVISORY COMMITTEE

Anita Fleming, CV/Bol
Ben Smith, Calgary Logistics Council
Bill Bird, WAM Development Group
Bob Miller, Calgary Regional Partnership
Chris Marko, Hopewell Logistics
David Miles, Cresal Calgary
Jim Brown, JRS Logistics
Jonathan Moser, Calgary
Keith Stanley, Cathay Pacific
Randy Kraft, The Van Horne Institute
Reg Johnston, Ali TAU Consulting
Reg Rauch, Canadian Pacific Railway
Corie Banks, Tridec Logistics

CAREERS IN MANUFACTURING

Brett Daricich, Altabuythongould
Pam Frey, Government of Alberta
George Temperton, ADR
Michael Bussoli, Apparel Innovation
Cris Dukla, Bybloz Bakery
Sue Stevenson Brown, FRC West
Alberto Sia-Lu, Optima Manufacturing
Chester Nagy, Plains Fabrication
Dave Nolan, Studio 7 Creations
Debra Cameron-Mackinnon, Westech

CALGARY WORKS

Lance Livingstone, AECOM
Pat Firminger, Alberta Human Services
Jeanette Sutherland, Calgary Economic Development
Ahsa Samii, City of Calgary
Carole Howes, ENFORM
Brian Thompson, SAIT Polytechnic
Bill Campbell, Sohey’s
John Simpson, JSAI

CAROLINA THEROUX, Business Development

Chris Thomas, B2C Group
Corie Banks, Tridec Logistics
Karen Chopin, University of Calgary
Herman Van Reekam, HRG Global
Stuart Boland, Volunteer

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Focusing on sustainable growth, shared prosperity and building a strong community.
MAJOR INITIATIVES
Building on Our Energy
The Economic Strategy for Calgary

The economic downturn that reverberated throughout Calgary in 2015 coincided with the first full year of implementation of our updated 10-year economic strategy for the city.

Building on our Energy: an Economic Strategy for Calgary is the framework approved by City Council to achieve a sense of community, shared prosperity and sustainable development in Calgary. The actions and tactics align with six areas of focus to leverage our global, entrepreneurial, innovative, people, community and collaborative energies to achieve purposeful economic diversification.

Implementation is achieved through collaboration of City Administration, civic partners, post-secondary institutions and not-for-profit agencies as well as representatives of the Alberta and federal governments with ongoing guidance provided by a Leadership and Implementation Team.

In the 18 months since Building on our Energy: an Economic Strategy for Calgary was approved activity has commenced and is ongoing in 80 per cent of the actions. Progress on the 32 actions and 142 specific tactics – half are lead or co-lead by Calgary Economic Development – is measured through community-wide core indicators and individual actions.

As economic conditions worsened in 2015, The Leadership and Implementation Team prioritized a number of key actions and identified the need to strengthen collaboration. We improved our engagement with the private sector and post-secondary institutions as well as increasing outreach efforts with the new Alberta government.

The Leadership and Implementation Team met twice in 2015 while staff and members of the Board of Directors for Calgary Economic Development held more than 100 meetings with key stakeholders to implement actions.

Building on our Energy: an Economic Strategy for Calgary was drafted in times of prosperity but it is as relevant, if not more so, today. The Strategy is aligned with the Economic Resiliency initiatives that have been implemented by The City of Calgary with its focus on innovation and collaboration to diversify the economy and strengthen our community.

Calgary’s global reputation has attracted businesses, investment and people. Now we are positioned to be a global talent hub that exports knowledge and problem solving ability as well as products and services in energy and other sectors of the economy including agribusiness, manufacturing, creative industries, clean-tech and renewables.

In 2016, Calgary Economic Development will welcome private-sector stakeholders to the Leadership and Implementation Team to improve our engagement with the business community. We will also host a series of roundtables with the Alberta government to better align economic development activities across the province.

Progress on Economic Strategy

<table>
<thead>
<tr>
<th>Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed with no further activities</td>
<td>1%</td>
</tr>
<tr>
<td>Complete with ongoing activities</td>
<td>9%</td>
</tr>
<tr>
<td>Not yet commenced</td>
<td>19%</td>
</tr>
<tr>
<td>New tactics undertaken</td>
<td>7%</td>
</tr>
<tr>
<td>Tactics have been cancelled</td>
<td>2%</td>
</tr>
</tbody>
</table>

Committed with ongoing activities: 61%
### Sustainable Development

**0.54**  
Diversity of land use in Calgary, out of 1.0.  
Target: 0.55  
City of Calgary Planning Development and Assessment. (2014, updated biennially)

INITIATIVES:  
The City initiated the Main Streets Strategy to ensure major thoroughfares remain vibrant.

**$117.6 billion**  
Estimated overall gross domestic product for all Calgary industries in 2015. Target: $130 billion  
Conference Board of Canada

INITIATIVES:  
Calgary Economic Development opened dialogue with Edmonton Economic Development and Government of Alberta to collaborate on foreign trade and investment efforts.  
Calgary Economic Development hosted 24 inbound trade missions last year.

**66.1**  
Calgary’s score, out of 100, for non oil and gas diversification.  
Target: 68  
Sustainable Calgary State of the City Report, 2011

INITIATIVES:  
A record year for sport tourism with 59 culture and sport bids won last year.  
Calgary Economic Development collaborated with Advantage BC, Toronto Financial Services Alliance and Finance Montreal to understand Canada’s financial services value proposition and the opportunities for Calgary.  
Innovate Calgary launched AlbertAN, a directory of service providers for innovation start-ups in southern Alberta.

**0.21**  
Calgary’s Residential Diversity Index rating, out of 1.0. Target: 0.23 by 2020  
City of Calgary Planning Development and Assessment (2014, updated biennially)

INITIATIVES:  
The City continues to work closely with developers to focus on transit oriented development, creating complete communities, increasing the percentage of development in existing neighbourhoods and increasing the percentage of the population living within walking distance of services.  
Multiple family (condos and town homes) housing starts doubled single family housing starts in 2015.

**25.6%**  
Non-residential assessment in the total City of Calgary property assessments.  
Target: 29%  
City of Calgary Planning Development and Assessment, 2015

INITIATIVES:  
The Calgary Regional Partnership and The City of Calgary are collaborating on an industrial land mapping project in the region.

### Sense of Community

**80%**  
Calgarians satisfied with the overall level and quality of City services and programs.  
Target: 84%  
City of Calgary Citizen Satisfaction Survey, 2015

INITIATIVES:  
The City of Calgary launched an innovation program to seek citizens’ suggestions on how to improve service delivery.  
The City of Calgary launched an open data program allowing citizens access to City curated data on everything from traffic flows to building permits.  
The City of Calgary launched the Fair Entry program to reduce barriers faced by low income Calgarians in accessing City programs and services.

**86%**  
Calgarians who agreed their overall quality of life is good. Target: 90%  
City of Calgary Citizen Satisfaction Survey, 2015

INITIATIVES:  
Calgary Arts Development supported 10,289 activities by arts organizations in 2015 resulting in 87 per cent of Calgarians being engaged with the arts in some way.  
New and/or enhanced programming introduced at the Calgary Zoo, TELUS Spark, Heritage Park and Winsport.  
Construction on the new downtown library commenced.

**84%**  
Calgarians who agree Calgary is a great place to make a life. Target: 90%  
City of Calgary Citizen Satisfaction Survey, 2015

INITIATIVES:  
Calgary Economic Development hosted 24 inbound trade missions last year.  
A record year for sport tourism with 59 culture and sport bids won last year.  
Calgary Economic Development hosted 24 inbound trade missions last year.

**30%**  
Calgarians regularly involved in neighbourhood and community events.  
Target: 36%  
City of Calgary Citizen Satisfaction Survey, 2015

INITIATIVES:  
Calgary Arts Development supported 10,289 activities by arts organizations in 2015 resulting in 87 per cent of Calgarians being engaged with the arts in some way.  
New and/or enhanced programming introduced at the Calgary Zoo, TELUS Spark, Heritage Park and Winsport.

**74%**  
Calgarians who ranked overall perceptions of Calgary as favourable.  
Target: 76%  
Calgary Economic Development National Perceptions Survey (2014, biennial survey)

INITIATIVES:  
The Energy Futures Lab, facilitated by the Natural Step, brings together innovators and influencers in Alberta to explore and collectively address current and future energy challenges.  
Calgary, Be Part of the Energy marketing campaign, aligned with Tourism Calgary, generated more than 100,000 social media engagements and $9 million in media stories in 2015.
**Shared Prosperity**

**11%**
Calgarians living at or below the low Income cut off before tax. Target: 10%

*Statistics Canada, 2013.*

**INITIATIVES:**
The City of Calgary launched the Fair Entry program – a single application process for all subsidies programs. This the first program of its kind in Canada.

Vibrant Communities Calgary has brought together a Leadership Implementation Council to support the Implementation Plan for Enough for All.

With renewed focus on innovation and diversification, the Alberta and federal governments are providing added support for job creation, flexible work and training programs to prepare the labour force for the 21st century economy.

**68.7**
Calgary’s employment rate at the end of the year. Target: 71.7 per cent


**INITIATIVES:**
Innovate Calgary is leveraging Kinetica Ventures to create an energy technology corridor connecting Calgary Economic Development, downtown energy companies, SAIT, University of Calgary and Innovate Calgary.

**25.3%**
Calgary households that spent more than they could afford (32 per cent of gross family income) on housing. Target: 17.4%

*Statistics Canada, 2015.*

**INITIATIVE:**
The City of Calgary drafted an Affordable Housing Strategy to address the growing need of housing for low income Calgarians.

Not-for-profit, City of Calgary and home-builders have formed Resolve to provide affordable and supported rental housing for 3,000 vulnerable and homeless Calgarians.

**80%**
Calgarians who agree Calgary is a great place to make a living. Target: 90%

*City of Calgary Citizen Satisfaction Survey, 2015.*

**INITIATIVES:**
Calgary Economic Development has completed the pilot year of a Business Retention and Expansion program. Completing 259 surveys, the process has expanded our business networks and information gathered assists in identifying growing businesses.

Programs are being developed and implemented to incorporate entrepreneurial training throughout the campus at University of Calgary, Mount Royal University and Calgary Arts Development.
MAJOR INITIATIVES

Be Part of the Energy

Calgary, Be Part of the Energy is the platform to tell our story and serve as a call to action to engage businesses and investors to see Calgary as a long-term opportunity with one of the world’s best talent pools.

In response to the rapidly changing economic climate, the four-year Be Part of the Energy campaign shifted from a primary focus on labour attraction to an emphasis on the emerging and counter-cyclical business, trade and investment opportunities in Calgary.

The national advertising campaign backed by a "content program" broadened Calgary’s story to not only include bright spots and advancements within the energy sector, but reveal the lesser known stories about our entrepreneurs and innovators. WestJet Airlines, GE Canada’s Customer Innovation Centre and Arlene Dickinson’s District Ventures were featured to highlight the entrepreneurial and innovative spirit that’s a fundamental element of the Calgary business culture.

In June, Mayor Naheed Nenshi visited New York City to meet with leaders in the financial services sector and conduct interviews with major media outlets including CNBC-TV and Bloomberg News. The mayor lobbied for greater access to US markets for Alberta oil and promoted the business opportunities in Calgary. The media blitz generated extensive coverage in Canada and the United States.

To enhance the Be Part of the Energy campaign as it evolves with the city’s economy in the years ahead, a content strategy was initiated in 2015 to help tell Calgary’s story on an ongoing basis, not only during advertising and media campaigns.

The Calgary Economic Development website was refocused to emphasize storytelling about our people and companies as well as the innovations that were initiated in Calgary. In 2015, more than 100 stories were published on our website.

Benchmarking Calgary’s competitiveness

Understanding how Calgary compares with cities from across North America and around the world — the strengths, the risks, the weaknesses — is a critical part of the work at Calgary Economic Development.

Working with consultants Monitor Deloitte, we conducted a study released in November Benchmarking Calgary’s Competitiveness to better understand how we compare to 10 peer cities in five essential areas: human capital, economic strength, innovation and entrepreneurship, the cost of doing business and livability impacts.

The study helped determine our relative competitiveness — which we defined as a condition created when government, industry and citizens “work together to pursue prosperity.” The study determined Calgary is well positioned to thrive among a diverse peer group of global cities with similar industry strengths including Pittsburgh, Houston, Brisbane, Rio de Janeiro, Vancouver, Singapore, Chicago, Atlanta, Aberdeen and Rotterdam.

Calgary is known for its oil and gas industry but the study concluded the economy is actually steered by the knowledge-driven services supporting the sector. A highly skilled workforce is critical to achieving knowledge-driven growth that’s needed to achieve the city’s goals for economic success, shared prosperity and building a strong community.

The study drew on data from 2014 and 2015 and, while metrics such as gross domestic product have changed since then, our real value proposition in attracting companies considering Calgary lies in our people and our young, educated and globally connected workforce. The insight from the study will assist efforts to diversify the economy to position Calgary as an innovation centre and target businesses from industries such as agribusiness, transportation and logistics, financial services, creative industries, and renewable energy.
Instagram Initiative

Each week, a different influential Calgarian or organization takes over the @lifeincalgary Instagram account to show their unique perspective of the city. It’s become a hub for diversity, creativity and community.
Calgary Film Centre

Supporting a growth industry

With the arrival of William F. White International as the anchor tenant late in 2015, the Calgary Film Centre moved from an idea for a modern film studio first put forward in 2009 to a working facility already acting as an incubator for the industry in Alberta.

The official opening of the more than $28 million project is set for May 2016 after workers complete the final touches on the facility that includes three sound stages in addition to warehouse and workshop space that was in operation late in 2015.

The intention is for the facility in southeast Calgary to become a centre of innovation and excellence in the creative and digital media industries by driving development of new local and international projects while contributing to economic diversification.

Modern sound stages are the critical infrastructure for the film and television industries and the Calgary Film Centre provides a foundation for local creative industries to flourish as southern Alberta becomes a preferred location for more local and international productions.

The Calgary Film Centre will collaborate with Alberta Culture and Tourism, educational institutions, unions and guilds to develop educational programs, host conferences and workshops as well as conducting work/study programs for people entering the industry.

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The Calgary Film Centre is a $28.2 million development that includes $10 million in funds from the City of Calgary, $5 million from the Government of Alberta and $1 million from William F. White International.

The Calgary Film Centre is located on an 8.35-acre site in the Great Plains Industrial area of Calgary and has warehouse and workshop facilities and three purpose-built studios.

William F. White International – which provides production services and equipment for film, television, digital media and theatre – moved into the centre in November 2015 as the anchor tenant.
**WORKshift**

**Supporting Canadian organizations to adopt flexible work cultures**

WORKshifting means changing the way we think about where and when work can get done most effectively.

The Canadian CIO consensus report for 2015 found that 48 per cent of organizations in Canada do not have a formal mobility strategy but are “working on one.” There is no question Canadian organizations are looking at developing mobile and remote strategies for their workers in the coming years.

To make WORKshifting more than simply an organizational ambition means having the right technology, workspaces and policies to produce your most inspired work wherever and whenever that might be. The question remains, where can organizations turn for the support around human resources, workspace and technical considerations required to integrate this shift?

Created and incubated at Calgary Economic Development since 2009, WORKshift has evolved from a regional telework initiative to a national movement with a vision to transform the way work is done in Canada. Today, WORKshift is the authoritative voice in the country promoting, educating, and accelerating the adoption of flexible work programs that allow companies across Canada to embrace our changing world.

With a national presence firmly established in 2015, WORKshift will adapt to the economic realities and move to the promise to help put Calgarians work. The global talent hub initiative will elevate the profile of Calgary’s highly educated, globally aware workforce to other areas. We’ll tell the world the benefits of employing Calgary-based employees who will WORKshift from virtual or collaborative co-work locations around the city.

We will export expertise but retain the talent here in Calgary!

Thanks to our Founding partners’ thoughtful leadership and financial support, WORKshift continues to support Canadian organizations to embrace and succeed with meaningful workplace transformation. The Founding partners are:

- Citrix (GotoMeeting)
- Shaw Business
- KPMG
- Rogers Communications

Playbook

The market spoke and we listened. A dialog with employers shifted the WORKshifting conversation from “why” to “how.” Employers, convinced of the mobile future of work, want to know how to achieve it. In partnership with our Founders and industry partners, WORKshift developed the first flexible work Playbook as a definitive guide to flexible work implementation. It will be available in 2016.

**Groundbreaking research**

In partnership with Stone-Olafson and Rogers Communications, WORKshift developed ground-breaking Canadian research titled: Connecting Canadian Talent to the workplace with Technology and Flexible Work. Results were conclusive: flexible work (time and location were assessed), when supported by appropriate technology, can significantly and positively impact organizational success.

**Events**

WORKshift hosted sold-out four marque events across Canada in 2015 to raise awareness about the benefits and trends towards mobile work.

- January 2015 – Ottawa
- January 2015 – Toronto
- May 2015 – Halifax
- October 2015 – Calgary
Global Business Centre

Supporting Calgary’s growth

The Global Business Centre is a multi-storey building in the heart of downtown Calgary where business meets opportunity. The centre offers transitional office space for businesses seeking to enter the Calgary market. It also provides meeting space for local companies that want information on international opportunities or are interested in collaborating to identify opportunities to export goods, services and knowledge to global markets.

The centre is operated by Calgary Economic Development and in 2015 hosted more than 50 events with our Action Calgary partners and other business groups. Events include seminars on export opportunities along with briefings, workshops, roundtables and networking receptions.

Since the Centre opened in 2010, it has provided temporary office space for almost 40 companies. More than half of those companies established permanent offices in Calgary. The mandate for the centre is to create an eco-system for success through educational programming as well as working with companies to help their business plans.

The current tenants include Kinetica Ventures, which accelerates innovative energy developments; the Canada & China Business Council; and the governments of Ontario and Quebec as they assist local companies seeking business opportunities in Calgary and Alberta.

The Global Business Centre hosted 24 delegations as part of our investment attraction efforts in 2015. It was also the site of an open house for international delegates at the 2015 Stampede Investment Forum as we focused on increasing trade and export opportunities and positioning Calgary as a talent hub.

Delegations using Global Business Centre in 2015 included the following countries:

- France
- Belgium
- Kosovo
- Czech Republic
- Dubai
- Mexico
- Peru
- South Korea
- China
- Japan
- United States

The Global Business Centre is a place that fosters creativity and collaboration through an exchange of market information and industry knowledge in the heart of Calgary’s vibrant business district.
Renewables

Clean technology is a driving force in energy

As the world committed to more renewable and environmentally responsible energy in 2015 and Alberta accelerated its phase out of coal-generated electricity it has created tremendous opportunities for Calgary as a leader across the entire energy spectrum.

Renewable energy and clean technology have become a major focus for Calgary Economic Development as the energy sector – from start-ups to large corporations – collaborates with post-secondary institutions and other stakeholders to apply innovative thinking to global challenges.

The pledge to eliminate greenhouse gas emissions from coal-generated electricity in Alberta by 2030 will create billions of dollars in investment opportunities to develop transitional and renewable energy sources from natural gas to biomass, wind and solar.

The province’s commitment to 30 per cent of Alberta’s electricity must be generated from renewables in 2030 and Calgary companies have demonstrated they can develop and commercialize technology to turn challenges into business opportunities.

Alberta is home to almost 200 renewable energy companies and is a proven leader in areas such as power cogeneration and carbon capture and storage, and the opportunities to harness wind and solar energy in the province are tremendous.

To facilitate growth in the sector, Calgary Economic Development is involved in several initiatives in 2015, including:

- Joined Kinetica Ventures, which connects energy companies with innovators to accelerate technology development and adoption, as an associate member.
- Partnered with Innovate Calgary on initiatives including AlbertaIN – a directory to help local entrepreneurs identify service providers for funding, advice, and other business incubation services.
- Joined the Calgary Council for Advanced Technologies on one of its committees to promote an environment where women can participate in, contribute to, and lead efforts in the knowledge economy.
- Participated in Energy Futures Lab, a multi-stakeholder group leveraging Alberta’s leadership in energy to accelerate a “greener” future. Calgary Economic Development’s Megan Zimmerman was among the key influencers and innovators in its 40 inaugural fellows.

Calgary is home to the Institute for Sustainable Energy, Environment and Economy while Mount Royal University has offered Earth and Environmental Sciences studies for four decades and Applied Research and Innovation Services at SAIT has a focus on “green” building technology.

Alberta is Canada’s third largest producer of wind energy and harnesses only one percent of the potential resource available.

Technologies have the potential to convert 20 million tonnes in feedstock waste annually in Alberta into bioenergy products – including renewable energy.

Every 150 megawatts of solar energy capacity installed creates more than $300 million in investment as well as 1,875 construction jobs and 45 full-time jobs in addition to lease payments and municipal property taxes.

More than 60 provincial and federal government funding and contribution programs are available for Alberta technology driven entrepreneurs.
Energy
Calgary: A global energy centre focused on innovation

A fundamental shift in global oil price dynamics over the last two years battered the Canadian oil and gas industry and companies adjusted to the historic downturn in 2015 with painful cost-cutting measures that included sharply lower spending and fewer staff. Industry revenues declined 40% per cent in 2015 and layoffs followed at companies that had been staffed for growth focused on improving efficiency.

The elections of an NDP government in Alberta and a federal Liberal government prompted a change in environmental policies in time for the UN climate conference in Paris. Alberta established an expert panel on climate change that recommended increasing the provincial carbon levy, capping GHG emissions from oil sands and accelerating the phase out of coal-fired power plants.

Premier Rachel Notley’s government also named a Royalty Review Advisory Panel and Calgary Economic Development facilitated private stakeholder sessions and was a supporting partner in the community engagement sessions. Although the panel’s report was released early in 2016 implementation of its recommendations were delayed until 2017.

To facilitate dialogue with the royalty and climate panels, we partnered with the Government of Alberta and Canadian Association of Petroleum Producers to host Premier Notley’s first speech to Calgary business leaders at our annual Stampede Investment Forum in July. She pledged Alberta would maintain “a warm welcome for investors.”

The US government’s rejection of the Keystone XL pipeline in November reinforced the pressing need for infrastructure to move Alberta oil and gas to new markets. The focus on global markets aligns with a shift by Calgary Economic Development to seek out opportunities for companies to sell their products or expertise to become part of the global supply chain.

Industry’s focus to improve efficiency and reduce the environmental footprint will drive innovation and create new business opportunities. Recent advances in reservoir stimulation, for example, demonstrate how technology can create unforeseen opportunities for companies at home and to play a role addressing the energy and environmental challenges worldwide.

The requirement for additional pipeline infrastructure to reach new markets reinforces the fact that crude oil production in Western Canada is at a record 3.8 million barrels a day and will continue to grow.

The Alberta government lists more than $40 billion in oil and gas projects under construction and a further $76 billion in announced or proposed projects.

About 2.5 million barrels of oil sands crude and 1.3 million barrels of conventional oil were produced each day in 2015. In Western Canada and industry forecasts total production will surpass 3.5 million barrels a day by 2030.

There were 5,383 oil and gas wells drilled in Western Canada in 2015 compared with over 11,000 two years ago due to low commodity prices and a transition to longer horizontal wells.

Delegates from 14 countries participated in the third annual Stampede Investment Forum for the oil and gas industry.

There were 1,538 business establishments in the energy sector in Calgary in 2015. Statistics Canada.

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A growing transportation and logistics network has positioned the Calgary region as a premier hub in North America’s Pacific Northwest region to connect people and products by air, rail and road.

The sector has become an area of growth for energy, agri-business and manufacturing firms as well as the retail sector, with companies including Canadian Tire, Home Depot, Sobey’s and Costco having made Calgary a hub in their intermodal transport systems and distribution networks.

As part of the plan to be the leading “inland port” in Western Canada, the 14 municipalities that make up the Calgary Regional Partnership received the critically important Foreign Trade Zone status in 2015.

Calgary Economic Development is working with the Calgary Regional Partnership and other stakeholders including Calgary Logistics Council, The Van Home Institute, and local universities and colleges to build on the city’s long history as a transportation centre since the transcontinental railways first arrived in the 19th century.

Today, Calgary sits at the crossroads of the TransCanada Highway and CANAMEX North-South Trade Corridor with access to more than 50 million people by ground transport within 24 hours.

The Calgary International Airport is a growing aviation hub that serves more than 15 million passengers a year and is nearing the completion of its $2-billion expansion. The multi-year project includes new cargo and livestock-handling facilities, the longest runway in Canada and a new terminal to serve international travelers is scheduled to open in fall 2016.

In laying a foundation for the future in 2015, Calgary Economic Development worked with the transport sector to research issues including “over-dimensional” load capacity on local roads and worked with The City to help trucking companies get products to customers more efficiently.

The 14 municipalities within the 10,000-square kilometer area that comprise the Calgary Regional Partnership are Airdrie, Banff, Black Diamond, Calgary, Canmore, Chestermere, Cochrane, High River, Irricana, Nanton, Okotoks, Redwood Meadows, Strathmore and Turner Valley.
Finance
Attracting global investment

In the last two decades Calgary has been among the most active banking centres worldwide. The massive investments in oil sands and other natural resources has slowed as the global oil supply glut reverberated through the energy sector globally and financings declined significantly in 2015.

The pace of mergers and acquisitions will rise and fall with commodity prices but the sharp decline in capital spending in Canada’s oil and gas sector to $42.8 billion in 2015 after several years topping $70 billion it was evidence of a suddenly resource-abundant world.

The dearth of optimism in 2015 doesn’t mean a lack of future opportunities.

The investment banking expertise in Calgary extends beyond oil and gas and opportunities are emerging in clean-tech, renewable energy, agri-business and other sectors. Calgary ranks in the top third of 86 cities included in the Global Financial Centre Index.

Two dozen major international banks have a presence in Calgary. In July, the Bank of Tokyo-Mitsubishi UFJ opened its first office in the city and has described Alberta as a “key market” going forward for the Asian financial group.

Even with the current downturn, Canada’s oil and gas industry is forecast to need more than $500 million in capital to meet production growth forecasts over the next decade.

Asset management and venture capital firms, along with private equities funds and “angel investors” are areas of opportunity with the stock market volatility. Private investment firms are developing innovative capital structures to fund industry – particularly among small and intermediate-sized oil and gas producers.

Western Canada attracts only about 10 per cent of all angel investment capital in Canada and non-energy projects in particular require changes to government policies and programs for Calgary to be competitive with other jurisdictions.

All of Canada’s financial institutions and the vast majority of the top global investment banks have operations in Calgary.

Calgary ranked 28th of 86 cities globally in the most recent Global Financial Centre Index.

Financial services sector accounts for about 15 per cent of Calgary’s GDP.

There were 1,347 business establishments in financial services in 2015.
Statistics Canada.

Two dozen major international banks have offices in Calgary.
SECTOR OVERVIEW

Real Estate
Buildings and facilities to grow business

The economic downturn impacted real estate in Calgary in 2015 as new housing starts declined and office vacancy rates rose but optimism for the future was endured as the value of building permits surpassed $7 billion for the third straight year.

The value of building permits issued declined by 4.1 per cent from 2014 to $7.03 billion but that was after permits for construction of new residential and commercial developments had more than doubled over the last five years.

Real estate firm CB Richard Ellis has said Calgary had the fastest-growing office market in Canada from 2005 to 2014. As oil and gas companies downsized and new towers added to the inventory of downtown offices the vacancy rate went from 9.8 per cent in 2014 to 17.6 per cent at the end of 2015.

Building permits valued at $7.03 billion in 2015 were a 4.1 per cent decline from 2014.
Calgary CMA, Statistics Canada.

Calgary offers a variety of commercial real estate “ecosystems” from downtown office towers to suburban campuses to suit the shifting needs of companies and their workforce.

Sublease arrangements have lowered commercial rents and real estate agents predict a “flight to quality” on any uptick in oil prices, as companies typically take advantage of the downturn to upgrade their work environments. With 3.5 million square feet office space to come onto the market from new office towers there’s a focus on retrofitting older buildings for residential or other uses.

The number of people moving to Calgary declined by more than 40 per cent in 2015 – 21,057 people still moved to the city – and the construction of new single-family homes fell a similar percentage to 4,138 new homes. However, 8,895 multi-family housing units started last year were down only 16 per cent from the previous year.

As the price of new single-detached homes declined by 1.8 per cent in 2015 -- to an average of $491,600 -- Calgary Economic Development worked with industry to find creative solutions to affordable housing. A slowing economy and changing workforce means the availability and affordability of housing directly influences workforce retention, productivity and quality of life.

There were 2,151 business establishments in the real estate sector in Calgary in 2105.
Calgary CMA, Statistics Canada.

Building permits started on 8,895 multi-family housing units in 2015 compared with 4,138 single-family houses.
Calgary CMA, Statistics Canada.

Construction started on 8,895 multi-family housing units in 2015.
Calgary CMA, Statistics Canada.

Calgary has a total more than 40 million square feet of downtown office space and almost 24 million square feet of suburban office space.
Calgary CMA, Statistics Canada.

Downtown office vacancy rate was 17.6 per cent, 19.1 per cent in suburban offices and 7.9 per cent for industrial space in the fourth quarter of 2015.
Calgary CMA, Statistics Canada.

Assessing the long-term potential for transit-oriented developments emerged as a priority for the real estate sector with plans in place for a new Green Line C-Train by 2024.

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Manufacturing

Innovation driving export opportunities and career options

The manufacturing sector was a buffer to low oil and gas prices in 2015 as the overall value of consumer and industrial products made in Calgary increased more than one per cent with agri-food emerging as the largest component of the sector in Alberta.

Manufacturing in Calgary surpassed $5.95 billion in overall business in 2015 and represents eight per cent of the Calgary economy.

The sector embodies the city’s entrepreneurial spirit with about 1,850 companies in energy, construction, aerospace, biomedical, chemicals, electronics, furniture and others. Many invested heavily in advanced automation and technology and the highly efficient plants are globally competitive.

With depressed prices for petroleum and coal products, Statistics Canada reported food manufacturing in the province surpassed these products in value in October. The food sector has strong export potential and Calgary provides companies a well-developed infrastructure, access to capital, a highly skilled labour force and a large concentration of head offices.

The lower Canadian dollar and reduced oil and gas activity has prompted many manufacturers to target international markets and Calgary Economic Development is collaborating with companies to identify opportunities, make contacts and develop strategies to enter new markets.

One of our primary interactions with the sector is through an outreach strategy to help change perceptions about jobs in the sector among high school students and underserved populations. Industry tours and career fair activities are coordinated by our Careers in Manufacturing program in an effort to raise awareness of the technology-focused sector and improve the supply of qualified workers.

The program was developed through engagement with 75 manufacturing companies in the Calgary region and provided 19 tours for almost 400 students in 2015.

With logistics essential to the movement of goods, our Manufacturing Advisory Committee helped foster a dialogue with local companies and The City about transportation planning, a new municipal transit line, “over-dimensional” loads and better designs for industrial and business parks.

Oil and gas attracted people and capital from around the world to Calgary and our skilled workforce creates opportunities and fuels innovation in sectors such as manufacturing.
SECTOR OVERVIEW

Creative Industries

Award-winning crews and world-class scenery

Alberta productions were celebrated at this year’s Academy Awards, Emmy Awards, Golden Globe Awards ceremonies:

- *The Revenant* was nominated for 12 Academy Awards and won three – best cinematography, best director and best actor for Leonardo DiCaprio. It was nominated for four Golden Globes and won three, including Best Picture - Drama.
- *Fargo Season 2* was nominated for three Golden Globe Awards.
- *Balletlujah* earned Corkscrew Media the Canadian Screen Award for Best Biography or Arts Documentary Program or Series.
- *Young Drunk Punk* and *Borealis* earned Seven24 Films nominations for Canadian Screen Awards.

2015 was a stellar year for creative industries in the Calgary area with an increased level of spending on film and television productions and Hollywood talent delivering Oscar-winning performances in films shot in southern Alberta.

The Revenant was nominated for 12 Academy Awards and won three – best cinematography, best director and best actor for Leonardo DiCaprio – and showcased the province’s visual beauty. The film also carried on a rich tradition of award-winning films and television programs produced in Alberta.

The critically acclaimed TV series Fargo is another local production that has been lauded with Emmy and Golden Globe awards for the American network FX.

Along with global acclaim for exceptional productions, the entire creative industries sector in Alberta was buoyed by the $175 million spent on film, TV, and other productions in the Calgary region in 2015. There was almost $50,000 more spent to scout locations for future projects.

Alberta is the fourth largest centre for film and TV production in Canada after British Columbia, Ontario and Quebec. The opening of modern sound stages at the Calgary Film Centre in spring 2016 is expected to provide the foundation for future growth in the industry.

The lower Canadian dollar has added to the value of filming in Canada but the quality of local crews and facilities in addition to support from the provincial government, is critical to Calgary’s ability to build on last year’s accomplishments with sustained growth.

The Creative Industries sector also includes video gaming and digital media.

“...The Calgary Film Commission is well informed and motivated. They do a fantastic job promoting our city and province to the world … they help with location support, permitting, and even political trouble shooting so that a production can access more diverse and sometimes sensitive locations in a timely manner.”

– Leslie Cowan, production manager, Fargo.

Major productions shot in Alberta in 2015:

- *The Revenant*
- *Fargo, Season 2*
- *Hell on Wheels, Season 5/6*
- *Heartland, Season 9*
- *Wynonna Earp*
- *Burn Your Maps*
- *Lewis & Clark*
- *The Reckoning*

Film and TV productions spent $175 million in southern Alberta in 2015.

Four episodes of Behind the Scenes were produced by Calgary Economic Development, Shaw TV Calgary and Alberta Film including segments on V Strategies, Fargo Season 2 and Burn Your Maps.

Alberta is the fourth largest film production jurisdiction in Canada after British Columbia, Ontario and Quebec.

In the last decade, the Calgary area accounted for more Oscar, Golden Globe and Emmy awards than any jurisdiction in Canada.

Every dollar invested in film & television production through the Alberta Media Fund has a return on investment estimated at more than $6.

There were 269 film and television businesses establishments in Calgary in 2015. Statistics Canada

There were 4,520 creative industry business establishments in Calgary in 2015. Statistics Canada.
SECTOR OVERVIEW

Workforce & Productivity

Exporting goods, services and knowledge to the world

Workers were top of mind in 2015 as layoffs in the oil and gas sector dominated news headlines and prompted a shift in strategy from Calgary Economic Development after years of addressing a skills shortage in local industries.

Calgary had led the country in employment statistics for years but 2015 was a period of adjustment as the unemployment rate reached 7.0 per cent in December en route to surpassing the national rate for the first time since the 1980s.

In recent years, labour attraction was the primary focus of workforce initiatives but the emphasis changed to retaining qualified workers and skills development in 2015. The total number of people working in the Calgary region fell by 1.1 per cent from 2014 to 802,200. There were still 9,100 more people in jobs than two years earlier driven by increases in immigration.

When Alberta’s economy was booming, work was often outsourced to places with available infrastructure and labour. Now Calgary companies are seeking opportunities to leverage our young and educated workforce and the capacity for business to expand globally.

One initiative launched in 2015 to help people impacted by the economic downturn was to adopt a national immigrant retention program in partnership with Calgary Region Immigrant Employment Council and Bow Valley College.

The Calgary Connector Program partners with Alberta Human Services and post-secondary institutions to link business and community leaders to broaden the professional networks for people most often impacted in a downturn – immigrant professionals, Aboriginal graduates, emerging professionals and international student. There were 224 connections initiated for more than 100 “connectees” in 2015 that resulted in 24 job offers.

Our Calgary Works Employer Advisory Committee also determined retention, health and engagement of the workforce was a priority. The Re-engage workshop series was developed with business, government, post-secondary institutions and the community to retain the professionals and skilled trades workers who will drive Calgary’s future economic growth.

Calgary Economic Development also hosted a series of workforce roundtables for industry and government on “up-skilling” workers, engaging youth and underserved populations, changes to foreign-worker programs and entrepreneurship. It led to creation of the Careers in Calgary program to inform youth about in-demand jobs in the science, technology, engineering or math-related professions.

Calgary Economic Development

The 7.0 per cent unemployment rate in the Calgary region in December 2016 was an increase from 4.7 per cent a year earlier. Statistics Canada.

Total employment in the Calgary region declined 1.1 per cent to 802,200 – still more than 9,100 jobs over 2013. Statistics Canada.

The overall workforce in the Calgary region grew 1.3 per cent to 862,400 in 2015. Statistics Canada.

There were 3,756 new businesses launched in Calgary in 2015, down 6.1 per cent from the previous year. City of Calgary.

Calgary has more than 56,600 small business and is the headquarters for more than 150 corporations.

A 28 per cent population growth from 2006 to 2015, most of any city in Canada, boosted Calgary’s population to more than 1.4 million. Statistics Canada.

Calgary has the highest labour force productivity among Canadian cities with GPD per capita of $80,578 in 2015.
Signature Events

Bringing the community together for trusted insight and informed discussion

With oil prices and the Canadian dollar plummeting in September, the financial world was watching when Bank of Canada Governor Stephen Poloz delivered a keynote address titled Riding the Commodity Cycle: Resources and the Canadian Economy at our annual Economic Outlook.

The nearly 1,600 people in attendance – a record for one of the select number of signature events Calgary Economic Development hosts – were a testament to the anxiety among business leaders and the appetite for perspective and insight about the economy.

Poloz acknowledged Albertans were well aware “it can be hard to ride the cycles” in oil and gas prices. He also reminded the audience “Canada has seen this movie before” and he expressed confidence in our ability to rebound from this extended period of depressed prices.

His comments followed forecasts for a challenging year ahead from both Todd Hirsch, Chief Economist at ATB Financial, and Glen Hodgson, Senior Vice President and Chief Economist at the Conference Board of Canada.

The shifting economy was also the topic at our annual Report to the Community luncheon in May.

More than 600 people attended the panel discussion about how Calgary can stay competitive and embrace purposeful diversification. Business columnist Deborah Yedlin of the Calgary Herald moderated a lively conversation with Elyse Allan, president and chief executive officer of GE Canada, Jeff Fielding City Manager for the City of Calgary and Trent Edwards, chief operating officer of Brookfield Residential and John Rossall, chairman of the Canadian Association of Petroleum Producers.

“…We’ve adjusted to rising prices; we can adjust to falling ones. These adjustments are never easy. They are often difficult and painful for affected individuals and their families. But they are necessary.”

– Bank of Canada Governor Stephen Poloz, Calgary Sept. 21, 2015

Soul of the City Speaker Series

As the economic downturn worsened in 2015 the Soul of the City speaker series addressed the issue of poverty in our first event. Calgary Mayor Naheed Nenshi delivered the keynote address on a topic that resonated throughout the community.

About one in 10 Calgarians are estimated to live in poverty and the workshop with Vibrant Communities Calgary, Momentum and YWCA focused on finding solutions to the root causes of the problem.

The Neighbour Grants program in partnership with The Calgary Foundation was celebrated at our second event with five groups awarded $5,000 apiece for community-improvement projects.

The crowd economy was the focus of our third event as Sean Moffitt, Managing Director of Wikibrands and an authority on “social influence” authority, led a discussion on the power of crowd funding and the future of the sharing economy.

The final event celebrated multiculturalism. The experience was hosted by the Calgary Zoo with Dr. Axel Moehrensclager, Director of Conservation and Science, as he led a journey around the world that linked nature with culture.
As “lower for longer” became an unwanted catchphrase for crude oil and natural gas prices and industry activity in 2015 it also reflected an economic downturn in Calgary that started a year earlier and offered little indication of a turnaround at year’s end.

With GDP declining by 2.4 per cent, Calgary endured a painful recession in 2015 due to depressed oil prices and the impact of provincial and federal government policies that impacted capital investment after years ranking as one of the strongest economies in North America.

Reductions in staffing levels and capital expenditures were the dominant story throughout the oil and gas industry as spending declined dramatically and Calgary’s unemployment rate increased from 4.7 per cent to 7.0 per cent at the end of 2015.

The economic picture wasn’t universally bad. Aside from upstream oil and gas, the Calgary economy had significant contributions from other sectors including agribusiness, business services, construction, renewable energy, manufacturing, and transportation and logistics.

Despite the downturn, Calgary continues to attract people and new businesses. Statistics Canada estimates approximately 21,000 people settled in the Calgary area during the year ending June 30, 2015 to bring the regional population to more than 1.4 million people. More than 1,100 companies opened for business than shut their doors and retail spending increased slightly to $28 billion.

The almost 57,000 small businesses in Calgary is the highest number per capita in Canada. It’s notable that a strong base of experienced business owners has often become a pillar of growth for jurisdictions when economic conditions turnaround. Housing starts softened in 2015 but that was after surging to record levels the previous year. The 8,895 new multi-family units was a more than 40 per cent increase from the total in 2013. New single-family home starts in Calgary were down 36 per cent from a year earlier at 4,138.

The MLS Benchmark price for detached homes fell 1.8 per cent from 2014 to an average $491,600 at the end of the year while condominiums declined 5.1 per cent to an average of $283,600 and attached homes declined 2.1 per cent to an average $328,200.

The outlook for the economy in 2016 is uncertain and our challenge is to show that a young, well-educated workforce can entice jobs here just as jobs previously attracted bright, talented people to Calgary.
## Calgary by the numbers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Domestic Product*</td>
<td>$115.7 billion</td>
<td>$118.7 billion</td>
<td>$113.1 billion</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Price of Oil (WTI) USD/bbl (annual average)</td>
<td>$48.66</td>
<td>$93.17</td>
<td>$97.98</td>
<td>-47.8%</td>
</tr>
<tr>
<td>Price of Oil (WCS) USD/bbl (annual average)</td>
<td>$35.28</td>
<td>$73.60</td>
<td>$72.77</td>
<td>-52.1%</td>
</tr>
<tr>
<td>Price of Natural Gas (Henry Hub) USD/mmBTU (annual average)</td>
<td>$2.62</td>
<td>$4.37</td>
<td>$3.73</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Price of Natural Gas (Alberta Natural Gas) CDN/GJ (annual average)</td>
<td>$2.36</td>
<td>$4.27</td>
<td>$3.01</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Alberta Capital Expenditure on Oil and Gas Extraction $Billions</td>
<td>$42.8</td>
<td>$52.5</td>
<td>$51.6</td>
<td>-18.5%</td>
</tr>
<tr>
<td>Population (as of July 1) Persons</td>
<td>1,439,756</td>
<td>1,405,967</td>
<td>1,357,845</td>
<td>2.4%</td>
</tr>
<tr>
<td>Working Age Population (December) Persons</td>
<td>1,191,800</td>
<td>1,160,700</td>
<td>1,121,600</td>
<td>2.7%</td>
</tr>
<tr>
<td>Labour Force (December) Persons</td>
<td>862,400</td>
<td>851,700</td>
<td>830,900</td>
<td>1.3%</td>
</tr>
<tr>
<td>Employment (December) Persons</td>
<td>802,200</td>
<td>811,400</td>
<td>793,100</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Employment Rate (December) %</td>
<td>66.9%</td>
<td>69.9%</td>
<td>70.7%</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Unemployment Rate (December) %</td>
<td>7.0%</td>
<td>4.7%</td>
<td>4.5%</td>
<td>48.9%</td>
</tr>
<tr>
<td>Labour Force Participation Rate (December) %</td>
<td>72.4%</td>
<td>73.4%</td>
<td>74.1%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Alberta Average weekly earnings (December) $</td>
<td>$1,137.91</td>
<td>$1,159.60</td>
<td>$1,143.70</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Net Migration (as of July 1) Persons</td>
<td>21,057</td>
<td>35,692</td>
<td>38,331</td>
<td>-41.0%</td>
</tr>
<tr>
<td>Housing Starts (Single-Family) Housing Units</td>
<td>4,138</td>
<td>6,494</td>
<td>6,402</td>
<td>-36.3%</td>
</tr>
<tr>
<td>Housing Starts (Multi-Family) Housing Units</td>
<td>8,895</td>
<td>10,637</td>
<td>6,182</td>
<td>-39.6%</td>
</tr>
<tr>
<td>MLS Benchmark Detached Home Price** (December) $</td>
<td>$494,000</td>
<td>$501,400</td>
<td>$461,900</td>
<td>-1.5%</td>
</tr>
<tr>
<td>MLS Benchmark Condominium Home Price** (December) $</td>
<td>$286,200</td>
<td>$299,500</td>
<td>$275,800</td>
<td>-4.4%</td>
</tr>
<tr>
<td>MLS Benchmark Attached Home Price** (December) $</td>
<td>$324,500</td>
<td>$329,300</td>
<td>$302,600</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Value of Building Permits $Billions</td>
<td>$6.98</td>
<td>$7.38</td>
<td>$7.18</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Value of Building Permits** $Billions</td>
<td>$6.30</td>
<td>$6.50</td>
<td>$6.05</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Consumer Price Index (December) 2002=100</td>
<td>134.1</td>
<td>132.1</td>
<td>129.3</td>
<td>1.5%</td>
</tr>
<tr>
<td>Inflation Rate (December) %</td>
<td>1.5%</td>
<td>2.2%</td>
<td>2.6%</td>
<td>-30.1%</td>
</tr>
<tr>
<td>Retail Sales $Billions</td>
<td>$28.8</td>
<td>$28.5</td>
<td>$26.8</td>
<td>9.8%</td>
</tr>
<tr>
<td>Industrial Space Vacancy** (Q4) %</td>
<td>7.9%</td>
<td>4.7%</td>
<td>5.9%</td>
<td>68.1%</td>
</tr>
<tr>
<td>Downtown Office Space Vacancy** (Q4) %</td>
<td>17.6%</td>
<td>9.8%</td>
<td>9.1%</td>
<td>79.6%</td>
</tr>
<tr>
<td>Suburban Office Space Vacancy** (Q4) %</td>
<td>19.1%</td>
<td>13.1%</td>
<td>11.0%</td>
<td>45.8%</td>
</tr>
<tr>
<td>Small Businesses (December) Number</td>
<td>56,688</td>
<td>55,569</td>
<td>51,845</td>
<td>2.0%</td>
</tr>
<tr>
<td>New Businesses** Number</td>
<td>3,756</td>
<td>4,001</td>
<td>3,890</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Business Closures** Number</td>
<td>2,453</td>
<td>2,306</td>
<td>2,581</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

All numbers are Calgary Census Metropolitan Area unless otherwise indicated.

**denotes City of Calgary geography;
Management’s Responsibility

To the Board of Directors of Calgary Economic Development Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards for Not-For-Profit Organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company’s external auditors.

MNP LLP is appointed by the Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

April 21, 2016

Mary Moran, Brian McClure,
Chief Executive Officer Acting Chief Financial Officer
To the Board of Directors of Calgary Economic Development Ltd.:

We have audited the accompanying financial statements of Calgary Economic Development Ltd., which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards for Not-For-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Economic Development Ltd. as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards for Not-For-Profit Organizations.

Calgary, Alberta

MNP LLP

April 21, 2016

Chartered Professional Accountants
### Statement of Operations
For the year ended December 31, 2015

**Revenue**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Calgary</td>
<td>5,155,865</td>
<td>4,785,137</td>
</tr>
<tr>
<td>Operating grant (Note 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other grants</td>
<td>112,800</td>
<td>139,608</td>
</tr>
<tr>
<td>Alberta government (Note 9)</td>
<td>5,170,418</td>
<td>163,592</td>
</tr>
<tr>
<td>Federal government</td>
<td>54,000</td>
<td>13,802</td>
</tr>
<tr>
<td>Other government</td>
<td>7,700</td>
<td>6,957</td>
</tr>
<tr>
<td>Business community</td>
<td>1,621,636</td>
<td>1,820,133</td>
</tr>
<tr>
<td>Expense recovery (Note 11)</td>
<td>211,555</td>
<td>17,763</td>
</tr>
<tr>
<td>Other revenue</td>
<td>138,748</td>
<td>110,717</td>
</tr>
<tr>
<td>Investment income</td>
<td>65,586</td>
<td>18,179</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to property, equipment and intangible assets</td>
<td></td>
<td>259,495</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>12,538,308</strong></td>
<td><strong>7,334,383</strong></td>
</tr>
</tbody>
</table>

**Expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs (Note 9)</td>
<td>5,584,891</td>
<td>350,630</td>
</tr>
<tr>
<td>Employee costs</td>
<td>4,734,466</td>
<td>4,192,104</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>1,383,663</td>
<td>1,981,355</td>
</tr>
<tr>
<td>Corporate services</td>
<td>666,238</td>
<td>636,765</td>
</tr>
<tr>
<td>Business travel</td>
<td>119,887</td>
<td>155,365</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>87,919</td>
<td>95,062</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>21,847</td>
<td>383,929</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>12,598,911</strong></td>
<td><strong>7,795,216</strong></td>
</tr>
</tbody>
</table>

**Deficiency of revenue over expenses before other items**

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) gain on disposal of capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(61,535)</td>
<td>(460,160)</td>
</tr>
</tbody>
</table>

### Statement of Changes in Net Assets
For the year ended December 31, 2015

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in property, equipment and intangible assets</td>
<td>Unrestricted</td>
<td></td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>185,067</td>
<td>809,366</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses (Note 10)</td>
<td>(110,698)</td>
<td>49,163</td>
</tr>
<tr>
<td>Investment in property and equipment</td>
<td>4,570</td>
<td>(4,570)</td>
</tr>
<tr>
<td>Investment in intangible assets</td>
<td>87,215</td>
<td>(87,215)</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>166,154</td>
<td>766,744</td>
</tr>
</tbody>
</table>

---

2015 Annual Report - Calgary Economic Development
### Statement of Cash Flows

**For the year ended December 31, 2015**

<table>
<thead>
<tr>
<th>Activities</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(61,535)</td>
<td>(460,160)</td>
</tr>
<tr>
<td>Change in terms of advances to related party</td>
<td>2,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>87,919</td>
<td>95,062</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>21,847</td>
<td>383,929</td>
</tr>
<tr>
<td>Loss (gain) on disposal of capital assets</td>
<td>932</td>
<td>(667)</td>
</tr>
<tr>
<td>Amortization of deferred contributions for</td>
<td>-</td>
<td>(259,495)</td>
</tr>
<tr>
<td>property, equipment and intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Activities</strong></td>
<td>2,049,163</td>
<td>(241,331)</td>
</tr>
<tr>
<td>Changes in working capital accounts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable and accrued revenue</td>
<td>(163,095)</td>
<td>(37,685)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(24,958)</td>
<td>(4,710)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(189,553)</td>
<td>405,056</td>
</tr>
<tr>
<td>Deferred contributions</td>
<td>(4,826,172)</td>
<td>5,275,160</td>
</tr>
<tr>
<td>Salary and vacation payable</td>
<td>(72,764)</td>
<td>141,229</td>
</tr>
<tr>
<td><strong>Total Changes in Working Capital Accounts</strong></td>
<td>(3,227,379)</td>
<td>5,337,719</td>
</tr>
<tr>
<td><strong>Investing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to related party</td>
<td>-</td>
<td>(2,000,000)</td>
</tr>
<tr>
<td>Purchase of short-term investments</td>
<td>-</td>
<td>(3,454,791)</td>
</tr>
<tr>
<td>Proceeds on disposal of short-term investments</td>
<td>3,524,002</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Investing Activities</strong></td>
<td>3,524,002</td>
<td>(5,454,791)</td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(4,570)</td>
<td>(9,141)</td>
</tr>
<tr>
<td>Proceeds on disposal of property and equipment</td>
<td>-</td>
<td>667</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(87,215)</td>
<td>(139,817)</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td>(91,785)</td>
<td>(148,958)</td>
</tr>
<tr>
<td><strong>Increase (decrease) in cash resources</strong></td>
<td>204,838</td>
<td>(63,363)</td>
</tr>
<tr>
<td>Cash resources, beginning of year</td>
<td>73,878</td>
<td>139,241</td>
</tr>
<tr>
<td>Cash resources, end of year</td>
<td>278,716</td>
<td>73,878</td>
</tr>
</tbody>
</table>

### Notes to the Financial Statements

**For the year ended December 31, 2015**

1. **Incorporation and nature of the organization**

   Calgary Economic Development Ltd. (the "Company") was incorporated as Promoting Calgary Inc. under the Business Corporations Act in the Province of Alberta in July 1999. The Company changed its name to Calgary Economic Development Ltd. on January 1, 2003. The Company is registered as a non-profit organization under the Income Tax Act of Canada, and is exempt from income taxes.

   The mandate of Calgary Economic Development Ltd. is to lead the City of Calgary’s economic development efforts in promoting the City’s competitive advantages and pro-business climate. Successful economic development results in business growth and industry development, increased investment and trade activities. In turn, this fosters increased competitiveness, access to foreign markets, sustainable prosperity, diversification, productivity, high employment and a desirable quality of life.

   The Company has been receiving contributions from the City of Calgary since inception to sustain its operations. In the current year, the Company received an operating grant of $5,515,865 (2014 - $4,785,137) and the City has indicated that they will provide similar funding each year until the 2018 fiscal year, at which point the funding is subject to renegotiation.

2. **Significant accounting policies**

   **Basis of accounting**

   The financial statements of the Company are the responsibility of management. They have been prepared in accordance with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations ("PSAS for NPOs"), with the optional 4200 series, as established by the Public Sector Accounting Board in Canada. The significant polices are described below.

   **Use of estimates**

   The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

   Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment, and intangible assets.

   These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the periods in which they become known.

   **Controlled not-for-profit**

   The Company’s financial statements do not include the accounts of Calgary Film Centre, which is controlled by the Company. The required disclosures have been provided in Note 16.

   All transactions with the subsidiary are disclosed as related party transactions (refer to notes 9 and 11).
Revenue recognition
The Company follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of property and equipment are deferred and recognized on the same basis as amortization expense of the related asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Sponsorship (pledges) are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributions for program related activities include amounts recovered from events and projects undertaken by the Company alone or with a number of economic partners.

Interest revenue is recognized on a pro rata basis over the term of the related deposit or investment.

Cash and cash equivalents
Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Short-term investments
Short-term investments consist of investments in RBC Premium Money Market Fund.

Property, equipment and intangible assets
Purchased property, equipment and intangible assets are recorded at cost. Contributed property, equipment and intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Tenant improvements are amortized over the lease term.

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>2 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5 years</td>
</tr>
<tr>
<td>Software</td>
<td>1 year</td>
</tr>
<tr>
<td>Trademarks</td>
<td>5 years</td>
</tr>
<tr>
<td>Website development costs</td>
<td>30%</td>
</tr>
</tbody>
</table>

Long-lived assets
Long-lived assets consist of property, equipment and intangible assets. Long-lived assets held for use are measured and amortized as described in the above accounting policy.

When the Company determines that a long-lived asset no longer has any long-term service potential to the Company, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Financial instruments
The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with PSAS Section 4260 Disclosure of Related Party Transactions By Not-For-Profit Organizations (refer to Note 11).
5. Property and equipment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>635,656</td>
<td>630,113</td>
<td>5,543</td>
<td>5,543</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>332,837</td>
<td>329,958</td>
<td>2,879</td>
<td>2,879</td>
</tr>
<tr>
<td>Tenant improvements</td>
<td>2,581,631</td>
<td>2,581,631</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,550,124</td>
<td>3,541,702</td>
<td>8,422</td>
<td>8,422</td>
</tr>
</tbody>
</table>

6. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Software</td>
<td>265,959</td>
<td>265,959</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trademarks</td>
<td>7,290</td>
<td>4,833</td>
<td>2,457</td>
<td>3,895</td>
</tr>
<tr>
<td>Website development costs</td>
<td>352,235</td>
<td>365,930</td>
<td>155,295</td>
<td>154,541</td>
</tr>
<tr>
<td></td>
<td>794,474</td>
<td>636,742</td>
<td>157,732</td>
<td>156,436</td>
</tr>
</tbody>
</table>

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts payable</td>
<td>464,090</td>
<td>575,129</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>12,075</td>
<td>90,589</td>
</tr>
<tr>
<td></td>
<td>476,165</td>
<td>665,718</td>
</tr>
</tbody>
</table>

8. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for programs. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made. Changes in the deferred contribution balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>5,697,690</td>
<td>422,530</td>
</tr>
<tr>
<td>Amount received during the year</td>
<td>784,213</td>
<td>6,281,015</td>
</tr>
<tr>
<td>Less: Amount recognized as revenue during the year</td>
<td>- (5,610,385)</td>
<td>(927,342)</td>
</tr>
<tr>
<td>Less: Return of contributions</td>
<td>- (78,513)</td>
<td>(78,513)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>871,518</td>
<td>5,697,690</td>
</tr>
</tbody>
</table>

9. Advances to a related party

In the prior year, the Alberta Government approved a grant of $5,000,000 for the development of the Calgary film studio, the full amount had been received as of December 31, 2014. The Company is permitted, under the grant agreement, to disburse grant funds to other organizations for the purpose of carrying out the construction of the Calgary film studio.

For the year ended December 31, 2014, the Company advanced Calgary Film Centre Ltd. (“CFCL”) $2,000,000 in the form of a promissory note for the construction of the Calgary film studio. During the year, the promissory note was cancelled and a grant agreement between the Company and CFCL was completed. Under the terms of the grant agreement, the Company is to provide funds to CFCL for the purpose of the construction of the Calgary film studio. If CFCL fails to proceed with the Calgary film studio, the agreement will be terminated and CFCL will be required to repay all unspent funds.

As at December 31, 2015, all funds received by the Company have been advanced to CFCL and are included in program costs.

10. Net assets invested in property, equipment and intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment</td>
<td>8,422</td>
<td>26,633</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>157,732</td>
<td>158,436</td>
</tr>
<tr>
<td>Invested in property, equipment and intangible assets</td>
<td>166,154</td>
<td>185,067</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(87,919)</td>
<td>(95,062)</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>(21,847)</td>
<td>(383,929)</td>
</tr>
<tr>
<td>(Loss) gain on disposal of capital assets</td>
<td>(932)</td>
<td>667</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to property, equipment and intangible assets</td>
<td>-</td>
<td>259,495</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
<td>(110,698)</td>
<td>(218,829)</td>
</tr>
</tbody>
</table>
11. Related party transactions

Related party balances and transactions not otherwise disclosed in these financial statements consist of:

The Company paid the City of Calgary rent, operating and other costs totaling $194,103 (2014 – $144,139), which is included in corporate services expense. At year end, $2,042 (2014 – $80) of this amount is included in accounts payable. In addition to the operating grant, the Company received revenue from the City of Calgary totaling $112,800 (2014 – $20,000) for project sponsorship and facility rent, and received $5,000 (2014 – $53) for reimbursement of expenses.

The Company recognized revenue of $211,455 (2014 – $Nil) from its wholly owned subsidiary, Calgary Film Centre, which is included in business community revenue. Included in accounts receivable is $211,455 (2014 – $Nil) relating to this revenue and $Nil (2014 – $8,328) due from the subsidiary for expenses paid on its behalf.

The Company paid other companies related through common ownership for sponsorship, rental of space and other services totaling $131,658 (2014 – $156,484), $42,168 (2014 – $64,184) of this is included in marketing and promotions, $89,490 (2014 – $84,930) is included in employee costs, and $Nil (2014 – $7,370) is included in corporate services expense. At year end, $969 (2014 – $2,212) was included in accounts payable. The Company also received revenue from these companies totaling $87,930 (2014 – $30,000), which is included in business community revenue. At year end, $35,000 (2014 – $25,000) of this amount is included in accounts receivable.

The Company paid other companies related to directors of the Company for other services totaling $16,700 (2014 – $1,894), of which $14,198 (2014 – $1,894) is included in corporate services expense, and $2,502 (2014 – $Nil) in program costs. At year end, these amounts were fully paid. The Company also received revenue from these companies totaling $149,000 (2014 – $110,671), which is included in business community revenue towards its Action Calgary and other programming. At year end, no amounts were outstanding.

All transactions are in the normal course of operations and have been recorded at the agreed to exchange amounts that have been negotiated between the parties.

12. Income taxes

The Company is a tax-exempt organization under the Income Tax Act (the “Act”) and as such is exempt from income taxes. In order to maintain its tax free status under the Act, the Company must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

13. Commitments

Service agreements

On December 1, 2015, the Company signed a six month service agreement for IT management, expiring May 31, 2016. The monthly commitment is $9,630.

Equipment lease

On January 1, 2010, the Company entered into an operating lease agreement for a term of 60 months for equipment, which was extended in the prior year to December 31, 2015. The Company is currently in negotiations to renew the lease. The annual commitment is $17,100 per annum (2014 – $17,100 per annum).

Facility lease

In the prior year, the Company’s lease agreement expired and a month to month lease agreement was signed for the period October 1, 2014 to December 31, 2014. Annual payments were approximately $20 per year plus operating costs. The lease is for space in the Calgary TELUS Convention Centre and the landlord is the City of Calgary Corporate Properties, a related party. The Company is currently in negotiations with the City of Calgary Corporate Properties to renew the lease.

The Company has a ten year rental agreement, effective June 15, 2009, with a third party corporation, for office space in the Neilson Block which is part of the TELUS Convention Centre facility. The term of the agreement is for ten years with an option to not continue after the first five years. During the year ended December 31, 2014, the Company agreed to continue the lease for another five years. There are no rental costs but the Company does pay operating costs.

The Company has a lease for office space in the Neilson Block. The agreement is with the City of Calgary Corporate Properties, a related party. In the prior year, the Company’s lease agreement expired and a month to month lease agreement was signed for the period October 1, 2014 to December 31, 2014. The annual payments were $10 per year plus operating costs. The Company is currently in negotiations with the City of Calgary Corporate Properties to renew the lease.

14. Financial instruments

General objectives, policies and processes

The Board of Directors, through the Audit Committee, has overall responsibility for the determination of the Company’s risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company’s senior management. The Board of Directors receives quarterly reports from the Company’s senior management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Company, as part of its operations, carries a number of financial instruments. The nature of these instruments and the Company’s operations expose the Company to credit, interest rate and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There have been no significant changes from the previous year in the exposure to risk, policies or procedures used to manage financial instrument risks.
14. Financial instruments (continued)

Credit risk

Credit risk is the risk that the Company will incur a financial loss because a contributor or counterparty has failed to discharge an obligation. The Company is exposed to credit risk on its accounts receivable and accrued revenue. This risk is somewhat mitigated due to the fact that the accounts receivable comprises amounts due from the City of Calgary and the provincial and federal governments. To further mitigate this risk, the Company regularly reviews its accounts receivable list and follows up on collections in a timely manner. The amount outstanding at the prior year end, which is the Company’s maximum exposure to credit risk related to the accounts receivable, are disclosed in Note 4 and summarized below.

### Credit concentration

As at December 31, 2015, two members accounted for 48 per cent of accounts receivable (2014 – two members, 51 per cent). The Company believes that there is no unusual exposure associated with the collection of these amounts. The balance of accounts receivable is widely distributed amongst the remainder of the Company’s large membership base. The Company performs regular credit checks and provides allowances for potentially uncollectible accounts receivable.

### Interest rate risk

The Company is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the fair value of short-term investments. As at December 31, 2015 a 1 per cent change in interest rate, with all other variables held constant would impact the (deficiency) excess of revenue over expenses by $14,931 (2014 – $50,171).
Notes to the Financial Statements
For the year ended December 31, 2015

16. Controlled organization

The Company controls its wholly owned subsidiary, the Calgary Film Centre Ltd (“CFCL”), formerly The Alberta Creative Hub. The companies are under common management. CFCL has not been consolidated in the Company’s financial statements, but its financial statements are available on request. CFCL was incorporated under the authority of the Alberta Companies Act on December 17, 2009 and commenced operations on January 1, 2010. The Company is registered as a not for profit organization and thus is exempt from income taxes under the Income Tax Act of Canada. It was formed with the primary purpose of supporting the growth and development of the film, television, media and other creative industries.

The following is condensed financial information of CFCL as at and for the years ended December 31, 2015 and December 31, 2014. This information was prepared using the same accounting policies as Calgary Economic Development Ltd.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>25,359,365</td>
<td>10,372,840</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>(20,541,858)</td>
<td>(5,551,870)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>4,817,507</td>
<td>4,820,970</td>
</tr>
<tr>
<td><strong>Statement of operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>395,506</td>
<td>60,045</td>
</tr>
<tr>
<td>Expenses</td>
<td>(398,969)</td>
<td>(57,646)</td>
</tr>
<tr>
<td>(Decrease) increase over expenses</td>
<td>(3,463)</td>
<td>2,399</td>
</tr>
<tr>
<td><strong>Cash flows</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>(1,223,919)</td>
<td>(101,675)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>16,630,287</td>
<td>7,005,000</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>(16,561,145)</td>
<td>(5,750,986)</td>
</tr>
<tr>
<td>(Deficiency) excess in cash and cash equivalents</td>
<td>(1,154,777)</td>
<td>1,150,339</td>
</tr>
</tbody>
</table>

During the year ended December 31, 2014, CFCL received an advance of $2,000,000 in the form of a promissory note from the Company for the construction of the Calgary film studio. During the year, a grant agreement between the parent Company and CFCL was completed and the promissory note was cancelled (Note 9).

During the year ended December 31, 2014, City of Calgary (“City”) approved funding to CFCL of $10,000,000 for the development of the Calgary film studio. CFCL received an initial grant of $5,000,000 for the purchase of the land for the film studio in the prior year, and the remaining $5,000,000 of the grant was received based on reimbursement of actual eligible costs in the current year.

CFCL has entered into a management agreement with the Company that sets out the terms and conditions by which the Company is to provide services of its employees in relation to general day to day administration and management services in connection with the business of CFCL (Note 11).

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.