

# Edmonton Economic Development Corporation

## Mission

“To promote the sustainable economic growth and development of Edmonton.”

## Our Road Map

Edmonton Economic Development Corporation (EEDC) is a corporation established by the City of Edmonton (City) for the purposes of:

- Management of the Shaw Conference Centre (SCC)
- Management of the Edmonton Research Park (ERP)
- Tourism development and promotion
- Promoting economic development

## Major Services & Activities

### Shaw Conference Centre

- Sell and host events, including conventions, trade & consumer shows, entertainment events, private socials and meetings.

### Edmonton Research Park

- Provides special-use lease space and entrepreneurial support services to Edmonton based ‘start-up’ technology companies.

### Tourism

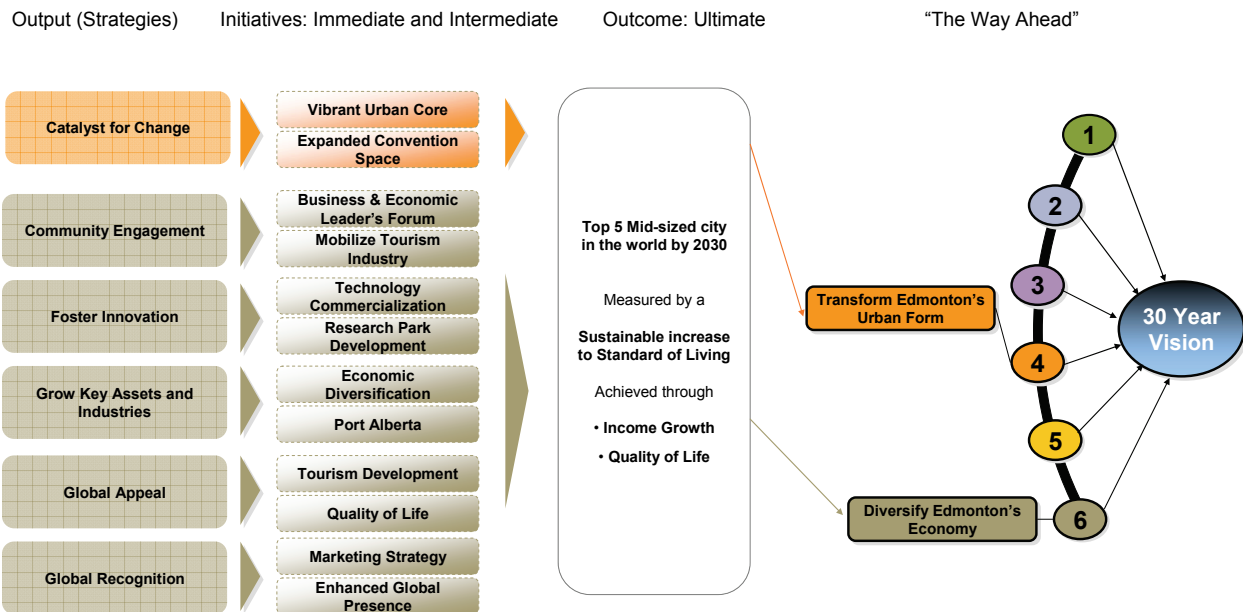
- Tourism attraction for events and business and leisure travel.
- Tourism partnerships.
- Tourism development and industry support.
- Management of Visitor Information Centres.
- Film development and attraction.

### Economic Development

- Drives long-term sustainable income growth for Edmonton through industry development, attraction and diversification.



## Strategic Road Map



## Immediate and Intermediate Outcomes and Measures

Outcome / Initiative	Measure	2009 (Projected)	2010 (Target)
Catalyst for change	SCC economic impact	\$ 43.5 million	\$ 43.7 million
	Attendee days	530,000	540,000
Community Engagement	# of businesses participating in EEDC initiatives	150	200
	Number of tourism partners	600	750
Foster Innovation	# employed in Research Park	1,500	1,600
	# of uncommitted lots	5	2
Grow Key Assets / Industry	# of firms in productivity programs	75	90
	# site visits	200	250
	Leverage on funding <sup>1</sup>	1 : 1.74	1 : 1.76
Global Appeal	Convention & event room nights	45,000	50,000
	Attendance at "Everyone for Edmonton"	500	1000
	Volunteers for "Homeless Connect"	700	800 <sup>2</sup>
Global Recognition	# unique visitors to EEDC's website	370,000	450,000
	% increase in value of total earned media	n/a <sup>3</sup>	10% increase

Notes:

1. Leverage on funding compares the ratio of City funding to external revenue generated by EEDC

2. Homeless Connect volunteers capped at 800

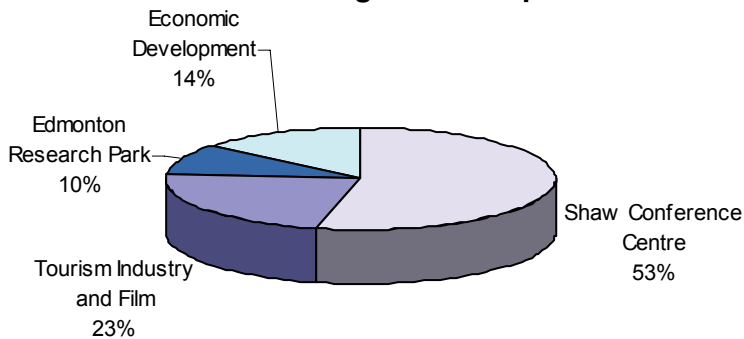
3. Earned media tracking under development in 2009

## Proposed 2010 Operating Budget

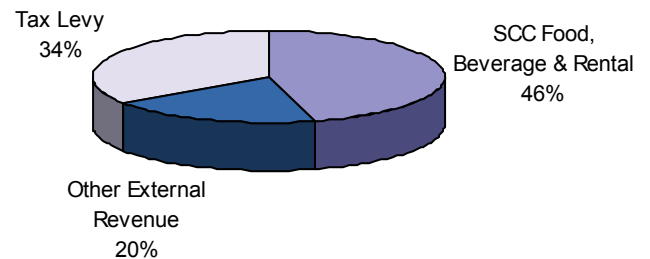
	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenues</b>								
Convention Centre food, beverage and rental revenue	\$ 15,283	\$ 14,641	\$ 968	\$ -	\$ -	\$ 15,609	6.6	\$ 15,999
Other external revenue	15,042	7,895	(1,190)	-	-	6,705	(15.1)	6,705
Transfer from Reserves	-	400	(400)	-	-	-	(100.0)	-
<b>Total Revenues &amp; Transfers</b>	<b>30,325</b>	<b>22,936</b>	<b>(622)</b>	<b>-</b>	<b>-</b>	<b>22,314</b>	<b>(2.7)</b>	<b>22,704</b>
<b>Expenditures</b>								
Shaw Conference Centre	17,303	17,373	910	-	-	18,283	5.2	18,819
Tourism	15,333	8,406	(653)	-	-	7,753	(7.8)	7,985
Edmonton Research Park	3,333	3,169	187	-	-	3,356	5.9	3,498
Economic Development	5,264	4,924	(297)	-	-	4,627	(6.0)	4,723
Other costs - Dell and TEC	1,131	1,000	-	-	-	1,000	-	-
Transfer to net assets	446	400	(400)	-	-	-	(100.0)	-
<b>Total Expenditures &amp; Transfers</b>	<b>42,810</b>	<b>35,272</b>	<b>(253)</b>	<b>-</b>	<b>-</b>	<b>35,019</b>	<b>(0.7)</b>	<b>35,025</b>
<b>Net Operating Requirement</b>	<b>\$ 12,485</b>	<b>\$ 12,336</b>	<b>\$ 369</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,705</b>	<b>3.0</b>	<b>\$ 12,321</b>
<b>Full-time Equivalents</b>	<b>293.0</b>	<b>299.0</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>302.0</b>		<b>302.0</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

**Where the Budget will be spent**



**Funding by Source**



## Shaw Conference Centre

### Responsibility

The Shaw Conference Centre (SCC) is a City owned asset managed by EEDC for the purpose of generating economic and social value. It was built in 1983 and is one of the leading convention centres in Canada.

The SCC supports EEDC's economic development mandate by generating economic impact through the attraction of non-local convention delegates. In 2008, the economic impact of the SCC was \$42 million and is targeted to be \$43.5 million in 2009.

The social value the SCC contributes to the city includes being a venue for local events, driving green initiatives and supporting local arts and culture. This role provides leadership in our community, and is also a differentiator in the marketplace.

### Operational Variables

In 2008, the SCC declined 12 conventions due to an absence of available space. Based on existing estimates, this declined business would have translated into approximately \$10 million of economic impact for the city. The majority of conventions declined by the SCC are also not captured by other facilities within Edmonton. This potential economic benefit is lost to another city or jurisdiction.

An independent forecast of convention demand for Edmonton indicates that by 2020, convention volumes (by delegates) could double.

The convention market in Canada is extremely competitive. The convention centres in the following cities have recently expanded, or are planning to expand: Victoria, Vancouver, Calgary, Winnipeg, Ottawa, Quebec City and Halifax. In July of 2009, EEDC received approval from City Council to create a long-term development plan for Edmonton's future convention needs.

Due to the age of the SCC, significant building upgrades will be required over the next 20 years in order to maintain the facility. A capital maintenance budget of \$1.6 million per year for 2009 - 2011 has been approved by Council. Preventative maintenance, scheduled inspections and replacement of major components will all require further analysis in an attempt to limit the variability of these costs and attempt to reduce the overall capital costs beyond 2011. The future development plan for the facility may also impact the timing of major capital expenditures.

### Current Services

In 2008, the SCC hosted 730 events and had in excess of 500,000 people pass through the building. Of these events, 47 were conventions that generated more than 145,000 room nights for the city. Convention attendees are the primary driver of economic impact for the SCC. To date in 2009, the SCC has held over 475 events. By year end the SCC will host 710 events, 29 conventions and 530,000 people. The SCC focuses on 4 types of events:

- Conventions
- Trade and Consumer shows
- Entertainment events
- Private socials and meetings

In a customer satisfaction survey conducted with convention clients across Canada, the SCC received the highest rating of any convention facility. In 2009, the SCC received the "Venue of the Year" award from the Greater Edmonton Chapter of Meeting Professionals International (MPI). The SCC also received public accolades from the City of Edmonton for "its successful hosting of the 2009 International Council for Local Environmental Initiatives (ICLEI) World Congress". Through "green" initiatives, the SCC reduced garbage output by 40%, diverted 110 tonnes of organic waste for composting and recycled 25 tonnes of cardboard in 2008.

Edmonton and the SCC are receiving increased interest as a convention destination. New client bookings for conventions from 2005-2007 increased by 169% over new client bookings received ten years earlier.

### Building and Facility Statistics

The SCC has 80,000 sq. ft of exhibition space. A 2006 expansion (Hall D ballroom) added 25,000 sq. ft. In total the facility offers 144,000 sq. ft. of rentable space.

In a comparison to the 15 largest convention centres in Canada for 2008, the SCC ranked:

- 4th largest contiguous exhibition space,
- 4th highest in both the number of events and conventions,
- 3rd busiest by revenue,
- 2nd highest exhibition hall utilization rate.

### Major Service Objectives

- To sell and host ongoing events and remain committed to maximizing economic impact, social value, customer experience and building utilization, while continually driving efficiencies.
- Review and assess potential for integrated purchasing and inventory systems throughout the food and beverage operations to create efficiencies and reduce operating costs.
- In order to reduce fixed costs at the SCC, the ongoing removal of obsolete light fixtures and HVAC equipment with high efficiency replacements continues.
- Continue to provide community events such as “Everyone for Edmonton” and “Homeless Connect”.
- Focus on “Simple Steps”, an industry leading guide for convention planners to “green” their events.

### Issues and Challenges

- The SCC is at capacity and its economic impact has reached a plateau. EEDC is creating a long-term (30-40 year) development plan to address the needs of the convention market in Edmonton. The development plan will identify potential alternatives for capturing increased economic impact for the City of Edmonton.
- Currently, no capital maintenance funds have been approved for the SCC facility past 2011.

### Strategic Initiatives

10 Year Strategic Goal / 3 Year Priority Goal	Initiative	Outcome	
		Immediate & Intermediate	Ultimate
4. <u>Transform Edmonton's Urban Core:</u> (EEDC: Leadership)	4. <u>Catalyst for Change</u>  EEDC recognizes that encouraging and implementing an environment conducive to change requires leadership, credibility and determination. The organization strives to fulfill this role by aligning itself with projects of lasting benefit for Edmonton.	4. <u>Expanded Convention Space</u> <ul style="list-style-type: none"> <li>Determine a long-term strategy for meeting future convention demand.</li> </ul>	Edmonton is able to capture an increased level of economic impact through increased conventions and delegates. Increased conventions and delegates will ultimately result in an increased profile and recognition of Edmonton globally.

### 2010 Budget Impact

<b>Base</b>	Resources included in base budget
<b>Incremental</b>	None (use existing resources)

### Proposed 2010 Operating Budget

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
Convention Centre food, beverage and rental revenue	\$ 15,283	\$ 14,641	\$ 968	\$ -	\$ -	\$ 15,609	6.6	\$ 15,999
Transfer from Reserves	-	400	(400)	-	-	-	(100.0)	-
<b>Total Revenue &amp; Transfers</b>	<b>15,283</b>	<b>15,041</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>15,609</b>	<b>3.8</b>	<b>15,999</b>
<b>Expenditure &amp; Transfers</b>								
Salaries and related costs	8,729	9,248	308	-	-	9,556	3.3	9,593
Operating and program costs	8,574	8,125	602	-	-	8,727	7.4	9,226
Subtotal	17,303	17,373	910	-	-	18,283	10.7	18,819
Transfer to net assets	689	400	(400)	-	-	-	(100.0)	-
<b>Total Expenditure &amp; Transfers</b>	<b>17,992</b>	<b>17,773</b>	<b>510</b>	<b>-</b>	<b>-</b>	<b>18,283</b>	<b>2.9</b>	<b>18,819</b>
<b>Net Operating Requirement</b>	<b>\$ 2,709</b>	<b>\$ 2,732</b>	<b>\$ (58)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,674</b>	<b>(2.1)</b>	<b>\$ 2,820</b>
<b>Full-time Equivalents</b>	<b>213.0</b>	<b>222.0</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>224.0</b>		<b>224.0</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

968	Volume/Rate changes
(400)	Reserve funding
<u>568</u>	Total Revenues

##### Cost Changes

70	SCC Food and Beverage marginal costs
256	SCC Food and Beverage labour costs
(400)	Reserve funding
71	SCC operating equipment replacement
241	Increased maintenance costs
52	Compensation adjustments
220	Non-personnel costs: general increase after efficiencies
<u>510</u>	Total Cost Changes
<u>(58)</u>	Net Operating Requirement

#### Service & Budget Review

-	
<u>-</u>	Net Operating Requirement

#### Service Needs

	Impact of Capital
-	Service & Budget Review
-	
-	
<u>-</u>	Net Operating Requirement

#### Impact on Full-time Equivalents

2.0	Net effect of volume changes
<u>2.0</u>	Total Full-time Equivalent Changes



## Edmonton Research Park

### Responsibility

The Edmonton Research Park (ERP) provides special-use lease space and entrepreneurial support services to Edmonton based 'start-up' technology companies.

The mandate of the ERP is to develop a research and technology campus that is globally recognized as a premier facility. This will create, enhance and foster economic diversification for Edmonton and the Provincial region. This diversification occurs through the development, attraction and retention of targeted technology based companies.

The focus of the ERP is on maximizing the potential success of businesses involved in technology commercialization – specifically in the areas of:

- Biotechnology (health and wellness),
- Clean technology,
- Nanotechnology,
- Energy extraction, and
- Process support services.

The business unit also carries the responsibility for ensuring maximum effectiveness of TEC Edmonton, and a duty to assist in and/or effect increased collaboration amongst other technology commercialization support entities in the region and provincially. These functions contribute to growing Edmonton's knowledge-based economy and increasing the level of innovation produced in the region.

### Operational Variables

The demand for research and incubation facilities, as well as commercialization assistance, will continue to grow as the amount of research funding increases and spin-off opportunities are encouraged. The ERP is nearing capacity and will need to expand in order to retain and capitalize on the opportunity created by the significant technology research generated in the city.

Vacancies have increased during the year at two of the three buildings operated by the ERP; the Advanced Technology Centre and Research Centre 1 facilities. Some of this is due to the current economic conditions, while the remainder is due to the growth in the amount of developed space available.

Rising maintenance costs are occurring due to the age of the buildings. An illustration of the disruptions experienced include the failure of the air-conditioning units in 2009. Proactive preventative maintenance would minimize future disruptions and eliminate the risk of unbudgeted outlays.

The development of a Regional Technology Commercialization strategy and an evolving Provincial Technology Commercialization strategy are both currently underway. In order to maximize the value of the ERP and coordinate with these strategies, it is critical for the ERP to take an active role in these plans.

### Current Services

The ERP covers 245 acres, including the Alberta Research Council (ARC) and undeveloped land.

- The ARC includes 65 acres of developed land,
- The developed portion of the ERP covers 85 acres,
- Phase 2, or the future "Southlands" expansion, includes 95 acres of undeveloped land.

The ERP currently houses 893,000 sq ft of developed space. The ARC and 13 external companies have developed 741,000 sq ft of space. EEDC has 152,000 sq ft in 3 incubator buildings that currently house 37 start-up and early growth companies. The 3 buildings currently owned or leased by EEDC are:

- Research Centre 1.  
Accelerator space with 8 offices, 2 wet labs and 1 production facility (43,000 sq ft).
- Advanced Technology Centre.  
Incubator space with 29 offices, 1 wet lab and 3 common meeting rooms (41,000 sq ft).
- Biotechnology Business Development Centre.  
Accelerator space for 2nd stage biotech and nanotechnology companies with 16 offices, as well as 12 developed and 5 undeveloped wet labs (67,000 sq ft).

Including all public and private organizations, the ERP currently has over 1,500 people employed on site.

### Major Service Objectives

- Effectively manage the Research Park and other existing assets for the purpose of stimulating innovation, including challenging and supporting tenants to progress through development stages.
- Maintain maximum occupancy levels within EEDC owned facilities: Research Centre 1, Advanced Technology Centre and Biotechnology Business Development Centre.
- Increase the use of social media at the Research Park for advertising and linking tenants to technology information
- Begin the expansion process through the formation of an Advisory Committee, exploration of business models worldwide and the creation of a business plan.

### Issues and Challenges

- A shortage of capital market investment dollars creates risk in terms of stability of tenants and potential for bad debt. EEDC is monitoring the monthly receivables of rent from tenants closely to ensure all amounts are collectible.
- Five remaining lots are undeveloped in the ERP and tenants need to be secured who align to the focus areas and meet the requirements for providing incubator space and support for student initiatives.
- Securing the ongoing capital funding to support leasehold and building upgrades will become a key success factor in the ability to attract new tenants.
- The overall funding model for TEC Edmonton and the Southlands expansion are both dependant on external stakeholders who are being challenged by the current economic climate.

### Strategic Initiatives

10 Year Strategic Goal / 3 Year Priority Goal	Initiative	Outcome	
		Immediate & Intermediate	Ultimate
6. <u>Diversify Edmonton's Economy</u> (EEDC: Innovation)	6. <u>Foster Innovation</u>  Innovation is the basis of future economic growth. Creating the environment required for innovation to flourish is essential for sustainable economic growth.	6. <u>Technology Commercialization</u> <ul style="list-style-type: none"> <li>• Work with technology commercialization entities to meet the changing environment.</li> </ul> 6. <u>Research Park Development</u> <ul style="list-style-type: none"> <li>• Continued development of Research Park, specifically EEDC facilities and new development opportunities for established organizations.</li> </ul>	Facilitating the development of a diverse economy through the creation of knowledge based industries where innovation is valued and encouraged.

### 2010 Budget Impact

<b>Base</b>	Resources included in base budget
<b>Incremental</b>	None (use existing resources)

### Proposed 2010 Operating Budget (\$000)

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
External revenues	\$ 2,127	\$ 2,434	\$ 83	\$ -	\$ -	\$ 2,517	3.4	\$ 2,517
Grants	-	-	-	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>2,127</b>	<b>2,434</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>2,517</b>	<b>3.4</b>	<b>2,517</b>
<b>Expenditure &amp; Transfers</b>								
Personnel	329	349	279	-	-	628	79.9	647
Operating and program costs	3,004	2,820	(92)	-	-	2,728	(3.3)	2,851
Other costs - Dell and TEC	1,131	1,000	-	-	-	1,000	-	-
Subtotal	4,464	4,169	187	-	-	4,356	76.7	3,498
Transfer to net assets	(440)	-	-	-	-	-	-	-
<b>Total Expenditure &amp; Transfers</b>	<b>4,024</b>	<b>4,169</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>4,356</b>	<b>4.5</b>	<b>3,498</b>
<b>Net Operating Requirement</b>	<b>\$ 1,897</b>	<b>\$ 1,735</b>	<b>\$ 104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,839</b>	<b>6.0</b>	<b>\$ 981</b>
<b>Full-time Equivalents</b>	<b>4.0</b>	<b>4.0</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>7.0</b>		<b>7.0</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

245	Research Park rents
(162)	Tenant land lease
<u>83</u>	Total Revenues

##### Cost Changes

279	Compensation adjustments
(154)	Tenant land lease costs
26	Increased operating costs
(72)	Debt service for ERP, adjust to cash basis
90	Non-personnel costs: general increase after efficiencies
18	Increased administration costs
<u>187</u>	Total Cost Changes
<u>104</u>	Net Operating Requirement

#### Service & Budget Review

-	
<u>-</u>	Net Operating Requirement

#### Service Needs

-	Impact of Capital
-	Service & Budget Review
-	
<u>-</u>	Net Operating Requirement

#### Impact on Full-time Equivalents

3.0	Net increase after internal reorganizations
<u>3.0</u>	Total Full-time Equivalent Changes

### Responsibility

The focus of Edmonton Tourism has traditionally been on the attraction of visitors, and the strengthening of local tourism partners. Each year, over 4 million visitors spend an estimated \$1 billion in the Edmonton region.

- Tourism attraction activities are designed to establish Edmonton as a must see destination, drive tourism visitation and enhance the local economy. Attraction focuses on the 4 key areas of:
  - Meeting & Business Travel
  - Event Attraction
  - Leisure Travel
  - Film Attraction
- The tourism partnership focus is on supporting the industry with training, tools, facilitation and business generation. The tourism industry in Edmonton is recognized as a leader provincially and nationally for its cooperation and cohesion. Edmonton Tourism will continue to build upon and leverage this strength in future years.
- An evolving focus of Tourism Development is to ensure that local events and services align with changing demand expectations. This will occur through communication, training and advocacy with tourism partners and stakeholders.

### Operational Variables

There have been changes in tourism volumes due to a decline in the volume of US tourists, and a softening of the domestic market. This is creating some excess capacity in hotel rooms, resulting in Edmonton room nights being down approximately 10% year to date over the record setting results from 2008.

Film incentives, driven from the provincial level, can have a significant impact on the local film industry and the ability to generate increased levels of film production. With funding uncertainty at the provincial level, the Alberta Development Program may be at risk.

### Current Services

#### Anticipated 2009 Tourism Activity

- 40 events will be attracted in 2009, with 65 planned for 2010,
- \$15M film production expenditures,
- 49 media familiarization tours,
- 45 times "Festival City in a Box" performers have attended promotional or awareness activities,
- 45,000 convention and event related room nights,
- 600 industry partners,
- 370,000 unique visitors to EEDC's website,
- \$4.5 million in secured and leverage funding for destination marketing on behalf of industry partners.

The 2008/2009 Edmonton winter campaign "Live all year" won a prestigious marketing award from the International Economic Development Council (IEDC). The accolade was IEDC's Excellence Awards for "Best Paid Advertising Campaign". This award recognizes the world's best economic development programs and partnerships, marketing materials, and the year's most influential leaders.

### Major Service Objectives

- Traditional visitor attraction (business, leisure, events and film).
- Business development opportunities for the Visitor Information Centres from a sales and physical location perspective.
- Address shifting global demand and strategic opportunities, like the 2010 Olympics.
- Continue to present new avenues for global attraction.
- Support Expo 2017 planning.

### Issues and Challenges

- Funding obtained from the Province for joint programs may be challenged due to potential cuts.
- Changing visitor demographics will see reduced visitation from the US and domestic markets, with future growth potential coming from Asian markets.
- Economic conditions from the downturn in the economy will have an impact on the viability, variety and service offerings of local suppliers, potentially affecting visitor experiences.
- The softening of the domestic market reinforces the requirement to spend advertising dollars to motivate and attract visitors in an increasingly competitive marketplace.
- Identification of new tourism markets and the required spending to attract visitors to the region is necessary to position Edmonton for future growth as the economies recover.

### Strategic Initiatives

10 Year Strategic Goal / 3 Year Priority Goal	Initiative	Outcome	
		Immediate & Intermediate	Ultimate
<p>6. <u>Diversify Edmonton's Economy</u> (EEDC: Recognition)</p>	<p>6. <u>Community Engagement</u> EEDC recognizes that successful economic development can only occur through active communication and participation with industry and the community. The goals of sustainable economic growth touch a variety of industries, stakeholders, and organizations. Implementation of successful strategies will require active engagement and participation from all stakeholders.</p> <p>6. <u>Global Appeal</u> Increasing Edmonton's global appeal can be accomplished by developing and improving the qualities and attributes that make a city desirable. Increasing global appeal enhances the city for existing residents, and also facilitates the attraction of talent, tourists and investment.</p>	<p>6. <u>Mobilize Tourism Industry</u></p> <ul style="list-style-type: none"> <li>• Leverage tourism relationships to keep industry engaged with the issues, and mobilized toward cohesive action.</li> </ul> <p>6. <u>Tourism Development</u></p> <ul style="list-style-type: none"> <li>• Formalize role as the voice of the tourist.</li> <li>• New cultural training and awareness programs.</li> <li>• Update the visitor information centre operating model.</li> </ul>	<p>Increased visitation has the ability to enhance the image and reputation of Edmonton. An increased image and reputation are critical for attracting talent, tourists, and investment to the region.</p>

### 2010 Budget Impact

Base	Resources included in base budget
Incremental	None (use existing resources)



### Proposed 2010 Operating Budget

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
External revenues	\$ 11,295	\$ 4,561	\$ (823)	\$ -	\$ -	\$ 3,738	(18.0)	\$ 3,738
Grants	-	-	-	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>11,295</b>	<b>4,561</b>	<b>(823)</b>	<b>-</b>	<b>-</b>	<b>3,738</b>	<b>(18.0)</b>	<b>3,738</b>
<b>Expenditure &amp; Transfers</b>								
Personnel	1,720	1,861	84	-	-	1,945	4.5	2,007
Operating and program costs	13,613	6,545	(737)	-	-	5,808	(11.3)	5,978
Subtotal	15,333	8,406	(653)	-	-	7,753	(6.7)	7,985
Transfer to net assets	(183)	-	-	-	-	-	-	-
<b>Total Expenditure &amp; Transfers</b>	<b>15,150</b>	<b>8,406</b>	<b>(653)</b>	<b>-</b>	<b>-</b>	<b>7,753</b>	<b>(7.8)</b>	<b>7,985</b>
<b>Net Operating Requirement</b>	<b>\$ 3,855</b>	<b>\$ 3,845</b>	<b>\$ 170</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,015</b>	<b>4.4</b>	<b>\$ 4,247</b>
<b>Full-time Equivalents</b>	<b>48.0</b>	<b>57.0</b>	<b>(4.0)</b>	<b>-</b>	<b>-</b>	<b>53.0</b>		<b>53.0</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

(1,500)	Lionsgate film agreement terminated
112	Increased cost recovery, memberships
565	Increased funding by partners
<u>(823)</u>	Total Revenues

##### Cost Changes

84	Compensation adjustments
186	Non-personnel costs: general increase after efficiencies
(1,500)	Lionsgate film agreement terminated
12	Increased administration costs
565	Increased partner funded activity
<u>(653)</u>	Total Cost Changes
<u>170</u>	Net Operating Requirement

#### Service & Budget Review

-	
<u>-</u>	Net Operating Requirement

#### Service Needs

-	Impact of Capital
-	Service & Budget Review
-	
<u>-</u>	Net Operating Requirement

#### Impact on Full-time Equivalents

(4.0)	Net decrease after internal reorganizations, reduced operating hours
<u>(4.0)</u>	Total Full-time Equivalent Changes

### Responsibility

The Economic Development group is primarily responsible for driving long-term sustainable income growth for Edmonton.

Included within this mandate are business activities related to diversity, innovation, labour, entrepreneurship, productivity, investment, retention and expansion. In this regard, relationships (regionally and abroad) are especially important tools for influencing and facilitating access to capital, markets and networks.

The responsibility of Economic Development is to create a sustainable increase in the standards of living for the region's residents. This increase can be achieved through a focus on:

- Increasing income in the region.
- Improving the quality of life in the region.

EEDC is dedicated to ensuring both aspects occur. The continued development of a knowledge economy is a foundational element in improving the standard of living in the region. This however, is contingent upon having access to the appropriate depth and breadth of human talent, and the ability to attract and retain such talent is highly correlated with our quality of life. Although the mandate for EEDC is fundamentally economic, the importance of quality of life is critical to appreciate.

The primary focus for economic development will be within the targeted sectors of:

- Financial Services,
- Life Sciences,
- Advanced Technologies,
- Education, and
- Energy.

### Operational Variables

Economic development is typically described within the context of three pillars of activity:

- Business attraction
- Business expansion/retention
- New business start-ups

These three pillars remain valid today, although we are seeing shifts in the relative amounts of resources directed to each.

Historically, business attraction has been a primary focus of activity, with energies directed toward enticing (and incenting) large organizations to move their operations to a city/region. Moving forward, however, there is broad acknowledgement that greater opportunities and economic benefits may derive from cultivating and supporting the innovative entrepreneurs that exist within a community. This latter activity involves helping new companies get started, and second-stage companies grow.

Attraction remains an important element of the economic development mandate, but investment and skills attraction have moved to the fore.

### Current Services

The Edmonton CMA currently has a labour pool in excess of 665,000 people and approximately 43,000 businesses with 1 or more employees. Economic Development is focused on making this base more prosperous, as well as growing the number of businesses.

Activities driving the desired growth are:

- Proactive business engagement activities with 150 businesses participating in EEDC-lead initiatives.
- Execution of sector specific initiatives in conjunction with industry, focused on targeted sectors.
- Workforce and productivity initiatives engaging more than 75 businesses.
- Participation in regional and provincial awareness, attraction and opportunity generation activities.
- Facilitation of connections within and across industries to foster information sharing, innovation, diversification and business growth.

### Major Service Objectives

- Execute strategies for Financial Services and Advanced Technologies.
- Drive workforce and productivity programs focused on industry and businesses.
- Conduct investment and business attraction activities where appropriate.
- Maintain relationships and circulate sector marketing packages to Alberta consulate offices abroad.
- Support transportation and logistics initiatives within the region.
- Develop and maintain an inventory of potential investment opportunities and leverage this as a key tool for investment attraction.

### Issues and Challenges

- Economic downturn is slowing the pace of progress in several sectors. However, Edmonton is doing well relative to other Canadian centres.
- Cooling off of major projects make it difficult to attract new investment dollars into the region. However, it is also reducing the costs of projects that are proceeding.
- Productivity rate is relatively low and labour costs are relatively high in some sectors. With the region's focus on resource-based industries, it is making it difficult to attract some organizations.
- The attraction of desired human talent is challenging due to the relatively low national and international awareness of the opportunities and quality of life that exist in Edmonton.

### Strategic Initiatives

10 Year Strategic Goal / 3 Year Priority Goal	Initiative	Outcome	
		Immediate & Intermediate	Ultimate
<p>4. <u>Transform Edmonton's Urban Core:</u> (EEDC: Leadership)</p>	<p>4. <u>Catalyst for change</u> EEDC recognizes that encouraging and implementing an environment conducive to change requires leadership, credibility and determination. The organization strives to fulfill this role by aligning itself with projects of lasting benefit for Edmonton.</p>	<p>4. <u>Vibrant Urban Core</u></p> <ul style="list-style-type: none"> <li>Identify downtown attributes and amenities that need to be incorporated to ensure desired quality of life.</li> <li>Champion desired development for downtown core.</li> </ul>	<p>Creating sustainable economic growth through increased levels of income in the region will enhance the quality of life for residents.</p> <p>Economic diversification and the creation of a knowledge based economy are the conduits through which EEDC will create sustainable economic growth.</p>
<p>6. <u>Diversify Edmonton's Economy</u> (EEDC: Recognition)</p>	<p>6. <u>Community Engagement</u> EEDC recognizes that successful economic development can only occur through active communication and participation with industry and the community. The goals of sustainable economic growth touch a variety of industries, stakeholders, and organizations. Implementation of successful strategies will require active engagement and participation from all stakeholders.</p>	<p>6. <u>Business and Economic Leader's Council</u></p> <ul style="list-style-type: none"> <li>Engagement and execution of EEDC's 2010 priority initiatives</li> </ul> <p>6. <u>Port Alberta</u></p> <ul style="list-style-type: none"> <li>Development and pursuit of a business model.</li> </ul> <p>6. <u>Economic Diversification</u></p> <ul style="list-style-type: none"> <li>Focus on 3 sectors:                             <ul style="list-style-type: none"> <li>Financial Services</li> <li>Advanced Technologies</li> <li>Life Sciences</li> </ul> </li> <li>Support for the Energy and Education industries.</li> </ul>	<p>Attracting the talent required to create a knowledge economy is essential for success. Therefore, EEDC also endeavors to create/enhance and encourage the development of attributes which are desirable by a new generation of future knowledge workers.</p>

### 2010 Budget Impact

Base	Resources included in base budget
Incremental	None (use existing resources)

### Proposed 2010 Operating Budget

Notes	2008 Actual	2009 Budget	Revenue & Cost Impacts*	Service & Budget Review	Service Needs	2010 Budget	% Change '09-'10	2011 Forecast
<b>Revenue &amp; Transfers</b>								
External revenues	\$ 1,620	\$ 900	\$ (450)	\$ -	\$ -	\$ 450	(50.0)	\$ 450
Grants	-	-	-	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-	-	-	-
<b>Total Revenue &amp; Transfers</b>	<b>1,620</b>	<b>900</b>	<b>(450)</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>(50.0)</b>	<b>450</b>
<b>Expenditure &amp; Transfers</b>								
Personnel	1,686	1,751	101	-	-	1,852	5.8	1,911
Operating and program costs	3,578	3,173	(398)	-	-	2,775	(12.5)	2,812
Subtotal	5,264	4,924	(297)	-	-	4,627	(6.8)	4,723
Transfer to net assets	380	-	-	-	-	-	-	-
<b>Total Expenditure &amp; Transfers</b>	<b>5,644</b>	<b>4,924</b>	<b>(297)</b>	<b>-</b>	<b>-</b>	<b>4,627</b>	<b>(6.0)</b>	<b>4,723</b>
<b>Net Operating Requirement</b>	<b>\$ 4,024</b>	<b>\$ 4,024</b>	<b>\$ 153</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,177</b>	<b>3.8</b>	<b>\$ 4,273</b>
<b>Full-time Equivalents</b>	<b>28.0</b>	<b>16.0</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>18.0</b>		<b>18.0</b>

\* Cost Impacts includes: inflation on personnel and non-personnel costs, annualization, adjustments based on current performance. Revenue Impacts relate to rate and volume changes.

### Budget Changes for 2010 (\$000)

#### Revenue & Cost Impacts on 2009 Services

##### Revenue Changes

(450)	Reduced external funding
(450)	Total Revenues

##### Cost Changes

101	Compensation adjustments
22	Non-personnel costs: general increase after efficiencies
30	Increased administration costs
(450)	Reduced scope of grant-funded activities
(297)	Total Cost Changes
153	Net Operating Requirement

#### Service & Budget Review

-	
-	Net Operating Requirement

#### Service Needs

-	Impact of Capital
-	Service & Budget Review
-	
-	Net Operating Requirement

#### Impact on Full-time Equivalents

2.0	Net increase after internal reorganizations
2.0	Total Full-time Equivalent Changes

## Approved 2009-2011 Capital Budget

Project #	Project Name	2009 Budget	2010 Budget	2011 Budget	3-Year Budget Total
05-99-3002	Biotechnology Business Development Centre	1,237	1,500	337	3,074
05-99-3004	Research Centre 1 Building Upgrades	500	300	300	1,100
06-99-0004	Shaw Major Building Upgrades	1,650	1,750	1,500	4,900
<b>Total Capital</b>		<b>3,387</b>	<b>3,550</b>	<b>2,137</b>	<b>9,074</b>

## Progress on Significant Capital Projects

Capital spending for EEDC is classified into 3 categories:

1. Assets owned by EEDC financed with internal capital funds – i.e. tenant and building improvements at the Research Park.
2. Assets owned or operated by EEDC with capital funds financed by the City – i.e. the Biotechnology Business Development Centre (BBDC).
3. Assets owned by the City and financed by the City – i.e. the Shaw Conference Centre (SCC) and Visitor Information Centre.

The City of Edmonton approved capital funding of \$1.6 million for each of the years 2009 to 2011 for the SCC. To date in 2009, approximately \$900 thousand of the \$1.6 million of the capital maintenance funding has been spent. This includes spending on the freight elevator and chiller repairs, and upgrades to salons and meeting rooms. The salon and meeting room upgrades include energy efficient lighting and HVAC control units to reduce overall power consumption for the SCC. Plans for 2010 capital funds for the SCC is being coordinated with the City of Edmonton Asset Management group and includes the completion of salon renovations, glass roof unit replacements and mechanical upgrades for halon systems and air fan units.

The total capital funding for the BBDC of \$14 million was approved several years ago and the work continues in 2009 and 2010 to complete the unoccupied space on the east side of the building. Spending of these approved funds is completely dependent on prospective tenant needs and requirements. It is estimated that \$900 thousand will be spent in 2009 and an additional \$1.5 million is required in 2010. Additionally, upgrades to the RC1 building are required in order to attract new tenants for vacated space. In 2009, the full \$500 thousand will be spent on tenant upgrades for wet labs for recently vacated space. The leasehold improvements in 2010 for RC1 will be either self funded by EEDC or paid by the new tenant.

No other capital funds have been approved for EEDC for 2010. For 2011, it is anticipated that capital dollars might be required for the development of lands south of the Research Park. However this item is still under review and therefore the project remains unfunded.

## Service Packages

No service packages are being proposed by EEDC for the 2010 budget cycle. Any new initiatives or activities will be self funded through existing budgets.