

QUARTERLY REPORT
ON PROGRESS
Q4 2016

OCTOBER | NOVEMBER | DECEMBER



**ECONOMIC
DEVELOPMENT**
WINNIPEG



TOURISM
WINNIPEG



YES!
WINNIPEG



DAYNA SPIRING
President & CEO

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LET'S PROMOTE WINNIPEG AS A WORLD-CLASS WINTER CITY

Winnipeg is one of the coldest major cities in the world (Statistics Canada puts our average January low at -22.8 C). But this differentiator is actually worthy of celebration, and that's the point

Mayor Bowman and I made recently when we announced Winnipeg is now an accredited member-city of the World Winter Cities Association for Mayors (WWCAM), a network of over 20 northern cities worldwide dedicated to promoting winter technologies and experiences. We both believe that ramping up collaborations with leaders and organizations living and working in other winter cities will bolster Winnipeg's reputation as an exciting winter wonderland with a leading cold-weather economy.

Winnipeg's winter identity has experienced a welcome transformation of late, thanks in part to high-profile attractions validating Winnipeg's wintry allure in ways that have persuaded locals and visitors alike to brave the elements and experience the best our city offers when blanketed with snow. The Forks is a case in point. Winnipeg's No. 1 tourist spot attracts more than 4 million visitors annually, and over the last five years its winter weekend numbers have rivalled peak counts in July and August. Whether gliding along the Red River Mutual Trail, exploring the Arctic Glacier Winter Park or enjoying a meal at RAW: almond (for those quick enough to snag tickets to this perpetually sold-out pop-up restaurant), there's an abundance of activities for winter enthusiasts at Winnipeg's oldest meeting place.

But The Forks is just one of many attractions capitalizing on Winnipeg's cool climate. The Festival du Voyageur is set to usher in its 48th edition of Western Canada's largest winter festival from Feb. 17-26, featuring perennial favourites like canoe races, chainsaw carving and toboggan runs, while welcoming over 150 bands this year—which also makes it the biggest francophone music festival in Western

Canada. Assiniboine Park Zoo's award-winning Journey to Churchill, part of the park's \$200-million Imagine a Place redevelopment, immerses visitors in the world's most comprehensive northern species exhibit. And FortWhyte Alive's 640-acre urban nature reserve also attracts attention in the colder months, with its Lake Shaker winter party, moonlight snowshoe treks and free ice-fishing weekends.

Winnipeg's winter-themed recreation options compare favourably to activities available during the city's milder months, but they comprise only a small part of the much bigger cold-weather picture. Winnipeg has evolved in fascinating ways since its incorporation as a city on November 8, 1873, but there's no need to examine the historical record to see how winter weather has positively impacted its economic well-being. Modern-day evidence is plain to see, and it forms a portrait whose key features owe much to the lower end of Winnipeg's famed 60-degree annual temperature swings.

A partnership between GE and StandardAero resulted in the opening of the \$50-million GE Aviation Test Research and Development Centre (TRDC) in early 2012 at Winnipeg's Richardson International Airport. The 122,500-square-foot TRDC is the only cold-weather engine-testing facility for GE, which performs icing certification testing on a variety of its jet engines—including GE's LEAP (Leading-Edge Aviation Propulsion) series of engines used in Boeing's 737 Max, the fastest-selling passenger jet in the company's history. Did you know Boeing's Winnipeg facility makes this aircraft's innovative inner barrel, which reduces operational noise by as much as 50 per cent? So successful has the GE-StandardAero collaboration been that GE is set to begin a \$26-million upgrade to the TRDC this year that is expected to expand its capabilities from cold-weather certifications to a wider range of tests that can be performed year-round.

Other iconic local companies, MTS and New Flyer Industries, for example, also benefit from Winnipeg's winter weather. The former's \$50-million data centre on Waverly Street is a purpose-built 64,000-square-foot facility offering co-location, managed hosting and cloud services. Row upon row of servers must be kept at a consistent temperature to guard against overheating. Cooling these machines in a cold climate like Winnipeg reduces operating expenses even more in an already ultracompetitive city when it comes to energy costs relative to other North American locales.

For its part, New Flyer believes Winnipeg winters provide an ideal testing ground for its zero-emission electric buses. In partnership with Winnipeg Transit, these buses are subjected to real-world rigours on local streets. Our winters not only offer frigid temperatures for assessing such things as battery life and cabin integrity, but also feature useful fluctuations in day-to-day conditions. A big temperature change from one day to the next means New Flyer technicians can monitor how the humidity created from such extremes affects electrical systems. And finally, Winnipeg's abundance of snow and wind throughout the coldest months contributes to what results in a perfect (winter) storm routinely meeting New Flyer's needs.

While GE, MTS and New Flyer exemplify companies investing here because our cold weather directly benefits certain operational aspects, Winnipeg's winter-city reality invites an entirely different yet equally innovative economic angle: how do we survive and thrive in a place where the temperature once dipped to a mercifully infrequent record low of -47.8 C in 1879? Perhaps the most obvious answer is that our buildings—residential, commercial and industrial—must be built to withstand the ravages such extreme temperatures threaten. From insulation and HVAC issues to vapour barriers and weatherproofed windows, accommodating Winnipeg winters requires a level of expertise that gives local companies in the industry a competitive advantage.

Beyond construction advancements best evidenced in buildings like the Platinum LEED-certified Manitoba Hydro Place, with its geothermal heating, biodynamic double façade and solar chimney (among other ingenious features), Winnipeg has fostered an array of creative solutions allowing it to function as efficiently as possible regardless of prevailing conditions. How the city builds and repairs roads, provides water and waste management, ensures reliable sources of energy and moves people from place to place all coalesce in ways that make living and working in Winnipeg more pleasant and prosperous.

So why does this matter in the bigger scheme of things? It matters because this kind of expertise is easily exportable and could garner big economic dividends. For cities wrestling with winters like Winnipeg, and for places experiencing irregular spikes in cold weather for which they are ill-equipped, the products we've perfected and the best practices we've established make us a winter-living leader. What's commonplace for Winnipeggers is anything but for places not as accustomed to the effects of bone-chilling cold. Admit it: don't we secretly get a kick out of it when other North American cities issue "severe weather warnings" on days when the temperature might dip to (a comparatively balmy for us) -10 C or so? Amateurs.

But that's the point—knowing things other places don't about coping with the cold—and that's why Winnipeg is poised to make inroads as a higher-profile winter city in the years ahead thanks to its WWCAM membership, which is expected to expose the city to a wider audience with a vested interest in studying our winter assets. WWCAM conferences are held every two years, and host cities can also concurrently present a winter expo for business and industry as well as a winter forum for researchers and academics, which have significantly increased the scale and impact of the association's activities. Look for Winnipeg to host this conference in the coming years. It's time our city accesses this influential network.

Elevating Winnipeg's status as a winter city with proven solutions to cold-weather challenges could lead to both foreseen and serendipitous economic windfalls. We're already enjoying various business- and recreation-based dividends that an increased focus on winter living has yielded, but we should step up our game by connecting local ingenuity with prospective external markets craving improved subzero strategies. Part of being a smart city is knowing how to monetize what we do best, then promoting this value proposition to global audiences. The more we do that, the more we'll see Winnipeg appear on the potentially lucrative short list of intelligent cities that own winter like nowhere else in the world.

Sincerely,



Dayna Spiring

President & CEO

Economic Development Winnipeg Inc.



RECENT ACTIVITY ROUNDUP

Economic Development Winnipeg Inc. (EDW) is the lead economic development agency for Winnipeg, encompassing EDW, YES! Winnipeg and Tourism Winnipeg. EDW champions Winnipeg's economic growth and facilitates investment promotion and attraction, capacity building and the management of market data. EDW articulates Winnipeg's value proposition and supports targeted sector analysis, encourages community and social development, and promotes Winnipeg's diverse economy and high quality of life. EDW works collaboratively with government, academic and industry partners to stimulate Winnipeg's economy and mobilize the city's tourism attraction activities.

COMMUNITY LEADERSHIP

EDW's president and CEO, Dayna Spiring, currently sits on the local boards of directors for Manitoba Hydro, Wipak Ltd. and the Winnipeg Football Club (where she also acts as vice-chair). At the national level, Dayna is the first-ever woman to serve on the Canadian Football League's board of governors. She is passionate about telling great Winnipeg stories and urges local leaders to serve as ambassadors on behalf of the city.

Dayna's most recent community endeavour involved serving as honorary chair of the Future Leaders of Manitoba Awards and Reception. The ninth annual event was held on January 26, 2017, at the Fort Gary Hotel. Three winners were honoured: Laryssa Sawchuk, Margaux Miller and Jessica Dumas. Award recipients were chosen based on criteria that included professional contributions, community involvement, and advocacy for Manitoba and Manitobans—all of which align with Dayna's efforts as she works to restructure and refocus EDW to maximize results.

BUSINESS DEVELOPMENT HIGHLIGHTS: RETENTION, EXPANSION, ATTRACTION AND LAUNCH CUMULATIVE AND CURRENT SUCCESSES

By the close of this quarter, YES! Winnipeg had supported 77 projects since its inception in 2011, which is expected to result in the creation of more than 4,470 jobs and \$560 million in capital investment at maturity. These figures include the success noted below.

Sycamore Energy Inc.

Through its Solar Manitoba operating name, Sycamore Energy Inc. is an established provider of dependable alternative-energy solutions with a specific expertise in wind turbines and solar photovoltaic installations. YES! Winnipeg helped the company in the following areas: connections to a local financial provider to assist with Sycamore Energy's solar client-installation loan process, introductions to government-support programs and federal/provincial government contacts, and third-party investment. This project is expected to create 12 jobs and \$400,000 of investment at maturity (late 2017).

LOCAL INITIATIVES

French Delegation Welcomed

A key aspect of the city and province's agribusiness strategies involves establishing a vibrant biofibre industry. Paving the way on the local front is FibreCITY, an initiative of the Composites Innovation Centre (CIC), which works with local companies like Buhler-Versatile (a hemp-agave tractor hood was developed for this Winnipeg-based agricultural machinery manufacturer). On October 6, YES! Winnipeg hosted a reception for an incoming delegation of 12 France-based biofibre companies interested in exploring business opportunities with similar entities in Manitoba. Co-hosted by Manitoba Agriculture, the CIC and YES! Winnipeg, this event was well-attended by multiple YES! Winnipeg investors and collaborators—a sign of the potential promise the biofibre industry holds for local stakeholders.



Reception for Jim Balsillie

Together with the Manitoba Technology Accelerator, YES! Winnipeg co-hosted a reception for former Research in Motion CEO Jim Balsillie on October 24. Balsillie was joined by Premier Brian Pallister; Minister of Growth, Enterprise and Trade Cliff Cullen; Mayor Brian Bowman; and the board of directors of the Enterprise Machine Intelligence & Learning Initiative (EMILI).

EMILI has the potential to transform Winnipeg into a centre of excellence for research, commercialization and training in machine-learning technology, and it could also serve as the global voice for industry ethics.

YES! Winnipeg leader (and EMILI board member) Vince Barletta was subsequently quoted throughout a *Winnipeg Free Press* article by business reporter Martin Cash. He summarizes the event and highlights EMILI, which hopes to secure funding of \$100 million over five years from the federal government. [READ IT HERE »](#)

YES! Winnipeg Investor Breakfast

The annual YES! Winnipeg Investor Breakfast took place on November 3 at the Fairmont Hotel. This year's event attracted over 200 attendees, including Minister of Growth, Enterprise and Trade Cliff Cullen; Mayor Brian Bowman; Doug Harvey, president of Maxim Truck & Trailer and chairman of YES! Winnipeg's Investor Council; and Mike Scatliff, co-chair of EDW's board of directors. This networking event saw the launch of the latest edition of YES! Winnipeg's investor directory and introduced EDW's newly restructured 'one team' collaborative approach.

A highlight of the breakfast was a panel discussion moderated by Vince Barletta that focused on the path

forward for consequential economic development in the city, which necessitates close collaboration between EDW and the provincial and municipal governments. Panel participants included Dayna Spiring, Mayor Bowman and Minister Cullen, all of whom expressed a sincere interest in working together—for the first time ever—to create conditions conducive to meaningful economic growth.

Martin Cash authored a piece about EDW that appeared in the *Winnipeg Free Press* the following day summarizing Dayna's efforts to streamline the corporation, employ more relevant metrics, and promote Winnipeg together with community leaders. [CHECK IT OUT HERE »](#)

EXTERNAL OUTREACH

AdvaMed Conference

YES! Winnipeg participated in AdvaMed, the leading medical-technology conference in North America, in Minneapolis, Minnesota, from October 16 to 19. Approximately 2,300 industry professionals and more than 1,000 companies attended. This industry is important, and YES! Winnipeg was part of a Manitoba delegation consisting of representatives from private businesses, applicable organizations and associations, and government.

Executive Customer Contact Exchange

Winnipeg is home to numerous successful back-office support operations. Winnipeg offers a unique value proposition to these types of businesses (central time zone, low labour rates, competitive property costs, diverse and skilled workforce that speaks multiple languages), which make continued growth possible. Recognizing this opportunity, YES! Winnipeg facilitated



representation via a U.S.-based site selector at the Executive Customer Contact Exchange in Miami, Florida, in mid-October. Outreach is currently underway to over 50 major North American companies, each with revenues exceeding \$1 billion.

Toronto Investment Mission

Together with Mayor Brian Bowman, YES! Winnipeg led an investment mission to the greater Toronto area from November 24 to 28. The mayor was joined by Dayna and Vince, as well as Barry Rempel and Pascal Bélanger from the Winnipeg Airports Authority. Meetings were held with IBM Canada, Maple Leaf Foods, General Electric, Canada Goose, MaRS Discovery District and the National Angel Capital Organization. A follow-up to the successful mayor-led Montreal investment mission last April (the first such outing as part of the mayor's campaign promise to promote Winnipeg across the country), this Toronto trip resulted in meaningful discussions about Winnipeg-based opportunities—and it's consistent with EDW's mandate to share Winnipeg's story and investigate potential business prospects.

Montreal International Games Symposium

Winnipeg's burgeoning video game development and interactive digital media scene—with companies like Complex Games and ZenFri leading the way—is helping to solidify the city's reputation as a competitive place to set up shop, given the attractive mix of skilled labour, incentives, low operating costs, etc. To further promote the city's advantages in this regard, YES! Winnipeg attended this annual Montreal symposium from November 13 to 15, securing meetings with several fast-growing firms.

BUSINESS DEVELOPMENT HIGHLIGHTS: TOURISM SUCCESSFUL BIDS

Student & Youth Travel Association 2020 Annual Conference

Approximately 1,000 delegates from across North America are expected to visit Winnipeg in August 2020 to attend this conference, bringing tour operators and industry professionals together to develop student and youth group tours. This is the first time Winnipeg will play host to this conference. Direct spending by delegates is estimated at \$1.07 million.

WFDF 2018 World Masters Ultimate Club Championships

Tourism Winnipeg partnered with the Manitoba Organization of Disc Sports to bring this World Flying Disc Federation (WFDF) event to Winnipeg in July/August 2018. Approximately 1,500 participants from around the world will compete over seven days. This is the first time a Canadian city will host this event, with participants expected to contribute approximately \$705,000 in direct spending.

2020 North America Continental OutGames

Tourism Winnipeg partnered with Pride Winnipeg to bring these games to the city in July 2020. Held every three years, the Winnipeg games will attract approximately 850 participants and generate an estimated economic impact of \$4.3 million for Manitoba. The OutGames features more than a dozen sports, a three-day conference focusing on LGBTTO* (lesbian, gay, bisexual, transgender, two-spirit, queer, questioning, intersex and pansexual) and diversity rights, and a multiday culture showcase held in conjunction with the annual Pride celebration.



HOSTED EVENTS

2016 Tim Hortons NHL Heritage Classic™

The Heritage Classic electrified the city from October 22 to 23, with more than 11,000 visitors in attendance to witness the longtime rivalry between the Winnipeg Jets and the Edmonton Oilers. Tourism Winnipeg hosted various media professionals during this event—including the editor of *Adrenalin* magazine and the social media writers for *Oilersnation.com/Jetsnation.com*—which ultimately helped leverage Winnipeg's success as a sport tourism destination. Direct spending by visitors totaled approximately \$11.2 million.

Cumulative Results in 2016

Tourism Winnipeg tracked a record year for the city in the total number of delegates and room nights for 2016, a 24 per cent boost compared to 2015, which chiefly resulted from playing host to several large citywide conventions (including the Federation of Canadian Municipalities 2016 Annual Conference & Expo and the Liberal Party of Canada 2016 Biennial Convention). Looking ahead, 2017 and 2018 are expected to be on par or slightly ahead of 2016 in terms of total number of conventions.

MEDIA RELATIONS HIGHLIGHTS

CORPORATE MEDIA

In addition to coverage previously noted in relation to specific events, the corporation contributed to the following additional media relations activity.

Winnipeg Free Press Editorial

EDW's president and CEO Dayna Spiring authored an editorial appearing in the *Winnipeg Free Press* in November, entitled "City's Economy at Unusual Tipping Point," which outlines the corporation's work to restructure, relocate, refresh its identity and refocus

efforts on industry sectors most likely to benefit from EDW's involvement. [READ IT HERE »](#)

Search-and-Rescue Planes to Be Maintained in Winnipeg

Dayna is quoted throughout an article about Winnipeg-based Exchange Income Corporation's PAL Aerospace subsidiary, which recently secured the multiyear maintenance subcontract for the federal government's new fleet of 16 Airbus C-295W search-and-rescue planes. Work is expected to be carried out in the company's hangar at Winnipeg's Richardson International Airport.

[LEARN MORE HERE »](#)

TRAVEL MEDIA

Vogue.com published an article called "A Trip to Canada's Prairies—Vaguely Exotic, Totally Obscure, and an Absolute Must-Visit Destination," written by hosted travel writer Alyssa Schwartz. The piece details some hip new spots in Winnipeg (along with our Prairie friends in Saskatoon), with the premise that "What's happening in the Prairies is something more than fresh—it feels like peak Canadiana." [CHECK IT OUT HERE »](#)

Reactions to the *Vogue.com* article appeared in various local media, and Dayna was interviewed by CBC Manitoba, CTV News and 680 CJOB. Perhaps the most notable coverage resulted from CBC Manitoba's article by Darren Bernhardt. His excellent story references the *Vogue.com* piece, then merges the city's notable tourism and economic development efforts. Shared more than 23,000 times, it's one of that outlet's most circulated stories. [READ IT HERE »](#)

The *New York Times* quoted Tourism Winnipeg's Mike Green—writer/editor of *Peg City Grub*—in connection with top Canadian Thanksgiving recipes.

[FIND OUT WHAT HE SAYS HERE »](#)



Conde Nast Traveler (cntraveler.com) features Winnipeg's own Thermëa by Nordik Spa-Nature in this roundup of five of the best spas in Canada. Costing \$11 million to create, Thermëa features four unique saunas, three pools, an exfoliation room, a fire pit, a restaurant and multiple terraces. [READ ABOUT IT HERE »](#)

EDGE Media Network published an article by hosted travel writer Matthew Wexler entitled "A Weekend in Winnipeg." [DISCOVER HIS TOP PICKS HERE »](#)

MBC-TV, a popular MBC-TV program in South Korea, prominently featured the Assiniboine Park Zoo's Journey to Churchill exhibit.

MARKETING HIGHLIGHTS

TOURISM WINNIPEG

Leisure Advertising: Holiday Shop-and-Stay Campaign

Tourism Winnipeg completed its annual holiday shop-and-stay leisure advertising campaign, which ran from October to December and offered a 'stay two nights, get the third free' promotion to visitors. The campaign targeted Northwestern Ontario, Grand Forks and Fargo, rural Manitoba and Regina. The campaign's primary goal is to increase tourism numbers.

The following results show the number of customers who purchased packages from participating partners:

- › Victoria Inn Hotel and Convention Centre – 237
- › Holiday Inn Winnipeg South – 237
- › Fairfield Inn and Suites – 123
- › Courtyard by Marriott Winnipeg Airport – 342
- › Thermëa by Nordik Spa-Nature – 294

Meetings and Conventions: Co-op Campaign

Tourism Winnipeg completed a year-long co-op advertising campaign in partnership with the RBC Convention Centre

Winnipeg, Travel Manitoba and the Canadian Museum for Human Rights. The campaign targeted meeting planners and association executives, and it positioned Winnipeg as a premier meetings and conventions destination.

MARKET INTELLIGENCE HIGHLIGHTS

Internal Support Framework

A strong foundation of market intelligence and a clear understanding of Winnipeg's strengths and weaknesses on a sector-by-sector basis underpin EDW's new focus. Data sets that include company profiling and strategic industry content are being developed to evaluate sector-specific value propositions. This quarter, industry sector overviews and briefings were finalized for creative industries and tourism, adding to previously completed documents showcasing advanced manufacturing; aerospace; information, communications and technology; and agribusiness. Within each industry sector, subsector targets are being formulated to help guide business investment attraction and expansion efforts. This data is intended to be shared and highlights the fact that EDW is the expert on the Winnipeg economy.

Capital Region Economic Research Project

EDW is leading a comprehensive capital region research project that will provide evidence-based market intelligence on the key market drivers, sector strengths and overall economic competitiveness in the region. A broad stakeholder funding and project partnership committee has been formed to manage the process. Participating entities include the Partnership of the Manitoba Capital Region, the City of Winnipeg, the Province of Manitoba, the Manitoba Institute of Trades and Technology, the University of Manitoba, the University of Winnipeg, Red River College, the Winnipeg Airports Authority and CentrePort Canada. The project is slated for completion in the third quarter of 2017.

Suite 810, One Lombard Place
Winnipeg, Manitoba, Canada R3B 0X3
P 204.954.1997 **TF** 855.734.2489
economicdevelopmentwinnipeg.com



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