

Economic Strategy Update

RECOMMENDATION:

That the Priorities and Finance Committee recommends that Council receive this report for information.

HIGHLIGHTS

- This report provides an update on implementation of *Calgary in the New Economy: An economic strategy for Calgary* (the Strategy) since the last update to the Priorities and Finance Committee in 2019 May.
- What does this mean to Calgarians? The Strategy, stewarded by Calgary Economic Development Ltd., is a roadmap that guides collaborative community economic development activities and establishes shared priorities across government, industry and educational institutions to support a strong, vibrant and diversified economy.
- Why does this matter? With the challenging economic conditions in 2019 and 2020, including the impact of the COVID-19 pandemic, focusing on the foundations of a strong and vibrant local economy are even more important. COVID-19 has accelerated the dramatic changes in the global economy that were already under way.
- Attachment 2 is a detailed update from Calgary Economic Development Ltd., on behalf of the community, on the activities and results within each of the four areas of focus: Talent, Innovation, Place and Business Environment.
- With the Strategy's focus on digital transformation of key industrial sectors, the Strategy continues to be the right approach for Calgary in fast-changing times. Greater concern about human health and safety, and an increased focus on supply chains for all essential products have the potential to fundamentally change the local and global economy.
- Collaboration and leveraging resources across the community towards shared economic development goals remains critical.
- On 2019 May 14 Council received PFC2019-0604 Economic Strategy Update for information.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Implementation of *Calgary in the New Economy: An economic strategy for Calgary* (the Strategy) is a coordinated community effort that brings together Calgary's community and business leaders, entrepreneurs, innovators and partners including The City and its Civic Partners to collectively establish and build on Calgary's core strengths and shared priorities. Calgary Economic Development Ltd., a City of Calgary wholly owned subsidiary and Civic Partner, stewards the Strategy towards the following goal: *Calgary is the city of choice in Canada for the world's best entrepreneurs. We embrace innovation and create solutions to meet the world's needs in food, health, energy and transportation.*

The Strategy is organized into four areas of focus: Talent, Innovation, Place, and Business Environment. Full details about the Strategy's performance measures, activities and results for each of the four areas of focus since the last report to the Priorities and Finance Committee are included in Attachment 2.

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Economic development succeeds through collaboration. The Strategy is the product of collaboration between dozens of stakeholders from the private sector, government, education, and community organizations. It sets an overall direction for various Civic Partners to align their work and was unanimously approved by City Council in 2018. The Calgarians who led the creation of the Strategy are its leading ambassadors, championing its implementation within their organizations and sectors. They recognise the Strategy as the North Star in a community-wide approach to building economic resilience and future prosperity.

While the economic conditions have continued to shift since the last update in May 2019, particularly with the significant impact of the COVID-19 pandemic in 2020, the fundamental approach of the Strategy remains consistent. The COVID-19 pandemic has reinforced the importance of The City, Calgary Economic Development, the business sector, and community organizations working together towards shared goals.

While the macro-economic indicators were largely unchanged in 2019, momentum began to take hold in most of the Strategy's areas of focus as detailed in Attachment 2. Activities in these areas are focused on the following industries: energy, agribusiness, transportation and logistics, tourism, creative industries, life sciences, and financial services.

Examples of notable achievements since the last update include:

Talent: SAIT's announcement of a \$30 million private sector donation to build the School of Advanced Digital Technology is a significant advancement towards the goals under Talent and the Strategy's vision.

Innovation: The National Angel Capital Organization's selection of Calgary as their western office is a clear signal of the growth and opportunity being generated by our innovation ecosystem.

Place: The City of Calgary's commitment to the BMO Convention Centre Expansion project, new Events Centre, and funding strategy for the Arts Commons Transformation project will change the shape and perception of Calgary's downtown. Collectively, these projects will generate \$1.3 billion in investment, 4,500 construction jobs and 1,536 permanent operations jobs.

Business Environment: A Business and Local Economy (BLE) team was established within City Manager's Office to advance the work of the Business Environment Pillar, including aligning cross-corporate efforts to be more consistent and streamlined when interacting with and supporting businesses.

Role of The City

Initiatives and programs across The City contribute to implementation of the Strategy. Since 2018, The City of Calgary has chaired the Business Environment area of focus with a vision of making Calgary Canada's most business-friendly city. The following are some of the key work in 2019 and early 2020 that is further detailed in Attachment 2:

- Continued implementation of the Downtown Strategy for Calgary focused on downtown the place, working downtown, living downtown, and connecting downtown. Work to reshape the 2007 Centre City Plan and reposition it as Calgary's Greater Downtown Plan.
- Supported and engaged with Civic Partners and Business Improvement Areas to contribute to economic development and engage in Strategy-related planning and initiatives.

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- Continued implementation of the Living Lab initiative in collaboration with Calgary Economic Development to formalize, simplify and market the process to open up civic infrastructure, assets (physical and digital), public spaces, transportation corridors and data to companies and academia, while providing business development and support to companies.
- Launched a Business Sector Support Task Force to respond to business needs during COVID-19.

Following previous direction from Council, the next update to the Priorities and Finance Committee will be by 2021 May.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

This report was developed in partnership with Calgary Economic Development. The data included in Attachment 2 was gathered by Calgary Economic Development through engagement and consultation with the broad network of business leaders, community leaders, entrepreneurs, innovators, and members of Administration that collaboratively implement the Strategy.

IMPLICATIONS

Social

The Strategy is a key mechanism for delivering on Council Directives for *One Calgary 2019-2022*, in particular those related to a Prosperous City. This work guides the Economic Development and Tourism Line of Service in One Calgary.

City strategies including the *Enough for All* poverty reduction strategy, *Resilient Calgary* Strategy, and Calgary Downtown Strategy align with the economic strategy. In 2019, Calgary Economic Development participated in the refresh process for the *Enough for All* poverty reduction strategy to support alignment of the two strategies.

In terms of supporting the social health of Calgary, one of the core values of the Strategy is inclusivity, including a vision where Calgary is safe and diverse, is a community that values individual contributions, and has a shared sense of ownership in decision-making and implementing initiatives. Inclusivity and diversity of different populations is built into several the areas of focus, most notably Talent and Place.

Environmental

Implementation of the Strategy aligns with the *Resilient Calgary* strategy and supports a focus on the future of Calgary's economy, an inclusive future, the future of Calgary's natural infrastructure, and developing future-ready infrastructure.

Economic

This report outlines activities since 2019 May to implement *Calgary in the new Economy: An economic strategy for Calgary*. The Strategy supports a collaborative approach to economic

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development in Calgary where stakeholders across the community and The City work together towards shared goals.

As the impact of COVID-19 on the global economy continues to shift the environment, the Strategy's focus on digital transformation across Calgary's key industrial sectors continues to be well positioned to guide Calgary's economic development.

Service and Financial Implications

Calgary Economic Development stewards the implementation *Calgary in the New Economy: an economic strategy for Calgary* that guides the services and investments in One Calgary's Economic Development and Tourism Line of Service. Through implementation of the Strategy, the line of service supports a diversified and resilient economy including a vibrant city centre, encourages employment and growth, helps build Calgary's global reputation, encourages business investment, and supports entrepreneurship and investment.

Investments by the Opportunity Calgary Investment Fund Ltd., a City of Calgary wholly owned subsidiary align with *Calgary in the New Economy* and the line of service by focusing on anchor company and ecosystem investments.

Existing operating funding - base

\$9,878,000

In 2019, \$9.878 million in operating funding was approved for Calgary Economic Development in the One Calgary under the Economic Development and Tourism Line of Service.

RISK

Calgary Economic Development Ltd., a City of Calgary wholly owned subsidiary and Civic Partner, stewards the Strategy. As steward, it is responsible for implementation, and identifying and mitigating risks related to this work, including assessing the capacity of partners to deliver on actions identified in the Strategy. In the past years, interest in economic development has accelerated, resulting in a number of new stakeholder groups forming. Calgary Economic Development continues to work to support close collaboration and a unified voice and approach to economic development work with all stakeholders.

In terms of managing overall risk, Calgary Economic Development has an Enterprise Risk Matrix that identifies risk facing its operations and mitigation strategies. Implementation of the Strategy is included on Calgary Economic Development's corporate balanced scorecard that is monitored by its board of directors.

The City's exposure to risk related to Calgary Economic Development as a City of Calgary Civic Partner is also identified, tracked, and mitigated through existing controls under The City of Calgary's Principal Corporate Risk program (Partnership Risk) and the Service Risk Register for the Economic Development and Tourism Line of Service. Mitigation includes Calgary Economic Development's participation in the accountability framework for Civic Partners that includes an annual financial review and inclusion in the Civic Partner Audit Report and reporting to the Standing Policy Committee on Community and Protective Services as part of the Civic Partner Annual Report.

**Community Services Report to
Priorities and Finance Committee
2020 September 8**

**ISC: UNRESTRICTED
PFC2020-0969
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ATTACHMENTS

1. Previous Council Direction, Background
2. Calgary in the New Economy: Progress Report

Department Circulation

General Manager	Department	Approve/Consult/Inform
Katie Black	Community Services	Approve
Heather Domzal on behalf of City Manager	City Manager's Office	Consult