

COMMUNITY ECONOMIC RESILIENCY FUND INNOVATION FUNDING– DEFERRAL REQUEST

EXECUTIVE SUMMARY

This report requests a deferral to no later than Q1 2017 to provide additional time for Administration to work with Calgary Economic Development Ltd., Innovate Calgary, and other key innovation stakeholders to bring forward an innovation framework for Calgary that will identify how to strategically invest \$325,000 in Community Economic Resiliency Funding.

ADMINISTRATION RECOMMENDATION

That the Priorities and Finance Committee recommend to Council to defer the report on the allocation of \$325 thousand in Community Economic Resiliency Funding to support innovation in Calgary to no later than Q1 2017.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2016 NOVEMBER 15:

That Council approve the Administration Recommendation contained in Report PFC2016-0906.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 13, Council approved that the Committee recommendations contained in PFC2016-0476 be adopted as follows: That the Priorities and Finance Committee recommend to Council to defer the report on the development of an innovation framework for Calgary to no later than the 2016 October Priorities and Finance Committee.

On 2016 February 22, Council adopted that Administration recommendations contained in C2016-0176 be adopted, as follows: That Council: 1. Receive this report for information; and 2. Direct Calgary Economic Development to report back with Innovate Calgary and Administration to the Priorities and Finance Committee with a plan to develop an Innovation Framework for Calgary for approval no later than 2016 May prior to release of \$325 thousand of the \$7 million referenced in recommendation 1 of PFC2016-0081.

On 2016, February 2, The Priorities and Finance Committee approved as amended that Administration recommendation 4 contained in PFC2016-0081 be approved, as amended, as follows: That the Priorities and Finance Committee recommend that Council: 4. Direct Administration to provide a supplementary report to the 2016 February 22 Meeting of Council containing more information as requested at today's meeting, with respect to Recommendations 1 and 2.

On 2015 December 18, Council adopted that the Priorities and Finance Committee recommendations contained in PFC2015-0959, be adopted, as follows: 1. File the Resolution contained in Report PFC2015-0959; 2. Retain the \$14.4 million in the Community Economic Resiliency Fund; and 2. Direct Administration to work with Calgary Economic Development, Calgary Housing and the Calgary Chamber of Commerce to determine options for the best use of these and other funds, and return to the Priorities and Finance Committee no later than 2016 February 02.

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BACKGROUND

In 2016 February, Council allocated \$6.675 million in Community Economic Resiliency Funds for Calgary Economic Development Ltd. (CED) to accelerate implementation of the 10 Year Economic Strategy for Calgary. In consideration of CED's request for an additional \$325 thousand for innovation-related work, Council requested that Administration work with CED to provide additional information. Following a deferral request in 2016 June, Council gave CED until 2016 October to report back with this information. As a result of the cancellation of 2016 October 11 PFC, the report was delayed until the 2016 November 15 meeting.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since 2016 May, Administration and key stakeholders including CED and Innovate Calgary have been collaboratively mapping innovation work in Calgary, identifying emerging needs, and working to align their efforts and resources. As a result of this work, a Calgary Innovation Coalition (CIC) has been established to build a collaborative framework for innovation in Calgary, and coordinate efforts and resources, including requests for funding. The CIC includes CED, Innovation Calgary, and over thirteen stakeholders from the innovation community.

CIC is currently working to develop a comprehensive innovation ecosystem framework based on the book and associated guidebook: "The Rainforest: The Secret to Building the Next Silicon Valley". To support this work, innovation leaders brought the "Rainforest" book author to Banff in 2016 September for a multi-day workshop with over 60 members of Alberta's innovation ecosystem.

It is anticipated the framework will identify a collaborative governance model to lead innovation work in Calgary. The framework will focus on enhancing Calgary's existing infrastructure and systems to build awareness about entrepreneurship opportunities, expand capacity of programs and services, optimize delivery to an expanded client base, and identify synergies and opportunities to coordinate the delivery of programs and services to Calgary's entrepreneurs and innovators by multiple organizations. The framework will also identify and leverage various sources of funding including the provincial government's Alberta Innovate's Accelerator Expansion program.

Providing additional time for the completion of the innovation framework will help ensure the recommendation to PFC identifies the most strategic use of Community Economic Resiliency Funds, and considers how different sources of funds can be leveraged.

Stakeholder Engagement, Research and Communication

Since the initial proposal to PFC, Administration, including Analytics Calgary, has worked with CED, Innovate Calgary and other key innovation ecosystem stakeholders to understand and map the needs in Calgary's innovation ecosystem. Under the newly formed Calgary Innovation Coalition, key stakeholders are working to align their efforts and resources to develop and deliver innovation framework for Calgary.

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Strategic Alignment

The development of an innovation framework for Calgary supports and enhances Action Plan and the 10-Year Economic Strategy for Calgary. Innovative energy is a key focus of the Economic Strategy, and the development of a coordinated approach will enhance and expand work in this critical area.

Social, Environmental, Economic (External)

For Action Plan 2015-2018, Council has identified two strategic actions linked to the Economic Strategy under the Prosperous City Council Priority for 2015-2018:

- P1: Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
- P2: Advance purpose, economic diversification and growth.

Financial Capacity

Current and Future Operating Budget:

A request to carry forward the remaining funds will be made in the Mid-Cycle adjustment report.

Current and Future Capital Budget:

There are no impacts regarding this request to defer.

Risk Assessment

Additional time for the development of the innovation framework will bring forward the most strategic recommendations to leverage other potential funding opportunities including those with the provincial and federal governments.

REASON FOR RECOMMENDATION:

This report requests a deferral to no later than Q1 2017 to enable Administration to continue working with Calgary Economic Development Ltd., Innovate Calgary, and other key stakeholders to bring forward an innovation framework for Calgary that identifies the most strategic use of \$325 thousand in Community Economic Resiliency funding.

ATTACHMENTS

None