

Community Services Report to
Priorities and Finance Committee
2021 May 18

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Calgary Economic Development - Economic Strategy Update

RECOMMENDATION:

That the Priorities and Finance Committee receive this report for the Corporate Record.

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 2020 September.
- **What does this mean to Calgarians?** The Strategy, approved by Council and stewarded by Calgary Economic Development Ltd., is a roadmap that guides collaborative community economic development activities and establishes shared priorities across government, industry, community and educational institutions to support a strong, vibrant and diversified economy.
- **Why does this matter?** Given the challenging economic conditions in 2020 and significant impact of COVID-19, having shared goals, leveraging resources, and undertaking collective action to strengthen the foundations of a strong and vibrant local economy is critical. With its focus on innovation and technology, attraction of new companies focused in these areas, and the support for the rapid adoption of digital technologies during COVID, *Calgary in the New Economy* is proving to be the right strategy for Calgary's recovery.
- Attachment 2 provides a detailed update on Strategy implementation from Calgary Economic Development Ltd., on behalf of the community. It presents information about the activities and results within each of the Strategy's four pillars: Talent, Innovation, Place and Business Environment.
- The foundations of the current Strategy continue to be the right approach to a quickly evolving environment. In 2021 Calgary Economic Development is undertaking a minor refinement of the Strategy to pressure test the Strategy against current and future global trends to ensure long term shared prosperity and resilience, and better monitor and measure progress towards achieving outcomes under each pillar and the vision of the Strategy. The Strategy continues to guide The City's work including alignment with plans and strategies including Calgary's Greater Downtown Plan approved 2021 April 26 (PUD2021-0220).
- On 2020 September 8 Council received PFC2020-0969 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

Calgary Economic Development Ltd., a City of Calgary wholly owned subsidiary and Civic Partner, stewards implementation of the Council approved *Calgary in the New Economy: An economic strategy for Calgary* (the Strategy). The Strategy is delivered through a coordinated community effort that brings together community and business leaders, educators, government, entrepreneurs, innovators and partners to collectively establish and build on Calgary's core strengths and shared priorities. Together, stakeholders work collectively towards the Strategy's

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vision that *Calgary is the city of choice in Canada for the world's best entrepreneurs who are embracing advanced technology to solve the world's greatest challenges: cleaner energy, safe and secure food, efficient movement of goods and people, and better health solutions.* The Calgarians who led the creation of the Strategy are its leading ambassadors, championing its implementation within their organizations and sectors, and the broader community.

The Strategy is organized into four pillars: Talent, Innovation, Place, and Business Environment. It focuses on seven key sectors: energy, agribusiness, transportation and logistics, tourism, creative industries, life sciences and financial services. Governance of each pillar is structured to align with the work on that particular pillar, and includes community leaders and diverse stakeholders. Calgary Economic Development leads the Talent and Innovation pillars, and has representatives on the Business Environment and Place pillars. The City of Calgary leads the Business Environment pillar with key support provided for internal collaboration and coordination through the Business and Local Economy team. The Innovation pillar is co-chaired by Platform Calgary, a Civic Partner, and Calgary Economic Development. As the steward, Calgary Economic Development leads the collective actions, supports the overall resilience and relevance of the Strategy, and annually provides a progress update to the Priorities and Finance Committee.

A detailed progress update from Calgary Economic Development including performance measures, activities and results for each of the four pillars is included in Attachment 2 and results are presented in an updated format. Due to the impact of COVID-19, the last progress report was presented to the Priorities and Finance Committee in 2020 September. To avoid duplication of information, key activities reported for each area of focus are reported for the period from 2020 September to 2021 March. For data consistency over time, key performance measures are reported for the full year of 2020.

During 2020, economic conditions in Calgary continued to shift, however, the fundamental approach of the Strategy remained consistent. With changing economic conditions, 2021 is the right time to pressure test the Strategy against current and future global trends and ensure the Strategy is resilient and meets the needs of the community. This work will also identify stronger interconnections between each of the pillars.

A snapshot of key highlights from each pillar in 2020 that are further detailed and expanded in Attachment 2 include:

Talent: Programs supported Calgarians to transition to new careers, and connect with each other and local organizations; SAIT launched a new Digital Transformation Talent Hub downtown; Calgary Economic Development ran a globally recognized and award winning Live Life. Love Tech. campaign with objective to changing perceptions and attracting talent; and AltaML announced a new applied AI/ML lab that will provide experiential learning opportunities through internships.

Innovation: In 2020, Calgary experienced a record venture capital deal volume and the largest investment funding rounds in Alberta's history took place (Series A and Series B funding); Calgary saw its fourth start up company valued at \$1 billion in two years - a "unicorn" company (Benevity); and a new study estimated Calgary's investment on technology and services that will enable a digital transformation of business practices, products and services will be \$7.5 billion by 2022. At the end of 2020, Calgary Economic Development transitioned the successful Startup Calgary program to Platform Calgary to better serve entrepreneurs.

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Place: Council approved the Greater Downtown Plan to update the current City Centre Plan on April 26 2021 (PUD2021-0220); Council approved the Green Line LRT project; and major capital projects reached key milestones including the Arts Commons Transformation Project, Glenbow Museum renovation, BMO Expansion, and Events Centre.

Business Environment: COVID-19 relief measures for businesses included waived fees, tax relief, temporary patios; planning was underway for a Digital Playground in the downtown to test and pilot new technology through an expedited process and position Calgary as a national leader in 5G; there was an increased use of The City's online permitting services; and The City established a Business Sector Task Force and Economic Resilience Task Force.

For full details and results, please refer to Attachment 2.

Following previous direction from Council, the next update to the Priorities and Finance Committee will be by 2022 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

The detailed progress update included in Attachment 2 was gathered by Calgary Economic Development through stakeholder engagement and consultation with its broad network of business leaders, community leaders and organizations, entrepreneurs, innovators, and members of Administration that collaboratively implement the Strategy. The outcomes and indicators in Attachment 2 were developed collaboratively by Calgary Economic Development and key stakeholders within each pillar.

IMPLICATIONS

Social

In terms of supporting the social well being of Calgary and Calgarians, one of the core values of the Strategy is inclusion, with inclusivity and diversity of different populations built into several pillars, most notably Talent and Place. Related outcomes in the Strategy include that Calgary is safe, welcoming and diverse; is a community that values individual contributions and provides the opportunity to make a meaningful life and has a shared sense of ownership in decision-making and implementing initiatives.

Environmental

Implementation of the Strategy, in particular the work under the Place pillar, aligns with the *Resilient Calgary* strategy that focuses on the future of Calgary's natural infrastructure, and developing future-ready infrastructure. The Place pillar speaks to building a resilient city, and aligns with the 2020 Municipal Development Plan and Transportation Plan.

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Economic

The Strategy guides Calgary Economic Development, The City, community, and other stakeholder's economic development efforts. The governance and implementation model supports a collaborative approach to economic development in Calgary where stakeholders 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

Existing operating funding - base

\$10,078,000

In 2020, \$10,078,000 million in operating funding was approved for Calgary Economic Development in the One Calgary budget under the Economic Development and Tourism line of service. Calgary Economic Development stewards the Strategy that guides the services and investments across the 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.

RISK

As steward of the Strategy, Calgary Economic Development Ltd. is responsible for identifying and mitigating risks related to implementation of the Strategy, including assessing the capacity of partners to deliver on actions.

To manage risk, Calgary Economic Development has an Enterprise Risk Matrix in place and implementation of the Strategy is included on Calgary Economic Development's corporate balanced scorecard that is monitored by its board of directors.

ATTACHMENTS

1. Background
2. Calgary in the New Economy: Progress Report

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Sonya Sharp	Business & Local Economy	Consult