

Overview of Economic Resilience Task Force Recommendations

Economic Resilience Task Force Recommendations for medium-term recovery

As outlined in The City's resilience strategy, a city's economic resilience improves when all are encouraged and able to participate in a diverse and robust economy. It enhances the community's ability to attract business, talent and investment. Calgary can capitalize on its high quality of life, available commercial real estate and educated workforce to bounce back from stresses and shocks. The goal is to strengthen a community engaged with local businesses, government, and partners cooperating and exploring opportunities together.

The Economic Resilience Task Force (ERTF) focused on this view of economic resilience. They recommended four programs to support Calgary's medium-term economic recovery from the impacts of the COVID-19 pandemic and other economic shocks. The programs target attracting investments and creating jobs in Calgary. The programs are:

1. **Green investments and financing**
2. **Innovation through public procurement**
3. **Better value for City assets**
4. **Youth and community spirit**

Program Description – Recommended programs partially or fully funded during 2020 Mid Cycle Adjustment

For the **green investments and financing program**, ERTF proposals target buildings. Buildings are the source of about 60 per cent of Calgary's greenhouse gas emissions (half commercial and half residential). Most buildings, given their age, are built to a lower performance standard than new construction. Retrofitting the existing building stock in Calgary will be an important step in achieving greenhouse gas (GHG) reductions in line with the long-term targets in Calgary's Climate Resilience Strategy. It will also allow for local job creation by the building and related sectors, for example, builders, plumbers, and electricians.

One of the barriers to retrofitting buildings is the cost of doing upgrades. Specifically, there is a mismatch between the upfront capital required and the payment of benefits resulting from lower energy costs, typically seen as energy bill reductions. In 2020, Council approved a Mid Cycle Adjustment budget request for one-time funding of about \$480,000 annually for 2021 and 2022. The Climate team is exploring complementary funding from other sources.

For the **innovation through public procurement** program, the ERTF proposes achieving economic resilience by utilizing different approaches to procurement. Many of the innovation through procurement proposals discussed by the Task Force are similar to the work underway on Benefit Driven Procurement (Social Procurement), P3s, Contracting Out, and Market Led Proposals. However, new ideas have emerged, namely: (a) Challenge or Problem-based procurement; (b) "first try and first buy program" procurement; and (3) the domestication of supply chains. The rationale is that these would create jobs, drive innovation, and protect supply chains. They would also support economic development, diversify the economy, and support small and medium-sized enterprises to bring their ideas to market.

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Implementing the new ideas can benefit Calgarians, the local business community and The City. It provides The City with solutions to its challenges. At the same time, it supports the scale-up of local businesses through first customer validation and creating jobs using revenues from their services. It means getting additional benefits from the investment of dollars beyond that of the product or service. It increases the return on the City's investments to the broader community. It's about building capacity and reducing barriers through innovative processes being more open to all to do business with The City.

In 2020, Council approved a Mid Cycle Adjustment budget request for base funding of about \$174,000 and one-time funding of about \$187,000 annually for 2021 and 2022.

Program Description – Other Recommended Programs

Work on the first pair of programs started in earnest in 2021. The City has just begun work on the latter two programs.

The goal of the **better value for City assets** program is to start with a portfolio assessment of the extent to which the physical capital infrastructure the City owns is underperforming with respect to the return on investment. Physical capital includes assets like land, buildings, and roads. Subsequently, work would commence unlocking "idle" capital to deliver improved or additional benefits or creating capacity for existing capital to generate better returns.

The aim of the **youth and community spirit** program is to address gaps in youth employment, youth engagement, and youth in the economy. It is essential because it facilitates cooperation and innovation. It would also identify measures that The City can undertake, in partnership with others, to achieve a higher level of community spirit in Calgary.

Next Steps

The Executive Leadership has directed program leads to provide annual progress updates on these programs for the benefit of Council.