

Economic Development Update

RECOMMENDATION(S):

That the Executive Committee recommend that Council direct Administration to:

1. Assess and action opportunities that can be implemented using existing resources to ensure alignment with the goals of the community economic development strategy, Calgary in the New Economy, as stewarded by Calgary Economic Development, and that these efforts be coordinated through the Business & Local Economy team with support from the Business & Local Economy Network. This includes investigating the development of a process or processes by which The City can intake and assess opportunities meant to help businesses further advance or develop their product, service or technology;
2. Identify potential resourcing requirements for areas where we can improve our alignment with Calgary in the New Economy; and
3. Report back to Council through the Executive Committee no later than Q3 2023 on those areas where further improvement is taking place and where further resourcing is required.

HIGHLIGHTS

- What does this mean to Calgarians? Improving internal coordination to advance economic development will create structure and opportunities to effectively respond to the needs of Calgary's business community and partners to foster an environment that attracts and retains businesses and talent.
- Why does it matter? Collaboration with partners and the business community to advance Calgary's economic strategy can help improve business outcomes and sustain and grow economic investment in Calgary.
- There are opportunities to improve how The City communicates targeted supports available to incentivize economic development in including financial incentives, business experience improvements and other supports.
- Administration is re-launching the internal Business and Local Economy Network to improve internal communication and coordination efforts to enable the City to be more agile and effective in supporting implementation of the economic strategy and responding to business community needs. The BLE Network is made up of The City of Calgary staff who work in areas that impact businesses and business processes.
- Council directed Business and Local Economy to ensure that existing processes for encouraging economic investment in Calgary, including the work of the Financial Task Force, are coordinated and communicated in a manner that is fair, open and transparent, and to report back to Council through Executive Committee no later than 2022 December 31.
- Background and Previous Council Direction is included in Attachment 1.

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DISCUSSION

In 2018, Council unanimously approved the economic strategy *Calgary in the New Economy*, stewarded by Calgary Economic Development (CED), and approved a strategy update in 2022 May (Attachment 2). The strategy is built on five key drivers to support a future-proof, sustainable economy for Calgary. The goal of the Business Environment driver is to be a top location for business. Since then, strides have been made to make it easier to start and sustain a business in Calgary.

Also in 2018, Council directed Administration to convene the Financial Task Force to support Calgary's economic recovery and financial resilience. Through this work, multiple opportunities to make Calgary more competitive, livable, and attractive were identified and implemented. That same year, the Business Advisory Committee of Council was established to advance the relationship between the Calgary business community and The City of Calgary.

The Business and Local Economy team (BLE) was created in 2019 to help coordinate, design, and support various cross-corporate processes to encourage economic investment and improve Calgary's business environment to align with the goals of *Calgary in the New Economy*. BLE works with external partners such as CED and acts as a one window service for identifying continuous improvements to make The City's business-related processes simple and efficient.

Upon receiving direction from Council EC2022-0383, BLE worked with the Financial Task Force team to review available internal tools and options for encouraging economic investment in Calgary and to better understand current cross-corporate coordination and communication. From this review, we have grouped existing tools and options into three broad categories – Financial Incentives, Business Experience Improvements and Other Supports.

Financial Incentives aim to provide financial assistance to businesses by waiving fees, providing tax relief, or issuing grants. Currently, The City of Calgary offers:

- Downtown Calgary Development Incentive program;
- Development Permit exemption for certain building improvements in select areas (City Centre Enterprise and Main Street Exemption Areas);
- Financial support through Opportunity Calgary Investment Fund (administered and governed by a wholly owned subsidiary); and
- Targeted Fee Relief including Business License fee (until 2023), Seasonal Patio Fees (waived in 2021-2022), and elimination of fees associated with participating in City's procurement.

In addition, The City of Calgary may offer property tax incentives under MGA s. 364.2 (previously known as Bill 7) to encourage development or revitalization of non-residential properties. The City has not utilized this incentive to date. Further Council direction will be required to offer this incentive.

The second category, **Business Experience Improvements**, supports business owners in navigating municipal processes and offers various tailored services, including:

- Business Experience Representative program;
- Film Friendly program;
- Pre-application enquiries for development permits;
- Development Approval Review Team (DART);

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- One window support for Calgary's 15 Business Improvement Areas (BIA); and
- The Business Web Hub at calgary.ca/business.

Lastly, **Other Supports** includes:

- Supply Management Initiatives, including Innovation Through Procurement;
- 5G Digital Playground is an opportunity for researchers and private companies to build and test capabilities of a 5G network within designated locations in Calgary;
- Living Labs program offers The City's physical and digital assets (where possible) for companies and researchers to test and try ideas and products in a real-life environment;
- Open Data program makes data from various business units available for public and business use;
- Digital Services Squad helps small local businesses adopt new technologies and embrace digital marketing through one-on-one assistance at no cost to businesses;
- Various advocacy campaigns (i.e. Support Local YYC, Open Sooner); and
- Vendors In Parks Pop-Up program.

Detailed descriptions of these initiatives are included in Attachment 3.

The coordination and communication of existing tools and options in all three categories can be summarized as follows:

Business Feedback Channels – External Communication

- The Business Perspectives Panel was designed and implemented as part of the Financial Task Force work. This research provides valuable feedback on the business environment and business needs as well as perception of City of Calgary's business-friendliness and feedback on recent initiatives.
- The Business Web Hub calgary.ca/business is one of the most popular ways businesses and prospective business owners engage with The City. They can even engage in live chat available for the Planning Services Centre. BLE continues to ensure the information provided is relevant, clear, and easy to find.
- The Business Advisory Committee has worked to establish a more collaborative relationship between the business community and The City of Calgary. The committee consults with a Working Group and Task Force (each consisting of representatives from a variety of business sectors) and provides advice to Administration that has led to improvements in how The City meets and responds to the needs of the business community. Feedback is summarized in What We Heard Reports and BLE coordinates Administration's response to that feedback.
- Industrial Strategy Working Group consists of internal and external subject matter experts, who meet regularly, to discuss actions to implement the Industrial Strategy.
- BLE works with external partners such as CED and the Chamber of Commerce to provide information on business initiatives and receive feedback from the business community.

In general, the feedback from the business community highlights potential opportunities such as providing customer-centric training for teams working with businesses. Businesses have also expressed a desire for more opportunities for meaningful engagement. Despite all the programs

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and services that we offer, there is no consistent, transparent process for businesses to approach The City with innovative ideas for collaboration.

Internal Coordination Efforts

Most of the listed tools or options exist as separate programs, and there is an opportunity to improve their overall coordination within The City. Recently, BLE restarted the Business and Local Economy Network – a cross-corporate group of internal subject matter experts working with businesses and/or leading economic development initiatives. The network aims to build a shared understanding of all available initiatives and processes, look for synergies and possible improvements, enable the corporation to build internal knowledge, minimize redundancy, and develop agile solutions for business needs. The current BLE Network membership list is provided in Attachment 4.

BLE has been providing coordination of cross-corporate efforts including COVID-19 related grant programs, seasonal patio permits and film friendly efforts, and has worked closely with the BIA team in the Major Partners division to develop and implement programs.

BLE also provides a one window service for CED business development-related inquiries. CED engages directly with BLE, and the team then coordinates a response with other business units. CED works to attract businesses to Calgary and retain and grow current businesses, while The City strives to make processes to establish and sustain business in Calgary simple and efficient. The City can support CED and its outcomes by ensuring awareness of the tools we offer to help communicate and attract investment of business to Calgary.

The City needs to continue to ensure that our processes align and support the goals of Calgary's economic strategy and is responsive to feedback from the business community.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social

A prosperous city has a significant positive impact on society's wellbeing. Responding to business needs and creating a healthy business environment through various tools activates vibrant neighbourhoods and supports job creation. A healthy business environment and the ability to attract new and sustain existing businesses also enhance Calgarians' quality of life.

Environmental

Not applicable

Economic

The City works collaboratively with business and community partners, including Civic Partners, to implement Calgary in the New Economy: An economic strategy for Calgary. Continuing to evolve and grow The City's support and programs for the local business community helps build

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Calgary's economic resilience. Providing incentives for economic development allows businesses to thrive and prosper and attracts new investment and talent, both of which are critical to our city's economic growth.

Service and Financial Implications

No anticipated financial impact

RISK

Conflicting priorities and resourcing constraints may affect The City's ability to respond effectively to the business community's feedback and needs. Our ability to be responsive to these needs in a timely manner is essential to establishing a favourable perception of our business environment. To reduce any duplication of effort, Administration collaborates closely with key Civic Partners including CED, and uses a one window approach to work with BIAs.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. Calgary in The New Economy 2022
3. Detailed Description of Processes for Encouraging Economic Investments
4. Current BLE Network Membership
5. Incentives provided by other jurisdictions
6. Economic Development Update presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	People, Innovation & Collaboration Services	Approve
Bruce Cullen	Collaboration, Analytics & Innovation	Approve
Carla Male	Corporate Planning & Financial Services	Inform
Stuart Dalgleish	Planning and Development Services	Inform
Doug Morgan	Operational Services	Inform
Katie Black	Community Services	Inform
Edwin Lee	Assessment & Tax	Inform
Les Tochor	Finance	Inform