

UPDATE TO THE 10-YEAR ECONOMIC DEVELOPMENT STRATEGY FOR CALGARY

EXECUTIVE SUMMARY

Calgary Economic Development Ltd. (CED) with support of Administration has completed the stakeholder consultation and research necessary to prepare a DRAFT of the refreshed 2008 *10-year Economic Development Strategy for Calgary* (Strategy). CED is seeking Council approval to proceed with the strategic direction outlined within the DRAFT Economic Development Strategy Refresh: Objectives, Strategies and Actions contained in the Attachment. As was the case with the original Strategy, the expected outcome of the refreshed city-wide economic development strategy is to guide The City of Calgary, civic partners, non-profit organizations and the private sector in:

- maintaining economic competitiveness;
- ensuring sustainable growth
- maximizing job creation; and
- attracting and retaining the best and brightest talent.

A key learning from the assessment of the original Strategy is that strong leadership, consistent collaboration, frequent measurement and reporting are critical success factors moving forward. This approach will make certain that the Strategy refresh and implementation efforts include stakeholder engagement, shared objectives, responsiveness to a rapidly growing city while seeking effectiveness and efficiencies through collaborations and partnerships.

Following Council endorsement of the strategic direction for the Strategy refresh, the Project Advisory Committee will hold an Economic Summit with 100-150 stakeholders on 2014 May 15 to review and seek further feedback on the strategies, resources, metrics, governance and reporting. Once the strategy is finalized it will be brought forward to Council through the Priorities and Finance Committee for approval.

ADMINISTRATION RECOMMENDATION

That the Priorities and Finance Committee recommends that Council direct Calgary Economic Development Ltd. to report back to Council through the Priorities and Finance Committee with the refreshed *10-year Calgary Economic Development Strategy* and implementation plan no later than 2014 July.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2014 APRIL 01:

That the Priorities and Finance Committee recommends that Council direct Calgary Economic Development Ltd. to report back to Council through the Priorities and Finance Committee with the refreshed 10-year Calgary Economic Development Strategy **along with an** implementation plan **that includes funding options and outcome measures**, no later than 2014 July.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2008 January 21, Council endorsed the Calgary Economic Development Strategy as a community wide initiative (CPS2008-01). Council directed the Office of Economic Development and Policy Coordination (Office of the Mayor) to work with Calgary Economic Development on a

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detailed funding and implementation plan and report back through the SPC on Community Services & Protective Services no later than 2008.

On 2008 July 28, Council approved the Calgary Economic Development Strategy Implementation Plan (CPS2008-54), and directed the Office of Economic Development and Policy Coordination to begin work on implementation of the Calgary Economic Development Strategy Implementation Plan, working with Administration, promotional and civic partners, and external parties.

On 2012 October 16, the Priorities and Finance Committee directed Administration through the Calgary Economic Development Funded Projects Progress Report (PFC2012-0693), to work with Calgary Economic Development to bring an update on the performance measures of the 2008 Calgary Economic Development Strategy to the Priorities and Finance committee no later than 2012 December.

On 2012 December 18, Priorities and Finance Committee approved Calgary Economic Development Strategy Update (PFC2012-084) and directed Administration to continue collaborative work on a refresh of the Calgary Economic Development Strategy over the course of 2013. Calgary Economic Development was encouraged to consider assessing a broader range of economic, social and community issues and refine the existing measurement and reporting structure; and report back to the Priorities and Finance Committee by 2013 December.

On 2014 January 13, Council approved (PFC2013-0813) after amendment, receiving the report for information, file administration recommendation 2 and directing Calgary Economic Development to return to the Priorities and Finance Committee in 2014 March with a development strategy work plan.

BACKGROUND

In 2008, The City of Calgary created a *10-year Economic Development Strategy for Calgary* ("Strategy") focused on supporting economic development with participation and responsibilities shared across many organizations. Council approved the Strategy, which outlines objectives, strategies and activities under three goals or areas of focus: People and Community; Business and Enterprise; and International Reach.

To carry out a comprehensive refresh of the Strategy, CED conducted progress analysis of the original version of the Strategy. In the original Strategy there were three areas of focus, nine strategies, and 61 associated actions. Recent analysis revealed that of the original 61 actions from the 2008 Strategy:

- 10 actions were not initiated;
- 14 actions were initiated and stalled/stopped;
- 37 actions were started with some progress; and
- 5 actions were completed.

The mixed results are due to several factors including:

- many actions were bold, aspirational and costly;
- several actions could not be measured;

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- stakeholder buy-in was limited;
- a mechanism was not in place for monitoring progress and implementation;
- changing leadership; and
- changing economic environment.

In addition to this assessment, several CEO roundtables were held with Calgary's business leaders in 2012. These roundtables revealed six key themes:

- Calgary had made some progress in establishing a stronger presence globally through the energy and finance sectors;
- diversification needs to be purposeful;
- small businesses need more support including with red-tape;
- social issues, such as shared prosperity, were becoming more prevalent and should be part of an economic strategy;
- emphasis needs to be placed on building or cultural and recreational quality of life assets to attract the best and brightest; and
- telling Calgary's story and having a strong brand is critical to continue building Calgary's reputation and attract investment, business and people.

Based on key findings from the CEO roundtable session, feedback from City Council and the original Strategy assessment, it was clear the Strategy needed to be refreshed to ensure Calgary is as successful as it can be over the remaining five years of the Strategy.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

To guide the Strategy refresh, a Project Advisory Committee was struck in 2013 May and is comprised of 40 community leaders with a mix of participants from private sector, non-profit organizations, promotional partners, The City and other Civic Partners. The outcome of extensive stakeholder engagement and research is a DRAFT of the proposed Economic Development Strategy Refresh: Objectives, Strategies and Actions (Attachment).

It is proposed that the framework of the Strategy refresh needs six areas of focus rather than the three areas in the original 2008 Strategy. The areas of focus have been framed as "energies" and articulate the focus on all aspects of economic development. The six energies are elaborated in the Attachment and include:

1. Global
2. Entrepreneurial
3. Innovative
4. Creative
5. Social
6. Collaborative

These six areas of focus provide the opportunity to acknowledge the strength of our city as a global energy centre, identify key areas of strategic growth for entrepreneurs and innovators in

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emerging sectors, inspire creative living, encourage shared prosperity, and promote Calgary with a singular and unique voice.

Through the best practices review and stakeholder feedback, it was observed that putting focus on social issues and community development in the Strategy refresh will make Calgary a great place to do business, make a living and make a life. These focus areas also align with imagineCALGARY, 2020 Sustainability Direction and the Mayor's Calgary Poverty Reduction Initiative Strategy.

In addition to the stakeholder input and the research findings, all the actions laid out in the 2008 Strategy were considered which resulted in 20 of the 61 actions being reconciled and brought forward into the Strategy refresh.

One of the elements of work still to be completed is a review of leadership models that ensures the Strategy refresh encourages stakeholder ownership and collaboration, continuity, and accountability. The options for leadership models include:

- 1) The creation of a new Strategy oversight committee populated by community leaders and key stakeholders.
- 2) Select an existing community organization to be responsible for providing oversight of the Strategy. CED has been identified as the organization to potentially take on this role as it has an independent Board of Directors accountable to The City.

Regardless of which leadership model is selected, an accountability framework for all of the actions associated with the Strategy refresh needs to be developed, sufficient resources need to be secured to monitor implementation and reporting, and a process for updating City Council needs to be finalized for the Strategy to be relevant over its lifespan. This will be a key focus area of the work over the coming weeks.

Before proceeding with the refresh of the Strategy, Council endorsement of the direction is required to ensure that it aligns with Council priorities and expectations. Following this step, the Project Advisory Committee will host an Economic Summit with the community and Council on 2014 May 15 to finalize the Strategy refresh, define organizational accountability, identify performance metrics, governance and reporting structures. CED will present the Strategy refresh and implementation plan to the Priorities and Finance Committee no later than 2014 July 15.

Stakeholder Engagement, Research and Communication

CED has undertaken a number of steps and engaged a number of stakeholders in order to compile the draft of the Strategy refresh including:

- 60 one-on-one interviews with business, elected officials and community leaders;
- eight focus groups with business and community development organizations;
- four Project Advisory Committee meetings;
- review of economic indicators;
- strengths, weaknesses, opportunities, and threats (SWOT) analysis; and
- best practices review.

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Strategic Alignment

This project aligns with Council's Fiscal Plan by:

- investing in great communities and a vibrant urban fabric; and
- making Calgary the best place in Canada for a business to start and flourish.

In 2008, the Strategy was based on the principles of imagineCalgary, and the Strategy refresh will continue to reflect imagineCalgary and Calgary 2020's sustainability targets. It also aligns with other corporate initiatives such as the Mayor's Calgary Poverty Reduction Initiative Strategy.

Social, Environmental, Economic (External)

Social: The Strategy refresh continues to support attracting international business and investment, and building our reputation globally. In attempt to attract and retain talent, the refresh places greater emphasis on building a vibrant and creative community, and ensuring shared prosperity for all Calgarians.

Environmental: The Strategy refresh attempts to positively influence the environment by encouraging greater multi-sector collaboration and communication to address innovation, sustainable practices, energy diversification, energy literacy and advocacy.

Economic: The Strategy refresh strives to maintain economic competitiveness, maximize job creation, create sustainable growth, and attract the best and brightest talent. There will continue to be a focus on global reach to maintain and further our reputation as a global energy centre, attract investment, build trading partners and diversify energy market access. There also will be a focus on building a unified voice and strengthening Calgary's brand and story to support economic growth across all sectors.

Financial Capacity

Current and Future Operating Budget:

While there are no immediate operating budget implications as a result of this report, implementation may require financial and in-kind support from the private sector, Calgary's promotional partners and all orders of government. Financial implications for the next business plan and budget cycle will be brought forward as part of Action Plan 2015-2018.

Current and Future Capital Budget:

No capital budget implications at this time.

Risk Assessment

Lack of leadership, continuity and accountability for the Strategy poses serious risks in the successful implementation of the Strategy refresh. The Strategy refresh will propose a model and process to alleviate such risks.

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REASON(S) FOR RECOMMENDATION(S):

Council support is critical to the refresh work underway by Calgary Economic Development for the *10-year Economic Development Strategy for Calgary* to ensure it aligns with Council priorities and proceeds in the appropriate direction. Implementation of the Strategy refresh will require strong leadership including commitment from various industry and civic partners. A strong accountability framework, structure and process will be vital to its future success.

ATTACHMENT

Draft Economic Development Strategy Refresh: Objectives, Strategies and Actions