

CALGARY'S ECONOMIC DEVELOPMENT STRATEGY UPDATE

EXECUTIVE SUMMARY

Calgary Economic Development has engaged a variety of stakeholders within the Calgary community to update the Calgary Economic Development Strategy (the Strategy). As a result, a number of themes have emerged creating the starting point for the development of new directions, key result areas and goals of the updated Strategy. These themes are being grouped under key areas of focus referred to as “energies” and include: social, innovative, entrepreneurial, creative, global, and collaborative energies describing all aspects of economic development in Calgary. The updated Strategy is expected to be completed and endorsed by the external Project Advisory Committee and subsequently presented to Council by the second quarter of 2014.

To ensure successful implementation of the updated Strategy it is vital to have appropriate leadership, continuity and accountability. New approaches to lead implementation are being investigated including the development of a formal “collective impact committee” to provide oversight of the Strategy and its progress.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council:

1. Receive this report for information; and
2. Direct Administration to report back to the Priorities and Finance Committee on a complete economic development strategy and implementation plan by June 2014.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2013 DECEMBER 10 AND 11:

That Report PFC2013-0813 be forwarded to Council without Committee Recommendation.

Excerpt from the Minutes of the Regular Meeting of the Priorities and Finance Committee Dated 2013 December 10 and 11:

“IN CAMERA, Moved by Councillor Demong, that in accordance with Section 197(2) of the *Municipal Government Act* and Sections 23 (1)(a) and 24 (1)(a) of the *Freedom of Information and Protection of Privacy Act*, the Priorities and Finance Committee move in camera, at 11:25 a.m., to consider a confidential matter with respect to Report PFC2013-0813.

Opposed: A. Chabot

CARRIED

The Priorities and Finance Committee moved into public session at 12:03 p.m. with Mayor Nenshi in the Chair.

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RISE WITHOUT REPORTING, Moved by Councillor Demong, that the Priorities and Finance Committee rise without reporting.

CARRIED

APPROVE, Moved by Councillor Pootmans, that the Administration Recommendations contained in Report PFC2013-0813 be approved, **after amendment**, as follows:

That the Priorities and Finance Committee recommends that Council:

1. Receive this report for information;
2. Direct Administration to report back to the Priorities and Finance Committee on a complete economic development strategy and implementation plan by June 2014; and
3. **Keep the verbal discussion confidential pursuant to Sections 23 (1)(a) and 24 (1)(a) of the *Freedom of Information and Protection of Privacy Act*.**

ROLL CALL VOTE

For:

A. Chabot, D. Farrell, B. Pincott, R. Pootmans

Against:

P. Demong, S. Keating, W. Sutherland, N. Nenshi

MOTION LOST

FORWARD LOST MOTION

Pursuant to Section 155 (7)(a) and (b) of the Procedure Bylaw 44M2006, as amended, Councillor Pootmans requested that the lost motion with respect to Report PFC2013-0813 be forwarded to Council for information, and further, that the In Camera verbal discussion be kept confidential pursuant to Sections 23 (1)(a) and 24 (1)(a) of the *Freedom of Information and Protection of Privacy Act*."

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 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

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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, 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.

BACKGROUND

The development of the 10-year Calgary Economic Development Strategy was facilitated by Calgary Economic Development in 2008 and focuses on supporting economic development with participation and responsibilities shared across many organizations. The plan was approved by Council in 2008 and outlines objectives, strategies and activities under three goals:

1. People and Community;
2. Business and Enterprise; and
3. International Reach.

The Strategy is a multi-stakeholder document stewarded by Calgary Economic Development and prepared in alignment with the City's goals and objectives. While a number of components have been accomplished successfully, it has become apparent that a refresh of the strategy is required. A recent assessment concluded the focus areas of "people and community", and "business and enterprise" have become a higher priority. While significant progress has been made in the focus area of "international reach", this goal will always require some attention as the private sector, particularly small and mid size organizations, need assistance in business-to-business and business-to-government introductions for the purpose of trade and investment opportunities. Calgary Economic Development will continue to service this need. In addition to these three focus areas, there were a few strategies and activities included in the Strategy that had become outdated or were no longer relevant.

Further to these required changes, some actions in the 2008 Strategy have not been completed or measured as it was unclear which organization(s) would be responsible for implementation. Calgary Economic Development, as the steward of the plan, does not have the authority to ensure other organizations adopt and prioritize actions from the Strategy. It also became apparent there is a widely-held perception that the Strategy is an organizational strategy for Calgary Economic Development rather than a guiding document for all stakeholders including the private sector, The City, post secondary institutions, The City's economic civic partners, and non-profit organizations. As a result, one of the immediate recommendations in refreshing the

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Strategy is to rename the “*Calgary* Economic Development Strategy” to “*Calgary's* Economic Development Strategy”.

Finally, in the past five years our city and economy have experienced many changes. After this period of time best practice would suggest a thorough refresh of the Strategy is required.

As a result of all of these factors, it was determined an updated Strategy would:

1. Identify ways to create more ownership and buy-in of the Strategy's objectives from the community, business sector and related stakeholders;
2. Assess and update the performance measures to develop a more robust annual reporting to the public and to City Council;
3. Benchmark Calgary's Strategy against other cities;
4. Refresh the strategies and actions to better reflect today's economic, social and civic realities; and
5. Include a comprehensive implementation plan and follow-through process.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Calgary Economic Development has worked with various stakeholders to guide the Strategy update, with some support of City Administration. After issuing a Request for Proposals in early 2013, consultants Millier Dickinson and Blais were contracted to support this work. Good progress has been made including the development of a comprehensive project plan; research; stakeholder engagement; strengths, weaknesses, opportunities and threats (SWOT) analysis; benchmarking against other cities; and the development of draft key result areas.

To gather information and create a sense of ownership in the broader Calgary community, an extensive stakeholder engagement process was undertaken including the creation of a Project Advisory Committee, facilitation of 59 stakeholder interviews and eight formal group discussions. As a result, 10 theme areas emerged and are included in Attachment 1. These themes are currently being refined and it is expected they will result in specific strategies. Further the themes are also being aligned with key areas of focus previously developed in 2011. These areas are known as “energies” and describe all aspects of economic development as follows:

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

These “energies” acknowledge the strengths of our city, including the energy sector, and help define our Calgary culture. It is expected these “energies” will form the foundation to represent the new directions, key result areas and goals of the Strategy. One of the next steps is to look at the emerging themes contained in Attachment 1 and confirm they can be refined into strategies and actions. A preliminary outline of the updated Strategy is included in Attachment 2.

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A comprehensive SWOT analysis has been completed and is presented in Attachment 3. A best practices review is underway, which will offer insights to develop benchmarks that can be compared with other leading jurisdictions. This information will assist the Calgary community in identifying new opportunities and mitigating any weaknesses and potential threats.

The issue of leadership, continuity and accountability is frequently raised as a key factor in the successful implementation of the updated Strategy. Once the actions have been identified, accountabilities will be assigned and specific performance measures finalized. Further, a robust accountability framework that includes reporting mechanisms will be developed in order to effectively communicate results to Council and the community. Research is also being done to investigate various approaches to ensure that implementation is successful including the buy-in of all stakeholders. Best practices such as collective impact models are being evaluated including the creation of a committee to provide ongoing oversight. This "collective impact committee" would ideally be made up of key community leaders and stakeholders with diverse backgrounds and a strong vision to make sure implementation is successful.

The next steps to bring the Strategy update to conclusion include:

1. Finalize strategies and actions, assign accountabilities, establish metrics and funding with relevant stakeholder groups – Q4 2013
2. Identify an effective implementation model and process including an accountability framework with achievable performance measures – Q4 2013
3. Host an economic development summit with the community and Council to gather feedback of the draft strategy Update – Q1 2014
4. Present Calgary's Economic Development Strategy update to the Priorities and Finance Committee – Q2 2014
5. Launch Calgary's Economic Development Strategy– Q3 2014
6. Initiate the process and schedule to report on performance measures – Q3/Q4 2014

Stakeholder Engagement, Research and Communication

The project research is underway and includes a SWOT analysis, best practices review and benchmarking exercise. In addition, extensive consultation has occurred in order to update the Strategy with numerous interviews, small group discussions and the formation of an external Project Advisory Committee to provide oversight. The stakeholder interviews and group discussions included a wide representation of attendees from varying industries in the private sector, non-profit organizations, and civic and promotional partners. The stakeholder interviews and the Project Advisory Committee also included representation from The City.

Strategic Alignment

This project aligns with Council's Fiscal Plan by:

- Investing in great communities and a vibrant urban fabric
- 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 updated Strategy 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.

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Social, Environmental, Economic (External)

Social

From engagement and research it has become apparent that the updated Strategy will have a greater emphasis on building a vibrant community, versus creating business opportunity. All sectors have indicated a need to not only attract skilled labour, but create a community where workers will want to remain in Calgary for the long term. Further, there is a recognition that while Calgary has been successful at attracting international business, greater work could be done to foster local businesses, and promote start-ups and community economic development.

As a result, a number of social initiatives will be included in the Strategy that are critical to being a city that attracts and retains a talented labour force. Implementation of these actions will create a vibrant city that fosters community well being.

Environmental

The Strategy update may positively influence the environment as it encourages sustainable practices, energy diversification, energy literacy and energy advocacy. Businesses will be encouraged to pursue good environmental practices in their growth, facilities (eg LEED), and day-to-day business practices.

Economic

As the Strategy update is implemented, The City, Calgary Economic Development and all the Calgary stakeholders will consider a broader view of economic development and the resulting benefits to the community. This will be collectively measured against set targets with stronger reporting mechanisms. At the same time 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.

Financial Capacity

Current and Future Operating Budget:

Current work outlined in this report can be undertaken within existing operating budgets in Community & Neighbourhood Services and through the current operating grant to Calgary Economic Development. If needed, resources to complete components of the Strategy not suited to any other partners or stakeholders will be considered in the next Business Planning and Budget Cycle process.

Current and Future Capital Budget:

There are no impacts to capital budgets related to this report.

Risk Assessment

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

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REASON(S) FOR RECOMMENDATION(S):

The Strategy refresh will be the result of the creative and collaborative work by stakeholders from across Calgary's community, and will contain shared vision, goals and strategies enabling the city to align its efforts, improve our city's and organizations' performance, and create an enhanced quality of place. Implementation of the updated Strategy will require commitment from various industry and civic partners, and will need strong leadership, continuity and accountability structure and process.

ATTACHMENT(S)

Attachment 1 – Calgary Economic Development- Consultations and Major Themes

Attachment 2 – Calgary's Economic Development Strategy Outline

Attachment 3 – Calgary Economic Development Strategy Update - Strengths Weaknesses

Opportunities Threats Analysis