

## **DEVELOPMENT OF AN INNOVATION FRAMEWORK FOR CALGARY – DEFERRAL REQUEST**

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### **EXECUTIVE SUMMARY**

This report requests a deferral to no later than 2016 October to provide additional time for Administration to continue working with Calgary Economic Development Ltd., Innovate Calgary, and other key stakeholders to bring forward a plan to develop an innovation framework for Calgary.

### **ADMINISTRATION RECOMMENDATION(S)**

That the Priorities and Finance Committee recommend to Council to defer the report on the development of an innovation framework for Calgary to no later than the 2016 October Priorities and Finance Committee.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

On 2016 February 22, Council adopted, moved by Councillor Sutherland, seconded by Councillor Pootmans, that the Administration Recommendations contained in Report C2016-0176 be adopted, as follows: That Council: 1. Receive this report for information; and 2. Direct Calgary Economic Development to report back with Innovate Calgary and Administration to the Priorities and Finance Committee with a plan to develop an Innovation Framework for Calgary for approval no later than 2016 May prior to release of \$325 thousand of the \$7 million referenced in recommendation 1 of PFC2016-0081.

On 2016, February 2, The Priorities and Finance Committee approved as amended, moved by Councillor Pootmans, that Administration Recommendation 4 contained in Report PFC2016-0081 be approved, as amended, as follows: That the Priorities and Finance Committee recommend that Council: 4. Direct Administration to provide a supplementary report to the 2016 February 22 Meeting of Council containing more information as requested at today's meeting, with respect to Recommendations 1 and 2.

On 2015 December 18, Council adopted, moved by Councillor Sutherland, seconded by Councillor Demong, that the Priorities and Finance Committee recommendations contained in Report PFC2015-0959, be adopted, as follows: 1. File the Resolution contained in Report PFC2015-0959; 2. Retain the \$14.4 million in the Community Economic Resiliency Fund; and 3. Direct Administration to work with Calgary Economic Development, Calgary Housing and the Calgary Chamber of Commerce to determine options for the best use of these and other funds, and return to the Priorities and Finance Committee no later than 2016 February 02.

### **BACKGROUND**

In 2016 February, Council approved the use of Community Economic Resiliency Funds by Calgary Economic Development Ltd. (CED) to accelerate implementation of the 10 Year Economic Strategy for Calgary. To ensure a thoughtful, fulsome discussion in a timeframe that allowed for adequate engagement, Council requested that Administration, CED and Innovate Calgary work with stakeholders and report back to Council with a plan to develop an innovation framework for Calgary no later than 2016 May. Council supported Administration's recommendations that the \$325 thousand not be released until this plan was brought forward.

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### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Supporting innovation is an economic development strategy that can help develop new markets, create comparative advantage and increase productivity.<sup>1</sup> There is no single definition of innovation; it comes in different forms, from new products or processes to enhanced business practices. It is not only about developing radically new ideas; it can include adopting and applying ideas in new ways and new sectors. Innovation can be an economic driver across the economy, not just the traditional areas of science and technology.<sup>2</sup>

To flourish, innovation needs places, spaces and opportunities for networks of entrepreneurs, firms, institutions, and supporting services come together to develop ideas that lead to production of new goods and services. Jurisdictions around the world including across North America are exploring how supporting innovation can grow their local economy. For example, some jurisdictions have established urban innovation districts in the downtown core where leading edge anchor institutions and companies cluster with starts ups, business incubators and accelerators alongside mixed use housing, office and retail.<sup>3</sup> Innovation districts can be found in Barcelona, Berlin, Copenhagen, Seattle, Boston, London, Stockholm, and Seoul. Here in Canada, they are found in Montreal, Toronto, Kitchener, among other cities.

While successful support of innovation in other cities can be used as examples, there is no formula to follow. Calgary will need to tailor a solution that fits our culture, people, and assets. Developing an innovation framework for Calgary will require an understanding of existing innovation assets - its organizations, places and spaces, networks, financing opportunities, support, mentorship, and engagement. It will focus on the current strength and opportunities in our city's innovation system, and identify gaps that need to be addressed.

The framework should also identify opportunities to leverage any federal or provincial initiatives or funding including the \$25 million the Province has allocated to the Alberta Enterprise Corporation focused on start ups and early stage technology companies, and the federal government's Innovation Agenda for Canada that proposes allocating \$800 million over four years to support innovation networks and clusters.

Following the direction from Council, Innovate Calgary, Calgary Economic Development, the Mayor's Office, Administration and other key innovation stakeholders are working collaboratively to identify a plan for the development of an innovation framework for Calgary. To provide the time needed to develop a plan, Administration is requesting a deferral and will present a report to Council, through the Priorities and Finance Committee, no later than 2016 October.

### **Stakeholder Engagement, Research and Communication**

CED, Innovate Calgary and other key stakeholders are working collaboratively with Administration, including Analytics Calgary, to develop a framework. To be effective, this effort

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<sup>1</sup> The Work Foundation (2011). Streets Ahead: What makes a city innovative?

<sup>2</sup> OECD (2005) Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data.

<sup>3</sup> Brookings Institute Metropolitan Policy Program (2014) The Rise of Innovation Districts: A New Geography of Innovation in America.

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must have representation from across the innovation ecosystem. Organizations already working in this space include the University of Calgary and other post secondary institutions, TRICO Foundation, EPIC YYC, Makerspace, Calgary Public Library, Momentum, Calgary Regional Partnership, technology consultancies, Calgary Arts Development, Beakerhead, A100, First 2000 days network, Crowd funders, Seed Ups, Accelerator YYC, Startup Calgary, ARC Financial, and individual entrepreneurs and innovators.

### **Strategic Alignment**

An innovation framework for Calgary aligns with priorities in Action Plan and the 10-Year Economic Strategy for Calgary.

### **Social, Environmental, Economic (External)**

This initiative will further Calgary's economic development work and support Action Plan's prosperous city priority, in particular:

- P1: Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
- P2. Advance purpose, economic diversification and growth.

### **Financial Capacity**

#### **Current and Future Operating Budget:**

There are no impacts regarding this request to defer.

#### **Current and Future Capital Budget:**

There are no impacts regarding this request to defer.

### **Risk Assessment**

There are no risks associated with this request to defer.

### **REASON(S) FOR RECOMMENDATION(S):**

This report requests a deferral to permit Administration working with Calgary Economic Development Ltd., Innovate Calgary, and other key stakeholders additional time to bring forward a plan to develop an innovation framework for Calgary, to no later than 2016 October.

### **ATTACHMENT(S)**

None