

10 YEAR ECONOMIC STRATEGY UPDATE

EXECUTIVE SUMMARY

This report requests approval of the update to the 10-year Economic Strategy for Calgary including implementation plan, including support and collaboration among stakeholders, performance metrics and resources. The Strategy is a living document. As such, it is intended the tactics employed to achieve the success of the Strategy will evolve and change over time and the supplementary indicators to measure success for each action will be refined.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council:

1. Adopt the report *Building on our Energy*: an Economic Strategy for Calgary – October, 2014 including implementation plan in Attachment 1; and
2. Direct Calgary Economic Development Ltd. to provide an annual report on *Building on our Energy*: an Economic Strategy for Calgary to the Priorities and Finance Committee no later than December, commencing 2015 December.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2008 January 21, Council endorsed the Economic Strategy for Calgary 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 Economic Strategy for Calgary Implementation Plan (CPS2008-54), and directed the Office of Economic Development and Policy Coordination to begin work on implementing the Economic Strategy for Calgary 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 Economic Strategy for Calgary to the Priorities and Finance Committee no later than 2012 December.

On 2012 December 18, Priorities and Finance Committee approved the Economic Strategy for Calgary Update (PFC2012-084) and directed Administration to continue collaborative work on a refresh of the Economic Strategy for Calgary 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.

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On 2014 April 14, Council approved the Update to the 10-Year Economic Strategy for Calgary (PFC2014-0137) directing Calgary Economic Development Ltd. to report back to Council through the Priorities and Finance Committee with the Update to 10-year Economic Strategy for Calgary and Implementation Plan no later than 2014 July.

On 2014 July 28, Council approved the Update to the 10-Year Economic Strategy for Calgary – Deferral Report (PFC2014-0574).

On 2014 September 02, Priorities and Finance Committee approved, after amendment, the recommendation to: 1. Accept the report *Building on our Energy: an Economic Strategy* for Calgary and implementation plan in Attachment 1, in principle and 2. Request that Calgary Economic Development, return through the Priorities and Finance Committee, no later than 2014 October 14, with a final version reflecting the discussion at the 2014 September 02 Priorities and Finance Committee meeting (PFC2014-0609).

BACKGROUND

In 2008, Calgary released an economic strategy that encouraged Calgarians to *Think Big. Act Bold. Create Great*. The Strategy had three broad areas of focus to establish Calgary as a competitive and successful global city: Focus on People and Community; Focus on Business and Enterprise; and Focus on International Reach. The areas of focus were deliberately aspirational and premised on building foundations for long-term growth.

The strategy was designed to build a community that would attract expertise and talent from across the country and around the world, an economy built around centres of excellence, a community with an international profile and reputation and a global centre for business and people. Despite the recession and significant changes in civic, post-secondary and corporate leadership in Calgary since 2008, positive progress was made on 37 of 61 actions.

Calgary Economic Development, with support of Administration, completed the stakeholder engagement and research necessary to undertake an update of the 2008 10-year Economic Strategy for Calgary. This process was supported by a Project Advisory Committee comprised of 40 community leaders with a mix of participants from private sector, non-profit organizations, City Administration and City funded agencies, struck in 2013 May.

As a result of the stakeholder engagement the Strategy has been renamed to *Building on our Energy* (Attachment 1). The name aligns with the official promotional brand, *Calgary. Be Part of the Energy*. The Strategy expanded from three areas of focus to six to ensure the appropriate priority was given to areas where progress has been made since 2008. A total of 29 of the 61 actions from the 2008 Strategy are ongoing and will be reconciled, reframed and carried forward to the updated Strategy with other actions requiring additional efforts to be fully realized.

Building on our Energy is comprised of 31 actions, 12 of which are new or substantially modified. The actions are framed within six areas of focus as “energies” and articulate the focus on all economic development and 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 emerging sectors, inspire strong communities, encourage shared prosperity, and

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promote Calgary with a singular and unique voice. Additionally, the best practices review and stakeholder feedback suggested a focus on social issues and community development in the updated Strategy to help make Calgary a great place to do business, make a living and make a life.

| Goals for the Areas of Focus | | | | | |
|---|---|--|--|--|--|
| <u><i>Global Energy</i></u> <i>Calgary is an undisputed global energy centre. Our international reputation attracts new people, investment and businesses as we strengthen the energy value chain.</i> | <u><i>Entrepreneurial Energy</i></u> <i>Calgary is a magnet for businesses fostering pathways to purposeful economic diversification and growth.</i> | <u><i>Innovative Energy</i></u> <i>Calgary fosters a culture of innovation where problems are solved through a systems approach harnessing the power of technology.</i> | <u><i>Community Energy</i></u> <i>Calgary is a vibrant, urban and prosperous community that offers people-friendly neighbourhoods, diverse housing, and inspirational spaces.</i> | <u><i>People Energy</i></u> <i>Calgary embraces social inclusion and shared prosperity.</i> | <u><i>Collaborative Energy</i></u> <i>Calgary is the best place to live in Canada, with strong collaboration between public, private and non-profit sector partners in building a great city.</i> |

INVESTIGATION: ALTERNATIVES AND ANALYSIS

In developing the update to the Economic Strategy for Calgary, consideration has been given to the other strategies and initiatives, other stakeholders and other orders of government influencing economic development in Calgary. To ensure support for the development and implementation of the Strategy, key stakeholders have been engaged throughout the process.

Efforts have been made to identify a lead organization for each action. The lead organization will be responsible for convening stakeholders undertaking initiatives in that area. In addition, the lead organization will be responsible for progress reporting on that action. Engagement and collaboration with primary and secondary stakeholders remains a priority for the successful execution for each of the Strategy's 31 actions.

Calgary Economic Development will lead or co-lead 15 of the 31 actions in the updated Strategy. Innovate Calgary, Tourism Calgary, Calgary Arts Development Authority, Calgary TELUS Convention Centre, Post-secondary institutions, the Calgary Regional Partnership and City Administration will be the lead organization for the seven remaining actions (Attachment 2). Notwithstanding, further examination for resourcing two of the lead roles is necessary (*Entrepreneurial Energy – Strategy 1 Action 3 and Community Energy - Strategy 1 Action 1 - Attachment 2*). Once resolved, The City may move to participating as a primary stakeholder in both roles. Calgary Economic Development has worked with each of the named organizations as well as the Administrative Leadership to refine the strategies, actions and potential tactics to ensure the continued commitment to the Strategy's success.

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Measuring the success of the Economic Strategy will be done at two levels:

- **Core indicators** have been developed to measure progress towards the three elements of the vision for the Economic Strategy: Calgary is a city of boundless energy. The source of our energy and economic success is our *sense of community* and our commitment to *shared prosperity* and *sustainable development*. Everyone is welcomed to be part of the energy. These core indicators are meant to serve as a barometer on the progress of the economy and the Strategy as a whole. The Economic Strategy is a comprehensive strategy incorporating a diverse set of community and economic areas of focus. As such, the data for the core indicators are drawn from a variety of sources including The City's Citizen Satisfaction Survey, The City's Planning, Development and Assessment and Transportation departments, Calgary Economic Development's National Perceptions Survey, Sustainable Calgary and Statistics Canada. Drawing from these diverse sources ensures the core indicators used for the Economic Strategy align with the core indicators being used by the Lead Organizations implementing the Strategy.
- **Supplementary indicators** have been developed to measure the progress of each individual activity are presented for the individual actions in the Strategy. These indicators have been developed in conjunction with Lead Organizations and Primary Stakeholders. The supplementary indicators will be refined as the Leadership and Implementation team comes together to discuss the actioning of the strategy.

Building on our Energy is a living document. As such, it is intended the tactics employed to achieve success will evolve and change over time and the supplementary indicators to measure success for each action will be refined. However, through the implementation of the Strategy, Calgary Economic Development will remain focused on the vision and progress toward the vision will be measured through a set of core indicators. In the implementation of the Strategy, there are two mechanisms in place to continually evaluate progress, challenges and priorities:

- The Leadership and Implementation Committee will meet three times each year to discuss progress. As the committee responsible for the Strategy's implementation, this committee will suggest any changes taking place in Calgary that might influence the tactics undertaken for the Strategy.
- An annual Economic Summit will be held to provide a progress report to the broader community and gain their feedback regarding any changes in threats, opportunities and priorities through the year. This feedback will be considered by the Leadership and Implementation Committee and will be included in the annual report to the Priorities and Finance Committee.

Each lead or co-lead organization will be important facilitators and enablers of economic development activities. Understanding the vital role these organizations will play, the lead organizations will be responsible for convening the relevant stakeholders, including the private sector, in moving their assigned actions forward. Where appropriate, co-leads from the community will be identified and engaged in implementing the Strategy and be accountable for achieving success. Representatives from these lead organizations will also serve as part of a Leadership and Implementation Committee.

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Overall stewardship of the Strategy will be provided by Calgary Economic Development under the guidance of the Chair and Board of Directors. The Office of the Mayor will also play an active role in the leadership committee for the Strategy. The Board of Directors of Calgary Economic Development will serve as the community lens overseeing strategies, progress reporting and community engagement. The Chair of the Board of Directors will make annual presentations to the Priorities and Finance Committee of Council.

Stakeholder Engagement, Research and Communication

Stakeholder engagement has included:

- Mayor's CEO roundtables – 100 participants
- Stakeholder interviews and focus groups – 220 participants
- Project Advisory Committee feedback and input – 40 participants; 5 meetings
- Economic Summit – 130 participants.

Research has included:

- Literature and background review: imagineCALGARY, Calgary Municipal Development Plan, Calgary Centre City Plan, Calgary Poverty Reduction Initiative, City funded agencies strategies, Calgary Regional Partnership Regional Economic Prosperity Work Plan, Provincial Economic Framework, Provincial Small Business Strategy, the Edmonton Economic Development Strategy
- A review of best practice: community development, immigration and workforce, affordable housing, financing infrastructure, place-making, technology start-ups, performance measurement, marketing and branding and implementation and leadership.

Communication with key stakeholders:

Throughout the Strategy update, Calgary Economic Development has held individual meetings with all agencies and organizations that will play a lead role in implementing the refreshed Strategy including: City funded agencies, City Administration, Calgary Regional Partnership and Calgary's post-secondary institutions.

Strategic Alignment

The Strategy provides a guide for City Administration, private sector and not-for-profit agencies in economic development related activities. As such the Strategy is closely aligned with existing strategies and initiatives most notably: imagineCALGARY, Municipal Development Plan, Calgary Poverty Reduction Initiative and Provincial Economic Framework.

Social, Environmental, Economic (External)

For Action Plan 2015-2018, Council has identified two strategic actions linked to the Strategy under the Prosperous City Council Priority for 2015-2018:

- 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.

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Financial Capacity

Current and Future Operating Budget

Through the Action Plan process, Calgary Economic Development identified the request for additional funding support for a full time project manager and baseline research for the implementation of the updated Strategy. Details regarding the funding request were identified in the action plan submission for Calgary Economic Development business plan as part of CPS2014-0504. Additionally, Calgary Technologies Inc. identified the request for partial support for the development and operation of an Energy Accelerator in its business plan submission as part of CPS2014-0504.

Administration is preparing information for Council for the additional operating budget requests for both Calgary Economic Development and Calgary Technologies Inc. for 2015-2018 for the 2014 November 24 Special Meeting of Council on 2015-2018 Action Plans.

Current and Future Capital Budget

There are no impacts regarding this request.

Risk Assessment

Lack of leadership, continuity, resourcing and accountability for the Strategy could pose serious risks in the successful implementation of the Strategy. The refreshed Strategy proposes a model and process to alleviate such risks. More specifically, the risk of effective implementation is mitigated by several factors including the ability to adapt the tactics over time to achieve success for the Strategy, regular accountability meetings of the leadership and implementation committee, annual Economic Summit and annual report to the Priorities and Finance Committee.

REASON(S) FOR RECOMMENDATION(S):

The refreshed Strategy is the result of the creative and collaborative work by stakeholders from across Calgary's community, and contains shared vision, goals and strategies enabling the economic development agencies to align their efforts, improve organizational performance, realize efficiencies and create an enhanced quality of place in Calgary. The Strategy refresh includes an implementation plan with tactics, stakeholders, performance metrics and resources and has the support of all lead implementing partners, with a strong leadership, continuity and accountability structure and process. The Strategy is a living document. As such, it is intended the tactics employed to achieve the success of the Strategy will evolve and change over time and the supplementary indicators to measure success for each action will be refined.

ATTACHMENT(S)

1. *Building on our Energy*: an Economic Strategy for Calgary – October 2014
2. Summary of Administration Role: *Building on our Energy*: an Economic Strategy