

10-YEAR ECONOMIC STRATEGY

EXECUTIVE SUMMARY

This report requests approval of the update to the 10-year Calgary Economic Strategy and Implementation Plan, including support and collaboration among stakeholders, performance metrics and resources.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommends that Council adopt the report *Building on our Energy*: an economic strategy for Calgary and implementation plan in Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2008 January 21, Council endorsed the Calgary Economic 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 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.

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.

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

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. Some key successes in Calgary include:

Focus on People and Community

- University of Calgary, South Alberta Institute of Technology Polytechnic and Bow Valley College have each increased their presence in Calgary's downtown core.
- The Calgary Film Centre, National Music Centre and the King Edward Art Incubator are advancing professional arts practice and community development in Calgary.
- New construction has begun in the Stampede, Rivers District and East Village areas including the completion of Stage One of the River Walk Master Plan.
- A labour force supply and demand study has been completed followed by successful labour force attraction missions to targeted geographic areas.

Focus on Business and Enterprise

- Calgary was listed for the first time on the Global Financial Centre Index in 2012 (with a 28th place ranking – rising to 22nd in 2014).
- The Calgary Industrial Land Strategy has been updated and Calgary holds a significant supply of industrial land.
- Record breaking development permit activity including approximately 10 million square feet of new office space in the downtown core, including the Bow and Eight Avenue Place towers.

Focus on International Reach

- Calgary as a Global Energy Centre Strategy was completed in 2010 and subsequently attracted the International Sustainable Energy Congress.
- Calgary has attracted over \$50 billion in international business and energy investment.
- *Calgary. Be Part of the Energy* brand was released in 2011 and adopted by all of the City's promotional partners.
- The Calgary International Airport is undergoing the largest expansion in its history; opened the longest runway in Canada; and is now the third busiest airport in Canada.

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- The Global Business Centre (opened in 2011) has hosted 26 organizations, 19 of which have established permanent operations in Calgary.

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*. 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 68 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.

The areas of focus are put forward as “energies” and articulate the focus on all aspects of economic development. These are:

Goals for the Areas of Focus					
<u>Global Energy</u>	<u>Entrepreneurial Energy</u>	<u>Innovative Energy</u>	<u>Community Energy</u>	<u>People Energy</u>	<u>Collaborative Energy</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>	<i>Calgary is a magnet for businesses fostering pathways to purposeful economic diversification and growth.</i>	<i>Calgary fosters a culture of innovation where problems are solved through a systems approach harnessing the power of technology.</i>	<i>Calgary is a vibrant, urban and prosperous community that offers people-friendly neighbourhoods, diverse housing, and inspirational spaces.</i>	<i>Calgary embraces social inclusion and shared prosperity.</i>	<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>

The 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 emerging sectors, inspire strong communities, encourage shared prosperity, and promote Calgary with a singular and unique voice (Attachment 2). Additionally, the best practices review and stakeholder feedback suggested a focus on social issues and community development in

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the updated Strategy to help make Calgary a great place to do business, make a living and make a life.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Following Council's endorsement of the strategic direction for the updated Strategy in 2014 April, the Project Advisory Committee hosted an Economic Summit with approximately 130 stakeholders, members of the community, City Administration and Council on 2014 May 15. The areas of focus, objectives and actions were presented at the Summit which served to confirm stakeholders, strategies, performance metrics, implementation timelines, resources and risks. The Summit provided valuable feedback in clarifying details in the updated Strategy.

An important inclusion for the updated Strategy is the broader perspective on economic development that has emerged with increased emphasis on community and place making. To continue building our global reputation and achieve the broader perspective, a framework has been developed for the updated Strategy which includes: integrating social and community development into the Economic Strategy; paying great attention to women, youth, immigrants, people with disabilities and the aboriginal community; placing greater emphasis on business retention and expansion and gathering local business intelligence; increased focus on innovation and leveraging post-secondary research and education programs and connecting the business and finance community with technology and innovation entrepreneurs (Attachment 1).

Implementation Plan

The Strategy provides details for each area of focus including (Attachment 1):

- Strategies, actions and tactics
- Key performance indicators
- Lead, primary and secondary stakeholders
- Incremental resources required
- Timelines for implementation.

To effectively implement the Strategy, a lead stakeholder has been identified for each activity. The lead stakeholder will be responsible for convening stakeholders undertaking initiatives in that area. In addition, the lead stakeholder will be responsible for progress reporting on that action.

Calgary Economic Development will be the lead stakeholder for 13 of the 31 actions in the refreshed Strategy. Calgary Technologies Inc., Tourism Calgary, Calgary Arts Development Ltd., Calgary Telus Convention Centre, Calgary Regional Partnership, Post-secondary institutions and City Administration will be the lead stakeholders for the remaining actions. Understanding the vital role these organizations will play, they have been actively engaged in the drafting and editing of the final documents.

While many actions require additional resources, in most cases it is believed funding can be sourced from the private sector as well as various departments and agencies of the provincial and federal governments. Actions and tactics will continue to be examined as the Strategy is implemented which may result in future resource requirements. One action identified as

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requiring additional resources is Innovate Calgary for the partial support of the development and operation of an Energy Accelerator. Any additional resource requests will be raised in annual reporting on the Strategy as well as individual business plan and budget submissions. Lead stakeholders are committed to seeking funding sources other than The City for any new actions and initiatives.

Building Effective Leadership and Collaboration

The refreshed Strategy pays close attention to leadership, collaboration and resources required for its successful implementation. To ensure that the activities and initiatives of the key organizations are coordinated and working towards a unified goal, a Leadership and Implementation Committee will be established. This committee will meet three times each year and be responsible for progress reporting on all the actions set out in the Strategy. In addition, a representative from the Mayor's office will participate in committee meetings to ensure the Strategy implementation is working towards Council's priorities as set out in the four year business plan.

Overall stewardship of the Strategy will be provided by Calgary Economic Development under the guidance of the Chair and Board of Directors (Attachment 1). The Board of Directors 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 City's 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, implementation and leadership, and city branding.

Communication with key stakeholders:

Throughout the Strategy refresh, 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.

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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.

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 are identified in the business 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.

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.

REASON(S) FOR RECOMMENDATION(S):

The 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.

ATTACHMENT(S)

1. *building on our energy*: an economic strategy for Calgary – September, 2014
2. Framework - *building on our energy*