

Edmonton Economic Action Plan

Recommendation

That the April 12, 2021, Urban Form and Corporate Strategic Development report UFCSD00208, be received for information.

Executive Summary

The Edmonton Economic Action Plan (the Action Plan) cascades from The City Plan to coordinate and drive economic development over the next 10 years. As the city prepares for two million people and begins to recover from the impacts of COVID-19, Administration must be strategic, equitable, creative, and committed to maximizing the opportunities that support job creation, diversify industries, and capitalize on emerging markets. The implementation of the Action Plan's five principles and 24 actions will require the intentional partnerships and coordinated efforts of the City of Edmonton and its economic development and community partners. The Action Plan recognizes the need to consider and embed economic development in a range of City and partner initiatives and activities. While job creation is one key tenet of the Action Plan, the other is a strengthened ecosystem of economic development to support and facilitate job creation.

Report

In planning for a future city of two million people, the City must set an intentional course that grows economic opportunities and meets the challenges of a new economy. Transformative and green technologies are rapidly shifting how people work and do business, and the new economy no longer resembles the traditional economy to which many are accustomed. Post-secondary institutions, government, businesses of all sizes, economic development organizations, and individuals weave the fabric of the economy, and when working together, can strengthen it for years to come.

Recently, Edmonton's economy has been profoundly shaken by COVID-19 and changes to the energy sector. Collectively, Edmontonians are worried about their businesses, making rent, and stalled industry growth. Businesses of all sizes are challenged to ensure that their business models are responsive to economic realities, such as shifts in the workforce, e-commerce and new regulatory requirements. COVID-19 has had disproportionate impacts on various communities, meaning the gap is widening between those who are included in economic growth and those who are excluded. As more workers access remote working opportunities, the growing competition with other jurisdictions for talent requires the City and its partners to voice

Edmonton's value proposition to attract investment and skilled workers. At the same time, the impacts of climate change and energy transition are creating challenges and new economic opportunities.

The Edmonton Economic Action Plan (the Action Plan) (Attachment 1) acknowledges the realities of Edmonton's current economy, and recognizes the importance of local economic development organizations who are already hard at work. Built in partnership with 26 economic development partners and leveraging input from engagement on both ConnectEdmonton and The City Plan, the Action Plan provides coordination and alignment to move forward with focus. The Action Plan facilitates conditions of success to strengthen an environment in support of job growth, economic diversification, and equity.

Supporting job creation and a vibrant economy

The City Plan asks, "How do we create the conditions that will result in more jobs, businesses and growth?". In 2019, when The City Plan first contemplated the success factors for job growth, the context was very different from today. Taking into consideration the impacts of COVID-19, the City's current economic forecast predicts 121,000 net-new jobs by 2030. The challenge for the City, and addressed through the Action Plan, is how to create the conditions for success in this new economy that demands agility and resilience. While it is largely the private sector and non-profit and government partners who make up the majority of employment in the region, the City has a key role in facilitating and creating the conditions for job growth, and the Action Plan aims to meet this goal through these five key principles:

1. We will support new and established businesses and entrepreneurs to thrive in the new economy
2. We will seize the potential of our existing land, assets, and physical attributes
3. We will support growth and diversification of our economy in a sustainable and equitable way
4. We will remain and become a destination of choice for talent and capital
5. We will embrace and grow our relationships and partnerships

Cascading from the five principles are 24 tangible actions that will support the creation of thousands of jobs and the growth of Edmonton's economy. The actions also consider best practices and activities being undertaken in other cities (Attachment 2). The Action Plan translates previous economic development work into a series of actions that can be implemented, and in some cases has already begun.

How the Economic Action Plan was developed

The Action Plan brings together past and current economic development work and distills it through current economic realities and a lens of coordination. The City of Edmonton's previous economic development plan, The Way We Prosper, expanded

economic development work beyond traditional methods such as a competitive tax structure, available serviced land and an educated workforce. The City Plan continues this work by focusing on creating the conditions, places and partnerships to retain and attract talent, create smart and beautifully designed places and spaces, and become a creative entrepreneurial hub around which investment, innovation, technology and talent will gather. Fundamentally it is a growth management plan that will help Edmonton prepare for two million people and more than 500,000 new jobs.

To help drive the economic development outcomes of The City Plan, Administration reviewed and wove in the draft economic development plan prepared by Edmonton Economic Development Corporation (EEDC) in January 2019, ConnectEdmonton and other City-led strategic initiatives such as the Industrial Action Plan. The Action Plan integrates the extensive engagement that was undertaken for The City Plan, and ConnectEdmonton. Administration analyzed and evaluated the public and stakeholder engagement work previously undertaken in the development of The City Plan, ConnectEdmonton, the Community Energy Transition Strategy and the draft EEDC plan. This helped shape the Action Plan's structure, concept, policy, and approach. The engagement included input from a diversity of groups and stakeholders, representing citizens, civil society, public institutions, regional municipalities, business and Indigenous communities. A summary of these engagement initiatives is included in the What We Heard Report (Attachment 3).

To verify that the Action Plan is relevant, accurate, inclusive, and reflective of what was heard, Administration reviewed this Action Plan with 26 stakeholders, including economic development organizations and community partners. These efforts were also undertaken to deepen partnerships with the recognition that these partners will play an important role in implementation. Overall, the feedback was positive, and identified new opportunities for economic growth, equity measures, and how to build on current work. The feedback provided from these stakeholder groups is summarized in Attachment 4.

Administration used a Gender-Based Analysis Plus (GBA+) in the development of the principles and actions of the Action Plan in order to account for the racial, gender, and other systemic inequities some Edmontonians continue to experience in accessing opportunities to prosper. Incorporating equity measures in the planning and implementation of economic actions takes steps towards addressing these inequalities and ensures more inclusive and equitable economic opportunities for all Edmontonians. This equity lens was applied to all the actions and resulted in equity considerations being incorporated into some of the actions. An equity lens will be applied to the implementation of all 24 actions, based on the internal and external stakeholder engagement recommendations.

Alignment of Economic Development Activities

The timing of the Action Plan provides the City with a unique opportunity to align its economic development direction with other key priorities such as energy transition. By pursuing points of integration between a range of internal and external strategies, initiatives and approaches, Administration is able to bring focused and coordinated resources to these efforts.

The important and strategic economic development work to respond to this dynamic context is the responsibility of many partners, including nonprofits, post-secondary institutions, regional partners and the City of Edmonton itself. This interconnected ecosystem can be seen in the diagram found on page 39 of Attachment 1.

Budget Impacts

The Action Plan outlines the actions occurring in the short term, medium term and long term with the intent to integrate with the City's prioritized budgeting framework. Implementation of the Action Plan will occur through the reallocation of existing resources, producing a limited budget impact. Ongoing evaluation and examination of this approach will be done in conjunction with budget planning cycles and adjusted if necessary.

Implementation and Measures

The success of the Action Plan requires the combined efforts of the City, its partners, and business owners. While led by the City, the Action Plan needs many activators and so implementation efforts will be grounded in relationships and partnerships. Attachment 5 outlines the draft implementation steps for each action, including the Administrative lead(s), potential supports, draft performance measures and anticipated timelines. Successful implementation will be achieved through a cross-corporate effort and so various teams across Administration will be integrated into this work plan.

The draft performance measures outlined in Attachment 5 are tied to the outcomes identified in The City Plan, ConnectEdmonton, Enterprise Performance Management and regular economic forecasting completed by the City's Chief Economist. For each action, Administration has identified performance measures related to strengthening the capacity of the city's ecosystem, and where possible, have identified measurements that are linked directly to job growth. Pending Committee direction on the Action Plan, the development of the final measures will be done in consultation with the City's partners and Administrative leads. To account for shifts in the economy and new public and private investment, these measures will be refined and updated over time. For instance, when a major private investment is announced, Administration will be able to use an economic multiplier to determine potential job creation.

Ultimately, these measures will drive towards the outcome of supporting the creation of net-new 121,000 jobs by 2030.

In Q2 of 2021, Administration will bring forward a Phase Two of the Edmonton Economic Recovery Grant. The Economic Recovery Grant was presented to City Council on June 8, 2020 (Urban Form and Corporate Strategic Development report CR_8331) for approval. Phase One offered \$1,000 matching grants directly to Edmonton businesses to help with the immediate impacts of COVID-19, as well as larger matching grants of up to \$75,000 to business organizations to support projects and programs that support local businesses recover and flourish. Phase Two of the grant will support the implementation of the Action Plan and align with the actions identified in this report. There is no new budget request associated with this grant. Pending approval of April 26, 2021, Urban Form and Corporate Strategic Development report UFCSD00243, Edmonton Economic Recovery Grant Phase 2, which will be presented to Executive Committee on April 26, 2021, Administration will use the remaining funds in the Edmonton Economic Recovery Grant program for this initiative.

Corporate Outcomes and Performance Management

Administration will evaluate the performance of the Action Plan using the overarching outcomes identified in the table below and the action-specific performance measures identified in Attachment 5. The action-specific measures are designed to feed into the corporate outcomes below while measuring the impact of each of the 24 actions.

Corporate Outcome(s): Edmonton Region is a catalyst for industry and business growth			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Edmonton's economy grows (Principle 3)	Edmonton CMA real GDP growth rate (Conference Board of Canada)	-0.6% (2019)	Positive percent change
Edmonton's economy is more diverse (Principle 3)	Economic Diversity Index	0.89 (2020)	Economic Diversity Index Increases
Non-residential property value increases (Principle 2)	Value of Edmonton CMA non-residential building permits	\$1,403,276,000 (2020); -12.4 per cent change from 2019	Positive percent change
Corporate Outcome(s): Edmonton has a globally competitive and entrepreneurial business climate			
Outcome(s)	Measure(s)	Result(s)	Target(s)

Edmonton's economy supports entrepreneurs (Principle 1)	Percentage change to business openings and business closures in Edmonton (Statistics Canada)	-2.66% (# change in openings from 2018 to 2019) -3.01% (%change in closures from 2018 to 2019)	Increase pace in business openings Decrease pace in business closures
Edmonton's economy supports job growth (City Plan direction, Principle 4)	Employment in Edmonton (City of Edmonton, Stokes Economics)	560,000 employed (2019)	Additional 121,000 jobs in Edmonton (2030)

Attachments

1. Edmonton Economic Action Plan
2. Economic Development Jurisdictional Scan
3. What We Heard
4. Stakeholder Feedback
5. Implementation Plan Outline

Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services
- K. Fallis-Howell, Acting City Solicitor