



# *The Way We Prosper* The City of Edmonton's Economic Development Plan

July, 2012



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# 1 The Way We Prosper

## 1.1 A New Direction for Economic Development

Today's cities and city regions are confronted by a dramatically and radically transforming economy from what has gone before. They are increasingly the focus of interaction – concentrated command points in a global economy, key locations for finance and capital, and major centres for production and innovation, as well as research and development. These and other global trends have created a new context in which the Edmonton economy must adapt, innovate and thrive.

The changing nature of local economies, coupled with the impact of technological advancement and the increasing importance of innovation and entrepreneurship as a platform for growth, means a heightened level of national and international competition to attract financial capital, workforce talent and business investment. Compounding this is the rising importance of emerging market economies – Brazil, Russia, India and China in particular – and the growing impact they are having on the world economy. The need to distinguish the City of Edmonton in this competitive, emerging world has never been more critical.

The implications of this shifting landscape are challenging the old models of economic development and the tactics deployed by municipalities to attract and sustain business investment. Where historically economic development was driven by a competitive tax structure, the availability of serviced land, buildings and an educated workforce, today's successful cities are adding new elements to the traditional approach and developing comprehensive strategies that are:

1. Enhancing innovation and productivity within their business community;
2. Investing in and improving the skills of their workforce;
3. Leveraging cultural diversity to maximize innovation in the workplace and linkages to emerging markets; and
4. Creating urban environments that provide a high quality of place experience and quality of life for residents in order to attract the best and the brightest to their city

In the midst of this new reality, Edmonton must rethink the way it engages with its economy and with the opportunities it presents. To accomplish this, we must look beyond our past experience and envision the world as it will be – and as it could be if we channel our efforts and ideas in constructive, innovative and productive directions.

## 1.2 Edmonton 2022

Edmonton's emergence on the global stage and its strategic location at the heart of Alberta's oil and gas sector challenges the City to think about its approach to economic development. In developing The Way We Prosper economic development plan, the community has told us to be transformational in our thinking, to identify those



opportunities that will differentiate the City nationally and internationally and ensure the continued growth of a diverse and sustainable local economy. The vision of Edmonton in 2022 reflected in *The Way We Prosper* captures the enthusiasm and ideals for what the City can become.

**Edmonton is positioned nationally and internationally as an industrious, entrepreneurial city. Edmonton has an unbridled energy and spirit backed by a business community and a corporate culture that make the City a destination of choice for people to invest, conduct business, live and work.**

**Edmonton is internationally renowned as the industrial powerhouse of Canada and the first choice for industry interested in being positioned strategically to compete for growth and expansion opportunities. Easily connecting to regional, national and international markets, Edmonton is the best place to locate and operate a business focused on primary resource, manufacturing, and supply and distribution opportunities.**

**Edmonton promotes business growth as the backbone of a sustainable community. The City of Edmonton uses best practices and has earned a reputation as the most business-friendly community in Canada. Businesses are thriving in an environment of efficiency and collaboration created by the City and the business community's shared entrepreneurial spirit. The City's culture is one of partnership with business, institutions and organizations to support the development of the local business community.**

**In partnership with industry and educational institutions, Edmonton leads the way in expanding research capabilities and advancing the commercialization of new products and services. Edmonton has attracted world-class talent and investment capital. Using industry-driven ideas, Edmonton is host to commercialization and innovation opportunities that support a growing and diverse economy.**

**Edmonton is the most vibrant, livable City in Canada and boasts a quality of place experience that is recognized nationally and internationally. Edmonton offers a diverse and exciting environment for everyone. A dynamic urban core with world-class entertainment, cultural and recreational opportunities attracts residents and visitors. Well-designed neighbourhoods provide excellent opportunities for living, working and playing. Residents, visitors and businesses can take advantage of transportation linkages that make it easy and efficient to move people and goods around the City. Edmonton is committed to integrating social, cultural, environmental and economic sustainability.**



## 1.3 Background

With the launch of the City of Edmonton's new strategic plan *The Way Ahead* the City has articulated a progressive and innovative 30 year vision of the community based on input received from thousands of local stakeholders and citizens. The outcome of this process was the creation of six ten-year goals intended to shape and direct strategic thinking and decision making for the City in the future. The City of Edmonton's *The Way We Prosper* (TWWP) economic development plan is the response to the City's *The Way Ahead* Strategic Plan's 10-year goal to "**Diversify Edmonton's Economy**".

The City of Edmonton's Strategic Plan also incorporates a 10-year strategic goal for *The Way We Prosper* that reflects the possibilities for the future.

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*"Edmonton is recognized as an economic powerhouse, maximizing the diversity of its economic advantages, including its location as Port Alberta and as a portal to the North; as the urban centre of regional industrial development; as a knowledge and innovation centre for value added and green technologies and products; and as a place that attracts and supports entrepreneurs."*

*The Way Ahead Strategic Plan*

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In preparing the economic development plan, this overarching strategic goal has been incorporated as the premise for the development of goals, strategic objectives and actions for *The Way We Prosper* that will further support this commitment to the growth and prosperity of Edmonton.

The City also recognizes the need to work with its public and private sector partners to improve Edmonton's business and investment climate and more effectively leverage its strategic gateway location in the province's resource sectors, Northern Alberta and Canada's circumpolar region. In the consultation process there was a general acknowledgement that the Municipal Corporation and Edmonton Economic Development Corporation's roles need to be better aligned. *The Way We Prosper* is a vehicle to increase the degree of alignment and ensure a more coordinated effort between the City and Edmonton Economic Development Corporation. As well, the plan directly informs the City in advancing changes to the current structure and the resources needed to achieve economic development outcomes.

*The Way We Prosper* sets a direction for the City of Edmonton's own efforts. It provides an important opportunity to more effectively engage with other economic development partners and senior levels of government around issues that affect the growth and sustainability of the region resulting in a greater alignment of priorities and actions. The improved collaboration and cooperation will lead to the successful and effective implementation of the strategy's action plans.



## 1.4 Aligning with Corporate Outcomes

In addition to the vision established for The Way We Prosper in *The Way Ahead*, the City of Edmonton has also articulated five anticipated corporate outcomes for the 10-year economic development plan. These outcomes include:

- **The Corporation supports a competitive business climate and delivers business friendly services**
- **The City facilitates the development of established businesses and sectors**
- **The City supports the development of high potential sectors**
- **The City attracts talent and investment making it nationally and internationally competitive**
- **The City is an effective participant in regional partnerships and collaborations**

The goals, strategic objectives and actions contained in The Way We Prosper are well aligned with these expectations. In addition, the development of The Way We Prosper Implementation Plan will include corporate performance-based measures for achieving these outcomes together with select economic indicators that will monitor changes in the local economy, community success factors, and key milestones and results achieved by the City and its economic development partners over the implementation of the economic development strategic plan.

It should be recognized that The Way We Prosper has an important connection to The Way We Finance. The plans share the common objectives of economic prosperity and fiscal health for the City. The other Ways plans: The Way We Grow, The Way We Live, The Way We Move and The Way We Green are all intended to advance the long term livability of the City, a key consideration for The Way We Prosper. Where appropriate, the actions reflected in these plans are reinforced in The Way We Prosper, further demonstrating the interdependency of economic development and a community's quality of place.

## 1.5 Financial and Budget Implications

The Way We Prosper is a high level plan focused on the growth and diversification of the local economy. It does not include specific financial cost estimates for individual projects or actions. Costing will be done through the development of an overarching Implementation Plan that articulates the resources required to move forward with the strategy and in the context of City budgeting processes.

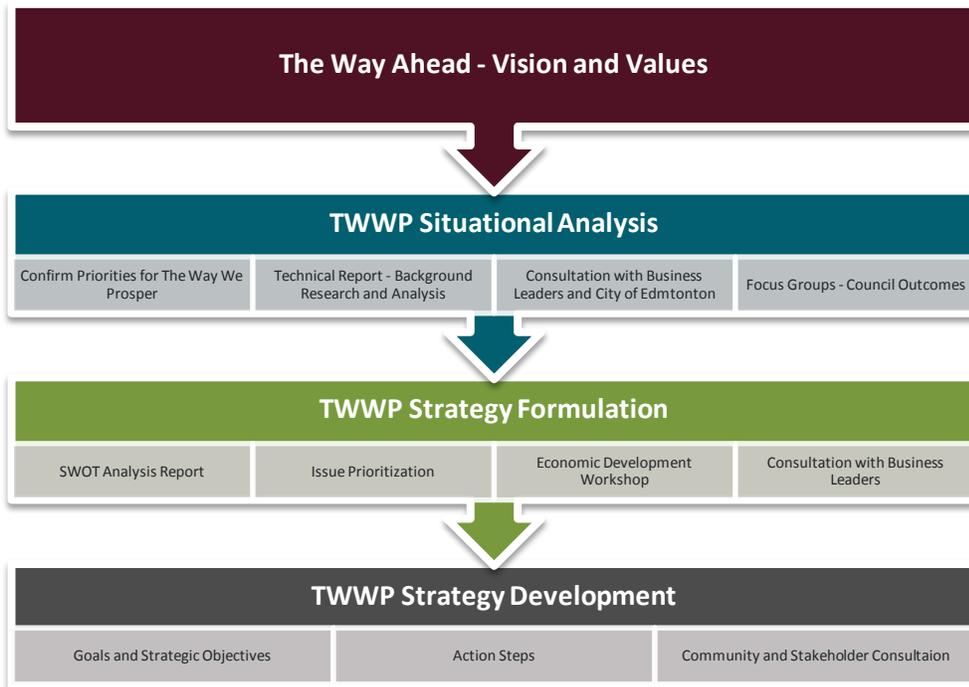
It must be noted that there may be immediate costs for direct investments in economic development in the short term, but they are foundational to the long term sustainability and resilience of the local economy.



## 2 The Strategy Development Process

Economic development strategic planning is the process of defining where a community wants to go and creating a road map for how to get there. “Good economic development planning enhances urban competitiveness – that is the ability of a city to compete with other urban regions nationally and internationally, for investment, talent, and local and export markets<sup>1</sup>”. In the case of the City of Edmonton’s The Way We Prosper plan, this process has been framed by the vision and values set out in the City’s The Way Ahead Strategic Plan and informed by extensive research and analysis together with input from the City’s business and stakeholder community.

FIGURE 1: STRATEGIC PLANNING PROCESS DIAGRAM



### 2.1 Situational Analysis

The starting point for The Way We Prosper was a comprehensive analysis of the local and broader regional and provincial economy. This resulted in the preparation of a Technical Report that assessed the City of Edmonton’s recent performance against a select range of demographic and economic indicators considered relevant to the

<sup>1</sup> Dr. Larissa Muller, Economic Development Strategies: Best Practices, 2007



development of the economic development plan combined with an analysis of current and emerging business and industry sector trends. Consideration was also given to reports, studies, and economic development strategies that were seen as having a direct impact on the current and future economic development activities of the City of Edmonton. The results of this assessment were then used to inform the subsequent stakeholder discussions about the opportunities and the challenges facing the City of Edmonton in its efforts to enhance its value proposition for the attraction of business, investment and residents to the City. A summary of key findings is presented in Appendix A.

## 2.2 Public Consultation

Given the importance of gaining community wide economic intelligence, as well as securing broad-based support for *The Way We Prosper*, an extensive consultation process was essential. One-on-one interviews and small group discussions were conducted between December 2011 and June 2012 that included senior business leaders, key community and provincial stakeholders, economic development partners, and elected officials and senior management from the City of Edmonton. These discussions provided further insight into trends related to the City's socio-economic make-up, the City's land use and policy framework, and the City's current economic development activities. Six focus group discussions geared to the approved outcomes for *The Way We Prosper* were hosted between February and March 2012, and an electronic survey directed primarily to Edmonton's business community was administered in cooperation with the City of Edmonton and several of the City's local economic development partners. As of June 2012, input has been obtained from more than 600 business and community leaders in the City.

The approach to community and stakeholder engagement for the *Way We Prosper* included:

- **Three meetings with the Plan's Business Advisory Committee to seek input and feedback at key milestones for *The Way We Prosper***
  - January 2012
  - May 2012
  - June 2012
- **One-on-one interviews with 150 community and business leaders**
  - From December 2011 to March 2012
- **Online questionnaire geared to the City's business community - 140 participants**
  - Open From December 2011 to May 2012
- **Focus group discussions - 100 participants**



- **Seven sessions conducted at the end of February and beginning of March**
- **Economic development workshop - 90 participants**
  - **April 30, 2012**
- **One-on-one interviews with members of Council and Corporate Leadership Team**
  - **January 2012 and February 2012**
- **One-on-one interviews with all of the other Ways Plans**
  - **May 2012**
- **One-on-one interviews with other levels of government**
  - **From December 2011 to February 2012**
- **One-on-one interviews with Port Alberta, Alberta's Industrial Heartland Association, Edmonton International Airports, Edmonton Chamber of Commerce, and Edmonton Economic Development Corporation**
  - **January 2012 and February 2012**
- **Two meetings with Greater Edmonton Economic Development Team (GEEDT)**
  - **December 8, 2011**
  - **September 2012 (scheduled)**
- **Two meetings with the Edmonton Chamber of Commerce Taskforce on Economic Diversity**
  - **January 25, 2012**
  - **June 27, 2012**
- **Two meetings with the NextGen**
  - **February 13, 2012**
  - **June 26, 2012**

The input from the consultation process is integrated into the SWOT analysis in the next chapter. The consultation process is described more fully in the Appendix B of this report and in the associated document 'Stakeholder Consultation Findings'.

The engagement process yielded important insights into the Edmonton business community. It is clear that the culture and character of Edmonton is entrepreneurial, being comprised of thousands of small businesses. Edmonton business people see the city as diverse, and open to newcomers willing to work toward a better future. Edmonton's economic stability and leadership were noted as generating a positive



momentum for the economy while a key strength for the City is Edmonton's quality of life and focus on family. Compared with other Canadian major cities, Edmonton has low un-employment, housing and business start-up (and operating) costs.

Those interviewed also identified a number of challenges to continued success. The need to improve the city's image and "brand" was often cited. Similarly, work is needed to address the impending labor shortage and capitalize upon value added opportunities associated with the Province's resource sectors. There are challenges with product innovation and commercialization. Aligning the economic development focus of 20 municipalities in the region is also seen as difficult. From a service delivery perspective, it is important to clarify and align the focus of the Edmonton Economic Development Corporation and the City's approval processes are seen as needing improvements in a number of areas.

Interviews also reflected significant opportunity to advance the plans for the downtown and capitalize on the City's river valley. The leveraging of significant strengths of the advanced education institutions and building an authentic realistic brand was highlighted as important opportunities.

Further information on the consultation findings are described in the appended report.

## 2.3 SWOT Analysis

Building on the business and stakeholder input together with the research findings compiled in the Technical Report, a SWOT Analysis Report (Strengths, Weaknesses, Opportunities and Threats) was developed that provided further indication of Edmonton's ability and capacity to support the attraction, retention and expansion of business investment. For a more detailed summary of the SWOT Analysis please refer to Appendix C.

### ■ Strengths

- **An expanding and stable economy**
- **A competitive business cost environment**
- **A skilled and educated workforce**
- **A commitment to sustainable development**
- **A diverse business base**
- **A strong network of transportation infrastructure**
- **A leader in education**
- **A high quality of place experience**

### ■ Weaknesses

- **Edmonton image awareness**
- **Awareness and perception of business services and support**
- **Investment in productivity, R&D commercialization and venture capital**



- **Housing affordability and cost of living**
  - **Limited profile in key provincial sectors**
  - **External cost considerations – high cost business location**
  - **Industrial lands and market choice**
  - **Infrastructure and support for small and medium enterprises**
  - **Labour force challenges, especially with the changing demand for specialized skills**
- **Opportunities**
    - **A global energy hub**
    - **A centre for clean tech**
    - **Innovation and emerging knowledge intensive industries**
    - **Connections to emerging markets**
    - **A young and growing aboriginal population**
    - **A major events strategy**
    - **Foster networking and collaboration**
    - **A cluster-based approach to investment attraction**
    - **Regional integration around economic development**
  - **Threats**
    - **Reliance on energy exports to United States**
    - **Global economic uncertainty**
    - **External labour force constraints**
    - **Regional competition for industrial investment**

Edmonton's diverse and growing local economy was widely recognized as a premier location for business and investment in Alberta. However, with success comes challenges, and there were a number of major themes or considerations that emerged during the SWOT Analysis that were seen to impact the competitiveness of the city, the region and the province over the long term (Appendix D). These themes were subsequently presented at an economic development workshop held in April 2012 and the Business Advisory Committee in May 2012 to determine the appropriate steps for capitalizing on the opportunity or the actions required to overcome the perceived challenge to the local and regional economy.

The seven themes included:

- **Position Edmonton as a global energy hub for investment and support activities**
- **Position Edmonton as a centre of excellence for clean technologies**
- **Position Edmonton as a sustainable and livable city**
- **Foster a supportive business environment**
- **Address the challenges of attracting and retaining a skilled workforce**



- **Drive greater levels of innovation and commercialization on the part of business and educational institutions**
- **Develop a compelling marketing effort that raises the profile and brand of the city nationally and internationally**

The findings from the Technical Report, consultation process and SWOT analysis have formed the basis for the development of the goals, strategic objectives and actions contained in *The Way We Prosper*. The effect is to have the City of Edmonton assume a more positive role in the development of a diverse economy and provide the fiscal stability that supports a vibrant community and urban lifestyle. The plan also extends the City's reach and influence in a way that will garner national and international attention and continued economic prosperity for its residents and businesses.



## 3 The Big Picture

Without question, global economic trends, particularly as they relate to the production and sale of oil and gas and petrochemicals, will continue to afford positive benefits for the City of Edmonton, both in terms of population and employment growth and a strong local economy. This in turn has provided residents of the City with a higher standard of living and a greater level of prosperity than many other city-regions around the world. But Edmonton's success has also led to increasing business cost and the increased need for services and infrastructure to meet the demands of investors and a growing population. Many of those consulted throughout the development of *The Way We Prosper* recognized structural labour force shortages resultant from demographic realities, aggressive national and international competition for needed talent and skilled workers as a critical challenge to their business and the economy as a whole. To succeed in sustaining and further diversifying Edmonton's economy, *The Way We Prosper* plan must deliver a response to these two dominant issues impacting the long term growth of the local and regional economy.

### 3.1 Opportunities and Challenges for Alberta

While Alberta is experiencing a period of economic prosperity and substantial growth, this performance is largely reliant upon the export of energy - heavy oil - to the United States. With the third largest deposits of recoverable oil in the world, Alberta is not at risk of running out of oil. However, production costs are high, and the global environmental movement and trends towards alternative energy and reduced greenhouse gas (GHG) emissions casts a shadow of uncertainty over the long-term outlook of Alberta's energy economy<sup>2</sup>. As a result, long-term prosperity is increasingly dependent upon such factors as productivity, diversification and innovation, both as it relates to the energy sector and the broader economy.

Recent economic performance suggests that the province has been experiencing comparatively weak productivity levels<sup>3</sup>. As productivity measures the output of workers, labour force shortages further expose the importance of productivity and getting more from every hour worked. It also reinforces the need for greater levels of investment in both technology and innovation to ensure that this occurs.

As of December 2011, the total value of all major projects in Alberta stood at \$208.8 billion. Investment in non-conventional oil alone is predicted to increase to \$26.9 billion in 2012<sup>4</sup>. As the province's energy sector expands, Alberta, and by extension Edmonton, has supply chain opportunities to drive diversification along the energy

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<sup>2</sup> Report of the Premier's Council for Economic Strategy. *Shaping Alberta's Future*. 2011

<sup>3</sup> Ibid

<sup>4</sup> Alberta Treasury Board and Enterprise Inventory of Major Projects Report, December 2011



value chain into new and emerging growth sectors<sup>5</sup>. The Province has strategies in place to support the development of the hydrocarbon processing cluster, and there is also opportunity to leverage the expertise that has emerged from the province's energy and natural resource sectors to drive innovation in energy technology, modular construction, and engineering and related manufacturing, much of which is currently focused on the City of Edmonton. Further diversification opportunities also exist in areas related to reducing the environmental footprint of the energy industry and remediating existing impacted areas.

The Province also sees export opportunities in value-added agricultural and forestry products; medical devices, medical science and biotechnology; and information and communications technologies<sup>6</sup>. However, innovation and commercialization to develop new products, processes and services will be necessary to capitalize on many of these emerging market opportunities.

## 3.2 Global Forces Shaping Cities

Changes in the global economy have always had a direct impact on the growth and life of cities. For this reason, *The Way We Prosper* also needs to reflect on the larger global trends that are likely to have a direct and lasting effect on the economic performance of Edmonton and cities across Canada and around the globe.

### **Innovation, Productivity and Technology Commercialization**

The ability to innovate is a primary determinant of success for businesses. For this reason, cities that can effectively foster and demonstrate a culture of innovation and entrepreneurship are far better positioned to attract businesses and investment that in turn generate success themselves. While creativity and innovation is arguably a fundamental platform for growth, cities also need to attract the talent and capital to be able to commercialize that innovation, bringing research and development in specific sectors together with industry and investment that make this happen.

Successful innovative urban economies are seen to be risk-takers, dynamic, flexible, and digital. They also demonstrate a mix of multi-national and domestic firms, as well as a mix of large and small companies together with start-ups. Perhaps most importantly, however, is the perceived opportunity for collaboration. A healthy innovative economy will have a wide range of educational, financial, administrative and cultural resources contributing to an “ecosystem” of innovation. Edmonton has many of these resources in place including a strong profile of national leaders in the public and private sector, paired with the presence of innovative smaller firms in emerging growth industries, and strong post-secondary institutions. To foster a true “culture of innovation”, however, these elements must work together more effectively to generate new ideas, technologies and partnerships.

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<sup>5</sup> Launching Alberta's Energy Future: Provincial Energy Strategy

<sup>6</sup> Report of the Premier's Council for Economic Strategy. *Shaping Alberta's Future*. 2011



## The Drive for Talent

A critical factor that determines whether a city will enjoy sustainable, long-term success is its ability to attract talented workers. It is well-documented that cities with high levels of human capital – typically measured in terms of the educational attainment of the population – experience higher levels of per capita income, productivity and economic growth. Much like the drive for investment, competition for skilled labour is also increasingly global. Young and educated workers, driven by job opportunities and local amenities, are highly flexible and mobile. As a result, strategies to attract and retain a deep, talented labour pool are becoming prevalent in economic development practice across the globe.

Attracting this talent – particularly *international* talent – is becoming a fundamental component of urban competitiveness. Cities are beginning to recognize that, in an international marketplace, the ability to build on linkages between highly skilled immigrants and their countries of origin can create pipelines of global knowledge and trade and further stimulate increased flows of skilled labour. Where success in this area was once a specialized strength of select entrepreneurial economies like New York City or Silicon Valley, supporting this type of labour force attraction effort is now a necessity for many jurisdictions looking to enhance their competitiveness. As reported by the Alberta Competitiveness Council, cities like Edmonton have an important role to play in welcoming and integrating newcomers and ensuring that the province is an attractive location for workers, investors and entrepreneurs from around the world.<sup>7</sup>

## The Emergence of a Knowledge-Based Economy

The global economy is experiencing a broad structural upheaval. Academic research, popular commentary and economic data support the fact that developed economies are undergoing a transformation to knowledge-based economies. Intelligence, knowledge and creativity have become the primary inputs of this new economic paradigm, which has a distinctly urban expression. Cities – with their high densities; concentration of command and control functions; and diverse economic, educational and demographic compositions – are the lifeblood of this new knowledge-based economy. This shift has been popularly understood as a rise in the importance of “creative” work, and emphasizes high productivity and enhanced cognitive and analytical skills.

This reality generates new challenges and opportunities for Edmonton. Knowledge-based work cuts across all industry sectors and requires higher degrees of educational attainment – and thus cities are in increased competition for skilled workers. Cities that fully embrace this knowledge-based paradigm are the ones that will be best positioned for future growth and prosperity as these trends continue. A prime consideration for Edmonton in this regard will be the continued investment in and expansion of its high value target industries including cross sectoral collaboration and more effective leveraging of post-secondary educational opportunities.

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<sup>7</sup> Alberta Competitiveness Council: Moving Alberta Forward. 2011



## Sustainable Growth and Development

An agenda of sustainability and environmental responsibility is increasingly synonymous with economic opportunity for cities. Clean technologies that improve energy efficiency, conserve resources, and improve existing industrial processes are emerging as engines of innovation and wealth creation for regional economies. The implementation of these technologies within cities in terms of sustainable construction, use of resources, and waste disposal practices are also becoming a growing imperative. Cities that can differentiate on the basis of these principles can also attract workers and business investment, which increasingly cite effective environmental stewardship as a core consideration for their business.

In a 2005 PricewaterhouseCoopers report, *Cities of the Future: Global Competition, Local Leadership*, the authors emphasized that city governments must ensure that they balance the needs of their citizens with the need to grow the local economy as the quality of life that is offered is often fundamental to its prosperity. While every city is unique and operates under a different set of economic, environmental and social conditions, it is nonetheless apparent that city leaders around the world will need to develop responses to these issues if they are to prosper and grow in a global economy. Through *The Way We Green* Strategic Plan for Edmonton, the City commits to the integration of environmental principles and strategic actions into the land use, transportation, social, economic, and financial decisions made at the local level. The plan represents a strong statement that the City is committed to the triple bottom line approach to sustainable development, which can better position it in a more global economy.

## 3.3 Building from a Strong Foundation

### A High Quality of Place Experience

One of the major themes to emerge from The Way We Prosper consultation process was the strongly held view that Edmonton's greatest strength lies in the overall quality of life available to residents of the City of Edmonton, based on first-class recreation amenities, natural heritage features, and work-life balance. The combination of high median incomes and comparatively lower housing costs when compared to other major Canadian metropolitan areas has provided Edmonton's residents with a unique opportunity to enjoy the natural and cultural quality of place assets in the City.

Edmonton also has a strong appreciation for the arts; it is considered a "Festival City" and residents continue to exhibit higher than average per capita spending on arts and culture based on the profile of events and cultural amenities in the City. In addition to its cultural heritage assets, the City is planning to add greater vibrancy to the Downtown core, further strengthening its position as the cultural centre of the Capital Region. The City also benefits from strong neighbourhoods, such as Whyte Avenue/Old Strathcona, which continue to attract significant private sector investments improving overall quality of life for residents of the area and adding defined features to



Edmonton's quality of place. Edmonton is also bisected by a natural river valley, which represents one of the largest contiguous parkland systems in North America and is the envy of many other major metropolitan areas in Canada. The combination of existing and planned natural and cultural heritage features provides a quality of place experience that draws both residents and visitors to the City.

### **Edmonton's Transformational Projects**

Edmonton is showing leadership by undertaking a number of major projects that will have significant economic and transformative impacts on the City. These projects, including the Arena and Entertainment District, the Quarters downtown, the City Centre Redevelopment and West Rosedale will change not only how Edmonton is perceived but experienced by residents and visitors alike. These projects will also have design components that will place Edmonton on the national and global stage.

The Arena and Entertainment District, with its proximity to the theatre and arts district will draw people to the downtown transforming it into a vibrant and dynamic core for the metropolitan region. The Quarters downtown will create new mixed use commercial and residential neighbourhoods with a combination of medium and high density residential. The increased residential population and commercial activity in the core will significantly enhance the overall quality of the downtown and increase its importance as an economic driver of the region.

### **A Skilled and Educated Workforce**

Edmonton's workforce is characterized by the skilled, educated, and diverse population that resides in the City, the strong work ethic that is associated with its industrial roots, and the entrepreneurial spirit of enterprising small business owners and newcomers with fresh ideas. While the City of Edmonton shares in Alberta's strong profile of workers skilled in technical and vocational areas, the City also has a higher proportion of residents with a university degree when compared to either the province or the Edmonton region, dispelling the 'blue collar' image of the City.

Edmonton's excellent secondary and post-secondary learning institutions as well as the internal migration of people from elsewhere in Alberta and the external migration of people from other parts of Canada also ensures that the Edmonton business community has access to a comparatively young and technically skilled labour force. In fact, the labour force growth in Edmonton has outpaced both the province and surrounding Edmonton region in recent years.

### **A Diverse Business Base**

Edmonton has a diverse business base and is home to a significant number of innovative and nationally recognized leaders from both the public and private sector (i.e. Epcor, Capital Power, Stantec, PCL, Brick and Rexall), with public and private sector leaders like AIMCO, Alberta Treasury Board and Finance, Canadian Western Bank, and Servus Credit Union anchoring the City's financial sector. The City has also developed a strong and diverse base of businesses in construction and industrial manufacturing, particularly as it relates to supporting the oil and gas sector and major



infrastructure development, and has a strong public sector presence most notably in health and education. This strong public sector presence has in turn contributed to the City's expertise in emerging areas such health research, pharmacy, nutraceuticals, nanotechnology, and information and communication technology.

Small businesses are known to create significant positive economic impacts and employment growth for communities across Canada, as they are perceived as being extremely nimble and very competitive. The high proportion of small and medium sized businesses in Edmonton has similarly contributed to the stability of the local economy. The City's small businesses have more flexibility to employ niche-based approaches to products, services, and markets, and have the ability to scale up and scale down employees and production to match the boom and bust cycles of the provincial economy.

### **An Expanding and Stable Economy**

Edmonton's emergence as the supply and service centre for the provincial energy and resource sectors along with being the provincial seat of government and centre for education and health have contributed to the emergence of a diverse regional economy. While the service and supply strengths of Edmonton have traditionally centred on engineering and construction, manufacturing and metal fabrication, and transportation and logistics, more recently Edmonton has been able to capitalize on opportunities in emerging industries related to the energy and resource sector. This includes professional expertise in clean technologies including environmental remediation and consulting, water treatment, renewable energy, cold weather construction, and waste management. The resulting growth and expansion of both the local and regional economy has also led to considerable investment and expansion of other sectors of the economy (i.e. accommodations, hospitality, food services and entertainment), which in turn has positive implications for the attraction of visitors and events to the City and the attraction of new residents.

The City's strong economic performance has also contributed to the emergence of a number of other strategic sectors that provide further opportunity to refine the City's business attraction and retention efforts. These include information communications and technology (including digital media); health industries (including biotechnology and medical devices); and financial services (including insurance, real estate, investment banking and venture capital).

While the identification of these strategic sectors can be looked upon as a way to further diversify the local economy, economic opportunities identified in *The Way We Prosper* are building on the existing strengths and, more particularly, the expertise of the service producing industries and businesses already present in the local economy.

Edmonton, however, faces some key constraints in 'competing' with neighbouring municipalities for new business investment. These constraints include the perceived lack of suitable development sites and the higher cost of land in the city as compared to neighbouring municipalities. Edmonton is also perceived to have more stringent development guidelines that increase up front development costs for businesses.



In addressing these challenges, Edmonton needs to articulate its value proposition in attracting industrial and business investment. Edmonton may not be best served in attracting land intensive or low value industrial activity and is perhaps better positioned to attract and grow high value, niche based manufacturing or industry investment that more closely aligns with Edmonton's strategic priorities or key industry sectors.

### **A Strong Network of Transportation Infrastructure**

Infrastructure plays a significant role in the competitiveness of the City with regards to attracting, retaining, and supporting business, but it also contributes to the quality of place that attracts new residents. In this regard Edmonton benefits from both the ability to move goods and people internally as well as connections to external markets. Recent and planned LRT expansions facilitate the movement of people to places of work and education and reduce road congestion. The Anthony Henday ring road has improved access to many parts of the City, as well as connecting businesses in the City to neighbouring municipalities and the rest of Alberta. With access to Canada's two major rail carriers (CN and CP), the City's positioning at the cross roads of Highway 16 (northern Trans-Canada) and Highway 2 (CANAMEX), the rapidly expanding international airport and intermodal hub, and connections to Canada's major oil and gas pipelines, there is a strong business case for businesses to locate and invest in Edmonton.

The emergence of a regional plan for infrastructure, transportation and transit connectivity in the Capital Region combined with Edmonton's existing infrastructure, provides a strong base upon which to build a more integrated higher-order transit system and other high-quality infrastructure. This can drive advancements in quality of place that make the City more competitive and attractive on an international scale with regards to talent and investment attraction.

### **A Leader in Education**

Edmonton demonstrates considerable strength in its educational programming from its elementary schools to its post-secondary institutions. Alberta and Edmonton's elementary school aged children routinely show competitive scores in standardized science, math, and reading tests<sup>8</sup>. More specifically, children in Edmonton's public school system routinely outperform their provincial counterparts in languages, science, and social studies. Secondary school aged children outperform their provincial counterparts in a number of subjects, but most specifically in biology, physics, and chemistry. The strength of programming in the public school system provides a strong foundation for the development of a skilled local workforce in the future.

Post-secondary assets in the City like the University of Alberta, Northern Alberta Institute of Technology, MacEwan University, Norquest College and others are important for education and skills development, innovation and research, as well as talent and investment attraction. Post-secondary institutions that offer niche learning

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<sup>8</sup> Pan-Canadian Assessment Program Test (2010): Results for Alberta and Edmonton Public School Test Results, 2011



experiences in emerging industries, such as Pixel Blue College's programming in digital media, also contribute to the ability to train and attract talent to the City. Edmonton's institutions are becoming internationally-recognized for technology innovations and energy-related research and knowledge, and more specific to the University of Alberta, environmental mitigation, nanotechnology, engineering, computing, health sciences (biotechnology and cardiovascular), agribusiness, and clean technology. Edmonton is also a recognized leader in health care research and innovation undertaken by the University of Alberta.

## **A Commitment to Sustainable Development**

The City's commitment to sustainable development principles and policies is contributing to Edmonton's emerging strength as a green and sustainable urban centre. A competitive sustainability agenda is being built around the City's The Way Ahead initiatives - The Way We Green, The Way We Move, The Way We Live, The Way We Grow and The Way We Finance. Coupled with the Province's Alberta Innovates program, there is strong potential for long-term economic growth in the City related to sustainable development and environmental products and services. This in turn has contributed to a growing number of innovative firms in the clean technology sector in Edmonton focused on water technologies and environmental remediation.

Emerging development policies and master planning on the part of the City plays a key role in further conveying the City's intent in this regard. The master plan for the City Centre Airport redevelopment demonstrates the City of Edmonton's commitment to sustainable development in a real and measured way. Accommodating 30,000 people, the community will use 100% renewable energy, be carbon neutral, and empower residents to pursue a range of sustainable lifestyles choices. The development of the City Centre Airport lands would place Edmonton at the cutting edge of sustainable urban development and raise the bar for communities around the globe. In an effort to better integrate transportation and land use in the City, there are also plans to pursue the expansion of light rail transit (LRT) as a means of encouraging more transit-oriented and compact development, increased modal split away from the automobile, and greater transit connectivity and ridership across the Capital Region.

## **Conclusion**

Like any forward-thinking municipality, the City of Edmonton has a reputation for confronting the challenges and embracing the opportunities that will allow it to prosper and grow. In creating an economic development plan for the City, consideration has been given to a range of information related to the City's economic development strengths, weaknesses, opportunities and threats. This has been accomplished, in part, through an analysis of data and information that illustrates the strength of Edmonton's competitive position having considered those strategic sectors and economic drivers that the City needs to focus on to ensure that it remains nationally and internationally competitive.



## 4 The Economic Development Plan

The City of Edmonton's The Way We Prosper Economic Development Plan is underpinned by five high level goals, intended to anchor and qualify all strategic objectives or ensuing actions in the Plan.

Goal 1	Edmonton - A Confident and Progressive Global Image
Goal 2	Edmonton – Internationally Renowned as a Powerhouse of Industry
Goal 3	Edmonton - An Unrivalled, Competitive Business Climate
Goal 4	Edmonton - An Environment for Innovation
Goal 5	Edmonton - A Vibrant, Livable City

By definition the goals represent the vision and desired outcomes that emerged from the strategic planning process and they present a view of the aspirations of Edmontonians. It is a City that is promoted nationally and internationally as industrious and entrepreneurial and the first choice for business and investors looking to position themselves for growth and expansion. It is a community that understands that business growth and support is fundamental to a sustainable community and where effective partnerships with industry and educational institutions drive greater levels of innovation and commercialization activity. It is the most vibrant and livable City in Canada offering residents and visitors a diverse, exciting and unparalleled quality of place experience.



The **strategic objectives** speak to how these goals are to be achieved and what must be accomplished in the next five years, while the **actions** direct the City and their economic development partners to those essential issues or opportunities that must be addressed over the next three years.

The **GOALS, STRATEGIC OBJECTIVES** and associated **ACTIONS** that follow are built around the City's desire to assume a greater leadership role with respect to future economic growth and its competitive position within the Alberta economy.

Detailed Implementation Plans will further identify priority actions and any related resource reallocation or requirements.



# Goal 1: Edmonton - A Confident and Progressive Global Image

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## ***Edmonton in 2022***

*Edmonton is positioned nationally and internationally as an industrious, entrepreneurial city. Edmonton has an unbridled energy and spirit backed by a business community and a corporate culture which makes the City a destination of choice for people to invest, conduct business, live and work.*

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As the major regional services hub for the development that is occurring in the Province of Alberta's oil sands, the City of Edmonton has attracted investment, expertise and talent on a scale that is unparalleled in Canada. While historically this economic activity has focused on industrial development and logistical support to the energy and resource sectors, investment has shifted to include leading edge research and advanced technologies and innovations that have application on a global scale. In fact, the strength of the overall economy has resulted in the City having the strongest momentum of any western Canadian City, second only to Toronto nationally.

Despite the economic advantages and the high quality of place experience that is afforded residents of the City, Edmonton, and by extension the broader region, lacks a clear and distinctive identity that can be effectively leveraged on the national or international stage, whether in pursuit of tomorrow's workers or future business investment.

With labour force growth identified as a key component to the country and the province's future competitiveness, the attraction of talent, particularly international talent, will be a critical success factor for Edmonton in the years to come. An expanding global economy and the strong rate of growth being experienced in many emerging economies means that competition for international workers and investment will only increase. To succeed at this level the City of Edmonton must leverage the global standing of its business community to build connections and opportunities with emerging markets, create linkages between its highly skilled immigrants and their countries of origin to attract further investment, and focus international attention and imagination on the unique aspects of the City that set it apart from other cities in North America and around the world.



## Strategic Objective: Edmonton is uniquely positioned nationally and internationally as an industrious and entrepreneurial City

### Actions

1. Ensure a consistency of message in the City's economic development marketing materials with an emphasis on the value proposition and attributes of Alberta's Capital, the strength and diversity of Edmonton's business community, and its role as a centre for government, education and innovation in the Province.
2. Explore opportunities with the Province of Alberta, Department of Foreign Affairs and International Trade and industry associations to co-market the City of Edmonton and Edmonton-based businesses in key international markets.
3. Leverage the City's network of senior business and education leaders to help engage with the target audiences for investment and talent attraction. Attract headquarters or regional operating units through connections to Edmonton's business community.
4. Engage civic leaders and local businesses that reflect the cultural diversity of the city. Leverage their networks to create new opportunities for business investment, talent attraction, and access to capital.
5. Coordinate with business and community stakeholders to host incoming and outgoing business and trade missions.

## Strategic Objective: Edmonton delivers a well-coordinated and best in class metropolitan marketing campaign

### Actions

6. Coordinate senior levels of government, neighbouring jurisdictions, industry and post-secondary educational institutions to develop and implement an integrated marketing strategy for the Edmonton region. Include an online and multimedia presence, high quality domestic market research, customized messaging for targeted industries, and a protocol for investment attraction and lead generation.
7. Develop a best in class economic development website that presents Edmonton in an appealing and engaging way, provides access to relevant information, educates local business leaders on the City's economic development programming and



enables timely interaction between business, investors, government and economic development partners.

8. Champion and promote Calgary-Red Deer-Edmonton-Fort McMurray as Canada's "Energy Corridor".
9. Work with local and international media to raise awareness of the Edmonton as a centre for industry and innovation, the diversity of investment opportunities, and the City's overall livability.

## Strategic Objective: Edmonton is globally recognized as a great place to live, go to school, visit and invest

### Actions

10. Develop a City led branding and imaging program that promotes the unique brand attributes of Edmonton including creative responses to existing perceptions within and outside of Edmonton.
11. Undertake a campaign to have Edmonton ranked as a top North American City to do business with by leading business publications and other reputable news sources.
12. Leverage the City's Environmental Strategic Plan, The Way We Green and the Edmonton City Centre redevelopment initiative to position Edmonton as a world leader in clean technologies innovation and promote its reputation for leading edge sustainable development practices.
13. Leverage the City's experience in hosting international events to target major corporate events, conferences and trade shows that link to the City's strategic sectors and raise awareness and interest in the City.



## Goal 2: Edmonton - Internationally Renowned as a Powerhouse of Industry

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### ***Edmonton in 2022***

*Edmonton is internationally renowned as the industrial powerhouse of Canada and the first choice for industry interested in competing and being positioned strategically for growth and expansion opportunities. Easily connecting to regional, national and international markets, Edmonton the best place to locate and operate a business focused on primary resource, manufacturing, and supply and distribution opportunities.*

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The considerable strength of Edmonton's economy provides a platform for both diversification and future growth. Supply chains have been established around core industries and can be leveraged to develop new business and market opportunities. The momentum and growth associated with the economy can also serve as positive attractors for new investment and business. Edmonton's position as the primary service and supply point for Alberta's energy and resource sectors has provided the City with unrivalled strengths in manufacturing, construction, engineering, and transportation and the positive effects of this growth on the City are unquestioned.

Edmonton's position as a global powerhouse of industry will increasingly depend on the further value-added development of the Provinces' oil and gas supply chain. For this reason, the City must continue to support the activities of the Government of Alberta and Alberta's Industrial Heartland Association in attracting further upgrading, refining and value-added product development in the Edmonton region. Edmonton's economic competitiveness will also depend on the ability to export the unique knowledge and expertise gained through the energy industry and a cold weather climate to new global markets. Initiatives led by the Edmonton International Airport, Port Alberta and others, are improving access to emerging markets in Asia and Latin America, and support of regional partners to further develop transportation and logistics strategies and supply lines will facilitate the export of this knowledge and expertise to the world.

The strengthening of these supply lines will also enable local businesses to capitalize on anticipated growth of the resource sector in Canada's North. Encouraging the Government of Alberta to improve and expand transportation infrastructure to Fort



McMurray and other northern municipalities will facilitate greater access to these northern markets. While Alberta and Edmonton's energy and resource sectors have already contributed to diversification and innovation in many sectors of the economy, the City is also well positioned to drive greater synergies between its core and emerging industries such as finance, insurance, real estate, health, sustainable energy and nanotechnology. This can best be achieved through the active support of key agencies such as the National Institute for Nanotechnology, the University of Alberta and Edmonton Economic Development Corporation.

## Strategic Objective: Edmonton experiences unparalleled growth in business development and investment in energy services and technologies

### Actions

14. Promote Edmonton as a major expansion area for value-added services and suppliers to Canada's energy and resource sectors.
15. Accelerate Edmonton's investment attraction and local business expansion program.
16. Expand Edmonton's energy manufacturing, construction, engineering and technologies supply chains that offer opportunities for local business investment or the attraction of new business.
17. Collaborate with local industry and export development agencies to build linkages to emerging markets in Asia and Latin America.

## Strategic Objective: Canada's circumpolar region looks to Edmonton for expertise in resource and industrial development

### Actions

18. Develop direct working relationships with northern industry and government representatives to expand the presence of Edmonton-based firms in Northern Alberta, British Columbia and the three territories and position Edmonton as the gateway to the south.
19. Research and quantify the value of resource development opportunities in Northern Alberta and Canada's circumpolar region. Identify opportunities for local businesses, institutions, community economic development in support of the overall supply chains.



## Strategic Objective: New sectors and markets have emerged and businesses thrive as they capitalize on Edmonton's economic and innovation strengths

### Actions

20. Implement a cluster-based approach to support the growth, development and profile of Edmonton's strategic sectors that includes investment attraction opportunities, workforce recruitment, entrepreneurial training, and partnership and networking opportunities.
21. Leverage the knowledge, innovation and engineering capabilities derived from the oil and gas industry to become a global energy centre focused on sustainable energy practices, energy conservation, and new technologies in energy management and environmental mitigation.
22. Develop a Clean Tech sector initiative that leverages the City's competencies in environmental products and services including water supply and treatment products, waste management, remediation services, and products aimed at monitoring and reducing greenhouse gas (GHG) emissions.
23. Position the City's financial insurance and real estate sectors to better serve and integrate with the City's strategic growth sectors.
24. Build Edmonton's profile as a centre of expertise in health industries including medical innovation and research, medical engineering, and medical device manufacturing.



# Goal 3: Edmonton – An Unrivalled, Competitive Business Climate

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## ***Edmonton in 2022***

*Edmonton promotes business growth as the backbone of a sustainable community. The City of Edmonton uses best practices and has earned a reputation as the most business friendly community in Canada. Businesses are thriving in an environment of efficiency and collaboration since both the City and the business community share an entrepreneurial spirit. The City's culture is one of partnership with business, institutions and organizations to support the growth and development of the local business community.*

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Providing a competitive business climate means that Edmonton must support the growth of the local economy by removing the barriers to innovation, efficiency and investment by businesses and entrepreneurs. The City itself must improve the speed, predictability and consistency of its development review process and ensure that businesses and investors alike are met with a level of customer service that sets the City apart from its competition.

The City's different departments must speak with one voice through a clear point of customer contact that inspires an entrepreneurial culture within the City administration and demonstrates an appreciation for the importance of economic development. This includes timely investment in the necessary infrastructure to facilitate the efficient and effective movement of goods, people and ideas in the City.

The City must also foster stronger relationships with the business community encompassing all sizes of businesses, recognizing that the opportunity for growth and innovation comes from all quarters of the City, and create partnerships with other levels of government and the City's educational institutions that further growth and creativity. The growth and profitability of small, local firms will require collaboration with and support of agencies delivering essential programming for small businesses and start-ups.

It is also essential that the City engages with and listens to the needs of industry and responds quickly and appropriately to the issues that impact the City's current and long-term prosperity. While the availability of skilled labour at all job levels is an



essential part of this equation, delivering a consistent supply of job-ready applicants will depend, in part, on the City developing an integrated workforce development strategy that includes the public schools, colleges and universities and job training organizations.

The City will need to actively work with the Province on a range of topics. The Big City Charter signed by Alberta Municipal Affairs Edmonton and Calgary will be a useful vehicle for advancing Edmonton's economic development objectives.

It is equally important to work with area agencies and education providers to support Aboriginal and youth skills development, increase graduation rates, and guide curriculum development over the long term to meet the needs of industry and connect job seekers with career opportunities in the Edmonton region.

## Strategic Objective: A City Committed to Business

### Actions

25. Establish a defined economic development program within the City administration to align and leverage the City resources in delivering the outcomes of the plan. Work with EEDC, a wholly owned company of the City, to redefine its focus for service delivery.
26. Streamline the review and approvals processes for new residential, industrial and commercial development.
27. Continue to implement Edmonton's industrial marketing program and make certain Edmonton has an available supply of shovel ready industrial and commercial lands throughout the City that reflect the broad range of market demand and opportunity.
28. Implement a development strategy for the Edmonton Energy and Technology Park to accommodate opportunities associated with value-added hydrocarbons, manufacturing, transportation and logistics operations, environmental engineering and services, and other uses that align with the City's livability, sustainability and eco-industrial objectives.
29. Support industry/government collaboration to improve the movement of people to employment and the movement of goods within the region to market.

## Strategic Objective: The priority needs of business and industry are effectively supported

### Actions

30. Enhance the City's current business retention and expansion function by implementing a targeted Business Visitation program whereby the City of



Edmonton and/or Edmonton Economic Development Corporation staff routinely consults with Edmonton businesses. Priority will be given to the City's top employers and growth oriented companies, to establish and nurture closer ties with the City's business community.

## Strategic Objective: Small and medium sized enterprises and entrepreneurs are supported with highly developed business knowledge and skills

### Actions

31. Develop a comprehensive and dynamic website for small business and entrepreneurs providing technical assistance and serving as a clearinghouse for related events, programs and resources.
32. Facilitate local Productivity Alberta programs in partnership with local business leaders and Alberta Treasury Board and Enterprise to bring best practices in productivity to Edmonton.

## Strategic Objective: A global talent pool responds to the challenges of a diverse economy

### Actions

33. Implement a comprehensive workforce development strategy to meet the current and anticipated workforce needs including up-skilling, education, accreditation, immigration, recruitment and apprenticeship programs encouraging the participation of under-represented groups within the City such as women, youth, aboriginals, immigrants and the physically disabled.
34. Create a Regional Workforce Development Partnership for the Capital region to more effectively coordinate services and resources.



# Goal 4: Edmonton - An Environment for Innovation

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## ***Edmonton in 2022***

*In partnership with industry and educational institutions, Edmonton leads the way in expanding research capabilities and advancing the commercialization of new products and services. Edmonton has attracted world class talent and available investment capital. Using industry driven ideas, Edmonton is host to commercialization and innovation opportunities that support a growing and diverse economy.*

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The ability to innovate is a primary determinant of success for business in any economy. For this reason, cities that can foster and communicate a culture of innovation and entrepreneurship to the global business community are far better positioned to attract business and investors that in turn generate success themselves. There is growing recognition that nurturing this innovation-based economy requires a broad network of elements to work together to create the conditions in which businesses of all sizes have the greatest opportunity to thrive.

Edmonton's status as a centre for innovation will depend on the continuous introduction of new technologies and the attraction and infusion of entrepreneurial, management and engineering expertise into the workforce. In entrepreneurial regions like Silicon Valley in California and the Research Triangle in North Carolina there is an expectation that the region's higher education institutions will play a lead role in fueling innovation in the region's target industries. For this reason, the research and development of Edmonton's educational institutions must be enhanced to create more explicit connections between higher education and industry, whereby universities and colleges help solve the technological problems faced by the business community, and local business helps to commercialize the innovation that occurs within the educational institutions. This type of relationship benefits both sides financially and brings heightened recognition to the City as having the necessary environment for innovation.



## Strategic Objective: A dedicated network of educators, industry, researchers, and resources committed to supporting commercialization of innovation

### Actions

35. Attract the Provincial Centre of Excellence in Technology Commercialization.
36. Advocate for more progressive Intellectual Property (IP) policies on the part of the province's post-secondary institutions and encourage a best practice approach.
37. Continue to develop support systems between University, Northern Alberta Institute of Technology, the City, industry/entrepreneurs and associations that foster application development, product development and commercialization in key areas such as energy, medical engineering and devices, water technology, waste management services and nanotechnology.
38. Further leverage the knowledge and innovation of the business community to become a global energy centre focused on green energies, energy conservation, and new technologies in energy and environmental management.
39. Explore new ways of expanding support for knowledge intensive businesses. This may take the form of support for the Meta venture initiative or an urban campus of start-up, knowledge-based businesses as part of the City Centre Airport redevelopment initiative.
40. Improve access to capital by establishing and enhancing networks linking angel investors, venture capital, banks and other financing sources to business and research opportunities.
41. Investigate the opportunity to use City "seed" capital to create a super angel investment fund focused on idea commercialization.



# Goal 5: Edmonton - A Vibrant, Livable City

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## **Edmonton in 2022**

*Edmonton is the most vibrant, livable City in Canada and boasts a quality of place experience that is recognized nationally and internationally. Edmonton offers a diverse and exciting environment for everyone. An exciting, dynamic urban core with world class entertainment, cultural and recreational opportunities attracts residents and visitors. Well-designed neighbourhoods provide excellent opportunities for living, working and playing. Residents, visitors and businesses can take advantage of transportation linkages that make it easy and efficient to move people and goods around the City. Edmonton is committed to integrating social, cultural, environmental and economic sustainability.*

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The growth being experienced by the City of Edmonton has provided a higher standard of living and a greater level of prosperity for the residents of the City than many other city-regions around the world. This in turn is attracting more families and individuals to the City from across Canada than ever before. The City's success is also attracting more international attention as immigrants from around the world are moving to Edmonton. By effectively leveraging the opportunities associated with the growth of the local and provincial economy and responding to the challenges of a rapidly expanding urban area, Edmonton is positioned to become the Most Livable City in Canada.

By continuing to focus on creating a safe and welcoming community that offers a range of rental and ownership housing, culture and entertainment, an iconic and accessible river valley, excellent health care and schools, as well as access to a diverse spectrum of economic opportunities, Edmonton will further its competitive advantage in the attraction of workers and, by extension, investment to the City.



## Strategic Objective: Downtown Edmonton stands out as an economic driver for the region and a central place to live, work and gather in the City

### Actions

42. Inspire a passion for living in Edmonton by investing in signature projects in and around the Downtown that support a high quality urban design, foster an attractive retail environment and create a unique place for residents, workers and visitors to the City.
43. Foster downtown residential development by offering appropriate incentives for desirable projects.
44. Develop high frequency public transportation linkages between the Downtown and key population nodes in the City and region.
45. Ensure Downtown Edmonton is a walkable, safe and inviting environment that attracts people to live, work and play.

## Strategic Objective: Edmonton is a model for thriving neighbourhoods and communities that embody the best of social, economic, cultural and environmental business growth and practices

### Actions

46. Invest in an efficient, accessible and integrated LRT and bus transit network providing service to residents throughout the City.
47. Attract a range of housing options in proximity to LRT and transportation nodes.
48. Actively support the development of Edmonton's river valley through execution of the River Valley Alliance plans providing a range of accessible, flexible, inclusive and safe service nodes and public facilities.
49. Coordinate efforts to deliver business development initiatives in neighbourhoods including support to Business Revitalization Zones, façade improvement programs, Great Neighbourhoods and neighbourhood business development investments.
50. Support Edmonton's Live Local program to encourage Edmonton's residents to eat, shop, play, and work local and continue to promote Edmonton as a festival city, a city of volunteers and a city that embraces culture and the arts.



## 5 Implementation and Execution

The Way We Prosper sets out a strategic roadmap for economic development for the City of Edmonton. An implementation framework and series of operational plans will be critical to its execution if the City is to achieve and successfully deliver on the strategy's recommendations.

It was clear from the business and community consultation that the City needs to lead the way in many aspects of the plan if it is to achieve outcomes and actions that will deliver results. It is worth noting, however, that the City of Edmonton is one of many players in the implementation of The Way We Prosper, although its role as an enabler will be key to the plan's success. In particular the City will need to:

- **Collaborate with all regional partners, including area municipalities and their related agencies associated with economic development**
- **Work closely with the Government of Alberta to support and facilitate economic development activities that are mutually beneficial and meet with the City of Edmonton's strategic intentions**
- **Partner and work in close association with Edmonton Economic Development Corporation to identify respective leadership and support roles in the execution of initiatives and actions**
- **Align and leverage all the departments throughout the City of Edmonton that affect economic development and ensure an effective integration of strategy and operating plans that will optimize and maximize City of Edmonton expertise and resources**
- **Ensure ongoing consultation and engagement of key business leaders in Edmonton to ensure business retention and expansion related programs are developed and implemented to effectively support existing Edmonton businesses**
- **Reallocate resources (and/or refine structures) that currently support economic development programs or initiatives to align with "The Way We Prosper" Plan**



# 6 APPENDIX A: TECHNICAL REPORT FINDINGS

## Executive Summary

Edmonton's strategic location at the heart of Alberta's oil and gas sector and as the closest large city to the Athabasca Oil Sands has positioned the City as the research and supply and services hub for the energy and resource sector in Alberta and northwest Canada. This has enabled Edmonton to develop solid sector strengths in areas of industrial manufacturing, engineering and construction, and transportation and logistics that are further underpinned by the research and development activity that is focused on the province's energy sector. These areas of service and supply provide the basis for Edmonton's thriving economy and have contributed to the highest level of business momentum of any city in Western Canada<sup>9</sup>. While the unprecedented growth is creating a level of economic prosperity and opportunity for those that live, work and invest in Edmonton, the City will be challenged to maintain this level of economic expansion over the longer term.

The discussion that follows summarizes the major considerations that emerged in the Technical Report. For the complete Technical Report please refer to [www.edmonton.ca/thewayweprosper](http://www.edmonton.ca/thewayweprosper).

### Traditional Strengths in Oil and Gas Contributing to Diversification Efforts

Edmonton's emergence as the supply and service centre for the provincial energy industry along with being the provincial seat of government and centre for education and health have contributed to the emergence of a diverse regional economy. While the service and supply strengths of Edmonton have traditionally centred on engineering and construction, manufacturing and metal fabrication, and transportation and logistics, more recently Edmonton has been able to capitalize on opportunities in emerging industries related to the energy and resource sector. This includes professional expertise in environmental remediation and consulting, water treatment, renewable energy, cold weather construction, and waste management

### Key Sectors Driving Opportunities for the City's Business Attraction and Expansion Efforts

Edmonton's traditional industry sector strengths are well positioned to drive further expansion of the local and regional economy:

- **Industrial Manufacturing**
- **Engineering, Design and Construction**

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<sup>9</sup> CIBC World Markets, January 2012



- **Transportation and Logistics**
- **Tourism**

In addition to these sectors, there are a number of other growing and emerging sectors that also provide further opportunity to refine the City's business attraction and retention efforts:

- **Information Communications and Technology (including Digital Media)**
- **Clean Tech (including Waste Management, Water Industries, Environmental Products and Services and Renewable Energy)**
- **Health Industries (including Biotechnology and Medical Devices)**
- **Financial Services (including insurance and real estate as well as venture capital)**

While the identification of these strategic sectors can be looked upon as a way to diversify the local economy, economic opportunities identified in *The Way We Prosper* are building on the existing strengths and, more particularly, the expertise of the service producing industries and businesses already present in the local economy.

### **Strong Economic Growth Driving Employment and Population Increases**

With strong forecasts for the provincial energy and oil sands sector, manufacturing, and wholesale and retail trade sectors, the Edmonton Census Metropolitan Area (CMA) is forecast to continue posting strong economic growth through to 2016. While the unemployment rate in the Edmonton CMA has declined to 4.4%<sup>10</sup>, it is expected to dip further by 2016. With Edmonton approaching a full employment scenario, many businesses are already experiencing challenges in the recruitment of personnel.

### **Migration Providing a Continued Supply of Labour**

While Canada struggles with an aging population, Alberta's population is the youngest in the country at an average age of 36.8 – almost three years younger than the national average. In addition, 40.3% of the City's population is aged between 20 and 44, considered to be the prime working years. While the youthful population will assist Edmonton in meeting some of its labour force needs, employment growth is predicted to outpace youth entering the workforce, placing reliance on the attraction of more interprovincial migrants and immigrants to meet future labour force needs.

### **Productivity Challenges Despite Diversity of Workforce**

While sales and service occupations account for the largest proportional share of workers in the City of Edmonton, occupations in business, finance, and administration

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<sup>10</sup> Statistics Canada, Labour force characteristics, unadjusted, by census metropolitan area (3 month moving average) , June 2012



and trades, transport, and equipment operations are also well represented. The City of Edmonton also provides employment to a considerable number of creative economy workers including managers, business and finance professionals, scientists, health professionals, educators and artists.

Edmonton's productivity, or output per worker, is above the national average but well behind the provincial average<sup>11</sup>. While Alberta maintains a very high level of labour productivity relative to other parts of the country, the *growth* in productivity is seen by many experts as being lacklustre in recent years. While there are several factors that may affect productivity, oil prices have a particularly strong influence on the productivity figures as the sale of oil is the primary determinant of provincial real GDP.

### **Small Business Contributing to Innovation and Business Growth**

Edmonton is home to an entrepreneurial business community with small and medium sized businesses dominating the landscape. Currently, 94.3% of all businesses in the City have fewer than 50 employees, and businesses with fewer than five employees accounted for 54.0% of all employer establishments in 2011.

The total number of business establishments grew at a modest 0.2% between 2007 and 2011. This contrasts with the rate of growth among the self-employed, which grew by 3.8% over the same period. Across all business sizes, the fastest growing sectors include Health Care and Social Assistance, Administrative and Support, Waste Management and Remediation Services, Real Estate and Rental and Leasing, Finance and Insurance, and Transportation and Warehousing.

Manufacturing operations have dropped by 8.7% between 2007 and 2011. This is in contrast to both employment and labour force growth in manufacturing over a similar period. This may be attributed, in part, to a comparatively limited choice of employment lands for the range of industrial operations looking to locate or expand in the City and the proportionately higher costs associated with a location in the City of Edmonton.

### **High Levels of Post-Secondary Education but Lingering Challenges with Secondary School Program Completion**

Edmonton Public School children in grades 6 and 9 outperform their provincial cohorts in almost every subject; however, school children in Edmonton perform much lower in Grade 12 diploma exams and far fewer students complete high school in Edmonton than in the province as a whole. Despite the lower high school completion rates, 30.6% of the City's residents aged 25-64 hold a university certificate, diploma or degree – 3.6% higher than the provincial average and 2.3% higher than the national average<sup>12</sup> dispelling the “blue collar” myth associated with the City. This is due, in part, to the presence of several post-secondary institutions including University of Alberta, the province's largest university with 38,290 students.

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11 Conference Board of Canada (2011). Metropolitan Outlook, 2011

12 Manifold Data Mining, Custom Demographic Report, 2012



With the role of servicing and supplying Alberta's energy and resource sectors, trades certificates are as important in the labour force as university and college degrees. An important asset in this regard is the presence of the Northern Alberta Institute of Technology. Canada's largest apprenticeship trainer, NAIT trained 12,500 apprentices in 2011. While the City of Edmonton is not home to a large pool of trades workers, the Edmonton CMA has a high percentage of the resident labour force with apprenticeship or trades certificates and college degrees that support the growth of the local and regional economy.

### **High Standard of Living Reflected in Income Levels**

In 2010 the average household income in the Edmonton CMA was estimated to be \$99,810 – well above the national average. Per capita income in Edmonton, at \$44,281 in 2011, was \$5,378 above the national average. While the Conference Board of Canada ranks the cost of living in the Edmonton CMA to be slightly higher than the national average, it also predicts Edmonton's personal income per capita will grow faster than the consumer price index in the near future suggesting that Edmonton will continue to provide a high quality of life for its residents.



# 7 APPENDIX B - STAKEHOLDER CONSULTATION FINDINGS

## Executive Summary

The Way We Prosper consultation program with the Edmonton community was highly successful. Community leaders were very enthusiastic about providing their time and insights, and the acceptance rate for interviews was very high with only a handful of respondents refusing to be interviewed.

Western Management Consultants (WMC) and Millier Dickinson Blais (MDB) conducted 193 one-on-one interviews and small group discussions between December 2011 and June 2012 that included senior business leaders, key community and provincial stakeholders, economic development partners, and elected officials and senior management from the City of Edmonton. These discussions provided further insight into trends related to the City's socio-economic make-up, the City's land use and policy framework, and the City's current economic development activities. Six focus group discussions geared to the approved outcomes for The Way We Prosper were also hosted between February and March 2012, and an electronic survey directed primarily to Edmonton's business community was administered in cooperation with the City of Edmonton and several of the City's local economic development partners. As of June 2012, input has been obtained from more than 600 business and community leaders in the City. The results of the individual consultation efforts are contained in the appendices of the SWOT Analysis Report.

During the leadership interview program phase participants were asked to suggest other leaders who we should interviewed as part of the consultation process. This resulted in the identification of an additional 207 community leaders. These people were contacted by PMT and invited to participate in the online interview process, in one or more of the subsequent focus groups conducted by MDB, or they were included as personal interviews in the WMC consultation process.

Respondents were uniformly enthusiastic about the process and were highly encouraging of Mayor and Council to begin immediately to act on the results.

In particular respondents to the leadership interview program commented on their VISION for Edmonton and Area, and what the City of Edmonton could be known for in five or ten years.

- **A Global City Of Energy**
- **A Hub for Clean Tech**
- **Innovation, Growth, Productivity, Prosperity**
- **A Vibrant Downtown; a World-Renown River Valley**
- **A City Where Education is a Key Driver the Economy**



- **A Proud, High energy, Entrepreneurial City and Region of Confidence**

### **Overall themes**

The following themes cut across all respondents during the senior business leaders interviews.

- **Strengths**
  - **Culture and Character**
  - **Quality of Life**
  - **Economic Security**
  - **Civic Leadership**
- **Challenges**
  - **Workforce**
  - **Brand/Image**
  - **Capitalizing on Core Sector Strengths and Value-Added Opportunities**
  - **Insufficient Focus on Innovation and our Next Economy**
  - **Economic Development/Marketing Integration and Focus**
  - **Organization for Delivery**
  - **Commercialization and Financing Innovation**
- **Opportunities**
  - **Capital City Centre: Edmonton's Downtown**
  - **Edmonton's River Valley**
  - **Build on Education/Business Strengths**
  - **Authentic, Resilient Brand**

These results from the leadership interview program reflect significant consensus in a number of areas. However, they also mirror the range of thinking that emerged throughout the broader consultation process around some of the major issues and opportunities facing the City of Edmonton. Information gathered throughout the consultation process has been used to inform the development of the SWOT Analysis Report and the overall development of The Way We Prosper. For the complete Stakeholder Consultation Findings please refer to [www.edmonton.ca/thewayweprosper](http://www.edmonton.ca/thewayweprosper).



# 8 APPENDIX C – SWOT ANALYSIS REPORT FINDINGS

## Executive Summary

The starting point for the City of Edmonton's *The Way We Prosper* economic development plan was a comprehensive analysis of the local and broader regional and provincial economy. This resulted in the preparation of a technical report that discusses the City of Edmonton's recent performance against a select range of demographic and economic indicators considered relevant to the development of the economic development plan, combined with an analysis of current and emerging business and industry investment trends. While more of a review of current conditions rather than a detailed diagnostic report, it serves to inform the discussion as to the challenges and opportunities facing the City of Edmonton in its efforts to enhance its value proposition for the attraction of business, investment and residents to the City.

Building on this work, the SWOT Analysis Report (Strengths, Weaknesses, Opportunities and Threats) provides further indication of Edmonton's ability and capacity to support the attraction, retention and expansion of business investment. This was accomplished through a lengthy literature review and background research coupled with extensive input from local business owners, key community and provincial stakeholders, economic development partners as well as elected officials and senior management within the City of Edmonton.

One on one interviews and small group discussions were conducted by Millier Dickinson Blais and Western Management Consultants between December 2011 and March 2012. Six focus group discussions geared to the approved outcomes for *The Way We Prosper* were held between February and March 2012. An electronic survey directed primarily to Edmonton's business community was also administered in cooperation with the City of Edmonton and several of the city's local economic development partners. As of June 2012, input has been obtained from more than 600 business and community leaders in the City. For the complete SWOT Analysis Report please refer to [www.edmonton.ca/thewayweprosper](http://www.edmonton.ca/thewayweprosper).

For the purposes of *The Way We Prosper* a SWOT is characterized in the following terms:

- **Strengths (Positive, Internal):** Positive attributes or assets currently present in Edmonton, particular in comparison to region and province;
- **Weaknesses (Negative, Internal):** Local issues or characteristics that limit the current or future growth opportunities for the City of Edmonton;
- **Opportunities (Positive, Internal and External):** Areas where the City of Edmonton can remedy its weaknesses (e.g. learning from others,



provincial assistance, strategic initiatives, aggressive marketing or promotion, targeted investment, etc.); and

- **Threats (Negative, Internal and External):** Trends that threaten Edmonton's future and attractiveness to new industry, from local weaknesses, global changes or shifts in consumer demand.

The strengths, weaknesses, opportunities and threats for Edmonton were based on the extensive input received from *The Way We Prosper* consultation effort, together with the key findings derived during the development of the strategic plan's technical report.

- **Strengths**

- An expanding and stable economy
- A competitive business cost environment
- A skilled and educated workforce
- A commitment to sustainable development
- A diverse business base
- A strong network of transportation infrastructure
- A leader in education
- A high quality of place experience

- **Weaknesses**

- Edmonton image awareness
- Awareness and perception of business services and support
- Investment in productivity, R&D commercialization and venture capital
- Housing affordability and cost of living
- Limited profile in key provincial sectors
- External cost considerations – high cost business location
- Industrial lands and market choice
- Infrastructure and support for small and medium enterprises
- Labour force challenges, especially with the changing demand for specialized skills

- **Opportunities**

- A global energy hub
- A centre for clean tech
- Innovation and emerging knowledge intensive industries
- Connections to emerging markets
- A young and growing aboriginal population
- A major events strategy
- Foster networking and collaboration
- A cluster-based approach to investment attraction
- Regional integration around economic development



■ **Threats**

- **Reliance on energy exports to United States**
- **Global economic uncertainty**
- **External labour force constraints**
- **Regional competition for industrial investment**



# 9 APPENDIX D – MAJOR THEMES DISCUSSION

## Executive Summary

Edmonton's diverse and growing local economy is widely recognized as a premier location for business and investment in Alberta. However, with success comes challenges, and there were a number of major themes or considerations that emerged during the SWOT Analysis that were seen to impact the competitiveness of the city, the region and the province over the long term. These themes were subsequently presented to at an economic development workshop held in April 2012 and the Business Advisory Committee in May 2012 in order to identify the steps for capitalizing on the opportunity or the actions required to overcome the perceived challenge to the local and regional economy. For the complete Major Themes Discussion please refer to [www.edmonton.ca/thewayweprosper](http://www.edmonton.ca/thewayweprosper).

### **Theme #1: Position Edmonton as a global energy hub for investment and support activities**

#### **Statement of Opportunity**

- Realize upstream supply chain opportunities in the oil and gas (oil sands) industry;
- Leverage knowledge and expertise gained in the oil and gas supply chain to enhance export of goods and services by local companies;
- Collaborate with the AIHA to leverage the Energy and Technology Park to realize downstream chemical cluster opportunities; and
- Attract the Global Centre for Energy proposed by the Premier's Council for Economic Strategy

### **Theme #2: Position Edmonton as a centre of excellence for clean technologies**

#### **Statement of Opportunity**

- Leverage the research and development of post-secondary institutions and energy companies to spin off research in environmental products and services into commercial operations;
- Continue the move towards all city departments being 'green' and local sourcing of environmental products and services;
- Position the city as being proactive in monitoring and reducing greenhouse gas (GHG) emissions;



- Utilize the Energy and Technology park as an anchor in developing and attracting environmental products and services; and
- Utilize City of Edmonton corporations and departments including EPCOR, Capital Power and Waste Management Services (Edmonton Waste Management Centre of Excellence) as leaders in managing water, waste and waste water treatment and alternative power generation to create export opportunities

### **Theme #3: Position Edmonton as a sustainable and livable city**

#### **Statement of Opportunity**

- Support the Way We Green Strategic Plan in integrating environmental principles and actions in all corporate decisions;
- Move forward with the Master Plan for the City Centre Airport and the Capital City Downtown Plan to transform Edmonton's built form;
- Encourage transit oriented, compact development; and
- Provide services to new residents in easing the settlement process

### **Theme #4: Foster a supportive business environment**

#### **Statement of Opportunity**

- Strengthen the entrepreneurial pipeline – understanding who is starting new businesses and which sectors are spawning new businesses;
- Expand broad based incubation services to increase success rates in new businesses;
- Provide business development supports to targeted minority groups such as new Canadians, Aboriginal and Métis and women;
- Raise the profile of small and medium size business in Edmonton – promote what we have and the impact of local, small business;
- Develop programs to increase access to capital necessary for small business growth and development;
- Develop local procurement strategies for the corporation and promote local businesses to support other local businesses; and
- Work with the small and medium enterprise community to develop worker productivity.

### **Theme #5: Address the challenges of attracting and retaining a skilled workforce**

#### **Statement of Opportunity**



- Support EEDC initiative at workforce attraction; support involvement by more/targeted Edmonton businesses;
- New immigrant support services (TFW, PNP, etc) certification, recognition, upgrade;
- Explore rental housing supply for families;
- Upgrade website marketing to attract workforce;
- Research and communicate the areas of workforce requirements in the area;
- Work with secondary and post-secondary institutions to support labour force development; and
- Workforce development for First Nation and Aboriginal people.

#### **THEME #6: Drive greater levels of innovation and commercialization on the part of business and educational institutions**

##### **Statement of Opportunity**

- Develop information and communications technology (ICT) business and infrastructure;
- Increase access to capital for research, development and commercialization of new products;
- Provide additional supports to innovation and commercialization such as support to research and development, industry collaboration, business incubation and technology transfer; and
- Assist existing businesses to access new markets.

#### **Theme #6: Develop a compelling marketing effort that raises the profile and brand of the city nationally and internationally**

##### **Statement of Opportunity**

- Develop information and communications technology (ICT) business and infrastructure;
- Increase access to capital for research, development and commercialization of new products;
- Provide additional supports to innovation and commercialization such as support to research and development, industry collaboration, business incubation and technology transfer; and
- Assist existing businesses to access new markets.



# 10 APPENDIX E - BEST PRACTICE REVIEW

## Executive Summary

Economic Development is practiced at the community, municipal, regional, provincial and national level in countless jurisdictions. The success and failures of each of these jurisdictions provides a tremendous opportunity for municipalities to learn and improve upon their current practices. Rather than invent new programs and activities, Edmonton's leadership can learn from others and develop new innovative solutions. By adapting and modifying proven strategies to the City's unique circumstances, Edmonton can foster more inclusive and beneficial economic development policies.

In conducting this best practice review consideration has been given to Edmonton's size, scope and geographic position. For this reason, case studies have been selected from midsize and large cities from across North America that resemble Edmonton's industrial composition. In selecting examples the focus was on finding cities that have developed innovative solutions to the issues that emerged from the Way We Prosper stakeholder consultation process.

### Marketing

Edmonton faces fierce competition in its efforts to attract businesses and people. The most important marketing vehicle in use today is the internet. Cities must define a web presence anchored by a strong website that also makes use of social media, mobile, video, discussion forums and other tools.

Economic Development websites are targeted at a wide range of users including site selectors, local business, developers and consultants. Edmonton needs to consider that creating an innovative and effective website requires resources. To commit in excess of \$100,000 to a website is not uncommon as leading sites are incorporating social media, mapping tools, and dashboards to enhance the level of online service. In addition, the development of a world class website requires an internal web development team that works with a designer to review best practice, share ideas and generate content for the new website.

### Regional Collaboration

Business competition is typically described nationally, but the reality is that it hinges on where companies, skilled workers, researchers, universities, entrepreneurs all come together and that is in regions. To overcome issues such as free riding, negative tax policies and administrative boundaries within regions; policy makers must adopt a regional lens to advance innovation, skills, entrepreneurship and social cohesion across political (municipal) boundaries. A regional lens requires a long term view of economic development that puts global competitiveness at the forefront. The level of collaboration varies from region to region. In many cases, regions



cooperate to attract business investment and people, conduct research and carry out business advocacy initiatives. Collaboration could allow Edmonton to deliver economic development services more quickly and effectively.

### **Business Retention and Expansion;**

Building relationships with current employers can result in significant economic impact on a community. Strong relationships between municipal staff and local business owners can assist in the understanding of business needs and concerns and allow a municipality to create policies and programs that address these needs and contribute to the economic health of the community.

A business retention and expansion program can assist the city in developing key market insight and serve to support other initiatives such as a workforce development strategy. Such a program can be a collaborative effort of City departments, agencies and businesses who can play an important role in conducting visitations and expand the reach of City and economic development staff.

### **Foreign Direct Investment;**

Foreign Direct Investment involves an internationally-headquartered company setting up a new project or expansion that involves capital investment and the creation of new jobs. Proponents believe that FDI can increase domestic investment, export market access, research and development activities, productivity, job creation, wages and overall economic growth.

However, there are several considerations for Edmonton in developing an FDI strategy. FDI efforts require significant buy-in and support from the business community which can be supported through a BR&E program. In fact, business leaders themselves can play an important role in the City's FDI strategy. Winning new investment requires a focus on target sectors. These sectors must be clearly communicated through collateral materials and marketing efforts. The City should look to supply chain opportunities in attracting investment. This is closely related to an in depth understanding of target sector opportunities.

### **Cluster Approach to Business Development;**

When businesses choose to locate in close proximity to each other they benefit from being part of a network of suppliers, related services, supporting institutions and customers. By organizing economic policy around the development of trade clusters, policy makers have been able to develop programs and strategies to support the common needs of businesses. These strategies are able to cut across economic development functions such as BR&E, workforce development, and investment attraction allowing government agencies to coordinate activities more effectively. As such, using a cluster approach could assist Edmonton in linking all of its various economic development functions together. Implementation should be a bottom-up process that includes the support and input of the business community.



## Workforce Development and Attraction

Provincial/state, regional and municipal governments have been turning their attention to workforce attraction and development for some time. Many jurisdictions have developed innovative short term and long term work force strategies. In Edmonton the need for short term skills and talent is as acute as the need for long term workforce development. Indeed, workforce development and attraction might be the most important issue facing Edmonton today. Edmonton should understand that is also a source of skilled workers for others. Collaboration with other cities and regions is necessary to generate positive overall workforce attraction.

## Small and Medium Enterprise Development

According to the Organization for Economic Cooperation and Development (OECD), small and medium enterprises (SMEs) are responsible for 60-70% of all jobs in member countries<sup>13</sup>. More importantly SMEs are responsible for the majority of new job creation. There are number of programs offered at the national, provincial, regional and municipal level to support SMEs. The OECD has found that most of these programs are delivered at the local level and require a high degree of coordination between agencies to maximize the benefits. Of particular importance is access to financing. Lack of access to financing is a leading reason for new business failure. Cities can assist with financing as well as training to help new and small businesses succeed.

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13 Retrieved from <http://www.oecd.org/dataoecd/10/59/2090740.pdf>



# 11 APPENDIX F - PERFORMANCE MEASURES REVIEW

## Executive Summary

All organizations struggle with the question of how best to measure their performance. In the for-profit sector, organizations and businesses aim to ensure that resources are being utilized efficiently. Performance measurement is no less important in the public sector. With funding primarily coming from the public and higher levels of government, local governments and non-profit sector organizations are subject to public scrutiny over management and financial performance. As such, public organizations track performance to provide greater public accountability, identify areas for improvement on an ongoing basis, and identify the return on investment.

Performance measurement in economic development presents a number of additional issues to consider. For Edmonton, the new economic development strategy offers an opportunity to address resource allocation and service delivery, while building a set of community indicators and measures that allow the City to assess progress and modify activities as necessary to achieve the broader goals of the City.

Though the objectives of performance measurement in economic development are clear, there are a set of broad challenges that face organizations looking to implement systems to track and manage performance and improvement. From an economic development perspective, Edmonton must consider:

- **Balancing comprehensiveness with complexity in the system and ensuring that time and resource commitments needed to measure results do not negatively affect program delivery.**
- **Measuring tangibles and intangibles accurately, as economic development service delivery is often intended to influence more qualitative variables of community prosperity.**
- **Assessing attribution and assigning credit, especially with regards to broader indicators of community well-being and progress (e.g. GDP, job growth) that are influenced by a range of variables.**
- **Measuring performance in an industry where no universal measures, standards, and approaches to measurement exist.**

At the base of performance measurement should be an understanding of what a program (economic development or otherwise) does and what results it is intended to yield. A program logic model maps this process from programs and activities to outputs (the immediate products that represent what the program actually does) and outcomes



(the substantive changes, benefits, or improvements that are intended to result from the program). The economic development strategic plan can provide the foundation for that logic model, and thus the measurement of the program.

It is important to set out measures that identify how well an organization's programs are working. Typically, these are quantifiable measures of success, or matters of timeliness, cost-effectiveness, and compliance with standards like customer service. Though measures chosen will depend on the strategies, goals, and objectives for Edmonton, the most common measures for public sector organizations in economic development are routinely focused on the 'customer', or effectively serving the user of the program within the constraints of the budget.

Ideally, the economic development performance measures chosen will have a strong connection to the output measures and outcomes that Edmonton has defined, through the economic development strategy and other community plans. Demonstrating the link between the organization's performance and outputs and the broader community outcomes is often challenging, but it is necessary to provide the evidence that economic development activities are delivering on the goals of the community.

The disparate nature of economic development programming makes a universal model of performance measurement impractical. As a result, agencies and organizations often adapt existing models of performance measurement based on the concepts relevant to economic development. In doing so, there are several models of performance measurement systems which should be considered when developing frameworks, systems, and measures for economic development in Edmonton:

- **The Balanced Scorecard, which adds strategic non-financial indicators into traditional financial metrics to provide a more holistic view of organizational performance across four or more different perspectives.**
- **Continuous Improvement Performance Management Systems (CIPMS), which combine performance measurement concepts with management decisions and planning through a more continuous process of measurement, evaluation, and adjustment to improve performance.**
- **Performance-based funding models, which link the allocation of resources to the measurement of performance, analysis of results, and improvement of the organization.**

There are no specific sets of measures or systems of measurement that should be implemented in Edmonton. Rather the measures defined and systems developed must reflect the activities and projects that will result from the economic development strategy. In summary, there are several themes that Edmonton must consider in designing and implementing performance measures and measurement systems for economic development under the new strategy:

- **It is critical that each measure clearly connect to intended outcomes of the strategy, the economic development program, and the City of Edmonton. Both output and outcome measures should be used.**



- **Measures that capture the influence of the economic development program that can be assessed in a timely fashion should be prioritized.**
- **Activity level measures that align with departmental goals, though numerous, are more beneficial than broader program level measures in departmental planning.**
- **Processes for transferring lessons learned from performance measurement into annual planning and budgeting processes should be developed and clearly outlined.**