

**2017 State of the City**  
**Edmonton Mayor Don Iveson**  
May 24, 2017



I'm going to take you back to October of 2013.

As our Oilers kicked off another season, we had high hopes that the seven-year playoff drought would finally come to an end.

The price of oil closed at just over \$109 a barrel.

The Government of Alberta had just wrapped up an economic summit which touched on new ways to stabilize our province's finances.

President Obama was a year into his second term and he had just fended off an attempt to defund ObamaCare.

Fast forward to today, and what a different world we find ourselves in. Change that once took a generation now can happen almost instantaneously. Protectionism can go from the practice of failed states to a worldwide trend — in a matter of weeks. Commodity prices, real estate values, the Canadian dollar — the entire global economy can flip overnight.

Strong economies, strong people, and strong cities not only survive these shocks, this uncertainty, and this discomfort — they learn to thrive.

Right now, Edmonton is facing these kinds of transformative pressures. And our response will, no doubt, affect our trajectory from here.

Let's start with demographics. Edmonton is one of Canada's youngest cities. Census numbers show that Edmonton is home to one of Canada's largest populations of millennials — four per

cent above the national average. This group also happens to have the highest discretionary income in Canada.

And their expectations of a successful city are different from their parents. People are changing. We can adapt and own this change.

Consider the fact that more and more millennials are choosing not to buy cars. We must continue to build and maintain roads. Yet, we must also improve our transit, cycling and pedestrian networks. Why?

We're in a friendly battle to attract and keep the kind of people who'll ensure Edmonton doesn't stand still. We can either change — together — or risk losing the chance to attract and retain young people, just when they're deciding where to build a career, and a life.

This matters to employers too. Stantec, for one, stepped up to lead the change on better bike infrastructure. They feel the pressure every day as they compete to recruit some of the best design talent in the world to our growing city.

Because we've done better in the battle for talent in recent years, we were the fastest-growing large Canadian city according to the last federal census. While this growth is exciting, it also brings challenges. We need to build roads and sidewalks and recreation centres, and deliver emergency services over an even wider area — and these come at a cost. We're collaborating with builders and developers on solutions, but we also need to make our city more efficient by increasing density.

Since 2013, my Council colleagues and I have introduced lot-splitting on wider lots, reduced highly restrictive parking requirements, and allowed basement, garage and garden suites in most areas of the city. We're advancing towards our infill targets and have added more than 5,000 units in established neighbourhoods over the last five years.

But we need to do more, and we're going to target our work. We must focus on building more density along our key transit routes and in areas with aging housing stock. And in these communities, we need to build what's been called the "missing middle" — more affordable

apartments and family-friendly townhousing. This will help revitalize schools and local retail essential to community well-being. You're all business-minded people. You want your assets to be as productive as possible. If we do this right, we can keep our mature neighbourhoods thriving for people, while making our city's infrastructure and services more cost-effective.

A better transit system, with LRT as its backbone, will support healthier communities and better commutes. It will improve air quality and reduce greenhouse gasses. These are all things Edmontonians want for our city but, to get them, we need to embrace change.

Whether we're faced with changing demographics or challenging economics, Edmontonians aren't the kind of people who simply wait for someone to bail us out.

We come up with new ideas. We work together. We build. That's not to say we haven't earned the right to gripe every now and then about how these changes impact our neighbourhoods and our balance sheets, but most of us know that we can't leave it at that. We make change ours.

I know how hard the last four years have been on Alberta's economy and on many families in our city.

We've learned, however, that it's in our downturns that Edmontonians are at their entrepreneurial best. In the last four years, I've watched as more and more Edmontonians started new businesses, to do that thing that we have been doing for so long — take a risk.

We are starting to emerge from this downturn, and City Hall can do our part by aiding in the success of our small business community. We listened to small business owners, along with groups like the Chamber of Commerce, and made significant changes to how we serve budding entrepreneurs.

Last June, the City launched something called the Open Window program to help small businesses more easily navigate city licensing and permitting. Open Window aims to get business owners in and out within an hour, cutting down on repeat visits for what should be simple permitting applications.

The program has been a resounding success. In under a year, it has helped more than 700 Edmonton entrepreneurs — including Lesley Gruhn, the owner of a new cafe in Ottewell called Anvil Coffee House.

Lesley is a new mom who didn't know the ins-and-outs of opening her own business, nor what it would take to bring her dream of opening a cafe to reality. She worked closely with City officials to select properly zoned locations, ensure her application was complete and, in a single appointment, they signed off on all her paperwork.

Anvil opened on March 20th and Lesley has been run off her feet ever since. She's here with us today, so please join me in congratulating Lesley on the Anvil's success.

We're taking the lessons learned through the Open Window program and applying them to commercial and industrial businesses whose permitting needs are often more complex, but who still face the same "time is money" problem that Lesley did.

Economic diversification isn't some gift from on high. And, it's not a problem any one government or mayor can solve. But, as an organization, the City can do its part by thinking more like the business owners in this room. Thinking like you — like entrepreneurs.

An example. Until 2013, you couldn't move a food truck in Edmonton. The food trucks themselves weren't illegal — you just couldn't move them anywhere. The City had an archaic bylaw that was supposed to protect existing restaurants from competition, and this bylaw was the reason we had only half-a-dozen food trucks at the time.

Yes, the restaurant industry in Edmonton is competitive — but it's also uniquely cooperative. Many of these restaurants, along with other active citizens, came to the city and said to us, "These rules don't reflect who we are as a small business community. Please change them. Let food trucks go anywhere. Let us have food truck festivals. At least, let us try."

City Hall changed the bylaw. And in three years, Edmonton went from six food trucks to 96 — adding yet more dynamism to our culinary scene.

Today, some of those food truck owners are starting their own restaurants. They're moving into retail storefronts, expanding, and creating jobs.

This is an example of taking our brand as a city — the Edmonton that is entrepreneurial and embraces risk — and applying it to the decisions we're making in the public sector. We're getting better at trying new things. Our increased focus on open data and analytics will only help us make better informed, more logical decisions.

We seek value for money in all that we do: to ensure the taxes you contribute are put to good use. As our economy remains fragile and the pressure on Edmontonians remains, value for money is more important than ever.

Our City-wide program and service review is now underway, and it's taking a good hard look at the services we provide and asking whether or not they deliver on our vision, and whether they deliver value.

We've also built a nation-leading Analytics Centre of Excellence at the City and it's enabled us to look at City operations in entirely new ways. As a simple example, through analyzing our data, we're now deploying our grass-cutting teams more efficiently — changes that cut travel times by 20 per cent, save significant fuel costs and result in more effective use of City resources. This project has been so successful that we're now going to apply the same approach to our snow plowing and sanding operations.

Another place we can deliver better value is with our convention centres. It doesn't make sense to have two convention centres — the EXPO Centre and this building we're gathered in today — competing with one another for a similar pool of events and attractions. The time has come to bring them together under one organization. This will attract more large events, generate new economic activity, support hospitality businesses and create jobs in our city.

We're exploring new tourism opportunities in other spaces as well. For example, the unique partnership we've struck with Enoch Cree Nation to explore joint economic development. In our early work together, it's become clear that there's significant, untapped potential to co-create

Indigenous tourism opportunities that build on the long and fascinating pre-colonial history of this place ... and that support economic growth for both communities.

Through international research, we know there's a deep desire in many markets to experience First Nations culture and history first hand.

Combined with the opening of a brand new Indigenous Peoples Experience at Fort Edmonton Park, we have the potential to offer visitors a one-of-a-kind living-history experience that celebrates Edmonton's Indigenous heritage.

When times are good, it's easy to be comfortable with what you're doing — and with what you have. But downturns challenge us to look elsewhere for opportunity. In previous downturns, we came together to create some of our most enduring businesses and institutions. The first Fringe festival in North America started right here in 1982, when oil was in free fall.

Despite the ups and downs, our city, province and country owe much of our economic prosperity to the traditional energy industry. We have all benefited from our luck of the geological draw. As a result, our engineering, logistics, manufacturing, banking and other businesses have all prospered through many, many commodity cycles. And I want to thank the creators and the risk takers for the way you've persevered and built our city.

But this cycle differs from past ones. The halcyon days of another oil boom may well not return. Be nice if they did, but we can't bet on it.

Political upheaval, protectionism, climate change action, and the economics of supply and demand have all changed Edmonton and Alberta. Likely permanently.

So how do we keep our competitive edge in a future of fifty-dollar oil?

First, we must get a heck of a lot more competitive as a region.

I'm glad to say that there's already been significant movement here. Our region's mayors and councils — with a lot of effort and perseverance — are well on our way to creating a *unified*

approach to attracting jobs and investment to our region. I'm pleased to note that just yesterday, our own City Council voted unanimously on this path forward, joining our region's other municipalities.

Uniting the region was something I ran on in 2013 and it's been an area of relentless focus for me. After years of relationship re-building, we're finally committed to "hunting as a pack" — maximizing the worldwide market appeal of 1.3 million smart people and an \$88 billion economy. We couldn't have come this far without the work of partners like this Chamber of Commerce, the regional board, our international airport, Edmonton Economic Development, and the provincial government. Each has signalled a shared vision to see our region unite to succeed.

This is a big win for the global competitiveness of the Edmonton Metropolitan Region.

In this age of economic transformation for Alberta, where the "new normal" changes by the week, working together is simply table stakes.

The second thing we must do is wedge this city's spirit of invention deep into our business plans — whether we're drillers, engineers, home builders or public servants.

It wasn't that long ago that Edmonton's destiny was transformed by Leduc Number One. After 133 failed attempts, carrying on to drill the 134th hole was "risk-taking" 70 years before we painted the phrase on a downtown office building.

From that historic moment, we built a culture of innovation that the world has come to rely on. Imagine this province, this country, and this world if we had not made the oil sands viable. Think beyond the product for a moment to what allowed us to achieve all this: it was collaboration — government, university researchers and industry — that took courage, cooperation and tenacity ... and we can do it again.

In this year's federal budget, Edmonton earned recognition for what is easily our best kept secret. We were showcased along with Montreal and Toronto-Waterloo as an artificial intelligence hub, part of the government's focus on emerging technology sectors across

Canada. Artificial intelligence, otherwise known as AI, sounds like science fiction, but it will soon affect nearly every aspect of our lives. Some have said the possibilities of AI are on the same scale as the advent of the internet, or the invention of electricity.

In essence, AI is the pursuit of smarter machines. Machines that can learn without us telling them what to learn. In practical terms, it means machines that will soon drive our cars, beat us at poker or warn us when we're at risk for a heart attack.

Whether you're terrified or intrigued by this prospect, it's important to know that Edmonton is emerging as the one of the most advanced AI centres in North America. We're attracting some of the finest researchers around. Their partnerships with big industry players and small start-ups will only expand. It's not crazy to imagine Edmonton as a hub for the testing and deployment of self-driving cars, because we're becoming that good at this kind of work.

Edmonton companies are just beginning to explore how disruptive technology can enhance their competitiveness, and how they might turn from buyers of automation to sellers of automation.

For example, EPCOR is deploying drones to keep watch over tree canopies, pinpoint where they might interrupt power lines, and dispatch a crew where needed.

Another homegrown company, Clinisys, monitors a patient's condition and predictively informs doctors and nurses if their health changes — no matter whether they're in Alberta or Ontario. It's little wonder that Microsoft has made a strategic investment in this Edmonton company to help it grow and realize its potential.

Canadian Western Bank is using artificial intelligence and machine learning to monitor fraud and loan defaults months in advance so that account managers can start working with clients on solutions ahead of a crisis.

All of these are examples of how "traditional" businesses looked at their operations and used technology to drive change and strengthen their business models. And if we went around this room, we'd probably hear dozens of other stories about companies which — whether because of the downturn, or not — have found new and better ways of competing.



You never know: the simple problem you've solved could turn into a global business.

In the past, comfort has been a quiet enemy. Canada ranks the lowest of G10 nations in adopting new technology and innovation — and Alberta is among the worst performers in the country. We need to change this.

That's why today I'm calling for fresh thinking from our economic development drivers — EEDC, the Chamber, post-secondaries and the City — to build a plan that capitalizes on the disruption caused by this downturn. A plan that helps businesses adopt new technologies, and connects them with innovators who can help do things differently.

This plan also needs to focus on how we take local start-ups to the next level — to zero-in on adopting a scale-up mindset and build a scale-up community that helps our small enterprises grow confidently. We have to see every problem we solve, in Edmonton, as scalable. Whether it's in machine learning, waste management, net-zero homes, pipeline sensors, diabetes treatment or independent theatre, we have to remember that we are a small market.

We need to build it here, and then take it to the world.

Case in point, a local startup named Jobber, headquartered just five blocks from here. Fellow programmers Sam Pillar and Forrest Zeisler co-founded Jobber to help small companies run their home-based businesses through mobile apps, scheduling tools, online invoicing and payment systems. Their market is overwhelmingly outside Canada and their startup capital came from Germany and elsewhere in Canada. But Sam is adamant about staying here. Since starting in 2010, Jobber is now reaching that critical 100-employee mark, spread over three floors of open collaborative work space. And they are unapologetically Edmontonian.

But Sam's story isn't as common as it should be.

So the question up for our collective consideration is this: how do we create the conditions so that more Clinisys and Jobbers can thrive in Edmonton? How can we create a jurisdictional

advantage for technology-based businesses that want to scale up, from 10 to 100 to 1,000 employees?

And finally, how can we better support our post-secondary partners — some of the best in the world — to help build Edmonton into a powerhouse of the new economy?

One example of this opportunity is the newly endowed Mawji Centre for New Venture and Student Entrepreneurship at NAIT. It offers students, staff and faculty an interdisciplinary mentorship program with entrepreneurship at the heart of its curriculum. The Mawji family's generous donation to NAIT is an example of entrepreneurs stepping up to support more entrepreneurship.

We have a long history of cooperation and collaboration in times of transition and change. Because we know it works.

We're using the same collaborative approach right now with our Health City Initiative, which I kicked off at last year's State of the City. Since then, industry, academic and institutional partners have been building a plan to attract new investment, strengthen the cluster and create the most fertile conditions in Canada for health innovation. Health City is an example of identifying something Edmonton is already good at, then rallying our efforts and attention on making it even better.

Already, the Health City work, though not nearly complete, is gaining traction and generating partnerships and leads that can help grow individual companies or assist multinationals in establishing a presence in our city.

Next month, I'll travel with Economic Development and Trade Minister Deron Bilous to Bio, the world's largest health conference, to promote Health City and the growth opportunities that Edmonton offers. We have ambitious goals for Health City, and our Bio mission is one way we can connect outsiders to the tremendous opportunities in our city.

Edmonton is poised to help lead a transformation of Alberta's economy.

I've spent countless hours this term working on uniting the Edmonton Metro Region to compete. And I promise to bring that same level of energy to fulfill that same role as collaborator-in-chief, to see our city turn change into an advantage; an opportunity to innovate, to transform — and to take the best of our city and export it around the world. I can't do it without you — our investors, our inventors, our employers, our builders, our global ambassadors.

This city of quiet confidence is on the verge of something extraordinary. I'm inspired by the opportunity to make change ours.

This excites me! Our work together is only just beginning.