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DATE 10 June 1996

TO/DEST. Co-ordinator
Corporate Services and Economic Development Committee

FROM/EXP. Regional Chair

SUBJECT/OBJET **STATUS REPORT AND FUTURE INITIATIVES
CONCERNING ECONOMIC DEVELOPMENT**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council receive this report for information.

BACKGROUND

Beginning in 1992, the Regional Chair has held an annual economic development conference. The 1992 conference served to consider "Partners for the Future", the report of the Economic Development Task Force and to develop an economic development action plan for Ottawa-Carleton. This action plan was, in turn, approved by Regional Council. In 1993, the conference focused on Ottawa-Carleton's tourism industry. Our region's high technology sector was the focus at the conference held in 1994. Last year, the potential impact on Ottawa-Carleton of federal government downsizing was confronted. Out of the conference, Ottawa-Carleton emerged with measures to address the accelerated transition of the region from a public-sector based economy to a private-sector based economy.

On July 12, 1995, Regional Council received a report from the OCEDCO Mandate Review Task Force. The report identified a need to review Ottawa-Carleton's economic development priorities and a need to identify new ones.

In preparation for the Regional Chair's 1996 economic development initiative, it is important to take stock of economic development objectives (i.e. which ones have been achieved, which ones are ongoing, and which ones have emerged). Equally important, a process must be identified by which further economic development objectives are articulated and around which a consensus for action may emerge.

DISCUSSION

A review of the objectives of the Economic Development Action Plan discloses that most of the significant actions were undertaken and have been concluded. The plan's activities are outlined under four broad headings: the RMOC's role in the delivery of economic development; actions to enhance the existing business environment; strategies to diversify and concentrate on new areas of potential growth; actions to nurture future economic partnerships.

The RMOC has played a facilitative role in the delivery of economic development. It has provided funding to the Ottawa-Carleton Economic Development Corporation ("OCEDCO"), Council's chosen vehicle for ensuring partnerships between public and private stakeholders in economic development, as well as to other sector specific economic development organisations such as the Ottawa Tourism and Convention Authority ("OTCA"), the Ottawa Carleton Research Institute ("OCRI"), and the Ottawa Life Sciences Council ("OLSC"). In addition, annually it has provided economic development grants amounting to \$250,000 to various organisations.

Successes have been registered under the heading of enhancing Ottawa-Carleton's business climate. Municipal taxes have tracked downwards. Regional development charges, which by operation of the 1991 bylaw would have been in excess of \$12,000 in 1995, were frozen in 1992 and have recently been further reduced by 12% to \$7,000. The province and the region have made considerable progress in eliminating the duplication in the environmental assessment process. An agreement in principle has been reached to transfer the MacDonald Cartier International Airport to a local airport authority. Direct air links have been established between Ottawa-Carleton and major United States business destinations. Highway 416 will be completed by the year 2000 or earlier.

Under the heading of further diversification of Ottawa-Carleton's economy, the action plan targeted three sectors- tourism, high technology and environment. In support of tourism, the National Capital Commission and the RMOC established a permanent festival plaza and the OTCA developed a long-term tourism strategy. On the high technology front, a task force was established to study the merits of establishing a research park in Ottawa-Carleton. Its findings and recommendations will be released in the near future. OCRI net was developed and further supported and enhanced through the infrastructure works programme. The Ottawa Life Sciences Council was established and financed to pursue opportunities in the

biosciences environment. Worthy of particular note is the fact that the OLSC has provided assistance to the region's 20 new biosciences firms. With respect to actions in support of the environmental sector, the regionalisation of solid waste collection afforded an opportunity to provide residents of Ottawa-Carleton with an enhanced recycling programme. More materials will, thus, be diverted from landfill and be converted into a broader range of products made from recycled materials.

Lastly, actions to establish and nurture partnerships for future economic development were undertaken. Consultation between municipalities concerning economic development initiatives occurred through OCEDCO's Municipal Affairs Committee. Ottawa-Carleton and the Outaouais collaborated to eliminate interprovincial trade barriers under their control and lobbied both provincially and federally for removal of those barriers outside of their control. Stakeholders in our region's economic development, led by OCEDCO, started an ongoing campaign to keep members of Parliament informed of the region's economic picture and needs. Organisations involved in economic development increasingly co-ordinated efforts in pursuit of economic stability and vitality for our economic region. A recent example of this heightened co-ordination is the Future Ottawa campaign. As stated above, the Regional Chair has hosted economic development conferences annually. Past conference themes have focused on tourism, high technology, and the development of a strategy to address federal government downsizing.

Certain actions proposed in the Economic Development Action Plan are ongoing. At the RMOC, the former Executive Committee handled matters pertaining to economic development. They are currently dealt with by the Corporate Services and Economic Development Committee. The streamlining of the planning approval process is underway. The region's universities and colleges are involved in partnerships with the private sector which address research and human resources needs. Efforts directed at securing and enhancing the region's knowledge based industries continue. The Environment and Transportation Department is involved in public education initiatives which enhance public understanding of environmental issues. OCEDCO has roundtables dealing with Community-based economic development.

A few actions prescribed in the Economic Development Action Plan have yet to be pursued for varying reasons. The proposal of annual Arts festival of national and international calibre awaits co-ordination between the tourism sector and artistic organisations. The high speed rail megaproject was put on hold. It may again need to be monitored given recent pronouncements by the Prime Minister and the Premier of Quebec. The tourism room tax remains to be studied by the tourism sector in view of continuing financial pressures. Lastly, the demise of the federal government's Green Plan did away with the need to pursue implementation funding.

In addition to actions prescribed by the Economic Development Action Plan, Ottawa-Carleton's economic development stakeholders came together and achieved other successes. These include lobbying and support for a U.S. Customs preclearance facility at the Macdonald Cartier International Airport; the Innovation Forum organised by National Research Council, OCEDCO and OCRI; the establishment of venture capital funds to support emerging local companies; the launching of the Good News Network; and the lobbying and support for the selection of Iqaluit as the capital of Nunavut in order to preserve a northern trade gateway of significance to Ottawa-Carleton.

Taken as a whole, Ottawa-Carleton's actions in furtherance of economic development have had an impact. We are now ranked highly as a place to do business (Financial Post Magazine), as a place to live (Geneva Corporate Research Group), and a place to enjoy a high quality of life (Chatelaine). Newspapers such as the Ottawa Citizen, the Globe and Mail and the Financial Post now regularly highlight the diversification of Ottawa-Carleton's economy.

Because economic development continues to be a major priority for Ottawa-Carleton, initiatives in furtherance of the region's economic development must be explored. The region's economic development stakeholders must now look at issues such as the need for more "smart" money, the collection of sound economic data on Ottawa-Carleton, the information superhighway, immigration, semiconductor microchip fabrication plants, call centres, incoming and outgoing trade and investment missions.

Given that most of the significant actions in the Economic Development Action Plan were undertaken and concluded and that future initiatives must be explored, the Regional Chair will meet shortly with economic development stakeholders. They will discuss processes and terms of reference by which future economic development actions for Ottawa-Carleton may be articulated and around which a consensus may be arrived. Corporate Services and Economic Development Committee and Council will, in turn, be asked to approve the recommended process and terms of reference.

CONSULTATION

The Regional Chair and his Chief of Staff have consulted with stakeholders in Ottawa-Carleton's economic development. It was felt that it was necessary to take stock of past endeavours and to propose a process for identifying and building a consensus regarding further economic development actions.

FINANCIAL IMPLICATIONS

As this report is merely for information and describes past and future processes in furtherance of Ottawa-Carleton's economic development actions, it has no financial implications.

*Approved by
Peter Clark*