

2. PREPARATION OF AN ECONOMIC
DEVELOPMENT MASTER PLAN

COMMITTEE RECOMMENDATIONS

That Council approve:

1. **The expenditure of \$300,000 on the preparation of an Economic Development Master Plan.**
2. **The delegation of approval of the terms of reference, and the selection of consultant, to The Ottawa Partnership.**

DOCUMENTATION:

1. Executive Director, Economic Affairs, report dated 07 Jun 99 is immediately attached.
2. Extract of Draft Corporate Services and Economic Development Committee Minute, 16 June 99, will be distributed prior to Council and will include a record of the vote.

Our File/N/Réf. 07-99-0065
Your File/V/Réf.

DATE 7 June 1999

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

FROM/EXP. Executive Director
Economic Affairs

SUBJECT/OBJET **PREPARATION OF AN
ECONOMIC DEVELOPMENT MASTER PLAN**

DEPARTMENTAL RECOMMENDATIONS

That the Corporate Services and Economic Development Committee recommend Council approve:

- 1. The expenditure of \$300,000 on the preparation of an Economic Development Master Plan;**
- 2. The delegation of approval of the terms of reference, and the selection of consultant, to The Ottawa Partnership.**

BACKGROUND

In February 1999, the four Regionally-funded external economic development agencies (Ottawa Centre for Research and Innovation, Ottawa Economic Development Corporation, Ottawa Life Sciences Council, and Ottawa Tourism and Convention Authority), together with the Regional Chair, reached consensus on the makeup and mandate of The Ottawa Partnership (TOP). TOP was formed to ensure the highest degree of co-operation among the four economic development agencies and other related groups.

At its 10 March 1999 meeting Regional Council agreed to participate as the public sector partner in TOP.

TOP's mandate as agreed to by the agencies included preparation of a Strategic Economic Development Plan. Regional Council concurred, requesting:

“That TOP be convened as soon as possible, proceed to prepare a Strategic Economic Development Plan and submit that Plan to the Corporate Services and Economic Development Committee and Council for approval not later than 120 days from the date of the first meeting of TOP.”

DISCUSSION

At the second meeting of TOP on 18 May 1999, the members agreed on a project scope for preparation of a strategic plan involving four phases:

1. Research
2. Strategy Formulation
3. Cluster Studies
4. Integration

The first two phases will comprise the economic *Strategic Plan*, while the third and fourth phases will be the *Implementation Plan*. The overall product will be an *Economic Development Master Plan (EDMP)*. The project has been structured this way to ensure that the result will be action-oriented, with defined timelines, and with responsibility and accountability clearly established.

In light of the need for the EDMP to achieve the desired high degree of consensus, TOP concluded that preparation would take approximately one year. The following anticipated milestones were agreed upon, representing completion of the four phases noted above:

- | | |
|---------------------------------|-----------|
| 1. State of the Economy | Sept 1999 |
| 2. Economic Vision and Strategy | Nov 1999 |
| 3. Implementation Strategies | Mar 2000 |
| 4. Action Plans | May 2000 |

Management will be by a project team comprised of the presidents/executive directors of the four external agencies, the Ottawa-Carleton Board of Trade, Regroupement des gens d'affaires, the Ontario Ministry of Economic Development, Trade and Tourism, and the Economic Affairs Office, and proceed under the direction of TOP. Project administration will be provided by the Economic Affairs Office.

Presentations will be made to Corporate Services and Economic Development Committee at the end of Phase 2 and also at the conclusion of the project.

The estimated budget to prepare the EDMP is \$400,000, not including project administration. The Ontario Ministry of Economic Development, Trade and Tourism has agreed to provide \$100,000 funding, specifically for research and analysis. The Region's share will be \$300,000.

The attached briefing notes to TOP (Annex “A”) provide additional information on the history, need, structure and management of economic development strategic planning. Terms of reference based on these briefing notes, with adjustments to reflect the input of the project team, will be presented for approval to TOP. TOP will also be responsible for the approval of the consultant who will undertake the assignment.

CONSULTATION

Preparation of the Economic Development Master Plan will involve consultation with stakeholders.

EXPENDITURE JUSTIFICATION

An approved Economic Development Master Plan will assist Council in setting priorities with respect to expenditures on economic development.

FINANCIAL STATEMENT

| | |
|--------------------------|--------------------|
| | \$ |
| Approved Budget to Date | 2,512,000 |
| Total Paid and Committed | <u>(1,603,992)</u> |
| Balance Available | 908,008 |
| THIS REQUEST | <u>(300,000)</u> |
| Balance Remaining | <u>608,008</u> |

Funds have been provided in the 1999 Capital Budget, Account No. 912-13408, (Order No. 900003), Economic Affairs (Reference page 48).

Approved by
Réjean Chartrand

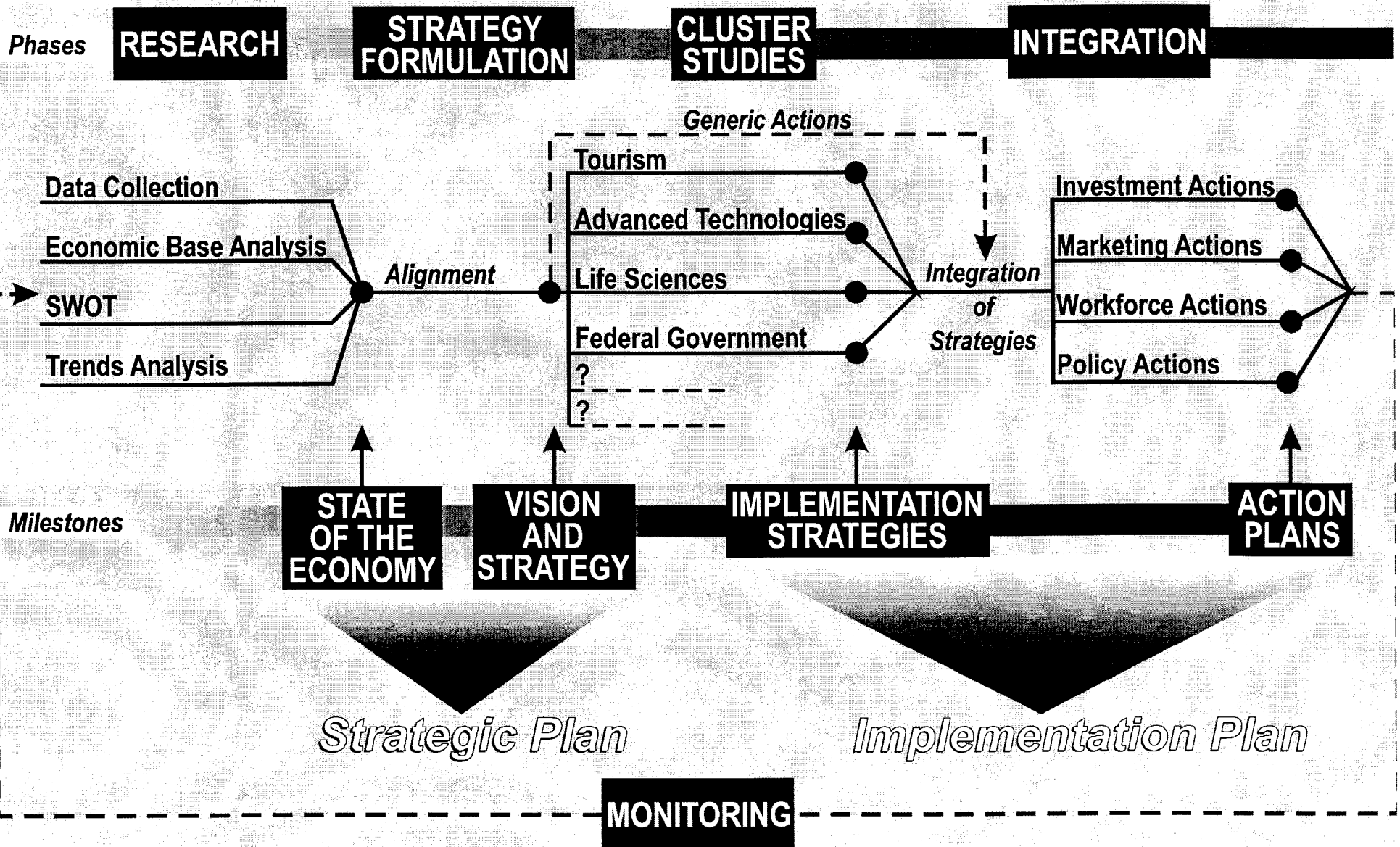
RGM/

FINANCE DEPARTMENT COMMENT

Funds are available as indicated.

*Approved by T. Fedec
on behalf of the Finance Commissioner*

ECONOMIC DEVELOPMENT MASTER PLAN



Economic Development Master Plan

The Ottawa Partnership Briefing Notes

Tuesday 18 May 1999

What is Economic Development?

- The creation of wealth in our community
- It is this wealth that enables our community to have the attributes we desire - our quality of life and standard of living

Why Do We Need an Economic Development Master Plan (EDMP)?

- The EDMP is the tool used to guide and foster the growth of our economy, to:
 - ⇒ “Connect the dots” - link up our current activities
 - ⇒ Create synergy from these linkages
 - ⇒ Identify problems constraining our growth
 - ⇒ Recognize the new opportunities our strengths provide
 - ⇒ Ensure our educational strategy is aligned with the economy
 - ⇒ Articulate plans and actions
 - ⇒ Set investment priorities
 - ⇒ Attract funding

Region's Role and Interest in a EDMP

- Areas of interest:
 - ⇒ Human infrastructure (labour force) - quantity and quality of jobs
 - ⇒ Physical infrastructure - Need guidance in setting priorities
 - ⇒ Information infrastructure - Communication is driving the new economy
 - ⇒ Land use - The Official Plan should align with our economic development strategies
 - ⇒ Quality of life
 - ⇒ Direct funding is provided for a variety of economic development projects and programmes
 - ⇒ Promoting alignment amongst stakeholders

Alignment

- Need to deal effectively with the federal and provincial governments
- There are two local communities of interest, sometimes with competing interests in economic development
 - ⇒ Community at large
 - ⇒ Business community
- Tensions:
 - Impact of growth
 - “Have and have not” - how is the wealth distributed?
- Region’s role - to promote dialogue, to achieve a balance (or alignment) between these two communities of interest and others
- High level of consensus is vital for the plan to be successful - the “process” is every bit as important as the “product”

A Brief History of Strategic Planning of our Economy

- In 1992, “Partners for the Future” was completed
- It was commissioned in response to concerns over how the community would handle federal government downsizing
- Did support a number of actions that have been implemented e.g. Airport customs pre-clearance, Highway 416, inclusion of economic considerations in our Official Plan
- Three issues:
 - ⇒ Plan was never approved by the Region - it has no status to guide our decision-making
 - ⇒ Never achieved broad consensus
 - ⇒ It is out-dated
- Economic Development Action Plan produced in February 1993, with a progress report in December 1993 - many actions from “Partners” were implemented
- Ottawa Economic Development have produced Action Plans in 1997 and 1998, to align and co-ordinate efforts by the various agencies
- Now what?
- Government downsizing has been accommodated, what is the next challenge?
- Advanced technology sector is doing well but may be fragile
 - ⇒ Concerns we may not have sufficient diversification
 - ⇒ World-wide competition and volatile markets - must be vigilant
 - ⇒ Our knowledge-based economy is mobile
- How can we diversify - what is the next “winner”?

Structure of the EDMP Project

- The title of the project is a “Master Plan”, to emphasize that we must go beyond just setting a strategic plan - we must also determine how we implement it
- This requires, at the end of the exercise, action plans, with associated timelines and awareness of financial implications
- The plan must be realistic and flexible enough to seize opportunities
- There must be assignment of responsibility for the delivery of the actions

a. Research

- Before we determine where we want to go, we must agree on where we’re at today
- This convergence requires research and analysis, including:
 - ⇒ Where did our economy come from, and what is it made of?
 - ⇒ What are our strengths, weaknesses...how do we measure against competition?
 - ⇒ What are the broad economic trends, and those within specific industries?
- Product - “State of the Economy” - the first milestone of the process

b. Strategy Formulation

- The next phase ends with us having a vision of where we want our economy to be in, say, 10 years, and a strategy so we know how to get there
- The primary objective of this phase is to determine our primary and secondary clusters, and the strategic issues that are generic or cluster-independent
- We must first understand our values, as measured by a vision
- For example: we may be in ideal position to grow or attract smokestack industries - but is that what we want?
- The strategy requires consideration of such points as:
 - ⇒ Need to align with federal and provincial strategies (who are now recognizing the increasing importance of “regional” economies)
 - ⇒ Use our strengths, perhaps in new ways - a few examples:
 - ⇒ How can we better leverage our R&D expertise in our federal labs?
 - ⇒ Can we use the presence of embassies more effectively?
 - ⇒ What is our relationship with the Outaouais?
 - ⇒ Community’s highly-educated and bilingual labour force is a strategic advantage
 - ⇒ Our abundance of water - what opportunities are available?
 - ⇒ Trends are critical - can be a threat or opportunity
- How do we handle the four existing clusters?
 - ⇒ Advanced Technologies
 - ⇒ Life Sciences
 - ⇒ Tourism
 - ⇒ Federal Government
- What are the other sectors?
 - ⇒ Selection criteria is required

⇒ Also need to look at the unique needs of our rural areas

c. Cluster Studies

- Once we have a strategy, the next stage would be to undertake cluster studies, to determine in more detail how we can grow these clusters
- One concept would be to create task forces, with consultant support to do this
- Common template will ensure consistency of products
- Need for critical - and fresh - thinking...status quo needs to be challenged

d. Integration

- Next, need to look at the synergies, the common elements, across clusters, to generate momentum, avoid duplication, and create efficiency
- Must also recognize that no cluster operates independently of others - there is an interrelationship between all clusters
- This exercise - the integration of the cluster strategies - will result in specific action plans in several areas:
 - ⇒ Marketing Actions - Specific actions to market our community effectively
 - ⇒ Labour Force Actions - Perhaps the single most important concern in a knowledge-based economy
 - ⇒ Investment Actions - What are our priorities, the projects/programmes that give us the biggest “bang”?
 - ⇒ Policy Actions - We also need to know how public policies can be aligned to support the economic development strategy (federal, provincial and municipal)
- Must clearly articulate how each action will be delivered, and who is responsible
- Need for priorities – choices need to be made, with TOP playing a key role
- Regional Council will be involved: will be briefed at milestones, and will approve the product

e. Monitoring

- Action plans to be monitored and reviewed annually
- Monitor the State of the Economy in conjunction with the Vision and Strategy every 3-5 years.

Administration

- Led by TOP – business community will be prominent
- Region would provide project management and secretariat
- Public consultation and communication to be addressed
- Consultants would undertake bulk of the work
 - ⇒ First half (Strategic Plan) by a lead consultant
 - ⇒ Task forces using specialty sub-consultants will do the cluster studies with common template
 - ⇒ Formulation of Action Plans by the lead consultant

Timelines for Milestones

- | | |
|-----------------------------|----------------|
| • State of the Economy | September 1999 |
| • Vision and Strategy | November 1999 |
| • Implementation Strategies | March 2000 |
| • Action Plans | May 2000 |
| • Council Review/Approval | June 2000 |

Anticipated Costs

- | | |
|--|----------|
| • Research and Strategy Formulation Phases | 75k |
| • Cluster Studies | 50k each |
| • Integration of Strategies | 25k |
- Project management provided by the Region
 - Province has indicated interest up to 100k

13 May 1999