



PARTNERSHIPS FOR PROSPERITY



Ottawa's Five-Year
Investment Strategy
for Sustainable
Economic
Prosperity

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Executive Summary

Economic prosperity is a critical pillar of community sustainability. As much as environmental, cultural and social aspects, economic prosperity ensures that a community is viable and sustainable and that its residents can achieve and maintain an enviable quality of life.

Ottawa's quality of life rests on its wealth of assets and its concentration of smart, talented, and creative people. These determinants of Ottawa's prosperity are interrelated as the "creative" class is mobile and will seek the most favourable locations to live, visit, study and work. Great quality of life will attract great talent – if they know about it. Ottawa must present the evidence that it is a great place for visitors, students, businesses, and diverse talented workers. It must proclaim its advantages, locally and abroad and ensure that these advantages are protected and accentuated while its weaknesses are addressed.

Ottawa's pre-eminence as a "smart" city does not necessarily translate into economic prosperity. Ottawa's economy is, in fact, in imminent peril. The Conference Board of Canada, in its "Metropolitan Outlook – Spring 2010" places Ottawa-Gatineau below Calgary, Edmonton, Toronto and Vancouver for real GDP growth and employment growth between 2010 and 2014. With only 9.8 per cent output growth and 5.4 per cent employment growth through this period, Ottawa is outpaced by all these competitors. And while beating Montreal's employment growth of only 4.8 per cent through this period, Ottawa-Gatineau's real GDP growth is still below Montreal's 10.7 per cent.

Deficit reduction by the Federal Government and the retirement of "baby boomers" could be offset with infrastructure investment – Light Rapid Transit, the Ottawa Convention Centre, redevelopment of Lansdowne Park, the Downtown Ottawa Transit Tunnel as examples – but these alone are insufficient to prevent erosion of Ottawa's new economy strengths. Investments in economic development initiatives and programming are required to derive the maximum benefits from our economic advantages. Communicating a consistent city brand for Ottawa, leveraging opportunities in our post-secondary institutions, promoting and developing promising economic clusters such as cleantech and digital media, developing an entrepreneurial culture, and capitalizing on latent skills and talents in our unemployed and underemployed populations all will be required to realize prosperity dividends to keep Ottawa ahead of its competitors.

Only through wise investments in economic development programming that will maintain and accentuate our advantages while addressing our weaknesses will Ottawa see its relative position improved. With increased resources invested by the City in economic development, the forecast for Ottawa's GDP growth and employment growth can be accelerated to achieve higher than the current projections. This strategy begins a process of collaboration between stakeholders, delivery agents, senior governments, and the City toward efforts to achieve our collective economic vision over the next five years. Rather than being a static and fixed document, it offers direction for creative solutions and approaches that arise and emerge in response to anticipated and unanticipated conditions.

Ottawa has great organizations that directly or indirectly exert a positive influence on economic development. But they are like great singers singing from different song books. To achieve the harmony and synergy of an orchestra, they need a score and a conductor. This strategy is the score and the Mayor and City Council the conductor. Together, we can make beautiful music.

Partnerships for Prosperity is a five-year economic development strategy based on a strengths, weaknesses, opportunities and threats (SWOT) analysis that was completed for the City in the fall of 2009 and extensive public consultation. Under the guidance of a Steering Committee of systems thinkers with broad perspective, the process of developing this strategy included 11 formal meetings, 19 written submissions, and more than 1,800 visits to the opinionottawa.ca website by interested and engaged individuals.

Partnerships for Prosperity offers the following vision:

“Ottawa is recognized as a competitive global hub for innovative, knowledge-based talent, businesses and organizations. Its unique combination of recreational, social, cultural, and business assets, natural environment and physical infrastructure create sustainable prosperity for all its citizens, attracting businesses, visitors and new residents.”

To realize this vision, we propose a new governance model that encourages stakeholders to take ownership of Ottawa’s economic development effort and collaborate for harmonious delivery of proposed actions. Proposed groupings of existing stakeholders and economic delivery agents include *Innovation Ottawa Partnership*, *Destination Ottawa Partnership* and *Quality Ottawa Partnership*. These partnerships bring relevant interests together to help develop the priorities for action and receive measurement and progress reports to help advise the City on economic development initiatives and investments.

This strategy offers direction and intention, while the implementation plan to follow in the first quarter of 2011 will offer comprehensive execution plans for individual actions, refinement of the governance model and quantification of the resources required to succeed. The implementation plans and final governance model will be developed in collaboration with stakeholders and potential delivery agents through the remainder of 2010 and will be presented to City Council early in 2011.

Ottawa’s key strengths to protect, enhance and promote include our educated and talented labour force, our quality of life, our unique quality-of-place features and our national capital advantages. Our key areas to strengthen include our interaction with senior governments, the coordination of economic development efforts, development and support of an entrepreneurial culture and consistent branding of a compelling, distinctive image. Ottawa’s economic development anchor is the federal government presence that brings talent, the seat of national policy development, cultural assets and international linkages. This strategy leverages these advantages to maximum benefit while also diversifying our economy to protect against downturns in the public sector.

Some specific actions proposed in this strategy are designed to focus on international investment and trade development, while others are aimed at recognizing and planning for workforce issues faced by cities around the globe but especially Ottawa due to its heavy dependence on knowledge workers. A proposed intergovernmental relations function aims to maximize the city’s mutual economic development interests with senior governments. Programming to encourage the development of an entrepreneurial culture in Ottawa and efforts to engage the artistic and social economy sectors are also included.

With an increased commitment to economic development investments, the City will double its forecasted output and employment growth projections and turn its “smart” advantages into economic prosperity.

Introduction

The City of Ottawa, like most economically dynamic municipalities around the globe, recognizes that stimulating the local economy is crucial to ensuring its long-term prosperity. Strategic planning helps to maximize the positive outcomes of the City's investment in economic development, coordinates activities among the many organizations that have a hand in delivering economic development services and communicates economic development direction to stakeholders, constituents, and outsiders. This strategy offers clear direction and vision for the next five years.

The industrial economy, focused on lowering unit costs and maximizing scale, is being replaced in the western world by a knowledge-based economy. As industrial economy jobs are outsourced to low labour cost jurisdictions, knowledge-based jobs have moved to the fore. Although, Ottawa has had considerable industrial success in its economic history, our future prosperity is increasingly shifting towards dependence on knowledge-based sectors. Innovativeness, creativity, imagination, research and development, design capability, problem solving, and other "brain" - utilizing functions are required in the knowledge-based economy. With one of the highest concentrations of "creative class" workers in Canada and North America, Ottawa is poised to lead and dominate in this new economy. This is the reference point from which the *Partnerships for Prosperity* strategy proceeds.

With the current level of investment and commitment to economic development, the Conference Board of Canada, in its Metropolitan Outlook – Spring 2010 report, forecasts Ottawa-Gatineau's output growth to be only 9.8 per cent between 2010 and 2014. This is in contrast to projected growth over the same period in Calgary of 18.6 per cent, Toronto 16.3 per cent, Vancouver 14.6 per cent and Montreal 10.7 per cent. Similarly, Ottawa-Gatineau's forecasted 5.4 per cent growth in employment through 2010 to 2014 falls far short of Toronto's projected 12.6 per cent growth and Calgary's 10.5 per cent growth through this period. While Ottawa's unemployment rate was only 6.0 per cent in May 2010 (StatsCan Labour Force Survey, June 4, 2010), future employment prospects look dim:

... large surpluses have turned into large deficits again, and so the recent federal budget has instituted a three-year departmental spending freeze from fiscal year 2010–11 to 2012–13. In 2013–14 and 2014–15, direct program spending growth will be limited to just 1.3 per cent per year. As a result, public administration employment in Ottawa–Gatineau is expected to fall by an average of 0.8 per cent per year from 2010 to 2014.

(Conference Board of Canada, Metropolitan Outlook – Spring 2010)

We can do much better. By investing in supporting infrastructure – such as the redevelopment of the Ottawa Convention Centre, Lansdowne Park, Light Rapid Transit, the Downtown Ottawa Transit Tunnel – and economic development programming and initiatives – such as city brand development and international promotion, entrepreneurial culture development, and improving the level and speed of economic integration of our new immigrants and recent graduates, Ottawa can expect to see a doubling of the growth forecast given by the Conference Board of Canada.

Ottawa can also take better advantage of senior government economic stimulus, such as the Province's commitment to increase foreign students in post-secondary institutions, its Green Energy Policy investment opportunities, and its new innovation investment initiatives, as well as the Federal Government's economic stimulus package and programs offered by its newly formed Federal Economic Development Agency for Southern Ontario.

Just to maintain our competitive economic position in the Canadian and North American context, without eroding our existing strengths and opportunities, the City must invest considerably more in economic development programs and initiatives. With rising economic strength in China and India, the centre of

gravity for world economic growth is shifting East. No longer do we enjoy the advantage of skilled talent seeking economic opportunity in Canada. They enjoy considerably better economic prospects now by staying put. With the retirement of the “baby boomer” generation through the next five to 10 years, Ottawa and the rest of the western world will not have enough domestic talent to replace them. The competition for talent will be fierce. Even our Canadian-born population will be drawn to the best opportunities on the globe. To remain competitive with other jurisdictions Ottawa will need to invest much more.

The opportunity that Ottawa currently enjoys is due in large part to its concentration of “smart” talent and its quality of life, which attracts and maintains this talent. By investing aggressively to accentuate its assets, while strengthening its weaknesses, Ottawa can aspire to lead the world as a smart city. The opportunities for Ottawa’s success in the knowledge economy are considerable but only if investments are made to realize them. Ottawa’s quality of life and economic opportunities are a secret that needs to be told to local as well as foreign investors. We need to work in tandem with our stakeholders and economic development agencies to maximize our collective efforts for greater efficiency. Allies in senior governments, in post-secondary institutions, in our hospitals and research institutions must pull together for our common interests. We can aspire to new heights of economic prosperity. It is within our grasp. We only need to reach for it.

With direction and refinement from the City’s Corporate Services and Economic Development Committee (CSEDC), and with City Council’s approval, this strategy will form the basis for the development of implementation plans to realize the identified opportunities. These implementation plans will include a service delivery model, performance measurement metrics, stakeholder and delivery agent roles and resource requirements for all initiatives.

The strategy unfolds with a description of the developed vision and strategic directions as well as the goals identified through extensive public consultation and guidance from an esteemed steering committee comprised of City Councillors and external champions. This vision and direction is followed by a list of identified challenges to realizing that vision. Along with the challenges are conceptual solutions that are elaborated upon through the rest of the document. Fully developed initiatives and programs that build upon the sample actions outlined in the strategy will be crafted with the cooperation of stakeholders and service delivery agents through the remainder of 2010 for presentation to CSEDC and City Council in early 2011.

Throughout this report, the terms “City of Ottawa” and “City” refer to the Corporation of the City of Ottawa while the terms “city” and “Ottawa” refer to the place and its residents.

Vision: Smart People, Prosperous Economy

Ottawa is recognized as a competitive global hub for innovative, knowledge-based talent, businesses and organizations. Its unique combination of recreational, social, cultural, and business assets, natural environment and physical infrastructure create sustainable prosperity for all its citizens, attracting businesses, visitors and new residents.

Strategic Objectives

International Competitiveness – The City, with its partners and stakeholders, will take greater advantage of the opportunities inherent in the knowledge economy and address both the opportunities and the threats created by economic globalization.

Inclusive and Sustainable Communities – The City will strive to balance business prosperity with social equity, environmental responsibility and cultural expression.

Brand and Market Development – The City will aggressively build on its current level of international marketing efforts by developing, in concert with its partners and stakeholders, consistent and co-ordinated city-wide branding.

City Leadership – The City of Ottawa will take a more proactive leadership role in shaping the economic direction of the city.

Goals

The Vision Statement and Strategic Objectives have inspired these three main goals:

Leverage the city of Ottawa's existing strengths as a competitive global hub for innovative, knowledge-based talent, businesses and organizations to inspire and facilitate future economic development activities.

Promote Ottawa globally, as a top destination in which to study, work, live and to visit.

1. Make Ottawa a global role model for holistic planning for the community's economic, social, cultural and environmental benefit.

These goals, in turn, represent several objectives that are discussed throughout the document and, finally, these objectives are translated into concrete sample actions proposed at the end of this document.

Challenges Facing Ottawa's Economy

Throughout the consultation process, many local challenges were identified that may negatively impact on Ottawa's economy. Some of the top issues and high-level solutions are:

High economic dependence on the federal government presence¹

Strategic Solution: Diversification of business sectors and retention of public sector investments

Local high-tech sector historically highly dependent on a few large companies

Strategic Solution: Investments in nurturing a thriving entrepreneurship culture to help create the 'Fortune 500' companies of tomorrow, as well as opening up of national and international export markets for local small/medium-sized firms

Lack of strong diversification within the high-tech sector

Strategic Solution: Although there are good signs of new emerging sub-sectors within the local hi-tech industry, a keen focus must be placed to develop and strengthen areas such as clean-tech, environmental technologies etc. that can capitalize on the traditional telecom engineering expertise existing in Ottawa

Perception nationally and internationally of Ottawa being "just a government city" that acts as an obstacle to attracting investment

Strategic Solution: Rebranding of Ottawa's image to correspond with the Vision Statement

Lack of collaboration between stakeholders representing various facets of Ottawa's economy often resulting in fragmentation and inefficient utilization of resources

Strategic Solution: Enhanced governance and service delivery model based on collaboration and ownership to guide economic development activities

Absence of a workforce attraction and retention plan to safeguard one of Ottawa's greatest strengths i.e. knowledge-based workers

Strategic Solution: A physical knowledge workforce development function that integrates efforts of a variety of organizations addressing the attraction, retention and development of skilled workforce

Absence of proactive leadership and vision from the municipal government with respect to economic development issues

Strategic Solution: Enhanced governance and service delivery model, as described under lack of collaboration above

¹ See Ottawa-Gatineau GDP by sector in Appendix II

Entrepreneurship and commercialization of technology hampered by restrictive capital markets

Strategic Solution: Promotion of opportunities for business investments and support for business clustering and business ecosystem development²

Inadequate transportation (connecting) infrastructure, which is critical to economic growth

Strategic Solution: Infrastructure planning with input from the economic development community

² *Ecosystem is a concept being championed locally that plays a strong emphasis in creating a common platform to bring together suppliers, producers, academia, government, financing institutions and service providers*

Governance Model: Based on Partnerships

In order to address the challenges identified around the need for better collaboration, we recommend that the current hybrid organizational structure remain with responsibilities shared between the City's Economic Development Branch and service providers. We further recommend that the City must explore adjustment to the structures and working relationships among the external community partners and between them and the City.

Partnership with the Communities

Ottawa businesses and economic development organizations are currently represented by a diverse range of organizations, which individually have only a small voice in the context of municipal economic development, but collectively could have a significantly positive influence on policy and programming. The City's Economic Development Branch will work with existing service delivery agents and other stakeholders to explore a new three-table structure for the Ottawa economic development stakeholder community. Under such a structure, each table would exercise significant influence in representing their needs to the City as a unified collective voice for its multiple constituencies.



Upon receiving approval from the City's Corporate Services and Economic Development Committee and from City Council, it is the intention of the Economic Development Branch to work closely with all relevant stakeholders to fully develop and frame a revised service delivery model and governance structure. This approach is expected to help implement the cross-stakeholder goals and objectives outlined in this document and avoid duplication and overlap in an already resource-strapped economic development sector.

The three partnerships described are expected to provide crucial input to the economic development activities taking place in Ottawa. The City would provide a secretariat function to coordinate the activities of these partnerships. The actual delivery of services will take place in combination between local service delivery organizations and the Economic Development Branch at the City.

Innovation Ottawa Partnership

Under the proposed new structure, the *Innovation Ottawa Partnership* would represent the following knowledge-based sectors³:

- **Public Policy Cluster** – including governments, associations, non-governmental organizations and public policy institutes
- **Technology Cluster(s)** – telecom and software, mobile computing, wireless, photonics, academia
- **Digital Content Cluster** – representing digital media, film and video, social networking and e-commerce
- **Health Sciences and Services Cluster** – hospitals, clinics and health research institutes
- **Research and Education Cluster** – government and industry research bodies, universities and colleges and representation from the technology sector
- **Cleantech Cluster** – energy management, renewable energy, waste reduction and environmental remediation technologies

Suggested members of this partnership include:

1. Health Research Organizations
2. High Tech Industry
3. National Research Organizations
4. Ottawa Centre for Research and Innovation (OCRI)
5. Ottawa-Gatineau Film and Television Office (OGFT)
6. Postgraduate Educational Institutions

The *Innovation Ottawa Partnership* would carry primary responsibility for talent and business recruitment, retention and growth in these sectors, including investment attraction, export development, and inter-business cooperation and collaboration. It would also have responsibility for technology advancement and research, business collaboration for commercialization of developed technologies and technical research to support business/market demands.

The City will work with agencies and stakeholders currently active in this field to determine the most appropriate organizational and governance structure for the *Innovation Ottawa Partnership* to achieve measurable economic development outcomes and broadened sector representation, while maintaining focus and strength of purpose.

³ Sector outlook data can be found in Appendix II of this document

Destination Ottawa Partnership

Under the proposed new structure, which the City will explore collectively with affected agencies and organizations, the *Destination Ottawa Partnership* would promote an integrated visitor services experience for both the leisure and business travel market including:

- Destination marketing
- Urban and rural tourism product development
- Sports and major event hosting initiatives focused on making Ottawa the Major Event Capital of Canada
- Visitor services, including wayfinding, e-ticketing, information, travel planning, etc.

Suggested members of this partnership include:

1. National Capital Commission (NCC)
2. Ottawa's Countryside
3. Ottawa Convention Centre
4. Ottawa Festivals
5. Ottawa Gatineau Hotel Association
6. Ottawa International Airport Authority
7. Ottawa Tourism
8. Ottawa-Prescott-Russell Regional Tourism Organization (RTO)

The City's Economic Development Branch will develop this proposed structure in collaboration with Tourism Ottawa, Ottawa's Countryside, the Ottawa Convention Centre, the Ottawa International Airport Authority and the existing Tourism Leadership Council to determine the best structure for comprehensive representation and measurable economic development outcomes.

The *Destination Ottawa Partnership* would work with the *Innovation Ottawa Partnership* and the City's Economic Development Branch to ensure synergistic branding and messaging (within the constraints of their separate target markets) and to coordinate external marketing activities as appropriate. Each would also contribute one or two members to a *Prosperity Advisory Partnership* (proposal below).

Quality Ottawa Partnership

Under the proposed new structure, which the City will explore collectively with appropriate agencies and organizations, the *Quality Ottawa Partnership* would represent a broad spectrum of business, community, environmental, and arts/cultural organizations.

Suggested members of this partnership include:

- Business Advisory Committee
- Business Improvement Areas
- Causeway Work Centre
- Chambers of Commerce
- Entrepreneurship Centre
- Hire Immigrants Ottawa
- Ottawa Community Loan Fund
- Ottawa Integrated Local Labour Market Planning Committee
- Ottawa Local Immigration Partnership (OLIP)
- Regroupement des gens d'affaires de la Capitale nationale (RGA)
- Social Planning Council of Ottawa
- Local Developers

Recognizing that small sub-groups and committees representing a variety of interests within the Quality of Place spectrum already exist, the City proposes asking the Ottawa Chamber of Commerce to provide leadership in the creation of this umbrella group that brings together these organizations to help them bring a strong voice to the economic development table.

Prosperity Advisory Partnership

In order to represent the priority of economic development and strategically manage the City's prosperity agenda, we recommend exploring the establishment of a *Prosperity Advisory Partnership*, which would be a leadership forum composed of representatives from the proposed *Innovation Ottawa Partnership*, *Destination Ottawa Partnership* and *Quality Ottawa Partnership* bodies, to advise and provide feedback to the Corporate Services and Economic Development Committee of City Council and to the Economic Development Branch on economic development strategies and priorities. On approval of the *Partnerships for Prosperity* strategy, the Economic Development Branch will lead a stakeholder collaboration exercise to determine the terms of reference of this advisory committee.

The feedback received from a variety of stakeholders indicates a strong desire to implement a governance model such as the one described above. Further, it has been stressed that without a collaborative and ownership-oriented governance model, many of the actions proposed in this document will fail to reach their full potential. Hence, it is crucial to develop a governance structure that steers economic development from a "business-as-usual" approach to one that takes full advantage of economic opportunities for Ottawa.

Ensuring Accountability

External Service Providers

It is recommended that the various service organizations under the proposed partner umbrella organizations *Innovation Ottawa Partnership*, *Destination Ottawa Partnership* and *Quality Ottawa Partnership* be funded through long-term signed contribution agreements. These agreements would identify specific objectives and targets to report against and would require quarterly reporting through the City's Economic Development Branch on performance against these objectives and targets with explanations for the performance outcomes.

The recommended process above will require in-depth consultations with relevant external stakeholders before any of these accountability mechanisms can be implemented. This discussion is intended to take place between July and December 2010.

Internal Service Providers

The City's internal Economic Development Branch would also report annually to the Corporate Services and Economic Development Committee on key metrics that match up against the Branch's annual work plan/business plan. The business plan flows from the recommendations made in Partnerships for Prosperity. These measures can include, but are not restricted to, such statistics as jobs per sector, sector GDP, measures of establishing a more competitive landscape as well as Ottawa's relative performance against key Canadian and international cities. The Committee may also request specialized studies such as talent inventory, community education profile and other diagnostic statistics that can assist with planning and the decision-making process.

From Strategy to Action

The following actions in this *Partnerships for Prosperity* strategy are recommended for development into specific initiatives with budgets and resources allocated to them. They were selected from among the many ideas and proposals brought to the economic *Partnerships for Prosperity* team - from staff and through the course of the consultation process - as offering the greatest potential return on investment and impact on the City's economic development agenda in balance with community sustainability objectives.

It is expected that the City's Economic Development Branch will undertake many of the following actions in collaboration with its partner organizations. Many of these recommendations are either entirely new areas of focus or require a more comprehensive approach to existing initiatives. Hence, it is estimated that approximately 12 people would be required to sustain and execute these actions over the long term. It is expected that both the Economic Development Branch and external partners will provide these additional resources.

Member organizations of the three distinct partnership groups discussed in the previous Governance Model section are expected to play an active role, where appropriate, to plan and in some cases deliver the identified actions.

Goal # 1: Leverage the city of Ottawa's existing strengths as a competitive global hub for innovative, knowledge-based talent, businesses and organizations to inspire and facilitate future economic development activities.

Proposed Actions

1. Extensive research, policy creation and promotion efforts to cover several areas including development of:
 - Economic business cases for the retention, centralization and growth of government labs infrastructure in Ottawa (such as the National Research Council)
 - Policies to tackle and invest in future anticipated workforce issues and immigrant settlement concerns
 - Economic studies to research the linkages between affordable housing availability and a healthy business environment in Ottawa
 - Creative financial levers that the City can employ to invest in economic initiatives that will distribute activity more equitably across the city
 - Proactive input on future municipal infrastructure investments in the City that are aligned and leveraged to accelerate economic development
 - Advocate for transportation infrastructure investments that meet current and future needs for resident/tourist/business access to the Ottawa International Airport
 - Best practice approaches based on selected international municipalities that have encouraged economic development through city-run sustainability initiatives and investments.
2. Undertake and support investment in strategic infrastructure (e.g. incubators, commercialization accelerators, etc.) and build on existing programs, where possible
3. Create an intergovernmental resource to:

- Build relationships with provincial and federal partners to capitalize on government funding for economic development programs for the city
 - Build relationships with various international government trade representatives in Canada
 - Formalize partnerships, where possible, with Ontario's international trade offices, as well as DFAIT resources in target countries
4. Perform regular business outreach to keep a pulse on the latest industry challenges to determine where the City's Economic Development Branch can provide value
 5. Develop comprehensive sector-based strategies to profile existing as well as emerging sectors and identify growth opportunities - Carleton University's recently announced Political Management graduate degree program is an excellent example of building a comprehensive public policy sector in Ottawa.
 6. Create a function to manage the supply of employment lands in the city including:
 - Determine opportunities to exchange low demand employment lands for high demand employment lands and act upon them;
 - Prioritize and implement trunk servicing for unserved high demand employment lands in cooperation with the City's infrastructure services department;
 - Collaborate with Public Works and Government Services Canada (PWGSC) to identify development potential at major Federal Campuses (e.g. Confederation Heights) and update zoning and official plan designations as required.
 - Establish a joint planning initiative with the Ottawa International Airport Authority (OIAA) and PWGSC to create a development framework for vacant OIAA lands;
 - Identify alternative water and sewage service technologies and systems for pilot project servicing of employment lands in rural areas that were not identified as Public Service Areas in the City's Official Plan and are not eligible for conventional public services.
 - Establish a fund to brand and market existing employment areas.

Goal # 2: Promote Ottawa globally, as a top destination in which to study, work, live and to visit.

Proposed Actions

1. Build an international business development resource to:
 - Develop and maintain a top list of focus countries for proactive investment attraction and export opportunities
 - Maintain a current inventory of target country-specific trade opportunities and share with local business and industries
 - Coordinate with other local stakeholders to host incoming business missions, as well as prepare outgoing business missions
 - Maintain a web-based data portal on export opportunities
 - Coordinate mentorship program to link new and experienced exporters
 - Undertake a campaign to have Ottawa ranked as the top North American city to do business with by leading business publications such as Fortune and other reputable news sources
 - Launch an Ottawa ambassador program for senior business executives to promote Ottawa in their businesses abroad
 - Build on the successful Ottawa-Beijing relationship model and facilitate the establishment of bilateral trade agreements with other targeted cities in focused geographic areas
 - Proactively identify expansion opportunities in the identified target geographic regions for the airport authority
2. Create an event attraction and coordination resource to:
 - Map out the various elements of a long-term event attraction strategy to ensure that a steady pipeline of major events are proactively attracted to Ottawa (including specific plans around 2017 celebrations)
 - Attract and maintain a constant pipeline of high-profile national and international events are attracted to the city for both economic benefits, as well as raising the profile of Ottawa
 - Coordinate the interactions between various stakeholders for major events and act as a single point of contact with the City
 - Facilitate the establishment of a consolidated business and tourism centre with a proposed location being the Ottawa Conference Centre (Old Train Station heritage building) to provide visitors a chance to also consider Ottawa as a potential investment location
 - Develop and maintain a one-stop-shop web portal to provide key information and referrals for business investments and workforce attraction
 - Coordinate alignment between the workforce needs of the business sector and local educational institutions
 - Develop proactive programs to retain local highly talented knowledge-based workers
 - Create a comprehensive labour force development action plan to address current and anticipated work force concerns including issues around immigrant settlement and integration

- Through-web based resources and mentorship programs, create linkages between universities and local businesses to ensure that skilled workers in Ottawa, including youth, are willing and able to stay and make an economic contribution
 - Working in conjunction with the Entrepreneurship Centre, actively promote business educational programs to help nurture future entrepreneurs in Ottawa
3. A marketing and branding resource to:
- Lead a brand development exercise to ensure a consistent branding/marketing strategy for the city across the various stakeholders
 - Coordinate the creation of promotional collateral to assist with all economic development activities

Goal # 3: Make Ottawa a global role model for holistic planning for the community's economic, social, cultural and environmental benefit

Proposed Actions

1. Through a public-private partnership, facilitate the building of an interactive Sustainable and Innovation Technology Gallery, showcasing Ottawa's industry leadership, as well as use it for investment attraction
2. Create a comprehensive Economic Development Scorecard for Ottawa to provide a baseline to assess impacts on the health of our local economy, as well as use the positive themes to attract new investments in the community
3. Coordinate all applicable City services and information to be available online, including the permit and license application process
4. A community economic development resource to:
 - Create an ongoing mechanism to link local technology firms to various environmental and sustainable initiatives at the City of Ottawa
 - Facilitate linkages between the local business industry and the arts and culture community to take advantage of mentorship and cross-sector partnership opportunities
 - Build on the Savour Ottawa initiative to create supply chain linkages between local food suppliers and purchasers
 - Facilitate the growth of community initiatives such as Ottawa Community Loan Fund, Causeway etc. to provide economic and employment opportunities
 - Facilitate the adoption of local technologies and capabilities in the City's procurement practices
 - Initiate an active apprenticeship program at the City to provide meaningful experience for Ottawa's youth community
 - Build on volunteer programs at the City utilizing a breadth of expertise that exist in the retired/semi-retired local population such as the expertise of former public sector employees
5. Aggressive efforts to nurture and grow the culture of business entrepreneurship with activities including:
 - Extend the geographic reach of entrepreneurial services through distributed satellite incubation and entrepreneurship centers around the city
 - Facilitate the teaching of business skills at all levels of the schooling system
 - Support business mentorship programs such as iProfit
6. Encourage tourist travel within Ottawa:
 - Using cost-effective methods, highlight visitor experiences that feature local events and attractions, particularly in our rural areas
 - Promote "staycations" instead of vacations for Ottawa residents to sample the many attractions within our boundaries (reducing the environmental footprint of more distant travel and supporting local entrepreneurs)
 - Create an awareness mechanism for business visitors to Ottawa to highlight local rural attractions



In addition to the formal members of the three partnerships, a number of other stakeholders have been identified to play an important role in accomplishing many of the above action items.

For a sample list of such stakeholders, refer to Appendix II at the end of this document.

Strategic Alignment

Partnerships for Prosperity is linked with the other Ottawa 20/20 growth management plans including the Official Plan, Transportation Master Plan, Infrastructure Master Plan, Human Services Plan, Arts and Heritage Plans, Talent Plan, and Environmental Strategy. It also reinforces the Poverty Reduction Strategy and is consistent with the “Choosing Our Future” long-range National Capital Region principles and goals.

It addresses skills development, engaging the population, building quality of place, and encouraging balanced complete communities, lending weight to the policies outlined in the Poverty Reduction Strategy.

It reinforces the Environmental Strategy with its goal of making Ottawa a leader in community sustainability. It promotes further development of, and support to, the Cleantech industry cluster and encourages environmentally sound business practices and economic development decisions to ensure that the environment is not adversely affected – which, by consequence, would negatively affect Ottawa’s quality-of-life advantages.

It contributes to the goals of the Talent Plan by addressing workforce opportunities and challenges by leveraging the existing skills base of the local talent pool, by providing access to workforce information to help match talent offerings with employer needs and by supporting skills development, redevelopment, and recruitment initiatives.

It supports the Heritage Plan by drawing attention to the city’s heritage assets and programs that contribute to Ottawa’s quality of place.

It reinforces many of the goals of the Arts Plan by promoting Ottawa as a truly creative city. It encourages even greater linkage between the arts community and local businesses, and developing, sustaining and advocating for Ottawa’s local artistic and creative talent as a workforce for local industry.

Partnerships for Prosperity recognizes the critically important role that infrastructure plays in supporting economic activity. As such, it endorses coordinated and collaborative planning to meet the needs of residents (for quality of life), and of businesses (for business climate).

Championing Ottawa as a sustainable community leader, *Partnerships for Prosperity* reinforces the economic links to the environmental, social, and cultural aspects of Ottawa under the “Choosing Our Future” framework currently being developed.

Next Steps

With feedback from the City's Corporate Services and Economic Development Committee, *Partnerships for Prosperity* will be recommended to City Council in July for adoption. Once City Council's approval is received, the remaining half of 2010 will be used to develop detailed implementation plans, performance measurement plans, resource requirements and a detailed service delivery/governance model for all short listed action items. This will be done with maximum engagement and participation of all the stakeholders that are most relevant to each one of the short listed action items.

Detailed implementation plans will be presented to City Council for approval early in 2011.

Conclusion

Ottawa is blessed with the key ingredients for 21st century success, quality people and quality of place. We recommend strong stakeholder partnerships to help guide economic development activities that can make Ottawa among the best places in the world to live, work, study, invest, and visit:

- *Innovation Ottawa Partnership* to represent and expand our considerable knowledge-based potential;
- *Destination Ottawa Partnership* to invite visitors to experience our cultural and tourism offerings; and
- *Quality Ottawa Partnership* to represent our other businesses, institutions and community organizations that make life in Ottawa so rich and rewarding.

With a balanced and diverse economic base, every citizen can enjoy sustainable prosperity. Ottawa is the prototype post-industrial city; educated, diverse, inclusive and environmentally sensitive.

Global competition is fierce and success cannot be taken for granted. For us to continue on an economically prosperous path, it is essential for the City of Ottawa to invest in economic development activities.

However, the municipal government acting alone cannot realize this region's full potential. This goal is only achievable when all stakeholders in the city, including the provincial and federal governments, work collaboratively for common economic goals. The City must instigate and nurture these partnerships to achieve the vision, goals and actions, as discussed in this *Partnerships for Prosperity* strategy.

A Smart City

Knowledge-based industries and workers have long anchored Ottawa's economy and continue to do so. With a high concentration of university graduates residing in the city, we have the highest level of employment in "creative" occupations in Canada at 43 per cent. Five post-secondary institutions, hundreds of government and academic research centres, and an estimated \$3 billion in total public and private research and development funding spent in the city every year attest to our knowledge strengths and a strong innovation infrastructure.

Perhaps only a few cities globally can boast such a high concentration of knowledge-based workers as Ottawa. Over the years, this smart talent has been the fuel behind heavy investments made into this region's various business sectors that continue to grow and diversify and attract intelligent people from across Canada and around the world.

This talent advantage, coupled with the fact that we are also the capital of a G-8 nation, brings a unique focus to this region and its distinct advantages. International embassies and consulates in Ottawa offer international trade and investment opportunities. Our population is ethnically diverse with links throughout the globe. We have a high concentration of bilingual residents. As Canada's capital city, the National Capital Commission ensures that we represent the nation with natural and cultural assets befitting our stature.

Ours is a city that is not just a hot spot for emerging technologies, research and education but also a magnet for people from around the country who play an active role in Canada's political system. This has led to a significant critical mass of policy makers, industry associations and a wide variety of non-governmental groups based in this city. Ottawa is truly a key decision centre for economic issues, as well as matters that affect all parts of Canadians' lives.

Ottawa can demonstrate its value to businesses, to students, to visitors, to immigrants and to residents. It has diverse and high-value quality of place and quality of life features, diverse and unique heritage, arts and cultural assets, but most importantly it has smart people.

Partnerships for Prosperity recognizes this talent as Ottawa's greatest strength and actions arising from this strategy are meant to capitalize on this asset to build Ottawa as a top national and international city in all areas of economic endeavour.

Appendix I

This section gives background on the steering committee involved with this strategy development exercise, as well as the consultation process.

Steering Committee Members

Partnerships for Prosperity was guided by a nine-member Steering Committee. In addition to Co-Chair Councillors Steve Desroches and Rob Jellett, and member Councillors Rick Chiarelli, Eli El-Chantiry and Marianne Wilkinson, committee membership includes these four outstanding community leaders:

Michel Bilodeau

Michel is President and CEO of the Children's Hospital of Eastern Ontario. He holds a licence in literature and history as well as a master's degree in public administration. He has occupied senior management positions in Quebec and Ontario hospitals for more than 30 years.

He worked previously within the federal civil service in positions of increasing responsibility. Michel has been an active board member of the Ontario Hospital Association, the Ontario Council of Teaching Hospitals, the SCO Health Service Foundation, The Elisabeth Bruyère Research Institute, and the American Commission of Accreditation of Education Programs in Health Administration. He also chaired the Ottawa Academy of Hospital Executives and the OHA Regional Executive Committee.

From 2004 to 2006, Michel was on an extended sabbatical in Paris, France but remained attached to the Elisabeth Bruyère Research Institute as Emeritus Fellow. During this time, he also taught at the University of Ottawa MHA program and surveyed in Canada and Saudi Arabia for the Canadian Council on Health Services Accreditation.

Sonia Riahi

Representing the youth perspective, Sonia is pursuing a master's degree in engineering management from the University of Ottawa and holds a bachelor of engineering in mechanical engineering from Carleton University. She is also engaged with the Ottawa Centre for Research and Innovation's TalentBridge, a business leadership program that develops technically educated post-secondary talent with entrepreneurial ambitions through mentorship and placements into business/marketing positions with local small- and medium-sized businesses. Having graduated from the program herself, Sonia's current role is to assist in managing, facilitating and supporting youth entrepreneurship and leadership through the TalentBridge program in the Ottawa area.

Ottawa-born, Sonia has had the opportunity to live abroad for a number of years and returned to Ottawa 13 years ago to live, study and begin her entrepreneurial journey in her hometown. She is co-founder and managing partner of Twiddledee, a real-time marketing startup under development.

In the past, she has worked with the private and public sectors in research and development, testing and analysis, 3D modeling, project management, product marketing, and teaching. Outside of her professional life, Sonia is an avid traveller, enjoys scuba diving and running, and has interests in real estate, social media, history, and sociology.

Richard Van Loon

Richard is a former Canadian civil servant and ex-president of Carleton University. He was the first president of Carleton who was also a Carleton alumnus. He received his bachelor of science in chemistry from Carleton in 1961 as well as a master's degree in arts in 1965. He completed a PhD in political studies at Queen's University in 1968 and for several years taught that subject at Queen's, Carleton and the University of Ottawa.

His career in the federal civil service included working in the Department of Energy and Treasury Board. He has been an Associate Deputy Minister of Health Canada and Indian Affairs and Northern Development.

He was appointed President and Vice-Chancellor of Carleton University in 1996 and retired in 2005. He is currently Professor Emeritus in the School of Public Policy and Administration at Carleton University.

Steve West

Steve West was appointed Chief Executive Officer of MDS Inc. in January 2010. Steve, who in September 2009 was appointed Chief Operating Officer of MDS Inc., has served as President of MDS Nordion since April 2003. He joined MDS Capital Corp. in 2001 as a senior partner after serving as President, DiverseyLever Canada. His background includes multinational general management assignments in Africa, Asia Pacific, as well as international business-development responsibilities and he has been responsible for global innovation and commercialization functions on a worldwide basis. Steve has a degree in Genetics from London University (UK) and completed post-graduate research in Biotechnology.

Steve is a Director of the Ottawa Hospital Foundation, was Co-Chair of the 20-20 Campaign, Co-Chair of the Ottawa Hospital Gala, represents Canada on its Science and Technology agreement with India and he has been an advisor to the Government of Canada on International Trade matters.

The Consultation Process

Community consultations were an important component in creating the vision and actions for the economic development refresh for the City of Ottawa. As such, the City engaged multiple community partners to gain feedback and participation from a broad base of the community. Assistance from OCRI's TalentBridge programme was instrumental in using online media resources in reaching out to the public.

The process began with a Stakeholder Forum on February 12, 2010. The purpose of the Forum was to launch the strategy refresh process and begin creating a vision for the future of economic development in Ottawa. Participants from social, environmental, economic development, education and business development organisations as well as private enterprise listened to three speakers raising the issues of the knowledge economy, the environment and social innovation and their potential impact on economic development. Following the presentations, participants divided into break-out groups to brainstorm visions and priorities for economic development.

February 12, 2010 was also the launch date for the online discussion forum established at www.opinionottawa.ca. To encourage conversation and feedback, seven white papers were available for downloading and comment. Participants could not only download and comment on the white papers but also read and respond to the comments of others. The result was a series of valuable conversations that gave an understanding to the opportunities and challenges facing economic development in Ottawa. In all, the online forum attracted 1,836 visitors to the site generating 65 responses to the white papers and subsequent discussion. In addition to the website blogs there were 19 formal written submissions from organizations in the city giving insight into the direction of the *Partnerships for Prosperity*.

The final phase of the consultation brought together business and community leaders to develop an action framework for the strategy refresh. In this phase of the consultation 11 meetings were held with participants from the development industry, rural community, arts and culture, social economy, Business Improvement Areas, tourism, talent, City's Business Advisory Committee, environment, innovation and the Chambers of Commerce. The meetings functioned as peer discussion groups, focusing on the actions necessary to create the vision generated from the previously held Stakeholder Forum. There were a total of 92 participants in this phase of the community consultation process.

The consultation process and the feedback received were invaluable in developing the economic development strategy refresh. Not only did the process generate the ideas necessary to create a dynamic document, but also served to build community energy and commitment to the document created. This energy and commitment greatly assisted the Economic Development Branch in understanding the collective vision.

Finally, consultations were facilitated by draft White Papers on economic development in the following areas:

- Tourism
- Quality of Place
- Knowledge-Based Industries
- Rural Business
- Physical Infrastructure
- Local Business
- Talent

Appendix II

This section provides additional background material collected and prepared to create this strategy document.

Strategic Directions

International Competitiveness

Partnerships for Prosperity recognizes that the Ottawa economy must be globally competitive just to survive and be considered among the successful new economy cities.

The global economy is changing. Skills, knowledge and talent have replaced raw materials and manual labour as the limiting factor of production and only the most creative and innovative cities that harness and utilize the power of their population can compete on a global scale. Rather than people moving to job opportunities, businesses must now move to, or develop, where talent resides. In a world where the most talented people can choose to live and work wherever they please, Ottawa must make the case that it is the best place for knowledge workers to live.

Ottawa has many features to attract and retain talent and businesses:

Wealth of existing knowledge-based talent, industries and clusters (like associates with like)

Quality of place amenities (cultural, natural environment, social, recreational, transportation)

Status as the capital of a G8 country (seat of power and national policy decision-making)

Inclusive and Sustainable Communities

Partnerships for Prosperity acknowledges the integrated nature of economic, social, cultural and environmental prosperity and the complimentary contributions they make to quality of life and quality of place underlying economic success in Ottawa.

Arts and culture can be a critical component of creating the quality of place necessary to attracting and retaining skilled and talented workers, impacting on the city's ability to retain youth and attract immigrants.

But a strong arts and culture community can also have significant direct economic impacts as well. Tourism is a significant contributor to both the Ontario and Ottawa economies. It is widely recognized that the tourism industry is driven more by experiences than by static features. A vibrant local arts and cultural community can act as a draw for the "cultural" tourist. Indeed, some 262,000 people attended the 2009 Ottawa Jazz Festival. Almost 10,000 people were employed in the arts and culture sector in Ottawa in 2006 and this sectoral employment grew at 13 per cent in the period 2001-2009⁴.

Recreation and parks are another important element of Ottawa's economic prosperity and health. A community that provides a rich assortment of recreation and outdoor opportunities attracts and retains

⁴ City of Ottawa SWOT Analysis 2009

residents. Sports and recreation also account for a large component of economic activity in this community.

Social enterprises contribute to local economies by actively engaging with and providing opportunities for those facing significant barriers to employment. Ottawa has a rich history of citizen-led innovation in responding to community needs that are not met by the market or by the state. Social enterprise can also have a considerably positive effect on quality of place while reducing public spending on social services.

Micro and small businesses in Ottawa (self-employed and businesses with less than 10 employees) account for more than 21 per cent of all businesses in Ottawa and represent a substantial part of the city's economy. Just as arts and culture and social enterprise develop a city's quality of place, so too do micro enterprises through the provision of retail, finance and insurance and accommodation and food services. In many instances, these businesses are supported through Ottawa's Chambers of Commerce and Business Improvement Areas. Entrepreneurs, who are starting a new venture or commercializing a new idea, may require additional supports through business startup and expansion. Networking among entrepreneurs can also help these smaller firms to grow and prosper.

Ontario's educational curriculum does not provide sufficient support to entrepreneurial education. Entrepreneurship in Canadian culture is seen as a "last resort" for those who cannot achieve professional status. This is similar to trades education in past decades. Whereas trades are now seen as a valid career choice, entrepreneurship often is not. In order to ensure Ottawa's youth recognize entrepreneurship as a viable career option and also a valuable skill set for employment, business and entrepreneurial studies must be provided in the career planning years (teenage and even younger). Creating an entrepreneurial culture and supporting attitude in Ottawa can help to differentiate it from its competitors. If Ottawa is recognized as a community where entrepreneurship is celebrated and encouraged and where its youth are educated with entrepreneurial skills, it will further encourage new business formation and attraction of innovative businesses.

In an increasingly global economy, a city's competitive edge comes from the skills and talents of its workforce. As our population ages, there will be growing demand and competition for skilled and talented workers. Immigrants are the primary source of growth for the labour force in Canada and Ottawa. In Ottawa, immigrants are younger than the average population, possess high levels of educational attainment and, increasingly, speak both French and English. Economic growth will depend on the social and economic integration of immigrants into the community.

However, along with many other communities in Canada, Ottawa's ability to attract and retain immigrants is declining⁵. By addressing labour market barriers (such as credential recognition, Canadian experience requirements, etc.), the City can have a positive influence on attracting and retaining immigrants and longer-term economic development. The City can also harness cultural opportunities to make new Canadians feel welcome. For those who come from other cultures it is important to feel that your values and background are not only accepted but also celebrated within the community.

Ottawa faces serious challenges in business development outside of its urban boundary due to inadequate infrastructure services such as water provision and waste water treatment. Showcasing innovative environmental technologies in rural employment lands of the city (such as in our rural villages) could overcome infrastructure barriers without changing the urban boundary. This showcasing could help rural areas while also helping local environmental technology businesses.

⁵ ibid

Ottawa's success in developing an inclusive and sustainable community depends on embracing its diverse arts and culture communities, tackling social inclusion issues, developing entrepreneurs, attracting and retaining talent, and encouraging environmental technology development and adoption.

Brand and Market Development

Ottawa must develop a distinctive identity that separates it from its peers. Effective branding requires a strategic approach to public relations and a commitment to the formation and management of an image as an ongoing, holistic, interactive and community-wide process. It is much more than developing a logo, tagline or slogan. It requires a strong steward that will ensure the place brand is communicated consistently on a long-term basis and that stakeholders community-wide stay engaged in the process and promote and deliver on the core messages.

Branding, image and place identity is not focused solely on messaging. With place branding, leadership and direction must be provided to all participants to ensure that the brand promise is delivered on consistently with all experiences. For example, if a city's brand identity is "environmentally green"; all aspects of experience in the city need to be consistent with that identity. Inconsistency weakens the brand. Overall, place branding must be considered an exercise in communication, coordination and organization of all of the variables that influence a city's image.

Unlike other cities its size, Ottawa has a considerable brand advantage (and some disadvantages) due to its national capital status. The challenge is to develop and promote a brand that encompasses all that our nation's capital is expected to be. Of all our stakeholders that use the Ottawa brand for a variety of business/investment attraction purposes, the City of Ottawa has undoubtedly the strongest interest in developing and promoting a consistent brand to the outside world.

A key action proposed later in this document captures the above described brand development requirement, where the City would work closely with stakeholders like Ottawa Tourism and the National Capital Commission (NCC) to achieve this strategic direction.

City Leadership and Partnerships

This strategy emphasizes the need for the City to look at economic development as an investment in building a sustainable community. As discussed throughout this document, Ottawa is blessed with an abundance of opportunities to capitalize on its knowledge-based industries, a highly creative, educated and growing entrepreneurial workforce, a wealth of cultural and tourism assets and the high-profile position of being the capital of a very diverse and increasingly international country.

All of the initiatives and actions listed in this document, however, will not accomplish their full potential without strong support and leadership from the City of Ottawa and its economic development partners. The endorsement of a stronger leadership and advocacy role and a more focused set of internal City policies are crucial to increase the confidence of stakeholders and the public.

Opportunities exist to strengthen links between economic development service delivery organizations and stakeholders such as OCRI, the Ottawa-Gatineau Film and Television Office, Ottawa Tourism, Business Improvement Areas, Chambers of Commerce, universities and colleges and the federal government.

Objectives associated with this leadership and partnership theme include:

Ensuring that the appropriate "voices" of economic development stakeholders are effective contributors to city-building;

Facilitating networking opportunities between stakeholders to maximize opportunities for collaboration and synergy; and

Partnering with appropriate service organizations across the community in the delivery of stimulus and support programs.

Measuring Progress and Accountability

Performance measurement provides information to decision-makers about the effectiveness of programming and the efficiency of service provision to adjust resource requirements to meet objectives. It is used to:

- Provide public accountability
- Assist with resource requirements management
- Determine the effectiveness and efficiency of initiatives
- Identify the return on investment against objectives

An effective economic development organization must deliver initiatives, and measure and communicate the results of these initiatives in both quantitative and qualitative ways. While objectives may be stated as increased employment, wages, business revenues, capacity utilization, salary levels, diversity of occupations and industries, assessed property values, or the like, the measurement of these indicators of economic outcomes is often fraught with difficulties. The information might well be proprietary to firms and could jeopardize their competitiveness if disclosed. It may also be costly to collect and monitor. Finally, the data may not communicate subjective rewards that are also important to the success of the city. Reports must communicate both the delivery agents' perception of activities and the consumers' perception of the same activities.

If performance targets are achieved, they might have been too conservatively estimated and need to be set higher. If performance targets are not met, they might have been too aggressively estimated, or resources might have been insufficient to attain the targets, the initiatives might not have been the "right" ones, or the delivery agents might not have acted efficiently. Determining the reason for the performance outcome is just as important as the reported performance. Outcomes in economic development are determined by a multiplicity of factors, including the performance of businesses, the performance of markets, and even serendipitous good fortune. Allocating outcomes to program efforts is subjective at best, whether the perceiver is the delivery agent, the program consumer or the public.

This strategy recommends that City Economic Development staff develop a set of objectives and performance measures that:

- are easy to measure and track;
- indicate level of effort expended; and
- indicate outcomes in line with objectives that will show progress toward the goals and vision of this strategy.

This will be done with each initiative and project undertaken by the Economic Development Branch itself or by external contractors.

Recommended Client Satisfaction, Jobs and Tax Creation Measure

The most commonly used traditional measure of the success of an economic development service relates to the numbers of new jobs and tax revenues created. Sometimes it is the only measure that is requested or understood by stakeholders, despite the fact that the objective of economic development projects is not always to create jobs and taxes, but instead to foster an environment that enables investment and development to occur.

There are merits to this measure but there are also dangers. In the past, economic development offices have been accused of overstating their impact; it is easy to claim that investments would have come to the community even without the support of an economic development function.

In the late 1990s, the Oakville Economic Development Alliance created an “OEDA Factor” which evaluated, on a scale of 1 to 100 (expressed as a percentage) how much impact the economic development organization had in attracting or maintaining an investment (as perceived by the involved business manager) in Oakville.

A factor of 75-100 per cent indicated that OEDA had been instrumental

50-75 per cent indicated a high degree of involvement

25-50 per cent indicated a moderate involvement (such as approval expediting)

0-25 per cent indicated low involvement, (such as assisting with startup).

The OEDA Factor was then multiplied by the total taxes and jobs to arrive at “OEDA Jobs” and “OEDA Taxes” calculations. This metric is appealing in that an economic development organization is evaluated by its client group. It is still subjective, however, and businesses might give undue credit to the organization or deny it its due for many reasons. As an additional measure of performance, this metric might be considered valuable for evaluation. Others include focus groups of stakeholders to respond to performance reports for alternate opinions.

Integrating Other Pillars of Sustainability into Performance

This strategy supports focus group response and discussion around economic development performance measurement to ensure that all programs and outcomes are critiqued by the interests meant to be served by them.

Immigrants, youth, entrepreneurs, vulnerable populations, cluster businesses, main street businesses and others should be surveyed and consulted annually to determine if the goals of *Partnerships for Prosperity* are being met. For greatest objectivity, this should be undertaken externally to the delivery agents and reported to the overseeing body (i.e., the proposed Prosperity Advisory Committee and proposed Economic Development Sub-Committee of CSEDC). The overseeing bodies would then be in a position to recommend changes to the Economic Development programming and even the Strategy where appropriate.

Educated Talent Advantages

New clusters, including clean technology, digital media and life sciences – the latter growing 73 per cent between 2006 and 2008 – are replacing some of the mature clusters that have declined. Rather than large anchor firms, growth in smaller companies – 50 per cent of Ottawa’s KBI companies have 10 or fewer employees – makes the Ottawa economy more resilient to shocks in any one sector or firm.

Through the focus of *Partners for Prosperity*, the City of Ottawa can provide leadership in facilitating the development of a wide array of knowledge-based clusters, such as:

Technology clusters: in addition to traditional strength in telecommunications and software, Ottawa has a growing presence in mobile computing, wireless and photonics which ensures an opportunity to be part of technology development that will define the new economy.

Public Policy cluster: an opportunity exists to capitalize on a globally respected public service surrounded by an impressive infrastructure of national- and international-level associations, non-governmental organizations, public policy institutes and government relations firms to make Ottawa a global centre for public policy development.

Digital Content clusters: an integration of the traditional film/video sector with e-commerce, digital media, gaming/virtual worlds and social media that will inform and entertain the new digital citizen.

Health sciences and services cluster: anchored by world-renowned hospitals, clinics and research institutes and exhibiting strength in high technology manufacturing, the city is well positioned as a competitor in the health sciences sector.

Research and education cluster: from government and defence industry research institutes to two major universities and two leading colleges undertaking innovative research and implementing new technologies in areas such as virtual education, Ottawa has largely unparalleled access to a range of higher education assets.

Cleantech cluster: with local strengths in disciplines such as smart grid technology, information management and systems design, Ottawa is well-positioned to be a national and international leader in the emerging Cleantech cluster. The City’s waste management and solar initiatives align with and support the Cleantech cluster in Ottawa.

The role of the Economic Development Branch and the City of Ottawa is one of catalyzing and facilitating the economic development initiatives proposed by *Partnerships for Prosperity*. Close working relationships with stakeholders such as the city’s Innovation Leadership Team (ILT) will be crucial to achieve the City of Ottawa’s economic development aspirations. ILT composed of representatives from OCRI, academia and all three levels of government, takes an ecosystem approach to the network of players that comprise the innovation community in Ottawa. This ecosystem approach revolves around bringing suppliers, producers, service providers, financing institutions, academia and government together on a common platform.

Quality of Place Advantages

Creative and sustainable cities contain clusters of innovative people and businesses that reinforce each other. “Quality of Place” factors contribute significantly to these businesses and talented people choosing where to congregate.

Ottawa already exhibits high quality-of-place success, as approximately 40 per cent of its labour force is part of the so-called “Creative Class.” According to author Richard Florida and other urban thinkers, this population greatly contributes to the intellectual capital that drives the knowledge economy.

Globally competitive cities offer lifestyle choices and “place” amenities that appeal to residents, workers and tourists in a wide range of demographics. Ottawa offers “place” amenities that appeal to a talented workforce and tourists, including:

- Strong, federal government-supported arts, cultural, and recreation amenities
- Major developments that hold promise as place-building projects (e.g., Lansdowne Park redevelopment)
- A safe and relatively crime-free environment
- Strong and diverse primary and secondary school options
- A developer community much of which is focused on providing green sustainable infrastructure that adds to the community experience
- Support for bilingualism
- High tolerance, welcoming of newcomers and freedom of expression
- Physical, recreational and social infrastructure and programming
- Strong tourism, recreation and event organizations that have the ability to attract international visitors and are complemented by new infrastructure (e.g., Ottawa Convention Centre)
- A rich tapestry of urban, suburban, village and rural assets, diverse ethnic expression, and unique heritage infrastructure combine for a uniquely Ottawa melange of experience opportunities.

The City’s role in quality of place is to maintain and grow its advantages and address its weaknesses (e.g., increase the rate of economic integration of recent immigrants, etc.). It also has a role in communicating these advantages locally and abroad.

Innovative Physical Infrastructure

Even with a talented population in place, to be considered fully investment-ready and competitive a city must offer quality employment lands with access to physical services that can support a range of businesses. This includes an appropriate inventory of land with minimal barriers to development, as well as integrated transportation and communications infrastructure that can move people and ideas to/from and within the area. Sustainable physical infrastructure can help to mitigate the effects of population growth and business development on the environment and ensure the most efficient use of existing and proposed infrastructure.

Ottawa's many infrastructure assets include established public transit, intercity rail, an international airport, complete broadband coverage and access to major highway corridors. Though technically there is an adequate supply of designated employment lands, they may not be of sufficient quality to encourage development. In addition, the most marketable land to accommodate employment appears to be either designated as part of the Greenbelt, or constrained to development by federal or residentially oriented private developer ownership. The updated *Official Plan (OPA 76)* does contain policies to protect existing employment lands from conversion, thus discouraging the removal of lands from the existing inventory, but managing the supply of available employment lands could be more actively managed.

One innovative physical infrastructure is the Light Rail Transit (LRT). As the largest single infrastructure project in our City's history, the rail line from Tunney's Pasture to Blair Station and a tunnel through the downtown will have a significant positive impact on our City's economic future. Studies have shown that an LRT station nearby can add as much as 6 per cent to the value of residential properties in the area. The value of commercial properties near LRT stations can increase by as much as 14 per cent.

The investment in LRT is predicted to generate more than 20,000 person-years of direct and indirect employment and provide a total economic output of approximately \$3.2 billion during construction alone. In 2019, the LRT's first year of service, the redesigned transit system will save the City up to \$100 million in annual operating costs.

The Economic Development Branch will continue to work closely with internal stakeholders at the City to provide feedback on developing future infrastructure assets with an understanding of economic development challenges and implications.

Quality of Place Contributors

The City's completed SWOT analysis indicated that the importance of arts and culture in the local economy is not fully appreciated. The national institutions, events and amenities create a largely unparalleled and diverse arts and culture product offering in Ottawa but this tends to overshadow the local assets. A sub-sector of the arts and culture sector, the local film and television production industry alone generates \$50 million in direct and indirect expenditures. More than half of this production involves local firms. *Partnerships for Prosperity* calls for actions that will assist in development and growth of this sector of our local economy.

Social enterprises help to achieve social objectives through business means. These enterprises provide employment opportunities to populations, which may have difficulty accessing the labour market, often while meeting other social concerns, such as environmental or cultural objectives. Examples of social enterprise in Ottawa include the Causeway Work Centre and the Ottawa Community Loan Fund. *Partnerships for Prosperity* proposes that the City of Ottawa take an even more aggressive funding role in the local social enterprises sector.

The City of Ottawa must focus additional attention on developing and supporting small- and medium-sized businesses and entrepreneurial activities in the city. 78 per cent of new jobs in Ottawa are created by small- and medium-sized enterprises. Greater success among new business startups and assistance to medium-sized firms to reach large employer status are valid economic development goals for the city. Identifying the hurdles faced by entrepreneurs and helping to address them will pay employment and wealth dividends in the Ottawa economy. Outreach to businesses is thus warranted and recommended.

The future success of Ottawa's economy may depend, to a large degree, on increasing the flexibility of the workforce to be able to transition from one sector to another. Talented, knowledgeable or skilled workers are the primary assets of today's and tomorrow's economy. According to Richard Florida's Talent Index, Ottawa is in a very strong human resource position, ranking #1 in Canada and #5 in North America. This bodes well for Ottawa's competitive position. However, matching workforce skills to employer needs is a challenge to creating both an innovative city and shared prosperity. Not all skilled workers have access to meaningful employment due to employer need-employee skill mismatches. Successful efforts to assist the unemployed and underemployed to achieve their potential will pay positive dividends for the quality of life of citizens and the efficiency of Ottawa's economy.

There are significant barriers affecting the social and economic integration of Ottawa's immigrant population. As one example, federal employment, which accounted for almost one-fifth of Ottawa's employment in 2006⁶, is often inaccessible to those new immigrants with limited fluency in one or both of Canada's official languages. Because immigrants will comprise an increasing proportion of population and workforce growth, this competitive disadvantage must be addressed. It has been noted that Ottawa's success at attracting immigrants has paled in comparison to other Canadian urban centres. In proportion to its population, Ottawa has fallen behind its municipal competitors for its share of immigrants to Canada. Working with the federal government, as a significant employer in Ottawa, to help meet its employment needs while at the same time helping immigrants to integrate into the labour market is an obvious win for both.

Partnerships for Prosperity recommends the following to attract and retain top talent:

- identify employer talent needs in the short and medium term
- attract and qualify talent to meet identified employer needs
- identify business opportunities for potential investors
- address skills gaps through employee training programs and recruitment
- develop student engagement and retention programs, including work placements, Canadian work experience, early preparation for post-graduation employment, network development, and community involvement (e.g., social enterprise) programs

One of the actions in this document proposes building on the City's current immigration web portal to tell a compelling story of all the reasons that make Ottawa one of the top cities to visit, study in, live and work.

⁶ City of Ottawa. Employment in Ottawa: 2006 Employment Survey, 2007

Environmental Sustainability

Ottawa is well-placed to take advantage of the growth in the “green” sector. The Arnprior Solar Park (located in western Ottawa), one of the largest solar installation projects of its kind in North America, is just one example of the region’s potential. Ottawa offers a strong local research and development capacity in its federal departments, national research labs and institutes, and recognized strength in the city’s relevant university programs. It also has leading environmental technologies firms such as Plasco, Iogen and Ensyn. It has a dense urban population (fuel demand and municipal waste generation) in close proximity to agricultural and forest biomass feedstocks. This combination of factors gives Ottawa a competitive edge in the Cleantech industries.

Ottawa’s agriculture-urban proximity also offers further development potential for local food production and distribution systems. *Partnerships for Prosperity* recommends further development of pilot programs launched under the Savour Ottawa initiative, which seeks to promote locally produced foodstuffs for the benefit of residents, farmers, food processors, and distributors with health, food security and reduced energy consumption objectives fulfilled.

Target Sector Outlook

The following provides an outlook for each of the target sectors identified *Partnerships for Prosperity*. Economic performance and trends in specific target sectors are provided, which reflect broader trends in provincial, federal and global performance. Because of the variation in the way that industry-based data is collected, aggregated and reported by statistics agencies and research organizations, it is often challenging to generate consistent correspondence between published information and the industry clusters as defined in this strategy. However, every effort has been made to collect and summarize the relevant information on current and forecasted trends in investment, employment and strategic initiatives in each of Ottawa’s priority sectors, according to the information available.

Technology (telecommunications, software, mobile computing, wireless, photonics): In conjunction with traditional strengths in telecommunications and software, emerging technology-based sectors have shown significant market growth. OCRI research shows the following global market trends in technology/ICT sub-sectors :

Photonics: \$710B global market in 2009; 14 per cent growth rate

Enterprise Software/eBusiness: \$300B global market in 2008

Wireless/Mobile Applications: \$586 global market in 2010; 7 per cent growth rate

eLearning: Predicted growth of \$52.6B in 2010

As technologies continue to accelerate, new revenue streams are being made available, particularly in new mobile and wireless applications. This convergence area is a particular strength for Ottawa given its current and traditional industrial mix. Furthermore, as the telecommunications industry in Canada experiences further competition and deregulation, there may be additional opportunities for foreign investment and innovative content development that could expand the national and global market for the communications technologies described above.

Public Policy: Public policy as a sector is driven largely by the federal government in Ottawa, but also encompassing provincial and municipal governments and the non-profit sector. In Ontario, employment in the public administration sector actually increased during the recession, by 1.7 per cent between April of 2009 and April of 2010 . This recent economic recession has highlighted the role of government

investment, such that the sector's output (GDP) in Ontario actually rose in 2008 and 2009 by 3.0 per cent and 2.7 per cent, respectively. The Conference Board of Canada suggests that public administration will be the main driver of 2.8 per cent growth in GDP for Ottawa in 2010; however, as spending tightens and federal government freezes begin to go into effect with the drawdown of stimulus spending, growth in the public policy administration sector will begin to ease.

Digital Content: Digital media, incorporating high technology applications related to video, film and display, is an emerging growth sector that has applications that underpin a wide range of other sectors. The sector is expected to grow to \$378 billion in total market by 2011. The Canadian Digital Media has estimated that, in 2009, Canada had over 3,200 companies employing more than 52,000 people in digital media and digital content production. The creation of, and provincial funding attached to, the University of Waterloo – Stratford Institute and Kitchener's Communitech Hub: Digital Media and Mobile Accelerator, suggest a growing digital media infrastructure in the province overall.

A number of industry trends in demographics, consumption and technology suggest this growth will continue. A 2009 Deloitte industry outlook notes the following positive factors affecting digital media:

Increased distribution channels for content, and convergence of services (phone, internet and other communications technologies)

Consumption patterns in gaming and media shifting towards older demographics; device and media purchasing remained robust through the economic downturn

Increased interactivity is expanding the scope of digital media applications, user-generated content, and advertising opportunities.

Health Sciences and Services: Health sciences and services encompass both the provision of health care services, as well as innovation, research and manufacturing in health-related and medical technologies and devices. Much like with education, health and long-term care is an 'anchoring sector', receiving committed annual federal transfer funding. In addition, the population as a whole continues to age; a SWOT assessment conducted by Millier Dickinson Blais in 2009 indicates that 29 per cent of Ottawa's population is over the age of 45. Delivering health and long-term care services will thus become an increased priority for provincial and local governments. In a 10-year outlook released in 2006, Human Resources and Skills Development Canada suggests that the health industry will experience the strongest employment growth among service-producing sectors.

For similar reasons, innovation in life sciences technologies is also receiving increased investment. The Ontario government recently announced a \$161 Life Sciences Commercialization Strategy, including funding for advanced research and clinical trials, biotech company financing, and innovation. OCRI's specific focus on Life Sciences leave it well positioned to attract funding and develop innovative research, clinical practice and manufacturing in health sciences going forward.

Research and Education: Canada's 2007-2008 spending of \$10.2 billion in higher education R&D led the G8 in per-capita terms. In addition, the recently announced Canada Excellence Research Chairs program has allocated \$190 million to attract 19 world-class research teams in science and technology to Canadian universities.

A 2010 Industrial Outlook from TD Economics suggests that education will begin to under perform in 2010 and 2011 as government stimulus money into education gives way to deficit reduction. However, the Ontario Government's 2010 Throne Speech and Budget has announced plans to increase post-secondary enrolment by 20,000 in the coming year, to accompany a five-year plan to improve post-secondary education quality. Collectively, this suggests that research and education will continue to be a strong growth sector in both the near and longer term.

Cleantech: Clean technology, involving research, development and manufacturing in renewable energy, is an emerging growth sector both provincially and globally. It has applications in sectors including agriculture, advanced manufacturing, transportation, waste and wastewater processing and energy. Though global investment in the cleantech sector was at its highest in the 3rd quarter of 2007 prior to the recession, there are indications that the global market is again experiencing growth. Financier Worldwide has shown that \$25.9 billion was invested into the sector in Q3 2009, almost 200% higher than in Q1 2009 . A 2008 report from MRG Inc. suggests that the global market for cleantech will reach US \$1.3 trillion by 2017.

In Canada and Ontario, financial and legislative programs such as the Ontario Green Energy Act suggest that employment and investment in clean technology will be strong in the coming years. This will be driven by a combination of capital subsidies to industries and homeowners through the Feed-In Tariff (FIT) program, and an estimated 50,000 new jobs between 2009 and 2011 in manufacturing, engineering and design, construction and retrofitting, and training. A Conference Board of Canada report suggests that Ontario will receive nearly \$12 billion in investment in climate-related technology investment alone between 2011 and 2014 . A combination of private sector R&D and investment, public sector funding initiatives such as the Ontario Emerging Technologies and Venture Capital Funds, and collaborative investment attraction initiatives such as the Ontario Technology Corridor’s cleantech initiative leave the sector well-positioned for growth in the coming years.

The following is an estimate of GDP by sector based upon 2010 GDP forecasts.

Ottawa-Gatineau GDP by sector

Industry sector	% of total CMA’s GDP	GDP by sector (estimate, millions of dollars)
High-tech	18.9%	\$8,694
Federal government	18.2%	\$8,372
Tourism	2.1%	\$966
Health and education	7.5%	\$3,450
Finance, insurance, real estate	10.4%	\$4,784
Trade	9.4%	\$4,324
Construction	4.0%	\$1,840
Primary (mainly rural output)	0.9%	\$414
Others	28.6%	\$13,156
Total	100.0%	\$46,000

Source: Conference Board of Canada, Metropolitan Outlook; GDP by sector based upon 2010 GDP forecasts

Stakeholders

In addition to service organizations, identified under the three partnerships (Innovation Ottawa, Destination Ottawa & Quality Ottawa), a number of other stakeholder organizations will be key in turning many of the recommendations of this strategy a reality. Some of those stakeholders include:

Federal Government: FedDev Ontario, National Research Council (NRC), Department of Foreign Affairs and International Trade (DFAIT), Ontario Ministry of Research and Innovation, Public Works and Government Services Canada, Industry Canada

Provincial Government: Ministry of Tourism and Culture, Infrastructure Ontario, Ministry of Municipal Affairs and Housing, Ontario Ministry of Economic Development and Trade, Ontario Ministry of Consumer and Social Services, Ontario Ministry of Training

National Organizations: Federation of Canadian Municipalities (FCM), Economic Developers Association of Canada (EDAC), Canada Green Building Council

Other: Economic Development Council of Ontario, Conference Board of Canada, Export Development Canada (EDC), Business Development Bank of Canada (BDC), Conference Board of Canada

Local: Lead-2-Win, Ottawa Manufacturers Network (OMN), Ottawa Tourism Leadership Group, Ottawa Environmental Advisory Committee, City of Ottawa's Environmental Sustainability Branch, City of Ottawa IT Services, ArtsCourt, Shenkman Arts Centre, JustFood, Ottawa Markets Manager, City of Ottawa's Rural Affairs Office

Setting The Bar

This *Partnerships for Prosperity* strategy proposes a number of actions that correspond to its vision and overarching directions. These actions derive from two approaches that set the bar differently.

The Competitive Agenda

The Competitive Agenda accepts a status quo course for Ottawa as the seat of federal government, home to a vibrant regional economy and centre of one of the major knowledge-based industry clusters in Canada.

Partnerships for Prosperity recognizes the impact of the changes in the Canadian and global economy and proposes changes and improvements to the City's economic development role to promote efficiency and productivity and assist the growth of a stronger private sector economy to mitigate any downturn in federal spending locally. The Competitive Agenda proposes activities necessary to remain competitive in the new economy and maintain the current level of success.

The Aspirational Agenda

Looking forward, there are two major trends that will have significant impact on Ottawa's local economy in the future – globalization and the knowledge economy. Ottawa may already be a model “post-industrial” city. How the community chooses to respond today may well influence its position nationally and globally through much of the 21st century. Ottawa is blessed with the raw materials of 21st century economic success: a highly educated population, strength in research and technology and a lifestyle that will be a magnet to creative economy workers.

The Aspirational Agenda proposes activities for Ottawa to define itself as a stronger, more aggressive city and position itself as a leader in the knowledge economy.

The *Partnerships for Prosperity* strategy offers sample actions that reflect an aspirational agenda in some cases and a competitive agenda in others. The mix is meant to achieve maximum return on resources invested in economic development activities. Whether an aspirational or competitive agenda is followed, many actions will require City Council to make resourcing decisions that must be determined in light of the returns to the community on increased investments.