Minutes – Executive Policy Committee – October 19, 2016

REPORTS

Item No. 2 Funding Contribution for Jurisdictional Economic Advantage Assessment

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That a one-time grant of $65,000 be provided as a contribution from the City of Winnipeg to Economic Development Winnipeg Inc. ("EDW") to allow EDW to hire a consultant to facilitate a joint initiative of EDW and the Partnership of the Manitoba Capital Region – "Jurisdictional Advantage Assessment", estimated at a total budget of $250,000.

2. That the funding source for the aforementioned grant be the Economic Development Investment Reserve (EDIR) Fund under the Administrative authority of the Director of Planning, Property and Development as the Fund Manager.

3. That for the purpose of recommendation 2., Council waive in this instance the EDIR operating parameter that the Reserve "operate as a revolving enterprise fund, and receive the equivalent of incremental tax revenues from projects in which it has invested."

4. That the grant contribution from the City be subject to:
   A. confirmation satisfactory to the Chief Financial Officer of, at minimum, a matching contribution from the Province of Manitoba;
   B. confirmation that the engagement by EDW of a qualified consultant resulted from a competitive bid process acceptable to the Chief Financial Officer; and
   C. delivery of a final report with respect to the joint initiative, satisfactory to the Chief Administrative Officer.

5. That the City enter into, execute and deliver a grant agreement with EDW that sets out the terms and conditions of the City's grant funding.

6. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the grant agreement in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

7. That the Proper Officers of the City do all things necessary to implement the intent of the forgoing.

DECISION MAKING HISTORY:

Moved by Councillor Lukes,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Funding Contribution for Jurisdictional Economic Advantage Assessment

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Holmes	J. Kiernan	P. Olafson, acting for M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The Public Service is asking Council for consideration of a contribution to a "Jurisdictional Advantage Assessment" initiative, to be 'sponsored' by Economic Development Winnipeg Inc. ("EDW") and the Partnership of the Manitoba Capital Region. A committee of stakeholders made up of members from the City, the Province, rural municipalities and institutional stakeholders will oversee this consultant-led project, consisting of three key research components:

- an assessment of the Winnipeg region's key assets and competitive economic advantages
- an assessment of government systems, policies and infrastructure contributions to economic growth
- a scan of the health, prospects and critical success factors in each of the region's primary business/economic sectors

The primary deliverable of this initiative is evidence based analysis and information that supports a platform for strategic and focused government decision-making at the civic and provincial level.

The project is expected to be initiated before the end of 2016 with a final report to be received early in 2017.

RECOMMENDATIONS

1. That a one-time grant of $65,000 be provided as a contribution from the City of Winnipeg to Economic Development Winnipeg Inc. ("EDW") to allow EDW to hire a consultant to facilitate a joint initiative of EDW and the Partnership of the Manitoba Capital Region – "Jurisdictional Advantage Assessment" estimated at a total budget of $250,000.
2. That funding source for the aforementioned grant be the Economic Development Investment Reserve (EDIR) Fund under the Administrative authority of the Director of Planning, Property and Development as the Fund Manager.
3. That for the purpose of recommendation 2., Council waive in this instance the EDIR operating parameter that the Reserve *"operate as a revolving enterprise fund, and receive the equivalent of incremental tax revenues from projects in which it has invested."*

4. That the grant contribution from the City be subject to:
    a. confirmation satisfactory to the Chief Financial Officer of, at minimum, a matching contribution from the Province of Manitoba;
    b. confirmation that the engagement by EDW of a qualified consultant resulted from a competitive bid process acceptable to the Chief Financial Officer; and
    c. delivery of a final report with respect to the joint initiative, satisfactory to the Chief Administrative Officer.
5. That the City enter into, execute and deliver a grant agreement with EDW that sets out the terms and conditions of the City's grant funding.
6. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the grant agreement in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.
7. That the proper officers of the City do all things necessary to implement the intent of the forgoing.

REASON FOR THE REPORT

Council approval is required for grants to external organizations.

IMPLICATIONS OF THE RECOMMENDATIONS

Confirmation of funding from all sources including the City will provide a budget sufficient to undertake the desired "Jurisdictional Advantage Assessment" scope and deliverable.

EDW will undertake a consultant engagement process and select a qualified firm to lead the project.

A committee of stakeholders that will include members from the City, the Province, rural municipalities and institutional stakeholders will be established to oversee the project.

The City will be a primary stakeholder for the outcome of the study and will use same to inform its position with respect to economic development policy and strategic focus areas moving forward.

HISTORY/DISCUSSION

HISTORY

- In 2013, members of the Partnership of the Manitoba Capital Region (PMCR) completed their vision document, Building Something Big. The document highlighted the areas of Regional Focus and the six pillars crucial to the development of a prosperous, competitive and resilient Capital Region:
    - Collaborative Regional Development
    - Economic Development and Regional Marketing
    - Strategic Investment in Transportation and Community Infrastructure
    - Transportation and Shared Services
    - Protection of our water and Agricultural Lands, Environment and Water Quality
    - Aligned and Coordinated Tourism Strategies
- On April 7, 2015, the Partnership of the Manitoba Capital Region (PMCR) and EDW co-hosted a Regional Economic Development Forum to gather insights from a broad base of stakeholders on critical economic success factors moving forward.
- In May of 2016, the PMCR and EDW engaged the City of Winnipeg in more formal discussions about the need to advance a key pre-requisite research study and in June 2016 formally issued a letter of request for a funding contribution to such a study.

DISCUSSION

The Capital Region is the population centre and economic engine of Manitoba representing nearly 70% of Manitoba's total economic activity and population. The strength of the region, as it moves into the future, will depend on the ability of its members to find advantage in cooperative and coordinated decision-making. Its success will not only ensure regional prosperity, but significantly contribute to the overall well-being of the province.

There is a substantial body of research and evidence demonstrating that a regional approach to economic development, including the attraction of Foreign Direct Investment (FDI), is the most effective way to drive region-wide economic prosperity. Increasingly in North America, communities have broadened their competitive positioning by taking a regional approach to FDI attraction. It has become evident that leveraging the capacity of a region captures a broader foundation of assets, infrastructure and human capital from which to better develop progressive and effective growth plans as well as a strong value proposition in marketing to new investors.

Taking a regional approach requires a significant amount of alignment, collaboration and trust among the numerous municipalities. It is important that the members of the regional partnership ensure that the information and data that reflect the region's asset base, demographics, infrastructure and economic profile is accurate and accepted as the foundational baseline for the region to advance effective strategies in guiding the region's growth.

Meetings, discussions and planning sessions with regional businesses, institutions, municipalities and economic development stakeholders culminated in an Economic Development Winnipeg / Partnership of the Manitoba Capital Region Economic Development Forum held on April 7, 2015. Attended by approximately 200 regional community leaders, the

group actively contemplated and explored a Regional Approach to Foreign Direct Investment and Economic Development.

Participants from the Economic Development Forum identified the establishment and implementation of an effective and sustainable regional approach to economic development within Manitoba's Capital Region was necessary. Following the forum, a resolution was introduced and passed by all 17 municipalities within the Manitoba Capital Region supporting the regionalization of strategic economic development initiatives and approaches including understanding, building upon and strengthening the region's ability to attract FDI.

As a 'next step' in this process, EDW and PMCR in cooperation with its partners, intend to secure the services of an outside consultant to conduct an in depth analysis of the region resulting in the articulation of its jurisdictional advantages and opportunities. It is critical that all relevant data for the Capital Region is collected, standardized and accessible to all organizations and levels of government as a basis for the development of a regional economic development assessment and strategy. Other regions' successes and challenges will be taken into account as valuable perspective helping to shape progress on this effort. This effort will specifically include:

1. Jurisdictional Advantages Assessment

   Jurisdictional Advantage Assessment will provide an analytical measure of context: the capacities, supporting infrastructure, available resources and economic ecosystems that combine to define the competitive advantages of organizations and regions. It provides clarity relating to the region's strengths and unique advantages.

2. Systemic Competitiveness Analysis

   Systemic Competitiveness Analysis represents an analysis of the Manitoba Capital Region's system of policies, programs and infrastructure and its impacts on corporate opportunities and investment interests. It will explore the relationship between federal, provincial, and municipal systems on the costs of doing business and corporate options for investing in resources and markets.

3. Industrial Ecosystem Analysis

   Industrial Ecosystem Analysis will examine the general health of the Manitoba Capital Region's economic sectors. It identifies key governing companies (those with market power), keystone companies, missing links, product segments, critical success factors, options for upgrading, production efficiency benchmarks and knowledge intensity. These are the nuances that define optimal investment targets, key bottlenecks and barriers to growth.

This integrated initiative will employ a combination of advanced analytics, in-person interviews with business, government and institutional interests as well as global scanning relevant to the Winnipeg region.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 7, 2016

Project Name:

First Year of Program 2017

Funding Contribution – Jurisdictional Economic Advantage Assessment

	2017	2018	2019	2020	2021
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Cash-to-Capital	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 65,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 65,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	65,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs in 2017 represent the recommended City contribution toward the cost of the Jurisdictional Economic Advantage Assessment. The funding source for the grant is the Economic Development Investment Reserve.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

Province of Manitoba, Ministry of Indigenous and Municipal Affairs
Partnership of the Manitoba Capital Region
Economic Development Winnipeg
City of Winnipeg Legal Services Department (as to Legal matters)

OURWINNIPEG POLICY ALIGNMENT

Our Winnipeg Section 01-3 – A City That Works: Prosperity

Collaborate with all Public, Private and Community Economic Development Agencies to Advance Economic Advantages

- Work with regional partners to develop and implement a long-term City Competitiveness strategy that is borne out of collaboration and optimizes economic development opportunities for the region.
- Ensure that the important and distinct roles of partnering agencies are united with a clear mission.
- Utilize economic development research to advance select strategic initiatives that attract and retain business diversity and growth.
- Continue to monitor and review Winnipeg's national and global economic competitiveness.

Plan for a Rising Share of Employment Growth and Productivity

- Build strong partnerships with other governments and agencies in support of joint research and innovation ventures, apprenticeships and internship programs in strategic business sectors.

Provide a Predictable and Cost-Effective Business Environment that Promotes Investment and Growth

Maintain Strong Intergovernmental Cooperation

SUBMITTED BY

Department: Planning, Property and Development
Division: Office of the Director (Economic Development)
Prepared by: Gary Holmes
Date: September 13, 2016
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