Minute No. 389
Report - Executive Policy Committee - May 12, 2004

Item No. 10 New Urban Development Agreement for Winnipeg
File FR-3

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the City of Winnipeg complete negotiations with other orders of government to finalize a new urban development agreement for Winnipeg, based on the terms and conditions of the Memorandum of Understanding (MOU) dated January 26, 2003, providing for a commitment by each order of government of $25 million over five years for a total of $75 million.

2. That additional program funding of up to $1.4 million be included in the 2005 budget process and, subject to annual budget approval, future year's budget processes.

3. That up to $250,000.00 be approved as an additional appropriation toward the establishment of a tripartite office for administering the said agreement for 2004 and that, subject to annual budget approval, up to $250,000.00 be allocated on an annual basis for the duration of the agreement.

4. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report - Executive Policy Committee - May 12, 2004

DECISION MAKING HISTORY:

Moved by Deputy Mayor Eadie,
That the recommendation of the Executive Policy Committee be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 12, 2004, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: New Urban Development Agreement for Winnipeg

For Submission to: **Executive Policy Committee**

Original Report Signed By: **Executive Policy Committee Secretariat**

Report Date: **May 5, 2004**

Recommendations:

1. That the City of Winnipeg complete negotiations with other orders of government to finalize a new urban development agreement for Winnipeg, based on the terms and conditions of the Memorandum of Understanding (MOU) dated January 26, 2003, providing for a commitment by each order of government of $25 million over five years for a total of $75 million.
2. That additional program funding of up to $1.4 million be included in the 2005 budget process and, subject to annual budget approval, future year's budget processes.
3. That up to $250,000 be approved as an additional appropriation toward the establishment of a tripartite office for administering the said agreement for 2004 and that, subject to annual budget approval, up to $250,000 be allocated on an annual basis for the duration of the agreement;
4. That the proper Officers of the corporation do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- On January 26, 2003, the City of Winnipeg as represented by the Mayor, the Province of Manitoba, and Government of Canada signed a Memorandum of Understanding (MOU – see Appendix A) to negotiate a renewed agreement to promote and support long term sustainability for community and economic development of the City of Winnipeg.
- On January 28, 2003, the Executive Policy Committee authorized the EPC Secretariat and the CAO Secretariat to negotiate a new agreement, using the MOU as a framework for discussions.
- Under the terms of the proposed agreement, each order of government has agreed to allocate a total of $25 million over 5 years to this initiative, in the following component areas:

1. Aboriginal Participation
2. Building Sustainable Neighbourhoods
3. Downtown Renewal
4. Supporting Technology & Innovation
5. Agreement Administration

- Additional program funding of up to $1.4 million over the term of the agreement will be required to meet the commitment outlined in the agreement for 4 of the program components. The balance of funds are in existing budgets or may be made by land in lieu of cash, and may include, at the City's option, tax credits, fees and charges and costs related to a change in ownership of land, all of which will be considered equivalent to cash.
- Up to $250,000 per year must be identified and allocated to support the City's contribution to the administration and management of the agreement (to support the tripartite agreement office). The intent of the Office is to provide a staff person from each order of government to assist with liaison and coordination of the component programs and other activities or projects under this agreement and other inter-governmental agreements.

Implications of the Recommendations:

General Implications

None

For the organization overall and/or for other departments

X For the community and/or organizations external to the City of Winnipeg

X Involves a multi-year contract

Comment: The community and/or organizations external to the City benefit by the opportunity to leverage matching dollars from all three orders of government.

Entering into the agreement commits the City beyond the terms of the current City Council**.**

Policy implications

No

X Yes

Comment: The City will enter into a renewed tri-level agreement with the Federal and Provincial Governments.

Environmental implications

X No

Yes

Comment(s):

Human Resources implications

No

X Yes

Comment(s):

Personnel will be required to manage liaison and coordination of the component programs and other activities or projects under this agreement and other inter-governmental agreements

Financial Implications

Within approved current and/or capital budget

X Current and/or capital budget adjustment required

Comment: Additional program funding of up to $1.4 million will be required over the term of the agreement to meet the commitment outlined therein (balance of funds are in existing budgets or will take the form of land, tax forgiveness or credit, or fees and charges). Additional funding will also be required to allow for up to $250,000 per year for the term of the agreement, to cover the City's share of administrative costs in the shared tri-level office, including salaries**.**

Report

Reason for the report:

On January 28, 2003, Executive Policy Committee directed the EPC Secretariat and the CAO Secretariat to negotiate with the Governments of Canada and Manitoba for a new tri-level urban development agreement for Winnipeg, using the MOU as a framework for negotiations. Executive Policy Committee also directed that any agreement negotiated be approved by City Council.

History:

Since 1981, the three orders of government have committed to three successive urban revitalization agreements to address Winnipeg's economic and social issues. The recently expired Winnipeg Development Agreement (from 1995 to 2001) provided $75 million for 700 projects and levered $77 million from the private sector and an additional $49 million from other complementary government program sources to benefit neighbourhoods, industry and businesses throughout the city. The MOU that was signed in 2003 reflects discussions amongst elected officials from the three governments to continue this unique tradition of cooperation and collaboration, as it has made an appreciable difference to Winnipeg's economic viability and quality of life and has served as a model across Canada and abroad of such cooperation.

Discussion:

Senior Officials from the three orders of government agreed to the following in principle:

- Each order of government will contribute $25 million over the term of the agreement, for a total of $75 million, to be allocated among five component areas:

    1. Aboriginal Participation
    2. Building Sustainable Neighbourhoods
    3. Downtown Renewal
    4. Supporting Innovation and Technology
    5. Agreement Administration

- The Community will be included and invited to partner wherever possible;
- A single storefront office will house representatives from each order of government for administration of the agreement and coordination of the programs;
- Programming outlines will ensure flexibility;
- Policy and management committees representing each government will be established to oversee the management of the Agreement; (see Appendix B for detailed description)
- Administration costs to be kept to a minimum;
- The City's contribution may include land in lieu of cash, tax credits, fees and charges and costs related to a change in ownership of land, all of which will be considered equivalent to cash.

Departments have reviewed their adopted 2004 capital and operating budgets, including those years adopted in principle, and it appears that the City's commitment to the components can be met within existing resources, with the exception of Components 1 and 5, Aboriginal Participation and Agreement Administration. Additional program funding of up to $1.4 million over the term of the agreement, and $250,000 per year for agreement administration, are required.

Financial Impact Statement — Date: May 10, 2004

Project Name: New Urban Developme Agreement for Winnipeg — **First Year of Program 2004**

	2004	2005	2006	2007	2008 and Beyond	Total
Capital						
Capital Expenditures Required	$ 5,139	$ 2,840	$ 5,080	$ 2,790	$ 1,997	$ 17,846
Less: Existing Budgeted Costs	5,139	2,840	5,080	2,790	1,997	17,846
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -	$ -
Funding Sources:						
Debt - Internal	$ -	$ -	$ -	$ -	$ -	$ -
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						Total
Direct Costs	$ 2,421	$ 1,150	$ 1,150	$ 1,150	$ 1,283	7,154
Less: Incremental Revenue/Recovery	-	-	-	-	-	-
Net Cost/(Benefit)	$ 2,421	$ 1,150	$ 1,150	$ 1,150	$ 1,283	$ 7,154
Less: Existing Budget Amounts	2,296	550	550	550	558	4,504
Net Budget Adjustment Required	$ 125	$ 600	$ 600	$ 600	$ 725	$ 2,650

Additional Comments: The total committment of $25 million is made up of $17,846 in capital and $7,154 in operating. Existing budget amounts may include land, tax forgiveness or credit, fees and charges. The total budget adjustment required over the term of the agreement is a maximun of 1.4 million in program costs and 1.250 million for administrative costs for a total of 2.650 million. For purposes of this Financial Impact Statement, it is assumed that this project will start in mid 2004

Original signed by Radhika Abeysekera
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH:

CAO Secretariat, Corporate Finance, and Legal Services

This Report Submitted by:

Department: **Executive Policy Committee Secretariat**

Prepared by: **Caroline Neufeld**

File No.

Appendix B

(FINAL November 5/03)

APPENDIX B

CANADA-MANITOBA-WINNIPEG AGREEMENT

FOR COMMUNITY AND ECONOMIC DEVELOPMENT

Vision

A vibrant, prosperous and healthy city that values diversity and provides all of its citizens opportunities for full participation in the economy and society.

Introduction

There is a strong tradition of the three levels of government working together to increase Winnipeg's prosperity and enhance its citizens' quality of life. From 1981 to 2001, Canada, Manitoba and the City of Winnipeg were partners in three agreements to build on Winnipeg's strengths, and address challenges such as downtown revitalization and social and economic development.

These agreements recognized that the capacity of any one level of government to address major urban issues on its own is limited. Their successes demonstrate that action by all three levels of government, working in partnership with Winnipeg's neighbourhoods, as well as business, cultural and arts, academic, and philanthropic communities, can yield powerful and lasting results.

Context

Winnipeg played a critical role in Canada's development as a nation. It served as a vital "gateway" between Canada's west and markets in eastern Canada, Europe and the United States for the first half of the 1900s. Winnipeg grew to become western Canada's financial and distribution centre and flourished as a manufacturing centre. While external factors have diminished its relative position in the national economy, Winnipeg continues to be one of Canada's major urban centres. Its businesses, academic and technical communities and citizens continue to contribute to Canada's economy and its ability to compete internationally. The richness of Winnipeg's cultural diversity, heritage, arts, recreational and philanthropic communities contribute to the fabric of our nation's society and the high quality of life that attracts talent, investment and tourism to Canada.

Manitoba's prosperity, economic vitality and social well-being are closely linked to the health of its capital city, Winnipeg. Strong cities are also vital to Canada's economic well-being and international competitiveness. Today, Winnipeg has one of the most diversified economies in Canada and this diversity is a recognized strength on which to build future growth and wealth. A number of sectors, both established and emerging have been identified as areas offering Winnipeg substantial potential for growth. They include aerospace; life sciences/biotechnology industries; information and communications technologies; cultural and convergent media industries; advanced manufacturing; and alternative energy developments. These industries require world-class research, innovation, infrastructure, and human resources to flourish.

Over the past several years, Manitoba's economy has been experiencing slow but steady growth. During the same period, the populations of Manitoba and Winnipeg have also been growing, although very slowly.

Manitoba, and specifically Winnipeg, have consistently had one of the lowest unemployment rates in the country (in 2002, Canada's lowest, at 5.2%). As the province approaches "full employment", shortages of skilled workers in many sectors are being reported more frequently. Much of this shortage is directly related to changes in Manitoba's demographic makeup.

One of the challenges facing Manitoba and Winnipeg, which contributes both to slower growth and a looming skill shortage, is a longstanding pattern of out-migration, particularly of young adults. In 2002, despite increased immigration levels and a significant drop in numbers of people leaving the province, Manitoba still experienced a net out-migration loss of 1,081 persons.

Winnipeg's labour force is also aging. While 2001 Census data are not yet available, Statistics Canada reports that between 1991 and 1996 there was a 24% increase in the number of people aged 45 to 54 who were employed in Winnipeg's labour force. At the same time, the number of people in Manitoba aged 15 to 24 is projected to increase by only about 5,000, by 2010.

In Winnipeg, 45,750 people, or about 7% of the population, declared Aboriginal origins in 1996. By 2001, that number had grown to 55,755, or to about 8.5% of the total population. The Aboriginal population is also considerably younger than the rest of Manitobans. While the median age for the non-Aboriginal population in Manitoba was 38.5 in 2001, it was 22.8 for the Aboriginal population. More than 42% of the Aboriginal population in Winnipeg were children and youth below 19 years of age, compared to approximately 26% for the population as a whole. Demographic trends indicate the proportion of Aboriginal persons within Manitoba's youth population will continue to increase.

It is estimated that, by 2016, one in five Manitobans eligible to participate in the workforce will be Aboriginal. This young, Aboriginal population will have a significant impact on future social and economic policy, and presents a tremendous opportunity for Canada, Manitoba and Winnipeg to create and share economic and social opportunities today.

The Aboriginal community in Winnipeg is experiencing significant challenges as its numbers in the city grow. As a result of lower education and employment rates among adults, a greater proportion of Winnipeg's Aboriginal people have inadequate housing and live in poor social conditions and poverty. As well, Aboriginal residents of Winnipeg have lower standards of living (by approximately 10%) than their counterparts living off-reserve in rural Manitoba. These issues need to be addressed if the growing population of Aboriginal young people is to benefit from and fully contribute to Winnipeg's economic vitality.

Winnipeg's immigrant population is also increasing, as governments focus on reaching a target of 10,000 newcomers to Manitoba annually. Immigrants have enriched Canada with their ideas and talent. To ensure new immigrants, can use and/or enhance their skills and experience in areas that will contribute to economic growth and fulfill their dreams to prosper, participate and contribute fully in Canadian society, investments such as, language training, settlement support, processes to recognize qualifications and training to respond to skill gaps, are needed. Investments of this kind can help to address skill shortages and strengthen immigrant recruitment and retention.

In addition to a skilled workforce, investments in research, innovation, infrastructure and technology are needed, so that Winnipeg can attract businesses in key sectors. Winnipeg has started down the road to a knowledge-based economy, where skilled workers are the most significant resource and innovation fosters success.

A healthy city with a healthy economy will be reflected in its vibrant arts and cultural life, its excellent recreational facilities, its acceptance and celebration of diversity, its strong community spirit, and its respect for the environment. Like many other cities, Winnipeg's downtown continues to face serious challenges, including aging building stock, deteriorating infrastructure and out-migration. Private sector investment in downtown development needs to be nurtured and grown. Strategic intervention is needed to restore the downtown as a centre for commercial, entertainment, and residential activity. A vibrant, attractive downtown – that is a magnet for visitors and Winnipeggers alike – is in the interest of all Manitobans**.**

Winnipeg's vital and diverse neighbourhoods are one of its most important assets as a city. Winnipeg's older residential neighbourhoods surrounding the downtown, however, have experienced years of decline. While there is currently unprecedented renovation and revitalization activity in some of Winnipeg's older neighbourhoods, additional attention to these historic communities will enhance the quality of life for their residents.

Agreement Purpose and Component Programs

The three levels of government agree urban renewal requires a common, long-term commitment to address Winnipeg's economic and social issues and to make the most of the opportunities a knowledge-based economy presents. The governments also agree that, to be effective, these initiatives need to reflect a community development approach, one that welcomes input from and builds partnerships with community stakeholders.

Aboriginal demographic trends, the continuing out-migration of young people, the aging workforce and skill shortages being experienced by Winnipeg employers indicate a need for immediate action. The development of a workforce that is both large enough and skilled is critical to the province's economic success. To this end, the full inclusion of Aboriginal people, the attraction and integration of new immigrants, and retention strategies to keep youth from

leaving the province, are needed. Special measures may be required so that Aboriginal people and other disadvantaged groups can fully participate in and benefit from these economic opportunities.

The four component programs of this agreement (described below) are integral, interrelated and targeted to advance Winnipeg's development and renewal. They represent a comprehensive commitment to strengthen Winnipeg's economy and to improve the quality of life for all residents. As well, each program can respond to the barriers faced by Winnipeg's Aboriginal community:

1. *Aboriginal Participation* – To ensure Winnipeg will benefit from the opportunities presented by significant growth in the young Aboriginal population, this agreement's first component program is specifically focussed on enhancing social and economic development opportunities for Aboriginal people. Winnipeg's Aboriginal communities will take a lead role in identifying programming to respond to these opportunities.

2. *Building Sustainable Neighbourhoods* – To build on the efforts of residents, support is required to restore Winnipeg's historic inner city communities to health and vibrancy. The communities themselves are best able to identify local issues, and develop solutions for successful and sustainable capacity building and for enhanced quality of life. Governments can provide a broad range of support for this "grassroots" or community-driven approach to neighbourhood renewal, building on the communities' existing strengths.

3. *Downtown Renewal* – To contribute to the revitalization of Winnipeg's downtown, the three levels of government will work with downtown community stakeholders to identify and support key projects and heritage preservation initiatives, encourage and support downtown living, and facilitate strategic economic and cultural initiatives in the downtown. An exciting downtown that is a centre for commerce, entertainment and urban life increases the optimism of residents about their city and provides a favourable image that attracts greater investment.

4. *Supporting Innovation and Technology* - To build a knowledge-based economy and ensure continued success in developing and attracting businesses in priority sectors of the economy, investments in both the public and private sectors are required in areas such as research, innovation, infrastructure and technology commercialization. The transformation and growth of Winnipeg's economy relies on the creation of an environment that values, fosters and supports investment in innovation. Innovation and technology, and the economic activity they bring, are important contributors to greater prosperity, social well-being and quality of life.

COMPONENT PROGRAMS

This Agreement focuses on strengthening and supporting the long-term, sustainable community and economic development of Winnipeg for the benefit of all of its citizens. The following is a more detailed description of the four core component programs, as well as a description of the component program that will guide *Agreement Administration*.

Component Program 1:Aboriginal Participation

The significant increase in Winnipeg's Aboriginal population during the past decade and projections for its continued growth present both a challenge and an opportunity. Canada, Manitoba and Winnipeg recognize that a sound economic strategy for the city must include increasing employment opportunities and promoting economic development for Winnipeg's Aboriginal people. At the same time, Aboriginal health, wellness, quality of life and social development need to be addressed.

Winnipeg's Aboriginal community will play a lead role in the development and implementation of this component program and in ensuring it provides full and transparent access to all parts of the community. The program will make funding available to projects that are driven and implemented by the Aboriginal community. Project proponents will be able to access the program with a single application.

In keeping with the goal of full participation by Aboriginal people in the community and the economy, this program will focus on three key priorities:

Aboriginal Economic Development

Proposal-driven economic development projects (e.g., urban Aboriginal tourism development projects) will be supported. Business development supports will be provided to both Aboriginal individuals and groups.

Aboriginal Training, Education and Employment

A flexible approach will be taken to accommodate a wide spectrum of programming, including high school upgrading, post-secondary training and access programs, and transitional supports for Aboriginal people entering or re-entering the work force.

Aboriginal Health, Wellness, Quality of Life and Social Development

Lower educational attainment and lower employment rates result in higher poverty rates, poorer housing conditions and reduced health and wellness. Support will be provided to community-driven proposals for the provision of sports, wellness and recreational programs for at-risk Aboriginal children, as well as early childhood education and life skills development programming. Funding can support the expansion of existing successful programs, as well as new innovative programs focussing on gaps in current health and wellness programming available to Aboriginal people in Winnipeg.

Component Program 2: Building Sustainable Neighbourhoods

Winnipeg's strength lies in its vital and diverse neighbourhoods. Winnipeg is made up of some 230 distinct neighbourhoods, of which approximately 200 are residential in nature. Many of Winnipeg's older neighbourhoods in and around the inner city are showing signs of decline and require support to address physical, social and economic needs. Older infrastructure requires attention, neighbourhood main streets need to be strengthened, and community capacity needs to be increased.

The history of neighbourhood revitalization in Winnipeg and elsewhere has shown that the most successful and sustainable renewal efforts are driven by the community. Winnipeg's stronger neighbourhoods show a vital sense of purpose, involvement and self-reliance, in both the economic and social spheres. Healthy neighbourhood communities have the skills to assess their strengths, set priorities and undertake new economic activity. Neighbourhood businesses and public institutions invest in the community, create wealth, foster knowledge-based economic activities and contribute to overall community development. In doing so, these organizations and the residents they serve attract further investment, promote skill acquisition and job creation, and help build a diverse, vital neighbourhood.

Because of years of decline, some of Winnipeg's older inner city neighbourhoods currently lack the capacity, resources and infrastructure to respond to the needs and opportunities that can be identified by their residents. This component program will strive to enable and support the revitalization of these "at risk" residential neighbourhoods through a comprehensive community economic development (CED) strategy, which is endorsed by the community. CED is a grassroots approach to bringing stability into a neighbourhood, and to providing people with the skills, environment, and confidence they need to pursue economic opportunities and participate fully in the economy.

This program will build on the successes of the City of Winnipeg's housing policy and Manitoba's Neighbourhoods Alive! initiative, which focus on several of Winnipeg's highest needs inner city neighbourhoods. It will enhance the impact of these existing initiatives and their ability to support additional inner city neighbourhoods.

Citizen involvement in community renewal will be integral to the *Building Sustainable Neighbourhoods* program. The inclusion of Aboriginal people in the planning and implementation of neighbourhood initiatives will be a priority, as they make up a significant proportion of inner city residents. Many recent immigrants to Canada have also made their homes in these neighbourhoods and must be included in these processes. Activities eligible for support under this program will include those that promote community capacity, physical renewal, community development and sustainable economic development.

Component Program 3: Downtown Renewal

Just as Manitoba is symbolized by its capital city, so Winnipeg is identified by images of its downtown. Downtown Winnipeg's streets and buildings, its public amenities, its residential neighbourhoods and its business and economic activities all contribute to people's perceptions of the city. Winnipeg has some exceptionally attractive, unique and internationally recognized assets in its downtown. The downtown also reflects Winnipeg's rich cultural diversity represented by its strong immigrant and Aboriginal communities. These assets and this diversity contribute to the city's cultural, social and economic wealth. Significant efforts are already underway to build on these strengths, but building the downtown's image and attractiveness will require additional action. Winnipeg's economic vitality depends on a vibrant and prosperous downtown that is embraced by its citizens and sought out by visitors.

This component program will recognize and build upon recent planning and coordination initiatives and revitalization efforts in the downtown. It will work with key downtown community stakeholders to identify and support capital infrastructure projects and heritage preservation initiatives, to encourage downtown living and to stimulate strategic economic and cultural initiatives in the downtown. The program will also respond to safety issues and enhanced Aboriginal participation in the development of downtown Winnipeg. It could support:

- Capital infrastructure for projects such as those devoted to providing:

a) Recreation/health and wellness
b) Tourism destinations
c) Art, cultural and heritage experiences

- Downtown living in residential neighbourhoods and elsewhere in the downtown.

- Projects that encourage accessibility to and within the downtown.

- Projects that integrate rivers, parks and green spaces in the downtown.

- Projects that further strengthen downtown Winnipeg's cultural diversity.

- Projects that respond to the issues of Winnipeg's homeless and transient people in the downtown.

Component Program 4: Supporting Innovation and Technology

Winnipeg and the surrounding area is home to approximately 70 percent of the province's population and 47 percent of the province's businesses – generating close to 75 percent of the province's GDP. Most of the province's high-growth sectors and research and development facilities are "anchored" in Winnipeg. Despite this concentration of economic activity, innovation indicators (such as expenditures on R&D, manufacturing productivity, the number of patents issued and technology commercialization and adoption rates) are lower for Winnipeg than for many other Canadian and international cities. This points to structural weaknesses in Winnipeg's innovation system that needs to be addressed.

Canada's cities are vital contributors to the nation's economy and global competitiveness. A city's capacity for innovation, the ability to generate knowledge and put it to use, is critical to its and Canada's future economic success and ability to build a prosperous society. It directly impacts competitiveness, productivity improvements and quality of life. Innovation systems connect research strengths with the commercialization and product development focus of industry, and with the overall quality of life of communities. Innovation takes place primarily within a community context. The success of local innovation systems depends on how well community stakeholders collaborate to make the most of local assets, processes, and relationships that support innovation needs. A major role that governments can play is to foster an environment favourable to economic growth and quality of life by enhancing the innovation capacity of all participants in the economy.

Under this component program, the three levels of government will work with various community stakeholders to strengthen Winnipeg's innovation system by:

- supporting community-led projects that will increase the awareness, capacity and use of new technologies;
- creating strategic partnerships between the urban community and private/research/educational institutions;
- contributing to infrastructure that lays the basis for new technology clusters (a highly developed innovation system, focused on a specific area of strength), as well as strengthening existing clusters; and
- ensuring citizens can participate in available opportunities.

Specific initiatives to strengthen Winnipeg's innovation system could include support for new innovation infrastructure that builds research capacity and creates or expands technology clusters such as: the aerospace, health industries (including those concerned with infectious diseases), life sciences, alternative energy, environmental industries, convergent media and information technology sectors. They could involve identifying and addressing skills and knowledge gaps within research organizations and the private sector through targeted training initiatives as well as research to identify effective capacity building and partnership building strategies for knowledge-based sectors

The strategic orientation of this component is to further the transformation of the Winnipeg economy into a knowledge-based economy that employs skilled workers and encourages innovative approaches. Special measures may be required to ensure the broader Winnipeg community – for example, Aboriginal residents – participate fully in innovation and technology commercialization.

The program will also reach out to Winnipeg's growing immigrant population to help ensure they can use their skills and experience in knowledge-based sectors, by exploring investments in language training, settlement support, processes to recognize qualifications and training to respond to skill gaps.

Component Program 5: Agreement Administration

The principal federal minister, the principal provincial minister and the Mayor of Winnipeg will constitute the Policy Committee and will provide overall direction for the Agreement.

A Management Committee of senior officials from the three levels of government will be responsible for the general administration and coordination of the agreement on behalf of the Policy Committee.

Through the *Agreement Administration* component program, Management Committee members will share responsibility for overall reporting requirements to Policy Committee. These requirements include recommending program implementation and changes, monitoring the flow of funds, providing status updates and evaluating the agreement.

Management Committee will ensure maximum coordination between the agreement's component programs and activities. The committee will also promote opportunities to coordinate these initiatives with other intergovernmental initiatives and with each party's own complementary programming.

Management Committee will establish a tripartite "single window" office with a few staff from each level of government, to facilitate public access to agreement programming and provide information to the public. This office will also be responsible for supporting the effective administration and coordination of agreement programming and activities.