REPORTS

194. From the Manager of EPC Support
Report dated 2002/04/17

Economic Development Initiative
File FL-2.6 (Vol. 1)

Recommending:

1. That Executive Policy Committee concur with this Report and with the accompanying Motion.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the following.

Motion 2002/04/17

WHEREAS City Council passed A Homegrown Economic Development Strategy for Winnipeg in June 2001, outlining new, integrated approaches and goals to focus and support Winnipeg's economic development efforts;

AND WHEREAS Economic Development Winnipeg and Tourism Winnipeg have been effective and valued partners in carrying out Winnipeg's past economic development efforts;

AND WHEREAS extensive research and consultations prior to and following the passing of the Homegrown Economic Development Strategy with partners and stakeholders, including representatives and members of the City's economic development agencies, have demonstrated that innovative ways of carrying out economic development are desirable in an increasingly competitive global environment;

AND WHEREAS an integrated economic development strategy requires a strategic, integrated implementing agency;

THEREFORE BE IT RESOLVED THAT:

1. The Executive Policy Committee call on Economic Development Winnipeg and Tourism Winnipeg to amalgamate their operations and to work with the Winnipeg Convention Centre to develop a strategic marketing and communications partnership under the auspices of an amalgamated agency;

2. The amalgamation work towards achieving a strategic integrated implementing agency that is stronger and more streamlined, drawing on and improving upon the combined strengths, successes, attributes and resources of existing organizations, and that it furthermore:
   - enhance cross-jurisdictional, cross-functional partnerships and networks;
   - be more efficient and interrelated;
   - reduce duplication;
   - be more results-oriented, agile and flexible; and
   - be more competitive.

3. The amalgamated agency have a strategic focus on:

- the Homegrown Economic Development Strategy and its priorities;
- development of clusters and Winnipeg's competitive advantages;
- place marketing; and
- a refocused tourism function – with more aggressive promotion of Winnipeg and its attractions and amenities.

4. The amalgamated agency work – both internally and externally – to improve Winnipeg's image and economic identity and strengths, and bolster its promotional capabilities, and further develop strengths, efforts and strategies in support of tourism, arts and culture, events and festivals, conventions and meetings, attractions and amenities, export development, and talent and investment attraction and retention;

5. The amalgamated agency nominate a new Chair and a new Board in consultation with the Mayor and the Premier;

6. The amalgamated agency report back to Executive Policy Committee with a business plan for endorsement by August 1, 2002;

7. The City of Winnipeg support this amalgamation and that the Chief Administrative Officer and Manager, Executive Policy Committee Secretariat, facilitate the amalgamation and its orderly transition within means at their disposal.

Moved by Councillor Angus,

I. That the following motion be approved by Council, namely:

WHEREAS in June of 2001 City Council adopted the principles of A Homegrown Economic Development Strategy for Winnipeg, which outline new, integrated approaches and goals to focus and support Winnipeg's economic development efforts;

AND WHEREAS extensive research and consultations with partners and stakeholders, including representatives and members of the City's economic development agencies, have demonstrated that innovative ways of carrying out economic development are desirable in an increasingly competitive global environment;

AND WHEREAS Economic Development Winnipeg and Tourism Winnipeg have been effective and valued partners in carrying out Winnipeg's past economic development and tourism efforts;

AND WHEREAS an integrated economic development strategy requires a strategic, integrated implementing agency;

THEREFORE BE IT RESOLVED THAT:

1. The Executive Policy Committee recommends to City Council that Economic Development Winnipeg and Tourism Winnipeg amalgamate their operations into one agency, and that the amalgamated agency work with the Winnipeg Convention Centre to develop a strategic marketing and communications partnership;

2. *The end result of the amalgamation process will be to achieve, by Fall 2002, a strategic integrated implementing agency that is stronger and more streamlined, drawing on and improving upon the combined strengths, successes, attributes and resources of existing organizations;*

3. *The new amalgamated agency will:*
   - *enhance cross-jurisdictional, cross-functional partnerships and networks;*
   - *be efficient and interrelated;*
   - *reduce duplication;*
   - *be results-oriented, agile and flexible;*
   - *be competitive.*

4. *The amalgamated agency will focus on:*
   - *the Homegrown Economic Development Strategy and its priorities;*
   - *development of clusters and Winnipeg's competitive advantages;*
   - *place marketing, promoting Winnipeg and its attractions and amenities.*

5. *The amalgamated agency will work, both internally and externally, to improve Winnipeg's image and economic identity and strengths, and bolster its promotional capabilities, and further develop strengths, efforts and strategies in support of tourism, arts and culture, events and festivals, conventions and meetings, attractions and amenities, export development, and talent and investment attraction and retention;*

6. *The amalgamated agency will make such changes to its corporate structure as required to establish the Mayor of Winnipeg and the Premier of Manitoba or their designates as its sole Members;*

7. *The Mayor and the Premier will nominate the Chair and Board of Directors and the Mayor will submit the nominees to City Council for its approval;*

8. *Provided that the Province of Manitoba shall have equal responsibility, City Council agrees to indemnify the Chair and members of the Board of Directors for any liability arising from their respective appointments and any acts done in good faith in the performance of their duties;*

9. *The amalgamated agency will report back to Executive Policy Committee with a business plan in July 2002, which, among other things, will identify the process for completing the amalgamation and formally implementing the new agency by Fall 2002.*

II. *Provided that the Province of Manitoba shall have equal responsibility, City Council agrees to indemnify the Board Members of Economic Development Winnipeg and Tourism Winnipeg for any liability arising from their respective appointments and any acts done in good faith in performance of their duties during the transition period.*

III. *That the current Board Members of Economic Development Winnipeg and Tourism Winnipeg remain until such time as the transition is complete.*

IV. That Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing;

and forwarded to Council.

Carried

Re: **Amalgamation of Economic Development Agencies**

For submission to: **Executive Policy Committee**

Submitted by: **Manager, EPC Secretariat**

Report date: **April 17, 2002**

In camera item:

Recommendation(s):

1. That Executive Policy Committee concur with this Report and with the accompanying Motion.
2. That the Proper Officers of the City be authorized to do all things necessary to implement the following.

Report Summary

Key Issues:

- Winnipeg City Council approved the Homegrown Economic Development Strategy (HEDS) in June 2001.
- The HEDS suggested that new partnerships may emerge from the integration or rationalization of organizations and partnerships, such as Economic Development Winnipeg and Tourism Winnipeg.
- This Report recommends launching a single economic development entity for Winnipeg, reflecting the Province's and the City's priorities, notably as identified in the HEDS.
- This recommendation comes as a result of exhaustive, comprehensive consultations and discussions around the HEDS and amalgamation, involving a broad spectrum of community stakeholders over the past two years.

Implications of the Recommendation(s):

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

☐ Involves a multi-year contract

Comment:

Policy implications

☐ No

X Yes

Comment:

Approval of this Report will assist in the implementation of the Homegrown Economic Development Strategy, adopted by Winnipeg City Council in June 2001.

Financial Implications

X Within approved current and/or capital budget

☐ Current and/or capital budget adjustment required

Comment:

Report

Recommendation(s):

1. That Executive Policy Committee concur with this Report and with the accompanying Motion.
2. That the Proper Officers of the City be authorized to do all things necessary to implement the following.

Reason for the report:

Winnipeg City Council approved the Homegrown Economic Development Strategy (HEDS) in June 2001. The HEDS called for a new order for economic development strategy implementation in Winnipeg and suggested that new partnerships may emerge from integration or rationalization of such governmental organizations and partnerships as Economic Development Winnipeg and Tourism Winnipeg.

History:

A series of consultations and discussions were held, resulting in a consensus that it would be advantageous to have a single economic development entity, or authority, to streamline Winnipeg's macro-economic development strategies. These strategies must reflect the Province's and the City's priorities, notably as identified in the HEDS.

Discussion:

A re-launched organization, *Destination Winnipeg*, would effectively combine Economic Development Winnipeg with Tourism Winnipeg as a single economic development agency.

A complete amalgamation that would see *Destination Winnipeg* charged with the ongoing effective management and activities of the Winnipeg Convention Centre as a "subsidiary corporation" may be a longer-term desirable objective to be considered. However, in the short-term, certain functions of the Winnipeg Convention Centre that are consistent with and complementary to tourism and economic development – notably those related to communications and marketing – could be integrated into *Destination Winnipeg*. *Destination Winnipeg* could, in effect, provide communications and marketing services and functions to the Winnipeg Convention Centre, which would remain a free-standing facility.

Destination Winnipeg would have a refocused tourism function, one that is a critical piece of more comprehensive strategic place marketing. *Destination Winnipeg* would cross-market Winnipeg's strengths, attractions, opportunities (e.g., Convention Centre with tourism with economic development, etc.) and be more focused on strategic place marketing.

Destination Winnipeg must ensure that its mandate and objectives are complementary to Centre*Venture*, the Winnipeg Airports Authority and other partner agencies, and that their respective roles and responsibilities are distinct and clearly defined.

<u>Benefits</u>

Benefits of an amalgamated agency include:

- The City and the Province have come to consensus.
- *Destination Winnipeg* would re-launch Winnipeg's economic development agency/ies as a new, reinvigorated means of executing economic development strategies, notably HEDS.
- *Destination Winnipeg* would be stronger and more streamlined.
    - *Destination Winnipeg* could draw on and improve upon the combined strengths, successes, attributes and resources of the existing organizations.
        - Enhances cross-jurisdictional, cross-functional partnerships and networks.
        - Builds on some of the successes they have been part of: bringing the Canadian Science Centre for Animal and Human Health ("the

virology lab") to Winnipeg; developing Centre*Venture*, Young Leaders, etc.

- *Destination Winnipeg* would be:
  - More efficient, integrated and interrelated; would reduce duplication.
    - E.g., Integrated and interrelated marketing, promotion, image and communications – develop and integrate common messages and campaigns.
  - More results-oriented, agile and flexible – with a smaller Board that would help staff keep focussed.
  - More competitive and:
    - Do better with existing resources.
    - Be more competitive on the world stage/in the global economy.
  - More effective.
- *Destination Winnipeg* would have a strategic focus on:
  - HEDS and its priorities.
  - Clusters; Winnipeg's competitive advantages.
  - Place marketing.
  - A refocused tourism function – with more aggressive promotion of Winnipeg and its attractions and amenities.
    - Build and improve Winnipeg's profile.
    - More opportunities to bring people here, cross-market our strengths, attractions, opportunities (e.g., Convention Centre with tourism with economic development, etc.).

<u>Precedents</u>

A number of examples of amalgamated economic development agencies exist. Given its similarity in many ways to Winnipeg, Edmonton is perhaps the best example of amalgamation to consider. In 1992, Edmonton consolidated all of its economic development activities and institutions, Edmonton Convention and Visitors Bureau, Edmonton Convention Centre Authority, Edmonton Economic Development Authority, and Edmonton Research Park, under one corporation, Economic Development Edmonton (EDE). The EDE model has generally been viewed as a success and has been instrumental in supporting Edmonton's economic performance, which was rated as Canada's number one performing metropolitan economy by the Conference Board of Canada in Spring 2001.

In 2001, Calgary and Ottawa also reorganized their respective economic development functions in 2001 into united economic development agencies.

United States jurisdictions, including the Denver and North Dakota, have also amalgamated relevant economic development functions and organizations.

<u>Functions</u>

The basic concept is for *Destination Winnipeg* to develop actions and strategies related to the HEDS' fundamental policy foundations, priorities and issues, collaborating and working with community partners where appropriate and mutually beneficial. The HEDS' priorities are:

1. Growing Local Enterprise and Expanding Exports
2. Closing the Skills Gap and Enhancing Immigration
3. Creating an Enabling and Competitive Municipal Government

With a primary purpose of implementing the HEDS, *Destination Winnipeg* would also coordinate such interrelated functions as:

- Strategic Development and Attraction
- Communications and Promotion
- Events and Conventions

Place Marketing

Destination Winnipeg must embrace and incorporate the concept of strategic place marketing in its work in executing key policy foundations and issues. As a result of rapid technological change, global competition, increased urbanization and political power shifts in the "new economy", the City must work with its partners to take full advantage of its economic development efforts as "place marketers" to attract visitors, residents and workers, business and industry as well as export markets.

Destination Winnipeg must work – both internally and externally – to improve Winnipeg's image and economic identity and strengths, and bolster its promotional capabilities. *Destination Winnipeg* must further develop strengths, efforts and strategies in support of tourism, arts and culture, events and festivals, conventions and meetings, attractions and amenities, export development, and talent and investment attraction and retention.

Other Priorities

Destination Winnipeg must furthermore give life to the broad, interrelated priorities and concepts of the HEDS, including:

Partnership – A community-based approach has been a hallmark of Winnipeg's economic development efforts to date. Partnership and collaboration are underlying and crosscutting components of the HEDS. *Destination Winnipeg* must develop and "broker" partnerships. Moreover, it must work with Winnipeg's diverse socio-economic population and representative groups and institutions to develop appropriate community-driven networks as they relate to business growth, employment creation, capital development and Winnipeg's strategic clusters. Solutions must be developed to support local ownership, diversification of the economy through the proliferation of

smaller businesses, and employee and community stakeholder participation in the economy.

Destination Winnipeg must play a role in bringing together partners in the private sector, labour and other orders of government in support of economic development.

Destination Winnipeg must contribute to a renewed spirit of partnership that is fundamental to the development of Winnipeg's Aboriginal community. Issues and elements concerning and embracing the growing Aboriginal population are of paramount importance to the Winnipeg's future economic development prospects, and must be dealt with concretely, genuinely and collaboratively. *Destination Winnipeg* must promote and pursue collaboration among all orders of government, the private sector and non-governmental organizations to promote full economic participation of Aboriginal people in Winnipeg.

The City recognizes that there are a number of important areas in which it does not have direct control, primacy or jurisdiction. *Destination Winnipeg* would play a role in coordinating civic and provincial priorities and actions within their respective areas of jurisdiction. Where appropriate, *Destination Winnipeg* would call on and encourage relevant authorities, institutions and organizations to take action. *Destination Winnipeg* would play complementary, supporting and, in some instances, leading roles with partners in the private and non-governmental sectors, along with governments.

Destination Winnipeg must work with the City and the Province to promote regional consistency in planning and development in furthering Winnipeg's central role in the Capital Region and the importance of its health to the health of the region overall. It must work with the Province to establish forums for dialogue, discussion, and potential partnerships between Winnipeg, the Province, and neighbouring municipalities with regard to economic development issues.

Strategic Clusters – Closely related to networking, partnership building and "brokering", *Destination Winnipeg* must develop and promote Winnipeg's strategic clusters, facilitating, where appropriate, cluster working groups much like the successful Manitoba Aerospace Association.

A Sustainable Community – *Destination* Winnipeg must recognize that economic development cannot be viewed as just being about economic growth – rather, intergenerational and sustainable development issues are essential to Winnipeg's long-term sustainable economic development and prosperity. *Destination Winnipeg* must work to maintain or enhance economic opportunity and well-being for all members of the community.

Indicators – *Destination Winnipeg* must ensure that Winnipeg's progress is tracked and measured, and that "just in time" and up-to-the-minute statistics on its progress towards sustainable economic development objectives is provided, using available advanced technologies. Moreover, it must ensure that intelligence on Winnipeg's

competitiveness with other jurisdictions, particularly in its strategic clusters, is provided.

Structure

Destination Winnipeg would be created as a result of the merger of Economic Development Winnipeg and Tourism Winnipeg. The Winnipeg Convention Centre would remain intact as a separate, facility management entity, while possibly outsourcing its marketing and communications functions to *Destination Winnipeg*.

A CEO-driven organization, with streamlined, strengthened management and communications functions, is proposed. The CEO, with the support of a new and active Chair and Board, would determine the final management and administrative structure of the organization.

Governance

Destination Winnipeg would require a small Board that would keep to a defined plan (e.g., HEDS) and that is results-oriented, agile and flexible. Membership should allow for change from time to time, possibly annually, depending on the expertise required. *Destination Winnipeg*'s Board must be responsive to the Winnipeg's economic development priorities while still being a business-driven (i.e., not a business organization-driven) and -oriented organization. The Board would be skill-based, with members drawn from leaders in priority clusters. A Board of nine or fewer strategic, higher profile members is proposed.

It is proposed that the Premier and Mayor, as the main stakeholder representatives of *Destination Winnipeg*, approve the new Board in consultation with the Chair shortly after launching *Destination Winnipeg*. Governance and reporting protocols would ensure the accountability of *Destination Winnipeg* and its Board members to the City and the Province through such measures as annual reporting. Relevant protocols would ensure maximum consistency and coordination of communications between the new amalgamated corporation and its stakeholders.

Financial Impact Statement:

Project Name: Amalgamation of Economic Development Agencies

Date: April 16, 2002 First Year of Program **2002**

	2002	2003	2004	2005	2006
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
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					
Direct Costs					
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: There is no financial impact.

Pat Bodnar
Senior Financial Accountant

This Report Submitted By:

Department:	Executive Policy Committee Secretariat
Division:	
Prepared by:	Greg Zador
File No.	