

2015 Comprehensive Review: Economic Development Lethbridge

STRENGTHENING THE FOUNDATION FOR A

FIRST-CLASS
SMALL CITY

Economic Development

LETHBRIDGE

Agenda

1. **Original Motion**
2. **Methodology**
3. **Strategy**
 - Business Development & Investment Attraction
 - Convention & Event
 - Respect & Reputation
 - Organizational Sustainability
4. **Service Delivery Model**
 - Governance
 - Rationale
 - Level/Scope
 - Efficiency/Effectiveness
 - Funding
5. **Summary/Next Steps**



The original request...

WHEREAS on June 17, 2002, City Council passed a resolution to approve the establishment of a community-based Economic Development model with the entity to be named the Lethbridge Economic Development Initiative,

AND FURTHER WHEREAS it was the intent of City Council that the initiative be funded by the City of Lethbridge initially with initially being the key word;

THEREFORE BE IT RESOLVED THAT a *comprehensive review be undertaken of the City's Economic Development strategy and service delivery model by the end of 2015;*

AND FURTHER BE IT RESOLVED THAT any changes to the strategy and service model be addressed in future Fee for Service agreements for the year 2016 – 2018;

AND FURTHER BE IT RESOLVED THAT the funding for Economic Development Lethbridge be maintained as presented in the draft 2015 – 2018 Operating Budget;

AND FURTHER BE IT RESOLVED THAT any changes in the funding be adjusted pending the comprehensive review.

Review Methodology

- **Documents**
 - Business plans, approved budgets, City & Board policies, historical projects/initiatives, Board & Committee minutes
- **Benchmarking & Best Practices**
 - City business units, other municipalities, industry, market data
 - Regional (EDA), national (EDAC), international (IEDC)
- **Stakeholder feedback interviews (n=70+)**
 - Council, senior administration, EDL Board, business & community leaders across sectors



Business Strategy

City's Community Vision: We will continue to work together to ensure that Lethbridge demonstrates active leadership in environmental stewardship and **innovation** and is recognized as being a safe, healthy, **vibrant, prosperous, economically viable** place where all people can fully participate in community life.



EDL Vision: Lethbridge is recognized as a first-class small city by 2025.



EDL Mission: Strengthen and develop the Lethbridge economy by initiating & facilitating proactive economic development strategies and promoting Lethbridge as an excellent place to live, learn, invest, visit and do business.



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Economic Development Lethbridge

Business Development

Innovation & Entrepreneurship (teconnect)

RINSA

Targeted Investment Attraction

Retention & Expansion

Downtown Investment

Airport (enhance air service)

Convention & Event

DMP

Planner

Shows / Presence

Research & Sales

Partnerships

Respect & Reputation

Intelligent Community Strategy & Engagement

External Marketing & Image

Market Analysis & Reporting

Team Lethbridge

Benchmarking / Rankings

Advocacy & Gov't Relations

Organizational Stability

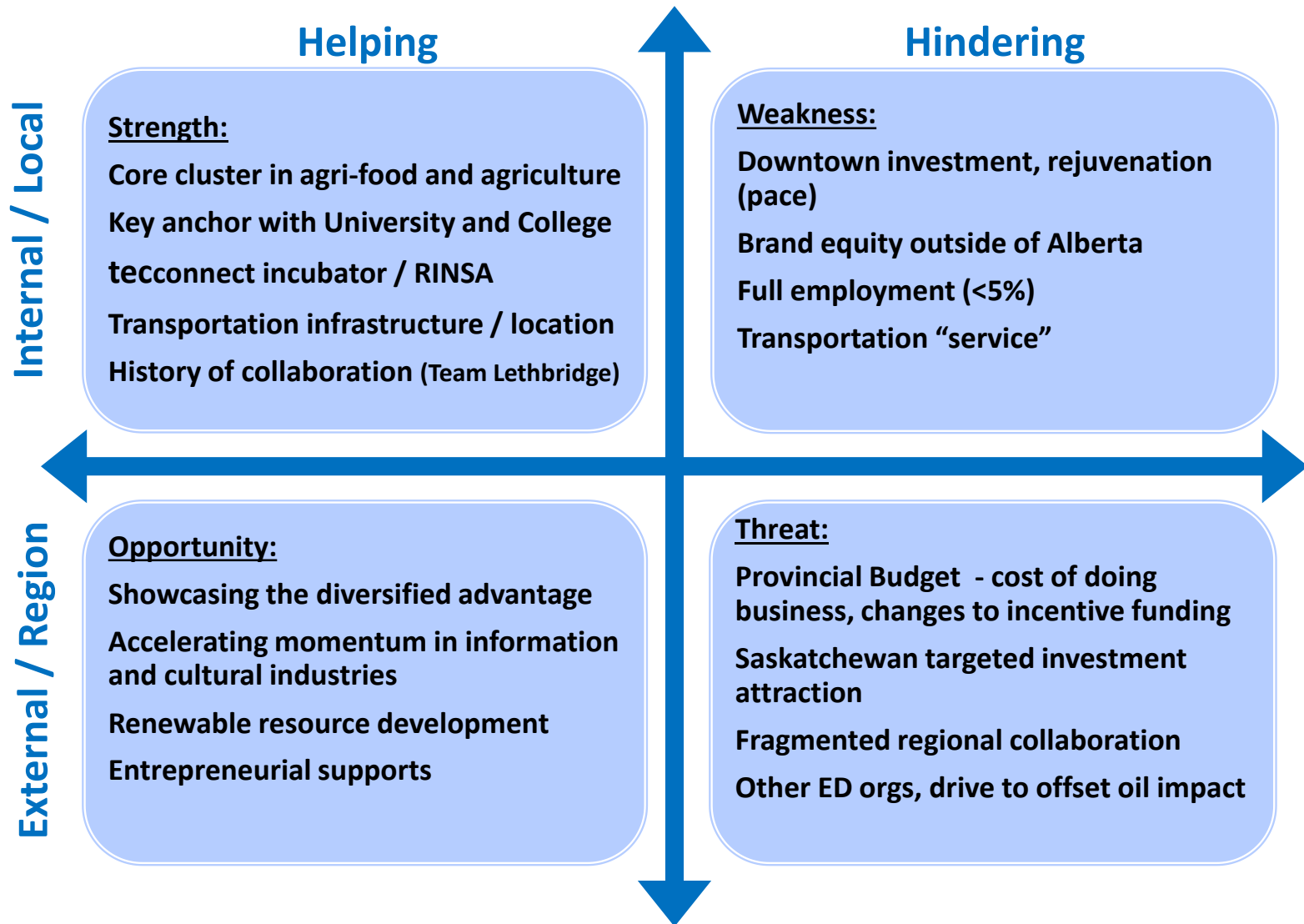
Board Development / Recruiting

Human Resources Planning

Committee Structure

Policy Precipis

Core Business: Business Development



Core Business: Business Development

Goal 1: Realize growth in emerging/entrepreneurial and established industry sectors that complement our region.

REFOCUSED PRIORITIES:

- Pivot **tecconnect** focus (new business plan, broader tech focus)
- Entrepreneurial programs
- Regional Innovation Network of Southern Alberta (RINSA) MOU – AITF metrics
- Outcomes evaluation - GEO Alberta/GIS in the Rockies
- Foreign Direct Investment grant – China Business to Business (B2B) delegation
- Venture Capital / Angel network – explore options to fill vacuum
- Reposition Southern Alberta Alternative Energy Partnership (SAAEP)

FUTURE CONSIDERATIONS:

- Downtown Redevelopment Corporation
- Business Development Officer role
- Council alignment for specific economic growth targets

Core Business: Convention & Event



Core Business: Convention & Event

Goal 2: Continue marketing efforts targeted at business/meeting related travel and providing exceptional service to landed business; support the creation of a strategic Tourism Development and Destination Management Plan.

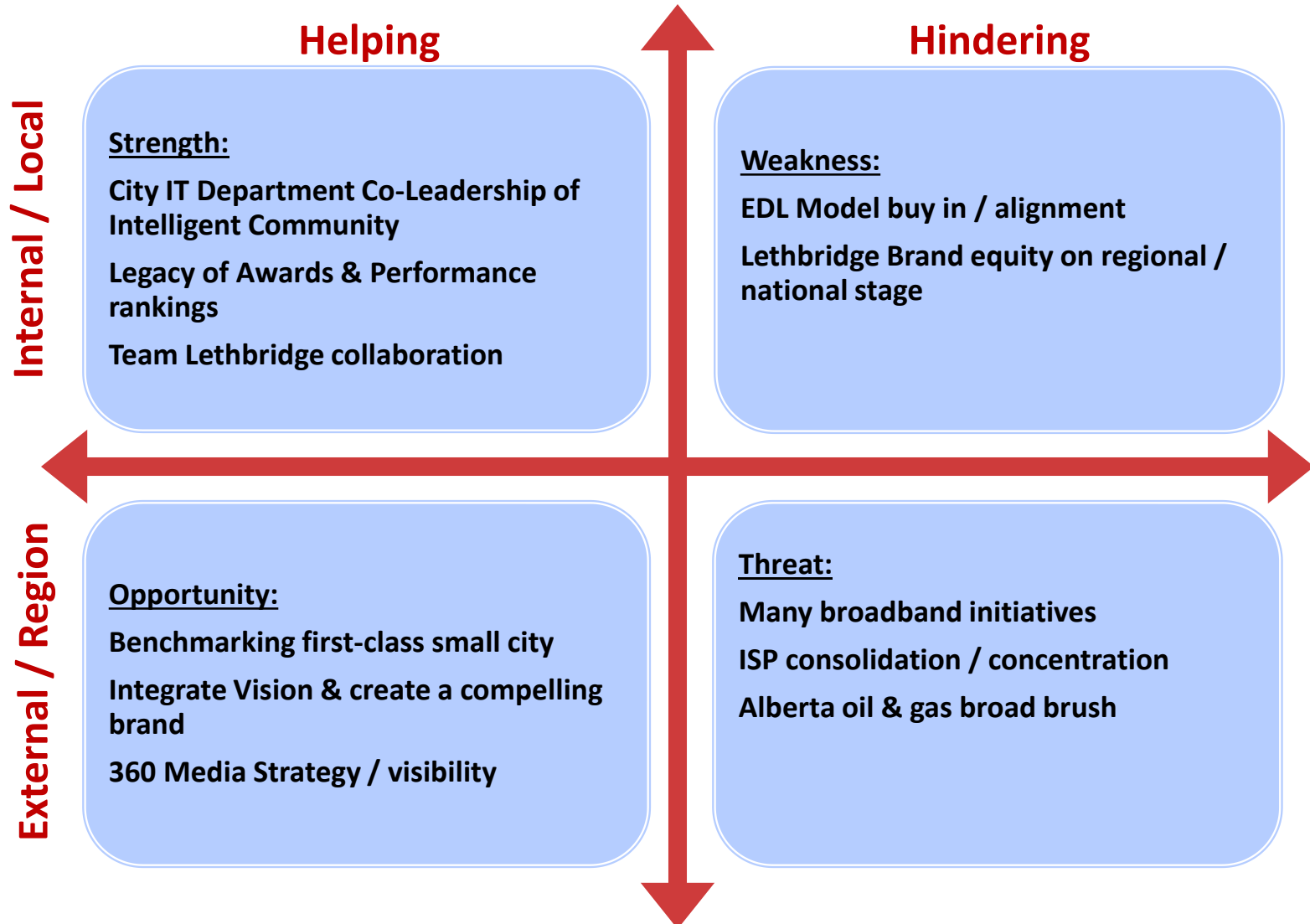
REFOCUSSED PRIORITIES:

- Tourism Strategy Committee (DMP & Major Event Hosting Grant)
- Realign portfolio to Meeting, Event & Partnership development
- Restructure portfolio positions / levels
- Alignment with Travel Alberta path to purchase model
- Explore new synergy with LLA (DMF)
- Truck Expo

FUTURE CONSIDERATIONS:

- Support airport governance model/direction
- Crystalize convention centre/CIP priority

Core Business: Respect & Reputation



Core Business: Respect & Reputation

Goal 3: Build internal brand identity & capacity for first-class small city attributes through citizen & business engagement in community-wide strategic initiatives including technological capacity to achieve Intelligent Community designation, ultimately resulting in a new brand strategy in 2018.

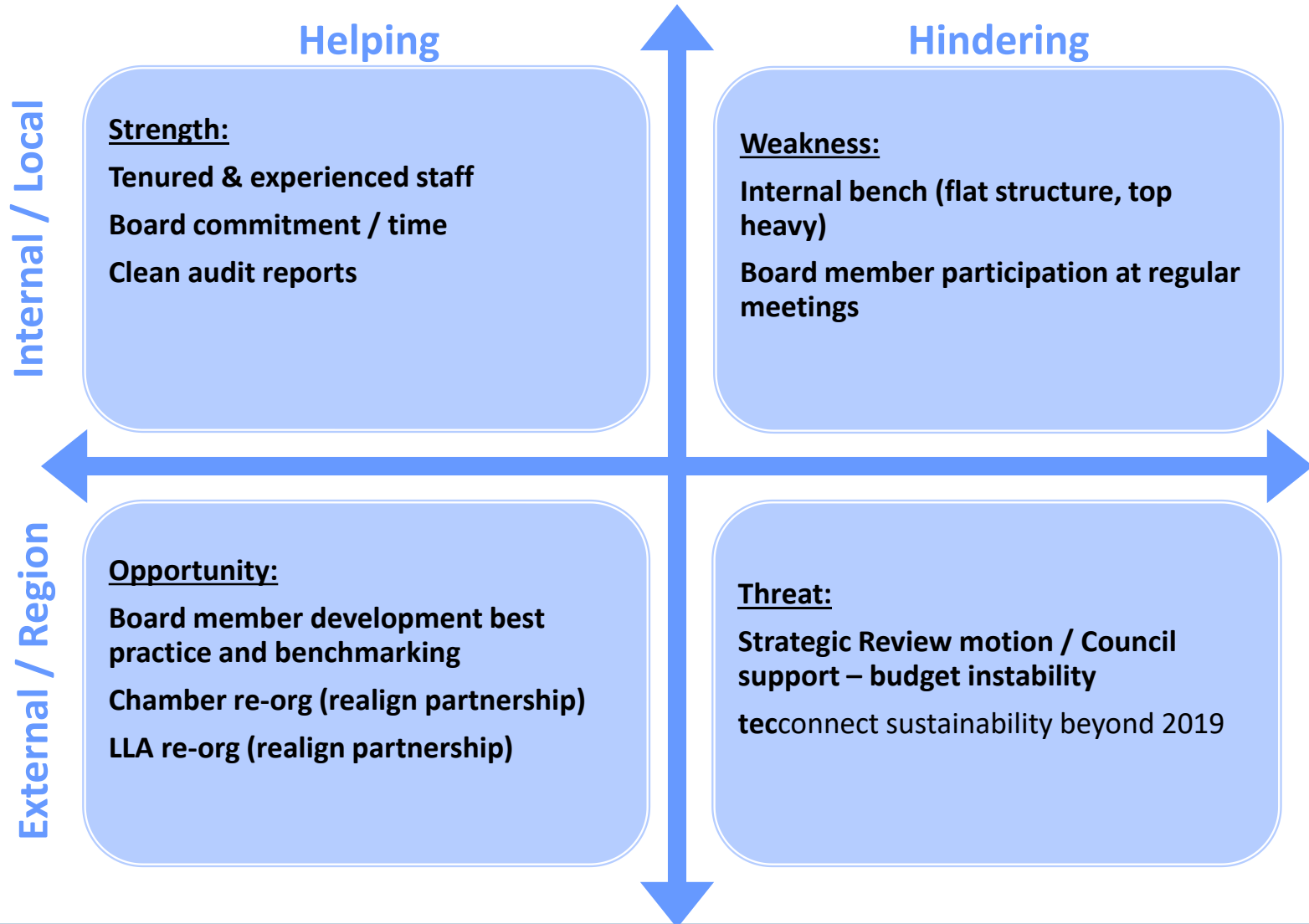
REFOCUSSED PRIORITIES:

- Team Lethbridge relaunch (& possible expansion to national influencers)
- Intelligent Community (Strategy Roadmap, IntelligentYQL.ca launch, Engagement)
- Increase market presence (Monthly Herald Column, Regular AGILITY blog, Alberta Venture)
- Conference Board of Canada Mid Sized Cities Report, CFIB Rankings
- Market Analysis & Reporting – understand need and delivery (Chamber, CHBA)

FUTURE CONSIDERATIONS:

- Stewardship of Intelligent Community back to City for year 3 & 4
- Explore overlap/integration of 3 things initiative
- Leverage open data opportunity

Core Business: Organizational Stability



Core Business: Organizational Stability

Goal 4: Board members receive adequate Return on the Investment of their Personal Time (RIPT) through the satisfaction of successfully advancing the mission of EDL & through learning opportunities related to best practices in Not-for-Profit Boards.

REFOCUSSED PRIORITIES:

- Finance Committee – Investment Policy, Asset Management Strategy
- Human Resources Committee – T&E Policy, Salary Matrix Review
- RIPT Ideas – iMAP modules

FUTURE CONSIDERATIONS:

- Board committee restructure – better leverage committee structure to execute priorities
- Additional sub-committees to further engage each Board member

Business Strategy Alignment

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Business Development

Convention & Event

Respect & Reputation

Organizational
Stability

Service Delivery Model - Review



Service Delivery Model

City Council's Top 3 Discussion Points

- **Communication**
 - Frequency, clarity, format
- **Value**
 - Return on investment
- **Structure**
 - Staff
 - Board



Governance

June 17, 2002 Terms of Reference

Mandate: To provide direction and proactive leadership that encourages the private and public sector to undertake programs and projects that will promote and foster economic growth.

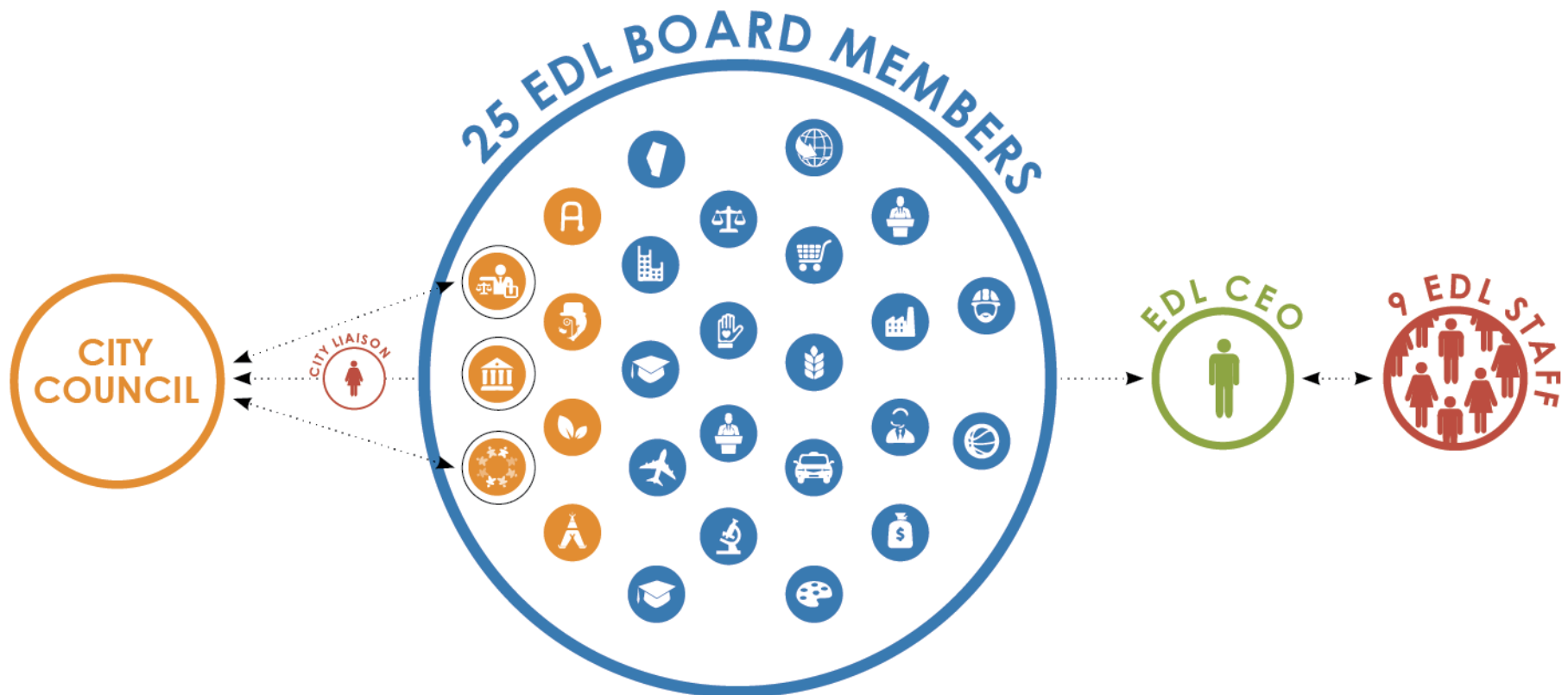
Responsibilities:

- Initiation, coordination and implementation of Economic Development programs
- Make recommendations to City Council on specific programs, projects, and issues that relate to Economic Development matters
- Monitor and review the Economic Development budget on a regular basis
- Prepare a 3 year business plan
- Review the Terms of Reference from time to time, changes shall be agreed upon by City Council

Governance

COUNCIL APPROVAL /CONTROL MECHANISMS

- Direction & Strategy - 4 Year Business Plan
- Funding & Accountability - Annual Results Update
- Monitoring & Policy – EDL Board membership



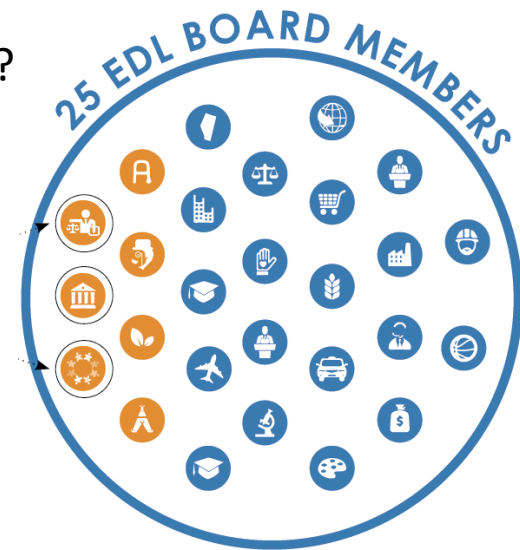
Governance

REFOCUSSED PRIORITIES:

- “Mission creep mechanism” – 2016 Work plan – 157 work streams identified
- Terms of Reference update – shift to a Memorandum of Understanding
- Updating Board policies regarding Committee roles, membership, meeting frequency

FUTURE CONSIDERATIONS:

- Reduce Board size – which sector should not be represented?



Rationale

- Why is EDL providing this service?
- What would be the effect if EDL discontinued the service?

INTERNAL VS EXTERNAL SERVICE MODEL:

- Linked to but not tied to City strategic plan
- Degree of freedom from direct political control
- Community representation, external expertise
- Grants and other leverage monies
- Salary & benefit cost savings (approx. \$150K/yr)

RISK OF DISCONTINUED SERVICE:

- Inquiries / Market tours / Business profiles
- Commercialization / incubation
- Market analysis / reporting
- External marketing
- Internal advocacy & collaboration
- C&E portfolio – DMP outcomes

Level / Scope

- Why is EDL providing the scope and level of the service?
- What would be the effect if EDL either increased or decreased the scope and level of service?

KEY EXAMPLES:

- Merger & integration of Lethbridge Convention & Visitors Bureau (2004)
- Airport Enhancement & Marketing Initiative – AEMI (2009-2012)
- Lethbridge County Economic Development Service Agreement (2006-2012)
- Building & operating incubator and commercialization centre (Opening 2011)
- Intelligent Community (2015 & 2016)

FUTURE CONSIDERATIONS:

- Meeting, Event & Partnership portfolio pending DMP recommendation
- Highway 3 Economic Development Association

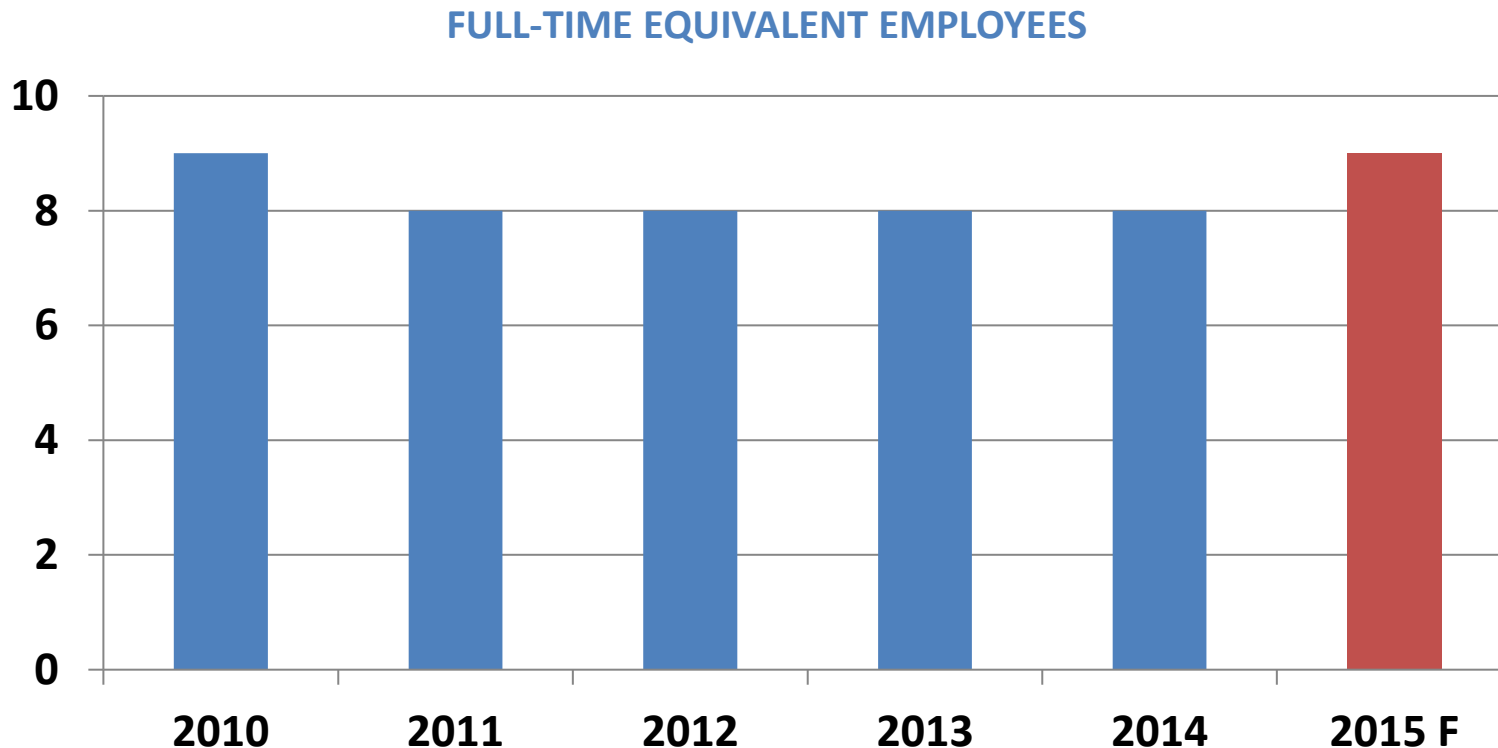
Efficiency vs Effectiveness

Efficiency	Effectiveness
The relationship between inputs (often expressed in terms of cost) and outputs (often programs or services)	The relationship between outputs and outcomes
Concerned with the cost per unit of outputs produced	Concerned with the achievement of outcomes as defined by citizen priorities, long-term organizational goals
An efficient municipality produces maximum outputs possible with the resources available	An effective municipality achieves the most advantageous or optimal intended outcomes given the outputs delivered



Efficiency

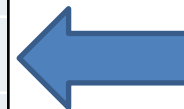
- According to industry standards, is the service efficient?
- Why is the service efficient or inefficient?
- What other best practices apply?



Efficiency

- According to industry standards, is the service efficient?
- Why is the service efficient or inefficient?
- What other best practices apply?

Community	Municipal \$ per capita (2014)
Medicine Hat	\$ 15.14
Initiatives Prince George	\$ 14.24
Comox Valley Economic Development Society	\$ 11.50
City of Grande Prairie	\$ 9.47
Enterprise Edmonton	\$ 8.64
<i>Economic Development Lethbridge</i>	<i>\$ 8.35</i>
Regina Regional Opportunities Commission	\$ 7.41
Chilliwack Economic Partners Corp	\$ 7.05



**Excludes tourism related



Effectiveness – Investment Attraction

- According to industry standards, is the service effective?
- Why is the service effective or ineffective?
- What other best practices apply?

AVERAGE 82 CASE FILES / YEAR

Year	Inquiries	Leads	Prospects	Landed	*Construction Value	*FTE
2011 A	22	2	5	1	\$25,000	5
2012 A	47	10	12	6	\$25,000,000	64
2013 A	57	20	14	8	\$57,520,000	115
2014 A	61	28	27	7	\$35,000,000	105
Total	187	60	58	22	\$117,545,000	289

Effectiveness – Retention & Expansion

- According to industry standards, is the service effective?
- Why is the service effective or ineffective?
- What other best practices apply?

Sector	2012	2013	2014
Agriculture			2
Processing		3	
Manufacturing	1	1	
Service Sector			1
Investment	\$10,000,000	\$150,000,000	\$35,000,000

Effectiveness – tecconnect

- According to industry standards, is the service effective?
- Why is the service effective or ineffective?
- What other best practices apply?

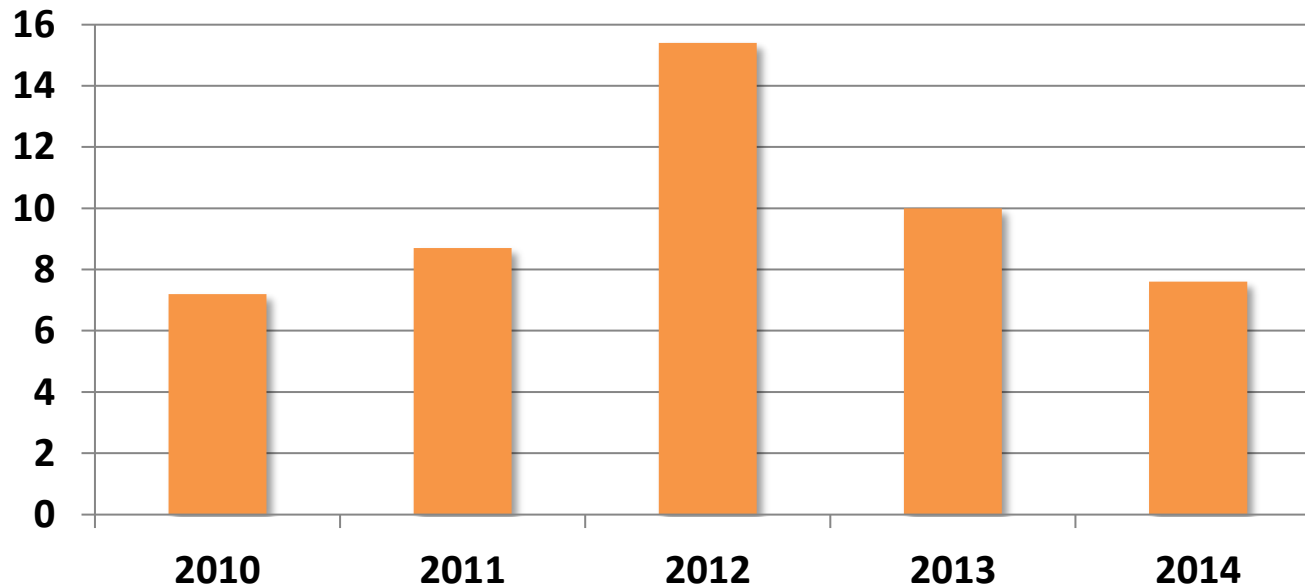
	2012	2013	2014	Total
External Funding Accessed	\$3,191,293	\$10,700,394	\$4,430,000	\$18,321,687
Total Client Revenues	\$45,000	\$302,000	\$1,117,000	\$1,464,000
Employees	35	17	22	74
Post-Secondary Graduates	17	8	18	43

In 2014, 80% of these are Lethbridge post-secondary grads.

Effectiveness – C&E

- According to industry standards, is the service effective?
- Why is the service effective or ineffective?
- What other best practices apply?

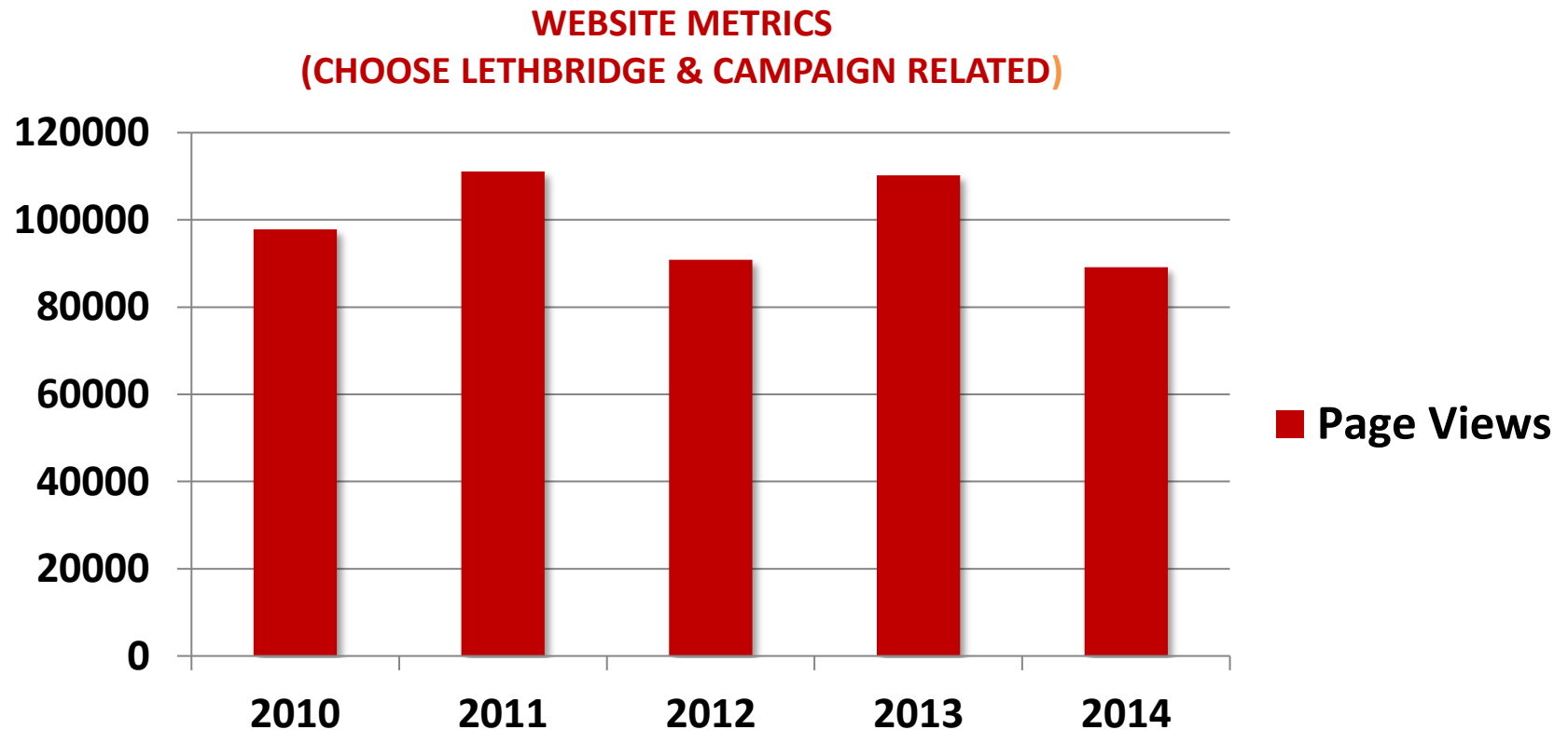
**ECONOMIC IMPACT OF CONVENTIONS, MEETINGS &
EVENTS ATTRACTED OR SUPPORTED BY EDL**



**5 Year Total
\$63.3 Million**

Effectiveness – Respect & Reputation

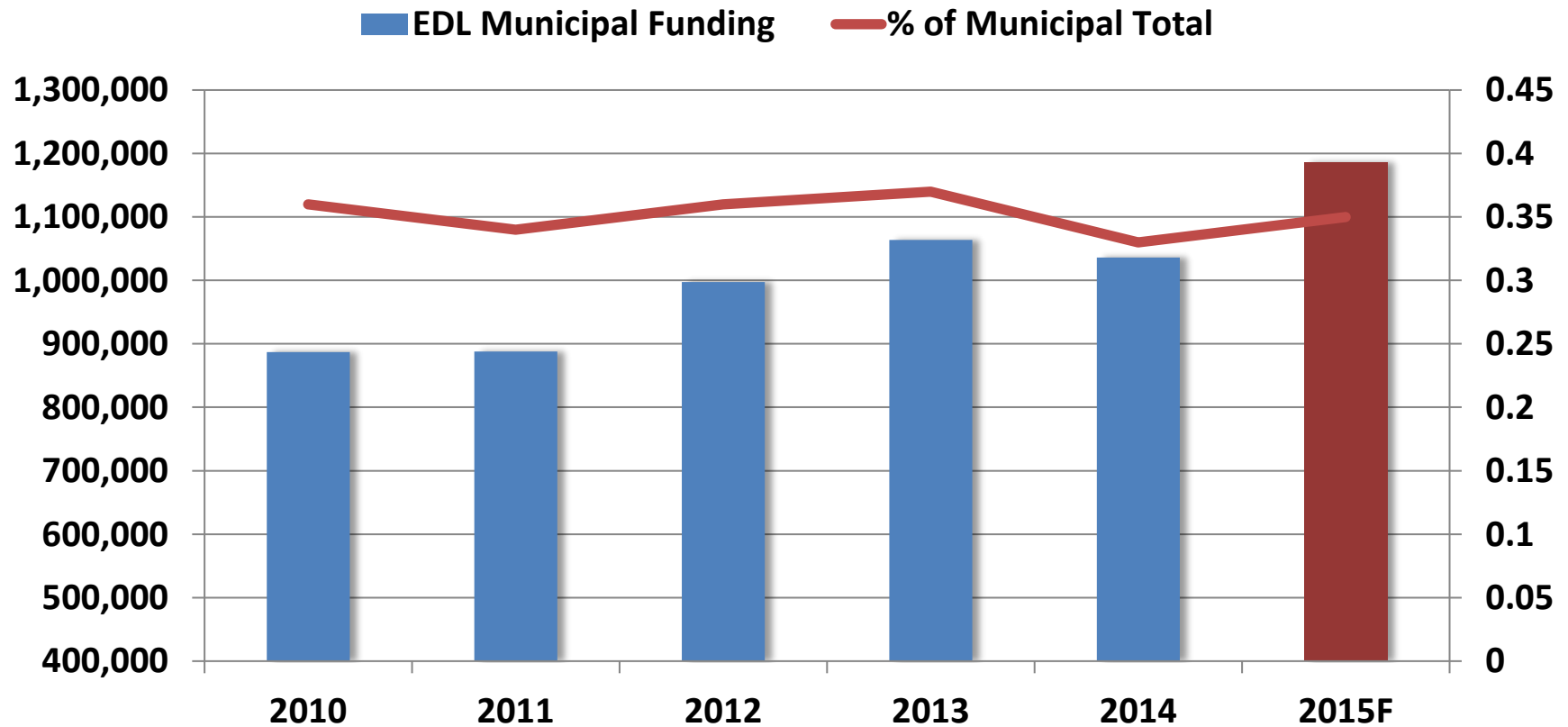
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Funding

- How is the service funded?
- Are sources of funding sustainable and appropriate?

5 YEAR AVERAGE: 0.35% OF MUNICIPAL BUDGET, \$11.15 PER CAPITA



Funding

- How is the service funded?
- Are sources of funding sustainable and appropriate?

5 YEAR AVERAGE LEVERAGE: 35.3¢ / \$

	2010	2011	2012	2013	2014
Core & Initiative Funding	\$ 1,018,350	\$ 1,098,920	\$ 1,062,480	\$ 1,063,864	\$ 1,036,041
Lease Revenues	\$ -	\$ 4,407	\$ 43,850	\$ 78,848	\$ 78,012
Leveraged Funds	\$ 364,746	\$ 339,708	\$ 223,591	\$ 396,107	\$ 330,742
Leverage Ratio	\$ 0.358	\$ 0.313	\$ 0.252	\$ 0.446	\$ 0.395

Now what...

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