

Subject: Economic Development Strategy and Action Plan

File Number: ACS2024-PRE-EDP-0027

Report to Finance and Corporate Services Committee on 5 March 2024

and Council 3 April 2024

Submitted on February 1, 2024 by David Wise, Acting Director, Economic Development and Long Range Planning, Planning, Real Estate and Economic Development Department

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Ward: Citywide

Objet: Stratégie de développement économique et Plan d'action

Dossier: ACS2024-PRE-EDP-0027

Rapport au Comité des finances et des services organisationnels

le 5 mars 2024

et au Conseil le 3 avril 2024

Soumis le 1er février 2024 par David Wise, Directeur intérimaire, Développement économique et planification à long terme, Services de la planification, de l'immobilier et du développement économique

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Quartier: À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Finance and Corporate Services Committee recommend Council:

- 1. Approve the Economic Development Strategy and Action Plan as outlined in this report and supporting documentation; and**
- 2. Reaffirm economic development service delivery partner funding and the continuation of economic development grant programs as outlined in this report and supporting documentation, as required by the Grants and Contributions Policy.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité des finances et des services organisationnels recommande au Conseil ce qui suit :

- 1. Approuver la Stratégie de développement économique et Plan d'action selon les modalités exposées dans le présent rapport et les documents connexes;**
- 2. Confirmer le financement partenaire de prestation de services en matière de développement économique et la poursuite de l'offre de programmes de financement du développement économique, selon les modalités exposées dans le présent rapport et les documents connexes et conformément à la Politique sur les subventions et les contributions.**

EXECUTIVE SUMMARY

The Economic Development Strategy and Action Plan outlined in this report and supporting documentation supports the Term of Council priority “A city with a diversified and prosperous economy”.

The strategy builds upon well-established economic development partnerships and programs and introduces seven strategic priority areas and a series of corresponding actions to address Ottawa’s economic opportunities and challenges while enhancing the city’s competitiveness, reputation, and quality of life.

The seven priorities include: Partnerships and Collaboration, City Building Projects, Connectivity, Talent, Downtown and the ByWard Market, City Branding, and Key Sector Support. Beginning in 2024, actions will be delivered over the ongoing, short (1-3 years) and medium (4-5 years) terms.

To reflect the fluctuating nature of today's economy, a strategy progress report and implementation plan will be presented to City Council annually. This progress report will also include an updated overview of Ottawa's economy and highlight emerging economic trends and new challenges and/or opportunities.

Public Consultation/Input

The development of the Economic Development Strategy and Action Plan included engagement with economic development partners, stakeholders, and the broader business community. This was undertaken through a series of engagement efforts that included 1-1 interviews, group workshops, an online bilingual survey, and the Mayor's Economic Summit (February 2023). Engagement efforts helped to identify and validate the strategic priority areas and provide ideas for related actions.

RÉSUMÉ

La Stratégie de développement économique et le Plan d'action correspondant, exposés dans ce rapport et dans les pièces justificatives, étayent la priorité « Une ville avec une économie diversifiée et prospère » du mandat du Conseil municipal.

Cette stratégie, qui mise sur des partenariats et des programmes de développement économique bien établis, présente sept secteurs prioritaires stratégiques et une série d'interventions correspondante pour promouvoir les perspectives et résoudre les difficultés économiques d'Ottawa en rehaussant la compétitivité, la notoriété et la qualité de vie de cette ville.

Ces sept priorités portent sur les partenariats et la collaboration, les projets d'édification de la ville, la connectivité, le talent, le centre-ville et le marché By, l'image de marque de la Ville, ainsi que l'aide à apporter aux principaux secteurs du territoire de la ville. Les interventions seront menées, à partir de 2024, de façon continue, à court terme (sur une durée de un an à trois ans) et à moyen terme (sur une durée de quatre ou cinq ans).

Nous présenterons chaque année au Conseil municipal un rapport d'avancement et un plan de mise en œuvre de la Stratégie afin de tenir compte des fluctuations de la conjoncture économique actuelle. Ce rapport d'avancement comprendra aussi un tour d'horizon actualisé de l'économie d'Ottawa et mettra en lumière les tendances économiques émergentes, ainsi que les difficultés et les perspectives nouvelles.

Consultation et avis du public

L'élaboration de la Stratégie de développement économique et du Plan d'action

correspondant a consisté à consulter les partenaires du développement économique, les intervenants et l'ensemble des milieux d'affaires. Cette consultation s'est déroulée dans le cadre d'une série d'efforts de consultation, qui ont donné lieu à des entretiens individuels, à des ateliers de groupe, à un sondage bilingue en ligne et au Sommet économique du maire (en février 2023). Ces efforts de consultation ont permis de cerner et de valider les secteurs prioritaires stratégiques et d'apporter des idées pour des interventions pertinentes.

BACKGROUND

The Economic Development Strategy and Action Plan outlined in this report supports the 2023-2026 Term of Council priority “A city with a diversified and prosperous economy” and provides a framework to guide Ottawa’s economic growth, diversification, prosperity, and resiliency for this Term of Council and beyond. The strategy also serves as a roadmap to prioritize the City’s resources and investment in economic development. This includes introducing new strategic priority areas and actions as well as building upon well-established partnerships and programs to advance Ottawa’s economic competitiveness, reputation, and quality of life.

The strategy reflects a collaborative approach to economic development where the City’s role varies from leader, partner, supporter, or advocate, depending on the requirements of particular priorities or actions. While the City’s Economic Development Services leads and delivers several economic development programs and initiatives, the City also relies on funded service delivery partners and other economic development organizations to help meet sector specific needs.

The strategy reflects a moment in time. Its purpose is to provide a flexible framework to direct City efforts and achieve maximum impact. Economic uncertainty, global market forces, and unforeseen challenges, opportunities, and events like the pandemic, highlight the need for an adaptable approach to economic development that allows the City to assess and respond to changes as they occur. To reflect this reality, a strategy progress report and implementation plan will be presented to City Council annually.

DISCUSSION

The role of economic development is to strengthen a city’s economic capacity by facilitating economic growth, diversification, prosperity, resiliency, job creation, and quality of life. For Ottawa, this includes enhancing the city’s place brand and reputation, increasing competitiveness in key economic sectors, and enabling a welcoming and thriving business environment conducive to productivity, innovation, and inclusive and

equitable participation in the economy.

To deliver effective economic development programming, the City requires a future focused approach that leverages Ottawa's strengths, capitalizes on opportunities, and considers factors such as local economic performance, economic trends, post-pandemic implications, and the needs of economic development partners, stakeholders, and local businesses. The City is uniquely positioned to deliver this work as part of broader city building efforts and as a leader, collaborator, and funder of economic development programming.

In addition to the Economic Development Strategy and Action Plan, a Rural Economic Development Strategy was approved by Council in March 2020. This strategy, which addresses the unique characteristics of Ottawa's rural economy, will be updated early next year to align with the Economic Development Strategy and Action Plan and reflect any new opportunities or direction that may arise from the planned 2024 Rural Summit. Similarly, the Nightlife Economy Action Plan, approved by Council in May 2023, will also be reviewed to ensure alignment with the broader strategy.

Strategy Development Process

The Economic Development Strategy and Action Plan was developed using a three phased approach, with each phase building upon the prior phase and informing the next. The approach included:

- The establishment of a vision statement and guiding principles;
- An analysis of Ottawa's economy, economic trends, the city's economic development ecosystem, and existing programs and initiatives; and
- Partner and stakeholder engagement, including one on one interviews, group workshops, an online bilingual survey, and the Mayor's Economic Summit (February 2023).

A series of key themes and findings forms the basis of the strategy's priorities and associated actions which are presented in Document 1 – Strategic Priorities and Actions.

An external Sponsor Group, comprised of representation from Invest Ottawa, Ottawa Tourism, Ottawa Board of Trade, Ottawa Film Office, Ottawa Music Industry Coalition, Ottawa Coalition of Business Improvement Areas (OCOBIA), Ottawa Festival Network, Regroupement des gens d'affaires, and Ottawa Local Immigration Partnership, provided

feedback, input, and sector expertise in the development of the strategy. As well, Ernst & Young LLP was retained to support strategy development, including the economic analysis, external engagement efforts, and identification of key themes and priorities.

Vision Statement and Guiding Principles

A vision statement and eight guiding principles were created to guide the development of the strategy and provide local context and a lens for economic implications and opportunities.

The strategy’s vision is to “Leverage bold thinking and innovative approaches to establish Ottawa as the most livable mid-sized city in North America”.

The eight guiding principles include: Environmental Sustainability, Preparedness and Resilience, Growth and Diversification, Diversity, Equity, and Inclusion, Talent and Innovation, Unique Geography, Partnerships and Collaboration, and One City, Two Languages. The guiding principles are more fully described in Document 2 – Vision Statement and Guiding Principles.

Ottawa’s Economy

Ottawa¹ is home to over 1 million residents, representing 3.07 per cent of Canada’s total population and 7.98 per cent of Ontario’s total population². Situated along the Ontario-Quebec border, Ottawa is part of the broader Ottawa-Gatineau region and the Ottawa-Gatineau Census Metropolitan Area (CMA), which is the country’s fourth largest CMA with a total population of 1.48 million³. The interconnectedness of the region is an important advantage and opportunity to advance areas of mutual economic interest.

As a growing city with an enviable quality of life, highly educated workforce, four post-secondary institutions, and an abundance of natural and built assets, Ottawa is an affordable and attractive mid-sized city in which to live, work, play, invest, visit, and learn. In 2023, Mercer ranked Ottawa as the second most affordable major city in North America⁴.

Ottawa celebrates its distinctiveness as a four season, bilingual, diverse, and inclusive city with a mix of urban, suburban, and expansive rural areas. As well, the city is home to approximately 266,910 foreign born residents, representing almost 23.5 per cent of

¹ Throughout this report, “Ottawa” refers to the Ontario part of the Ottawa-Gatineau CMA

² Statistics Canada, Census Profile, 2021 Census of Population for Ottawa-Gatineau (Ontario Part), Ontario, and Canada

³ Statistics Canada, Census Profile, 2021 Census of Population for Ottawa-Gatineau

⁴ Mercer, June 2023, 2023 Mercer Cost of Living Survey

Ottawa's population⁵. These factors have shaped the evolution of Ottawa's place brand over the past several years to a more cosmopolitan and welcoming destination captured by the brand "Canada in One City". Efforts to advance the implementation and amplification of Ottawa's place brand to drive reputation is one of the key priorities of the Economic Development Strategy and Action Plan.

As a G7 capital and seat of Canada's federal government, Ottawa's economy is driven in large part by the public administration sector. The city's other major economic drivers include the knowledge-based sector, tourism and creative industries sector, and small business sector. The continued growth of these sectors is a key strategic priority and will require collaboration amongst economic development partners and stakeholders to leverage competitive advantages, address current and anticipated challenges, enable job creation, and advance a more resilient and vibrant economy through diversification and innovation. The following provides a high-level overview of key sectors:

- **Public Administration:** In addition to the federal government, this sector also includes provincial and municipal governments and accounts for almost one-quarter of all jobs, making it the region's largest sector⁶. Not surprisingly, unemployment in this sector is typically the lowest amongst all sectors in Ottawa's economy, providing the city with economic stability and insulation from periods of contraction. The federal government footprint in Ottawa also provides numerous indirect benefits including 65 federal research labs and access to regulators, gateway access to global markets through 130 embassies and diplomatic missions, national historic and cultural sites and museums, and multi-million-dollar procurement opportunities for local businesses. Despite these benefits, reliance on the federal government as an employer and economic driver has presented challenges for the city, including less economic diversification, a smaller economy relative to other major Canadian cities, and a city brand synonymous with the federal government and not representative of Ottawa's many positive attributes. The federal government's post-pandemic shift to hybrid and remote work has had a profound impact on the city. In particular, Ottawa's downtown core – which has a high concentration of federal government offices – has experienced a drastic reduction in daily economic activity, negatively impacting downtown businesses, increasing commercial vacancy rates, and affecting the area's vibrancy and safety. Over the next several years, the federal government will reduce its office footprint across the city through property portfolio

⁵ Statistics Canada, 2021 Census, Immigrant Population by Selected Places of Birth

⁶ Conference Board of Canada, November 2023, Major City Insights, Ottawa-Gatineau

disposals, which will impact office vacancies⁷ but also create opportunities to recalibrate downtown activity through the redevelopment of buildings for alternative uses. Together, these opportunities and challenges illustrate the need for continued efforts to diversify and balance the city's economy to ensure future resilience and avoid an over-reliance on any one sector.

- **Knowledge-Based Sector:** Ottawa's knowledge-based sector, which serves both local and global markets, represents a wide range of industries that rely on the production and transfer of knowledge to drive economic growth and productivity. The largest portion of Ottawa's knowledge-based sector is in professional, scientific, and technical services businesses where the concentration of employment in Ottawa is higher than that of Ontario⁸. This illustrates a competitive strength for Ottawa as a vibrant technology hub and home to approximately 1,800 technology companies⁹, from start-ups to large global companies, in areas such as software, telecom, aerospace, defence, cybersecurity, cleantech, digital health, smart mobility, life sciences, semi-conductors, and e-commerce. Collectively, Ottawa's technology companies account for over 13 per cent of all jobs in the city – the highest concentration of tech talent in North America and more than double the 50-market average of 5.6 per cent¹⁰.

To grow Ottawa's knowledge-based sector by attracting investment and talent, supporting business expansion, and enabling the commercial and global success of local companies and entrepreneurs, the City's service delivery partner for this sector, Invest Ottawa, delivers a suite of programs and services, including incubation and acceleration space at Bayview Yards, Area X.0, and the Smart Farm. The Economic Development Strategy and Action Plan highlights continued support for this sector through the delivery of Invest Ottawa's updated strategic plan, programs, and services. Additionally, the strategy underscores the need for Economic Development Services and Invest Ottawa to work in partnership to build the city's investment attraction capacity, which includes developing an inventory of high-potential development sites for the knowledge-based sector and delivering initiatives like the City's High Economic Impact Projects (HEIP) Program to support significant commercial and light-industrial developments.

⁷ Public Services and Procurement Canada, June 2023, Optimizing our real property portfolio

⁸ Ernst & Young LLP, January 2023, Economic Assessment Report

⁹ Invest Ottawa, Work in Ottawa

¹⁰ CBRE, July 2023, Scoring Tech Talent 2023 Report

The Kanata North Business Association supports the growth of the Kanata North Technology Park, Canada's largest technology park, with 540 resident companies and 33,000 employees contributing \$13 billion annually to Canada's Gross Domestic Product (GDP)¹¹. In 2021, the Kanata North Technology Park was designated as a "Special Economic District" in the City's Official Plan to recognize the area's significance as an important economic generator and employment node.

- **Tourism and Creative Industries Sector:** Ottawa's abundance of national heritage sites, museums, four distinct seasons, recreational assets, green space, and reputation as a welcoming G7 capital are some of the many reasons why the city is both a cultural hub and leisure travel, meeting and conventions, and major events destination. In 2021, mid pandemic, approximately 7 per cent of Ottawa's workforce was employed in tourism and creative industries, dropping from 8.5 per cent in 2016¹². The largest share of employment was in the accommodation and food industry, which plays a foundational role in providing amenities to both visitors and residents. The City-enabled Municipal Accommodation Tax (MAT) helps fund Ottawa Tourism marketing, sales, and destination development activities to position Ottawa as a visitor and major event destination to regional, national, and international markets. Pre-pandemic, the tourism sector attracted approximately 11 million visitors to Ottawa annually who spent \$2.2 billion, delivering a contribution of \$1.4 billion to Gross Domestic Product per year¹³. After several challenging pandemic years, it is anticipated that 2024 will be a year of growth for this sector.

Over the past fifteen years, tourism sector growth has been supported, in part, by significant city building initiatives such as the EY Centre, redevelopment of the Shaw Centre and Lansdowne Park, and the celebratory events of Ottawa 2017. The Economic Development Strategy and Action Plan emphasizes the importance of upcoming city building projects such as Lansdowne 2.0 and LeBreton Flats as important contributors to the growth and competitiveness of this sector. The strategy also focuses on advocacy for improved connectivity to and from Ottawa, which is a barrier to both leisure and business travel. Recent investments in air service development, such as the new Air France flight between Ottawa and Paris, is a critical first step.

Other significant contributors to this sector and the local economy, are the film and music industries. Live music and entertainment greatly enhances Ottawa's cultural

¹¹ Kanata North Business Association, About KNBA

¹² Ernst & Young LLP, January 2023, Economic Assessment Report

¹³ Ottawa Tourism, January 2019, News Release

reputation and quality of life. In 2019, the music industry added \$115.6 million to Ottawa's Gross Domestic Product¹⁴ and the film industry grew by 45 per cent between 2019 and 2021¹⁵.

- **Small Business Sector:** The small business sector is foundational to Ottawa's economy. Approximately 98 per cent (30,079) of the city's total number of businesses are considered "small" with between 1 and 99 employees¹⁶. Six out of ten, or 18,434 small businesses employ fewer than five people¹⁷. These businesses can be found on the city's main streets and in urban, suburban, and rural communities. They play a pivotal role in local economic vibrancy and job creation while reflecting the unique character of Ottawa's varied neighbourhoods. Organizations such as the Ottawa Board of Trade, Regroupement des gens d'affaires, and OCOBIA and its 18 Business Improvement Areas members, advocate for small business needs, promote economic development, and facilitate main street and neighbourhood vibrancy. Several factors, including prolonged pandemic impacts, labour shortages, reduction in consumer spending due to inflation, and rising interest rates and debt, have affected small businesses across the city. Small businesses operated by racialized groups and immigrants often face additional challenges, which will be examined as part of the Economic Development Strategy and Action Plan.

Economic Outlook

In addition to an examination of Ottawa's leading sectors, the development of the Economic Development Strategy and Action Plan also included an analysis of economic trends, projections, and future implications. After well-documented challenges caused by the pandemic, the Ottawa-Gatineau CMA economy grew by 3.0 per cent in 2022¹⁸. The Conference Board of Canada's most recent outlook for the CMA remains positive for 2024, although growth is expected to be slower as higher interest rates continue. They estimate real GDP growth will slow to 1.3 per cent in 2023 and 1.1 per cent in 2024. This puts Ottawa-Gatineau on par with Ontario, which is expected to have a comparable slow rate of GDP growth for both years. The outlook for Canada is also similar with forecasted growth of 0.9 per cent for 2024¹⁹. In real GDP rankings of 24 Canadian CMAs, Ottawa-Gatineau ranked 18th in 2022 and 2023, falling behind Toronto

¹⁴ Nordicity, Spring 2020, Economic Impact of the Music Sector in Ottawa

¹⁵ Ottawa Film Office, 2022, OFO Municipal Election Priorities

¹⁶ Ontario Chamber of Commerce, November 2023, The Business Data Lab: Build up Ottawa!

¹⁷ Ibid

¹⁸ Conference Board of Canada, November 2023, Major City Insights, Ottawa-Gatineau

¹⁹ BDC, Canadian Economic Outlook for 2024: Shifting into Neutral

and Montreal, whose larger economies and geographic proximity create challenges for Ottawa, including competition for talent and a crowding-out of business investment.

Over the past several years, Ottawa has seen strong population growth, notwithstanding a period of slower growth during the pandemic. Between 2016 and 2021, Ottawa's population increased 9.2 per cent which is above both the provincial rate of 5.8 per cent and national rate of 5.2 per cent²⁰. The Conference Board of Canada estimates the region's population growth will reach 2.7 per cent in 2023, a rate not seen since the late 1980s. They further estimate that growth will remain above 2 per cent for 2024, then slow to an average of 1.8 per cent annually from 2025 to 2027. This population growth can be attributed, in part, to an increase in immigration which has been fueled by the federal government's immigration targets. The desirability of Ottawa as an affordable and safe place to live and raise a family is an influencing factor. Over the next few years, immigration is anticipated to help ease labour shortages in some sectors. This underscores the need to support the economic integration of immigrants into Ottawa's workforce by working collaboratively with organizations like the Ottawa Local Immigration Partnership.

Ottawa's labour force of 764,300, which represents approximately ten per cent of Ontario's total workforce²¹, is one of the city's greatest economic assets. More than 65 per cent of residents hold a post-secondary certificate, diploma, or degree²² and the city boasts a bilingualism rate of 43.1 per cent²³. This, along with thousands of STEM students studying at the city's post-secondary institutions, makes Ottawa an attractive place for businesses to locate and fulfill their talent needs. However, factors such as the city's aging labour force, global competition for talent, and an increasingly mobile workforce, means that Economic Development Services must proactively engage with partners, including post-secondary institutions, to ensure programs are in place to attract, develop, and retain the talent required today and in the future. The Conference Board indicates that employment in Ottawa-Gatineau is showing signs of a slowdown. Though employment will continue to grow, it will be at much slower rates in both 2024 and 2025, with increases of just 0.8 per cent and 1.63 per cent respectively. The Public Administration sector will continue to drive employment growth into 2024, with the private sector expected to lose momentum due to rising interest rates and a decrease in household spending affecting industries such as retail and food services. Although the

²⁰ Statistics Canada, Census Profile, 2021 Census of Population for Ottawa-Gatineau (Ontario Part), Ontario and Canada

²¹ Ernst & Young LLP, January 2023, Economic Assessment Report

²² Statistics Canada, Census Profile, 2021 Census of Population for Ottawa-Gatineau (Ontario Part), for Population Aged 15 years and older

²³ Statistics Canada, 2021 Census of Population, Focus on Geography Series

unemployment rate increased during the pandemic, it has steadily decreased since 2016 and is expected to hover around 4.5 per cent in 2023 before increasing slightly to 4.8 per cent in 2024.

Another important indicator of economic prosperity is business investment which contributes to local job creation, innovation, and Ottawa's global competitiveness. Investment activity in Ottawa remains strong as highlighted by the 2021 Siemens Healthineers expansion, the soon to be expanded Nokia campus, and new investments in Ericsson's R&D facility, the company's largest R&D site in North America. Despite this activity, elevated borrowing costs continuing into 2024 are expected to impede future investment growth.

In addition to investment in the knowledge-based sector, Ottawa's proximity to 400 series highways and major markets including Montreal, Kingston, Toronto, and Quebec City (combined CMA population of over 11.2 million in 2021²⁴), has made the city an attractive destination for logistics companies like Amazon who have built two large fulfillment centres in the south and east ends of the city.

Climate change also has significant implications for Ottawa's economic future. A 2021 Swiss Re Institute report estimates that if climate change is not addressed, it could result in up to a 10 per cent loss of GDP in North America by 2050 from property loss and damage, disruption to services, and lost productivity. Based on the City's Climate Resiliency Strategy, the top climate change risks to Ottawa's business community include buildings that are not climate-ready (e.g., lack cooling, flood protection or back-up power), disruptions from increased extreme weather events, and more frequent and prolonged power outages, as well as supply chain instability. Reflecting the guiding principle of Environmental Sustainability, the Economic Development Strategy and Action Plan incorporates a series of actions to begin addressing the intersection of climate change mitigation and economic development.

SWOT Analysis

Many of Ottawa's economic strengths, weaknesses, opportunities, and threats (SWOT) highlighted in the above analyses were also expressed by participants during the strategy's engagement phase. To consolidate input, a SWOT analysis was completed as an additional means to inform strategy development. A SWOT analysis in this context is a useful strategic planning tool that facilitates a fact-based and data-driven review of an economy to help prioritize resources and investments to achieve maximum impact. A

²⁴ Statistics Canada, 2021, Population Estimates by CMA

table summarizing Ottawa's SWOT is in Document 3 - Economic Strengths, Weaknesses, Opportunities, and Threats.

Strategic Priorities and Actions

The Economic Development Strategy and Action Plan proposes seven strategic priorities and a series of corresponding actions to advance the city's economic growth, prosperity, competitiveness, reputation, and quality of life. These priorities are reflective of the strategy's guiding principles, the analyses of Ottawa's economy, trends, projections, and SWOT, as well as input received from economic development partners, stakeholders, and the local business community.

They also build upon Economic Development Services' existing economic development programs and initiatives and well-established partnerships which are further described in the report sections below. The seven strategic priorities are as follows:

1. **Partnerships and Collaboration:** Collaborate with new and existing partners across sectors, diverse communities, geographies, and other levels of government to align economic priorities, enable inclusive and equitable economic development, and cultivate a one-economic region approach for Ottawa-Gatineau.
2. **City Building Projects:** Facilitate key city-building projects to support economic growth, quality of life, and the attraction and retention of investment, talent, and visitors.
3. **Connectivity:** Improve transportation connectivity and access to and from other jurisdictions to enable economic activity, support environmental sustainability, and leverage Ottawa's central location and competitive attributes to attract and grow investment.
4. **Talent:** Strengthen Ottawa's ability to attract, develop, and retain a diverse workforce that meets current and future employment needs.
5. **Downtown and the ByWard Market:** Revitalize downtown and the ByWard Market to increase economic activity and improve long term economic growth and resiliency, while enhancing cultural vibrancy, tourism, place making, livability, and safety.
6. **City Branding:** Advance place branding efforts to grow Ottawa's reputation and attract investment, talent, and visitors.

7. Key Sectors: Support new and existing small businesses and entrepreneurs and grow Ottawa's key economic sectors with a focus on the knowledge-based sector and the tourism and creative industries sector.

The rationale behind each priority, as well as the associated actions and initiatives to advance the priorities, is outlined in Document 1 – Strategic Priorities and Actions.

Actions will be delivered over the ongoing, short (one to three) and medium (four to five years) terms. Each action will have an associated work plan (developed annually), anticipated outcomes, and performance metrics that will guide the work of Economic Development Services to achieve maximum impact. Actions proposed to be delivered by a funded service delivery partner or in partnership with the City are identified as such.

Performance indicators and metrics identified as part of 2023-2026 Term of Council priority "A city with a diversified and prosperous economy", will be reported on as part the City's Strategic Plan process.

The seven priorities and associated actions are intentionally practical and tactical. However, they are also intended to inspire creativity and innovation while delivering meaningful benefit to the economy and broader community and elevating Ottawa's reputation, profile, and quality of life.

A progress report will be presented to Council annually, outlining actions taken, outcomes achieved, and an overview of the work plan and resource allocations for the upcoming year. This report will also include an updated overview of Ottawa's economy and highlight any emerging economic trends as well as new challenges and/or opportunities.

City Economic Development Partners and Ottawa's Economic Ecosystem

Economic development programs, initiatives, and services in Ottawa are delivered both by the City's Economic Development Services and by several well-established economic development organizations responsible for advancing sector specific priorities within the context of the larger economic ecosystem. Some of these organizations receive operational funding, project funding, or grants from the City to advance economic development priorities. Careful consideration is given to ensure that all partner funded programs are aligned with the city's key economic sectors and that all roles and responsibilities are complementary, mutually supportive, and void of duplication.

The implementation of the Economic Development Strategy and Action Plan relies upon continued collaboration with service delivery partners receiving operational funding from the City. As required by the City's Grants and Contribution Policy, this report seeks approval to reaffirm operational funding contributions to the following three organizations:

- Invest Ottawa – The City has a long-standing partnership with Invest Ottawa who receives \$4.625 million in annual operating funding for the delivery of knowledge-based sector programming in the areas of start-up and scale-up services for entrepreneurs and business, facilitation of foreign direct investment, business retention and expansion services, and talent attraction and retention programs;
- Ottawa Film Office – The Ottawa Film Office receives \$400,000 in annual operating funding for the development, retention, competitiveness, and enhancement of Ottawa's film, television, and animation sector; and
- Ottawa Music Industry Coalition – The Ottawa Music Industry Coalition receives \$200,000 in annual operating funding to support the growth of the local music industry for the benefit of the broader economy and Ottawa's brand identity and quality of life.

A description of these organizations and the impact they have on the local economy, is included in Document 4 – Economic Development Partners.

The City's other key economic development partners include Ottawa Tourism, Business Improvement Areas and OCOBIA, Ottawa Festival Network, Ottawa Board of Trade, Regroupement des gens d'affaires, Ottawa Local Immigration Partnership, and various community economic development organizations such as the Centre for Social Enterprise Development. Several of these partners receive grants from the City as well as specific project funding. A detailed description of these organizations is also included in Document 4 – Economic Development Partners.

Additional partner organizations across the Ottawa-Gatineau area supporting regional economic priorities include the Ottawa Airport Authority, National Capital Commission, and Ville de Gatineau. The City also works collaboratively with Ottawa's post-secondary institutions and higher levels of government on opportunities of shared interest. Collectively, these organizations play an important role in Ottawa's economic growth, prosperity and strategy delivery.

Continued partnerships and collaboration, including an expanded focus on diverse communities to enable inclusive and equitable participation in the economy, is another key priority of the Economic Development Strategy and Action Plan.

City Economic Development Programs and Initiatives

The City's Economic Development Services is responsible for monitoring the activities of funded service delivery partners and for delivering economic development programs, initiatives, and projects that fall outside of partner mandates. Economic Development Services also collaborates with internal and external stakeholders on matters related to the economy and local business and identifies new opportunities to advance economic priorities, including the development of the Economic Development Strategy and Action Plan. Economic Development is also the primary conduit for business stakeholders to interact with the City and obtain guidance on navigating City services.

The Economic Development Strategy and Action Plan recommends the continued delivery of existing programs and initiatives offered by Economic Development Services in support of Ottawa's key economic sectors and priorities, including the reaffirmation of two economic development grant programs: Community Economic Development Grant Program and Business Improvement Grant Program. A description of the grant programs and other existing programs and initiatives, including updates to reflect evolving needs and growth opportunities, are presented in Document 5 – Economic Development Programs and Initiatives.

2024 Economic Development Strategy Work Plan Overview

In addition to existing programs and initiatives, Economic Development Services will undertake the following specific actions in 2024 (outlined in Document 1 – Strategic Priorities and Actions):

- Establish a City of Ottawa Economic Development Roundtable to convene and coordinate key economic development partners and stakeholders on priorities and issues important to Ottawa's economy;
- Undertake an assessment of Ottawa's labour market to understand Ottawa's workforce trends, needs, and opportunities;
- Advance the implementation of the Downtown Action Plan and establish an internal Downtown Tactical Team to coordinate City initiatives and support related to revitalization efforts;

- Begin consultations to understand priorities and potential outcomes of a refreshed brand to different sectors, organizations, and community groups;
- Work with Invest Ottawa to develop an inventory of sites for knowledge-based investment attraction, relevant to the unique attributes of each area of the city;
- Relaunch the Innovation Pilot Program;
- Launch the Nightlife Commissioner Office and continue the implementation of the Nightlife Economy Action Plan;
- Work with economic development partners to highlight and celebrate the diversity of Ottawa businesses, entrepreneurs, and their contributions to the city's economy, including through the City's annual Immigrant Entrepreneur Awards; and
- Coordinate celebrations for the 200th Anniversary of Bytown (2026) and ByWard Market (2027).

FINANCIAL IMPLICATIONS

The Economic Development Strategy, Action Plan and continuation of economic development grant programs identified for 2024 are within existing resources.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendations in this report.

COMMENTS BY THE WARD COUNCILLOR(S)

The Economic Development Strategy and Action Plan is city-wide.

CONSULTATION

Partner, stakeholder, and local business engagement was integral to the development of the Economic Development Strategy and Action Plan. Consultation was undertaken through the following means:

- One on One interviews were conducted with fourteen key stakeholders/groups and partners including Ottawa's post-secondary institutions, the Ottawa Airport Authority, Ville de Gatineau, and the economic development partners listed earlier in the report;

- Six group workshops exploring emerging strategy themes were held with approximately 90 stakeholders and organizations representing a cross-section of economic sectors, geographies, and communities; and
- A bilingual on-line survey directed to the broader business community and residents was completed by close to 400 respondents.

Engagement efforts helped to define, refine, and rank the city's economic opportunities, challenges, and priorities. It also provided the opportunity for participants and survey respondents to share potential ideas for the strategy's related actions and initiatives.

An external Sponsor Group, comprised of representation from Invest Ottawa, Ottawa Tourism, Ottawa Board of Trade, Ottawa Film Office, Ottawa Music Industry Coalition, Ottawa Coalition of Business Improvement Areas, Ottawa Festival Network, Regroupement des gens d'affaires, and Ottawa Local Immigration Partnership, provided feedback, input, and sector expertise in the development of the strategy.

The Mayor also held an Economic Summit with local businesses and economic development leaders in February 2023. The input from that session helped validate the outputs from the engagement sessions outlined above as well as provide additional ideas for priority actions.

Lastly, Economic Development Services consulted with several City service areas to ensure alignment with related City plans, policies and initiatives including the Anti-Racism Strategy, Community Safety and Well-Being Plan, Transportation Master Plan and the Climate and Resiliency Strategy.

ACCESSIBILITY IMPACTS

The Economic Development Strategy and Action Plan reflects the City's unique and diverse communities, supporting economic growth, diversification, prosperity, and resiliency, and incorporates equitable and inclusive practices. A strong economy serves the needs of our diverse and growing community that equally benefits people with disabilities.

The City is committed to ensuring accessibility for persons with disabilities and older adults, as outlined in the City of Ottawa's Accessibility Policy. As such, implementation of the Economic Development Strategy and Action Plan will integrate this commitment in all its principles, initiatives, and actions to ensure equitable participation and impacts. The City also adheres to the requirements of the *Accessibility for Ontarians with*

Disabilities Act (2005), and applies an accessibility lens when developing programs, services, and facilities.

New findings from the 2022 Canadian Survey on Disability from Statistics states that 27 per cent of Canadians aged 15 years and older have a disability, which represents an increase of 5 per cent compared to 2017. As such, in a city of over 1.1 million residents, this represents an approximate population of 297,000 people with disabilities living in Ottawa. These statistics represent an opportunity for the City to ensure this strategy incorporates these equitable and inclusive actions to ensure everyone can benefit with regards to employment and economic development opportunities.

Finally, staff will consult with the Accessibility Office as the Economic Development Strategy and Action Plan is implemented and further developed, as applicable.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with this report.

CLIMATE IMPLICATIONS

One of the Guiding Principles of the Economic Development Strategy and Action Plan is Environmental Sustainability. The strategy includes several priorities and actions to address the intersection of climate change mitigation and economic development, including raising awareness of climate risks to Ottawa's business community and supporting readiness through outreach, education, and information on programs that businesses can leverage to invest in climate resilient solutions.

ECONOMIC IMPLICATIONS

Economic implications include job creation, business investment, and improvements in metrics such as commercial vacancy rates, visitors and spending, airport passenger volumes, and the downtown recovery rate. Metrics will be reported as part of the City's Strategic Plan process and an update on the city's economy will be included as part of the strategy progress report and implementation plan presented to City Council annually.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

INDIGENOUS GENDER AND EQUITY IMPLICATIONS

One of the Guiding Principles of the Economic Development Strategy and Action Plan is Diversity, Equity and Inclusion and the strategy includes several priorities and actions to advance equitable participation in the economy for racialized and underrepresented segments of Ottawa's population. Such actions include expanding City economic development partnerships with diverse economic development stakeholders, addressing challenges related to the economic integration of immigrants, ensuring Ottawa's diversity of people and place is represented in Ottawa's brand, identifying and removing barriers for diverse entrepreneurs and business owners, and reviewing City and economic development service delivery partner programs to ensure they are equitable, accessible, and inclusive.

Economic Development Services worked with the City's Anti-Racism Secretariat on the development of the strategy to ensure alignment with the Anti-Racism Strategy and its economic development priority.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

RURAL IMPLICATIONS

A Rural Economic Development Strategy was approved by Council in March 2020. This strategy, which addresses the unique characteristics of Ottawa's rural economy, will be updated early next year to align with the Economic Development Strategy and Action Plan and reflect any new opportunities or direction that may arise from the 2024 Rural Summit.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

The Economic Development Strategy and Action Plan supports the Term of Council priority of "A city with a diversified and prosperous economy" and provides a framework to guide Ottawa's economic growth, diversification, prosperity, and resiliency for this Term of Council and beyond.

SUPPORTING DOCUMENTATION

Document 1 – Strategic Priorities and Actions

Document 2 – Vision Statement and Guiding Principles

Document 3 – Economic Strengths, Weaknesses, Opportunities, and Threats

Document 4 – Economic Development Partners

Document 5 – Economic Development Programs and Initiatives

DISPOSITION

Upon approval, Economic Development Services will begin the implementation of Economic Development Strategy and Action Plan.