

3. RURAL ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN
STRATÉGIE ET LE PLAN D'ACTION RELATIFS AU DÉVELOPPEMENT
ÉCONOMIQUE EN MILIEU RURAL

COMMITTEE RECOMMENDATION

That Council approve the Rural Economic Development Strategy and Action Plan as outlined in this report and attached in Document 1.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve la Stratégie et le plan d'action relatifs au développement économique en milieu rural, décrits dans le présent rapport et joints en tant que document 1.

Documentation/Documentation

1. Director's report, Economic Development and Long Range Planning, Planning, Infrastructure and Economic Development Department, dated February 21, 2020 (ACS2020-PIE-EDP-0009)

Rapport du Directeur, Développement économique et Planification à long terme, Direction générale de la planification, de l'infrastructure et du développement économique, daté le 21 février 2020 (ACS2020-PIE-EDP-0009)

2. Extract of draft Minutes, Agriculture and Rural Affairs Committee, March 5, 2020

Extrait de l'ébauche du procès-verbal, Comité de l'agriculture et des affaires rurales, le 5 mars 2020

**AGRICULTURE AND RURAL
AFFAIRS COMMITTEE
REPORT 12
APRIL 8, 2020**

39

**COMITÉ DE L'AGRICULTURE ET
DES AFFAIRES RURALES
RAPPORT 12
LE 8 AVRIL 2020**

**Report to
Rapport au:**

**Agriculture and Rural Affairs Committee / Comité de l'agriculture et des affaires
rurales
March 5, 2020 / 5 mars 2020**

**and Council / et au Conseil
March 25, 2020 / 25 mars 2020**

**Submitted on February 21, 2020
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**Submitted by
Soumis par:**

**Don Herweyer, Director / Directeur
Economic Development and Long Range Planning / Développement
économique et Planification à long terme
Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement économique**

Contact Person

Personne ressource:

Report Author / Auteur du rapport:

**Jephtée Elysée, Economic Development Officer / Agente du développement
économique, Economic Development and Long Range Planning / Développement
économique et Planification à long terme
613-580-2424, 21656, jephtee.elysee@ottawa.ca**

**Ward: CITY WIDE / À L'ÉCHELLE DE LA
VILLE**

File Number: ACS2020-PIE-EDP-0009

SUBJECT: Rural Economic Development Strategy and Action Plan

**OBJET: Stratégie et le plan d'action relatifs au développement économique
en milieu rural**

REPORT RECOMMENDATIONS

That the Agriculture and Rural Affairs Committee recommend Council approve the Rural Economic Development Strategy and Action Plan as outlined in this report and attached in Document 1.

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'agriculture et des affaires rurales recommande au Conseil d'approuver la Stratégie et le plan d'action relatifs au développement économique en milieu rural, décrits dans le présent rapport et joints en tant que document 1.

EXECUTIVE SUMMARY

Rural Ottawa plays a pivotal role in the city's overall economic prosperity, growth and diversity. It also contributes greatly to Ottawa's quality of life and provides a variety of experiences for both residents and visitors alike.

The City of Ottawa recognizes the importance of supporting the rural economy, including positioning rural Ottawa to be competitive by building on its assets and strengths, addressing challenges, and enabling opportunities for economic growth. Accordingly, Rural Economic Development is one of the four pillars of the City's Economic Development Strategy. It is also one of the actions under the Term of Council Strategic Priority of Economic Growth and Diversification (2019-2022).

In 2019, Economic Development Services (EDS) set-out to develop the Rural Economic Development Strategy (REDS) and Action Plan. The REDS complements the City's broader Economic Development Strategy and provides a focused approach and roadmap to enable and stimulate economic growth in rural Ottawa. The City of Ottawa wards covered by the REDS are West Carleton-March (Ward 5), Cumberland (Ward 19), Osgoode (Ward 20), and Rideau-Goulbourn (Ward 21).

The REDS commits to a series of actions, grouped under the following five strategic priorities: (1) A Supportive Business Environment; (2) A Vibrant Rural Lifestyle; (3) A

Strengthened Rural Tourism Position; (4) Innovation in Agriculture and Agri-food Production; and (5) Advocating for Rural Priorities.

Through the development and implementation of the REDS, the City aims to position itself as a leader in rural economic development.

RÉSUMÉ

Le secteur rural d'Ottawa joue un rôle central dans la prospérité économique, la croissance et la diversité de la ville. Il contribue grandement à la qualité de vie observée à Ottawa et offre aux résidents comme aux visiteurs une variété d'expériences.

La Ville d'Ottawa reconnaît l'importance du soutien de l'économie rurale, notamment en rendant son secteur rural concurrentiel grâce à sa capacité d'exploiter ses atouts et ses forces, de faire face aux défis et de créer des occasions de croissance économique. Par conséquent, le développement économique en milieu rural représente l'un des quatre piliers de la Stratégie de développement économique de la Ville. Il compte également parmi les mesures figurant au nombre des priorités stratégiques de croissance économique et de *diversification* du mandat du Conseil (2019-2022).

En 2019, les Services de développement économique (SDE) ont entrepris d'élaborer la Stratégie et le plan d'action relatifs au développement économique en milieu rural, qui viennent compléter la Stratégie de développement économique plus large de la Ville et qui offrent une approche ciblée et une feuille de route dans la stimulation de la croissance économique du secteur rural d'Ottawa. Les quartiers de la Ville d'Ottawa pris en compte par la Stratégie et le plan d'action relatifs au développement économique en milieu rural sont West Carleton-March (Quartier 5), Cumberland (Quartier 19), Osgoode (Quartier 20) et Rideau-Goulbourn (Quartier 21).

La Stratégie et le plan d'action relatifs au développement économique en milieu rural devraient permettre la mise en place d'une série de mesures, regroupées selon les cinq priorités stratégiques suivantes : (1) Un contexte commercial favorable; (2) Un mode de vie dynamique en milieu rural; (3) Un climat touristique renforcé en milieu rural; (4) Innovation en agriculture et en production agroalimentaire; et (5) Préconisation des priorités rurales.

Par l'élaboration et la mise en œuvre de la Stratégie et du plan d'action relatifs au développement économique en milieu rural, la Ville souhaite se positionner comme chef de file du développement économique en milieu rural.

BACKGROUND

One of the distinct features of Ottawa is its large rural component. Eighty per cent of the city's landmass is rural, making it the largest rural area of Canada's major cities. Just under ten per cent of Ottawa's population lives in the rural area, with approximately 41 per cent of this living within the city's 26 rural villages and the remainder living on farms or in smaller communities.

This rural component makes Ottawa's economy unique among Canada's major cities. Unlike Toronto, Calgary, Edmonton or Montreal, Ottawa's large rural area plays a pivotal role in overall economic diversity and growth and includes significant agricultural lands, aggregate resources, rural hamlets and villages. Furthermore, Ottawa is different in nature because of its rural proximity and interconnectedness to the urban core, providing access to products, services and consumer markets that a large city provides.

With a contribution of over one billion dollars to the city's GDP, the rural economy has seen strong population and employment growth with economic activity derived in large part from agriculture, retail sales, construction, tourism and manufacturing sectors. Over 2,000 businesses are in rural Ottawa, of which 56 per cent are small establishments employing between one to four employees.

The City of Ottawa recognizes that a thriving rural area is an important component of the local economy, including its distinctiveness and the opportunity to support and advance economic development efforts. Doing so diversifies Ottawa's overall economy and enables a competitive rural area that can successfully address the challenges and opportunities associated with technology, innovation, and talent attraction and retention, for example.

Beyond economic advantages, rural Ottawa contributes greatly to the city's quality of life and provides a variety of experiences for residents and visitors through attractive landscapes and a range of cultural, recreational, and tourism opportunities.

For these reasons, Rural Economic Development is one of the four pillars of the City's Economic Development Strategy, along with Knowledge-Based Businesses, Tourism and Creative Industries, and Mainstreets. It is also one of the actions of the Term of Council Strategic Priorities (2019-2022) included under the Strategic Priority of Economic Growth & Diversification.

In 2019, Economic Development Services (EDS) engaged the consulting firm MDB Insight to assist in the development of a Rural Economic Development Strategy (REDS) and Action Plan. The REDS complements the City's broader Economic Development Strategy and provides a focused approach and roadmap to enable and stimulate economic growth in rural Ottawa over the immediate, short-term and long-term horizons.

The Wards included in the REDS are West Carleton-March (Ward 5), Cumberland (Ward 19), Osgoode (Ward 20), and Rideau-Goulbourn (Ward 21).

Through the development and implementation of the REDS, the City aims to position itself as a leader in rural economic development, particularly as it relates to the interplay between the rural, suburban and urban economic strengths of the city as a whole.

In 2020, the City will be refreshing its Economic Development Strategy to include a geographic overlay in addition to the four areas of focus. The REDS will provide the geographic lens and approach for the rural area.

DISCUSSION

Economic Development strategic planning seeks to define where a city or geographic area wants to go and creates a framework and roadmap on how to get there. Enhancing a city's competitiveness and its ability to compete with other cities for investment, talent and market share, is central to this planning. The REDS was developed following a three phased process.

The first phase looked at "where are we now" and included an analysis of the local and broader regional and provincial economy. This provided an assessment of the economic performance of Ottawa's rural areas against a range of socio-economic criteria combined with business and industry data. The results of this were used to inform

stakeholder engagement and to conduct a SOARR (strengths, opportunities, aspirations, results, and risks) assessment.

Key findings include:

- Rural Ottawa makes a significant contribution to Ottawa's economy, with over one billion dollars to the city's GDP;
- Median household incomes across the rural wards are significantly (25 per cent) higher, at \$112,868, than the urban core;
- Rural lifestyle has strong appeal for new residents;
- Rural wards attract a diverse labour force;
- Out commuting is a key characteristic of the rural workforce;
- There is a lack of awareness/availability of business support programming;
- Investment readiness lags compared to surrounding rural communities;
- Limited infrastructure gaps, including reliable and high-speed broadband, limit growth;
- There are limited housing options to accommodate population growth; and
- There is a need for flexible policies to support small scale and innovative agriculture operations.

Through stakeholder engagement and consultation efforts, the second phase of the REDS sought to answer the question "where do we want to go". Engagement efforts included:

- An online community survey on Engage Ottawa;
- One-on-one interviews and small group discussions with key stakeholders, business leaders, economic development partners, elected officials and senior management from the City;

- Four community interactive workshops hosted in June 2019 with one in each of the rural wards;
- A random sample telephone-based survey administered to the business community;
- A Rural Day workshop with planning and economic development staff to explore synergies between the forthcoming Official Plan and the REDS; and
- Two group discussions with youth.

In all, input was obtained from more than 285 businesses, community leaders and staff across the city.

The final and third phase of the REDS development process looked at “how do we get there” and consisted of the development and validation of strategic priorities and an action plan.

Relevant planning and policies initiatives at the City as well as those undertaken by other levels of government and partners were considered when developing the REDS. In particular, the REDS was designed to complement the development efforts of the forthcoming new Official Plan and presented a unique and timely opportunity to align priorities and objectives. Additionally, the REDS aligns with the Federal Government’s first-ever Rural Economic Development Strategy which was released in 2019.

The REDS, as attached in Document 1, includes five proposed strategic priorities and a series of associated actions. Actions were developed to respond to priorities identified by rural stakeholders and represent both what is feasible and what can be accomplished within the City’s operational and fiscal realities and that of the City’s partners, such as Ottawa Tourism.

The REDS assigns responsibility for each action to a City department or external partner, which has committed to its implementation within the stated timelines of Immediate (0-18 months), Short-term (2-3 years), or Long-term (5 years or beyond).

Immediate actions to be delivered in 2020 will be implemented within existing resources, including staff resources and \$150,000 for external requirements. Future short and long-term actions may require additional funding for implementation.

Requests for new funding will be brought forward through the annual budget approval process.

The Strategic Priorities and examples of associated actions to be implemented in 2020 are as follows:

Strategic Priority 1: A Supportive Business Environment

Engagement and input point to rural businesses having limited knowledge of the type of services that are available to them and how to access those services. Additionally, it identified a gap in programs and services. The goal of this strategic priority is to create a supportive business environment to enable continued rural economic growth.

- Enhance the Rural Affairs Partnership Program (RAPP) grant to deliver increased economic development outcomes for rural communities.
- Develop a rural business toolkit including information on grants, support programs, economic data, marketing materials, permitting process, and business licensing.
- Develop a rural business workshop series in satellite locations across rural Ottawa to promote the toolkit (above) and increase awareness of services and programming available to small and medium-sized rural businesses.
- Identify opportunities for business investment in rural Ottawa and develop marketing materials and programmes to encourage investment.

Strategic Priority 2: A Vibrant Rural Lifestyle

Research undertaken as part of the REDS identified that rural Ottawa faces challenges that affect the ability to attract talent capable of participating in the labour force (e.g. immigrants and youth), to provide diverse housing options, and to accommodate aging in place. It also identified gaps in the provision of quality broadband services. A vibrant rural lifestyle seeks to position rural Ottawa with diverse economic opportunities and a high quality of life to residents, improving the ability to respond to economic and social challenges proactively.

- Continue to support seniors in rural areas under the Ontario Renovates Program, which provides financial assistance to eligible low-income senior homeowners to age in place.
- Conduct a study of the broadband connectivity landscape in Ottawa and define potential approaches to address any identified inequities, including between rural and urban residents.
- Engage in rural storytelling through social media and other channels, showcasing and profiling successful rural businesses and entrepreneurs.
- Organise familiarization tours with immigrant settlement agencies.

Strategic Priority 3: A Strengthened Rural Tourism Position

While the city's urban core easily resonates as being the capital city of Canada with visitors, the rural wards are not as well recognized as a tourism destination. The goal of this priority is to enhance and support a distinct rural experience that appeals to both visitors and residents. A strengthened rural tourism position will result in increased tourist and community participation and economic benefits.

- Work with the villages to help them define their rural tourism value proposition and tourism offerings (e.g. "A day in Carp" itinerary).
- Deliver presentations to rural stakeholders on the City's collaboration with Ottawa Tourism that defines Ottawa's Place DNA™ and provide the necessary tools and information to leverage and promote Ottawa's brand.

- Explore opportunities to showcase rural Ottawa tourism experiences to the city's accommodation providers and to tour operators:
 - Prepare packages of offerings that could appeal to conference delegates
 - Identify rural ambassadors that communicate an authentic representation of the offering to tourists
- Engage with eligible rural tourism entrepreneurs through Ottawa Tourism's Destination Development Fund process.

Strategic Priority 4: Innovation in Agriculture and Agri-food Production

Enabling innovations in agriculture and agri-food production will increase economic viability and facilitate precision agriculture to stay competitive in farming operations. The prevalence of Ottawa's knowledge-based industries, post-secondary institutions, and information and communication technology advancements are significant resources that can be capitalized upon to advance this priority.

- By leveraging the L5 site, investigate the development of a nationally-significant smart farm in Ottawa to support and demonstrate innovations in agriculture through industry-led collaborations.
- Investigates ways to strengthen existing "buy local / farm to table" marketing campaign targeted to suburban and urban residents.

Strategic Priority 5: Advocating for Rural Priorities

The goal of this strategic priority is to ensure that the City continually advocates and seeks solutions to the needs and gaps that have been identified and that cannot be addressed solely at a municipal level.

- Continue to advocate to the province and federal government to expand their definition of rural communities so that businesses located in rural Ottawa are eligible for funding.

The full list of actions under each priority area are listed in the REDS in Document 1. It should be noted that the list of actions is a prioritized starting point based on community input and research at a point in time. Over time, new actions may emerge and will need

to be assessed against the priorities of the REDS while some actions may be removed should they be deemed unfeasible upon a thorough examination.

In 2020, EDS and City partners will begin the implementation of the REDS immediate actions.

RURAL IMPLICATIONS

The REDS will enable economic activity, attract investment, provide more support to existing businesses, boost the vibrancy of rural lifestyle, tourism, and agriculture sectors. The REDS was developed to respect the rural character of the area as set out in the City's Official Plan, Village Secondary Plans and other rural planning documents and inform updates to these documents.

CONSULTATION

Public consultation and economic development stakeholder input were an important component of the development of the REDS. From May to November 2019, MDB Insights and EDS staff engaged with over 285 businesses, community leaders, rural councillors and City staff to develop the REDS. The methods of engagement included a community survey, one-on-one interviews, small group discussions, four community interactive workshops, a telephone-based survey, a Rural Day workshop, and validation exercises.

COMMENTS BY THE WARD COUNCILLOR(S)

All rural councillors have been briefed on several occasions throughout the development of the REDS and are supportive of the Action Plan.

Councillor El-Chantiry has provided the following statement: "Rural economic development is the key to creating new jobs, and it allows residents to work where they live as well as introduces the importance of rural community to the urban area."

LEGAL IMPLICATIONS

There are no legal impediments to adopting the recommendation in the report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications.

ASSET MANAGEMENT IMPLICATIONS

There are no direct asset management implications associated with the recommendations of this report.

FINANCIAL IMPLICATIONS

Immediate actions to be delivered in 2020 will be implemented within existing resources, including staff resources and \$150,000 for external requirements. Future short and long-term actions may require additional funding for implementation. Requests for new funding will be brought forward through the annual budget approval process.

ACCESSIBILITY IMPACTS

Applicable accessibility standards will be adhered to during the implementation of initiatives identified the REDS.

TERM OF COUNCIL PRIORITIES

The Rural Economic Development Strategy and Action Plan is one of the actions under the Strategic Priority: Economic Growth & Diversification in the Term of Council Strategic Priorities (2019-2022).

SUPPORTING DOCUMENTATION

Document 1 – City of Ottawa Rural Economic Development Strategy

DISPOSITION

Economic and Development Services will be responsible for coordinating and monitoring the implementation of the REDS and reporting on implementation progress. Staff will report back to Committee on a yearly basis through the Planning Infrastructure and Economic Development (PIED) Annual Workplan Report.