

GROWTH COMMITTEE REPORT

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Report Date	November 07, 2018
Meeting Date	November 13, 2018
Service Area	Growth and Community Development Services

His Worship Mayor Don Darling and Members of the Growth Committee

SUBJECT: Enterprise Saint John's 2019-2021 Plan

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Phil Ouellette</i>	<i>Jacqueline Hamilton</i>	<i>Neil Jacobsen</i>

RECOMMENDATION

Staff recommend that Growth Committee:

Receive and file this report and Enterprise Saint John's presentation on their 2019-2021 Plan.

EXECUTIVE SUMMARY

In late September 2018, the Mayor's Office and City Staff received an initial draft 2019-2021 Enterprise Saint John (ESJ) Plan, which was the result of analysis and engagement that occurred throughout the summer of 2018. Since that time, ESJ has sought additional feedback from partners and stakeholders on their plan, which also recently received the endorsement of the ESJ Board of Directors.

Using the Council Priorities 2016-2020, the Roadmap for Smart Growth and the Population Growth Framework as guides, the City of Saint John sought additional feedback from ESJ on their Plan and also submitted corresponding feedback. All of this feedback was premised on four key themes, including: (1) the need for greater alignment; (2) enhanced collaboration amongst partners; (3) the need for clear return on investment; (4) clear focus on community growth outcomes.

Staff have actively participated in ESJ's stakeholder engagement process, and ESJ has agreed to make the necessary changes to the Plan to more fully integrate the interests of the City of Saint John.

Staff believe ESJ's 2019-2021 Plan will bring a refreshed contribution to the City's broader growth efforts, and the City encourages ESJ to uphold the City's four key

themes (i.e. alignment, collaboration, return on investment and clear focus) throughout the Plan's implementation. The City also indicated the critical need for ESJ to define the tangible employment growth outcomes their Plan will generate, the projected annual targets and how ESJ's activities directly support these annual targets.

PREVIOUS RESOLUTION

N/a

STRATEGIC ALIGNMENT

Common Council has adopted a new set of Council Priorities: 2016-2020 in early November 2016, and under the heading of "Growth and Prosperity," the following is stated: "Saint John is recognized by residents and businesses as a positive and supportive city. We grow in a smart way and attract talent, innovation and opportunities so all people can thrive." In addition, Council adopted key performance indicators to evaluate its ability to *Grow SJ*, including, among others: "Building permit value," "Change in tax base assessment within the City," "Change in population." Finally, Saint John Common Council adopted the Roadmap for Smart Growth on Monday March 27th, 2017.

REPORT

Using the Council Priorities 2016-2020, the Roadmap for Smart Growth and the Population Growth Framework as guides, the City of Saint John sought additional feedback from ESJ on their Plan and also submitted corresponding feedback. All of this feedback was premised on four key themes, including: (1) the need for greater alignment; (2) enhanced collaboration amongst partners; (3) the need for clear return on investment; (4) clear focus on community growth outcomes.

The City assembled a list of eight questions and six recommendations to support the City's participation in ESJ's stakeholder engagement, and the notes from the interaction between the City of Saint John and ESJ can be found below. The discussion was a valuable exchange, where both parties worked through the questions and recommendations. ESJ representatives provided valuable insights and rationale on the content and scope of the ESJ Plan, which resulted in a much stronger understanding of the plan and its strengths. ESJ has since agreed to make updates to integrate the City's input, including being more explicit that the ESJ Plan will align with existing Saint John growth strategies.

After the initial engagement with ESJ, Staff assembled a list of remaining follow-up and/or recommended changes to the ESJ 2019-2021 Plan, including:

1. The City of Saint John recommends that ESJ's Plan **define the tangible employment growth outcomes** it will achieve in fulfilling the terms of the Plan.
2. At the work plan development phase, the City will be seeking to have ESJ **develop annual targets** associated with the pre-defined employment growth outcomes identified within the Plan.
3. At the work plan development phase, the City would also welcome greater **clarity on defining how ESJ's 'activities' are linked to the targets** they are seeking to achieve.
4. ESJ to develop a more substantial proposal for the additional funding requested from the City of Saint John and submit it to the Growth Committee for consideration.

City Staff and ESJ also participated in a meeting to more clearly define the differentiation between the City's population growth function and ESJ's workforce expansion and talent attraction functions. The interaction was extremely insightful, which resulted in clear differentiation between the functions:

Population Growth Lead: Growth and Community Planning Key outcome: Population Growth Customer: Newcomers	Workforce Expansion Lead: Enterprise Saint John Key outcome: Employment Growth Customer: Employers
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NOTES FROM DISCUSSION WITH ENTERPRISE SAINT JOHN

A. Focus

1. Discussion Questions

- I. In order for Saint John to truly turn the tide towards economic growth, what is the importance of immediate labour market needs (i.e. filling unfilled employment opportunities) versus supporting the replacement of the City's workforce from the old economy to the new economy? How does this plan achieve this balance?

Feedback: It is a layered approach. Needs to be intentional approach that builds market confidence in our talent pool that supports employee skills development The ESJ Plan calls on completing both tasks, but initial focus will be on filling existing jobs. The Plan's focus on innovation and R&D should translate into creating new high-paying and high-skilled jobs. A major shift has occurred in economic development over the past years, where job creation was the key focus for many years, which is now moved to proving to employers that there is available talent in order to attract

new employment opportunities. In other words, demonstrate you have the supply of work force before you can successfully attract new employment opportunities, whereas in the past, the talent may have followed the new employment opportunities. This phenomenon is occurring across North America, as the baby boomers are retiring, and there are large quantity of unfilled positions in all industries and areas of the continent.

- II. In Saint John's economic landscape, there are teams involved in supporting job creation and job matching. What role does this Plan identify for ESJ? Who do you believe is responsible for ensuring that these new employees in these new jobs are living in the City of Saint John?

Feedback: The ESJ Plan calls on completing both job matching and job creation, and ESJ will support the City and other agencies in sharing with employers the benefits of their employees living where they work. ESJ is also committed to supporting the City and other agencies in working with the real estate board to translate this message.

This underscores the importance of a marketing plan to promote the City's distinct advantages as a place to live (urban heart). The innovation district concept proposal under development with UNB plays a major part of this. ESJ is in agreement with City's feedback on the need to recognize the regional importance of Saint John's urban heart; will strengthen references to this in the document.

- III. Workforce Development, Business Investment and Innovation, Entrepreneurial Development and Marketing the Greater Saint John Story are the key focus areas of the plan. Is it fair to say that just one of these themes houses enough workload to rationalize a full agency's focus and capacity? Why does this plan strive to pursue all of these areas, instead of just zeroing-in on the most important and valuable themes? If this plan did limit its scope, what would be the priority themes?

Feedback: ESJ sees all four focus areas are tied together and important. They will be selective in terms of the number of initiatives under each of these focus areas (likely select only one). The level of priority and focus will be defined as they move into their work plan. They clarified that they don't see themselves as the lead marketing agent, but rather one of several players. Indications from the job fair are that external awareness of Saint John is very low. There is a need to build a marketing strategy from the ground up. Also there is a need to understand how we build on inherent strengths with existing businesses. There should be less focus on

big job announcements and more on small and mid-size businesses. Focus shifted from new start-ups to scaling-up.

2. Initial Feedback

- I. Would it be possible to include a new paragraph on the importance of a strong urban centre for the broader region? Essentially, a stronger City of Saint John translates into a strong region for all. This is an important facet of our economy, our region and of economic development in Saint John.

Feedback: ESJ will find a place within the Plan to include this argument.

- II. On Page 19, the Plan proposes a mission statement, which points to “sustainable economic growth.” Would it be possible for this mission statement to more fully detail how ESJ pursues this growth and what type of economic growth it hopes to achieve?

Feedback: With greater clarity on targets and outcomes, this change is not required.

B. Cooperation

1. Discussion Questions

- I. The Plan calls on ESJ to generate alignment and act as a “catalyst organization” in all aspects of economic development and across economic development agencies, and we are interested to understand how you believe this will be accomplished within the existing context of the Saint John economic development landscape? How does this Plan combat the obstacles faced by past attempts by Enterprise Saint John to generate this cross-organizational economic development cooperation (i.e True Growth 1 and True Growth 2.0)?

Feedback: Part of ESJ’s engagement associated with the plan was to connect with past ESJ board members and chairs to further understand the obstacles and challenges in fulfilling past ESJ strategies. The feedback collected from these interactions informed the current plan. ESJ role will be the lead on sectors identified in the Plan (e.g. cybersecurity) and will play a support role for the provincial sectors (Cannabis). The intention is to clarify at the initiative level specific roles and responsibility to optimize resources and identify gaps.

- II. On page 20, the Plan identifies that ESJ will be monitoring and reporting on economic development across the work of all agencies. Does ESJ intend to monitor and report on all areas of economic development in

Saint John, including population growth, employment growth and tax base growth? Tourism?

Feedback: We did not discuss this item.

2. Initial Feedback

- I. There are so many players involved in the delivery of economic development in Saint John, and wondering if you believe there is value in including a process map of all these different players and how they relate to this plan? If ESJ is striving to be a catalyst amongst all the economic development agencies, this process map could be a valuable contribution to the plan to quantify the challenge in building this cooperation and alignment.

Feedback: ESJ was supportive of this idea, but this would be captured at the work plan phase of the ESJ Plan, versus to prior to the plan's adoption.

C. Alignment

1. Discussion Questions

- I. The City has housed population growth within the Growth and Community Development Team, and we are wondering how ESJ's intended efforts around workforce expansion and labour force growth, especially around the critical areas of immigration and youth retention, are intended to be aligned with the efforts of the City of Saint John's population growth efforts? How will this plan link-up with the work of PETL, PGD, ONB and the other major players in this area of workforce development? Should this be defined before the ESJ plan is adopted? How do you plan on defining these roles and responsibilities across agencies, departments and levels of government?

Feedback: We discussed the need to demonstrate that ESJ is optimizing efforts in terms of the economic growth landscape and avoiding duplication. In particular we need to establish clarity around Population growth, e.g., to ensure better coordination in terms of participation in job fairs (welcome packages). ESJ saw our role in population growth as related to strategy versus execution. The City offered to share our population growth funding application to provide additional context in terms of future priorities. ESJ and the City will be meeting on this during the week of October 22nd to define initial roles and responsibilities associated with population growth, and prevent any unnecessary duplication. A more detailed division of focus will be defined during the work plan phase of the ESJ Plan.

2. Initial Feedback

- I. Would it be possible to include “Ensuring alignment and greater collaboration as a result of this Plan” in the Priority section of Page #2?

Feedback: We did not discuss this item.

- II. On Page 13-14, the Plan identifies a series of foundational strengths, and wondering if there might be merit in prioritizing this list and using similar language as the initial list yielded from the Marketing/Communicating Growth exercise?

Feedback: We did not discuss this item.

D. Return on Investment

1. Discussion Questions

- I. On page 18, the Plan identifies how it hopes to measure its success. In this section, there is no mention of job creation. As this was the primary expectation of the City of Saint John of ESJ through the 2018 mandate letter, is it fair to assume that ESJ will no longer be pursuing job creation as part of their mandate? If ESJ is not supporting job creation for Saint John, who is?

Feedback: ESJ shared that their work will support the creation and matching of jobs in the Saint John region, and their metrics would be premised on their activity. ESJ role is to address underlying contributors to jobs as opposed to creating new jobs. They are “enablers” of job creation. The City shared the importance of sharing clear targets associated with their plan, closely linked to the City’s key outcomes of population, employment and tax base. In addition, it will be very important to clarify how these outcomes were directly influenced by ESJ’s work.

- II. From the information provided on page 18, we would like to learn of the metrics attributed to the work of ESJ’s partners versus those attributed to ESJ’s work. What are the key metrics and performance indicators that you believe ESJ is responsible for overall in this plan and how would you measure them?

Feedback: ESJ sees the need to work at an administrative level to ensure a solid understanding of the metrics and accountability/ reporting structure.

2. Initial Feedback

- I. ESJ has requested additional funding from the City of Saint John in 2019, and in order for the request to receive proper consideration from Growth and Finance Committees, ESJ is well-served to immediately develop a detailed funding rationale and clear corresponding deliverables associated with the funding request. This should be completed as soon as possible, which will be discussed during the November Growth Committee meeting.

Feedback: We discussed the concerns around the timing of the request for increased funding within the context of the City's fiscal sustainability challenges. We discussed that if they moved forward we would need additional information on what additional outcomes would be achieved from the funding.

SERVICE AND FINANCIAL OUTCOMES

The intended outcomes of the City of Saint John's growth-related efforts and investments are to achieve new levels of employment, population and tax base growth.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

N/A

ATTACHMENTS

N/A