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Presented by: Curtis Bauer, Manager of Business Attraction

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**TAMRMS#: B06**

**St. Albert Incubation Strategy**

Presented by: Curtis Bauer, Manager of Business Attraction

**RECOMMENDATION(S)**

1. That Council Members provide feedback to Administration on the “Economic Gardening Framework”, provided as an attachment to the May 23, 2017 Agenda Report entitled “St. Albert Incubation Strategy” by June 2, 2017.
2. That Administration incorporate feedback received from Council Members into the “Economic Gardening Framework” and bring it back for Council consideration at a date to be determined by the Agenda Committee.

**PURPOSE OF REPORT**

This report outlines a revised business incubation strategy for the City of St. Albert, last presented to Council on January 25, 2016. This revised strategy focuses on the primacy of creating a collaborative business ecosystem for progressing early-stage businesses in the City through phases of idea generation, incubation, acceleration, and retention.

**COUNCIL DIRECTION**

At the January 25, 2016 Council meeting the following motion was passed:

(C34-2016)

That Administration bring back a City of St. Albert Business Incubation Strategy subsequent to

Council approval of the Smart City Master Plan and consultation with relevant stakeholders including, but not limited to, NABI.

## **BACKGROUND AND DISCUSSION**

On June 23, 2014, Council made a motion that Administration collaborate with Northern Alberta Business Incubator (NABI) to develop an Incubation Strategy and to utilize an Oversight Committee structure to help guide the creation of the Incubation Strategy. The agenda report entitled “Incubation Strategy” was presented to Council on December 14, 2015 and Administration was directed to re-engage with relevant stakeholders including (but not limited to) NABI subsequent to the approval of the Smart City Master Plan, and to bring back a revised strategy.

The Smart City Master Plan was approved on September 6, 2016, and one of its stated outcomes is to “support economic development efforts to grow existing business and attract new investment”. Administration has taken into account the following individual strategies relevant to early-stage business growth in revising the “Incubation Strategy”:

- A.3.1. Harvest good ideas from municipal employees through identification of corporate innovation barriers, required processes and supports, and training needs.
- A.3.3. Actively collect ideas from outside St. Albert, foster cross-sector collaborations, and engage in knowledge networks and other forums
- A.3.4. Establish direct connections with academic institutions on applied research and create work placements in support of talent and idea acquisition
- A.4.2. Co-create with civic innovators to build innovation capacity, test new digital services, and generate creative and “Smart” solutions to St. Albert’s challenges
- B.3.2. Identify methods to incubate and accelerate tomorrow’s “Smart” and innovative businesses within St. Albert’s economic development strategies
- B.3.3. Designate an area of St. Albert as a highly connected, technology enhanced ‘innovation district’ where complementary businesses and others may cluster and thrive
- B.4.1. Have in place municipal policy to position St. Albert as a ‘living lab’ including processes by which testing opportunities may be identified and supported
- B.4.2. Partner to launch a multi-sector innovation centre where entrepreneurs, business, academic, and public innovators collaborate to create shared value
- IM.7. Create and leverage a new municipal fund to support catalytic projects, new partnerships, and shared investment opportunities

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

Also based on Council direction from September 2016 to March 2017 various engagement sessions were held with external and internal stakeholders:

- Northern Alberta Business Incubator (NABI) - in-person meetings and email follow up
- St. Albert and District Chamber of Commerce - in-person meetings and email follow up
- City of St. Albert Economic Development Advisory Board (EDAB) - in-person meetings and email follow up
- City of St. Albert Senior Leadership Team (SLT) - in-person meetings
- City of St. Albert Administration - World Café opportunity held with comments heard from various departments - email follow up from various departments.

In general, stakeholders were in alignment with the revised Incubation Strategy and best efforts were made to incorporate comments where relevant.

The main comments from this consultation as it relates to the “Incubation Strategy” are summarized as follows:

- Revise “Incubation Strategy” to “Economic Gardening Framework” to emphasize the primacy of developing an early stage business friendly ecosystem over the direct incubation of companies or the development of a physical location where incubation is to take place (EDAB).
- Recognize that Economic Gardening is inclusive of all phases of early stage business growth, from “Idea Generation” to “Incubation” to “Acceleration” to “Retention” (EDAB).
- A Unique Selling Proposition (USP) is important to distinguish St. Albert from other jurisdictions in the region. However, the USP should be developed in partnership with local businesses and key partners to ensure healthy respect for existing market forces (EDAB).
- Consider forming a partnership with one or more Educational Institutions, as this adds to the ecosystem viability in all phases, especially retention (EDAB).
- Recognize that the City of St. Albert, NABI, and the St. Albert and District Chamber of Commerce can work collaboratively in each phase of Economic Gardening by providing complimentary and consistent support systems to early stage businesses (NABI, St. Albert and District Chamber of Commerce).
- Realize consistent messaging and information sharing between the City of St. Albert, NABI and the St. Albert and District Chamber of Commerce when guiding early stage businesses (NABI, St. Albert and District Chamber of Commerce).
- Affordable Housing can serve to attract younger demographics and thereby improve the business eco-system (NABI).
- Regulation should strive to be business friendly - the City should make efforts to talk directly to businesses and remove red tape where possible - also making the City more competitive when attracting businesses (NABI).
- City facilities and personnel may be used to support an Economic Gardening Framework, but only after careful consideration as to risks to business as normal (Internal City Departments).
- An “Innovation Centre” in concept can start as a virtual community before committing to a brick-and-mortar location (Internal City Departments).
- The City has a unique workforce of professionals, primarily in the health services and this should be considered when developing a USP (Internal City Departments).
- The City has many home based businesses, and those scalable and willing should be encouraged to grow (Internal City Departments).

- The City has numerous cultural initiatives that contribute to a high quality of life for its residents. A high quality of life is critical to business incubation since studies have shown founders typically start businesses where they live (Internal City Departments).
- Implementation should take into account Cultural Services' strategies regarding Young Artist Incubation, and Artist Work/Life Spaces in alignment with Affordable Housing initiatives (Internal City Departments).

### **Strategy Development - Other Considerations**

- **City 20/80 Tax Assessment Target.** It has been a goal of City Council to increase the ratio of non-residential to residential tax revenues. As a result, it is important to not only support the growth of early stage businesses, but to also retain them in the City when mature.
- **Clustering.** Through the development of a USP, the City of St. Albert has an opportunity to encourage the formation of targeted clusters around which businesses are generated, incubated, accelerated and retained.
- **Internal / External Funding for Businesses, Initiatives and Programs.** The Framework should be broad enough to capitalize on funding opportunities arising from existing or future internal policies/business cases, or from external programs (i.e. provincial and/or federal).
- **Multi-Sector Innovation Centre.** The Economic Gardening Framework is broad enough to consider development of a Multi-Sector Innovation Centre at some time in the future if supported by the City of St. Albert, Key Partners and other stakeholders.

### **IMPLICATIONS OF RECOMMENDATION(S)**

#### Financial:

None at this time.

#### Legal / Risk:

None at this time.

#### Program or Service:

None at this time.

#### Organizational:

None at this time.

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

If Council does not wish to support the recommendation, the following alternatives could be considered:

- a) Give no further consideration to the Economic Gardening Framework.

If Council wishes to pursue this option, an appropriate resolution would be:

That the “Economic Gardening Framework” provided as an attachment to the May 23, 2017 agenda report entitled “St. Albert Incubation Strategy”, be received as information.

If this resolution is passed, Administration will continue to work on incubation of early stage businesses within the City in coordination with the Smart City Master Plan, NABI and other stakeholders on an ad-hoc basis.

## STRATEGIC CONNECTIONS

- a) Council’s Strategic Outcomes and Priorities (See Policy C-CG-02)
- CULTIVATE ECONOMIC PROSPERITY: A diversified, robust and resilient economic foundation to support growth and community service delivery.
  - CULTIVATE SUSTAINABLE INFRASTRUCTURE AND SERVICES: A growing community that has balanced development and management of civic facilities, transportation networks and related services.
  - CULTIVATE A SAFE, HEALTHY AND INCLUSIVE COMMUNITY: A community that provides opportunities for everyone to realize their potential in a thinking, caring and connected way.
- b) Long Term Plans (e.g. MDP, Social Master Plan, Cultural Master Plan, etc.)
- Smart City Master Plan
- c) Corporate Objectives (See Corporate Business Plan)
- Deliver programs and services that meet or exceed our standards
  - Ensure our customers are very satisfied

Report Date: May 23, 2017

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Committee/Department: Economic Development

General Manager: n/a

City Manager: Kevin Scoble