

DATE: July 20, 2020

TO: MAYOR AND COUNCIL

NAME AND TITLE: Ian Wells, General Manager, Planning and Development

SUBJECT: 2017 – 2020 Clean Technology Cluster Development and Promotion Results

ATTACHMENT(S): Clean Technology Cluster Development and Promotion Presentation
Clean Technology Cluster Development and Promotion Final Report

RECOMMENDATION(S):

That Council RECEIVES FOR INFORMATION the report dated July 20, 2020 from the General Manager of Planning and Development regarding the results of the 2017-2020 Clean Technology Cluster Development and Promotion.

PURPOSE:

For Council information.

BACKGROUND:

At its February 20, 2017 meeting, City Council approved the following resolution: *Moved by Councillor Frizzell, seconded by Councillor Skakun, that Council AUTHORIZES Administration to submit a funding proposal from the City of Prince George to Western Diversification – Call for Proposals - Clean Technology Priority. The motion carried unanimously.*

City staff, in partnership with Community Futures Fraser Fort George then applied to, and was subsequently awarded, funding through Western Diversification to carry out a Clean Technology Cluster Development and Promotion project from June 2017 through March 2020.

The budget for the three year project was \$595,123, of which Western Diversification contributed \$335,566.

STRATEGIC PRIORITIES:

This project was aligned with the MyPG Goals:

- Diversified and vibrant economy
- Employment diversity and accessibility
- International connections
- Sustainable business

It was also in line with the Council focus area: Enhance local conditions that support existing businesses and attract new ones, with a focus on clean technology.

FINANCIAL CONSIDERATIONS:

As was mentioned above, the budget for the three year project was \$595,123, of which Western Diversification contributed \$335,566.

The project required the City to fund a portion of one full-time employee's salary. Now that the project is completed, that position will no longer be required, resulting in a reduction to the Economic Development Division's budget.

SUMMARY AND CONCLUSION:

The project was designed to assist Prince George and area clean technology businesses and businesses with clean technology competencies in the following ways: establish a clean technology office in Prince George; identify and expand clean technology opportunities in the area; accelerate progress and build capacity within businesses through coaching and workshops; develop marketing tools; develop tradeshows; and attend domestic and international clean technology events. The project served Prince George and the surrounding rural areas.

There were four main components to the project, which are outlined in the accompanying report.

- Component 1: Clean Technology Office Staff
- Component 2: Cluster Meetings and Workshops
- Component 3: Marketing and Promotion
- Component 4: International and Domestic Trade Shows

The success of the project was measured through several performance indicators:

1. Surveys completed by participants – Target 60 surveys
 - Outcome: 70 completed surveys
2. Value and type of international business activity or foreign investment – Target \$850,000
 - Outcome: \$3,060,000
3. Number of SME's that increased gross margins – Target 15
 - Outcome: 15 firms noted increases to gross margins. Some of these firms attributed the growth to the boom arising from the Coastal GasLink project rather than being directly tied to the efforts of the Clean Tech Initiative. Two firms specifically noted the increases of gross margins was directly due to the Clean Tech Initiative.
4. SME employment growth – Target 12
 - Outcome: 16 firms noted increases in employment growth. As mentioned earlier, most firms said it may have been due to the Coastal GasLink project but one firm said the employment growth was positively impacted by the Clean Tech Initiative.
5. Dollar value of incremental private sector investment attracted – Target \$475,000
 - Outcome: \$1,000,000 expected in 2020
6. Number of Academic/Industry partnerships created – Target 1
 - Outcome: 1
7. Number of products, processes, proven through successful deployment in an operational setting – Target 2
 - Outcome: 0

- Firms reported that they were operating at, or over capacity, as a result of the sudden regional boom which resulted from the Coastal Gaslink Project and Canada LNG facility development. Efforts to develop new business was frequently put off by firms with solutions related to the pipeline construction. As there was no need to focus on generating more business at this time, the City focused on aiding firms with workforce issues. This is not to say the results cannot be shown, but rather the immediate results during this time were suppressed due to a boom phase in the regional economy.

There were also unexpected outcomes as a result of the project:
Foresight Clean Tech Advisory Committee

- The Manager of Economic Development was invited to sit on an advisory board for Foresight, an organization based in Vancouver, that received funding from Western Diversification to research and analyze the provincial need for a clean tech cluster, and then if the research warranted it, to submit a funding application for a multi-year cluster development initiative. The City of Prince George was invited to participate as a direct result of the local Clean Tech Initiative, and was able to ensure the needs of Prince George and area were communicated.

Community Leadership Award – Biomass North Forum 2018

- The City of Prince George attended the Biomass North Forum 2018 in Thunder Bay, Ontario to raise awareness about the Prince George clean technology cluster and to promote the city's thriving bioeconomy. During this conference The City of Prince George was recognized with an award for Community Leadership in the Bioeconomy. The award was presented to the City for making an outstanding contribution to the community through its innovative district energy system that pipes waste heat from a local manufacturing facility to the downtown core, reducing cost and emissions.

Community Project Award – British Columbia Economic Development Association

- The City of Prince George was recognized with a Community Project Award at the British Columbia Economic Development Associate (BCEDA) Summit for the Clean Tech Initiative. The project will now be used as an example for economic development offices across the province.

Wood Innovation Research Lab and Data Centre Video

- The Wood Innovation Research Lab and Data Centre videos were created to attract investment for Data Centres and Engineered Wood Products. Due to efforts of the Clean Tech Initiative, the City was able to obtain funding for these videos from a different source.

The project completed on March 31st; however, support to the firms within the cluster will continue. The 2020-2025 Economic Development Strategy is designed around a cluster model, which will follow a similar format to that which was followed for the Clean Technology Cluster. The firms that were engaged during the Clean Tech project will fall within the professional services and forestry clusters.

RESPECTFULLY SUBMITTED:

Ian Wells, General Manager, Planning and Development

PREPARED BY: Melissa Barcellos, Manager, Economic Development

APPROVED:

Kathleen Soltis, City Manager

Meeting Date: 2020/08/17