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| TO: | CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JUNE 23, 2014 |
| FROM: | ART ZUIDEMA CITY MANAGER |
| SUBJECT: | ECONOMIC DEVELOPMENT REVIEW |

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| RECOMMENDATION |
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That, on the recommendation of the City Manager, with respect to the economic development review completed by KPMG:

- a. The Economic Development Review as prepared by KPMG, attached as Appendix A, and this covering report **BE RECEIVED** for information; and
- b. The City Manager **BE DIRECTED** to undertake the appropriate activities to implement the recommendations of the KPMG report.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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- Committee of the Whole, June 21, 2011
- Committee of the Whole, September 20, 2011
- Civic Works Committee, May 14, 2012

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| BACKGROUND |
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In June 2013, City Council directed Administration to engage a consultant to conduct a review of potential models for the delivery of economic development services.

That the following actions be taken with respect to the delivery and co-ordination of economic development services and activities within the City of London:

- a) *the City Manager **BE DIRECTED** to engage a consultant to undertake a review of the following possible models for the delivery and co-ordination of economic development services and activities within the City of London:*
 - i) *purchase of service from the London Economic Development Corporation (status quo);*
 - ii) *municipal services board (similar to any local board, such as the London Convention Centre Corporation); and*
 - iii) *municipal services corporation (with or without share capital, similar to London-Middlesex Housing Corporation or London Hydro Inc.);*
- b) *the consultant noted in a), above, **BE DIRECTED**, as one of his/her first tasks, to consult with the Municipal Council as to what has worked and what has worked regarding the delivery and co-ordination of economic development services and activities within the City of London; and*
- c) *the Civic Administration **BE DIRECTED** to identify an appropriate source of funding from the 2013 Operating Budget for the cost of the consultant;*

it being noted that the Committee of the Whole heard the attached presentation from the City Manager and received advice subject to solicitor-client privilege from the City Solicitor, with respect to this matter.

Following evaluation of three competitive bids, KPMG was selected as the consultant to conduct this review. An internal Steering Committee consisting of Jim Barber, Martin Hayward, Kate Graham, Jason Senese and Art Zuidema supported KPMG in completing their review.

KPMG's final report is attached as Appendix A. The Executive Summary provides an overview of KPMG's recommendations. Page 2 and 3 of the report describes KPMG's process to complete the review.

This report seeks direction for the City Manager to to implement the recommendations of the KPMG report, including developing a community economic development strategy, enhancing coordination between community economic organizations, and proceeding with the implementation of the Industrial Land Development Strategy.

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| CONCLUSION |
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Council's 2011-2014 Strategic Plan identifies 'A Strong Economy' as a priority for this term of Council. Opportunities to enhance the delivery and co-ordination of economic development services and activities within the City of London remain a top priority. This review provided an opportunity to reflect and build upon the ongoing work and successes of the LEDC and the City of London in supporting London's economy. The areas identified by KPMG present opportunities to continue efforts towards building A Strong Economy in London for Council's consideration.

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| CONCURRED BY: | CONCURRED BY: |
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| MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES, CITY TREASURER, AND CHIEF FINANCIAL OFFICER | JIM BARBER MANAGING DIRECTOR, CORPORATE SERVICES AND CITY SOLICITOR |

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| RECOMMENDED BY: |
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| ART ZUIDEMA CITY MANAGER |