

Overview of Trends and Best Practices in Sustainable Economic Development

for the



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1 Introduction

The Federation of Canadian Municipalities (FCM), in collaboration with the Economic Developers Association of Canada (EDAC), has recently been looking into whether or not sustainability considerations were being integrated into local economic development initiatives in Canada. As a next step, Canadian champions of sustainable local economic development will be brought together at a one-day focus group to candidly discuss the tools and approaches that are most likely to support meaningful peer-to-peer networking and idea exchange.

This paper provides an overview of the trends and best practices in sustainable economic development that could serve as examples for municipalities and is meant to act as a primer and a discussion piece for the upcoming focus group. Specifically, this paper identifies:

- Examples of Canadian local economic development strategies that are well integrated with community sustainability plans;
- Examples of sustainable local economic development projects/initiatives that bring social, economic and environmental benefits to the community; and
- A list and brief overview of existing Canadian and international networks and peer support groups related to sustainable local economic development.

2 Overview of Sustainability

Community sustainability is now well a well-entrenched concept within municipal circles in Canada. Initiated by an ongoing concern for the environment, people are realizing that we can no longer live the way we used to, and that we need to plan for the future and our quality of life – not just for our generation, but for those generations that will follow.

According to the International Economic Development Council (IEDC), building a sustainable community involves considering how to encourage employment, provide decent housing, ensure good health, and provide access to services and recreation. The IEDC maintains that communities can accomplish these goals while still making good use of their natural resources, protecting the environment, promoting social cohesion, and contributing to local, regional, and national prosperity.

More and more these goals are being reflected in municipal master plans and in economic development. Current trends in 'sustainable' economic development include:

- Focusing on defining the rate and type of growth occurring in municipalities;
- Promoting energy efficiency, both in residential and industrial use;

"Sustainable development is the process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations."

The World Commission on Environment and Development

- Promotion of recycling mechanisms;
- Alternative and environmentally-friendly means of transportation;
- Policies that promote sustainable development being adopted by municipalities;
- The development of eco-industrial parks;
- Job creation focused on the 'green economy' – renewable energy, sustainable building, retrofitting buildings, improving existing infrastructure and producing greener goods and services;
- The redevelopment of brownfield sites; and
- Strict guidelines being placed on rural land at the edges of city limits to prevent further urban sprawl¹.

3 The Research

Both primary and secondary research was conducted to inform this report. Several individuals were interviewed to obtain their perspectives with regards to trends, opportunities, and best practices in sustainable economic development. These included:

- Sandy Blue, Manager Strategic Economic Initiatives, District of Maple Ridge, British Columbia
- Bill Greenway, Economic Development Officer, Municipality of Red Lake, Ontario
- Geoff Millar, Economic Development Manager, Cowichan Valley Regional District, British Columbia
- Moe Hamdon, Mayor, Town of Drayton Valley, Alberta
- Annette Driessen, Director of Community Services, Town of Drayton Valley, Alberta
- John-Paul Shearer, Director of Business Development, Kingston Economic Development Corporation (KEDCO), Ontario
- Thomas Melymuk, Director, Office of Sustainability, City of Pickering, Ontario

¹ International Economic Development Council

4 Best Practices in Sustainable Economic Development

The majority of the communities interviewed during this process had an overarching sustainability plan which guided the actions of the municipality, of which economic development was one component. Many of the municipalities had a separate economic development strategy subservient to the sustainability plan in order to delve deeper into the objectives and actions needed to develop the economy.

A recent report by Stratos Inc., *Catalyzing Change - Leading Practices in Alberta Municipal Sustainability Planning*, identified the following best practices in the development of municipal sustainability plans:

- **Analysis:** The plan is informed by a comprehensive analysis of relevant sustainability issues and the municipality's current reality, assets and challenges.
- **Strategic Framework:** A framework clearly aligns the plan with other municipal strategies and connects all levels of planning with a common language, structure and approach.
- **Community Engagement:** Community members were meaningfully engaged throughout the development of the plan and there is a clear commitment and mechanism for ongoing engagement during implementation.
- **Sustainability Framework:** A comprehensive sustainability definition and framework guides planning and decision-making.
- **Vision, Goals and Targets:** There is a compelling long-term vision supported by clear, concise and inherently measurable goals with specific, timebound targets.
- **Plan Comprehensiveness:** The plan addresses a broad range of municipal sustainability issues and pillars.
- **Reporting and Indicators:** Appropriate indicators and metrics are identified for each goal, a monitoring mechanism is in place and there is a clear commitment to regular, public reporting on progress.
- **Actions:** There is a clear indication that an action plan has been or will be developed that identifies short-term priorities and assigns appropriate resources and responsibilities.
- **Integration into Decision-Making:** There is a strategy for implementation that outlines how the plan will be integrated into existing municipal structures, processes, documents and frameworks.

Stratos Inc. also identified in their report that municipal sustainability plans:

- Are generally grounded in strong processes and analysis;
- Are usually informed by extensive community engagement processes, sustainability frameworks and current state analyses;
- Tend to favour short-term actions over long term outcomes;

"In the long run, a great plan is not enough to create a great community – how it's implemented is what counts."

*Stratos Inc.
Catalyzing Change - Leading Practices in
Alberta Municipal Sustainability Planning*

- Often have significant room for improvement with regards to strategy and integration with existing strategic, policy and decision-making frameworks at the municipality; and
- Are most effective if they establish a clear, measurable and inspiring vision and build momentum and trust by establishing mechanisms for public accountability.

Key Challenges in Integration

The key challenges in the integration of sustainability and economic development that were identified through our research included:

- **Stakeholder alignment:** It was noted that stakeholders often hold different perspectives/biases towards one or more of the pillars of sustainability (cultural, economic, environmental and social). It is often a challenge to balance these contradicting views and develop a plan that will obtain buy-in from all parties.
- **Selling the concept of sustainability:** Depending on the culture of the organization and the community, this may or may not pose a challenge. Several of the interviewees indicated that sustainability was an easily accepted concept in their community, whereas others noted that stakeholders do not always understand that the concept of sustainability includes development – it is not only about the environment.

Recommendations for Integration

In terms of the integration of sustainability and economic development, the following was recommended:

- **Keep an open mind:** It was noted that sustainability is often seen as only being concerned with the environment and as a costly process. In order to be successful, a community must embrace sustainability and understand that it will bring positive change to the community in the long-term.
- **Look at sustainability from a longer-term perspective and know where you want to go (Vision):** The most effective communities see sustainability as a long-term goal for the community, and something that they will continuously be striving to achieve.
- **Ensure all stakeholders have a role to play in sustainability:** Several of the interviewees indicated that their sustainability plan was the roadmap for the entire community and its future development. One interviewee noted that municipal staff performance reviews ask how the employee is contributing to sustainability at an individual level. Several indicated that all municipal departments are guided by the community's sustainability plan and must report on their progress with regards to the plan at regular intervals. By ensuring all stakeholders have a role to play, buy-in to the sustainability plan will also be facilitated.

- **Ensure Council and senior municipal leadership are on board:** The most successful communities had the complete support of their municipal leadership with regards to their sustainability endeavours.
- **Make sustainability part of the municipal culture:** As noted above, some communities will be more likely to adopt sustainability as part of their culture than others. However, it was noted that the most effective communities make sustainability a high priority and a part of their municipal culture. In addition, the most successful communities have the concept of sustainability integrated throughout all of their municipal plans.
- **Follow through:** Even though the plan is complete, it is essential that it be used as a guideline in all future development decisions. To be successful in sustainability, the concept must be a part of all decisions. For example, the community of Maple Ridge turned down a Walmart store as it did not fit their vision of a sustainable community – a very difficult decision.

Challenges in Implementation

Several challenges in the implementation of sustainable economic development were identified through our primary research:

- Obtaining the necessary resources to implement the sustainability plan;
- Meeting the expectations of all stakeholders; and
- Ensuring that all varied regions/attitudes receive adequate attention and are treated equally.

Recommendations for Implementation

It was recommended by those interviewed that, when entering the implementation phase, it is essential to:

- Have a very solid action plan and that the focus is placed on what can be done in the short-term (quick-wins);
- Always involve the public in the implementation process;
- Ensure the excitement continues past the planning phase and that stakeholders are living sustainability;
- Educate stakeholders and create a mindset in the community that sustainability does include economic development so that there is an understanding as to why certain decisions are being made. In addition, ensure that it is understood that economic development as a pillar of sustainability provides a means to support the other pillars;
- Set measurable targets in order to gauge success and/or failure;
- Provide stakeholders with regular updates as to progress in order to maintain buy-in;
- Reach out to potential partners (i.e. post-secondary institutions, industry); and
- Celebrate your success stories – recognize champions of sustainability in your community.

4.1 Case Studies

4.1.1 The Sustainable Kingston Plan – Making Kingston Canada’s Most Sustainable City

In 2008, the City of Kingston began a two-year process to develop a sustainable community plan. As a result of extensive community consultations facilitated by an external sustainability consultant, the Sustainable Kingston Plan, comprised of the four pillars of cultural vitality, economic health, environmental responsibility and social equity, was developed over a 24-month period and launched in 2010.

The Sustainable Kingston Plan was developed on a community-wide scale and is tightly integrated with all other plans guiding the development of the City of Kingston. It acts as the roadmap and measuring tool for all progress in the City. In terms of economic development, KEDCO's strategic plan formed the framework for the economic pillar of the Sustainable Kingston Plan, allowing discussions to evolve from there.

Challenges encountered during the integration of economic development and sustainability included:

- A lack of appreciation and understanding of what economic development means and how it is linked to sustainability - what comes first?;
- Difficulty deciding who would be responsible for the implementation of each section of the Plan or who would oversee the plan;
- Difficulty getting people to understand that sustainability is not just at an individual level or personal opinion, but at a macro level as well; and
- Ensuring that the excitement generated by the process did not fizzle out.

"The process made us more aware of the requirement for social, cultural, and environmental considerations to be integrated into economic development. It also emphasized that we always need to look at the City of Kingston as a whole."

*John-Paul Shearer,
Director of Business Development,
Kingston Economic Development
Corporation (KEDCO)*

An understanding of objectives, desired outcomes, and how the plan will be governed and financed is imperative before a plan is developed. This will ensure successful integration of economic development and sustainability in the final plan.

During implementation, Kingston had a hard time obtaining holistic views from stakeholders, and some groups that came forward for implementation had biased agendas. In addition, different stakeholders had different views of how the Plan should be applied – for example, some believed that development should only go ahead if all four pillars were equally balanced – however, this will never be the case and if this standard were to be upheld, no development would ever occur.

A broad-based governance group or Board of Directors representing a variety of interests and perspectives is required for successful implementation. This way, balanced decisions can be made.

In order to stay current with regards to sustainable economic development, Kingston keeps in constant contact with its strong network in the City, attends conferences, collaborates with all levels of government, and partners with applicable institutions (St. Lawrence College, Queen's University, and Royal Military College) and international trade missions. In addition, www.sustainablekingston.ca is updated continuously and community events are held to keep stakeholders and the public up-to-date on the progress of implementation.

Before the Sustainable Kingston Plan, the community had never viewed the four pillars as being integrated before – people are now talking about this, and making integrated sustainability a focus.

At the core, Kingston is focused on attracting the green/clean technology and innovation, research and development, advanced manufacturing, and tourism industries. They are open to other industries as well; however, they are now looking at all four pillars of the Sustainable Kingston Plan before making economic development decisions.

Source: John-Paul Shearer, Director of Business Development, Kingston Economic Development Corporation (KEDCO)

4.1.2 Sustainable Pickering – A Learn-by-Doing Approach to Sustainability

The City of Pickering has approached sustainability from an unconventional angle. Even before sustainability was a buzz word, Pickering had started thinking about the concept. The City and Council were concerned about the development that was occurring, and decided that they wanted to become more sustainable. In 2005, a Benchmarking Committee was established to form benchmarking standards for sustainability; however, it was realized that this could only occur as part of a much larger effort. As such, a sustainability program was developed, and it was decided that a Sustainability Plan was not needed – the City of Pickering was going to move ahead and learn as they went, not spend valuable time preparing a formal sustainability plan.

In 2007, the City of Pickering established an Office of Sustainability. The Office is responsible for delivering the sustainability program in Pickering and is advised by a committee of Council. The Director of the Office is a senior member of City management and holds strong relationships with the CAO and Council. As such, sustainability is a priority for Pickering and has become a key part of the municipal culture. Sustainability in Pickering is guided by a framework, and progress is measured, however actions are not outlined in a Plan, but rather are set out in an annual work program submitted to Council for information, and supported by an approved budget allocation.

Economic development is housed within the Office of Sustainability. Thus, all economic development decisions consider sustainability. Both the Office and economic development in general have fluid, ever-changing work programs – as a result, the Office works quickly and effectively when necessary to accomplish objectives, address emerging priorities and move the process along. The strong relationships the Director of the Office holds with other senior municipal staff facilitate this response – requests are not restrained by bureaucracy.

The City of Pickering understands that sustainability is a “journey that has no end” and is continuously adapting its program and processes in order to keep moving forward. Lessons are learned as they move along, and modifications are made as necessary.

Although this process works for the City of Pickering, it was suggested that it may not work for all municipalities. The culture at the City of Pickering was open to a learn-by-doing process – not all municipalities would work effectively this way and may require detailed plans. In addition, due to the Office’s senior position in the municipal hierarchy, a formal sustainability Plan is not required to make things happen. If sustainability was a lower priority in another municipality, the lack of a Plan may limit progress. However, Pickering’s model has been extremely successful for them, and the City is viewed as a leader in sustainable economic development.

Sources: Thomas Melymuk, Director, Office of Sustainability, City of Pickering,
A Sustainability Planning Toolkit for Municipalities in Ontario, Association of Municipalities of Ontario

5 Examples of Sustainable Local Economic Development Projects/Initiatives

Sustainability can be incorporated into a community in a variety of ways. The following are some examples of what certain communities are doing in sustainable local economic development initiatives.

District of Maple Ridge, British Columbia

- In order to make their community more sustainable, Maple Ridge does not offer municipal garbage collection. Instead, a private company offers the service while residents and businesses pay them directly, not through their municipal taxes. As a result, the service is appreciated more and citizens are more likely to minimize their waste.
- Investment Incentives - a comprehensive three-year incentive plan to accelerate commercial and multi-family residential development, as well as commercial renovation in the Town Centre - are being offered. Qualifying projects enjoy priority processing and three years municipal tax exemption - with up to six years municipal tax exemption for energy efficient projects.

Cowichan Valley Regional District, British Columbia

- In 2009, the village of Cowichan Bay was designated North America's first *cittaslow* community. A *cittaslow* community focuses on quality of life for its neighbourhoods, people and environment. They are not opposed to development; however they put the quality of life of their residents first. The village does not have any big box stores or fast food franchises, and are focused on creating their growth in a more organic fashion.

Town of Drayton Valley, Alberta

- Drayton Valley is developing a Bio-Mile – an integrated bio-industrial park where wood fibre is converted into different products. The goal of the Bio-Mile is to create a zero-waste industrial park, where one industry's waste is another industry's input.
- In addition to the Bio-Mile, Drayton Valley has recently focused its efforts on water conservation. Incentives have been offered to residents/commercial operators to replace their equipment in order to save water, the Town is planning the construction of a new water treatment plant that will meet LEED standards, and some stakeholders in the oil industry are now using the effluent from the water treatment facility rather than the Town's potable water resource.

6 Available Networks

The communities consulted indicated the following as their primary means of networking with regards to sustainability:

- **Word of mouth/talking to peers:** Although seemingly simple, this was listed as the most significant networking tool used by those interviewed. One interviewee even said that a conversation had over two years ago may lead to new sustainable development in their community in the near future. Another interviewee sits on or is involved with a variety of committees relating to sustainable economic development. However, in order for conversations to be helpful in the development of your community, you need to be able to accurately describe what you are looking for/your target.
- **Conferences:** Conferences such as Economic Developers Association of Canada (EDAC), Economic Developers Council of Ontario (EDCO), and FCM Sustainable Communities Conference and Trade Show were listed as primary sources of networking by the interviewees.
- **Economic development associations:** Both provincial and international economic development associations were mentioned as a means of networking. The in-person networking potential offered by their conferences was deemed the most useful resource they provide.
- **Partnerships with relevant organizations within your community:** By partnering with other organizations (i.e. post-secondary institutions, other municipalities, etc.) within your community, you will be privy to their knowledge of sustainable economic development.
- **FCM:** It was noted that FCM is often a source of good information on sustainable economic development.
- **Social media groups:** Groups relating to sustainable economic development exist on social media sites. Examples include the Natural Step discussion group, the Corporate Social Responsibility discussion group, and the Toronto Sustainability Speaker Series on LinkedIn. There are smaller LinkedIn and Twitter community groups that are also set up online, and international, national and provincial economic development associations often have member pages to allow for networking and sharing of information.
- **Plans are available online:** If one exists, the plans are usually available online for public consumption on the municipal websites, and anyone can access them and contact the municipality.
- **Periodic web searches:** Although not considered a primary means of networking, it was mentioned that periodic web searches are conducted to update their knowledge of sustainable economic development.