



**Chambre de commerce
du Montréal métropolitain**
Board of Trade of Metropolitan Montreal

Brief presented to the

City of Montreal

**As part of the consultation process on the
Economic development strategy and action plan**

by

The Board of Trade of Metropolitan Montreal

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Board of Trade of Metropolitan Montreal

The Board of Trade of Metropolitan Montreal has some 7,000 members. Its primary mission is to represent the interests of the business community of Greater Montreal and to provide individuals, merchants and businesses of all sizes with a variety of specialized services to help them achieve their full potential in terms of innovation, productivity and competitiveness. The Board of Trade is Quebec's leading private economic development organization.

Introduction

The Board of Trade is very pleased to participate in the City of Montreal's consultations concerning the *Economic development strategy and action plan*. Indeed, we recognize the importance of this exercise, which is aimed at defining the City's economic development strategy.

The consultation document presented by the City attests to its willingness to develop a concrete strategy, and for that, it should be commended. Clearly and simply presenting the priorities, the document provides a sense of the effort required to optimize Montreal's economic development and the immense potential the City holds.

In this regard, we are pleased to see that the Strategy reflects the City's determination to significantly improve Montreal's economic performance. On numerous occasions, the Board of Trade has publicly stated that it would like the Greater Montreal stakeholders to be driven by a highly ambitious economic development vision for the City so as to allow it to compete with the other major urban centres of the world. The Strategy is indeed ambitious and in this respect, we must express our approval.

The comments and recommendations presented by the Board of Trade in this brief pertain to two major concerns, namely: harmonization between the Strategy and the Economic development plan (EDP) of the Montreal Metropolitan Community (MMC) and the successful implementation of the Strategy.

1) The City of Montreal's Economic development strategy and action plan as a means of demonstrating its leadership within the MMC

The economic reality of urban centres: fundamentally metropolitan

The Board of Trade completely agrees with the Strategy's statement that "countries are not only delimited by geographical or political borders, but also by metropolitan areas defined by their *economic activity*. As such, metropolitan economies now compete in a global market."¹ For us, there is no doubt that the economic reality of urban centres is fundamentally metropolitan. In this regard, members of the business community became accustomed a long time ago to doing business with each other regardless of municipal borders. Indeed, when it comes to their pool of customers, merchants generally take a regional rather than a municipal perspective. The same holds true for the labour pool. Lastly, major infrastructures such as the Port or Aéroports de Montréal, are central to exporters in the entire region.

This is why we have repeatedly insisted over the past few years on the importance of a metropolitan vision of economic development. Indeed, in our *Policy statement*, made public in March 2002, we maintained that "the harmonious, sustainable development of the City of Montreal requires the integration of a metropolitan vision into international aspirations and the use of political and economic tools essential to that integration." In this context, the Board of Trade believes that "a spirit of collaboration and consensus building both among elected representatives in the entire territory on the one hand and among those representatives and the groups and citizens committed to the development of Greater Montreal on the other is therefore essential."

In fact, we analyzed the Strategy submitted for consultation by the City of Montreal from this metropolitan perspective.

The City of Montreal: engine of the metropolitan economy and leader within the MMC

The consultation document on the Economic development strategy and action plan very appropriately highlights the City of Montreal's important contribution to metropolitan economic activity. Accounting for 70% of GDP and 68% of jobs, the City of Montreal is indisputably the cornerstone of wealth creation in the region.

However, this important status must not be used to justify a development approach that excludes the broader metropolitan context. It may be the economic engine of Greater Montreal, but the City should not, under any circumstances, go it alone. Quite the contrary, because of its economic importance in the metropolitan region, the City of Montreal has a responsibility to assume leadership within the regional structure of the MMC. The City's full participation in developing the metropolitan economic strategy is essential for its success. This is all the more true since, within the MMC, the City of Montreal is by far, the entity with the most economic development resources and many of the objectives pursued by the region can only be achieved through its services.

¹ City of Montreal, *Economic development strategy and action plan* – consultation document, p. 2.

Clearly demonstrate how the City's commitment to act harmonizes with metropolitan efforts

For this reason – and because it largely supported the MMC's draft EDP – the Board of Trade would like the City to be more explicit as to how its economic development strategy fits in with that of the MMC. These clarifications are important to garner the support and approval of the other development stakeholders in the region who fear that strategic planning efforts at both the regional and municipal levels will dilute rather than converge development efforts.

Therefore, while the Board of Trade understands that the consultation document is aimed primarily at identifying initiatives that correspond to the direct responsibilities of the City and its boroughs, it still maintains that the document does not go far enough in acknowledging the ties that should exist between the economic strategy of the City and that of the MMC. In this regard, the various places in this document where the City mentions it "plans to pursue the objectives proposed by the MMC" or intends to "join forces to work together" are not enough to demonstrate the strength of these ties. Insofar as the City accounts for 50% of the population of the MMC and the economic development plan prepared by the latter was borne out of a consensus by all its municipalities – including Montreal -, the Board of Trade would expect that, right from the start, the Strategy illustrate the coherence between the vision and orientations of the MMC and the positioning strategies chosen by the City.

Section 1.2 *Establish a partnership with other levels of government* is in some measure what the Board of Trade would generally like to see within the Strategy. This section affirms that "by joining forces with the MMC, the City of Montreal intends to show dynamic leadership..."² While it would have been better if the City had referenced the section of the EDP that states the MMC's expectations with regards to the involvement of higher levels of government³ in the financing of municipalities, at least it is clear that on this point, the City plans to work together with the other metropolitan stakeholders.

It is quite a different story for *Priority no. 5: Emphasize Montreal's assets*, which refers to developing Montreal's branding and disseminating it through a marketing strategy. In itself, there is no reason to object to the City's commitment to defining a branding for Montreal in order to, among other things, help promote Montreal to foreign investors. What raises concern, however, is the fact that defining a branding – this time, for Metropolitan Montreal – is also being contemplated in the MMC's EDP and that neither the MMC nor the City specify how their efforts will be harmonized. Ultimately, these two initiatives will either encroach on or complement each other. This is why we think it is particularly relevant for the consultation document to clearly suggest how these initiatives can be aligned.

The Board of Trade is especially buoyed by the strategic thinking efforts underway in Montreal and at the metropolitan level. In both cases, the public consultation documents recognize that the City's economic situation is far from ideal. Both have also set highly ambitious development objectives for the next 20 years that call for decisive action to accelerate economic development in Montreal and its region. The Board of Trade is on the same wavelength as the City and the MMC with respect to the need to be ambitious and take immediate action. However, it is essential that this sense of urgency not translate into hasty action. The need for stakeholders acting with cohesion and making coherent decisions is just as important. For these reasons, we believe that a document like the City's Strategy, which demonstrates a definite—and much appreciated—effort to translate strategic thinking into concrete action should also be able to situate its actions in a broader strategic context, as defined by the MMC.

² *Op cit*, p. 5.

³ See Section 6 of the MMC's draft EDP in this regard: « Accélérer les investissements pour la prospérité future de la région métropolitaine de Montréal » [“Accelerate investments for the future prosperity of Metropolitan Montreal: a new development paradigm for city-regions.”]

2) For a successful implementation of the City of Montreal's Economic development strategy and action plan

The development of any strategy or action plan is in reality a precursor to the major challenge of its implementation. The Board of Trade considers it especially important for Montreal to successfully meet this challenge and therefore believes it wise to include in the Strategy all the means required to ensure a successful implementation. Three elements appear especially important in this regard: mobilize the partners, identify priorities and define tracking methods.

a) Mobilizing the partners

In the strategy section of the document, the City recognizes the importance of mobilizing the partners since it cannot implement the strategy alone. All the partners will have to make a contribution, hence the importance of an action plan that can mobilize the economic development stakeholders.

Ideally, the involvement of the partners should be enlisted right at the beginning of the strategy planning process. In this regard, the Montreal Summit was an extremely useful exercise to mobilize all those interested in Montreal's development and allow them to contribute their ideas and observations on this topic. However, since the Summit was held, we have had the impression that opportunities to contribute to the development of this consultation document have not been quite as systematic. We therefore hope that the "spirit of the Summit" becomes more apparent in the future phases of finalizing and implementing the Strategy.

One way to mobilize and enlist the involvement of the partners is to call upon them directly. In this respect, we appreciate the fact that the consultation document acknowledges the contribution of the Board of Trade to economic development and especially its business information and international trade services offered, respectively, by its *Info Entrepreneurs* and *World Trade Centre Montréal* teams. That said, this approach could be expanded further. Accordingly, the Strategy could – mainly in the section on developing industrial clusters – explicitly describe how the City plans on supporting and complementing the efforts of the stakeholders, notably, local sectorial groups and chambers of commerce.

The goal of boosting Montreal's annual GDP by a remarkable 5.2% for the next 20 years will not be achieved without an equally remarkable mobilization of the development players. In this vein, the Strategy of the City – and of the MMC's EDP – must become a tool that can be used to enlist and stimulate the commitment of the partners. To this end, the Strategy must offer an inspiring vision as well as inspire confidence – hence the importance of clearly situating the proposed initiatives in the City's Strategy within the broader context of the MMC's EDP.

Another way to mobilize the players is to let them know how they can help and what contribution is expected of them. In this regard, the fact that the consultation document identifies specific development initiatives is an invaluable asset.

Along the same lines, in its brief on the MMC's draft EDP, the Board of Trade recommended that quantified success objectives be set for indicators other than GDP that will be meaningful to the various partners who could adopt the ones relevant to them and better understand how their contribution is important to the plan's success. The Board of Trade feels that this recommendation applies equally to the City's Strategy and could better mobilize the partners. Indeed, the problems inherent in a global indicator such as per capita GDP is that you cannot easily associate it directly with the activities of some of the economic players. In other words, it is difficult to perceive the impact of each player's initiatives on per

capita GDP growth and consequently to impress upon everyone the importance of their contribution to the achievement of the identified objective. Setting specific targets for indicators such as the high school graduation rate and the amount of direct foreign investment in Montreal is apt to induce the involvement of far more stakeholders with an impact on the economy.

b) Identifying priorities

While strategic planning is expected to include a list of actions to take, when the time comes to implement the strategy, the danger is that the efforts will be dispersed rather than concentrated on the most structuring initiatives. This is why the Board of Trade believes it useful to share with the City three initiatives it strongly believes should be prioritized given the major contribution they could make to wealth creation and economic vitality in Montreal.

Developing the Montreal Harbourfront

The development of the Montreal Harbourfront spearheaded by the Société du Havre is perhaps the most ambitious urban development and planning project in Montreal's history. Whether in terms of the major real estate potential of the Harbourfront, the continued development of what is already a major recreational tourism sector of excellence or simply the impact this project will have on Montreal's international image, developing the Harbourfront is in every respect a "structuring" project. Because of this sector's potential and the time it will take to develop it, this initiative should rank among the Strategy's top priorities.

Visibility of the downtown core

The Strategy acknowledges the importance of the downtown core and defines a number of initiatives for its development. Because it is Montreal's economic centre, the place that defines Montreal's international personality, the first place where tourists arrive en route to the region, the downtown area must be considered a priority not only by the citizens of Montreal but also by the other residents of the metropolitan region. The Board of Trade commends the priority given to this part of the City and hopes the same will be true for the plan's implementation.

The McGill University and Université de Montréal super hospital project

The health and bio-pharmaceutical research sectors are two areas in which Montreal excels and where it has carved an enviable place on the international scene. In addition to meeting the needs of the Quebec population for specialized medical care, the construction of the super hospitals by McGill University and Université de Montréal is a major step to consolidating Montreal's already strong position in these sectors. Moreover, because they will have a major impact on the metropolitan economy, these projects should be given priority, and the City should exercise decisive leadership, particularly with regards to the urban planning aspect of these initiatives.

c) Tracking methods

The last element we believe is critical for a successful implementation of the Strategy is the inclusion of effective tracking methods. In this respect, we commend the fact that the consultation document

mentions setting up a dashboard and a strategy tracking mechanism. For the Board of Trade, the indicators mentioned that merit tracking are all relevant.

This especially desirable aspect of the Strategy is highly reminiscent of the MMC's EDP which also calls for following-up on the metropolitan economy through a dashboard. In fact, it is remarkable that several of the indicators mentioned in the Strategy – such as GDP or the unemployment rate – were generally established for the census metropolitan area rather than just the City. In this context, the ways to harmonize the work of the MMC and the City could be more specific.

The matter of indicators also gives us the opportunity to reiterate our recommendations to define quantified success objectives for a variety of indicators. Such targets should be set with specific timelines, established based on the Strategy's major objectives. This way of doing things would add a critical dimension to tracking the plan's implementation and make it possible to highlight areas where performance falls below expectations.

A final element that could add to the tracking quality would be to institute the practice of filing a public annual report on the Strategy's implementation. Such a report is also slated for the Master Plan. As well, just like the Master Plan, applying the Strategy will require the City to make important budget choices. We believe that these decisions, which often involve choosing from a series of priorities, could be made in a more informed manner if the decision makers and the public were able to situate them in the broader, longer term context of the Economic Development Strategy.

Conclusion

In its observations on the MMC's draft EDP, the Board of Trade emphasized the need for the Plan to be able to mobilize and enlist the support of all the economic players of Metropolitan Montreal. The ambitious objective of achieving annual GDP growth of 5.2% until 2025 will not be possible without exceptional achievements and a concerted effort by all these stakeholders.

These comments also apply to the City of Montreal's Economic Development Strategy and Action Plan submitted for public consultation. Of course, it is important that the City express a firm commitment to support economic development on its territory, particularly since that support is clearly and definitely part of metropolitan dynamics. As such, while the Board of Trade does not doubt that the City of Montreal espouses this metropolitan approach, it still believes that support of the metropolitan project would be further enhanced if the harmonization between Montreal and metropolitan strategies were more systematically demonstrated.

The City of Montreal as we know it today, the boroughs, and the MMC are structures that we can still call new and whose methods of interaction and cooperation are not fully defined. In this context, being able to refer to a "method of operation" could be particularly useful. The Board of Trade therefore believes that the City's Strategy could be just that by first resolving all the questions regarding its harmonization with the other planning and developing initiatives, and becoming a catalyst for the development that Montreal and its metropolitan region sorely need.