



OAKVILLE

REPORT

Planning and Development Council

Meeting Date: June 24, 2024

FROM: Economic Development Department

DATE: June 11, 2024

SUBJECT: Economic Development Plan: 2024-2029 - Draft Strategic Directions

LOCATION:

WARD: Town-wide Page 1

RECOMMENDATION:

That the draft strategic directions identified in the staff report from the Economic Development department titled, Economic Development Plan 2024-2029 – Draft Strategic Directions, dated June 11, 2024 be endorsed for public consultation.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Council approved the current five-year Economic Development Plan in 2019.
- The department is preparing an update to its Economic Development Plan for the 2024-2029 period. Draft strategic directions are outlined in this report.
- With endorsement, staff will take the draft strategic directions out for consultation.
- The final Economic Development Plan 2024-2029 will be brought forward to Council for approval at the end of Q3 or beginning of Q4 2024.
- Assisting the department is Deloitte LLP's Economic Advisory team.

BACKGROUND:

In 2019, Council approved a new five-year Economic Development Plan for Oakville. The plan had three goals that focused on attracting new investment, responding to the needs of local businesses, and supporting the town's commercial districts.

Shortly after the implementation period began, the world was faced with the COVID-19 pandemic, which had broad-reaching impacts on the local economy with

companies adapting to remain operational, real estate market demands shifting and employees transitioning to remote or hybrid work arrangements. Rising inflation and a forecasted global recession presented potential new threats to economic recovery. To protect against these risks and support long term economic resiliency, the Economic Development department brought forward a request through the 2023 budget process to secure capital funds to support the development of a new Economic Development Plan. In August 2023, the town retained Deloitte LLP's Economic Advisory team to assist in updating the plan.

The draft strategic directions included in this report are in direct support of the Town of Oakville Council Strategic Plan 2023-2026 vision: a vibrant and livable community for all, and mission: to serve the community in a responsible, inclusive way, dedicated to building environmental, social, and economic sustainability. As such, the directions align with Council's strategic priority, growth management, which promotes employment growth and the long-term vibrancy of the economy by leveraging Oakville's strengths to attract employers and remote workers, providing support and resources to strengthen business retention and growth and enhancing the capacity of partners to cultivate vibrant commercial districts and activate community spaces.

The new plan also creates an opportunity to integrate broader corporate policy objectives, including climate action and the recently approved Inclusion, Diversity, Equity and Accessibility (IDEA) Multi-Year Plan: 2024-2028 into department initiatives and services.

COMMENT/OPTIONS:

Introduction

Oakville is an established community that is well-positioned in the west-end of the Greater Toronto Area (GTA) with close proximity to large-scale markets, major airports and transit stations and international borders. The town's longstanding commitment to livability and quality of life has led to its position as a desired place to live and work for talented, diverse and highly educated individuals.

Economic Development in Oakville

The Economic Development department is a small department of four full time employees (FTE), including management, and one FTE contract position for film. The department also secured a 0.3 FTE through the 2023 budget process to support the development and implementation of the Seasonal Commercial Patio program. The department currently has four main service areas: business retention and expansion, research and analysis, site selection and investment attraction. Historically, the department has focused its resources on supporting medium and large-sized, office and industrial-based companies in the key sectors identified

through the 2019-2024 Economic Development Plan: Advanced Manufacturing, Professional Services, Digital Media, ICT and Film and Life Sciences.

In recent years, work not directly tied to the department's mandate, including various projects such as the Seasonal Commercial Patio program and areas of service delivery, including small business support and film have impacted the ability for the department to successfully complete core functions.

Through developing the plan, the department is creating a blueprint that sets priorities and directs the efforts of the municipality to support the growth of its local economy. One of the intended outcomes of this plan is to clearly define the strategic directions and subsequent action items to be undertaken by the department. Some of these directions will have operational and capital financial implications. Before the plan is approved by Council, expected in the Fall of 2024, staff will identify where additional resources would be required for successful implementation. Role clarity and resource planning are an important outcome of the plan.

Research and engagement

The research and engagement that informed the plan have shown that Oakville is home to a diverse group of business leaders and an increasingly diverse population¹, with the town forecasted to accommodate 442,300 people and jobs by 2031².

Creative Index

As part of the background research, Deloitte conducted a Creative Index analysis³, which uses three levels of measurement: talent, tolerance and technology. When benchmarked against peer regions and comparable cities⁴, Oakville ranked number one in both technology and talent. This being reflected through the community's highly educated workforce, with more than 80 per cent of the population aged 25-64 having attained a post-secondary degree/diploma, high concentration of knowledge-

¹ Diversity in economic development refers to the intentional inclusion and representation of individuals from different backgrounds, cultures and perspectives in the planning and implementation of strategies and initiatives to promote equitable and sustainable economic growth (Navigating the Evolving Landscape of Economic Development, 2024).

² Best Planning Estimates, 2023.

³ The Creative Index evaluation utilizes three measurements: Talent, Tolerance and Technology. These three factors, often referred to as the '3T's', are part of an economic development theory that emphasizes the significance of attracting and retaining creative capital. Creative capital differs from human capital, which involves the production of goods and services, as it focuses on the ability to generate innovative ideas, concepts, products and processes that contribute to distinct characteristics and advancing technologies.

⁴ The Town of Oakville was benchmarked against the City of Vaughan, City of Brampton, City of Hamilton, Kitchener-Waterloo, GTHA, City of Markham, City of Toronto and City of Burlington.

based occupations and significant number of STEM businesses and those conducting related activities.

The analysis also highlighted that visible minorities make up 43 per cent of the population, showcasing cultural richness within the community. Further, it showed that 61 per cent of females residing in Oakville actively participate in the labour force and 41 per cent of the population are new Canadians, indicating the town’s appeal to talented newcomers seeking new opportunities. As such, it’s important to note that while English is the most common language, over 70,000 Oakville residents identify different languages as their mother tongue. The most common include Mandarin, Arabic, Spanish, Urdu and Portuguese.

Together, there is an opportunity to empower diverse perspectives to foster greater entrepreneurship, social and technological innovation, invest in new partnerships, reduce barriers and increase economic growth.

Key sectors analysis

A key sector analysis was also conducted, which confirmed the town’s key sectors remain the same: Professional Services, Health and Life Sciences, Film, ICT and Digital Media and Advanced Manufacturing. The town’s high share of knowledge-based jobs and talent advantage is seen through its highly competitive sectors in the economy.

The following table summarizes key statistics into Oakville’s key sectors, showing where Oakville has comparative economic strengths and confirming the sectors of focus within the Economic Development Plan.

<p>Professional Services is Oakville’s largest cluster of jobs by business counts and is supported by a significant thought leadership presence and an overall highly-skilled and concentrated workforce, keen to drive innovation.</p>
<ul style="list-style-type: none"> Nearly 50 per cent of residents between 25-64 have a major field of study in business management, architecture and engineering or computer science* Oakville has seen a 24 per cent growth in professional service businesses since 2019, and has a higher concentration of businesses than the GTA and is expecting 14 per cent growth in jobs between 2023 and 2029**
<p>Health and Life Sciences is supported by Oakville Trafalgar Memorial Hospital, one of the largest community hospitals in Ontario and surrounded by some of the country’s leading research hospitals, universities and innovation centres. Oakville is well-positioned to improve its competitiveness in the sector with its current infrastructure and expertise.</p>
<ul style="list-style-type: none"> Over 25 per cent of residents between 25-64 have a major field of study in social, health, life and natural sciences*

- Oakville has seen 25 per cent growth in life sciences businesses since 2019, with notable growth in medical and diagnostic laboratories, has a higher concentration of health care and social assistance than the GTA and is expecting 14 per cent growth in life sciences jobs between 2023 and 2029**

Film, ICT and Digital Media benefits not only from local leadership and the town's location with the Toronto-Waterloo Tech Corridor but also federal and provincial digital media and technology funding support, Sheridan College's world-class animation program and talent as well as Generator, which fosters purpose-driven applied research, innovation and entrepreneurship.

- Oakville has seen a 22 per cent growth in businesses across Film, ICT and Digital Media since 2019, making up 45 per cent of businesses in Halton Region and is expecting 12 per cent growth in jobs between 2023 and 2029**
- Computer systems design and related services business counts have grown by 28 per cent since 2019, this sub-sector is the largest within the sector and is expected to grow 12 per cent in jobs by 2029**
- Motion picture and video industries is one of the largest sub-sectors by business counts, expecting to see an 18 per cent growth in jobs by 2029**
 - The three-year Film Pilot Program recently introduced in Oakville also contributes to the success of this sector, including improved timelines for noise exemption permits for film that was approved by Council in October 2023.

Advanced Manufacturing benefits from Oakville's location in the GTA, including some of the town's largest employers and continues to attract investment in innovative new technologies that are essential for tomorrow's economy.

- Ford Motor Company of Canada's assembly complex sits on a 487- acre site, employs more than 3,600 employees and is investing \$1.8 billion to build next generation electric vehicles
- Other major employers include Collins Aerospace, Dana Canada Corporation, Zeton Inc., Mancor Canada Inc., VAC Developments Ltd. and IPEX
- Non-metallic mineral product and computer and electronic product manufacturing are expecting 14 and 12 percent growth in jobs between 2023 and 2029 respectively**

Source:

*Statistics Canada, 2021 Census.

**Lightcast, 2023.

Engagement

Conducting engagement with a robust and diverse group of internal and external stakeholders was important in shaping the strategic directions.

Businesses, office and industrial realtors and developers were consulted through an in-person workshop. Members of the economic development ecosystem were invited to participate in a virtual workshop, including Oakville's three Business Improvement Areas (BIAs), Visit Oakville, Oakville Chamber of Commerce, Oakville Chinese Business Association, Sheridan College, Halton Region Economic Development, Employment Halton, Silicon Halton, Innovation Factory (formerly Hatch), Angel One Network, Peel Halton Workforce Development Group, Toronto Global, BDC, Canadian Black Chamber of Commerce, Canadian Hindu Chamber of Commerce and Centre for Skills Development. In addition, key informant interviews were conducted with stakeholders who were interested in participating but were unable to attend the workshops. An online business survey was also available, however it received limited responses.

In addition, the department held aspirations and actions workshops with Mayor Burton and members of Council and staff across eight departments, including Planning Services, Building Services, Strategic Business Services, Transportation and Engineering, Strategy, Policy and Communications, Municipal Enforcement Services, Recreation and Culture and Oakville Transit.

During the engagement process, community and business leaders shared their vision of what the future of the town's economy could be: an active and innovative economy with employment growth in high-skilled jobs, industry-leading companies and local businesses that are valued and a town hall where businesses and government work together to create an environment that supports economic growth.

A SOARR (strengths, opportunities, aspirations, risks and results) model was used by the consultant to assemble the research and consultation insights and serve as the pivot between 'what has been learned' and 'what needs to happen'. Through the SOARR, a review of the town's current strengths is further supported by the aspirations identified through the stakeholder engagement process. The aspirations and opportunities identified are balanced with an understanding of the possible risks facing Oakville.

At a high-level, Oakville's strengths are seen through its location, local business leadership, workforce, diverse economy, economic strengths, quality of life and arts and culture. Opportunities were identified as business attraction processes, marketing Oakville, creating a serviced property inventory, inclusion, sectors of strength and satellite offices. Under aspirations, it is desired to have an innovative economy, local employment growth, improved investment readiness, employment in

high-skilled jobs and a responsive government. Risks were identified in relation to land suitability and availability, transit connectivity for the commuting workforce, cost of development, office market and land conversion. All of which resulting in new investment and jobs, focusing on industry concentration, business support, and business diversity.

Strategic directions

The following four strategic directions have been identified:

- 1) Support and grow the local economy
- 2) Improve investment readiness
- 3) Attract new investment and jobs
- 4) Develop a growth plan for small business

These strategic directions have been outlined in more detail below, including potential action items. The actions represent priority areas that will position the department appropriately for short, medium and long-term success. Reflected through the actions are common themes that are important in delivering the department’s core services. In the short-term, these include building on and maintaining relationships and leveraging data, while in the medium to long-term these include continuous enhancement and expansion of service delivery and understanding the department’s role and model of services in small business and foreign direct investment (FDI). Building on and maintaining relationships with the business community and various other organizations is a central component to the success of all four strategic directions, as such they each reflect actions that are grounded in this type of work. Further, while the Economic Development department leads the development of the plan and thus the implementation of the strategic directions, end-to-end service delivery is achieved through collaboration with other departments as noted below and working closely with partner organizations in the local ecosystem. Ultimately, fostering an environment where there are opportunities for innovation and growth of the local economy.


The charts below indicate how time, resources and money are invested to have the most impact in moving Oakville towards its aspirations.

Timing

Short-term: initiate in 1-2 years	Medium-term: initiate in 2-3 years	Long-term: initiate in 3-5 years	Ongoing: continue throughout
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Actions that require additional resources (operating or capital) to complete, will be marked with one of these symbols on page 7-9.


 Operating

 Capital

1) Support and grow the local economy

Objective: Retain and support the growth of Oakville’s existing business base through leveraging data, establishing and maintaining relationships and creating and investing in meaningful partnerships.

This work is essential to supporting the long-term health of Oakville’s economy. Job creation, non-residential assessment growth, and growth of the town’s GDP all happen when Oakville businesses choose to reinvest and expand in the community.




Action	Lead	Support	Timing
1) Develop and implement a business retention and expansion (BR&E) program	Economic Development	N/A	Short-term and ongoing
2) Complete Business Directory Database pilot	Economic Development	Strategic Business Services, Information Technology Solutions	Short-term
3) Implement customer relationship management (CRM) system 	Economic Development	Information Technology Solutions	Short-term
4) Bring together local business leadership	Economic Development	N/A	Ongoing
5) Explore partnership opportunities with Sheridan College	Economic Development	Strategy, Policy and Communications	Short to medium-term

2) Improve investment readiness

Objective: Ensure Oakville has best in class development services, a supply of serviced employment land for new investment and is prepared for challenges in the office market.

Land suitability and availability, the office market and land conversions were all identified as risks for Oakville through the engagement process. This strategic

direction is focused on mitigating those risks and positioning Oakville to be more investment ready and have a more responsive government and town hall.



Action	Lead	Support	Timing
1) Quantify employment lands with a vacant land map	Economic Development	Strategic Business Services, Planning Services	Short-term
2) Business visitation and research on the office market	Economic Development	N/A	Short-term and ongoing
3) Review and update the Brownfield Community Improvement Plan (CIP)	Economic Development	Planning Services, Finance, Transportation and Engineering, Strategy, Policy and Communications	Short-term
4) Servicing employment land strategy 	Economic Development	Planning Services, Town Council, Halton Region	Medium-long term
5) Expand the Building Stream Pilot (full-service concierge program) 	Economic Development	Planning Services, Building Services, Transportation and Engineering and Strategy, Policy and Communications	Short-term
6) Increase involvement in policy development that impacts employment land and non-residential development 	Building Services, Planning Services, Transportation and Engineering	Economic Development	Short-term and ongoing

3) Attract new investment and jobs

Objective: Attract investment to Oakville that matches the opportunities that exist in the community through communicating the town’s value proposition to targeted investors, markets and sectors.

New companies that invest in Oakville create jobs and increase the non-residential tax assessment base, both of which are essential to the long-term health of the

economy. Business attraction and marketing were identified through the engagement as key opportunities for the department.

Action	Lead	Support	Timing
1) Build on relationships with the ICI real estate and development community	Economic Development	N/A	Short-term and ongoing
2) Complete the three-year Film Pilot Program 	Economic Development	Municipal Enforcement Services, Parks and Open Space, Recreation and Culture and Roads and Works	Short-term
3) Develop and implement an investment attraction marketing plan	Economic Development	Corporate Communications	Short-medium term
4) Explore potential purpose, scope and involvement in foreign direct investment (FDI) activities 	Economic Development	Strategy, Policy and Communications	Long-term

4) Develop a growth plan for small business

Objective: Ensure small businesses in Oakville are supported with economic development services within the ecosystem by identifying potential needs and gaps and addressing the required resourcing and partnerships.

The Economic Development department has increasingly been involved in working with and supporting small businesses, through programming such as Digital Main Street, the Seasonal Commercial Patio program, and supporting small businesses through permitting or other processes at Town Hall. A number of other organizations within the community also work with small businesses, such as the Business Improvements Areas (BIAs), Halton Region Small Business Centre and Innovation Factory (formerly Haltech). It is important to examine the role of Economic Development in this space and determine the best model of service delivery going forward.

Action	Lead	Support	Timing
1) Identify small business service efforts and potential gaps	Economic Development	Ecosystem partners	Short-term
2) Determine best model of services	Economic Development	Strategy, Policy and Communications	Short-term
3) Create a growth plan for small business services	Economic Development	Strategy, Policy and Communications	Medium-term



Additional resources will be required if it is determined that services will be delivered through the town’s Economic Development department to support the growth of small businesses.

As noted above, this plan was developed using data, market trends and feedback from interested parties. Next steps include an opportunity for public consultation. Given that the Economic Development department is a small department with four permanent FTEs, any expansion to the department’s functions and services will require additional operating dollars. Staff will return to Council in the Fall of 2024 with a final plan. Staff will also be conducting an assessment of additional resources that may be required for the various aspects of the plan and their impact on both the 2025 budget and future budgets.

CONSIDERATIONS:

(A) PUBLIC

Upon Council receiving this report and endorsing the proposed strategic directions, the department will provide another engagement opportunity to gain feedback from the stakeholders who were originally consulted and the public.

(B) FINANCIAL

There are no financial impacts arising from this report. However, areas requiring additional resourcing have been identified at a high level. More details will be provided to Council when the department brings forward the final Economic Development Plan: 2024-2029 in the Fall of 2024 for Council’s consideration. Requests for additional resourcing will go through the annual budget process.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

N/A

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council's strategic priority:

- Growth management

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES:

None.

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