

## REPORT

### 2025 Budget Committee

Meeting Date: October 22, 2024

---

**FROM:** Corporate Strategy and Government Relations Department

**DATE:** October 15, 2024

**SUBJECT:** Regional Review - Transfer of Economic Development Services to the Town

**LOCATION:**

Town-wide

Page 1

---

**RECOMMENDATION:**

That the staff report titled Regional Review – Transfer of Economic Development Services to the Town be received.

**KEY FACTS:**

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

- The September 18, 2024 Regional Council agenda package included a report ([CA-22-24](#)) on planned regional service delivery changes to be implemented on January 1, 2025.
- The changes are in response to the implementation of Bill 23 and the indirect impacts on regional programs and services.
- The Region will no longer offer economic development programs and services, except for the Regional Small Business Centre, as of January 1, 2025.
- As a result, the full suite of economic development services will be offered by each Local Municipality.
- It is expected that the associated savings will be reflected in the Region's budget.

**BACKGROUND:**

Since November 2022, the Province of Ontario has made various announcements regarding a review of regional governments to determine the best mix of roles and responsibilities between upper and lower-tier municipalities to deliver on the

Province of Ontario's commitment to address the supply of housing. These announced reviews have included the Region of Halton.

On July 1, 2024, the Cutting Red Tape to Build More Homes Act, 2023 (Bill 185) came into force, resulting in Halton Region becoming an "upper-tier municipality without planning responsibilities" as set out in the Planning Act, RSO 1990, c P. 13 (the "Planning Act"). As a result, the Region developed a Transition Plan and a new Memorandum of Understanding for an Integrated Halton Area Planning System with the Local Municipalities.

In addition to the core planning functions that the Region is no longer responsible for, there are other programs and services provided by the Region that have a connection to land use planning, many of which were advanced to inform and support implementation of the Regional Official Plan. These non-core programs and services were not part of the initial transition plan developed by the Region and Local Municipalities.

**COMMENT/OPTIONS:**

Changes to the delivery of Economic Development services is in response to the implementation of Bill 23 and the indirect impacts on regional programs and services. With the Region no longer responsible for any planning functions and the connections between economic development and land use planning, the Region is planning to cease all economic development programs and services, except for the Regional Small Business Centre, on January 1, 2025. The result is that economic development services will be offered by each Local Municipality.

The Regional Small Business Centre is subject to further review, and alternate service delivery and governance model recommendations will be brought forward to Regional Council in early 2025.

Staff from across each of the Local Municipalities have been involved in this review and are supportive of these service delivery changes. It was determined that economic development services would more effectively serve the interests of the business community if delivered directly and solely by the Local Municipalities.

As a result of the transfer of functions from the Region to the local level, [Report CA-22-24](#) identifies a budget reduction of \$1.175 million linked to the transfer of Economic Development programs and services (not including funding for the Regional Small Business Centre). It is expected that the associated savings will be reflected in the Region's budget.

In reviewing the programs and services offered by the Region's Economic Development division, there are some areas that the Town has intentionally not

offered at the local level in the past to avoid duplication. Examples include Foreign Direct Investment and investment lead generation, which were funded by Halton Region and delivered by Toronto Global; the employment land concierge function; and data acquisition, analysis and reporting. There will also be a greater need to be involved in relationship building and representation of Oakville in regional and provincial initiatives. Addressing these gaps will be included in the Economic Development 5-Year Plan that is expected to be presented to Council in November 2024.

All other operating functions, such as investment marketing, site selection and servicing investment leads and the Brownfields CIP will transfer to the town as of January 1, 2025. Economic Development staff have prepared an operating budget request to address the transfer of functions in the immediate term. As the single point of contact for economic development support going forward, it will be important to ensure a seamless transition and maintain timely support to the business community.

The proposed 2025 budget includes 1.7 FTE with associated costs of \$206,400 to initially address the download of functions. While these costs have been included in the town's tax levy increase, it is expected that the savings will be reflected in the Region's budget.

A review of the full impact of this service download will occur in 2025 for consideration in the 2026 budget process.

**CONSIDERATIONS:**

**(A) PUBLIC**

Direct and sole delivery of economic development services will result in clearly defined roles and responsibilities for businesses when dealing with their local governments.

**(B) FINANCIAL**

The 2025 Budget request includes 1.7 FTE and \$206,400 to respond to increased demands resulting from the transition of regional services to the Town. A review of the full impact of the downloading will occur in 2025.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

There is no direct impact on other departments.

**(D) COUNCIL STRATEGIC PRIORITIES**

This report address Council's Strategic Priority Areas of Growth Management.

**(E) CLIMATE CHANGE/ACTION**

N/A.

Prepared by:

Julie Clarke, Director, Corporate Strategy and Government Relations

Recommended by:

Rebekah Diec Stormes, Director, Economic Development

Submitted by:

Julie Clarke, Director, Corporate Strategy and Government Relations