

REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: MARCH 09, 2015

FROM: Economic Development Department

PD-019-15

DATE: February 13, 2015

SUBJECT: Economic Development Strategy Progress Report

LOCATION:

WARD: Town wide

Page 1

RECOMMENDATION:

That the staff report from the Economic Development Department entitled *Economic Development Strategy Progress Report*, dated February 13, 2015, be received.

KEY FACTS:

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

- The purpose of this document is to provide Council with a progress report on the implementation of the *Economic Development Strategy 2009-2019*.
- The strategy was approved by Planning and Development Council on July 6, 2009.
- Since the approval of the strategy, a number of major development projects have been constructed, including corporate headquarters and regional offices.
- Significant progress has been made in recent years in achieving key outcomes and objectives.
- Appendix A is a quick reference to departmental initiatives for 2015 as they relate to the original objectives contained in the Economic Development Strategy.

BACKGROUND:

The Economic Development Strategy is a comprehensive 10-year plan developed in consultation with the town's business community and Council. The strategy includes goals, objectives and actions to foster an environment for a prosperous local economy with a diversified economic base, true to the visions that have emerged from the Livable Oakville initiative.

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

Key Sectors

Based on a review of market conditions and an external SWOT analysis prepared by urbanMetrics, staff developed a strategy for Oakville based on four key sectors:

- Advanced manufacturing
- Professional and financial services
- Digital media and animation
- Life sciences

Key Outcomes

When established in 2009, the strategy set out the following desired outcomes:

- Retention and expansion of Oakville's existing business base
- A marked improvement in the level of satisfaction from the business community
- A greater presence of companies in the knowledge-based sectors including professional/financial services, advanced manufacturing and life sciences
- A life sciences park established adjacent to the new Oakville hospital
- An international hub for digital media and animation anchored by a centre of excellence at Sheridan College
- An adequate supply of "shovel-ready" employment level to meet demand
- New international businesses locating in Oakville

This document is a progress report on the objectives, goals and actions contained in the Economic Development Strategy, since the last council update in 2013. The document also includes accomplishments and next steps for the department.

COMMENT/OPTIONS:

Nearly half way through the implementation of the Economic Development Strategy, there has been significant progress on the key outcomes expected and a number of notable achievements.

Oakville has been very successful in attracting new companies in the target sectors and has an abundant supply of new office development to meet current demands. In total, since the strategy was approved, there has been more than 3.5 million square feet of new office development in Oakville with a yearly average of 610,000 square feet. Of particular note are the regional and national office consolidations that have taken place in the past two years including:

- Manulife Securities
- PricewaterhouseCoopers
- David Roberts Food Corp.
- Baffinland

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

- Jamdeo
- Innomar Strategies, Amerisourcebergen
- Ipex Inc.
- Peter Kiewit Infrastructure Co.
- Sterimax Inc.
- TD Wealth
- Canterbury Coffee

These investments have brought a significant number of new jobs to Oakville, along with other major expansions including Ford Motor Company of Canada's investment that alone added 1,000 new jobs in 2014.

For the past two years, staff has been working with a local development firm as they engaged in due diligence to purchase the employment lands adjacent to the east side of the new Oakville hospital. The vision for these lands, which was the result of extensive research and stakeholder consultation by the department, was adopted and enhanced by the developer. Staff are now developing policy guidelines and performance targets specific to this life sciences and technology district for consideration by Council.

Excellent progress has been made in strengthening relationships with our local business community and enhancing the support services we offer for the ongoing retention and expansion of local businesses. The Bronte Business Action Plan, led by the town's Economic Development department, was initiated to further Bronte's economic development and urban revitalization. JC Williams Group worked with town staff and the Bronte BIA to develop the plan by providing retail market expertise and stakeholder engagement.

Staff, in partnership with the Automotive Policy Research Centre (APRC) at McMaster University and Ford Canada, hosted a series of events for the Ontario Auto Mayors in 2013/2014. The event series led to the reactivation of the Ontario Mayors Partnership and a commitment to work together; coordination of key industry, government and academic stakeholders; a meeting with the Premier in August 2014; increased media interest; development of a dedicated website – www.automayors.ca; and an agreement to implement eight recommendations presented at the Auto Mayors' Summit in 2014.

External Awards

International

- 2014 IEDC Bronze Award for the Economic Development E-brochure

National

- 2013 EDAC Marketing Canada Award – First place for the 2012 Economic Development Annual Report

Provincial

- 2013 EDCO Marketing Award – for the Bronte Business Action Plan in the Revitalization Initiatives category
- 2014 EDCO Marketing Award – for the Ontario Auto Mayors Event Series in the Regionalism and Cross-Border Collaboration category

Factors affecting the Economic Development Strategy

Since 2009, when the Economic Development Strategy was approved, there have been a number of changes in the local market and many additional stakeholders added to the field. Recognizing the impact of this changing landscape, staff evaluated progress and priorities as we approached the fifth year of implementation. As anticipated when the strategy was first developed, the tactics employed to achieve success need to evolve over time.

What has changed?

The competitive landscape in the manufacturing sector has shifted, particularly with respect to the automotive industry, where much of the new investment has been made in Mexico and the southern USA. Due to our competitive position, Oakville is unlikely to benefit from new industrial development. Consequently, the focus for the Economic Development department has been realigned from investment attraction to sustaining and growing the manufacturing sector. This includes business retention activities such as corporate calling and implementation of the recommendations from the Auto Mayors' Summit.

New office market trends have emerged including an increase in office consolidations, demand for more efficient and flexible workplaces and demographic shifts in the workplace. A recent boom in office market development has caused the vacancy rate in Oakville to rise above 14% as of Q4 2014, so the focus for 2015 will be on filling this space through investment attraction initiatives.

There is an emerging trend globally in Innovation Districts that redefines the composition of traditional employment lands for specific sector development. This has led staff to explore new ideas and principles for such employment areas.

Locally, the Town's three mainstreet or Business Improvement Areas (BIAs) have experienced challenges with increased competition and changes in shopping

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

behaviour negatively affecting the economic environment in these areas. Economic Development staff has responded by providing assistance in the development of Retail Strategies and Action Plans.

A general shift in demand from print to digital marketing has caused staff to re-evaluate where and how marketing resources are best spent, with a greater emphasis placed on the provision of digital information.

HalTech, an organization funded by the Province and the Region was established to support and provide services for technology and advanced manufacturing entrepreneurs in Halton. Silicon Halton is a grassroots technology community focused on connectivity, advocacy and growing the sector. As these resources have emerged and found roots in the business community, the Economic Development department has shifted its role in the Digital Media and Animation sector, to monitoring trends and responding to investment leads.

In 2014, the Greater Toronto Marketing Alliance (GTMA) tabled plans to expand its programming significantly and is in the process of securing federal, provincial and regional funding for a larger organization. Additionally, Halton Region has indicated its intention to be more involved in investment attraction. In an effort to ensure that investment attraction needs are being adequately addressed by various organizations, the Economic Development department will complete an International Business Plan in 2015. This plan will help to determine what future role the Town should have in the attraction of foreign direct investment.

Overall, staff believes that the goals and objectives of the Economic Development Strategy 2009-2019 are still sound today and will continue to shape the department's workplan over the next few years, with adaptations as necessary in the context of a dynamic market. In the immediate future there will be an increased emphasis on attraction initiatives in the professional services sector, including engineering, finance and insurance, as well as in the growth of the life sciences sector. A comprehensive update to the strategy is planned to be undertaken in 2017.

PROGRESS AND NEXT STEPS ON THE ECONOMIC DEVELOPMENT STRATEGY

This section details the progress on each of the goals and objectives from the Economic Development Strategy and highlights key next steps for same.

Goal One – Attract knowledge based industries in the professional services, advanced manufacturing and life sciences sectors

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

Objective 1 – Attract new development in the professional services and advanced manufacturing sectors.

Economic Development staff has serviced investment leads from various sources including direct company contacts, realtors, site selectors, the Greater Toronto Marketing Alliance (GTMA), Halton Region, the Ministry of Economic Development, Employment and Infrastructure (MEDEI), and the Department of Foreign Affairs and International Trade (DFAIT). This work includes the preparation of detailed site selection proposals; identification of possible sites to meet company needs; meetings with staff and other stakeholders in the site selection process; serving as the point of contact for companies; and trouble-shooting throughout the development process.

Other investment attraction initiatives completed by staff include the redesign of the website in 2014 to better respond to the needs of new investors, the development of new digital sector profiles and a customizable e-brochure tool. Staff continue to meet regularly with companies, developers, realtors and government representatives to present development opportunities in Oakville; participate in industry specific trade shows; and, hold targeted events to build relationships with companies, realtors and site selectors.

Next Steps:

- In response to the high number of new offices recently constructed in the Oakville market, staff will be launching a targeted office marketing campaign in 2015 to attract new professional services companies.

Objective 2 – Create a Life Sciences and Technology Park adjacent to the new hospital

The opportunity to leverage the development of the new hospital in north Oakville and the available employment land surrounding it was recognized in the Town's Economic Development Strategy.

To further assess the opportunity, Economic Development staff has completed extensive research and consultation with multiple stakeholders. For the past two years, staff have been working with a local development firm as they engaged in due diligence to purchase the employment lands and ultimately close the transaction in early 2014. Since that time, the firm has completed a comprehensive concept and master plan document.

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

Next Steps:

- Town Planning and Economic Development staff, in conjunction with Halton Region Planning, will examine the policy framework required for this initiative to work in the context of the ROPA and Livable Oakville and develop guidelines and performance targets specific to this district.
- Staff will facilitate meetings with key industry stakeholders to explore the possibility of establishing formal agreements and partnerships.

Objective 3 – Develop and implement a marketing plan for business attraction

A five-year marketing plan was completed in early 2013 that included stakeholder consultation and in-depth research on Oakville's competitive environment as well as best practices. The marketing plan emphasizes niche prioritization, which for Oakville, means targeting companies with 50-500 employees operating in financial services, medical diagnostics, imaging and simulation, and engineering services. Marketing materials have been updated with an emphasis on digital marketing to reduce production costs and increase the reach of the marketing message. New digital sector profiles and a customizable e-brochure tool have been created.

The involvement of staff in the retail environment of the Business Improvement Areas was not contemplated in the development of the Economic Development Strategy as it was considered the responsibility of the BIAs and Halton Region Small Business Centre. The Town's economic development role was focused on medium and large businesses in the office and industrial markets. In the last two years however, staff has been providing assistance to the three BIA's on retail strategies that include marketing initiatives to attract more visitors to these main street areas. The Bronte Business Action Plan was completed in 2013 and an economic analysis of Downtown Oakville was undertaken in 2014.

Next Steps:

- Execute an office campaign as part of the implementation of the department's overall marketing plan.
- Complete retail strategies and action plans for Kerr Village and Downtown Oakville.
- Continue to assist with the implementation of the Bronte Business Action Plan.

Goal 2 - Respond to the needs of the business community in order to foster business retention and expansion

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

Objective 1 – Improve the development approval process

The Planning Services department initiated a change process that provided many improvements to the development approval process such as a geographic, team-based approach which provides cross departmental expertise to review development applications and weekly technical review meetings were established.

Next Steps:

- Staff will continue to provide feedback to the Community Development departments in order to inform continuous improvements to the development approval process.
- Work with planning staff on a development process guide for business to help inform and manage the expectations of business applicants.

Objective 2 – Expedite development of employment lands

Economic Development staff developed a business case to justify servicing of the employment lands for Winston Park West (WPW). In 2011, Halton Region accepted the business case and approved approximately \$27M in front-end servicing for the WPW area. A joint subdivision plan application by three of the major landowners was submitted to the Town in 2012 for approximately one third of the total land area; the application is currently being processed.

Next Steps:

- Marketing these lands through the corporate calling program, site selection proposals and real estate network.
- Research and examine the possibility of expanding this approach for servicing in Midtown.
- Open up contaminated and/or underutilized sites through exploration of a Brownfield program on private lands which will complement the work being undertaken by Environmental Policy staff for municipally owned land.

Objective 3 – Monitor Competitive Position

Key business indicators are monitored and tracked on a monthly basis and used to provide current information to Council as well as in response to inquiries received by the department. This information is commonly requested by new and existing businesses within Oakville, site selectors and the ICI real estate community. These indicators are kept up-to-date in order to provide accurate site selection proposals to potential investors. Since 2010, business indicators have been consolidated in the economic development annual report – an information and marketing document that provides a snapshot of Oakville's business climate.

Within the annual report, staff reports on three key financial aspects that impact Oakville's competitive position for new investment: development charges, tax rates and land values.

Next Steps:

- Continue monitoring competitive position and align marketing efforts where necessary.

Objective 4 – Cultivate Business Relationships

Economic development staff developed and implemented a corporate calling program to learn about the companies in Oakville and to provide information and assistance where applicable. The corporate calling process has been a valuable basis for cluster development of the four sectors as well as building relationships for attracting new companies. Staff have built relationships with all levels of government, local educational institutions, and resource networks to add value to the corporate calling program, so that a higher degree of information and access to programs is provided at the local level.

Staff incorporated the RBC Canadian Open event into their business attraction initiatives in 2008, 2009 and 2013 by showcasing Oakville's investment opportunities to the real estate and development community through targeted presentations and networking functions. A similar initiative is being planned for 2015.

The Oakville-China Opportunities Forum was held in 2013 and ultimately led to the development of the Oakville China Business Association (OCBA), which will act to inform, connect and advocate for companies wishing to invest in Oakville and to advocate for strengthening ties between Oakville and China.

In 2014, the Economic Development Department, in cooperation with partners Oakville Chamber of Commerce, HalTech, Silicon Halton and Professional Engineers of Ontario (Oakville chapter) hosted the first annual Oakville Innovation Awards: the awards celebrated technology and engineering excellence throughout the Oakville community and recognized those who have participated in the development of exceptional products or processes that exhibit leading edge research and development. The success of the event and related positive feedback from the business community led to the decision to expand the event regionally.

Next Steps:

- Due to the success of the Oakville Innovation Awards and related positive feedback from the business community, the event will be expanded regionally.
- Staff will work with the newly established Oakville China Business Association (OCBA) to inform local companies of its benefits and partner on local outreach events.

Objective 5 – Provide accurate and timely business information

Staff has implemented nearly all of the deliverables under this objective and are proceeding to fine tune existing systems and procedures to improve the speed of delivery and quality of information provided.

A key initiative completed in 2014 was the update of BizPal, an online information source for permits and licenses that involved input and coordination across multiple town departments. Additional website improvements are currently being implemented to enhance the sector profiles web pages. This project will transition Oakville's sector profiles from print documents to interactive web pages, while also allowing PDF versions of the website to be printed on an ad-hoc basis, contributing to production cost savings. To complement the sector web pages, a new tool was implemented to create customizable e-brochures.

Next Steps:

- An overhaul of the Economic Development Department's available sites database is being made to create a GIS based system that better serves the needs of site selectors and investors while reflecting best practices.
- Video and digital information marketing materials will continue to be developed within the scope of the current budget.
- Additional website improvements will be implemented to enhance the sector profile pages and communicate Oakville's value proposition to potential new businesses and investors by highlighting Oakville's core strengths.
- Interactive mapping of employment land opportunities.

Goal 3 – Explore international business opportunities

Objective 1- Develop International Business Development Plan

With various levels of government working to develop international leads for investment, the work undertaken at the local level has largely been reactive -

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

developing relationships and conveying information to these representatives. Staff has responded to various international site selection inquiries from direct contacts, site selectors, the Greater Toronto Marketing Alliance (GTMA), Halton Region, the Ministry of Economic Development, Employment and Infrastructure (MEDEI), and the Department of Foreign Affairs and International Trade (DFAIT).

Over the last five years, it has become evident that most leads that have come to fruition originated either directly from companies or through meetings with the local real estate community. The Greater Toronto Marketing Alliance (GTMA) has developed a plan and is currently in the process of securing funding to significantly expand its program delivery. Halton Region has also indicated its plans to become more involved in investment attraction. Given the many players involved in this segment of economic development, the Economic Development department will develop an International Business Plan in 2015 that identifies Oakville's targets, objectives and gaps in program delivery so that investment attraction initiatives at all levels of government are coordinated and efficient.

In 2013, staff implemented an Oakville China Opportunities Forum to help local companies learn about doing business in China. The Town has hosted Chinese delegations from Liaoning Province and the City of Huai'an and also participated in a trade mission to China. This work has culminated in the establishment of the Oakville China Business Association (OCBA).

Next Steps:

- Economic Development has secured funding through a federal grant to develop an international business development plan in 2015.
- The formal international business development plan will examine the foreign direct investment (FDI) work being undertaken at the federal, provincial, regional and local level by all agencies; gaps, if any, will be identified through this work.
- Staff will work with the Oakville China Business Association (OCBA) to explore opportunities for doing business with China.

Objective: Explore opportunities to develop Oakville as an international hub for Digital Media and Animation

The Economic Development Strategy identified the animation strengths at Sheridan College as the focal point for the development of an international hub for digital media and animation. Over the last five years, Economic Development staff has built relationships with Sheridan College and partnered with them to promote Oakville as a location for investment. Staff has also undertaken corporate calling that has led to a greater understanding of the sector and connectively of the companies and organizations that are helping shape the growth of the sector. Since the creation of

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

the Economic Development Strategy, organizations such as HalTech and Silicon Halton have emerged that provide resources for start-up and growing technology companies as well as events to connect companies locally and provide learning opportunities. Economic Development staff will continue to respond to opportunities for major investment attraction through the network it has developed over the last five years and will work with the network of local organizations servicing the needs of companies in this sector. Staff will continue to maintain its excellent relationship with Sheridan College which serves as an anchor and major employment resource for this sector.

Next Steps:

- Future activities will focus on connecting digital media companies to appropriate resources in the community.
- Continue to monitor growth in this industry for future investment opportunities.

CONSIDERATIONS:

(A) PUBLIC

Since implementation of the strategy began in 2009, consultation has been undertaken with the business community and various stakeholders through forums, roundtables, seminars, outreach events and a corporate calling program.

(B) FINANCIAL

The ongoing implementation of *the Economic Development Strategy 2009-2019* will involve some staff time from relevant departments which will be managed from existing resources and budgets.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The Economic Development Strategy is linked to Livable Oakville; The Economic Development Strategy provides recommendations for new initiatives to attract, retain and expand industrial and commercial development in Oakville.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- enhance our economic environment
- continuously improve our programs and services
- provide outstanding service to our residents and businesses

From: Economic Development Department
Date: February 13, 2015
Subject: Economic Development Strategy Progress Report

(E) COMMUNITY SUSTAINABILITY

Improving business conditions through attraction, business retention and expansion will enhance the economic prosperity of Oakville and its residents.

APPENDICES:

APPENDIX A: Economic Development Strategy Progress Report – 2015 Initiatives

Prepared by:
Alison Newton
Senior Economic Development Officer

Submitted by:
Dorothy St. George
Director Economic Development