

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
April 7, 2022

Report of the Commissioner of Corporate Services and Chief Planner

Economic Development Action Plan 2020-2023 Update

1. Recommendation

The Regional Clerk forward this report to the Ministry of Economic Development Job Creation and Trade, ventureLAB and the local municipalities for information.

2. Summary

This report provides an update on implementation of the Economic Development Action Plan 2020-2023 to date. It also highlights outcomes from some programs targeted at providing COVID-19 relief and gives a program outlook for the remainder of 2022.

Key Points:

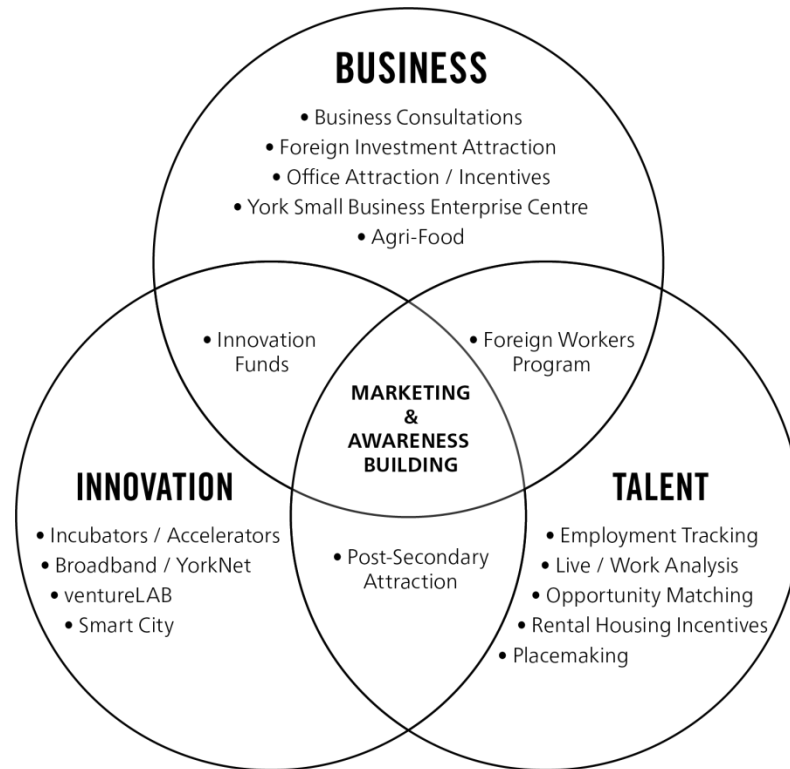
- The Economic Development Action Plan 2020-2023 is progressing well with activities initiated in all 20 actions areas
- Core services focused on business advisory, enabling innovation and talent support are having an impact
- The economy is rebounding and unemployment is nearing pre-pandemic levels; however there are still challenges with labour shortage in some sectors

3. Background

York Region's Economic Development Action Plan 2020-2023 focuses on Business, Innovation and Talent

The [York Region Economic Development Action Plan \(EDAP\) 2020-2023](#) was approved by Council in 2019 and focuses on Business advisory services, Innovation and Talent support, depicted in Figure 1.

Figure 1
Economic Development Action Plan 2020-2023 Areas of Convergence



The document contains 20 action items which set the stage for growing the Region's economy. It provides a backdrop for supporting businesses and was the basis for collaboration as the pandemic hit.

The COVID-19 pandemic dominated the economic development landscape over the last two years

The pandemic has dominated the attention of economic development practitioners globally, nationally and locally since 2020. This focus was necessary as quick decisive responses were needed to ensure that adequate measures were implemented to help businesses and residents alike.

Federal and Provincial governments provided the lion's share of financial support for the business community. At the local and regional levels, the response was also swift, with a variety of initiatives primarily targeting sectors most impacted. This support was provided by a range of stakeholders collaborating through the Business Recovery Support Partnership approved by Council in [April 2020](#) to gather input and provide insight and advice.

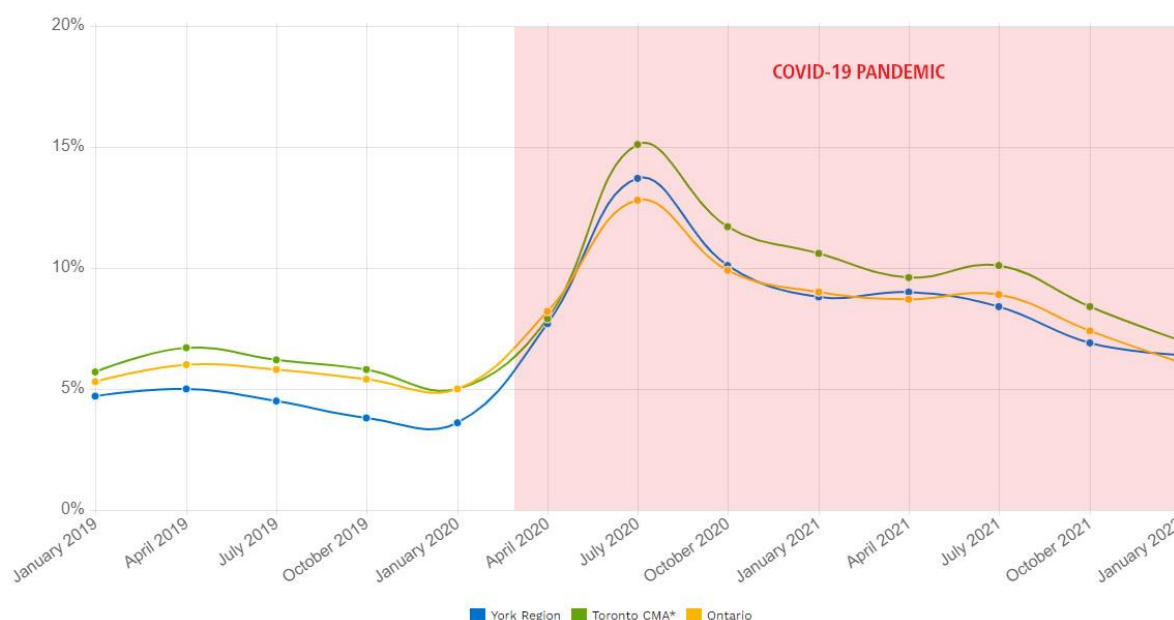
Although significant effort was targeted at providing support to businesses during the pandemic, core business advisory services and other programming continued to be delivered. The York Small Business Enterprise Centre continued to deliver the Starter Company Plus program and reintroduced the Summer Company program in the Region's

northern six municipalities. Advisory and talent support was also provided to the more established businesses in collaboration with partners across the Region.

Economic indicators demonstrate the economy and businesses continue to rebound despite challenges

At the outset of 2021, unemployment in York Region was 8.8%, on par with the Provincial average. The unemployment rate trended downward throughout the year ending at 6.0%, approaching the pre-pandemic level of 5.5% in March of 2020, as shown in Figure 2.

Figure 2
Unemployment Rates (%) 2019 to 2021



Source: Statistics Canada, Labour Force Characteristics, 3-month moving average, unadjusted for seasonality; *CMA – Census Metropolitan Area

There were however reports of labour shortages in certain industries. This was due to a complex set of variables ranging from wage concerns to pandemic subsidies, being laid off and rehired multiple times and pandemic burnout. This was most noticeable in low paying jobs in certain industries, primarily accommodations and food services. According to the Statistics Canada December 2021 [Labour Force Survey](#), between December 2019 and December 2021, employment in sales and services occupations fell by 6%, a larger decline than for any other major occupational group. Jobs in sales and service fell by 1.8 percentage points to 22.1% while jobs in natural and applied sciences and related occupations grew by 1.1 percentage points to 9.2% and by 0.9 percentage points to 17.1% in business, finance and administration. Reports also pointed to employees moving to higher paying jobs in other industries.

Nationally, Statistics Canada [Survey on Business Conditions](#) in Q4 2021 indicated that businesses expect to face challenges related to the workforce. Statistics Canada reported that recruiting skilled employees was expected to be an obstacle for over 35% of businesses.

The largest concern was in businesses in accommodations and food services followed by manufacturing. In addition, shortage of labour force was expected to be an issue for over 32% of businesses. York Region businesses were not immune. Of the 139 York Region business respondents to the survey, 22.8% indicated a shortage of labour and 25.5% cited recruiting skilled employees as a concern in the three-month outlook.

That said, almost 69% of York Region respondents indicated no plans to sell or close the business in the next twelve months while the remaining 31% were unsure. It is encouraging to note that over 60% of respondents reported a somewhat optimistic outlook over the next 12 months.

4. Analysis

The Economic Development Action Plan 2020-2023 is well underway

There are 20 action items in the Economic Development Action Plan, seven related to business advisory support, six in innovation support and seven for talent support. While these are identified as separate items, they are not necessarily mutually exclusive and in fact, activities in one will often have an impact on the other two pillars. Throughout 2021, work centred on not just responding to the pandemic but also on recovery and resilience, using the framework of the Economic Development Action Plan as a guide.

At the start of 2022 all the actions in the Economic Development Action Plan have been initiated. Twelve of the 13 "ongoing" items have been started or are incorporated into core operations while five of the seven actions with targeted end dates have been completed. This is summarized in Attachment 1.

Highlights include best in class service delivery of marketing, research, advisory support and innovation. Marketing and communication services leveraged the award-winning York Link platform to consolidate information and share key messages. This approach facilitated communication with a broad audience while allowing for targeted consumption of messages. This was a significant opportunity for increased marketing during development of the Economic Development Action Plan. York Link became a central feature in pandemic related communication, hosting timely information for businesses.

From January 2020 to December 2021, business engagement through yorklink.ca generated approximately 107,000 visits and over 176,000 total page views, an increase of over 65% in traffic compared to the previous two years. The York Link dedicated social media channels experienced similar growth and by the end of 2021 and had over 26,000 followers and over 1.1 million content views (impressions) annually.

More details of outcomes of the Economic Development Action Plan are provided in the sections below. The Year in Review document included as Attachment 2 provides a broader picture of outcomes from the Action Plan and the business community.

The Business Recovery Support Partnership continues to assist businesses impacted by the COVID-19 pandemic

In response to the pandemic, Council approved the Business Recovery Support Partnership in [April 2020](#). Updates on the work done by the Business Recovery Support Partnership were reported in a Council memo on [January 2021](#) and Economic Development Update report in [June 2021](#). The Business Recovery Support Partnership continued to be a major vehicle for collaboration on COVID-19 related business support in 2021. Recent outcomes include:

- [Accelerate Business Recover Hub](#) led by the Aurora Chamber in collaboration with all the Chambers of Commerce and Boards of Trade in the Region as well as York University. Funding provided leveraged over \$460,000 from the Provincial government that will benefit up to 350 entrepreneurs and businesses.
- Completion of the \$500,000 COVID-19 small business funding program where nearly 100 small businesses benefited through either Community Improvement Plan programs or the four Small Business Enterprise Centres.

Business advisory services were initially focused on the pandemic in 2020 and expanded back to broader support in 2021

Business retention, expansion and attraction advisory services targeted established companies in knowledge-based industry and leveraged regional economies of scale. These services include economic/business research and a network of external partners to augment and extend the reach of local-municipal corporate call programs. Advisory support to small businesses and entrepreneurship services in York Region's northern six municipalities are delivered through the York Small Business Enterprise Centre. All business advisory services were migrated to online delivery once the pandemic was declared.

In 2020 and through early 2021, direct-to-business advisory services focused primarily on supports related to business continuity and recovery in the face of pandemic-related restrictions. As the economy began to reopen, programs were increasingly focused on growth needs of the local business community, as well as new businesses looking to locate in York Region. Over 1,500 business advisory consultations were delivered to both small and established businesses between January 2020 and December 2021. This includes 59 Starter Company Plus participants and nine students in the Summer Company program. These activities help contribute to the facilitation of over 3,000 jobs in the Region as well as the continued retention of existing jobs. Staff also supported business advisory initiatives undertaken by local municipalities and engaged Toronto Global in its mandate to attract Foreign Direct Investment to the Greater Toronto Area and York Region.

Collaboration on post pandemic support led to release of a white paper with business and government recommendations on supply chain resilience

The increased focus on post pandemic resilience led to the development of a white paper titled [Building Supply Chain Resilience](#) in collaboration with Supply Chain Canada and the Supply Chain Alliance. The study was conducted through a series of interviews with 30

manufacturers in the automotive, food & beverage, life sciences, building materials and electronics/electrical sectors across the Region.

The purpose of the study was three-fold:

1. Identify and assess the impact of COVID-19 on York Region manufacturers
2. Outline preliminary high-level recommendations and best practices for manufacturers to address both current and future supply chain resilience issues in the event of continued COVID-19 economic uncertainty or similar major market disruption in the future.
3. Outline high-level recommendations and best practices for municipal and upper-tier government economic development stakeholders to facilitate local manufacturing supply chain resilience in the event of continued COVID-19 economic uncertainty or similar major market disruption in the future.

It provided nine recommendations for businesses and eight recommendations for all levels of government to deal with unexpected events and risk in supply chains now and in the future.

The City of Vaughan organized a [cyber security workshop](#) for manufacturers based on one of the recommendations. The report was downloaded hundreds of times and used by Toronto Global to support the launch of the Supply Chain Onshoring Resilience and Expansion program.

An auto-tech study provided meaningful outcomes and insights that are now being leveraged to assist companies and promote Regional strengths

Another project with a post pandemic lens initiated in 2021 was an auto-tech cluster study to investigate York Region strengths in the auto-tech sector. The study revealed that the Region is home to one of the largest and most comprehensive auto-tech clusters in North America and is the largest in Canada. A particular strength is automotive innovation, with Canada's largest automotive innovation hub - General Motors Canadian Technical Centre, and other auto-tech research and development/technical centres such as Magna International and Multimatic. Significant recent investments in the auto-tech space include Tesla in Richmond Hill further expanding into Markham with the first branded Tesla Canada manufacturing facility in Canada, and Multimatic selected to produce the next generation Ford Bronco.

The Region is well positioned in areas like connected and autonomous vehicles with a large sub-sector of leading software companies, and electronics design capability. Being the second largest Information and Communications Technology hub in Canada supports the shift from a traditional automotive sector to the auto-tech of today and tomorrow.

York Region is also home to Canada's largest independent automotive parts and electronics manufacturing cluster, as well as the Global Headquarters of three of the five largest Canadian automotive parts companies. The report highlighted a

comprehensive and well-balanced auto-tech cluster made up of more than 250 establishments, and a capacity for growth given the talent that is present.

The first Regional promotional initiative was launched in March targeting US companies for foreign direct investment via [Site Selection's](#) printed and digital magazine. Site Selection is a leading publication for professional site selectors. Highlights and key results from the study were shared with local-municipal economic development offices and other stakeholders to collaborate, promote, and continue growing the booming auto-tech sector.

Innovation related initiatives help local and national businesses

Innovation is a fundamental source of economic growth and York Region ranks amongst the largest innovation hubs in Canada. The Action Plan identifies the Region as an enabler of initiatives that support innovation across all sectors. Entrepreneurs in York Region benefit from public innovation agencies including York University's YSpace, Seneca HELIX and ventureLAB as well as several private entities. Through a presence on the Board at ventureLAB and Advisory Boards at Seneca HELIX and the Food and Beverage Accelerator the Region was able to impact program development and delivery.

ventureLAB, as the Region's primary innovation partner from 2011 to 2020, supported over 4,000 jobs in the community as reported in [April 2021](#). In 2020 the Region engaged ventureLAB to manage the \$100,000 annual Entrepreneurship and Innovation Fund. Since this fund was launched, 18 businesses and 4 community organizations have directly benefitted from this program. In [November 2021](#), Council approved \$1.5 million over 5 years from the Innovation Investment Fund to expand the Hardware Catalyst Initiative (HCI) delivered by ventureLAB. The HCI is regarded as Canada's first incubator focused on semiconductor companies and was mobilized with nearly \$10 million from the Federal government. This expansion will target foreign investment and support 145 jobs. Details of the collaboration with ventureLAB are provided in the ventureLAB 2021 Results Report on this agenda.

Collaboration on innovation activities with academic institutions has been through York University's YSpace and Seneca HELIX. Through the [York Region Food and Beverage Accelerator](#), delivered in partnership with YSpace, 20 businesses were able to expand distribution networks to nearly 450 new stores and increased sales by \$900,000 in two years. The partnership with Seneca HELIX supported its fifth-annual Summer Institute which focuses on addressing real-world issues faced by health care providers. Other partners included Southlake Regional Health Centre, ventureLAB, Humber College, George Brown College and Kingbridge Centre. The program hosted 60 participants since 2020.

Talent attraction, development and retention activities are yielding positive results

Competition for talent has been a priority for business leaders in the knowledge-based economy. From small and medium-sized enterprises to multinational corporations this competition has been even more visible during the pandemic.

Multiple initiatives were implemented over the last two years targeting businesses and job seekers alike. Notable initiatives include:

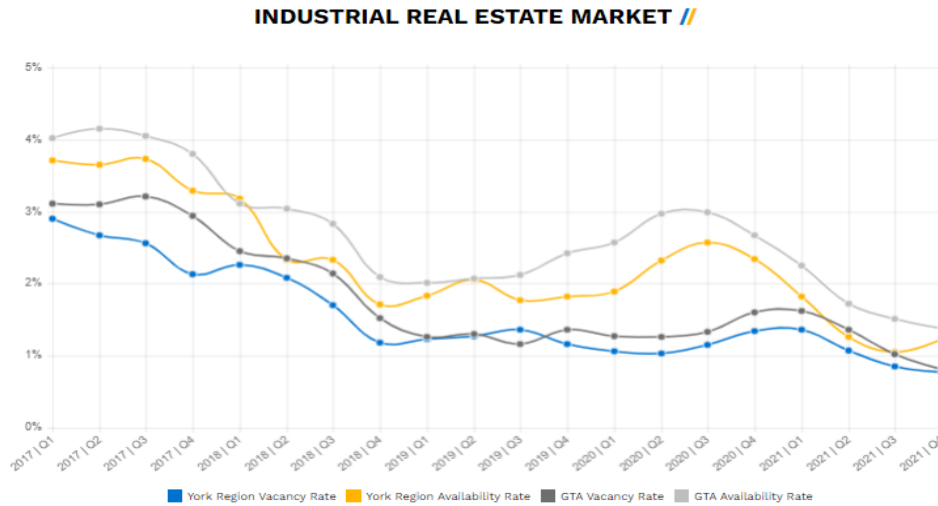
- A virtual Masterclass session at the 2021 Collision from Home conference leveraging the award-winning York Link platform. This was the second most attended Masterclass at the conference with over 140 attendees.
- Assisting several businesses secure highly skilled international talent for key positions as a designated referral partner for Federal Government's Global Skills Strategy programs. Referrals to this program supported the creation of hundreds of new jobs in York Region since 2018.
- With the leadership of the Workforce Planning Board of York Region, integrating the ['Work in York' job board](#) and [Talent Map Tool](#) into York Link. This provides employers and job seekers with information on jobs available in York Region.
- Supporting several employer roundtable sessions delivered by York University. More than 40 business from across the Region participated.

Increased development activity and lower industrial vacancy and availability rates indicate promising economic activity within the Region

In 2021, the Region received 2,050 new development applications and pre-consultations, a 24% increase compared to 2020. These applications included a total of 14,045 proposed residential units. As of December 2021, the Region's [housing supply](#) had an estimated 29,000 draft approved units awaiting construction. The Region will continue to experience strong growth as these applications proceed to registration and construction. The 2021 Annual Development Activity Summary Report on this agenda provides details and comparisons with previous years.

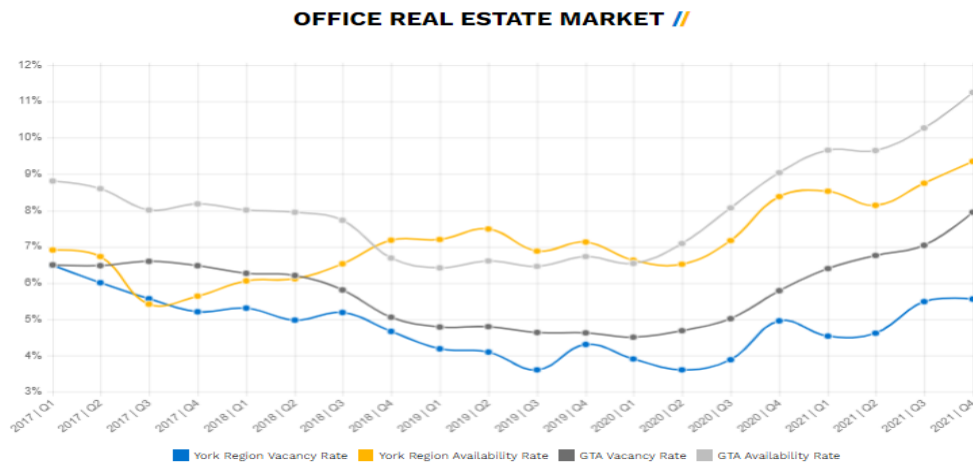
A York Region analysis revealed that vacancy rates and availability rates in the industrial real estate market, already at 10-year lows, trended even lower in 2021 ending at 0.77% and 1.2%. In the office real estate market however, vacancy and availability rates increased from 3.6% and 6.5% in Q2 2020 to 5.5% and 9.3% respectively in Q4 2021. This is likely partially attributable to businesses revisiting space needs after being thrust into remote work scenarios. In both the industrial and office markets, vacancy and availability rates in York Region fared well compared to the GTA average of 0.8% and 1.4% (industrial) and 7.8% and 11.3% (office). Figures 4 and 5 show vacancy and availability rates from 2017 – 2021 in industrial and office marks respectively.

Figure 4
Vacancy and Availability Rates in Industrial Market (%) 2017-2021



Source: CoStar

Figure 5
Vacancy and Availability Rates in Office Market (%) 2017-2021



Source: CoStar

Innovation, business and job growth continue to be fundamental to the Region's economic recovery and success

York Region is the third largest business centre in Ontario and a top destination for business, talent, and investment. The Region is home to:

- Canada's second largest cluster of information and communications technology companies
- Canada's largest automotive parts and electronics manufacturing cluster

- Ontario's second highest number of financial and professional services firms
- Two of the GTAs three 'employment megazones' that have the highest concentration of jobs outside Toronto's downtown core

With 54,000 businesses providing over 600,000 jobs, business and job growth are fundamental to economic vitality and quality of life. Attracting and retaining a variety of high-quality jobs across a broad range of sectors promotes economic resilience and helps ensure residents in York Region have the opportunity to work and thrive where they live. Council's efforts through the Housing Affordability Taskforce to help improve affordable housing options continues to be important.

Partnerships will continue to be instrumental in delivering the remaining action items in the 2020-2023 Economic Development Action Plan. Joint initiatives in 2022 will include COVID-19 business recovery support, marketing campaigns at Collision 2022, promotional activities around talent attraction and an expanded foreign direct investment marketing framework. There will also be more sector development promotion including autotech, agri-food and hardware through the HCI.

5. Financial

Costs associated with program delivery are included in the approved 2022 Planning and Economic Development Branch budget, except the Innovation Investment Fund which was approved by Council and established as a corporate reserve account. The Planning and Economic Development budget and Innovation Investment Fund will be used to leverage funding from other levels of government and other public and private partners to maximize results and economic impact.

6. Local Impact

Local municipalities are key delivery partners of the Region's Economic Strategy program. The goals and actions developed in the Economic Development Action Plan 2020-2023 are designed to complement local strategies and initiatives. The Region and local economic development offices meet regularly throughout the year and work together on program development and delivery. These meetings also facilitate alignment on messaging as well as joint client servicing when appropriate.

7. Conclusion

York Region is an attractive place for residents and businesses to locate and invest. The Region, in partnership with local municipalities and other economic delivery partners, has made an impact on this success through business supportive programs. The 2020-2023 Economic Development Action Plan is in the third year of execution and is well under way with a significant number of initiatives completed. The attached 2021 Year in Review

document highlights economic activity and the impact of York Region programs on business and job growth in the community.

For more information on this report, please contact Jonathan Wheatle, Director of Economic Strategy at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.

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Attachments (2)
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