



To: Committee of the Whole
Meeting Date: November 9, 2023
From: Paul Freeman
Chief Planner
Re: **2024-2027 Economic Development Action Plan Renewal Process**

This memo provides an overview of some achievements since the Economic Development Action Plan update in April 2023 and an interim update on the process for developing the 2024-2027 Economic Development Action Plan (EDAP), including the following key points:

- The existing 2020- 2023 EDAP has progressed well, and significant initiatives have been delivered since the last update to Council
- Awareness building activities included a Regional presence with the auto tech sector at AutoTech Detroit and the Automotive Parts Manufacturing Association Conference. The wider technology, entrepreneurship and innovation ecosystem was showcased at the Collision Conference
- Development of the 2024-2027 EDAP is on track, with stakeholder input providing local context
- Collaboration with local municipal economic development teams and other stakeholders continues to be important input for development of the new EDAP

York Region's 2020-2023 EDAP is nearing completion

The 2020-2023 EDAP guides economic development activities of the York Region Planning and Economic Development Branch. It outlines 20 action items under the program development pillars of business, innovation and talent.

An [April 2023](#) staff report provided an update on progress of the plan and set the stage for a renewed action plan at the end of 2023. The report highlighted that collaborative efforts between the Regional and the local economic development offices and economic development stakeholders have had an impact on the community. It further highlighted that, although the economy is recovering, economic uncertainty persists. The report demonstrated that indicators such as Canadian Business Counts data, continued business and innovation investments across

key sectors and industrial real estate market strength, make the Region's business community one of national significance.

York Region led or supported several cluster development and foreign direct investment activities over the last six months

Collaboration with the local municipalities has been vital in supporting the business community. Between June and November 2023, in addition to on-going collaborative business advisory services and promotional marketing activities, there have been successful collaborations between the Region and local municipalities, some of which are noted below.

York Region is Ontario's 3rd largest business centre and home to Canada's 2nd largest tech hub. The Region boasts Canada's largest automotive parts and electronics manufacturing cluster and the 4th largest food and beverage manufacturing cluster. The presence of a highly educated workforce with 73% having post-secondary education and the highest ratio of technical and scientific labour force in the Toronto-Waterloo corridor, makes the Region an attractive jurisdiction for investment.

Leveraging these strengths, over the last six months the Region led or supported several industry cluster development and Foreign Direct Investment (FDI) activities:

- Automotive and auto-tech at the [AutoTech](#) conference in Detroit: June
- Collaborative presence at the [Collision 2023](#) technology conference in Toronto: June
- Sponsorship of a talent-focused activation at Toronto's [Elevate Talent Festival](#): September
- Agriculture and agri-food [Anuga Trade Fair](#) in Cologne, Germany: October
- Medical Technology at trade conference [MedTech](#) in Anaheim, California: October
- Information and Communications Technologies (ICT) mission; specifically hardware and semiconductors/microelectronics in San Jose, California: October
- Sponsorship of the 2023 Automotive Parts Manufacturing Association (APMA) Annual Conference in Toronto; and securing the conference in Vaughan for 2024 to 2026: October
- Through the York Region FDI Partnership Fund, supported FDI investment readiness for attraction projects or initiatives undertaken by local municipalities

Collectively, these activities were centered on raising the profile and developing business and innovation capacity of York Region and its local municipalities in strategic industry sectors. This resulted in tremendous exposure for the regional ecosystem in both traditional and digital media. It also improved visibility with government and investment attraction agencies and supported capacity building business and partner connections for local municipalities and regional innovation stakeholders. Over time, these will lead to on-the-ground business impacts.

Development of the 2024-2027 EDAP is underway

The current EDAP expires on December 31, 2023 and a new action plan for 2024-2027 is being developed for consideration by Council in Q1, 2024. [Urban Metrics](#), a consulting firm with expertise ranging from market research and feasibility to producing economic development plans, was contracted to help deliver the new plan.

The development process is being conducted over several months. Development of the plan is on target and the steps are outlined below in Table 1 - 2024-2027 EDAP development process.

Table 1
2024-2027 Economic Development Action Plan development process

Phase	Timing	Description
Phase 1	January – April 2023	Data Collection and analysis
Phase 2	April – September 2023	Stakeholder consultations and analysis
Phase 3	September - November 2023	Development of draft actions and report on process to Council
Phase 4	December - Q1 2024	Council review and approval of 2024- 2027 Action Plan

Phases 1 and 2 covered data collection and analysis of:

- Regional documents and community surveys
- Local municipal economic development strategies and initiatives
- Provincial and Federal directives
- Industry papers

Phase 3 included five stakeholder sessions; the first four were structured to obtain input from the economic development community about issues and identifying options going forward. The fifth session was held to provide a summary of the findings, review potential action areas, and discuss opportunities for collaboration.

Review of regional and local municipal strategic documents revealed shared priority areas

Through the literature review, there is an appetite for Foreign Direct Investment activities to accommodate growth. In addition, there is increased interest in support for innovation, promotion and marketing as well as tourism, arts and culture across all local municipalities. There is heightened attention to certain sectors including:

- Agriculture and agri-food

- Automotive and AutoTech
- HealthTech and life sciences
- Information and Communications Technology (ICT); with special attention to hardware and semiconductors

Aurora, Georgina, Markham and Vaughan are developing new economic development strategies with target delivery dates in Q4, 2023. Once these strategies have been approved by local Council, further review and consultation will take place. Any new actions developed during these consultations will be incorporated into the York Region EDAP prior to completion.

Budget documents indicate senior levels of government are aligned with Regional sector priorities and concerns around housing and macro-economic conditions

The federal and provincial governments are committed to continued support for a range of sectors, many of which align with York Region’s economic strengths. These include agriculture and agri-food, advanced manufacturing, ICT, automotive technologies, healthcare and life sciences, and tourism. The federal government has signaled plans to launch the second iteration of the [Infrastructure Canada Smart Cities Challenge](#); this time related to connected technologies, data and climate change. Provincially, there is a focus on investment-ready lands as well as building capacity for automotive innovation and urban mobility.

Housing affordability has been identified as a major risk to economic well-being in general. This, coupled with talent shortages in key sectors is an issue nationally. Provincial and federal governments are prioritizing immigration to address the talent gap.

Macro-economic challenges continue to impact businesses of all sizes in York Region and beyond. According to the Ontario Chamber of Commerce February 2023 [Ontario Economic report](#) financial and operation challenges abound and 64% of surveyed businesses were facing labour shortages or skills gaps. The Workforce Planning Board of York Region in its [Workforce Trends in York Region 2023](#) report indicated that six out of 10 companies surveyed identify issues in hiring at all levels. In addition, the Toronto Region Board of Trade in a 2022 report titled [Think Like a Region: Strengthening the Toronto Region’s Talent Advantage](#) pointed out that due to the prevalence of “working from home” cities will need to make quality of place a central tenet of economic development strategies. Creating quality of place implies encouraging development of spaces where workers want to spend time, interact, collaborate and socialize close to where they live and work.

Stakeholder sessions facilitated direct input from a range of organizations

More than 90 individuals participated in Urban Metrics facilitated sessions. This included representatives from the following external organizations:

- Local municipal economic development teams
- Provincial ministries
- Tourism organizations

- Post-secondary institutions
- Innovation ecosystem enablers
- Local Chambers of Commerce and Boards of Trade
- The Workforce Planning Board of York Region
- Private sector enterprises
- Members of the development and brokerage industry

Sessions accommodated both in-person and virtual participation to maximize engagement.

Stakeholders provided insights from the business community

Input from stakeholder consultation sessions augmented literature reviews and reflected local context experience. Participation of the nine local Chambers of Commerce, Boards of Trade and industry groups collectively brought the voice of more than 5,000 businesses they represent, accounting for approximately 10% of the business community.

Sessions were structured to gather information on who has used the current action plan, how it was leveraged, document challenges and look ahead to exploring potential solutions. Participants were asked to suggest changes to the current pillars of Business, Innovation and Talent to meet the needs of the community.

Some outcomes from these stakeholder conversations are summarized below.

- Business owners identify business stability post COVID-19, inflation costs and staffing as the top three items of concern
- Top three items of interest in the Region’s economic development mandate are investment attraction, entrepreneur and small business support services, data collection and analysis
- Over the next four years, stakeholders see agriculture & agri-food, automotive & auto-tech, ICT and life sciences & health tech as the most immediate sectors of focus
- When asked for one thing the Region could help address from a business growth perspective, the top three items were related to talent, affordable housing and public transportation
- Stakeholders were still in alignment with current pillars of business, innovation and talent

Action Areas are being developed

Analysis of the literature review and stakeholder sessions is being used to develop areas for consideration in the 2024- 2027 EDAP. Outcomes of the process revealed the following:

- Innovation and investment attraction are linked to economic prosperity
- Key sectors being pursued in the existing action plan are still relevant

- Business, Innovation and Talent still resonate as strategic pillars for the 2024- 2027 EDAP. Adjustments are required in the action areas within each pillar to align with local municipal plans and senior government priorities
- Recognizing that economic integration of newcomers is within the purview of other levels of government, this along with housing affordability and transit options are enablers of continued regional economic growth. Initiatives in these areas are led by other departments at the Region. However, the new EDAP will leverage the critical work of the Region’s Housing Affordability Taskforce, Transportation Master Plan and Newcomer Strategy

Staff will work with the community and the consultant to finalize the Plan

Over the next few months, staff will:

- Review local economic development strategies being developed in Q4, 2023
- Discuss action areas with community stakeholders
- Finalize the action areas for Council approval in Q1, 2024

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



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