

The Regional Municipality of York Committee of the Whole Planning and Economic Development February 8, 2024 FOR DECISION

Report of the Commissioner of Corporate Services and Chief Planner 2024-2027 Economic Development Action Plan

1. Recommendations

- 1. Council approve the 2024-2027 Economic Development Action Plan (Attachment 1).
- Commissioner of Corporate Services be authorized to execute any agreements necessary, together with all such further ancillary documents that may be required, to implement the programs outlined in the 2024-2027 Economic Development Action Plan, on business terms satisfactory to the Commissioner of Corporate Services and in a form satisfactory to the Regional Solicitor.
- 3. 2024-2027 Economic Development Action Plan be circulated to local municipalities, local Chambers of Commerce and Boards of Trade, ventureLAB and Toronto Global.

2. Purpose

This report presents a new 2024-2027 Economic Development Action Plan (EDAP) for Council's approval. It reviews the development process and highlights recommended actions contained in 2024-2027 EDAP (Attachment 1).

Key Points:

- Economic development programs are renewed with each term of Council and anchored by Vision and York Region's 2024-2027 Strategic Plan
- 2024-2027 EDAP contains 20 action items organized under the pillars of Business, Innovation, Talent and Marketing and Awareness
- Stakeholder consultation with organizations representing nearly 10% of the business community provided regional context to macroeconomic trends identified in the literature review

- Action Plan recognizes the importance of work delivered by multiple departments to create a welcoming environment for residents and businesses and is linked to the Region's commitment to inclusivity, diversity, equity and accessibility
- Partnerships are key to effective delivery of actions and achieving results which will continue contributing to the Region's economic vitality

3. Background

York Region is an economic powerhouse in Canada and Greater Toronto Area

Regional Council decisions and investments provide infrastructure and facilitate conditions to attract business and talent. With a GDP estimated at \$88.7 billion in 2023, York Region is a major economic centre in Canada, powered by a fast-growing diverse population and what is now one of Canada's largest business communities.

More than 1.2 million residents and over 56,000 businesses call York Region home. Of note, according to data published in 2022 by Research Infosource Inc., is the Region's prominence in Research and Development, with five of the Top 10 Corporate R&D spenders in the Greater Toronto Area (GTA) located here. As one of Canada's top technology industry hubs and with the presence of over 500 foreign companies, the Region contributes to the GTA's growing recognition as a global hub for technology and business investment.

As presented in the <u>Region's 2023 Employment and Industry</u> report, companies in the Region provided almost 616,000 jobs in 2022 and the unemployment rate in York Region since 2020 is in line with national and GTA levels. With an impressive 73% of the workforce between 25 and 64 years of age having post-secondary credentials this depth of the talent pool is attractive to business leaders. The breadth of industry sectors is a source of strength providing jobs to residents across the GTA with significant presence in:

- Agriculture and Agri-Food
- AutoTech and Auto Parts
- Building and Construction
- Financial and Professional Services
- Information and Communications Technology (ICT)
- Life Sciences and Health Tech
- Logistics and Distribution

Regional economies-of-scale augment and facilitate local municipal economic development programs and services

Guided by York Region's EDAP, Regional programs and services create synergies and leverage economies-of-scale with those of the local municipalities. Business investment and location decisions are based on cross-municipal factors such as industry clusters, talent concentration, access to innovation and post-secondary partners.

Given the highly competitive economic development landscape within the GTA and Ontario, York Region's role as an economic development aggregator for its nine local municipalities is impactful. This impact is achieved through cross municipal clusters of employment development, small business and entrepreneurship programs on behalf of the northern six municipalities (N6), innovation capacity building and initiatives that increase effectiveness of federal and provincial programs. This has proven to unlock promotional, business, innovation and advocacy opportunities complementing local efforts and benefiting all local municipalities, some of which are highlighted below and in the <u>April 2023</u> staff report.

2020-2023 Economic Development Action Plan achieved tangible outcomes

2020-2023 EDAP focused on delivering best-in-class services in collaboration with partners. This was evidenced through a range of initiatives that provided complementary benefits to local economic development teams. Outcomes of the EDAP include:

- Established Council-approved <u>Business Recovery Support Partnership (BRSP)</u> pulling together economic development stakeholders to assist businesses in responding to the pandemic. Outcomes from the BRSP were reported in <u>January 2021</u> and <u>June 2021</u>
- Delivered business advisory services to strategic sectors region-wide and small businesses in the N6 municipalities, facilitating the creation of over 5,000 new jobs. This was partially enabled by targeted talent supports through the federal government's Global Skills Strategy program and by the York Small Business Enterprise Centre (YSBEC)
- Piloted a new "Made in York Region" foreign direct investment (FDI) attraction program leading to joint in-market activities with local municipalities and Toronto Global at events such as AutoTech Detroit, Web Summit in Portugal, MedTech California, Agri-food at Anuga in Germany and Italy Trade Mission
- Completed delivery of the first York Region Agriculture and Agri-food Sector Strategy, strengthening collaboration with companies and stakeholders across the value chain
- Partnered with campus-led accelerators at York University (<u>YSpace</u>) and Seneca College (<u>Seneca HELIX</u>) to support innovation and entrepreneurship. Outcomes include piloting the York Region Food and Beverage Accelerator with YSpace benefiting 20 companies that generated over \$900,000 in revenue over two years. The pilot led to a partnership between YSpace and the Black Entrepreneurship Alliance. Seneca HELIX facilitated the acceleration of over 145 new ventures since 2020

- Collaborated with, ventureLAB on managing the <u>Entrepreneurship and Innovation Fund</u>, distributing \$400,000 to more than 50 businesses and community partners, contributing to the creation of over 200 jobs
- Provided \$1.5 million from the Innovation Investment Fund to expand ventureLAB's <u>Hardware Catalyst Initiative (HCI)</u> and development of the soft-landing program for foreignbased hardware technology companies. HCI has contributed to 287 jobs since 2020

2024-2027 Economic Development Action Plan renewal process was structured to maximize stakeholder input

The EDAP is renewed each new term of Council. As indicated in the <u>November 2023 Council Memo</u>, Urban Metrics was contracted to assist in developing the new Plan. This was done in four phases over several months, factoring in macroeconomic, federal, provincial, regional, local municipal priorities and industry perspectives. A literature review influenced the questions posed in stakeholder sessions allowing participants to provide more information as necessary.

Ninety participants comprised of regional and local municipal staff, businesses and industry organizations and innovation enablers provided perspectives in the stakeholder sessions. Participation of business leaders, the Chambers of Commerce and Boards of Trade provided the perspective of close to 10% of the business community.

4. Analysis

Literature review and stakeholder consultations provided valuable insights contributing to the direction of new Action Plan

The literature review and stakeholder engagement process identified trends to be considered in developing and delivering the Plan. Discussions at the local level were with the lens aligning complementary services at a regional scale, closing service delivery gaps and implementing new programs to meet current and future conditions.

Businesses across the country face challenges related to a range of macroeconomic conditions, including technological and geopolitical shifts. Population growth and immigration, talent access and housing affordability concerns are expected to continue in the coming years, compounded by lingering inflation and interest rate pressures. Businesses in York Region are not immune, and these challenges will continue to require collaboration between all levels of government and with industry.

Stakeholder engagement also confirmed investment attraction and readiness; business retention and expansion; entrepreneurship and innovation; protecting employment lands; and marketing and promotions to be of common interest to facilitating growth. Tourism, arts and culture and placemaking have become increasingly important to support live, work, play communities. Strategic cluster development and foreign direct investment were areas identified where regional economiesof-scale programs and initiatives could continue to have an impact. The recently approved <u>Richmond</u> <u>Hill 2024 investment attraction program</u> and <u>Markham Economic Development and Culture Strategy</u> <u>2023-2027</u> point to these collaborative opportunities. Staff continue to work with and participate in the development of upcoming local municipal economic development plans.

Business, innovation, talent and marketing and awareness are the guiding pillars

The 2024-2027 Economic Development Action Plan was developed to align with and support local municipal economic development plans. This will ensure delivery of best-in-class, economies-of-scale programs and initiatives contributing to economic prosperity. Stakeholders indicated the pillars of the previous plan are still relevant, showing community confidence in the delivered programming. The result of the process is a plan that continues the three pillars of Business, Innovation and Talent. A fourth pillar Marketing and Awareness is added, reflecting the importance of economies-of-scale messaging through the Region. Figure 1 2024-2027 EDAP below shows the new representation of the EDAP.



Figure 1 2024-2027 Economic Development Action Plan

The goals of each four pillars are summarized below:

- 1. **Business**: Strengthen York Region's business community by delivering business support services, promoting growth, investment and job creation through targeted business retention, expansion and attraction, and investment attraction initiatives
- 2. **Innovation:** Foster an environment that supports entrepreneurship and innovation to drive economic advancement by being a catalyst and funder of innovation
- 3. **Talent**: Facilitate growth of a skilled workforce that meets the evolving needs of businesses; enabling prosperity for all
- 4. **Marketing and Awareness:** Promote York Region as a top location for business, innovation and talent in the GTA, Ontario and Canada

Under these themes, initiatives relate to foreign direct investment, key cluster development, placemaking, talent access, partnerships and entrepreneurship and innovation. Twenty action items in the Plan address opportunities and challenges, with the aim of having a meaningful impact on the community over the next four years and beyond. Embedded in the actions is consideration for the Region's commitment to inclusivity, diversity, equity and accessibility. A comprehensive view of actions, timelines and key performance indicators is provided in Appendix A and in Attachment 1; 2024-2027 EDAP.

Local municipalities have shown interest in expanded rural economic development, innovation and strategic sector collaboration by the Region

During stakeholder sessions and subsequent conversations, local municipalities indicated the need for more assistance with rural economic development activities. Over the last few years, there has been a gradual increase in support for rural economic development. This is most visible via the implementation of the Agriculture and Agri-food Sector Strategy, N6 focus of the YSBEC and expansion of York Net, building broadband infrastructure across York Region.

Through the review of local municipal documents and interaction with local municipal staff, the N6 municipalities also expressed an interest in increased innovation capacity, FDI readiness and targeted sector supports. The primary sectors identified region-wide are:

- Agriculture and Agri-Food
- Automotive and Auto Tech
- Information and Communications Technology
- Life Sciences and Health Tech

Quarterly meetings with all nine local municipal economic development offices and monthly N6 meetings will be opportunities for narrowing the specific areas for cooperation.

Housing affordability and worker mobility were identified as potential barriers to attracting and retaining workers

Immigration, housing options, newcomer integration and mobility are important to Canada and York Region's economic success. Business leaders noted business stability post COVID-19, inflation costs and talent access as the top three areas of concern. Stakeholders highlighted housing costs, access to transit and traffic congestion as barriers to attracting and retaining workers in York Region. This relates to workers not being able to afford local housing and potentially choosing to work elsewhere impacting the ability to find local talent, thereby affecting business operations. From a transit perspective, employees unable to afford living in the Region have difficulty finding transportation options to move efficiently to and from work, often at a greater distance. This particularly impacts shift workers and workers in industrial areas with limited transit access.

Meeting these challenges and successfully integrating newcomers, requires significant collaboration with all levels of government and local agencies. At the regional level, the EDAP will support initiatives with actions identified through the Region's <u>Housing Affordability Taskforce</u>, <u>Transportation</u> <u>Master Plan</u> and <u>York Region Newcomer Guide</u>, a plan for newcomer inclusion under development.

Partnerships will be important for successful implementation of the Plan

The size of the business community and population makes York Region nationally economically significant. Telling a complete story of regional strengths and differentiating assets requires stakeholders working together. Regional economies-of-scale messaging has advantages and complements local municipal value propositions, creating a comprehensive sense of place to support both business and talent attraction. Collaboration extends beyond local economic development offices into the Chambers of Commerce, Boards of Trades, industry associations, broader innovation ecosystem, post-secondary institutions and senior levels of governments.

The many positive results highlighted in the annual Council reports and in Attachment 1 demonstrate the importance of these partnerships.

5. Financial Considerations

Costs associated with program delivery are included in the approved 2024-2027 Planning and Economic Development budget and in the Innovation Investment Fund, which is part of the External Partners budget. These funds 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

Regional economic development has centered on having regional impact by providing support for business growth, job and innovation capacity guided by Economic Development Action Plans. Programs leverage the Region's size, scale and location in the GTA targeting industry clusters and

workforce opportunities across York Region. Regional economic development programs and services are designed to align with and amplify those of the local municipalities, collaboratively and cost-effectively. They have proven to unlock significant opportunities benefitting all local municipalities against the backdrop of a highly competitive economic development landscape in the GTA, Ontario and across Canada and North America.

There is a history of successful collaboration between local municipal economic development offices and the York Region Economic Strategy team

Local municipal economic development offices participated in the development of the EDAP and conversely York Region participates in the development of local Plans. The 2024-2027 EDAP aligns with, and complements, existing and new local economic development strategies and plans. Continued collaboration and partnership is central to successful implementation of the Action Plan.

7. Conclusion and Next Steps

Regional economic development programs and services are geared to having regional impact. This is done by leveraging economies-of-scale to augment and facilitate local municipal business retention, expansion and attraction programs benefiting all local municipalities.

The 2024-2027 EDAP builds on initiatives already mobilized, expands rural economic development and innovation capacity and provides a platform for collaboration with organizations within and outside the Region over the next four years. The 20 action items covered under the pillars of Business, Innovation, Talent and Marketing and Awareness, will build on the previous Plan and result in eight years of focused actions under similar pillars. The 2024-2027 EDAP is linked to Vision, the Region's 2023-2027 Strategic Plan and local economic development priorities. Staff will report on the progress of the EDAP annually.

For more information on this report, 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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Appendix A – Action Items Attachment 1 – 2024-2027 Economic Development Action Plan #15901228

				1	APPENDIX A
PILLAR	GOAL	ACTION ITEMS	LEAD RESPONSIBILITY & PARTNERS	TIMING	KPI / EXPECTED OUTCOMES
BUSINESS	1. Strengthen York Region's business community by delivering business support services, promoting growth, investment and job creation through targeted business retention, expansion and attraction, and investment attraction initiatives	1.1 Provide direct-to- business advisory and strategic growth sector support in collaboration with local municipalities, stakeholders and other partners for business attraction and expansion clients	Lead: York Region Economic Strategy; local municipalities Partners: Economic development stakeholders; business community	Y1-Y4	# of engagements per year
		1.2 Deliver Provincially mandated small business services and rural economic development support to York Region's Northern Six municipalities through the York Small Business Enterprise Centre (YSBEC)	Lead: York Region Economic Strategy Partners: MEDJCT; economic development stakeholders; and the business community	Y1-Y4	 Establish Transfer Payment Agreement with the province – Y1 Defined as per Transfer Payment Agreement
		1.3 Evolve and strengthen the Regional Foreign Direct Investment (FDI) partnership program in collaboration with local municipalities	Lead: York Region Economic Strategy Partners: Local municipalities; economic development and innovation stakeholders; upper- tier government partners; FDI agencies; business community	Y1-Y4	 # of Region-led business attraction missions or sector showcase projects per year # of partner-led FDI missions supported per year Support of Toronto Global client files and promotional initiatives
		1.4 Deliver updated Agriculture and Agri- Food Sector Strategy and support the	Lead: York Region Economic Strategy; local municipalities (EDOs)	Y1-Y4	 Development of the updated Agriculture and Agri-food Sector Strategy – Y1

	Agriculture and Agri-food Advisory Committee (AAAC) of Council	Partners: As outlined in Agriculture and Agri-food Strategy; Agriculture and Agri- food Advisory Committee; Agri- food Stakeholders including industry associations		 Delivery of actions outlined in the Agriculture and Agri-food Strategy # of rural businesses supported # of rural projects supported
	1.5 Support the office market in York Region in/around urban growth centres and transit- oriented mixed-use communities through collaborative promotion, stakeholder engagement and research	Lead: York Region (Finance Department; Planning; Economic Strategy) Partners: Local municipalities; commercial real estate stakeholders	Y1-Y4	 Review of office market incentives – Y1 Monitoring and communication of office market data and insight
	1.6 Generate awareness of climate change impacts and promote programs that support and showcase low- carbon, circular economy solutions	Lead: York Region (Public Works; Economic Strategy) Partners: Upper-tier government partners; AAAC and other partners in the circular economy space	Y1-Y4	 Research to identify sectors and businesses that are most vulnerable – Y1-Y2 # of business communications showcasing applicable programs, events and solutions
	1.7 Undertake ongoing cluster analysis and development opportunities that align with York Region's strengths	Lead: York Region Economic Strategy Partners: Local municipalities; economic development and innovation stakeholders; upper- tier government partners; FDI agencies; business community	Y1-Y4	 Annual update of York Region's key sectors benchmark with other/key jurisdictions Custom research and analysis on York Region's industry clusters

PILLAR	GOAL	ACTION ITEMS	LEAD RESPONSIBILITY & PARTNERS	TIMING	KPI / EXPECTED OUTCOMES
INNOVATION	2. Foster an environment that supports entrepreneurship and innovation to drive economic advancement by being a catalyst and funder of innovation	2.1 Administer and promote the York Region Innovation Investment Fund (IIF) to attract and support transformational investments and drive innovation in the community	Lead: York Region Economic Strategy Partners: Local municipalities; YR Innovation Leadership Group and innovation partners across the ecosystem	Y1-Y4	 # of investments and amount of funds leveraged
		2.2 Oversee delivery of the York Region Entrepreneurship and Innovation Fund (EIF) to support the regional innovation network by funding companies, initiatives, incubators and accelerators	Lead: ventureLAB Partners: York Region Economic Strategy; various innovation partners	Y1-Y4	 # of fund recipients annually # of recipients in various sectors from each funding stream
		2.3 Work with YorkNet to refine and promote value propositions to support business, innovation, and investment attraction efforts	Lead: York Region Economic Strategy; YorkNet Partners: Local municipalities; Innovation Leadership Group; FDI agencies	Y1-Y4	 Develop value propositions for applicable sectors – Y1 # of success stories developed
		2.4 Foster industry collaboration and engage stakeholders to support growth of the Innovation network	Lead: York Region Economic Strategy Partners: York Region Innovation Leadership Group; upper tier levels of government; various innovation partners; local municipalities	Y1-Y4	 # of industry partnerships and collaborations supported # of innovation related events sponsored

		2.5 Promote programs that support innovation-related initiatives	Lead: York Region Economic Strategy Partners: YR Innovation Leadership Group; upper tier levels of government; various innovation partners; local municipalities	Y1-Y4	 Promotion of programs via York Link and related channels
PILLAR	GOAL	ACTION ITEMS	LEAD RESPONSIBILITY & PARTNERS	TIMING	KPI / EXPECTED OUTCOMES
TALENT	3. Facilitate growth of a skilled workforce that meets the evolving needs of businesses; enabling prosperity for all	3.1 Work with partners to develop and consolidate resources that support labour force and talent attraction efforts in key industry sectors	Lead: York Region Economic Strategy Partners: Upper-tier government partners; local municipalities; post-secondary partners; innovation stakeholders; industry and business associations; employment agencies; York Region Community and Health Services (CHS); Workforce Planning Board of York Region (WPBYR); business community, etc.	Y1-Y4	 Develop and deliver resources of readily-available services and delivery partners to support employers with talent attraction in targeted sectors – Y1 KPIs to be determined in the plan for newcomer inclusion – Y1
		3.2 Develop a Partner Engagement Plan to address talent gaps	Lead: York Region Economic Strategy Partners: Upper-tier government partners; local municipalities; Chambers of Commerce/Boards of Trade; employment agencies; York Region Community and Health Services (CHS); Workforce Planning Board of York Region (WPBYR); business community; post-secondary partners; school boards; innovation stakeholders, etc.	Y1	KPIs will be developed as part of the Partner Engagement Plan

	3.3 Coordinate with York Region Transit (YRT) to develop and implement transit solutions that reflect the changing needs of employers and staff throughout York Region	Lead: York Region Economic Strategy; YRT Partners: Local municipalities; Chambers of Commerce/Boards of Trade; Workforce Planning Board of York Region (WPBYR); business community	Y1-Y4	 To be developed on a project-by- project basis
	3.4 Continue to collaborate with internal partners to promote resources that help employers better understand and engage newcomer and immigrant talent	Lead: York Region Economic Strategy; CHS Partners: Local municipalities; Workforce Planning Board of York Region; academic institutions	Y1-Y4	 Promote resources via York Link and related channels Resources to be developed as part of the Economic Prosperity Working Group
	3.5 Consider the housing needs of York Region workers and employers through the Affordable Housing Implementation Plan (AHIP)	Lead: York Region (Planning, Economic Strategy; CHS) Partners: Local municipalities; Chambers of Commerce/Boards of Trade; Workforce Planning Board of York Region (WPBYR); business community	Y1-Y4	KPIs to be defined in the AHIP
	3.6 Collaborate with local municipalities and tourism agencies to support region-wide place-making initiatives	Lead: York Region Economic Strategy Partners: Central Counties Tourism; local municipalities/DMOs; Chambers of Commerce/Boards of Trade; BIA's and community groups	Y1-Y4	 Participate on the Central Counties Tourism Quarterly Board Meetings and Annual Tourism Symposium Local place-making initiatives supported

PILLAR	GOAL	ACTION ITEMS	LEAD RESPONSIBILITY & PARTNERS	TIMING	KPI / EXPECTED OUTCOMES
		4.1 Enhance the 'York Link' digital marketing platform for high-impact economies-of-scale business investment and growth promotion and talent attraction	Lead: York Region Economic Strategy Partners: Local municipalities; economic development and innovation stakeholders; business community	Y1-Y4	 # of York Link followers / subscribers across all platforms # of impressions
MARKETING & AWARENESS	4. Promote York Region as a top location for business, innovation, and talent in the GTA, Ontario and Canada	4.2 Lead the development and management of a regional promotional framework for investment-ready vacant employment lands to support local municipalities with greenfield investment attraction	Lead: York Region (Economic Strategy; Planning; DAVs) Partners: Local municipalities; economic development stakeholders	Y1-Y4	 Launch a regional Vacant Employment Lands Inventory (VELI) platform to provide / promote available information on vacant employment land – Y1 Launch an investment-ready sites directory on 'York Link' to help the region's cities and towns promote top investment-ready sites