

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
November 14, 2019

Report of the Commissioner of Corporate Services and Chief Planner

Economic Development Action Plan 2020 to 2023

1. Recommendations

1. Council approve the Economic Development Action Plan 2020 – 2023 (Attachment 1).
2. Council endorse the principles for allocating funding from the Innovation Investment Fund (Attachment 3).
3. The Economic Development Action Plan 2020 – 2023 be circulated by the Regional Clerk to local municipalities, local chambers of commerce and boards of trade, ventureLAB, Toronto Global and the York Region Arts Council.

2. Summary

This report outlines results of the Economic Development Action Plan 2016 to 2019, and presents a new Economic Development Action Plan 2020 to 2023 for Council's approval. Details of results from the previous plan, the review process and recommended future actions are contained in the attached Economic Development Action Plan 2020 to 2023 document (Attachment 1).

Key Points:

- York Region's economic development programs support business growth and economic prosperity, as envisioned in the Strategic Plan
- Stakeholders were engaged to help develop a new Economic Development Action Plan for 2020 to 2023
- The new Action Plan will focus on initiatives that support Business, Innovation and Talent
- The new Innovation Investment Fund will be launched to drive innovation in the community and attract investments in major transformational projects
- Partnerships are key to delivering effective programs and achieving results

3. Background

Business and job growth are fundamental to the Region's economic success

York Region is the third largest business centre in Ontario and a top destination for business, talent, and investment. York 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
- Ontario's second largest construction market
- Two of the Greater Toronto Area's three 'employment megazones' that have the highest concentration of jobs outside Toronto's downtown core

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 those living in York Region have the opportunity to work and thrive where they live.

The previous Economic Development Action Plan 2016 to 2019 focused on programs that supported business growth, innovation and building awareness

On January 21, 2016, Regional Council approved the [Economic Development Action Plan 2016 to 2019](#). The Plan identified 42 actions under four program areas including Research & Analysis, Business Advisory, Innovation & Entrepreneur Development, and Marketing & Communications.

Some key outcomes over the past four years include:

- 2,500 new and expansion jobs facilitated by York Region business advisory programs, in partnership with local municipalities, including attracting major corporations like GM and Celestica
- Launch of the award winning York Link marketing campaign and communications strategy, with significant digital and social media reach and corporate engagement
- Support for the new York University campus in Markham
- Launch of York Net, York Region's dark fibre service provider
- Development of an Agriculture and Agri-Food Strategy, and support for the revitalized York Farm Fresh Association and Agriculture and Agri-Food Advisory Committee

The Economic Development Action Plan requires updating to ensure continued alignment with Council's strategic priorities

The Economic Development Action Plan 2016 to 2019 was designed to align with the 2016 to 2019 Strategic Plan and provided a sound base for developing future programs and initiatives. With Council approval earlier this year of the 2019 to 2023 Strategic Plan, it is necessary to revisit the Economic Development Action Plan to ensure continued alignment with the strategic priorities of Council and the evolving nature of employment growth.

4. Analysis

Broad consultations and research supported development of the Action Plan

The Economic Development Action Plan 2020 to 2023 has been developed over the past 12 months through the process outlined below:

- Review economic development plans/strategies in all nine local municipalities and plans of competitive locations in the Greater Toronto Area and Southern Ontario
- Review of past four year economic growth indicators for the Region's economy and outcomes from the Economic Development Action Plan 2016 to 2019
- A facilitated stakeholder consultation session in June of 2019 with 50 attendees to explore what breakthroughs might take the Region's economy to the next level
- An online survey of businesses and the public to solicit views on how the Region can positively influence economic prosperity
- A final stakeholder session to review draft actions and areas of focus

Key program delivery partners and the broader business community were included in the Action Plan consultations and review process, including Regional and local municipal staff, businesses and business organizations, the development industry, and stakeholders in the innovation and business development fields.

The Action Plan review process has been coordinated with the Municipal Comprehensive Review

The development of the new Action Plan was timed to coordinate with background work being undertaken through the Municipal Comprehensive Review to update the Regional Official Plan. Specifically, the Action Plan considered economic research on employment trends to ensure alignment of economic development actions and planning policies related to business and employment growth and city building efforts.

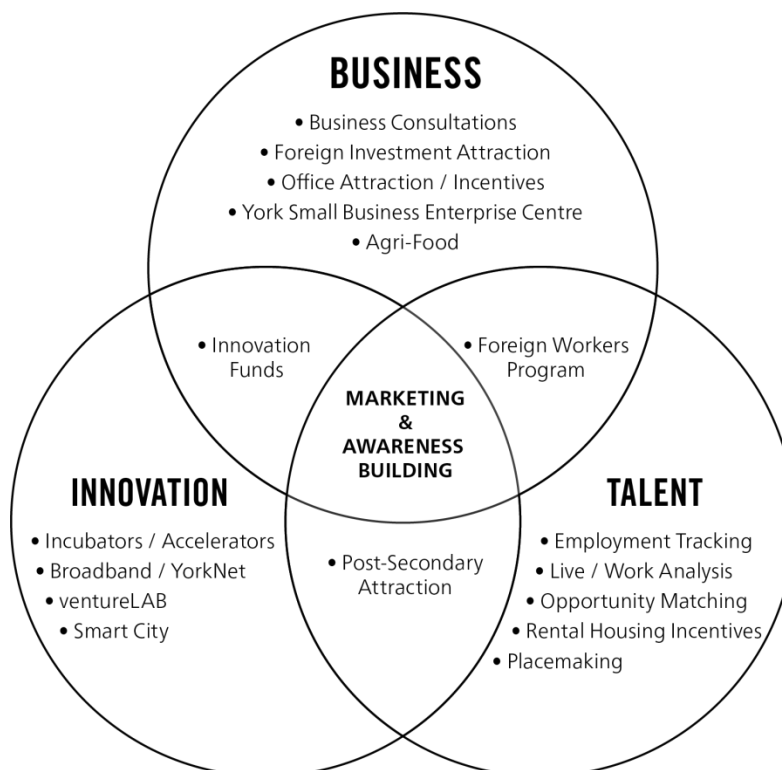
New Economic Development Action Plan proposed to focus on supporting Business, Innovation and Talent

Background research and input received through consultation was analysed to generate areas of focus for the Region to consider. Key focus areas of business, innovation and talent emerged as priorities to develop the Action Plan around. The full list of Actions is provided in Attachment 2 to this report.

The Actions set out in the Plan are not necessarily discrete and separate activities. There are significant connections between many of the initiatives, as illustrated in Figure 1. For example:

- Talent matching activities such as referring companies to the federal Global Skills Program support both talent attraction and business growth
- Providing leveraged funding through two new innovation funds approved by council in the 2019 budget will help build the innovation networks creating business growth opportunities for entrepreneurs
- Engaging in further post-secondary attraction efforts will help increase talent in the Region creating new opportunities for research and innovation and supporting business growth
- Marketing and Awareness building programs such as the York Link campaign support all three areas of focus

Figure 1: Economic Development Action Plan areas of convergence



Existing core programs will continue in the new Action Plan to build on previous success

The new Action Plan includes numerous actions from the previous plan that represent core services and strategic priorities of Council. These include:

- Marketing – continuing and expanding on the York Link campaign, ‘Where Talent and Opportunity Intersect’ to continue driving awareness of the Region as a place to locate, work and invest
- Business Advisory – engaging and supporting the Region’s growing knowledge-based companies and small businesses to increase jobs in collaboration with local municipalities, augmenting local corporate call programs
- Partnerships – continuing to seek partners and share resources with external delivery partners including ventureLAB, Toronto Global, the York Region Arts Council, and the Province

These areas have generated business growth and jobs, and stakeholders strongly encouraged the Region continue and build upon.

A continued focus in the Action Plan is Talent

Talent has emerged as a key factor in sustaining business growth. Talent attraction and matching workers with business has been initiated over the past several years and needs greater focus going forward. Targeted marketing of the Region to knowledge based talent through York Link social media channels will become a focus for the campaign.

The Economic Strategy office was recently approved as a federal referral agent for the Global Skills Program, allowing the Region to directly assist companies with fast-tracked access to foreign workers. This new service will be promoted and leveraged. The introduction of a job board on the Innovation Portal managed by ventureLAB and supported by York University, Seneca College and the hospital network will assist businesses to connect with technological talent.

The Action Plan also contemplates continuing to enhance connections with workforce development initiatives of the Community and Health Services Community Partnership Council and the Workforce Planning Board.

Council has created two innovation funds that will be a focus of the new Action Plan

York Region recognizes the importance of innovation in supporting economic prosperity in the community. Council has financially supported building of the York University campus in Markham and provides ongoing funding of ventureLAB. These are prime examples of the Region’s commitment to this direction that may lead to business and job growth.

Recognizing the importance of investing in the future, Council approved two new programs in the 2019-2022 budget: an Innovation Investment Fund and an Entrepreneurship and Innovation Fund. The Entrepreneurship and Innovation Fund was previously approved in the ventureLAB 2018 Results and 2019 Agreement report on June 13, 2019.

The Innovation Investment Fund would support major transformational projects with regional impact

The Innovation Investment Fund was created by Council in the 2019 Budget to support major innovation infrastructure investments. Council approved an initial contribution to the fund of \$1,000,000 in 2019 and will determine how much to add to the fund each year.

The Innovation Investment Fund is intended to build over time to allow Council to support transformational projects of regional significance, such as new post-secondary training and research facilities, research institutions, centres of excellence or transformative infrastructure projects directly related to innovation and utilization of new technologies.

Staff is seeking endorsement of principles for the Innovation Investment Fund as part of the approval of the Economic Development Action Plan

Projects can be brought forward by external parties or initiated internally. Evaluation of projects includes the following criteria:

- Regional impact, both economic (e.g. amount invested, businesses supported, jobs created) and community (e.g. supporting local learning and employment, improve life in the community and environment)
- Significant leveraging of additional investment (e.g. requirement for total investments to at least match York Region's contribution)
- Partnership development within the Region (e.g. engaging existing Regional stakeholders and attracting new investors to partner here; including public and private partners)
- Support for and involvement of key economic clusters in the Region (e.g. information and communications technology, healthcare, finance and business services, environmental technology, agri-food)

Project proposals will be reviewed by a staff panel with outside support where external expertise is required. Qualified proposals will then be recommended to Council for consideration and funding approval. Council could allocate all, some or none of the funds to proposals, and could also allocate future contributions to the fund (as was the case with the York University campus) to support large projects where Regional participation is appropriate. Proposals will be accepted for review at any time.

A draft set of principles for the Innovation Investment fund can be found in Attachment 3 to this report and staff is seeking endorsement of these principles as part the approval of the Economic Development Action Plan 2020 to 2023.

The Entrepreneurship and Innovation Fund will help build the Region's innovation network

The Entrepreneurship and Innovation Fund is a \$100,000 annual contribution from the Economic Strategy budget to ventureLAB to provide support to innovative companies, technology hubs, incubators, and accelerators. The Region will work with ventureLAB as the program administrator to distribute funds each year to three groups:

- Community Partners looking to launch or grow business accelerators/incubators
- Small Business and Entrepreneurs looking to commercialize products and services
- Start up and early stage companies looking for seed funding through an annual Pitch Competition

The \$100,000 fund is intended to leverage additional investments and funding, helping to grow the innovation network in the Region.

The new Action Plan will address emerging opportunities

Other emerging opportunities are addressed in the Action Plan including:

- Post-secondary attraction that builds upon the attraction of a new York University campus in Markham, and broaden educational, research and training capabilities in the Region
- Engaging in enhanced foreign direct investment marketing activities in addition to Toronto Global and supporting local municipal foreign investment attraction efforts. This will help develop global recognition of the Region and remain competitive within the Greater Toronto Area
- Initiating a Smart Cities Working Group, made up of internal Regional departments, to build on the success of the Region's Broadband Strategy and Intelligent Community initiatives to set the stage for adoption of Smart City technologies, policies and practices that support efficient service delivery
- Examining the Region's role in supporting Tourism, Arts and Culture as important talent attraction and place making elements, and study opportunities to attract major business and tourism support investments such as major hotel/conference facilities

Success of the Action Plan will depend on strong relationships with program delivery partners and stakeholders

Just as the Action Plan has been developed in consultation with key program delivery partners and stakeholders, success of the Plan will also benefit from these relationships. Local municipalities and locally operated Small Business Enterprise Centres are key partners to deliver coordinated and effective economic development programs. York Region works with numerous agencies and organizations on a regular basis to plan and deliver programs and services to the business community. These include the nine chambers of commerce and boards of trade and a host of innovation, workforce and sector specific organizations.

The Region's Economic Strategy office has direct funding and program delivery agreements with the Federal and Provincial governments in addition to working with various ministries and senior government agencies to facilitate business, talent and innovation supportive activities.

The Action Plan contemplates continuing formal partnership agreements with ventureLAB, Toronto Global, and the York Region Arts Council, subject to partnership terms, to extend the Region's leverage and reach to deliver programs that directly impact business growth and economic prosperity.

Measuring success and reporting outcomes is important to implement the Action Plan

Each action in the Plan has a target or key performance indicator associated with it. Performance against these targets and indicators will be monitored on a regular basis and form part of reporting.

Staff will report to Council on program results and economic impacts through the annual Economic Development Year in Review report. On-going communication of results and successes will occur through publication of regular economic updates in print and on-line, and through targeted reports to Council on major initiatives

Initiative supports strategic goal of Vision/Strategic Plan

Council has taken proactive steps to recognize economic prosperity and vitality as key to the Region's future. Vision 2051 and the 2019 to 2023 Strategic Plan recognize the importance of a vital and growing economy. The 2019 to 2023 Strategic Plan includes increasing economic prosperity by fostering an environment that attracts businesses, grows employment opportunities, and attracts talent as one of its primary goals.

5. Financial

The Action Plan review has been undertaken primarily with in-house resources. An external facilitator was engaged to conduct the Stakeholder Consultation session in June. All costs associated with the work are included in the approved 2019 Planning and Economic

Development Branch budget, except the Innovation Investment Fund which has been 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

The Region and local municipalities play a complementary role in economic development

Local municipalities are key partners to deliver the Region's economic direction. All nine local municipal economic development offices were included in the consultation process and development of the Economic Development Action Plan 2020 to 2023. Current local economic strategy documents have been reviewed as part of the Action Plan review process, and have been considered when developing Region-wide actions.

The Region and its local municipalities have complementary roles to play in driving economic development for the benefit of both residents and businesses. A Regional approach creates significant scale in research, marketing and business connections that extends the reach of economic development support programs across municipal boundaries within the Region, and beyond.

Key industry clusters like information and communications technology, financial and business services, engineering and advanced manufacturing extend across much of the Region and collectively position the Region's municipalities as an economic powerhouse not only within the GTA but also on a national and North American scale.

The partnership between the Region and local municipalities is driving success

As employers continue to assess business location needs for operational and talent attraction reasons a combined local-regional economic development approach is essential to retaining, growing and attracting companies in the very competitive Greater Toronto Area and global economies. This approach helped successfully land both General Motors and Celestica in York Region, in partnership with the City of Markham and Town of Newmarket respectively, and significantly raised the profile of the local technology cluster through marketing initiatives such as the York Link campaign and Collision Conference.

A Regional approach is necessary to attract innovation investments like major post-secondary campuses of the scale secured in the new York University campus in Markham or develop an interconnected network of innovation accelerators and hubs such as ventureLAB and NewmakeIT. It is also important in raising the profile of the agriculture and agri-food sector and supporting small business formation and growth in smaller more rural communities.

The actions developed in the Economic Development Action Plan 2020 to 2023 are designed to complement local strategies, initiatives and messaging, avoid duplication, and be delivered in partnership with local municipalities.

7. Conclusion

The Region continues to be an attractive place for innovative businesses and talent to locate, invest and grow. York Region has impacted this success through its partnerships and business supportive investments in infrastructure and programs.

The Economic Development Action Plan 2020 to 2023 directly supports the economic prosperity goals and key actions in the 2019 to 2023 Strategic Plan through programs and initiatives that support Business, Innovation and Talent. Partnerships will be key to delivering programs and achieving success.

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

Recommended by: **Paul Freeman, MCIP, RPP**
Chief Planner

Dino Basso
Commissioner of Corporate Services

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

November 8, 2019
Attachments (3)
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