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ECONOMIC STRATEGY PROGRESS REPORT

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, December 2, 2003, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council receive this Report for information.
2. Planning and Economic Development Committee convene a workshop in March, following the regular meeting of the Committee, to review and discuss the results of the consultations on the Economic Strategy.

2. PURPOSE

This Report seeks to inform Council of the Consultation Process that has taken place to date with the Region's economic partners for the development of an economic strategy.

3. BACKGROUND

At their meeting of September 3, 2003, the Planning and Economic Development Committee approved a work program for Consultations in the preparation of the Economic Strategy. These consultations, in combination with collection of economic data and research being undertaken by staff, would provide a basis for better understanding of the Region's economy.

The consultation process approved by Council mirrors that used in other successful strategic planning exercises undertaken by the Region in recent years such as Vision 2026. It includes discussions through the fall of 2003 with the Region's economic partners (Area Municipalities, Chambers of Commerce, the Greater Toronto Marketing Alliance, Provincial and Federal Ministries and Departments involved in economic development).

Staff have also been compiling and reviewing the pertinent policies and strategies of senior level governments and the local area municipalities that will have to be reflected in the Region's Economic Strategy. The Region's efforts must be in harmony with the policy framework set out by other levels of government in order to establish a basis for partnerships to access funding and support for the Region's economic development initiatives.

In October 2003, the Planning and Economic Development Committee received and endorsed a Discussion Paper entitled: "*How Can We Sustain A Vibrant Economy?*" The

Discussion Paper was prepared to inform, educate and elevate debate about economic development issues amongst the participants in the stakeholder workshops.

To date consultations have been completed with area municipal economic development staff and Executive Directors/Presidents of the local Chambers of Commerce/Board of Trade. Workshops with the Greater Toronto Marketing Alliance, the Provincial ministries and agencies and the Federal economic development agencies and departments are still pending.

The workshops, lead by regional staff, were structured around a discussion of the current challenges and opportunities facing the Region's economy and they focussed on what strategic direction and possible action areas that the Region could undertake as part of its Economic Strategy.

In addition, to the formal consultations, staff held fourteen one-on-one meetings to date with key stakeholders and interested persons to build support for the strategy process and gain insights into future economic trends.

4. ANALYSIS AND OPTIONS

4.1 Key Themes Emerging from Consultations

The first two consultations with the area municipalities and the local Chambers of Commerce/Board of Trade were held in November. A number of issues were raised by the participants during the sessions which are paraphrased and summarized below:

- **Workforce Skills and Labour Supply:** The availability of skilled labour to meet the needs of existing and new business growth was repeatedly raised. Labour supply has become one of the most important factors for business in choosing where to locate. York Region has traditionally enjoyed a significant advantage in this respect because of historical population and labour force growth, but the shortage of specific skills and the needs to train the ageing workforce are becoming more acute. A more concerted effort to forecast the employer skills needs and the impacts of the Region's demographic changes on labour supply were called for. This issue is of particular concern in the northern part of the Region.
- **Immigration:** York Region is a prime destination for immigration. How can we better plan for and benefit from the new immigrants? We underutilize the skills of immigrants. More co-ordination and understanding of this issue is needed.
- **Transportation Infrastructure:** The congestion and gridlock experienced in the road systems in the southern part of the Region is a serious issue. In the view of some the Region's current road network is no longer adequate to meet the growing needs of business and residential growth. Proposed transit improvements are welcomed. Improvements to the road network should accommodate future transit systems. The extension of multi-lane roadways to service the northern part of the Region are still very much needed to help open up new industrial land and employment opportunities.

- **Telecommunications Infrastructure:** There is consensus that the availability of broadband high-speed telecommunications infrastructure is not uniform across the Region. There is no consensus on whose responsibility it is to address the issue. A higher degree of home-based business and telecommuting could be achieved with improved telecommunications infrastructure which would in turn reduce the growth of journey to work trips. More uniform access would also create increased competitive advantage for Regional businesses.
- **Employment Land Supply and Servicing:** The availability of serviced employment land to accommodate future demands in all areas of the Region is of concern. It was noted that land supply needs to be balanced with labour supply, servicing and transportation to enable business attraction. Conversion of employment lands could preclude future business attraction efforts. It was noted that business cycles and broad scale economic changes affecting the GTA influence demand for different types of land use over time. Infrastructure to accommodate economic growth is required in the North. The time lag between planning for new employment lands and infrastructure available needs to be shortened.
- **Housing:** Affordability is a concern and supply of seniors housing in particular is a critical issue. The cost and supply of owned and rented housing impacts the ability of local companies to retain local workers. Others noted that the development industry is providing a very diverse range of housing types and prices throughout the Region that are meeting market demand.
- **Education and Youth:** The youth of the Region need to be more involved in economic development planning. We are not addressing the perspectives and needs of youth in our economic development planning. Skills development has to be addressed at an early age, the youth need more awareness of economic and business trends that they will experience when they finish school. Education and business need to partner to create more apprenticeship opportunities. Creating the awareness of need and desirability of a career in the skilled trades needs to be undertaken at an early age.
- **Branding and Image:** The Region needs to focus on promoting its image and legacy of a high quality community. Reputation and character must figure into our efforts to attract business. We should not measure success by traditional yardsticks of jobs and assessment growth, rather by quality of life. Need to position the Region to attract quality of life generators such as high profile sporting or cultural events, post-secondary/research institutions and international events. Image and value of location in York Region, not just price/supply of land or building space, attract companies. The reputation, image and legacies of communities are key factors in attracting and sustaining corporate investment. There is a need to maintain a balance between growth and rural small-town environments in the Region.
- **Leadership and Co-ordination:** There is duplication of efforts amongst existing programs and organizations that deliver small business assistance programs. More

co-ordination and co-operation is required. There is a need to promote York Region as a great place for entrepreneurs. There are opportunities for better communication and information sharing between respective Chambers of Commerce and various levels of Government. Several examples of how local Chambers have engaged local municipal government exist and could be adapted Region-wide. Leaders are listened to more than a planning group. Identify specific projects for action. Future competitiveness will require leadership at all levels. The Region has a role to co-ordinate and elevate the debate on what is needed to maintain economic vitality.

4.2 Next Steps

Economic Partner Consultations

Discussions with the Greater Toronto Marketing Alliance were being scheduled at the time of writing of this Report. Meetings with Provincial Government officials were proposed for November but owing to the recent provincial election, these consultations were delayed to December. Meetings with Federal Government agencies and Department staff involved in economic development have also been delayed until January owing to imminent changes at the federal level.

The outcome of the consultation sessions will assist in focussing discussion with other economic partners at the business workshops to be held in January/February 2004. The results of these consultations will be brought forward to committee in the New Year.

Industry Focus Groups and Feedback

In January/February, staff will convene a series of focus groups with senior executives, representatives of various industry sectors such as small business, retail, manufacturing, tourism and agriculture. The results of these consultations will further identify what economic initiatives need to be undertaken to enhance the business climate in the Region.

Staff will be preparing a questionnaire that will be circulated to all the local Chambers of Commerce for distribution to their members soliciting input to the Economic Strategy process through e-mail and fax-back response.

Workshop with Planning and economic Development Committee

Staff propose to hold a Workshop with Planning and Economic Development Committee in March after the consultation with the economic partners and business groups to review the findings and begin to flesh out the strategic action for an overall Economic Strategy.

Economic Strategy Forum

Regional staff will be convening a Regional Economic Strategy forum in April with a broad cross-section of business and economic stakeholders to validate the results of the sector consultations and to prioritize and integrate key action items that need to be included in the Economic Strategy. Staff will then prepare a draft strategy for Committee and Council's review and for circulation and review by the economic partners in late Spring.

Final Report and Draft Strategy

Once comments have been received from individuals and groups who have been circulated with the draft Economic Strategy and have been incorporated, a Final Report will be presented to Regional Council in late June.

4.3 Relationship to Vision 2026

The consultation program for the development of the Economic Strategy, supports the fulfilment of Vision 2026 and its action areas for *A Vibrant Economy*.

The Strategy will also integrate and complement other strategic Regional initiatives and programs already in place such as the Housing Initiatives, the Human Services Strategy, Transportation and Infrastructure Planning and the Greening Strategy.

5. FINANCIAL IMPLICATIONS

The costs to undertake the Economic Strategy consultation process are provided for in the approved 2003 budget of the Planning and Development Services Department. The consultations to be undertaken in 2004 are to be funded within the estimates in the proposed 2004-operating budget.

6. LOCAL MUNICIPAL IMPACT

In November, representatives from the Area Municipal Economic Offices were involved in the early consultation process for the development of the Economic Strategy. Throughout the consultation, development and implementation stages of the Economic Strategy, the area municipalities will continue to be called upon for their active involvement.

The establishment of an Economic Strategy will serve to define the Region's role to compliment the economic development efforts of the Area Municipalities and better define accountabilities for specific program areas.

7. CONCLUSION

The consultation process is critical in the development and preparation of an Economic Strategy for York Region. Input and feedback from the Region's economic partners and participants in the consultations will be reviewed by staff and will form the basis for a draft Economic Strategy that will realize and sustain the goal of Vision 2026 for "A Vibrant Economy." It is anticipated that the final Economic Strategy will be presented to Council in late June 2004.

The Senior Management Group has reviewed this report.