10
INTERNATIONAL INVESTMENT ATTRACTION PROGRAM UPDATE

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated April 28, 2010, from the Commissioner of Planning and Development Services.

1. RECOMMENDATION

It is recommended that:

1. This report be circulated by the Economic Strategy Branch to local Municipal Economic Development Officers, Chambers of Commerce and Boards of Trade.

2. PURPOSE

This report updates Council on the progress of the International Investment Attraction Program and outlines work plan guidelines for the balance of 2010.

3. BACKGROUND

The International Investment Attraction Program was developed as a key component of the York Region Economic Development Marketing and Communication Strategy to persuade foreign sustainable corporations to expand into the Region. The program objectives, scope and components were approved by Regional Council on November 20, 2009.

The program's 2009-10 work plan consists of the following key elements:

- Market assessment and networking visits to seven select city regions in the United States
- Prospecting at select green/sustainable trade shows and conferences
- Business development workshops focusing on priority U.S. city regions
- Marketing activities including a new website, economic profile, customer presentations and direct mail campaigns
- Partnership development
- Lead and prospect servicing

4. ANALYSIS AND OPTIONS

Investment attraction focused on prospecting, networking and lead generation

The International Business Development Advisor commenced work in August 2009 with program implementation beginning in October 2009. York Region Economic Strategy has been actively engaged in select U.S. target markets promoting the Region as a preferred business location to corporations, trade organizations and site selection intermediaries.

During the period of October 2009 and May 2010 direct contacts were made with over 170 U.S. and international corporations and investment attraction intermediaries through in-market visits, trade shows and direct marketing. Table 1 below summarizes key activities planned and executed under the program to date:

Table 1
Program Activity Milestones October 2009 - June 2010

Date Completed	Activity
October 2009	U.S. market assessment and networking visit - Hartford, CT
October 2009	Trade show prospecting - Solar Power International, Anaheim, CA
October 2009	Market assessment and networking visit - Salt Lake City, UT
November 2009	Market assessment and networking visit - Portland, OR
December 2009	Trade show booth completed and purchased
January 2010	Targeted direct marketing campaign to select renewable energy firms
February 2010	Invest in York website (www.investinyork.ca) goes live
February 2010	Trade show exhibit and prospecting at Green Manufacturing Expo, Anaheim, CA
February 2010	Market assessment and networking visit/trade show prospecting - Renewable Energy Expo, Austin, TX
March 2010	Market assessment and networking visit - Columbus, OH
March 2010	Market assessment and networking visit - Indianapolis, IN
March 2010	Market assessment and networking visit/trade show prospecting - Green California Summit, Sacramento, CA
March 2010	Trade show prospecting and awareness building - Globe 2010 Expo
June 2010	Business development workshop (in-market) - Salt Lake City, UT

Market assessment and networking visits promote York Region in key emerging U.S. green and clean technology business hubs

The U.S. has been identified as the initial geographic market for the program. More specifically, the focus of the 2009-10 business plan has been seven U.S. city regions that are emerging as green business hubs and are similar to York Region in terms of their business and economic profile. These included Sacramento CA, Portland OR, Austin TX, Columbus OH, Hartford CT, Salt Lake City UT, and Indianapolis IN.

Market visits to these city regions included networking with local business associations and chambers, market research, and prospecting at local trade events. This activity provided exposure for York Region in target markets, established contacts with local business leaders, generated leads and enabled to prioritize follow on efforts. The following is a summery of each of these visits:

1. Hartford CT: Meetings were held with key local business organizations and York Region was well received. Greater Hartford has an emerging green business cluster in such niches as fuel cells and wind turbine components however manufacturing, IT and financial services still dominate the local economy and the potential pool of sustainable companies is relatively limited in size. Local business organizations were impressed by York Region's position and the Economic Strategy Branch has been actively investigating joint business development initiatives in cooperation with U.S. Export Assistance Centre's Hartford office.

2. Salt Lake City, UT: Utah is one of the fastest growing and most technologically advanced States in the U.S. with 5,600 local IT and Life Sciences companies and a fast emerging cleantech sector. The reception by the local business community was very positive and York Region is following up by holding a business workshop for local companies in Salt Lake City June 21-23, 2010.

3. Portland OR: The city of Portland has a very strong culture of sustainability and is positioning itself as a leader in the area of sustainable municipal governance. The local green business cluster, though largely service oriented is expanding fast with specific strength areas being green building, sustainable transportation, cleantech and water remediation. Although some Portland companies are active in nearby markets such as Vancouver and Calgary there appears to be relatively low interest to do business in other parts of Canada as they focus international efforts towards China and Southeast Asia. York Region is actively maintaining contact with key local stakeholders to position for future cooperation opportunities.

4. Austin, TX: The Greater Austin area has a fast emerging cleantech business cluster of about 200 companies with particular strength in renewable energy, green building services and sustainable transportation. Following attendance at a key local renewable energy conference it has been concluded that Austin represents potential

for wider prospecting activities and options for engaging the local business community are being considered.

5. Columbus, OH: Columbus remains one of the strongest municipal economies in the U.S. Mid-West however the local green and environmental business cluster seems to be less developed compared with other city regions that have been investigated. Emerging green clusters include waste management, wastewater treatment and vehicle electrification however based on market assessment findings Columbus would not be considered a priority target at this point.

6. Indianapolis, IN: York Region was very well received by local business organizations. Though Greater Indianapolis does have emerging local green business clusters in such areas as automotive and wind turbine equipment, the local economy for the most part is still very much dependant on its core traditional industries such as advanced manufacturing, logistics and life sciences. The local business community seems open for cooperation and further engagement of Indianapolis companies would be in sectors synergetic with York Region.

7. Sacramento, CA: The visit focused on engaging the business community and gathering market information at Green California Summit 2010. With Sacramento being California's State Capital green jobs in the city are largely public sector and services focused. The number of local green products and technology companies is significantly smaller than other areas in California such as the Bay area, Greater Los Angeles and Orange County. Overall, California should be a prime target for prospecting activities and consideration will be given to targeting alternate city regions in California as part of the 2011 plan.

Partnership model enhances scope and outreach of investment attraction activities

The International Investment Attraction Program is enhanced by leveraging a Regional partnership under the Invest in York umbrella. The partnership includes York Region Economic Strategy Branch, local Municipal EDOs, local Chambers of Commerce/Boards of Trade, regional business associations such as York Technology Association, York BioTech and other key local business service providers.

Partnership development has been a priority with local Municipal EDOs who have been invited to participate in program initiatives such as trade shows and business delegations/workshops. Specific examples include on site cooperation between Newmarket and Markham at the Green Manufacturing Expo in February, an excellent model for inter municipality collaboration, as well as the participation of Newmarket, Richmond Hill, York Technology Association (YTA) and York BioTech in the Salt Lake City business delegation.

York Region Economic Strategy has also been outreaching to external GTA, Provincial and Federal partners and investment attraction intermediaries to build awareness of the program and identify areas of cooperation. These include the Greater Toronto Marketing Alliance (GTMA), Ontario Ministry of Economic Development (MEDT), Foreign Affairs and International Trade Canada (DFAIT), Think Green Alliance, European Chamber of Commerce, Society of Manufacturing Engineers, Canadian Solar Industries Association and Ontario Environmental Industry Association (ONEIA). Economic Strategy is also widening its network of prospect servicing businesses such as real estate brokers and accounting firms.

Presence at industry events expands potential prospects and business networks

Exhibiting and prospecting at prominent green U.S. business trade shows and conferences builds awareness with target companies, enables introductions to potential prospects and creates networking opportunities with industry leaders. Trade shows are selected based on their content, size, and target audiences and, should an exhibit be considered, booth space location.

A new trade show booth was developed and commissioned which provides a central point for staff to meet prospects and offer market information.

Invest in York exhibited at the Green Manufacturing Expo in Anaheim, California in February 2010. The expo was part of the largest advanced manufacturing trade event in the U.S. featuring seven co located trade shows focusing on such sectors as green manufacturing, medical products, pharmaceuticals and plastics. York Region Economic Strategy staff were joined by local EDOs from Newmarket and Markham. The team made 80 business contacts and generated several leads for further follow-up.

Other key green trade shows and conferences visited between October 2009 and March 2010 include Solar Power International, CA; Renewable Energy Expo, Austin, TX; Green California Summit, Sacramento, CA and; Globe 2010 international conference in Vancouver. This activity involved contacts with over 50 companies and generated several Leads interested in potential expansion in Ontario.

Business workshops and delegations identify potential prospects in targeted regions

The plan calls for further engagement of the business communities in priority U.S. city regions by organizing local and in-market business delegations and workshops that will provide an opportunity to communicate information on York Region and connect with potential prospects. York Region local EDOs, regional business organizations and the business community are invited to participate in these activities.

Following a successful market assessment visit, Invest in York will be holding a business opportunities workshop in Salt Lake City, Utah, June 21-23 2010. The visit is co-organized in cooperation with Salt Lake City Chamber of Commerce/World Trade Centre Utah, and Canadian Trade Commissioner Service office in Denver, Colorado. The delegation from York Region will include York Region staff, Local Economic Development Officers, York Technology Association, Southlake Regional Health Centre, YorkBiotech as well as York Region companies. The delegation is expected to meet 60-70 Salt Lake City businesses.

Communication tools raise York Region's profile as a preferred investment destination

The INVEST IN YORK website (www.investinyork.ca) was launched in February 2010 as a central information point for potential investors. The website highlights advantages of doing business in Canada and York Region, provides relevant data on York Region as well as includes economic profiles of each of the local municipalities. The website will be updated and improved on an ongoing basis with new content and design enhancements.

A new creative agency, Ferrand Communications of Richmond Hill, has been retained through a competitive RFP process to support York Region Economic Strategy with marketing and campaign development. Through work with the agency the INVEST IN YORK domain will be expanded and enhanced to serve as a high-impact, one-window access point for information and programs related to economic development and investment attraction in York Region.

The Economic Profile has been updated for 2010 and is being used as a tool for highlighting York Region advantages. Marketing material has been developed including PowerPoint presentations for intermediaries and prospects and sector specific direct marketing templates and factsheets that addressed specific client requirements in renewable energy and manufacturing.

Lead generation and prospect customer service are critical success factors

Lead generation activities under the program aim to proactively identify and engage potential leads (companies interested in expanding in the Canadian market) through trade shows and conferences, in-market visits, website, direct marketing and third party/partner referrals.

The International Business Development Advisor provides potential leads with high quality service throughout the sales cycle by responding in a timely manner to business inquiries with relevant information and by creating a customized business case for each high potential investor. To service potential investors the Advisor also liaises with the local Municipal Economic Development Officers and external partners at the GTA, Provincial and Federal levels, as required.

Company and lead contact information is being recorded in specialized Customer Relationship Databases to facilitate follow-up communications and enable tracking of results and statistics.

During the period of October 2009 and May 2010 Invest in York made direct contacts with over 120 U.S. and international corporations. This activity generated over 25 exclusive leads for York Region whose investment interest and intentions range from somewhat to extremely interested. All the leads were provided with information to assist in their decision making and additional in depth discussions were held with three of those companies. One lead, a leading German firm in the area of Solar PV Inverters, visited York Region in May 2010 to meet with potential local manufacturing partners.

The following is a basic statistical breakdown of business contacts made by the program to date:

Table 2
Invest in York Contacts with Potential Leads Oct 2009 - May 2010

Headquarters Location	Activity Sector
73% U.S.	61% Energy, Environment
14% Europe	23% Advanced Manufacturing
8% Asia Pacific	9% ICT & Life Sciences
5% Other	7% Other

Invest in York also made direct contact with over 50 U.S. and foreign business organizations such as chambers of commerce, trade organizations, technology associations and economic development offices. These organizations are positioned to act as intermediaries in reaching out to potential leads from their respective regions.

Going forward investment attraction activities leverage successes and incorporates lessons learned

York Region Economic Strategy will continue maintaining key relationships established in priority city regions visited during the market assessment and networking phase so as to reach out to the local business community. Prospecting activities are also to continue taking place at key green trade events for the reminder of 2010 and the region has engaged Ontario Ministry of Economic Development and the Canadian Trade Commissioner Service to examine the possibility of joint marketing activities at the Green Building Expo in Chicago in November 2010, the premier U.S. trade show in the area of green/sustainable building products and services. Invest in York is also looking at opportunities to become involved with Ontario’s activities at Solar Power 2010, the premier U.S. Solar industry trade event taking place this October in Los Angeles.

York Region has also been invited to participate in a GTMA trade mission to Central/South America in November 2010. The intent is to develop a multi year program to leverage the benefits of Toronto hosting the 2015 Pan Am Games and recent initiatives by the Federal Government to negotiate free trade agreements in additional Central/South America countries. As part of the terms of the new services agreement, the Region and local municipalities will be entitled to a total of three spaces on this mission that will only have to pay for airfare and hotel.

A progressive digital media strategy will be developed to increase website traffic by utilizing search engine optimization, social media resources for business audiences, and similar means. New and improved brochures, data sheets, presentations and factsheets on the Canadian market and York Region will be developed to enhance information sharing and facilitate the decision making process for potential investors.

York Region Economic Strategy will identify and engage additional leads from green and sustainable industries through a major direct marketing campaign in Q3 2010 to build awareness with potential investors in the green products and service industries. Companies will be sourced utilizing business databases, print and online directories and paid mailing lists.

York Region Economic Strategy, in consultation with key Invest in York partners, will commence planning for 2011 investment attraction activities with reporting to Council scheduled for December 2010. The 2011 plan will leverage successful practices and incorporate lessons learned from the program’s start up phase.

Relationship to Vision 2026

As outlined in Vision 2026, York Region has created and maintained prosperous communities that enjoy a balance of economic vitality, quality of life and environmental sustainability. The attraction of foreign companies that embrace environmental sustainability will compliment and enhance the image of York Region as an environmentally progressive jurisdiction and will support the Economic Vitality agenda.

5. FINANCIAL IMPLICATIONS

The International Investment Attraction Program is included in the Planning and Development Services approved 2010 budget.

6. LOCAL MUNICIPAL IMPACT

The program is being implemented through a partnership model between the Region and the local municipalities. Specific areas of Regional and local municipal cooperation include marketing, trade shows, sharing of market intelligence, business delegations and investor prospect servicing.

The International Investment Attraction Program has been positively received both locally and in foreign markets and will continue the partnership to promote investment attraction goals at both the Regional and municipal levels.

7. CONCLUSION

The York Region International Investment Attraction Program demonstrates a commitment to attracting new investment opportunities from sustainable companies and in sustainable sectors, a key component in achieving the Region’s Growth Management plan of 320,000 new jobs by 2031.

The new program has made significant progress since its launch in August 2009, creating awareness for the Region in select target markets, expanding the Region’s international business development networks, outreaching to potential prospects and creating a positive, effective and growing partnership model with local municipalities.

For more information on this report, please contact Robert Unterman, Business Development Advisor, Economic Strategy and Tourism Branch at (905) 830-4444, Ext. 1491.

The Senior Management Group has reviewed this report.