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INVESTMENT ATTRACTION AND EXPORT DEVELOPMENT UPDATE

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated May 10, 2011 from the Commissioner of Planning and Development Services.

1. RECOMMENDATION

It is recommended that:

1. This report is circulated by the Regional Clerk to local municipal economic development officers, chambers of commerce and boards of trade.

2. PURPOSE

To update Council on the progress of the Investment Attraction and Export Development Programs and outlines work plan guidelines for the balance of 2011.

3. BACKGROUND

The Investment Attraction Program was launched in August 2009 as a key component of the York Region Economic Development Marketing and Communication Strategy to influence corporations to expand into the Region. Program objectives and components were approved by Regional Council on November 20th 2009. The program is focused on generating qualified business leads, developing strategic partnerships, servicing investment prospects, and building awareness in foreign markets and locally to promote York Region as a business location of choice for investment and growth.

The Export Development Program was launched in 2000 and is a critical business development measure to assist York Region companies in reaching global markets, promote an export culture within the Region, and expand the Region's export base. The service is provided at no cost to local businesses/partners and consists of one-on-one corporate consultations as well as group workshops to familiarize companies in all nine municipalities with information and resources needed to succeed in global markets.

The Investment Attraction and Export Development Programs were integrated in mid 2010 as part of the Economic Strategy Branch realignment under Program Manager, Business Investment and Marketing, which now also includes the support of the export advisors with investment attraction efforts. This measure enhanced the scope of services available for promoting business investment in York Region by both local and foreign companies.

4. ANALYSIS AND OPTIONS

2011 activities focus on Information and Communication Technology, Life Sciences and Advanced Manufacturing, servicing both international and Canadian investment leads

The 2010 prospecting and lead generation work plan focused on green business and renewable energy, 2011 investment attraction sales and marketing activities are focused on York Region's core business sectors of Information and Communication Technology (ICT), Life Sciences and Advanced Manufacturing. Table 1 summarizes key lead generation and business development activities undertaken and planned for this year:

Table 1
Key 2011 Lead Generation and Business Development Activities

Date	Activity
Mar. 2011	International CTIA Wireless expo and conference, Orlando, FL, U.S. Life Sciences partners/multipliers business development meetings, Palm Beach, Orlando and Tampa, FL, U.S.
May. 2011	Technology investment attraction mission to Israel (in partnership with the Town of Markham, York University and Miller Thomson LLP)
Jun. 2011	PACKEX/ATX Advanced Manufacturing international expo, Toronto
Sep. 2011	Partners/multipliers business development meetings, NC, U.S.
Oct. 2011	DEMOgala Information Technology conference, Denver, CO, U.S.
Oct. 2011	Solar Power International expo and conference, Dallas, TX, U.S.

Lead generation activity at International CTIA Wireless expo, North America's largest wireless telecommunications conference, included approximately 40 introductory meetings with select U.S., Asian and European companies exhibiting at the show. Economic Strategy is following up with a number of qualified leads generated at the expo.

The CTIA activity was bundled with a side program that included business development and awareness promotion meetings with key Florida life sciences industry and technology organizations in Palm Beach, Orlando and Tampa. Florida has a fast growing life sciences cluster with a current count of nearly 850 companies and over 42,000 healthcare establishments. As an immediate follow-up to the visit, Economic Strategy has been invited to take part in a planned visit of an incoming business delegation led by the Governor of Florida.

The technology and life sciences investment attraction mission to Israel (17 delegates) is a public-private initiative of The Town of Markham, The Regional Municipality of York, York University and technology law firm Miller Thomson LLP. Israel has the highest concentration of hi-tech companies worldwide outside Silicon Valley, U.S., and is a global leader in medical devices and biotechnology. The program is planned around the ILSI BioMed International conference and expo in Tel-Aviv and consists of pre-scheduled business development and prospecting meetings with up to 50 venture capital firms, hi-tech companies and technology transfer organizations to showcase York Region as a gateway to North America's bio-medical market. The delegation is also holding a high-profile business reception as well as a visit to the global headquarters of Teva Pharmaceuticals which operates two facilities and employs approximately 600 people in the town of Markham and the town of Whitchurch-Stouffville. Mission results will be discussed as part of the 2011 annual program report.

Another key in-market activity scheduled for October is a joint York Region-Canada exhibit at DEMOGala, a premier hi-tech event held in Denver, Colorado, one of the fastest growing technology hotbeds in the U.S. This activity is a result of close cooperation with the Canadian Consulate in Denver, established as a result of York Region's 2010 mission to Salt Lake City, Utah.

Economic Strategy has decided not to participate in the Greater Toronto Marketing Alliance (GTMA) follow-up partner's mission to Brazil in September 2011. The decision was based on cost benefit considerations as a result of additional information that became available on mission focus and Ontario wide presence at the core event.

The investment attraction team is increasingly servicing Canadian investment leads from outside York Region who are inquiring about setting up business operations in the Region. Additionally, through key regional partners such as ventureLAB Regional Innovation Centre, Economic Strategy is also engaging innovative technology start-up companies to encourage and assist them with establishing their business in the Region. Services provided to Canadian investment leads include local business/sector data, information on the business opportunity in the Region, corporate development advisory, business contacts and matchmaking with the local business community.

A detailed breakdown of international investment contacts and leads, client servicing, local business development and export advisory meetings, and overall program results will be provided as part of the 2011 annual report.

Export Development Advisory and Business Investment Advisory Services provided to more than 150 York Region Companies in 2011

Integration of the Investment Attraction and Export Development Programs continued as planned during the first half of 2011 and is set to be completed by July with the Council-approved conversion of the two export development advisors contracts to permanent Full-time business development and export advisor positions.

The Export Development program services and supports businesses across all nine municipalities. The advisors are on track to engaging more than 150 York Region companies in 2011 to facilitate export development and business investment initiatives. Services offered by the advisors include export readiness assessments, business resources, market information, export training workshops, referrals to trade organizations and government agencies as well as business matchmaking within York Region and with international contacts. Advisory and support services are provided at no cost to businesses and partners in York Region.

In addition, Economic Strategy organized several export development events and workshops during the first half of 2011, in partnership with local and external business and trade organizations. These include:

- February 2011: Launch of "Going Global" export development training workshop series in partnership with the Vaughan Business Enterprise Centre (VBEC) and Canada's Forum for International Trade Training (FITT)
- March 2011: Export financing workshop in partnership with VBEC
- April 2011: Export opportunities seminar - information technology market in Denver, Colorado - held in partnership with the Canadian Trade Commissioner Service
- May 2011: "Import-Export" conference in partnership with York Region's Small Business Enterprise Centres in Newmarket, Richmond Hill, Markham and Vaughan. The conference is expected to attract over 100 participating York Region companies

Development of Partnerships with local and international investment attraction and export stakeholders is a key priority

Development of investment attraction and export partnerships is a key priority for the program. Economic Strategy staff proactively develops and maintains partnerships with local municipal, Regional, Canadian and international business organizations and multipliers to enhance program delivery, build awareness of the Region and identify collaboration opportunities. Select examples and initiatives include:

- Partnership with York Region's northern six (N6) municipalities for 50/50 funding of GTMA's Advanced Manufacturing Initiative program
- Partnership with the Vaughan Business Enterprise Centre (VBEC) for delivery of "Going Global" export development training seminars
- Solar energy industry roundtable in partnership with City of Vaughan Economic Development office and PowerStream
- Joint life sciences business mission to Israel in partnership with the Town of Markham Economic Development office and York University
- Import-Export conference in partnership with York Region's Small Business Enterprise Centres in Newmarket, Richmond Hill, Markham and Vaughan

- Joint client servicing and cluster development in partnership with ventureLAB Regional Innovation Centre
- Colorado-York Region export opportunities seminar in partnership with the Canadian Trade Commissioner Service
- Closer cooperation with Ontario Ministry of Economic Development and Trade (MEDT) investment and business advisory staff
- Meetings with high technology and life sciences multipliers in Israel as part of a joint business mission including academic institutions, municipal organizations, venture capital firms, technology incubators and industry associations
- Funding of GTMA services for 2011 on behalf of all nine local municipalities. The marketing services agreement with the GTMA is to be revisited and revised for 2012 at which point it will be brought forward for Regional Council's reconsideration
- Meetings with select Florida-based technology and economic development multipliers in Palm Beach, Orlando and Tampa to showcase York Region and explore potential collaboration opportunities
- Local introductory meeting with Rochester, New York regional economic development authority to explore potential collaboration opportunities

Continued Development and introduction of new material and resources as part of the integrated "Invest in York" Marketing Toolkit

In the first three months of 2011 Economic Strategy developed sector specific investment attraction value propositions for Life Sciences and Information and Communications Technology (ICT). This adds to the Renewable Energy and Building and Construction sectoral value proposition previously developed for the program. The value propositions are incorporated across marketing and sales tools such as presentations, brochures, website and email campaigns.

Economic Strategy also launched its new line of high quality sectoral investment attraction brochures based on professionally developed creative. Work continues on additional sectoral value propositions and corresponding marketing material as well as a Regional business factsheet. A short high impact business attraction video for the Region will also be developed. The Branch has received very positive feedback on the new investment attraction material that has been introduced from local municipalities, business partners and clients.

The investinyork.ca website is also maintained and updated by Economic Strategy staff on an ongoing basis with news, content and events. Further improvements to the website's design will be introduced and an e-communications and social media strategy is to be developed with approval and guidance from corporate communications.

Economic Strategy to establish southern York Region service delivery presence to better service local clients in the municipalities of Markham, Richmond Hill and Vaughan

Nearly 80% of up to 200 engagements per year by program staff are with companies and business partners located in the southern three municipalities of Markham, Richmond Hill and Vaughan. This is consistent with the share of these municipalities of total number of businesses and employment in York Region. As York Region's Economic Strategy Branch operates from a single office location in the Newmarket Administration Centre this is not a desirable arrangement from service efficiency, professional credibility and logistical perspectives.

Economic Strategy therefore identified the need for a satellite service location at the Markham Convergence Centre (MCC) to engage local clients in the Region's southern three municipalities. Since January 2011 the Branch has had service presence on an indirect pilot trial basis at the MCC set up based on the following key rationales:

- More efficient, professional, cost effective and organized service delivery to clients in the southern three municipalities from a single central location as opposed to offsite visitations delivered from a remote Newmarket location
- The MCC provides an integrated office environment for a number of key Regional focused organizations, including ventureLAB Regional Innovation Centre, York University Research and Innovation and York Technology Alliance. This creates an eco-system providing commercialization, innovation and business support services to York Region businesses, start-ups and industry clusters. Presence of York Region's Export Development and Investment Attraction Program creates significant synergy by working closely with other partners
- The satellite office is also available for use by the Branch's Economic Intelligence and Innovation program in delivering services to the southern three municipalities
- Ability to access meeting and training rooms available at the MCC at no extra charge reduces further the minimal cost incurred to fund the office space and eliminates need to pay for third party facilities to hold meetings in southern York Region
- Cost of leasing and operating the space at a subsidized rate will not be incremental to the Economic Strategy Branch's existing annual budget

Based on highly successful pilot results Economic Strategy intends to formalize an arrangement with the Town of Markham for a south service satellite office at the MCC to be used as a service delivery location for the Export and Investment Programs in southern York Region. Program service's in the northern six municipalities is to continue to be delivered from the Branch's main Newmarket location. This arrangement allows staff to be readily available to deliver services directly to businesses across the Region.

RELATIONSHIP TO VISION 2026

York Region's Investment Attraction and Export Development Programs directly support the Economic Vitality agenda of Vision 2026 by attracting additional companies to York Region and assisting our local companies to increase exports and expand their business, contributing to the Region's economic growth and job generation.

5. FINANCIAL IMPLICATIONS

The Investment Attraction and Export Development Programs are included in the Planning and Development Services approved 2011 budget.

6. LOCAL MUNICIPAL IMPACT

The Investment Attraction and Export Development Programs are implemented in partnership with local municipalities and business organizations across York Region. Specific areas of cooperation include marketing, tradeshow prospecting, sharing of market intelligence, corporate visitations and business delegations, prospect servicing and business retention/expansion.

Both programs created a highly positive, effective and growing partnership model with York Region's local municipalities and the business community that Economic Strategy will continue to develop and evolve to promote business expansion in the Region.

7. CONCLUSION

York Region's investment attraction and export development program is a key component in achieving the Region's Growth Management plan of additional 280,000 new jobs by 2031.

The program expands the Region's business networks, generates awareness in target foreign markets, supports growth in our local export base and promotes new business investment in the Region by both local and international companies. The program demonstrates commitment to enhance the economic prosperity of the Region and proactively support the creation of high quality jobs in our local municipalities.

For more information on this report, please contact Robert Unterman, Program Manager, Business Investment and Marketing at (905) 830-4444, Ext. 1491 or Doug Lindeblom, Director, Economic Strategy, Ext. 1503.

The Senior Management Group has reviewed this report.