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INTERNATIONAL INVESTMENT ATTRACTION PROGRAM UPDATE

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated August 6, 2009, from the Commissioner of Planning and Development Services.

1. RECOMMENDATIONS

It is recommended that:

1. The Regional Chair and Regional Clerk be authorized to execute funding proposals to Federal Government Agencies to enhance Investment Attraction, subject to approval by Legal Services as to form and content.

2. This report be circulated by the Economic Development Branch to local municipal Economic Development Officers, Chambers of Commerce / Board of Trade and business service providers.

2. PURPOSE

The purpose of this report is to update Council on the International Investment Attraction Program, and provide a work plan for the balance of 2009 and 2010.

3. BACKGROUND

The International Investment Attraction program was developed in response to the York Region Economic Development Marketing and Communication Strategy's initiative to persuade foreign environmentally sustainable corporations to expand into York Region. The program's objectives, scope and components were approved by Regional Council on November 20, 2008.

The International Business Development Advisor started August 2009 and will be responsible for leading the program and responding to investment inquiries.

4. ANALYSIS AND OPTIONS

The International Investment Attraction program will be marketed by an umbrella partnership called “Invest in York”

The International Investment Attraction Program is a key component in achieving the Region’s growth management plans that identified the creation of 320,000 new jobs by 2031 from December 2006.

As outlined in the York Region 2007 Sustainability Strategy, sustainability will make York Region a more competitive place to create high value jobs with leading edge companies. The Program will foster the creation of new high value jobs in the Region as well as build competitive capacity in fast growth industry sectors such as manufacturing, construction, green technologies, information technology and transportation.

Attraction of foreign companies that embrace environmental sustainability will enhance the Region's image as an environmentally progressive jurisdiction and support the economic vitality agenda in the 2007 Sustainability Strategy.

Partnership opportunities within York Region will enhance the effectiveness of the Program. The “Invest in York” partnership will include the York Region Economic Strategy Office, participation from local municipal Economic Development Officers, Chambers of Commerce / Board of Trade, academia and key local business service providers.

Partners will be invited to participate in marketing initiatives, attend trade shows and foreign market business trips and encouraged to sell the Region to key prospects. Informational workshops for the “Invest in York” partners will be implemented in early 2010 to include foreign direct investment knowledge, target market intelligence and will ensure that the team is united in the “Invest in York” proposal.

Investment attraction activities will be targeted to regions where clusters of sustainable businesses exist

The initial geographic market for the International Investment Attraction program will be the United States (U.S.) which traditionally accounts for two thirds of all foreign direct investment in Canada. There are city regions in the U.S. that are emerging as leading green industry hubs and it is in these regions that marketing activities will be targeted. As the program advances, research will begin to identify opportunities in Europe, which accounts for one quarter of foreign direct investment in Canada.

The criteria used to define the target US city regions included Gross Domestic Product, population, number of green jobs and green jobs per capita to establish those regions with a high concentration of sustainable businesses. The top 50 metropolitan regions were ranked by GDP from $35 to $100B and a population from 1 to 2 million to be comparable in size to York Region as well as by green jobs per capita.

The top seven US city regions identified using these parameters include: Sacramento CA, Portland OR, Austin TX, Columbus OH, Hartford CT, Salt Lake City UT, and Indianapolis IN.

An in depth analysis will be conducted on each of the seven metropolitan areas listed above including economic data, industry sectors, green associations and supporting government initiatives. This market research will be enhanced through market assessment visits during the fall of 2009. The International Business Development Advisor will visit each city region, network with associations, chambers and potential target companies and attend local business events. This activity will produce an initial list of prospective investors and facilitate the development of a narrowed list of city regions where further efforts should be targeted.

In 2010, a staff team will visit three to five priority city regions to host workshops that will inform potential investors of the advantages of doing business in Canada and York Region. Economic Strategy staff will host the in market workshops and arrange follow up meetings with chambers, associations and prospects. Local municipal Economic Development Officers will be invited to attend the in market workshops. Targeted advertisements in local media will announce the workshops invite prospects to attend.

Assessing the response from companies in the target US city regions will enable staff to identify and recommend two city regions that have the potential for significant prospect development and would merit a Regional Council led business delegation in 2011.

“Invest in York” will host incoming business delegations of prospective companies based on interest generated through the prospect identification process. These incoming delegations may range from one firm to a group of twenty businesses. A visitation plan and itinerary will be developed for each delegation based on their interests and needs.

Building awareness within the green products industry

To increase our reach, “Invest in York” will also identify and engage high potential prospects from the green industry that may be located outside of the seven target US city regions. Purchasing green company databases, sourcing companies through online directories and advertising in U.S. sustainable business websites and magazines will build awareness for potential investors in the green products and services industries.

“Invest in York” will attend prominent green business trade shows to build awareness with green companies, meet prospects and network with industry leaders. A trade show booth will provide a central point for staff to meet prospects, offer economic intelligence and sell the benefits of doing business in Canada and York Region. Economic Strategy staff will manage the booth and local Economic Development Officers will be invited to attend. The “Invest in York” team will attend three American tradeshows in 2010 that will be selected based on their content and target audiences.

Diverse communication tools will raise York Region’s profile as a preferred destination for sustainable business development and investment

An “Invest in York” website is being developed as a central information point for potential investors. The website will highlight the advantages to doing business in Canada and York Region, an overview of the Canadian market and sector specific profiles. The unique investment opportunities in each municipality will be highlighted including links to local economic profiles. The website will also provide a resource of business services available for new businesses locating in York Region.

A key goal of all marketing communications will be to lead potential investors to the website. A progressive digital media strategy will be developed to increase website traffic by utilizing leading edge social media resources for business audiences.

The Council approved 2009 Economic Profile will be used as a tool for communications. It includes an overview of business opportunities in Canada and York Region, economic data, municipal profiles, and highlights business opportunities created by Centres and Corridors, Public Transit Investment and the Ontario Green Energy Act. The 2009 Economic Profile will be updated for 2010 as more current information becomes available.

White papers on ‘Doing Business in Canada’ and ‘Industry Sector Profiles’ will be developed to enhance information-sharing and facilitate the decision-making process for potential investors. These reports will be featured in advertisements and direct mail campaigns to drive traffic to the website and assist in building the prospect database.

The timelines for the implementation of the International Investment Attraction Program are as follows:

Table 1
Key Milestones

Project Deadlines	Date
Target Market Selection	January– September 2009
Market Assessment Visits	October – December 2009
U.S. Market Workshops	April – December 2010
U.S. Market Business Delegations	April – December 2011
Local York Region Delegation	October 2011 – June 2012
Tradeshow Attendance	Ongoing
Marketing & Communications	Ongoing

York Region Economic Strategy will be the central contact point for prospect customer service

The York Region Economic Strategy branch will engage prospects with the market visits, workshops, trade shows and communications outlined in this report. These outreach activities will result in the identification of potential prospects whose interest will range for somewhat to very interested. Prospect contact information will be stored in a Customer Relationship Database which will enable follow up communications and the tracking of results.

The International Business Development Advisor will play a key role in converting prospects into actual business start ups in York Region. The IBDA will provide prospects with high quality service throughout the sales cycle by responding in a timely manner to inquiries with relevant information and by creating a customized business case for each high potential investor. As the central contact point for potential investors, the IBDA will also liaise with the local municipal Economic Development Officers, York Region business service providers and Federal and Provincial officials on the servicing of prospect needs.

Federal funding may be available to enhance the program

The launch of Industry Canada's FedDev Ontario provides an opportunity for York Region to leverage it's commitment to the International Investment Attraction Program through funding applications for program enhancements. The Federal Government, in Budget 2009, announced $1B in funding over five years for FedDev Ontario to support innovation, investment attraction and economic renewal projects. York Region Economic Strategy applications for grants from FedDev Ontario will be consistent with Regional Council approved strategies and directed towards enhancement of existing programs.

The Economic Strategy Branch will monitor the status of FedDev Ontario, develop funding proposals for management approval and submit funding applications consistent with eligibility criteria and timelines.

In addition, the Invest Canada-Community Initiatives (ICCI) from Foreign Affairs and International Trade provides financial support for foreign direct investment activities through an annual application process.

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 2009 budget.

A Request for Proposal will be executed for creative and graphic services to support economic development and tourism marketing programs. All work plan components contained in the Request for Proposal have been included in the approved 2009 budget.

6. LOCAL MUNICIPAL IMPACT

Economic Development staff of the Region's nine local municipalities participated in the Marketing and Communications Strategy consultation process. The recommendations were positively endorsed and the Region was encouraged to take a leadership role in attracting new sustainable enterprises to locate here.

Due to the scope of the International Investment Attraction Program, there are significant efficiencies to operating a partnership model between the Region and the local municipalities. Opportunities exist for cooperative marketing, participation at trade shows, joining the foreign business delegations and on investor prospect servicing.

7. CONCLUSION

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

For more information on this report, please contact Patrick Draper, Director of Economic Strategy and Tourism at (905) 830-4444, Ext. 1503.

The Senior Management Group has reviewed this report.