3
ECONOMIC DEVELOPMENT ACTION PLAN – BACKGROUND AND WORK PROGRAM

The Planning and Economic Development Committee recommends:

1. **Receipt of the presentation by Doug Lindeblom, Director, Economic Strategy; and**

2. **Adoption of the recommendations contained in the following report dated August 24, 2011 from the Acting Commissioner of Planning and Development Services.**

1. RECOMMENDATIONS

It is recommended that:

1. The work plan for the Economic Development Action Plan be endorsed.

2. Planning Department staff circulate this report to local municipalities, Regional partners and stakeholders.

2. PURPOSE

This report is to provide the status of the 2005 Economic Strategy and receive endorsement for the process and direction for an Economic Development Action Plan, which is an update of the Economic Strategy.

3. BACKGROUND

The Growth Plan calls for the creation of 280,000 jobs in York Region by 2031. This represents significant job creation equivalent to an average 14,000 jobs per year over the Plan period. Regional projections call for much of this job growth to be front-loaded in the earlier years.

An economic plan is necessary to set longer term goals for economic prosperity and job growth which guide program development. There are many factors that affect a regions economic vitality, and virtually everything the Regional Corporation does influences the economy in some way. Within that larger context, there is a need to develop a plan and programs that facilitate the creation and retention of jobs in the Region to meet job creation targets and maintain a healthy and sustainable live/work balance.

The award winning 2005 Economic Strategy identified five strategic goals as follows:

- Create an environment to share information and ideas
- Sustain a high quality workforce
- Strengthen entrepreneurship and industry clusters
- Enhance the quality of place
- Encourage the efficient movement of goods and people

An underlying theme of all the goals was the creation of partnerships to deliver effective programs with the broadest possible reach, creating synergies within and between communities.

Actions completed from the 2005 Economic Strategy

The 2005 Economic Strategy has provided a solid foundation for success. The Strategy contained five strategic directions with 90 associated actions, as shown in *Table 1*. Of the 90 actions, 30 have been completed, 53 are ongoing activities that have become integral components of the Economic Strategy Branch, and seven actions are still underway.

Table 1
2005 Economic Strategy Status

Strategy Direction	Com-pleted	On-going	Under-way	Total
1. Create an Environment to Share Information and Ideas	3	9	1	13
2. Sustain a High Quality Workforce	7	8	1	16
3. Strengthen Entrepreneurship and Industry Clusters	5	23	2	30
4. Enhance the Quality of Place	2	12	2	16
5. Encourage the Efficient Movement of Goods and People	13	1	1	15
Total Actions	30	53	7	90

Key accomplishments that have been completed from the 2005 Economic Strategy include:

Strategy #1: Create an environment to share information and ideas

- Delivered the 'Business Innovation in Changing Times' series in partnership with the Boards and Chambers to educate small business on emerging trends
- Established a Funding and Grants position to assist Regional Departments and external stakeholders to secure project funding
- Published annually "An Economic Profile of York Region" and quarterly an "Economic Indicators" presentation for Council, providing economic trends to inform decision making

Strategy #2: Sustain a high quality workforce

- Completed the Aging Workforce Study resulting in the development of employer tools to address pending workforce shortage issues
- Identified industry requirements and skill shortages through the Green Economy Jobs project and the Manufacturing Sector Competitiveness survey
- Developed the “Hospitality First” online customer service training and career development tool for the hospitality industry
- Developed the York Region Immigration Portal to support the economic integration of the significant number of new-comers to the Region

Strategy #3: Strengthen entrepreneurship and industry clusters

- Connected local companies with international markets and investors through the Export Development and International Investment Program, resulting in investments such as the SunEdison/Flextronics partnership that created 400 new jobs
- Facilitated the creation of ventureLAB, York Region’s Regional Innovation Centre within the Ontario Network of Excellence, to support innovative companies to commercialize products for market
- Undertook the Innovation in Manufacturing project to understand Regional manufacturing capacity and establish tools to help companies innovate and prosper
- Delivered business start-up and growth services through the Small Business Enterprise Centre, leading to the creation of hundreds of new enterprises in the northern six municipalities

Strategy #4: Enhance the quality of place

- Completed the 10-year Long Range Tourism Strategy to identify opportunities in this sector
- Facilitated the transition to Regional Tourism Organization Zone 6 (RTO 6) combining, the Hills of Headwaters, York Region and Durham Region as a tourism destination
- Approved a new Official Plan with a Centres and Corridors focus, creating long term opportunities for intensified employment in proximity to significant urban infrastructure and live/work locations

Strategy #5: Encourage the efficient movement of goods and people

- Developed a Regional Transportation Master Plan that promotes connectivity and urban transit infrastructure which will attract and support new business ventures
- Established a Smart Commute program to engage York Region businesses

York Region’s economic success depends not only on economic factors but also on physical and social factors which all parts of the Corporation influence. There is a growing awareness of the economic implications of Regional programs which is being reflected in Corporate strategy documents. Partnerships both within and external to the Corporation are critical in developing and delivering programs that support economic vitality.

4. ANALYSIS AND OPTIONS

The Economic Development Action Plan will take direction from and support Council and Corporate strategy documents

Vision 2026 was prepared in 2002 and informs all Council decisions, the Corporate Strategic Plan, departmental plans and budget and individual performance plans.

- Vision 2026 includes "A Vibrant Economy" as one of its eight goals stating "In 2026, York Region will be renowned for its advanced technology, innovative businesses, supportive business infrastructure and highly skilled resident workforce."
- The 2005 Economic Strategy recognized the Goals and Actions in Vision 2026, and the Economic Development Action Plan will be developed using the direction provided through this and other Regional strategy documents.

The world is continuing to undergo exponential transformation which requires a refined economic plan to guide growth

Vision 2026 is currently being updated through the Vision 2051 exercise. The Vision 2051 exercise clearly articulated the rapid and widespread change in York Region, including community, economic and physical transformations.

Community transformation:

- aging
- household types
- diversity
- poverty

Economic transformation:

- sectors/economic diversity
- shift from traditional manufacturing to service and knowledge-based industries
- matching labour with jobs

Physical transformation:

- suburban to city building
- reinventing communities for sustainability and liveability
- infrastructure challenges/traffic

For example, many of the top jobs today did not exist in 2004 when the 2005 Economic Strategy was being developed. In the face of this type of rapid and widespread change, traditional economic strategies that focus on sectors, job types, and technologies alone are no longer sufficient to guide long term growth and program development.

Human capital and creativity leading to innovation is the future focus

A new focus is needed on fundamentals that don't change to establish a solid plan for economic growth. Instead of sectors, jobs, and technologies, the focus needs to be placed on developing human capital and creativity which leads to innovation and positive change.

Planning and Development Services will collaborate with the Strategic Service Integration and Policy Branch of Community and Health Services to address the needs of internationally educated professionals.

The Economic Development Action Plan will refine, streamline and refocus

There are tremendous opportunities to develop a York Region innovation eco-system. The Economic Development Action Plan will serve to inventory, map, connect and support innovative companies, creative resources, research institutions, supporting infrastructure and external network connections.

Preliminary thinking is to foster economic prosperity through a plan that connects the innovation assets that exist in communities and promotes the development of new assets, including people.

Research areas under consideration

To support development of the Economic Development Action Plan, areas identified for further research include:

- Mapping assets of innovative people, companies and research facilities
- Utilization of employment areas
- Creation of jobs in Regional Centres
- Expanding the innovation network across the Region through ventureLab as part of the Ontario Network of Excellence
- The role of academia and research institutes
- Regional infrastructure that supports the knowledge economy
- Specific sector research may include urban/rural interface opportunities around agribusiness, cleantech, "the creative economy", information and communications technology (ICT), life sciences, and precision manufacturing economies

The Economic Development Action Plan will be developed following a seven stage process

The process to develop the Plan will encompass seven overlapping stages over the next 12 months. The major steps will include research and analysis of targeted aspects of the economy and related opportunities; stakeholder identification and engagement, leading to the development of economic vision goals and objectives that align both with Vision

2051 in the longer term and our emerging Corporate Strategic Plan in the shorter term. The seven phases of the work plan are provided in *Table 2*.

Table 2
Work Plan Process

Phase	Actions	Deliverables
1: Mobilize	Identify possible stakeholders, build roles	Communication Strategy
2: Research	Gather data to position the Region's global, national and provincial economic position	Regional Economic Profile
3: Vision	Articulate vision and high level goals	Vision and Goals
4: Analyze	Analyze Regional strengths, weaknesses, opportunities and threats, determine metrics, communicate to stakeholders	Results of Analysis
5: Prioritize	Identify, prioritise and select strategic objectives and actions	Strategic Objectives
6: Implement	Determine action implementation schedules and communicate	Implementation Plan
7: Update	Evaluate and update implementation plan	Updated Action Plan

Stakeholders will be engaged in all Phases of the Economic Development Action Plan

Stakeholders will be engaged in the process including:

- local municipalities
- the Chambers of Commerce and Board of Trade
- relevant associations
- Regional Departments
- Innovation partners including ventureLAB, the hospital network, and educational institutions
- Municipal, provincial and federal economic development organizations and agencies

Completion of the Economic Development Action Plan is scheduled for presentation for final approval of Council in June 2012.

Relationship to Vision 2026

The Economic Development Action Plan supports the vibrant economy goal in Vision 2026 through attracting and supporting businesses, encouraging continual learning and promoting and supporting innovation. The Plan will integrate and complement other Regional initiatives including the Corporate Strategic Plan for 2011-2014, the Regional Official Plan and Vision 2051.

5. FINANCIAL IMPLICATIONS

The Economic Development Action Plan initiatives are included in the approved 2011 budget and will be within the proposed 2012 Planning and Development Services Department budget.

6. LOCAL MUNICIPAL IMPACT

Local municipalities are an integral component and key partners of the Region's economic strategic direction and will be included in the consultation process and implementation of the Regional Economic Development Action Plan. Many of the local municipalities have, or are in the process of, producing Economic Strategy documents. Each municipal Economic Strategy will be reviewed, discussed with the municipal Economic Development Offices, and taken into consideration in the final document to ensure that the Regional Economic Development Action Plan is implementable and consistent with municipal plans.

7. CONCLUSION

The hallmark of the award winning 2005 Economic Strategy has been the focus on developing partnerships. In implementing this Strategy, the Region has reached out to the community and stakeholders and engaged in many collaborative activities with positive results.

The tremendous changes being experienced both in York Region and across the globe demand an Economic Development Action Plan that refocuses priorities. The Plan will focus on people, creativity and innovation as the basis for establishing longer term goals that will guide program development. An extensive consultation process will be employed to ensure stakeholders frame the Plan facilitating the creation and retention of jobs.

For more information on this report, please contact Sharon Vegh, Manager Economic Intelligence and Innovation at (905) 830-4444, Ext. 1509 or Doug Lindeblom, Director, Economic Strategy at Ext. 1503.

The Senior Management Group has reviewed this report.

Economic Development Action Plan

Refine, Streamline, Refocus

Presentation to
Planning & Economic Development Committee

Doug Lindeblom
Director, Economic Strategy

September 7, 2011

The Current Economic Strategy Directs Programs that Support Economic Vitality

Adopted in June 2005

- Defined the Region's role to promote economic competitiveness, and build long term partnerships to achieve the Vibrant Economy goals of Vision 2026

- Five major Strategic Directions:
    1. Create an Environment to Share Information and Ideas
    2. Sustain a High Quality Workforce
    3. Strengthen Entrepreneurship and Industry Clusters
    4. Enhance the Quality of Place
    5. Encourage the Efficient Movement of Goods and People

2005 Economic Strategy Status

Strategic Direction	Completed	Ongoing	Underway	Total
1. Create Environment to Share Information and Ideas	3	9	1	**13**
2. Sustain a High Quality Workforce	7	8	1	**16**
3. Strengthen Entrepreneurship and Industry Clusters	5	23	2	**30**
4. Enhance the Quality of Place	2	12	2	**16**
5. Encourage the Efficient Movement of Goods and People	13	1	1	**15**
Total Actions	**30**	**53**	**7**	**90**

Focus on Programs Delivered Through Partnerships

- **Business Development**
  - Small Business Centre (N6)
    - One-on-one consultations for entrepreneurs
      - Newmarket HQ
      - Remote delivery in municipalities
    - Business Seminars
      - eg. BKI Business Innovation in Changing Times Series
  - Tourism Development and Marketing
    - RTO6
    - York Media Group and York Arts Council local marketing partnership
- **Investment Attraction & Export Development**
  - Targeted in-market activities (U.S., Israel, GTMA, DFAIT)
  - Company visitation/advisory services
  - Distributed/satellite delivery
- **Economic Intelligence & Innovation**
  - Economic Research/Information Sharing
  - Research Projects (Aging Workforce, Innovation in Manufacturing)
  - Innovation network development across the region

The World is Continuing to Undergo Exponential Transformation

Community transformation

- Aging
- Types of households
- Diversity
- Poverty

- **Economic transformation**
  - Sectors/economic diversity
  - Shift from traditional manufacturing to service and knowledge-based industries
  - Matching labour with jobs
- **Physical transformation**
  - From suburban to city building
  - Reinventing communities for sustainability and liveability
  - Infrastructure challenges/traffic

York Region

Slide 5

Future Focus on **Creativity** and **Human Capital** Leading to **Innovation**

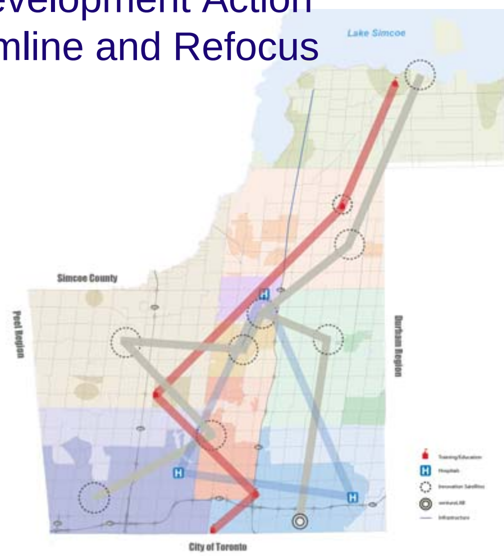
- How do we plan for the future?
- Focus on fundamentals that don't change vs jobs, sectors and technologies
- **People** who **innovate** are driving **change**

York Region

Slide 6

The New Economic Development Action Plan will Refine, Streamline and Refocus

- Update the existing Economic Strategy
- Inventory, Map, Connect and Support
  - Innovative Companies
  - Creative Resources
  - Research Institutions
  - Supporting Infrastructure
  - External Network Connections



Connect People and Innovation through Places to create capacity for Growth

Create and support the 'Innovation Eco-system'

Research Areas Under Consideration

To support development of the Economic Development Action Plan, these areas have been identified as requiring further research:

- Mapping the assets of innovative people, companies, and research facilities
- Utilization of employment areas
- Creation of jobs in Regional Centres
- The role of academia and research institutes
- Regional infrastructure that supports the knowledge economy
- Specific sector research may include urban/rural interface opportunities around:
  - agribusiness
  - creative economy
  - 'cleantech'
  - information and communications technology
  - life sciences
  - precision manufacturing

The Economic Development Action Plan will be developed following a 7 stage process

Phase	Actions to Consider	Deliverables
1: Mobilize	➢ Identify possible stakeholders, build roles	Communication Strategy
2: Research	➢ Gather data to position the Region's global, national and provincial economic position	Regional Economic Profile
3: Vision	➢ Articulate vision & high level goals	Vision and Goals
4: Analyze	➢ Analyze Regional strengths, weaknesses, opportunities and threats, determine metrics and communicate to stakeholders	Results of Analysis
5: Prioritize	➢ Identify, prioritise and select strategic objectives and actions	Strategic Objectives
6: Implement	➢ Determine action implementation schedules communicate	Action Plan
7: Update	➢ Evaluate and update implementation plan	Updated Action Plan

York Region

Slide 9

Council Reporting Timeline Q1-2011 to Q2-2012

- 1st quarter of 2011 mobilization of the Action Plan was conducted
- 2nd quarter 2011, draft direction/process was presented to Growth Management Committee on June 13
- 3rd quarter 2011, reporting to Council on September 22^{nd,} with research commencing
- 4th quarter is vision and analysis with reporting to Council on November 2nd and November 30th
- 1st quarter in 2012 is prioritization and implementation phase reporting to Council in February 2012
- 2nd quarter of 2012 the Draft Plan will be communicated to Council in April, and June for final Economic Development Action Plan approval

York Region

Slide 10