



REPORT

TO: Mayor Bonnette and Members of Council

FROM: Graham Lowe – Senior Economic Development Officer

DATE: October 28, 2021

REPORT NO.: ADMIN-2021-0036

SUBJECT: Implementation Plan - Economic Development and Tourism Strategy (2021-2026)

RECOMMENDATION:

THAT Report No. ADMIN-2021-0036, dated October 28, 2021, regarding the Implementation Plan for the Economic Development and Tourism Strategy (2021-2026), be received;

AND FURTHER THAT the Implementation Plan for the Economic Development and Tourism Strategy (2021-2026), as appended to this report, be approved;

AND FURTHER THAT Council direct staff to proceed with the Implementation Plan as outlined in this report;

AND FURTHER THAT the Implementation Plan be reviewed and prioritized in advance of each of the remaining years of the Implementation Plan as part of the annual budget process for on-going affordability within the constraints of the Town's Long Range Financial Plan (LRFP), and integrated into the future Capital Budget and Forecast for LRFP updates, as appropriate;

AND FURTHER THAT Council direct staff to report back regularly on the status of the Implementation Plan via the Economic Development Annual Report.

KEY POINTS:

The following are key points for consideration with respect to this report:

- A new five-year [Economic Development and Tourism Strategy \(2021-2026\)](#) was approved by Council on February 1, 2021 (ADMIN-2020-0040). The Strategy is

comprised of 26 Goals and Objectives, and 137 Actions. It is the Town's roadmap for supporting, growing and diversifying the local economy by expanding non-residential assessment and local jobs.

- Non-residential assessment is fundamental to the Town's financial health and its ability to deliver the services that residents and business rely on as well as a wide range of Council priorities, including those related to affordable housing and climate change.
- Since its approval, significant progress has already been made in implementing the Strategy. About 40 percent of the actions are currently underway and 7 percent have been completed.
- An actionable, effective and practical Implementation Plan has been prepared to drive ongoing implementation – see Appendix A for a summary. The Implementation Plan is part of an ongoing shift in the Town's economic development efforts to be more strategic, coordinated and impactful, including an active focus on pursuing high quality investments that generate the greatest community benefits, a higher number of jobs per development, increased non-residential assessment, and leveraging the Town's commitment to climate change action.
- Between 2021 and 2026, implementation will entail (including funds already used in 2021) a total investment of approximately \$1.75 million over the five-year (including 2021) period and assumes continuation of the historic funding levels, as outlined in this report and subject to annual review and any necessary adjustments.

BACKGROUND AND DISCUSSION:

1. Context

A new five-year [Economic Development and Tourism Strategy \(2021-2026\)](#) was approved by Council on February 1, 2021 (ADMIN-2020-0040). Following approval of the Strategy, while simultaneously implementing the Strategy, an actionable and practical Implementation Plan was developed with outcome measurements and associated Key Performance Indicators (KPIs) corresponding to each of the Strategy's goals, objectives and actions. The Implementation Plan also includes associated budgets and timelines for implementing the Strategy's 137 actions.

The Economic Development and Tourism Strategy integrates with the Town's Foreign Direct Investment (FDI) Attraction Strategy approved by Council in March 2020 (ADMIN-2020-0060), as well as the Business Concierge program – approved on March 1, 2021 (ADMIN-2021-0006). Business Concierge's main objective is to fast-track major non-residential investments and associated assessment growth. Council directed staff to develop a "Staff Resourcing Strategy" for the Business Concierge program.

2. Shift to Strategic Economic Development

Over the past three years, the Town's approach to economic development and job creation has shifted substantially. A number of key strategies and programs have been

put in place to support existing businesses, attract new investment and market Halton Hills as a prime investment destination. These include the [Economic Development and Tourism Strategy \(2021-2026\)](#), [Foreign Direct Investment \(FDI\) Attraction Strategy \(2020\)](#), [Business Concierge Program \(2021\)](#) and the Business Retention and Expansion (BR&E) Program (2020). Implementation of the Economic Development and Tourism Strategy is also part of the Town's pandemic recovery efforts as outlined in the [Economic Recovery and Resiliency Plan \(ERRP\)](#).

The Implementation Plan leverages linkages with affordable housing, arts and culture, quality of life and climate change, where applicable. With its focus on increasing non-residential assessment growth, it is a key initiative to support the sustainability of the Town's Long Range Financial Plan. It also connects to and/or helps advance multiple Town strategies and initiatives, including:

- Council's Strategic Plan;
- Regional Official Plan Update;
- Employment Lands Needs Study;
- Premier Gateway Phase 2B Secondary Plan;
- Community Improvement Plan (CIP);
- Manufacturing Expansion Fund (MEF);
- Affordable Housing Initiatives;
- Cultural Master Plan;
- Public Art Master Plan;
- Transit Service Strategy;
- Low-Carbon Transition Strategy; and,
- Climate Change Resiliency Strategy.

The Implementation Plan is focused on projects led by Economic Development and predominantly connected to the Economic Development and Tourism Strategy. It does not include additional and/or complementary actions and budgets related to other portfolios within the Economic Development, Innovation and Culture division, including Affordable Housing, Cultural Services, Truth & Reconciliation, and Equity, Diversity & Inclusion. Related initiatives being undertaken by other Town departments are also beyond the scope of this Implementation Plan.

The Implementation Plan is not intended to be static. Instead, it is flexible and will respond to changing business needs, priorities, continued COVID-19 impacts, ongoing affordability and any future economic disruptions. As needed, adjustments will be made on an ongoing basis so that the Town can best respond to changing conditions.

3. Significant Implementation Progress

The Economic Development and Tourism Strategy consists of 26 Goals and associated Objectives, as well as 137 Actions. With year one (2021) of the Strategy nearing completion, and despite extensive challenges and resource reallocation in response to COVID, the Town has made significant progress in advancing the Strategy. Already, 7%

of the actions have been completed, with another 40% underway. The remaining 53% remain to be initiated (Figure 1).

Progress on Economic Development & Tourism Strategy Action Items

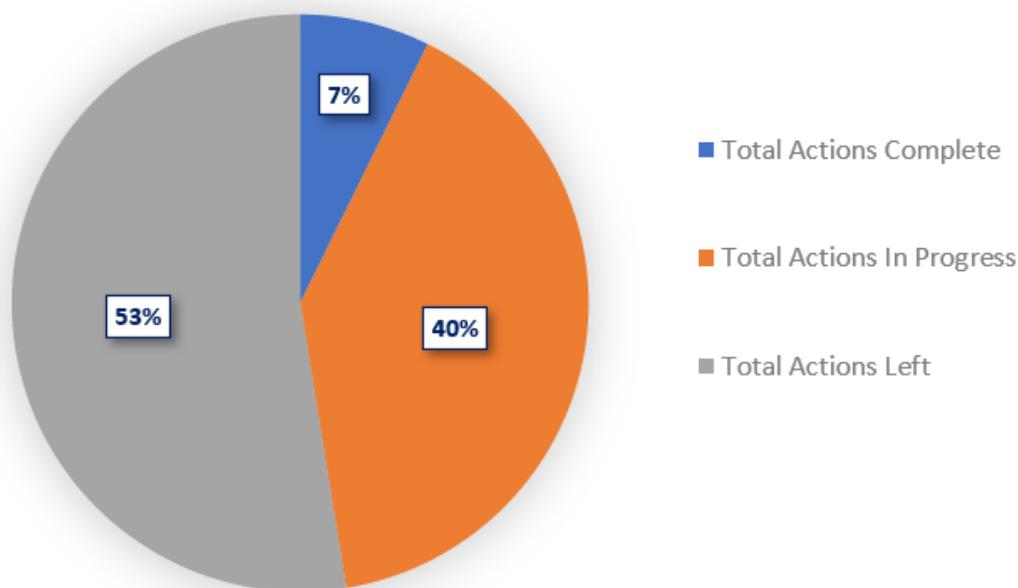


Figure 1: Progress on Economic Development and Tourism Strategy Action Items

A few highlights of 2021 implementation successes include:

- Launch of the Business Concierge program to expedite major non-residential investments, with about 9 million sq.ft. of potential non-residential development currently in the investment pipeline;
- Advancing a comprehensive Business Retention and Expansion (BR&E) Program to support the recovery and growth of existing businesses;
- Significant progress on the Town's [Community Improvement Plan \(CIP\) Update](#), to ensure that it continues to be a key economic development tool that is modern, more universal, flexible and streamlined in its implementation;
- Continued implementation of the FDI Attraction Strategy, including refining the Town's existing Investment Business Cases, developing an investor pitch presentation, engaging investment leads and utilizing a virtual platform for outreach and relationship-building (a status update report on the FDI Strategy is planned for Q1 2022);
- Development of a comprehensive and first-ever Economic Development Communications Plan to ensure consistent and effective marketing of economic development services and initiatives, and to position Halton Hills as a prime investment destination;

- Completion of a [Community Profile](#) to highlight Halton Hills' unique value proposition for investment attraction purposes;
- Initiating the development of an entirely new [Invest Halton Hills](#) website as the Town's prime business and investment attraction communication tool;
- Development of sector-specific investment value propositions for all target sectors to highlight specific international investment opportunities;
- Launch of an [Economic Recovery and Resiliency Plan \(ERRP\)](#) that builds on the [25+ actions](#) implemented by the Town since the start of the pandemic and further supports the local business community in helping to mitigate COVID-19 impacts;
- Extending the ['Al Fresco in the Hills' Temporary Patio Program](#) to support local food and beverage establishments with respect to COVID capacity restrictions;
- Receiving a second round of [Digital Main Street](#) funding and relaunching a program which helps expand the online/e-commerce presence of local businesses;
- Launch of a comprehensive ['Shop Local' campaign](#) in partnership with the Halton Hills Chamber of Commerce, Downtown Georgetown Business Improvement Area and the Downtown Action Business Improvement Area; and,
- Investing in professional photography for use in Economic Development and Tourism marketing materials.

Successes achieved in 2021 related to Cultural Services, including arts and culture programming, Truth and Reconciliation, and Equity, Diversity and Inclusion, will be highlighted in the upcoming State of Culture report. Affordable Housing highlights will be included in the 2021 Economic Development Annual Report – which will be presented to Council in early 2022 (covering 2021 accomplishments).

4. Implementation Plan – Key Assumptions

The Implementation Plan is based on the following key assumptions:

- The plan will be funded through a mix of capital projects approved in prior budget years and new Capital projects that require future Council approval, along with the current levels of Operating Budget allocation.
- It fully maximizes and leverages existing staff resources within the Economic Development, Innovation and Culture division, with many actions having no direct budget impact other than relying extensively on staff time necessary to deliver them.
- The plan can be funded, assuming:
 - All Economic Development related requests within the 2022 Budget are approved.
 - An annual Operating Budget allocation of approximately \$55,000 continues beyond the 2022 Budget.
 - \$75,000 is available annually for the Economic Investment Attraction Fund.
 - A minimum of \$107,500 is available annually for CIP Implementation (reduced to \$50,000 on a one-time basis for the 2022 Budget).

- The Approval of two new future and currently unfunded capital projects which will be brought forward for evaluation as part of future Budget submissions:
 - \$50,000 in 2023 for the Accommodation Investment Business Case
 - \$80,000 in 2024 for the FDI Attraction Strategy Update
- The following new projects will be approved through future budget processes, with funding derived from existing and/or historic funding sources:
 - \$50,000 in 2023 for the Green Economy Hub Action Plan;
 - \$20,000 in 2023 for the Wayfinding and Signage Implementation Plan; and,
 - \$60,000 between 2023-2025 for the University Partnership Initiative.
- The following projects are already within the Capital Forecast and will be assessed via the annual budget process:
 - \$80,000 in 2024 for the FDI Attraction Strategy Update; and
 - \$100,000 in 2026 for the Economic Development and Tourism Strategy Update.

5. Implementation Plan – Priority Projects

The Implementation Plan (see summary in Appendix A) for the Strategy was developed by identifying the implementation year, budget impact and staff lead for each of the Strategy's 137 actions. Priority projects were assigned across the five-year implementation horizon (including those already undertaken in 2021), resulting in consistent annual budget impacts.

Building on the robust progress made in 2021, examples of priority projects for 2022-2025 include:

- FDI Attraction Strategy Implementation (2022-2025) – to continue advancing the Action Plan contained within the Town's FDI Attraction Strategy in order to create new job opportunities and elevate Halton Hills' global economic competitiveness;
- Community Improvement Plan (CIP) Implementation (2022-2025) – to continue to provide financial incentives that stimulate private sector investment, revitalization, and job retention and growth;
- Green and Low-Carbon Economy Hub Strategy (2023, 2024) – to support the growth and attraction of green businesses, the adoption of green practices, and the transition to a low-carbon economy;
- Marketing Photography (2022) – to complement the 2021 photography project and profile the business community by acquiring high quality interior photography of local businesses, for use in marketing materials;
- Economic Development Marketing Video (2023) – to use in marketing materials, deployed via a targeted digital marketing campaign;
- Investment Readiness Industry Roundtables (annual) – to share updates and achievements, and engage businesses in the implementation of the Economic Development and Tourism Strategy, and ensure that Halton Hills is a prime investment destination;

- Parking/Co-working Feasibility Study (2022) – to explore establishing a co-working space to support business innovation and entrepreneurship;
- Economic Investment/Partnership Fund (2023) – to support potential future community and business stakeholder initiatives such as downtown beautification;
- University Partnership Initiative (2023) – to support collaboration, innovation and incentives for sustainable/green improvements and expedite the transition to a low-carbon economy;
- Accommodation Investment Business Case (2023) – to identify potential specific sites available for major accommodation development and provide relevant investment attraction data to potential developers and industry leaders;
- Wayfinding and Signage Implementation Plan (2023) – to further promote Halton Hills as a tourism destination and amplify the economic development benefits of the tourism sector; and,
- FDI Attraction Strategy Update (2024) – to ensure that the Town’s approach to investment attraction remains current and effective.

As appropriate, staff will bring additional information on specific projects to Council as the Implementation Plan proceeds.

6. Budget and Resource Investments

The estimated investment for the Implementation Plan is approximately \$1.75 million between 2021 and 2026, including investments already made in 2021. The Implementation Plan is subject to funding based on a mix of remaining funds in capital projects that have previously been approved by Council, and is subject to approval of future capital and operating budgets by Council (Figure 2).

Examples of the latter include the continuation of an annual Community Improvement Plan (CIP) funding amount of (\$107,500/year), Economic Investment Attraction Fund (EIAF) (\$75,000/year), Manufacturing Expansion Fund (MEF) (\$40,000/year) and the maintenance of historic funding levels for the Operating Budget (approximately \$55,000/year). Staff will continue to pursue external grant funds where appropriate.

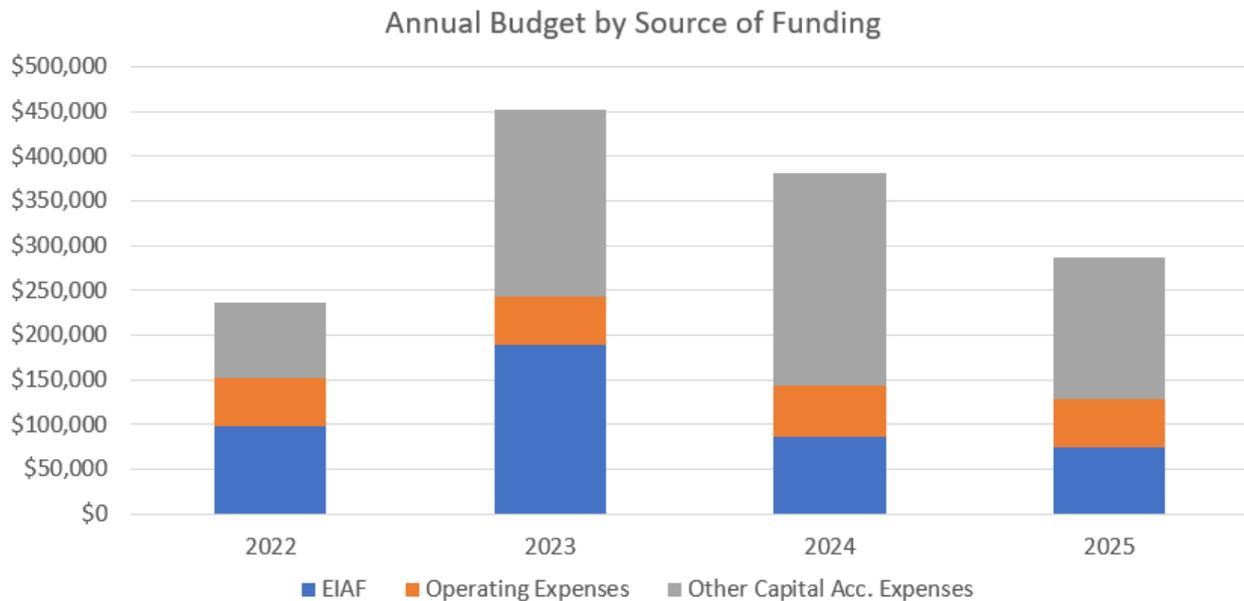


Figure 2: Annual Implementation Plan Budget by Source of Funding

The Implementation Plan investment excludes:

- Existing staff time, which is significant and centres on a robust workplan;
- Implementation of affordable housing initiatives. For example, the development of a strategic Affordable Housing Action Plan, proposed for 2022, will set out effective actions, policies, tools, local affordable housing targets and potential staff resource needs required to address current and future local housing needs. With the Action Plan pending, its future recommendations have not been included in the current Implementation Plan. The ongoing investments related to positioning 17 Guelph Street for an affordable housing development are also excluded;
- Additional funding to implement the new Community Improvement Plan (CIP), which will be brought to Council as part of the approval of the new CIP;
- Two new future and currently unfunded capital projects which will be brought forward for evaluation as part of future Budget submissions:
 - \$50,000 in 2023 for the Accommodation Investment Business Case
 - \$80,000 in 2024 for the FDI Attraction Strategy Update
- Complementary projects undertaken by other divisions/departments;
- Implementation of Cultural Services initiatives, including those related to arts and culture, Equity, Diversity and Inclusion, and Truth and Reconciliation. Strengthening the local arts and culture sector contributes to quality of life which is a major investment decision driver; and,
- Additional staff resources required within the Economic Development, Innovation and Culture division over the horizon of the Implementation Plan.

As the number, complexity and scope of projects and investment inquiries continues to grow – and to support other Council priorities (including those related to climate change), to deliver key initiatives such as the new Community Improvement Plan, Business Concierge and support additional business and entrepreneurship programs; to enhance local economic data collection, analysis and reporting; and to remain economically competitive, service investment leads and support the expansion and retention of existing businesses – it will be important to continue to monitor and adjust economic development resource needs. The cost of these future staff needs is not included in the current Implementation Plan and will be subject to future Budget submissions.

Beyond the direct scope of the Implementation Plan, the recommendations of the Affordable Housing Action Plan (2022), update of the Cultural Master Plan, and/or the upcoming Equity, Diversity and Inclusion Strategy and Truth and Reconciliation Strategy may identify additional resource needs for Council's consideration.

7. Measuring Success and Reporting Results

The Implementation Plan includes outcome measurements and associated Key Performance Indicators (KPIs) for each of the Strategy's goals, objectives and actions. Each action has been assigned an Economic, Organizational and Qualitative indicator that can be combined to provide a comprehensive measure of success. Economic Indicators are focused externally on local economic metrics. Organizational Indicators look inward to measure internal Town activities and processes. Qualitative Indicators measure more intangible elements such as testimonials and feedback from program participants.

Examples of the Implementation Plan's KPIs include:

- Economic:
 - Non-residential assessment growth;
 - Square feet and construction value of Industrial, Commercial and Institutional building permits issued;
 - Number of site selection/investment inquiries from target sectors;
 - Number of jobs and businesses (annual year-over-year growth);
 - Number and dollar value of business expansions;
 - Amount of shovel-ready employment land;
 - Non-Residential real estate vacancy rates;
 - Number and dollar value of Green Economy initiatives undertaken;
 - Acres of brownfields sites redeveloped; and,
 - Number of tourism operators and annual sector growth.

- Organizational:
 - Number of website visitors and e-newsletter subscribers;
 - Number of engagements with key sector stakeholders and organizations;
 - Number of events attended and hosted;
 - Number of CIP inquiries; and,

- Number and dollar value of Business Concierge projects.
- Qualitative:
 - Testimonials from developers and investment/business leads;
 - Feedback from Business Retention & Expansion visits and calls;
 - Feedback from participants during events hosted; and,
 - Let's Talk Halton Hills and Visitor Friendliness Surveys.

Performance data will be derived from, among other sources, the Economic Development division's Customer Relationship Management (CRM) system, the Business Retention and Expansion (BR&E) program, year-over-year comparison of Statistics Canada's Canadian Business Patterns data, Halton Region's Employment Survey data, as well as real estate and market reports. Annual updates on the Implementation Plan will be provided to Council and the community via the Economic Development Annual Report.

Successful advancement of the Implementation Plan will translate into new non-residential development, local jobs, live-work opportunities and assessment growth. In turn, the resulting tax revenue will contribute to the Town's financial health and ability to deliver the services that residents and businesses rely on, as well as advance Council's strategic priorities.

STRATEGIC PLAN ALIGNMENT:

This report aligns with the Town's Strategic plan recognizing the value to foster a prosperous economy, maintain and enhance the economic vitality of the town through the provision of a wide range of opportunities for economic development.

This report also identifies shaping growth as one of the Town's Strategic priorities.

Successful implementation will contribute to the Town's financial health and, in turn, enable the delivery of the overall Strategic Plan.

RELATIONSHIP TO CLIMATE CHANGE:

This report impacts and/or helps address climate change and the Town's resiliency through climate adaptation.

Several elements of the Economic Development and Tourism Strategy Implementation Plan support ongoing cross-departmental initiatives that address climate change – particularly those actions associated with growing the Green Economy in Halton Hills. This includes establishing a Green Economy Hub, forming partnerships with post-secondary institutions, attracting new clean technology/renewable energy businesses and supporting green development. The establishment and growth of a local clean technology sector will provide the Research and Development, technology, innovation, products and/or services that will be critical to reaching the Town's Net Zero target, while retaining the economic benefits within the local economy.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

Although Public Engagement was not part of the Implementation Plan itself, extensive business, stakeholder, and community engagement was part of the development of the Economic Development and Tourism Strategy, and FDI Attraction Strategy. This engagement will be leveraged and continue throughout the implementation phase.

INTERNAL CONSULTATION:

Finance staff have been consulted in the development of the financial aspects of the Implementation Plan. The Economic Development Communications Plan has been reviewed by Corporate Communications staff. Climate Change staff were also engaged on the Implementation Plan.

FINANCIAL IMPLICATIONS:

This report has the potential to require funding in a future budget year and therefore needs to be referred to budget committee for approval.

By maximizing existing staff and financial resources there are no immediate Financial Implications associated with this report. No additional funding, beyond recommendations already proposed via the 2022 Budget, are proposed for 2022.

The Implementation Plan is recommended to be funded using existing funds remaining in capital projects and assumes that future budgets will be approved, and historic funding levels will be maintained. If additional funding is required outside of the Implementation Plan, including supplementary funding for the new Community Improvement Plan (CIP) and required staff resources, these requests will be submitted for approval through the annual Budget process. It is recognized that all funding requests beyond the 2022 Budget year are subject to on-going affordability and sustainability of the Town's Long Range Financial Plan.

Reviewed and approved by,

Damian Szybalski, Director of Economic Development, Innovation & Culture

Chris Mills, Acting Chief Administrative Officer