



## MEMORANDUM

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**TO:** Mayor Lawlor and Members of Council

**FROM:** Erin Kaiser, Manager of Economic Development and Innovation

**DATE:** March 29, 2023

**MEMO NO.:** BEC-2023-001

**SUBJECT:** 2022 Invest Halton Hills Annual Report

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### **PURPOSE OF THE MEMORANDUM:**

The purpose of this Memorandum is to present Council with the 2022 Invest Halton Hills Annual Report, appended to this Memorandum. The Report provides an overview of key initiatives and activities implemented by the Economic Development and Investment Attraction divisions in 2022, as well as business-related initiatives delivered by Cultural Services. In addition, a brief overview of the general state of the economy, and emerging trends and opportunities is provided in the Memorandum.

### **BACKGROUND:**

The Invest Halton Hills team consists of the Economic Development and Innovation, and Investment Attraction divisions of the Business, Environment and Culture Department. Its primary objective is to promote Halton Hills as being open for business and a prime investment destination. The team showcases Halton Hills' thriving economy and quality of life to help attract and support local, regional and international business opportunities that enable businesses to grow and succeed. The team provides a full suite of high-quality economic development services and supports, including:

- Financial incentives via the Community Improvement Plan (CIP)
- Business Retentions and Expansion (BR&E) programming
- Investment attraction, expansion and relocation
- Business Concierge Program

- Site selection assistance
- Market research
- Industry engagement
- Workforce development
- Amplifying tourism's economic benefits
- Leveraging and supporting the arts and culture sector

In February 2021, Council approved a new [Economic Development and Tourism Strategy](#). Subsequently, an implementation plan was developed to facilitate taking action on the Strategy's 137 recommendations, along with associated budgets, timelines and Key Performance Indicators (KPIs). These KPIs are tracked to ensure the Strategy's goals and objectives are accomplished.

Several other key strategies and programs have been developed in response to, or to complement, the Economic Development and Tourism Strategy. These include the Foreign Direct Investment (FDI) [Attraction Strategy \(2020\)](#), Business Concierge [Program \(2021\)](#), Business Retention and Expansion (BR&E) Program (2020), [Community Improvement Plan \(CIP\) \(2022\)](#) and the [Digital Main Street Program \(2021-2023\)](#).

In 2020, the first Invest Halton Hills Annual Report was prepared to highlight significant progress, and key economic development actions, supports, initiatives and projects completed throughout the year.

The [2020](#) and [2021](#) Annual Reports reflected a proactive approach to the COVID-19 pandemic by taking early, decisive and coordinated action. The economic development and investment attraction workplans were adjusted to include several COVID-specific business supports via the development of the [Economic Recovery and Resiliency Plan \(ERRP\)](#). While recognizing that the economic impacts of the pandemic have been significant and lasting, 2022 proved to be a year to strengthen and enhance the core Invest Halton Hills services as businesses return to the post-COVID 'business-as-usual'.

## **COMMENTS:**

### **1. State of the Economy**

Recognizing the significant and lasting impacts of COVID-19 on the local and world economies, the business community continued to show resiliency throughout 2022. Halton Hills, as well as the broader region, continues to be a prime investment destination – supported by an open for business approach, high quality of life, growing talent pool, highly educated labour force, diversity, community safety and competitive costs.

Halton Hills' population of over 62,951 has grown by more than 9% since 2011. The population is expected to increase by an additional 9.5% to approximately 70,000 by

2025. The 21,000 households in Halton Hills enjoy an average household income of \$136,293, which is over 30% higher than the Ontario average. Moreover, 75% of Halton Region residents have post-secondary education, and 20% hold a diploma in a Science, Technology, Engineering or Math (STEM) field.

Over 1,400 businesses call Halton Hills home, providing over 23,000 jobs. Halton Hills is home to several major employers including Mold Masters, Saputo/Neilson Dairy, BFG Canada Ltd., and Communication and Power Industries. Target sectors for future non-residential investment and job growth in Halton Hills include advanced manufacturing, clean technology, food and beverage and agri-business.

According to the [2022 Halton Region Economic Review](#), the economy shows positive signs of growth and recovery. In 2022, Halton's average unemployment rate decreased to 5.5%, from 6.5% in 2021. Non-residential development floor area reached a 10-year high, with approximately 6.4 million square feet approved for construction in 2022. This growth was driven by industrial development, which accounted for 5.5 million square feet – a 62% year-over-year increase. The regional Gross Domestic Product (GDP) exceeded \$30 billion.

Halton's increasingly diverse population and economic prosperity, with 226 distinct ethnicities and 132 languages spoken across the region, position it as a prime community to live, work and invest.

Despite challenges posed by the pandemic, such as revenue and debt impacts, concerns with inflation, supply chain, labour shortages and economic uncertainty, businesses in the region remain optimistic about the future. More than 80% anticipate steady or higher revenues over the next year, and about 50% plan to hire more staff, according to the [2022 Halton Region Business Conditions Survey](#).

The Ontario government also continues to prioritize economic growth and investment attraction, as evidenced by the programs included in the [2023 Ontario Budget](#) that support manufacturing and position Ontario as a global leader on the Electric Vehicle supply chain. The budget also recognizes the continuing uncertainty of the road ahead. Ontario's economy has remained resilient and continued to grow in 2022, with relatively slower growth projected for 2023-26, as noted in the [Ontario Economic and Fiscal Overview](#). Among other things, similar to the provincial focus on the clean technology sector, the 2023 federal budget contains programs to support growth of clean technology.

To fully realize the economic potential of Halton Hills and generate local jobs, as well as increase non-residential assessment and tax revenue, it is crucial to expedite the provision of regional servicing along the eastern stretch of the Premier Gateway Employment Area. The Premier Gateway is set to account for the vast majority of Halton Hills' future employment growth, and it requires investment-ready serviced lands. Progress continues to be made in this area, based on discussions between the Town and Halton Region.

Further information on Halton Hills' key demographics can be found on [InvestHaltonHills.com](https://www.investhaltonhills.com). A summary of 2021 census data was reported to Council in January 2023 through [PD-2023-0001](#).

## **2. 2022 Invest Halton Hills Annual Report**

Halton Hills strives to be a leader in economic development by actively attracting and supporting local, regional and international business opportunities. The Town offers existing and potential businesses a strategic platform for success, proximity to world-class markets, a distinct and growing community with an ideal balance of urban and rural living, and an outstanding quality of life.

The 2022 Invest Halton Hills Annual Report, appended to this Memorandum, highlights numerous key economic development initiatives and accomplishments. By implementing a robust work plan, the focus continues to be on supporting existing businesses, attracting new investment and marketing Halton Hills as a prime investment destination. Additionally, there is continued focus on strengthening collaboration with key external stakeholders, including individual businesses, the Acton and Georgetown Business Improvement Areas, the Halton Hills Chamber of Commerce, and Halton Region.

The Invest Halton Hills Annual Report is organized into the following nine sections:

- 1. Economic Development Overview:**  
Summary of key economic development and investment attraction services, supports, strategies and audiences.
- 2. Economic Development and Tourism Strategy:**  
Significant progress made on the 137 recommendations outlined in the Town's Economic Development and Tourism Strategy (2021-2026).
- 3. New Invest Halton Hills Website:**  
Overview of the new website and key features of the site.
- 4. Foreign Direct Investment (FDI) Strategy:**  
Progress made in implementing the FDI Strategy, including a digital marketing campaign and highlights from the FDI Trade Mission to the Netherlands and Germany to attract international investments.
- 5. Business Concierge:**  
Goals, objectives and progress made in implementing the Town's Business Concierge program that was put in place to maximize key economic development leads and investments.

6. **Community Improvement Plan (CIP):**

Highlights the launch of the new CIP and its robust suite of programs as well as a snapshot of 2022 CIP Façade Improvement Program grant recipients.

7. **Local Business Supports and Initiatives:**

Overview of some of the business supports provided in 2022, including: 'Al Fresco in the Hills' restaurant patio program, workforce development efforts, Small Business Week initiatives and an update on the Digital Main Street Program.

8. **Tourism:**

Key highlights of the Town's tourism initiatives in 2022, including the new tourism marketing brochure and partnership with the Ontario Culinary Tourism Alliance to promote spending in local restaurants.

9. **Cultural Services:**

Cultural Services' role in delivering complementary programs that help raise local quality of life, support the arts and culture sector, and hence support investment attraction, retention and growth. A more comprehensive summary of Cultural Services initiatives will be provided to Council via the 'State of Culture' report.

Successes highlighted in the 2022 Invest Halton Hills Annual Report include:

- Completion of 59% of the 137 recommendations of the five-year Economic Development and Tourism Strategy, with another 30% of the actions currently underway or in progress;
- Launch of the new [Invest Halton Hills](#) website, tailored for the business community;
- Successful delivery of Halton Hills' first in-market international trade mission to Germany and Netherlands, including meeting with over 20 pre-qualified companies;
- Managed nine Business Concierge projects, representing the potential for over \$1.2 billion in non-residential investment and over 3,000 direct jobs;
- Launch of the new Community Improvement Plan which includes a full suite of programs designed to encourage revitalization and private sector investments that provide community benefits;
- Administration of the Digital Main Street (DMS) program which has provided \$190,000 in grant funding to nearly 80 local businesses by the end of 2022; and
- Attracting over 42,000 unique visitors to the Visit Halton Hills website, with continued growth and exposure.

### 3. **Emerging Trends and Opportunities**

To stay current and remain nimble, staff continually and proactively monitor emerging trends and potential opportunities. As a result of this monitoring, the following key areas have been identified for further exploration and consideration, as appropriate:

- **Entrepreneurship, Innovation and Post-Secondary Connections:**  
There is growing recognition of the importance of and benefits associated with supporting entrepreneurship, innovation and post-secondary connections in the community. These benefits include local job creation, reinvestment in the community through business growth, and economic diversification. Although Halton Region offers services through the Small Business Centre to assist start-ups and small businesses, there is a growing need for local networking, collaboration and supports tailored for Halton Hills business entrepreneurs to ensure that new businesses that are launched in Halton Hills stay and grow here.

- **Workforce Development:**  
Workforce development (employee attraction and retention) is a critical issue for local, regional and national employers. It is essential to promoting economic growth, competitiveness, increased earning potential, improved quality of life and social mobility. Whenever possible, staff are taking advantage of opportunities by collaborating with the Peel Halton Workforce Group, Next Generation Manufacturing Canada (NGEN) and others to help address this issue.

In addition, with a significant portion of Halton Hills' residents commuting to work to locations outside of Halton Hills as well as the significant portion of jobs found in Halton Hills being filled by those commuting in from outside of Halton Hills, improved access to transit can be a tool to assist the business community in attracting and retaining employees. Town staff continue to collaborate with the Halton Hills Chamber of Commerce in engaging local businesses on their workforce and transit challenges and potential solutions.

- **Clean Technology Sector:**  
Earlier this month, Canada's 2023 Federal Budget was released, including \$15 billion in new clean energy funding through the Canada Growth Fund. The fund will invest in Canadian clean technology projects that contribute to lowering emission. The growth of the clean technology industry in Canada, with the most significant growth being in Ontario, presents a significant opportunity for economic growth and job creation. With over \$100 billion invested in climate action and clean growth since 2015, the clean-tech sector has contributed \$66 billion to Canada's Gross Domestic Product. Announcements by major automotive companies (e.g. Ford, Volkswagen) in EV assembly and batteries) and interest in cleaner fuels such as hydrogen, for example, demonstrates the growing trend towards clean tech and electric vehicles. Staff continue to monitor and explore opportunities to attract and grow this sector.
- **Sports Tourism:**  
Sports tourism offers significant potential to attract more visitors to make more purchases at local businesses, increasing the economic benefits throughout Halton

Hills, beyond the direct attendance at sports events such as hockey tournaments. Staff are currently exploring new sports tourism opportunities with local and regional sport organizations. Cross-regional collaboration is becoming increasingly important to the success of larger events, particularly those that require multi-day accommodation.

- **Vibrant Downtowns:**

The vibrancy of downtown Acton and Georgetown is one of the Town's economic development priorities. The Town continues to support the Acton and Georgetown Business Improvement Areas (BIAs) on projects related to beautification, visitor attraction, community events, and strategic planning. As the BIAs develop new short- and long-term priorities and/or Strategic Plans, Town staff will consider opportunities for the most effective and efficient alignment. This will also include continued collaboration with the Halton Hills Chamber of Commerce on business community priorities.

- **Film Opportunities:**

Given its unique geography (urban, rural, hamlets, natural features, within GTA), Halton Hills has already been selected as the location for a number of film productions and staff have received location inquiries. However, the economic opportunity offered by film production has not yet been fully realized by the Town. According to Ontario Creates, the provincial agency that facilitates economic development, investment and collaboration in Ontario's creative industries including the music, book, magazine, film, television and interactive digital media sectors, the economic impact of the film and television production is significant. It exceeded \$3 billion in 2022, with tens of thousands of direct and spin-off jobs. Municipalities like the Town of Oakville, are taking advantage of the film sector by establishing a 'Film Office' to promote the community to the film industry, receiving over 100 film requests in 2021 and generating about \$750,000 in revenue – and expanding the project since. The recent announcement of a 1.2 million square foot production studio in Markham is another example.

As appropriate, further consideration of the above and any additional emerging trends and opportunities, will be assessed through the annual Budget process.

## **CONCLUSION:**

Recognizing the dramatic and lasting impacts of COVID-19, Halton Hills businesses have shown resilience in the face of the unprecedented challenge. There are positive signs of growth and recovery in the economy. The Town continues to be open for business, and to attract and support non-residential investments, while simultaneously also supporting existing businesses. The Town has achieved significant success in implementing its Economic Development and Tourism Strategy, completing 59% of the

actions. The 2022 Invest Halton Hills Annual Report highlights key accomplishments achieved in 2022. Building on a strong foundation, significantly more remains to be done in order to continue to showcase Halton Hills as a prime investment destination, leading to non-residential investments, local jobs, assessment growth and tax revenue.

Reviewed and approved by,

Damian Szybalski, Commissioner of Business, Environment & Culture

Chris Mills, Chief Administrative Officer