



TOWN OF  
**HALTON HILLS**  
*Working Together Working for You!*

## REPORT

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

**FROM:** Graham Lowe, Senior Economic Development Officer

**DATE:** January 10, 2024

**REPORT NO.:** BEC-2024-002

**SUBJECT:** 2023 Foreign Direct Investment (FDI) Attraction - Program and Results Update

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### RECOMMENDATION:

THAT Report No. BEC-2024-002, dated January 10, 2024, regarding the Foreign Direct Investment (FDI) Attraction – Program and Results Update, be received for information.

### KEY POINTS:

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

- Town staff provide a full suite of quality local economic development programs, and work alongside investors to provide tailored assistance and to showcase Halton Hills as a prime investment destination. These activities directly advance Council's "Thriving Economy" Strategic Plan priority;
- The purpose of this report is to provide Council with an update on the successful implementation of the Town's FDI program throughout 2023 and to highlight FDI activities planned for 2024 that will continue to sustain momentum and help showcase Halton Hills as a prime investment destination;
- FDI is a common economic development tool utilized by all levels of government. It is also a key part of the Town's proactive and comprehensive economic development efforts, and part of the Town's broader Economic Development and Tourism Strategy. FDI activities can benefit local businesses, help attract high quality local jobs, and increase non-residential assessment and associated municipal tax revenue;
- FDI and Investment Attraction is a critical way for the Town to proactively market and attract investments in the Town's target sectors;

- FDI activities enhance the Town's presence in the global marketplace, increasing the amount of FDI leads in target sectors and developing relationships with key in-market stakeholders;
- Halton Hills' FDI Attraction Strategy is focused on Germany and the Netherlands, and the sectors of Advanced Manufacturing, Food and Beverage Processing, Agri-Business/Agri-Tech, and Clean Technology/Renewable Energy;
- FDI is only one tool in the Town's economic development toolbox, supplemented by numerous other programs/initiatives that support the full range of existing and new businesses through programs such as Digital Main Street, Community Improvement Plan (CIP), Business Concierge, tourism, and creative sector supports;
- Staff successfully executed the Town's first international trade mission in Fall 2022, conducting over 20 face-to-face meetings with pre-qualified investment leads and 7 key investment intermediaries – resulting in significant exposure of the Invest Halton Hills brand; and
- In September 2023, staff returned to market in a strategic and targeted manner as part of an Ontario Manufacturing Communities Alliance (OMCA) delegation, conducting 39 in-person meetings at two tradeshows over the course of 9 business days.

## **BACKGROUND AND DISCUSSION:**

Town staff provide a full suite of quality local economic development programs and supports. They work alongside investors to provide tailored assistance and to showcase Halton Hills as a prime investment destination. Investment attraction is typically a multi-year process for each potential investment opportunity, especially for those that advance to the site procurement and development stage. FDI is an important part of the Town's economic development and non-residential investment attraction program.

FDI is also part of the Town's broader Economic Development and Tourism Strategy. FDI activities can benefit local businesses, help create quality local jobs, increase non-residential assessment and attract net new jobs. Research by the Conference Board of Canada indicates that every \$1.00 spent on FDI generates about \$3.20 in total economic output.

In March 2020, Halton Hills' first [FDI Attraction Strategy](#) was approved by Council. The Strategy focuses on the target markets of Germany and the Netherlands, and the sectors of Advanced Manufacturing, Food and Beverage Processing, Agri-Business, and Clean Technology/Renewable Energy. At the end of 2023, staff have completed all 33 FDI activities included in the three-year Action Plan.

## 1. Context and Economic Importance of FDI

Attracting inward FDI helps create economic diversity, attract higher-paying quality jobs, and maximize non-residential assessment and job density. The Town's FDI efforts primarily target higher density uses such as manufacturing. Compared to warehousing uses, manufacturing requires significantly less square feet of building space per employee.

FDI is a key part of the Town's investment attraction activities, with the goal to:

- Enhance Halton Hills' presence in the global marketplace;
- Ensure economic competitiveness;
- Increase the flow of international investment into Halton Hills;
- Grow local jobs and increase economic diversification;
- Create a more balanced assessment ratio; and
- Develop international partnerships with key stakeholders that will strengthen the Town's investment readiness and economy.

The Town's FDI efforts are focused on attracting investment to Halton Hills by leveraging detailed knowledge of local investment opportunities, market and community value propositions, and tailoring all messaging through a Halton Hills-focused lens. These actions complement and supplement FDI activities undertaken by other organizations, rather than duplicating them.

Along with many communities in the Greater Toronto Area (GTA), Halton Hills recognizes that improving the Town's capacity to attract FDI can help drive economic prosperity. In addition to municipal efforts, there are several organizations at the federal, provincial, and regional levels that engage in FDI activities, many of which organize their own trade missions. Over the past three years, Halton Hills has proactively established itself as an important part of this network.

In 2023, Town staff explored partnership opportunities for future joint trade missions with other investment promotion organizations such as the [Ontario Manufacturing Communities Alliance \(OMCA\)](#), the [Ontario Food Cluster \(OFC\)](#) and [Toronto Global](#).

This approach resulted in Halton Hills becoming a member of OMCA in 2023. OMCA is a partnership of economic development organizations from across Ontario including Hamilton, Simcoe County, Middlesex County, Windsor Essex, Kingston, London, Brampton and others. Membership in OMCA has provided Halton Hills with additional leads, reduced the cost of in-market activities, allowed staff to build relationships, and provided the opportunity to attend any, or all, of six advanced manufacturing international trade shows that OMCA participates in annually.

## 2. Implementation Progress to Date

Over the past two years, Halton Hills' capacity to attract, service and retain FDI has significantly improved. See the timeline infographic in *Appendix A – Halton Hills' FDI Program Timeline (2019-2024)* for a full summary of the Town's FDI activities undertaken since 2019.

In addition to the September 2023 trade mission (summarized below in Section 3), staff also implemented several other FDI initiatives throughout 2023, including:

- Halton Hills' First FDI Site Visit – Hosting Halton Hills' first site visit/familiarization tour with a foreign company. This was the first site visit to come as a direct result of the Town's FDI program, with a large multi-national company visiting Halton Hills to assess three potential sites. Staff organized the visitation itinerary to include a visit with the Mayor, tours of three potential local development sites, a tour of a local business in the same sector as the visiting company, as well as a tour of Halton Hills' various hamlets and tourism sights.
- Provincial Site Information Initiative – Submitting detailed local site information for the Ontario Ministry of Economic Development, Job Creation & Trade's "Strengthening Ontario's Competitiveness for Future Investments" initiative. Halton Hills submitted 10 high-potential development sites through this program and staff have seen a noticeable increase in Requests for Information from the Province as a result of actively participating in this initiative.
- Manufacturing Sector Report Marketing – Investing in a targeted marketing campaign that included the development of an Invest Halton Hills "advertorial" for an Ontario Advanced Manufacturing Sector report prepared by Perspective News. In early 2023, Perspective began working in partnership with the Ontario Ministry of Economic Development, Job Creation & Trade to create a series of sector reports to be utilized by trade staff worldwide. The initiative was comprised of both a digital and print campaign and involved Perspective working closely with trade staff worldwide. Distribution was done via the Province and the report was circulated to all international trade staff around the world. The initial run of printed copies was 56,000, in addition to the [digital version](#) hosted on Perspective's website (Halton Hills' "advertorial" can be viewed on pages 3-4).
- Update and Refinement of FDI Materials – Continuous improvement of existing FDI marketing materials and the development of new materials. Staff updated and refined the Town's series of FDI pitchdecks, Investment Business Cases and marketing materials, as well as developed a new comprehensive Halton Hills Community Profile, a new 2.5-minute Invest Halton Hills Economic Development video, and four 1-minute sector-specific FDI Attraction videos highlighting the

local advanced manufacturing, food and beverage processing, agri-business and clean technology/renewable energy sectors. The Community Profile and five videos are anticipated to be completed and publicly available in Q1 2024.

Throughout the investment attraction and FDI process, economic development staff provide critical and tailored services and supports that respond to local priorities and opportunities. See *Appendix B – Halton Hills’ FDI Life Cycle* for detailed information regarding the specific activities, services and supports provided by staff throughout the various stages of Halton Hills’ FDI Life Cycle.

### **3. 2023 FDI Activities and 2023 Trade Mission Overview**

Halton Hills’ OMCA membership provided the Town with a highly valuable opportunity to attend six OMCA-led tradeshows in 2023, including:

- Hannover Mess (April 17-21, Hannover, Germany)
  - *Mechanical/Electrical Engineering, Digital Industries and Energy Sectors*: World’s largest industrial trade fair for building automation/technology, coating materials, factory equipment, robotics and additive manufacturing.
- Automatica (June 27-30, Munich, Germany)
  - *Smart Automation and Robotics Sectors*: World’s leading exhibition for automated/intelligent production and artificial intelligence.
- IAA Mobility (September 5-10, Munich, Germany)
  - *EV and E-Mobility Sectors*: One of the world’s largest automotive industry tradeshows focused the future of mobility, transportation and logistics.
- hy-fcell (September 13-14, Stuttgart, Germany)
  - *Hydrogen and Fuel Cell Sectors*: A relatively new tradeshow that focuses on fuel cell components/systems, hydrogen production and infrastructure, as well as fields of applications for fuel cells and hydrogen.
- FABtech (September 11-14, Chicago, USA)
  - *Industrial Engineering, Products and Equipment Sectors*: North America’s largest metal forming, fabricating, welding and finishing trade fair.
- eMove360° Europe (October 17-19, Munich Germany)
  - *Electric and Autonomous Mobility Sectors*: The largest trade fair for e-mobility in the world, showcasing charging/energy infrastructure, automated driving and electronics, infotainment/connectivity, and batteries and powertrain.

Staff undertook a detailed assessment of these six tradeshow options, based on numerous factors, including relevance of target markets and target sectors, number of attendees, and return on investment. Based on this analysis, one staff representative attended IAA Mobility in Munich, Germany and hy-fcell in Stuttgart, Germany. The following provides a brief description of the two trade shows attended in 2023:

### **3.1 IAA Mobility:**

IAA Mobility is one of the world's largest mobility trade fairs, focused on connected and autonomous mobility, smart city infrastructure and the circular economy. The show featured approximately 750 exhibitors from 95 countries and attracted approximately 400,000 visitors. Following discussions with in-market lead generation representatives and government officials, IAA Mobility was determined to be a good fit for Halton Hills given sector and target market alignment. Other communities attending IAA Mobility as part of the OMCA delegation included Stratford and London.

Attending IAA Mobility provided staff with the opportunity to further strengthen Halton Hills' presence in Germany, meet with German companies from the Town's lead pipeline, and continue the momentum created from Halton Hills' Fall 2022 trade mission.

### **3.2 hy-fcell:**

hy-fcell is a tradeshow in Stuttgart, Germany, where the hydrogen and fuel cell industry gathers to discuss technological advancements, transfer knowledge and tap into international markets. The main subsectors of focus at hy-fcell are fuel cell components, fuel cell systems, hydrogen production and infrastructure, as well as fields of application for fuel cells and hydrogen. This English-language exhibition is a smaller, but rapidly growing show, with approximately 2,000 visitors and 130 exhibitors – more than double the number of exhibitors there were in 2022.

Additionally, the Baden-Württemberg Ministry of the Environment, Climate Protection and the Energy Sector is a partnering sponsor of the hy-fcell show. As part of Halton Hills' participation in OMCA, Town staff led the development of a relationship with this Ministry throughout 2023, which included the generation of new investment leads and establishing a framework for partnership between OMCA and Baden-Württemberg. Attending the hy-fcell tradeshow allowed staff to meet Baden-Württemberg Ministry representatives in-person and further solidify this burgeoning relationship.

## **4. 2023 Trade Mission Success**

Partial funding for the in-market activities outlined above was secured from external grant funding, and the remainder was derived from existing budget. The 2023 trade mission was executed under budget.

During the mission, which took place from September 5-15, 2023, staff conducted 39 in-person meetings at two tradeshows over the course of 9 business days. The breakdown of meetings was as follows:

- 25 meetings with company leads (i.e. Direct Sales approach)
- 14 meetings with investment intermediaries/influencers and sector-specific multiplier organizations (i.e. Indirect Sales approach)

The trade mission has yielded concrete potential investment opportunities for Halton Hills. Each lead is now being serviced by Town staff.

In addition to the investment leads directly generated from the trade mission, inbound investment and development inquiries for land, buildings and leasable space have increased significantly in recent years. In 2023, the Investment Attraction division received 31 direct inquiries, whereas in 2022, the Town had 11 direct inquiries. This represents a year-over-year increase in direct inquiries of nearly 300%.

## **5. Next Steps and Halton Hills' 2024 FDI Activities**

Recognizing that investment attraction is a long-term process, requiring ongoing commitment, subsequent in-market delegations are planned for 2024 that will help sustain momentum, continue to elevate Halton Hills' profile as a prime investment destination, and help ensure that investment leads translate into actual investments.

Upon completion of Halton Hills' 2024 in-market FDI activities, staff will continue to provide Council with a report outlining successes, objectives achieved, and any lessons learned.

At a future Council meeting, Town staff will also present the Invest Halton Hills Annual Report highlighting the full spectrum of economic development supports, initiatives and results that continue to drive a thriving economy.

## **STRATEGIC PLAN ALIGNMENT:**

This report identifies a thriving economy as one of the Town's Strategic priorities.

Implementation of the Town's investment attraction program will directly advance Council's Strategic Plan priority of "Thriving Economy" by helping to proactively position Halton Hills as a prime destination for non-residential investments and growth in the Town's target sectors, and the associated quality local jobs, spin-off activity, and tax revenue.

## **RELATIONSHIP TO CLIMATE CHANGE:**

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

**PUBLIC ENGAGEMENT:**

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

**INTERNAL CONSULTATION:**

None as this report is administrative in nature.

**FINANCIAL IMPLICATIONS:**

This report will be funded through an existing approved budget source.

Reviewed and approved by,

Tony Boutassis, Manager of Investment Attraction

Damian Szybalski, Commissioner of Business, Environment & Culture

Chris Mills, Chief Administrative Officer