



## **REPORT**

**REPORT TO:** Mayor Bonnette and Members of Council

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

**DATE:** January 14, 2021

**REPORT NO.:** ADMIN-2021-0002

**RE:** 5-Year Economic Development and Tourism Strategy (2021-2026)

### **RECOMMENDATION:**

THAT Report No. ADMIN-2021-0002, dated January 14, 2021, regarding the Town's new 5-Year Economic Development and Tourism Strategy (2021-2026), be received for information;

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

AND FURTHER THAT Town staff bring back to Council an Implementation Plan, and the Economic Recovery and Resilience Framework for the Economic Development and Tourism Strategy.

### **BACKGROUND:**

#### **1. Building on Successes**

Halton Hills' new Economic Development and Tourism Strategy (Appendix 1) leverages and builds on numerous successes achieved in recent years, as well as actions that are ongoing. Many of these are highlighted in the Executive Summary of Initial Findings (March 2020) and the appended Progress on Identified Themes infographic document (Appendix 2). These achievements provide a solid foundation from which to pursue the next stage of economic development initiatives, programs and strategies in Halton Hills. The new Strategy covers the 2021-2026 period.

## 2. Context and Strategy Overview

Since the Town's existing Economic Development Strategy was approved in 2012 and the Tourism Strategy in 2014, many demographic, technological and economic changes have taken place. Consequently, the development of an updated and consolidated five-year Economic Development and Tourism Strategy was required to help ensure Halton Hills' long-term economic prosperity, support strategic decision-making, and grow local investment, jobs and assessment.

The new Strategy positions the Town's Economic Development division to be a leading stakeholder in the local and regional economic development network, including being the central contact and driver for economic prosperity - while continuing to work closely with key community partners.

By providing an actionable roadmap for strategic decision-making on economic development matters, anticipated outcomes of the new Strategy include:

- Maintenance and enhancement of the Town's economic competitiveness;
- Continued strengthening of an "open for business" approach;
- Local job growth and economic diversification;
- Maximization of economic benefits from the tourism sector;
- Increased local investment;
- Increased non-residential assessment;
- Improved non-residential to residential assessment ratio;
- An increase in job quality (i.e. more professional/higher-paying jobs) and higher-density employment uses);
- Confirmation of key sectors of focus; and
- Support for economic recovery and longer-term economic resiliency post-COVID-19.

Making up the 'umbrella' Economic Development and Tourism Strategy, in addition to the main Economic Development Sub-Strategy, are four Sub-Strategies:

- **Tourism Sub-Strategy:** Positions the Town as a destination for investment and growth in the Tourism sector (including recreation, sports, culture and heritage tourism);
- **Green Economy Sub-Strategy:** Builds on Council's climate change priorities and leverages key related initiatives to position Halton Hills as a leading destination for investment and growth in the clean technology/low-carbon economy sectors;
- **Brownfield Redevelopment Sub-Strategy:** Focuses on addressing regulatory, land-use planning and financial challenges and opportunities posed by brownfield sites, with the objective to promote remediation, rehabilitation, adaptive re-use and overall redevelopment of brownfields; and

- **Marketing and Communications:** Includes marketing, branding and visioning statements, as well as a practical suite of marketing collateral and actions to raise awareness of Halton Hills as a prime investment destination.

The Strategy also aligns with the Town's Foreign Direct Investment (FDI) Strategy, which was approved by Council in March 2020.

### 3. Strategy Structure

The Strategy is organized into six sections:

1. Introduction
2. The Strategy Preparation Process
3. Council's Strategic Plan
4. Economic Development and Tourism Strategic Priorities
5. Goals, Objectives and Strategic Actions
  - 5.1 – Enhancing Economic Development Fundamentals
  - 5.2 – Leveraging Green Economy Opportunities
  - 5.3 – Redeveloping Halton Hills' Brownfields
  - 5.4 – Amplifying Tourism's Economic Benefits
  - 5.5 – Marketing: Making the Case for Halton Hills
6. Appendices

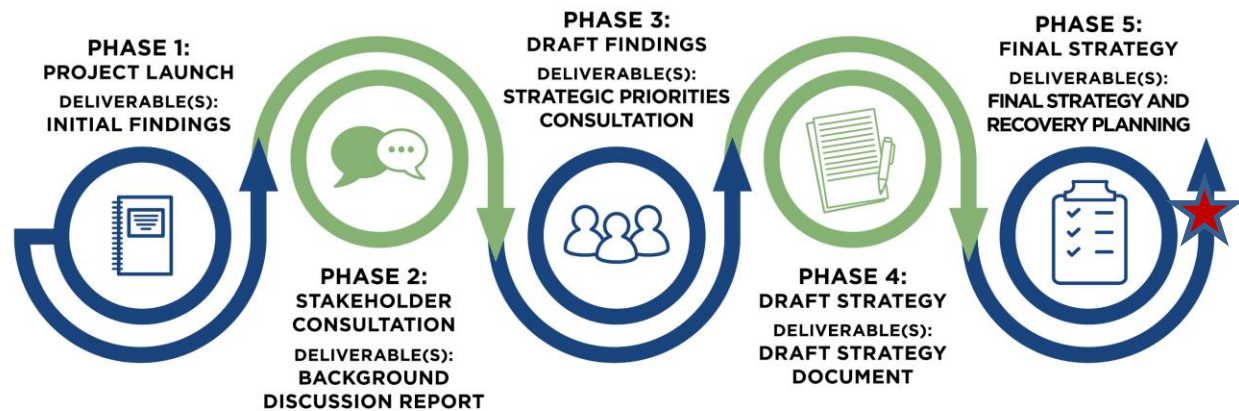
Section 5 outlines the Goals and Objectives that will form the basis for Halton Hills' Strategic Actions over the next five years. The Strategy is comprised of 26 Goals (each with a corresponding Objective) and 137 recommended Strategic Actions. Appendix 3 lists the Goals and Objectives for each Sub-Strategy. The full list of Strategic Actions can be found in the Economic Development and Tourism Strategy (Appendix 1) on pages 18 through 48.

Each of the Goals, Objective and Strategic Actions align with the new Marketing Vision and Positioning Statements:

- *Vision Statement:* Halton Hills is a recognized leader in innovation, economic opportunity and climate change action. With a rich and distinct history as its foundation, Halton Hills will continue to build a diverse community and vibrant economy while providing an outstanding quality of life.
- *Positioning Statement:* Halton Hills is an economic development leader actively attracting and supporting local and international business opportunities aligned with its vision of growth that embodies social, economic, fiscal and environmental sustainability. Halton Hills offers existing and potential businesses a strategic platform for success, proximity to world-class markets, a distinct community with an ideal balance between urban and rural living, and an outstanding quality of life.

#### 4. Key Milestones

As shown in Figure 1, the Economic Development Tourism Strategy was completed in five phases over approximately 18 months.



MEM-ADMIN-2020-0002 (dated March 30, 2020) marked the end of Phase 1 and provided Council with a status update, including highlights of the Executive Summary of Initial Findings (March 2020). The Initial Findings document outlined key background data and analysis, as well as numerous successes achieved to date in advancing Halton Hills' economic prosperity.

ADMIN-2020-0016 (dated August 5, 2020) provided a further status update at the end of Phase 2, and the Background Discussion Report (August 2020) was approved by Council. The purpose of Phase 2 was to undertake comprehensive stakeholder consultation, analyze the main themes that arose from consultation, perform a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats), and develop a list of Strategic Priorities for consideration.

The Strategic Priorities for the Town's economic development efforts were drafted during the COVID-19 pandemic. Council and the community were consulted on these via a Let's Talk Halton Hills survey (July 17 – August 7). As appropriate, the included goals, objectives and actions reflect this feedback. They are also based on economic development fundamentals that remain relevant regardless of the COVID-19 pandemic.

Combined, the Background Discussion Report (August 2020) and the Executive Summary of Initial Findings (March 2020), provided the foundation for the Strategy.

Given the significant economic changes caused by COVID-19, and in order to maximize the Strategy's effectiveness and currency, the original scope of work/deliverables was amended to add the development of an 'Economic Recovery and Resilience' framework. The latter will detail best practices for economic recovery planning and provide a roadmap for Halton Hills to respond to the economic impacts of COVID-19. Work on this framework will commence following Strategy approval.

## **COMMENTS:**

### **1. Strategy Alignment and Outcomes**

Over the past three years, the Town's approach to economic development and job creation has shifted substantially. It has become more strategic, focused, cross-departmental, impactful and proactive. By implementing a robust work plan, the focus has been on supporting existing businesses, attracting new investment and marketing Halton Hills as a prime investment destination.

The new Economic Development and Tourism Strategy connects to and helps advance multiple key Town strategies and initiatives, including:

- Council's Strategic Plan;
- Long Range Financial Plan;
- Employment Land Needs Study;
- Premier Gateway Phase 2B Secondary Plan;
- Transit Service Strategy;
- Mayor's Community Energy Plan;
- Low Carbon Transition Strategy;
- Community Improvement Plan;
- Manufacturing Expansion Fund;
- Foreign Direct Investment (FDI) Strategy;
- Business Concierge Program;
- Regional Official Plan Update;
- Affordable Housing initiatives;
- Cultural Master Plan; and
- Public Art Master Plan.

Strategy implementation will enable the Town to continue to purposefully shift its economic development efforts to be more strategic, coordinated and impactful. There will be an active focus on pursuing investments that generate the greatest community benefits, including a higher number of jobs per development. To that end, both the Economic Development and Tourism Strategy, and the Foreign Direct Investment (FDI) Strategy, have identified advanced manufacturing, agri-business, clean technology/renewables, and food and beverage processing as Halton Hills' target sectors.

Office development is also a desirable target sector, as it creates a relatively high number of jobs on a smaller footprint. The Town pursues office development wherever possible. However, prior to COVID-19, the trend was for office development to locate in downtown Toronto. Going forward, COVID-19 is anticipated to have significant impacts on work arrangements, potentially leading to fewer office projects.

Recent developments and investment inquiries suggest that, among other things, Halton Hills is seen as a desirable location for manufacturing, major hospitality and entertainment, and minor office uses (e.g. as part of manufacturing/industrial developments). Examples include HPG's state-of-the-art 50,000 square foot

manufacturing facility in the Premier Gateway; the 81,000 square foot Toromont CIMCO manufacturing and office development; and the 12,000 square foot expansion of Hayward Gordon's manufacturing/office facility.

While Halton Hills will continue to attract some lower job density businesses due to its favorable location, the Town's efforts are focused on the higher-density job generators. Halton Hills' access to logistics networks and supply chains, however, is an important contributor to attracting new investment.

The launch of the Town's Business Concierge program will also help ensure that Halton Hills is best positioned to attract major job creators. The Town's Manufacturing Expansion Fund provides incentives for existing manufacturing businesses to expand, which in turn, can help add jobs and 'intensify' employment.

Future development opportunities in the Georgetown, Acton and Mansewood Industrial Areas are limited due to relatively low land supply. The Premier Gateway will continue to be the Town's main area of job growth between 2019 and 2041, accounting for 89 percent of all forecasted employment growth. However, even in the Premier Gateway, the absence of a sufficient supply of serviced employment lands creates significant challenges and barriers to job creation and assessment growth. Similar to the Town's Employment Land Needs Study, the Economic Development and Tourism Strategy as well as the FDI Strategy noted the need for additional shovel-ready lands to ensure that Halton Hills' maximizes economic development opportunities and stays competitive.

## **2. Measuring Success and Reporting Results**

Pending Council's approval of the Strategy, a practical Implementation Plan will be developed with outcome measurements and Key Performance Indicators (KPIs). These will correspond to each of the Strategy's goals, objectives and actions. An associated budget and timelines will also be developed. The Implementation Plan will provide an opportunity to identify and potentially include any additional actions that may emerge during the course of the 5-year Strategy. This will help the Strategy remain current, responsive and flexible.

Potential KPIs include:

- Annual job growth (overall and in the target sectors);
- New commercial and industrial development (square footage);
- Amount of additional shovel-ready employment land available;
- Non-residential assessment growth;
- Number of Industrial/Commercial/Institutional (ICI) building permits issued and their construction value;
- Volume of Business Concierge investments;
- Real Estate vacancy rates;
- Number, dollar value and return on investment of the Community Improvement Plan (CIP), Manufacturing Expansion Fund (MEF) and Brownfield applications;
- Business and Tourism-friendliness ratings;

- Number of site selection inquiries; and
- Marketing data and analytics.

Performance data will be derived from, among other sources, the Economic Development division's Customer Relationship Management (CRM) system and Business Retention and Expansion (BR&E) program, year-over-year comparison of Statistics Canada data, Halton Region's Employment Survey, real estate and market reports, and digital analytics.

## **RELATIONSHIP TO STRATEGIC PLAN:**

The Economic Development and Tourism Strategy relates to and advances numerous Strategic Plan priorities, focus areas and values, including:

- Shaping Growth;
- Climate Change and Environment;
- Ensure a Vibrant Agricultural Community;
- Foster a Healthy Community;
- Preserve, Protect and Enhance our Environment;
- Protect and Enhance our Agriculture; and
- Foster a Prosperous Economy.

## **FINANCIAL IMPACT:**

At this time, implementation of the Economic Development and Tourism Strategy is recommended to be funded within the existing Budget. If, through the completion of the Implementation Plan, the need for any additional funds/resources is identified, a recommendation report will be brought forward to Council and/or via the Budget process.

## **CONSULTATION:**

In addition to comprehensive public engagement, the Strategy's development benefited from the input of a cross-disciplinary Project Steering Committee. The Project Steering Committee included the Georgetown and Acton Business Improvement Areas (BIAs), Halton Hills Chamber of Commerce, Regional Tourism Organization 3 (RTO3), Haltech, Halton Region, the private sector and Town staff. Feedback was also received from the Town's Tourism Advisory Committee, as well as Town staff from Planning and Development, Climate Change and Asset Management, Communications, and Strategic Initiatives.

## **PUBLIC ENGAGEMENT:**

A variety of stakeholders were engaged in multiple ways during the project. This included focus groups, visioning sessions, interviews, online surveys, as well as regular updates provided via the project webpage and Economic Development e-newsletters.

**SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report advances the Strategy's implementation.

This report supports all four pillars of Sustainability and in summary the alignment of this report with the Community Sustainability Strategy is excellent.

**COMMUNICATIONS:**

The Strategy will be made widely available through multiple communication channels.

To maximize community awareness and engagement, the full Strategy document has also been synthesized into a shorter, summary version (Appendix 4).

**CONCLUSION:**

The recommended Economic Development and Tourism Strategy is modern, practical, actionable and comprehensive. It will continue to position Halton Hills as a prime destination for investment and job growth. The Strategy, supplemented by the Economic Recovery and Resilience Framework, provides a flexible roadmap for the Town to respond to the challenges and changing economic conditions caused by COVID-19.

Reviewed and Approved by,



Damian Szybalski, Director of Economic Development, Innovation & Culture



Chris Mills, Acting Chief Administrative Officer