
Subject: Q1 Economic Development Quarterly Update Report

Report to: Planning and Economic Development Committee

Report date: Wednesday, April 17, 2019

Recommendations

That Report ED 4-2019 **BE RECEIVED** for information.

Key Facts

- Economic Development provides quarterly updates to the PEDC. The purpose of this report is to provide the PEDC with an update on the department's activities for the first quarter (Q1) 2019.
- Economic Development activities take place within four main function areas: Trade and Investment; Expedited Services for Business; Strategic Economic Initiatives and Strategic Marketing Initiatives.
- Implementation of the five-year Economic Development Strategy 2019-2024 is underway and initial reporting will be included in the Q2 report.

Financial Considerations

The activities described in this report have been accommodated within the approved 2019 Economic Development Department budget.

Analysis

This is the economic development quarterly update for the Planning and Economic Development Committee and covers work carried out during the first quarter (Q1) 2019.

1. Trade and Investment

The Manager, Trade & Investment is responsible for delivering an Annual Work Plan, within a prescribed budget, that supports the Niagara Economic Development (NED) team's efforts to secure Foreign Direct Investment (*FDI*) for the Niagara Region; promote business attraction opportunities in designated key, highest *FDI*-probability markets, the United States, United Kingdom and Europe; respond to queries from other global markets; champion key economic sectors in the Region, participate in trade shows on behalf of the Niagara Region, and independently, involve Niagara economic growth stakeholders (e.g., Niagara Development Corridor Partnership Inc. (NDCPi), Niagara Industrial Association (NIA), TEAM Niagara, the Chambers of Commerce and others) where possible.

Note: Q1 is traditionally a preparation period for organizing the groundwork for outgoing Q2 FDI missions in the Trade & Investment portfolio, typically involving the awarding of Qualified Lead Generation Contracts in the target markets. Thus, the emphasis in this period of the calendar is to contract the Qualified Lead Generation firms; and, produce a comprehensive plan for TEAM Niagara to undertake the first of two annual Canadian Consular visits in Niagara's neighbouring target states for FDI and Trade.

- a. Inward Missions Q1:
 - Australian-based IT Company considering Niagara for a North American operating base location.
- b. Outward Missions Q1:
 - Hamilton-Niagara Partnership Mission to Mexico City and Guadalajara: 12 business meetings; 2 with consortia (*IJALTI* with 137 IT members; and, *AMITI* with 315 ICT members).
 - Economic Developers Council of Ontario, Annual Meeting, Toronto.
 - Automotive News-APMA Canada Congress, Toronto.
 - Meetings with the Senior Trade Commissioners in the Colombian and Costa Rican Consulates, Toronto.
 - Eight U.S. Qualified Lead Meetings in Pennsylvania, Minnesota, Ohio and Western New York.
 - Food Manufacturer, Richmond Hill.
- c. Leads Generated, Q1: 22 companies/organizations
- d. Leads to Date, 2019: 22 companies
- e. Active Prospects, 2018 ongoing: 48 companies

2. Niagara Foreign Trade Zone (NFTZ)

The Niagara Foreign Trade Zone point is now established and servicing more than 65 clients. Contact was made with 160 firms and 13 institutions within an active database of 400 firms, 11 NFTZ seminars were conducted and the Manager participated in 20 networking events. NFTZ clients/prospects represent the agribusiness, manufacturing, and logistics sectors.

To date the Canada Border Services Agency has processed approximately \$102,600.00 in Duties Relief (K90) claims and \$178,366.00 in Duty Drawback (K32) claims, for Niagara based claimants. These amounts do not include the new surtax relief.

NFTZ clients have received export-related support, through customized services and education on the Federal FTZ programs and services. This information helps them successfully enter into new markets by identifying specific incentives, export-related financing and risk mitigation as well as providing assistance to resolve the impact of the new surcharge and its remission procedure.

a. Business Strategy Plan

- The implementation of the NFTZ Business Strategy started in Q1. The Strategy is based on the draft report developed by consultants E&Y in the Fall 2018.
- The Strategic Plan focuses on target prospects through an outreach strategy.
- Activity has been focused on Business Retention and Expansion by providing our exporting firms in Niagara with information and relevant contacts through a 'single contact point.'
- Support has been provided to NED's FDI attraction research, lead development, trade missions and strategy development.

b. Business Outreach Program

- The 65 clients of the NFTZ were surveyed to identify their exporting needs and assess NFTZ services.
- The prospect database of 400+ companies was revisited.
- The scheduling of a series of NFTZ seminars for 2019 is in progress. An agenda including a working session with Task Force members, country insights and issue-based sessions are highlights of the next series.
- Work with 15 clients has been completed.

c. Networking and Relationship Building

- Attended six networking events including: the Prospectors and Developers Association of Canada (PDAC) 2019 where meetings were held with Canadian Trade Commissioners; Post-Brexit trade; UN Procurement for international suppliers; Netherland Investment Authority; NIA and the Southern Mayors' luncheon.
- Provided updates to our clients on 'Regional Economic Growth through Innovation – Steel and Aluminum' Federal Initiative. Two clients have expressed their interest in this program.

d. Supporting the NFTZ Taskforce

- Moderated a session at an event organized by Transport Canada, 'Increasing and Diversifying Exports through E-commerce' focused on the Hamilton Niagara area. Identified and invited clients to participate in the session.

- e. Administrative Update
 - Provided updates to Niagara Development Corridor Partnership Inc. (NDCPi) meetings held in February and March 2019. (NED has subcontracted the day to day operations of the NFTZ to the NDCPi).
- f. Marketing Tools
 - Working with NED to develop a CRM tool to include NFTZ clients.
 - Proposed NFTZ news within the Region's e-newsletter.

3. Expedited Services for Business

The Manager, Business Development and Expedited Services acts as a formal liaison between investment/development stakeholders, existing businesses, local municipal staff and stakeholders, and Regional staff in site selection, investment due diligence and planning policy support and interpretation. Beyond this core function, this role manages a number of project-based initiatives.

- a. Site Selection Support
 - In the first quarter of 2019 we received five qualified requests for site selection support. This has resulted in one request for additional information.
 - In partnership with the City of St. Catharines successfully relocated one business to the Niagara region.
 - Facilitated a second site tour of a food processing company that has short-listed Niagara for a second location.
 - The Niagara Region and Local Area Municipalities are working with the St. Lawrence Seaway to investigate opportunities for the development of new employment lands.
- b. Industrial DC Grant Program
 - In the first quarter of 2019 Niagara Region received a total of four Industrial Grant Applications.
 - The industrial development charge grants will support approximately \$15.3 million in new construction.
 - The economic impact will result in the creation and/or retention of an estimated 88 jobs.
- c. Gateway Economic Zone & Centre CIP Incentives Program
 - In the first quarter of 2019 no new Gateway CIP applications have been received.
 - Three legal agreements for previously approved Gateway CIP applications were created and distributed.

4. Strategic Economic Initiatives

The key focus of this area involves taking a longer-term view of the work of the economic development department and how it can support growth within the regional economy. This involves strategy development, partnerships, securing external funding and awarding grants.

a. Industry Partnerships

- An agreement to provide funding to Innovate Niagara for 2019 is being developed, similar to previous years and including performance metrics. The final report for 2018 is included below.

INNOVATE NIAGARA 2018		
2081 Goals	2018 Results	
Work with 18 high performing companies	Innovate Niagara staff have worked with 24 new high performing companies	
Organize and partner on 35 events reaching 1,700 people	Innovate Niagara staff organized and partnered in 38 events reaching 1,596 people.	
Meet 120 new clients	Innovate Niagara staff met with 107 companies	
Create 30 new full-time jobs	Innovate Niagara has helped create 50 jobs, full-time and interns	
RENEW ALL EXISTING AND ADD NEW MOUs	EXPIRATION	PROGRESS
DSBN	Dec 31, 2019	Up-to-date
VRIC	Sept 14, 2020	Up-to-date
CIO Consortium	March 31, 2017	In Progress
Brock University	March 31, 2019	Up-to-date
Niagara College Research and Innovation	March 31, 2019	Up-to-date
43North	New Opportunity	Draft proposed

b. Funding Partnerships

- An Invest Canada Communities Initiative (ICCI) funding application has been approved for NED activities in 2019. The funding will provide 50% of the total project cost for two lead generation initiatives, as well as purchasing research data and conducting analysis. Funding to develop a promotional video for the Hamilton-Niagara Partnership, has also been approved.

- NED has entered into the second year of a two-year agreement with NDCPi to run the day-to-day operations of the NFTZ and based on successful 2018 results, the funding transfer was made in Q1. NED retains strategic oversight.

c. Planning and Strategy

- Development of a five year Economic Development Strategy was completed during Q1 and it was presented to the Planning and Economic Development Committee on March 20th. The strategy addresses the immediate issues of stakeholders across the region, which were identified during extensive stakeholder consultations in 2018. The objective going forward is to re-visit the development of a longer-term plan in collaboration with partners, to achieve a vision of the region in a 20-year time-frame. Implementation of the five-year strategy has started and a report on progress will be included in the Q2 Economic Development Quarterly Update report, in July 2019.
- An 'Expression of Interest' application has been developed and was submitted to the Federal Government's National Trade Corridor Fund in March 2019. The submission was led by the Public Works Department and supported by Economic Development.

5. Market Intelligence and Data Collection (Manager, Research and Analysis)

NOTE: The following information includes research, analysis and information provision to support investment, business development and site selection opportunities for Niagara Region among both internal (regional and local municipal) and external (business) clients of Niagara Economic Development.

Economic Research and Analysis

- Completed and disseminated Niagara Tourism Profile.
- Formalized research partnership with Niagara Community Observatory to produce economic policy briefs.
- Updated Niagara major investment database with final 2018 information.
- Completed trade research for National Trade Corridor Fund application.
- Provided economic development success information for State of the Region Address.
- Provided key economic indicators for Niagara Region's Budget Summary for 2018.

6. Strategic Marketing

The focus of strategic marketing is to support broader awareness of Niagara and improve overall business attraction and resident attraction.

a. Marketing Planning & General Activity

- Marketing Plan for 2019 developed, with a focus on developing marketing capabilities, engaging in consistent marketing activity, and building up local networks and community.
- RFP in development to engage with a Marketing Agency of Record to assist with establishing consistent marketing activity vs. individual project work.
- Social media accounts on Twitter and LinkedIn launched in January, with ongoing and consistent activity established.
- Stakeholder feedback received on Welcome Niagara Canada website through a survey, and focus groups with newcomers to Niagara. Feedback will be integrated into website updates that will continue to optimize usability and content.
- New marketing assets developed, including new business cards, USB keys and Passport promotional piece. New ad copy and templates are in development, as well as promotional banners.

b. CRM Development

- Decision made to proceed with Index RSM platform. Developed a comprehensive needs analysis document to identify and prioritize key needs for the team.
- Currently working with Innovate Niagara on technical updates to the system.

c. Media & Thought Leadership

- Tourism Profile was launched with a press release, blog post and social media promotion. Media coverage included a 10-minute interview on CKTB 610 on March 7, and a 2m 30s segment on CHCH Evening News on March 8.
- Radio Roundtable sponsorship confirmed with CKTB 610 for May 31st. This will be the first roundtable held at the Region.

d. Hamilton- Niagara Partnership

- New promotional video supporting the partnership is in development.

7. Economic Development Officer

The principle focus of the work of the Economic Development Officer is to provide support to the Local Area Municipalities that do not have economic development staff.

These municipalities are Grimsby, Niagara-on-the-Lake, Pelham, Thorold, Wainfleet and West Lincoln. In addition, the development of the Agribusiness and Tourism sectors are also a focus of the Economic Development Officer.

a. Stakeholders

18 outreach meetings with 14 different stakeholders.

b. Tourism

26 meetings with eight different stakeholders.

Examples include:

- Brock Sports Tourism Report meetings – project scoping and introductions to industry and stakeholders.
- Canada Summer Games meetings – RFP distribution, Municipal Forum attendance, etc.
- Metrolinx summer schedule adjustments – connecting with tourism industry to determine adjustments to summer 2019 schedules and proposed initiatives for summer/fall extended service.
- Municipal airports – development meetings and RFP for future business modelling.
- Circulating Tourism Profile to industry stakeholders and advising on its use in grant applications and business planning.
- Tourism research involvement – discussions with Brock researchers, potential future sport event bids.

c. Agri-business

14 meetings with seven different stakeholders.

Examples include:

- Irrigation strategy next steps – meetings with local area municipalities to explore new funding applications.
- Agriculture Funds meetings with Niagara North and Niagara South Federations of Agriculture.
- Ontario Federation of Agriculture/OMAFRA webinar attendance – use of agricultural data for support Economic Development, Agriculture Economic Development manual.
- Farmland Success Stories presentation at 2019 Farmland Trust Forum conference.
- Meeting with Ontario Federation of Agriculture to discuss advocacy in natural gas extension in rural areas.
- Promotion of OMAFRA and CFDC grocery retailer events – connecting Niagara agribusinesses to retail connections to expand their operations.
- Update on the agriculture asset map, information completed through the Golden Horseshoe Food and Farming Alliance.

d. LAM development:

36 meetings with seven municipalities.

- Five client/site visits and six site selection inquiries.
- Includes meetings with more than 14 private-sector businesses on expansion/investment and multiple meetings with LAM Economic Development committees.
- Work includes: Review and approval of LAM video; FDI information session and outreach meetings; Economic Development strategy review and comments; Development Charge/Incentive Program information sessions.
- Research and information requests: 148 requests.

Alternatives Reviewed

None applicable.

Relationship to Council Strategic Priorities

Economic development activities described in this report directly support three of Council Strategic Priorities:

- Fostering innovation, investment and entrepreneurship
- Building a labour-ready workforce
- Positioning Niagara globally

Other Pertinent Reports

ED 1-2019 Economic Development Overview
ED 2-2019 Economic Development Strategy

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