

Subject: Q1 Economic Development Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 13, 2020

Recommendation

1. That this report **BE RECEIVED** 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 division's activities for the first quarter (Q1) 2020.
- Economic Development activities support the Economic Development Strategy and Action Plan approved by PEDC in March 2019.
- Economic Development functional activities: Trade and Investment; Expedited Services for Business; Strategic Economic Initiatives and Strategic Marketing Initiatives, are grouped under the seven themes of the Strategy.
- The development of a Long Term Economic Development Strategy is one of Regional Council's strategic priorities, 2019-2022.

Financial Considerations

The activities described in this report have been accommodated within the Council approved 2020 Economic Development operating budget.

Analysis

Niagara Economic Development, in collaboration with local businesses, industry associations, community stakeholders, and post-secondary education institutions, has developed a five-year strategic action plan. The action plan is based on the extensive stakeholder engagement that was conducted throughout 2018. The success of Niagara Economic Development's Strategic Action Plan can only be achieved through meaningful partnerships and collaboration with our partners across Niagara.

Seven themes emerged from the development of the Economic Development Strategic Action Plan:

- Economic Development: Supporting Business Growth and Diversification across Niagara Region
- Employment Land Strategy: Identifying and Creating a Provincially Significant Employment Zone
- Marketing Niagara Region: Raising the Profile of Niagara as a Place to Live and Do Business
- Streamline Planning Processes: Expediting Approvals Process
- Increase Niagara's Competitiveness: Addressing Unnecessary Regulatory Burdens on Businesses
- Workforce: Meeting Current and Future Talent, Professional, Skilled Trades and Labour Needs
- Advocacy: Improving Transportation Infrastructure Ensuring Niagara Remains Competitive in Global Economy

Economic Development: Supporting Business Growth and Diversification across Niagara Region.

Niagara Economic Development provides on-going assistance to the local municipalities to support their economic development functions. This includes: the services of the Niagara Foreign Trade Zone Coordinator, to engage companies in federal programs and encourage export activity; economic and business research and analysis; expedited development services and support to the local area municipalities without economic development offices on regionally significant projects.

Economic Development Officer:

(Support for 6 Local Area Municipalities and sector support for tourism and agri-business.)

Stakeholder meetings: 15 meetings with 9 different stakeholders including: Venture Niagara, Niagara Workforce Planning Board, local entrepreneurship service providers, area economic development departments, and consultants.

Agribusiness: 19 meetings with 9 different stakeholders including:

- Meetings with stakeholders to advance the Niagara Irrigation Strategy through the working group and steering committee. A 1 year, contract position has been awarded to advance work from the Niagara Irrigation Strategy;

- Attendance and meetings at the Restaurant Canada Conference in March 2020. Meetings with OMAFRA and vendors;
- Attendance at the OMAFRA Community Economic Development sessions to inform work of the rural Local Area Municipalities on programs and services;
- Meetings with Brock Research to support applications for funding on Agriculture Research in Niagara – centered on Innovation in Agriculture;
- Golden Horseshoe Food and Farming Alliance (GHFFA) project advancement: working group meetings, Long Term Care Home local procurement project updates, and strategic planning sessions with consultants to set future work plan.

Tourism: 9 meetings with 6 stakeholders including:

- 1 RFP released and promoted for Niagara 2021 Canada Summer Games for promotional video services;
- Participation at the Tourism Industry Association of Ontario's Tourism Issues Panel in Vineland on February 21, 2020;
- Preparation of the Airport Feasibility and Future Business Modelling report to accompany the RFP presentation at COTW;
- Niagara Gateway Information Centre reporting January – December 2019: traffic to the kiosk for the full year totaled 56,013 visitors. Roughly 39,221 bus passengers signed in from 1072 buses. Volunteers donated more than 1,141 hours of time to the operations of the kiosk. Total ticket sales came in at \$75,000 and more than 242,991 brochures were distributed;
- Additional meetings include: Niagara Tourism Network, Tourism Partnership of Niagara's Sub Regional Partners, HM Aero Consulting, and Tourism Industry Association of Ontario (TIAO).

Local Area Municipality development: 37 meetings touching 9 local area municipalities:

- On-going support to advance 8 site selection opportunities;
- Additional work includes strategic planning session support and participation, grant writing and submission, business expansion assistance to 5 clients, Local Area Municipality fund application and reporting collection, interview assistance, data preparation and analysis.

Research/information requests, referrals, and stakeholder engagement: 98

inquiries and requests from businesses and stakeholders. Examples include datasets, program information, financial assistance options, grant programs, stakeholder introductions, sector research and referrals.

Manager, Economic Research & Analysis:

(Support to LAMs through information provision; support to Niagara Economic Development investment, trade and sector activities; and, support to business and other economic development stakeholders.)

Research Projects:

- Exploring Goods Movement and Export Diversification for Niagara Region Firms (completed);
- Niagara Trade Profile (in progress);
- Niagara Tourism Profile (in progress);
- Transportation Data Portal Pilot Program with Transport Canada (in progress);
- Niagara Community Observatory: Transportation and Logistics Sector Policy Brief (in progress);
- Niagara Shop Floor with Niagara Industrial Association (in progress);
- Niagara Community Observatory: Regional Innovation Ecosystems Across Canadian Mid-Sized CMAs.

Research Inquiries:

- Total: 67
- Brock University: 8
- Niagara College: 3
- Internal (Niagara Region): 20
- Businesses: 20
- Stakeholders (ex. GNCC, NIA, provincial/federal governments, port authority, news media, tourism organizations, Innovate Niagara, etc.): 15
- Local Area Municipalities: 23
 - St. Catharines: 8
 - Lincoln: 3
 - NOTL: 1
 - Niagara Falls: 2
 - Port Colborne: 4
 - Fort Erie: 4
 - Thorold: 1

Presentations and Public Outreach:

- Niagara College, Niagara Economic Research & Analysis Presentation (Feb. 12);
- Participation in Port Colborne Incubator Feasibility Workshop (Mar 2);
- Brock University, Presentation to MBA Co-op Program (Mar. 3);
- NIA Membership Meeting (Jan. 16);

- Walker Advanced Manufacturing Innovation Centre, Industry Advisory Committee Meeting (Feb. 18);
- Innovate Niagara Ecosystem Meeting at Vineland Research and Innovation Centre (Feb. 24);
- Niagara Workforce Planning Board, Research Review Committee Meeting and Niagara Labour Market Planning Report Update (Feb. 25);
- Niagara Industrial Association Annual General Meeting (Mar. 12).

Niagara Foreign Trade Zone Coordinator (position vacant)

(Export diversification for Niagara companies, outreach, marketing, implementation of the Niagara Foreign Trade Zone strategy.)

- Promotion of Niagara Foreign Trade Zone at Niagara Industrial Association meetings, January 16th and March 12th.
- Participation in the Trade Accelerator Program (TAP) debrief and planning meeting.

Manager, Business Development and Expedited Services:

(Incentives Review, research impact of Development Charges on economic development.)

- Site Selection Support: A total of eleven site selection requests were received this quarter. This included leads directly related to the work done by the Manager of Trade and Investment, inbound inquiries through the Niagara Canada website, direct inquiries from private investors, and leads provided by the Ministry of Economic Development, Job Creation and Trade's Trade and Investment Division.
- Two Industrial Development Charge Grant applications were approved. This program has supported \$1.9 million in new investment and the creation and retention of 10 jobs this quarter.
- Niagara Region has received one new application to the Niagara Gateway Economic Zone & Centre Community Improvement Plan. This has attracted an estimated \$21.5 million in new investment; upon project completion will create an estimated 12 new jobs and retain 85 jobs in Niagara.

Employment Land Strategy: Identifying and Creating Regionally Significant Employment Lands.

Existing employment lands in Niagara, which are located throughout the region, are generally smaller sites, which has limited the ability to create a truly regional employment area. Niagara Region Planning and Development, with support from Niagara Region

Economic Development, is reviewing the opportunity to create a large provincially significant regional employment zone.

Manager, Business Development and Expedited Services:

(Support the Regional Employment Lands Study and act on recommendations, provide input into the MR/OP, Site Finder, Premier Sites.)

- Collaborated with Niagara Region Planning and Development on the creation of a Niagara Employment Areas Strategy. This included two workshops with community and local stakeholders and the revision of draft strategy materials.
- Renewed our subscription to Niagara Site Finder through GIS Planning. This has included new and updated functionality that will increase our capacity to respond to site selection inquiries and promote the Niagara region.

Marketing Niagara Region: Raising the Profile of Niagara as a Place to Live and Do Business.

The success of the Niagara Region, in terms of economic and population growth, is dependent on successfully marketing the region to target audiences. There are two distinct marketing initiatives. The first initiative is aimed at foreign and domestic companies and promotes Niagara as a competitive location in which to do business. The second initiative is focused on attracting new and recent immigrants to Ontario, to the region to increase the population and workforce and achieve long-term sustainable growth.

Manager, Trade and Investment:

(Identify FDI target markets and sectors, lead investment missions with partners, lead generation, organize and participate in inward missions.)

- Q1 2020 was dedicated to closing a Q3 & Q4 2019 FDI Great Lakes Qualified FDI Leads contract with Research Consultants International (RCI). This contract was extended twice (original termination date was November 24th 2019); but finally ended on January 24th 2020 with just 10 of an expected 20 leads provided. This shortfall was much influenced by the mature Great Lakes States' marketplace, with status quo established businesses, supply chains and markets, exacerbated by the Trump factor.
- In Q1 2020, two Boston-based and two Ohio-based qualified lead meetings were completed.
- Over much of Q1 2020, the Trade & Investment Manager conducted a file-by-file review of all 161 leads listed on the CRM system. This review was considered to be essential prior to the start of NED's new Economic Development Officer (EDO) on a two-year contract (start date: April 6th). The new EDO's primary

responsibilities will be research/follow-up-based support of the FDi field work carried out by the Manager, as well as serving as the first point of contact for the Niagara Foreign Trade Zone Point. The results of the rigorous CRM review are as follows: 161 FDi Leads listed on the CRM, consisting of 35 Active Leads; 81 Periodic/Recurring Leads; 26 Leads considered to be: 'Not a Prospect'; and, 19 Closed Files.

- In Q1 2020, consultants, Global Investment Attraction Group, delivered the results of a study, commissioned by Trade & Investment in Q4 2019, which provided: 'A Comprehensive Review of Current Foreign Direct Investment Trends as they Impact Niagara Region and Ontario'. The results of this study fundamentally reinforced NED's current FDi target markets: the United States, United Kingdom and Europe; while dismissing recently recommended initiatives in South Asia, China and South Korea, as being comparatively inconsequential in terms of current and short-term potential sources of FDi for Ontario.
- In Q4, NED Trade & Investment selected Research on Investment (ROI) from an RFP competition to generate 60 'qualified leads' in three new U.S. market areas (20 in each of these 3 markets), over the course of 2020. These three new markets have been determined to be: the Pacific Northwest U.S. (Washington and Oregon); the Pacific Southwest (California, Arizona, New Mexico and Texas); and the Southeast U.S. States of North & South Carolina, Georgia and Florida. Although the early activities with this file are being somewhat buffeted by the Coronavirus cases in Washington State and California, the search markets are dispersed enough to allow the program to go ahead in alternative geographies in the first instance.
- In Q4, the Manager, Trade & Investment attended: the Hwy H₂O AGM, EDCO's Annual Conference, the Automotive News Annual Congress and the Restaurant Canada Agribusiness Trade Show, all in Toronto. In addition, as the Niagara Region representative on the Hamilton-Niagara Trade Corridor Partnership, we hosted 15 Investment Officers from Global Affairs Canada to promote the Corridor to this influential group representing very diverse investment markets around the Globe. In the last week of March, the Manager, Trade & Investment was scheduled to meet with a number of qualified leads in the State of Oregon, marking the kick-off of the year-long "three new U.S. market areas FDi initiative (20 qualified leads in each of these 3 markets), over the course of 2020". Due to the travel ban, this activity is postponed until a later date.

Manager, Strategic Marketing - position vacant:

(Implementation of marketing plan to target audiences as a location for business and investment and to attract immigrants, Niagara Ambassador program,

communications/PR campaign to promote Niagara's business and investment successes, implementation of a CRM system.)

Marketing Activity

- Niagara Economic Development e-newsletters issued in January and February.
- Ambassador messages issued in January and February.
- Sponsored content leveraged via social media on Twitter, LinkedIn and Facebook.
- Development and execution of organic and shared content via social media on Twitter, LinkedIn and Facebook.
- Social media boosted posts via LinkedIn and Twitter in market in February and March (emerging sectors, manufacturing, research and innovation).
- Discover Niagara, Canada video launched in January.
- Ongoing content development and website maintenance across all websites (Resident Attraction, Business/Investment attraction and Immigration).

CRM Development

- Currently working with Innovate Niagara on technical updates to the system.

Media & Thought Leadership

- Sponsored content published in the National Post, Maclean's, Today's Parent and on Niagara Canada's Website.
 - [Start Up Ecosystem in Niagara, Maclean's Magazine, January 9th](#)
 - [Resident Attraction, National Post, January 27th](#)
 - [Today's Parent, Families Moving to Niagara, February 17th](#)

Streamline Planning Processes: Expediting Approvals Process

Niagara Region has been proactive in supporting business growth and economic prosperity. Niagara Economic Development will continue to identify and reduce barriers to new private sector investment.

Manager, Business Development and Expedited Services:

(Expedite approval processes working with the LAMs and Regional departments, host a workshop to identify and address barriers to industrial and commercial development.)

- Facilitated three separate meetings with local land owners and planning staff to discuss the impact that Niagara Region's Official Plan Amendment 16 and the creation of employment areas will have on their properties.

- Supported with a Toronto-based investor that is looking to invest in Niagara identify and address potential barriers to the development that could affect the project's timeline. This has included working with planning staff, industrial real estate, and the company's Director of Land Acquisitions.
- Supported Corporate Services to conduct an internal review to determine the best approach and timeline to sell the Regionally-owned properties located at 401A Lakeshore Road, St. Catharines.
- Advocated on behalf of an internet service provider that wishes to expand their services into Niagara. This will require agreeing to a Municipal Access Agreement with Niagara Region that meets the Corporation's requirements. This has required working with Corporate Services and Public Works to identify a solution that will not negatively impact the company's projected time lines.

Increasing Niagara's Competitiveness: Addressing Unnecessary Regulatory Burdens on Business.

Niagara Economic Development supports the Province's initiative to reduce the regulatory burden on business. In Niagara, development is regulated by a number of different bodies and complex policies. This has the effect of increasing the difficulty of manufacturers and agribusiness to do business that affects Niagara's competitiveness.

- In partnership with Planning and Development, NED responded to the Ministry of Economic Development, Job Creation, and Trade's submitted a formal response to their Ontario Job Site Challenge. The purpose of the job site challenge was to assist the Province in identifying employment lands between 500 and 1,500 acres in size that would be promoted by the Province of Ontario in their Foreign Direct Investment initiatives.

Workforce: Meeting Current and Future Talent, Professional, Skilled Trades and Labour Needs

Access to a talented, professional, skilled and educated workforce is increasingly a concern for businesses and essential to ensure the continued growth of the regional economy.

Manager, Strategic Marketing – position vacant:

(Promote Niagara as destination for skilled immigrants, working with the LIP.)

- Website updates completed.

***Advocacy: Improving Transportation Infrastructure Ensuring Niagara Remains
Competitive in a Global Economy***

Key infrastructure investments are required to increase Niagara's competitiveness and support business in the region as well as facilitate trade.

- Provided input to the Government and Stakeholder Relations Specialist on the Niagara Region Government Relations Plan.

Alternatives Reviewed

None applicable.

Relationship to Council Strategic Priorities

Economic development activities described in this report directly support three of Council's 2019-2022 Strategic Priorities:

- Supporting Businesses and Economic Growth
- Responsible Growth and Infrastructure Planning
- Sustainable and Engaging Government

Other Pertinent Reports

ED 1-2019 Economic Development Overview

ED 2-2019 Economic Development Strategy

ED 1-2020 Q4 Economic Development Quarterly Update Report

Prepared by:

Valerie Kuhns

Acting, Director

Economic Development

Submitted by:

Ron Tripp, P.Eng.

Acting Chief Administrative Officer