

## **ECONOMIC DEVELOPMENT COMMITTEE – APRIL 12, 2010**

### **EMPLOYMENT SECTORS STRATEGY STUDY – FINAL REPORT**

#### **Recommendation**

The Director of Economic Development, in consultation with the City Manager, recommend:

THAT the Employment Sectors Strategy Study Presentation and Report from Hemson Consulting Limited be approved.

#### **Contribution to Sustainability**

Green Directions Vaughan embraces a *Sustainability First* principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. The basis for ensuring economic vitality is rooted in an understanding about the employment and business sectors that the City should be targeting.

#### **Economic Impact**

The Employment Sectors Strategy Study (ESS) was approved in the 2008 Capital Budget.

#### **Communications Plan**

Broad communication of the ESS process, findings, presentation materials and background reports related to the Study have been routinely posted on the Vaughan Tomorrow website ([www.vaughtantomorrow.ca](http://www.vaughtantomorrow.ca)). The final report will be available in hard copy format. In addition, an electronic copy in pdf format will be posted to the Vaughan Tomorrow website and under the 'documents' section of the Economic Development Department's website.

#### **Purpose**

To provide the members of the Economic Development Committee and Council with the final Employment Sectors Strategy Study.

#### **Background – Analysis and Options**

Land use and development in Vaughan's employment areas has not been fully reviewed since the adoption of Official Plan Amendment (OPA) N<sup>o</sup>. 450 in 1995. The policies set out in OPA N<sup>o</sup>. 450 were developed in response to the business conditions of the early 1990s.

However, during the past 15 years, the complexities of business and industry has changed and it is imperative that a new set of employment land use and development policies be created for inclusion in the new Official Plan (OP) that the City is currently undertaking. Addressing the needs of business fortifies the ideal of building a complete community which is at the core of the new Official Plan. Therefore, in June 2008, at staff's request, Council provided direction to proceed with an Employment Sectors Strategy Study to inform the work being undertaken with the OP. An RFP was developed by staff and approved by Council and subsequently the project, through Council approval was awarded to Hemson Consulting Ltd.

#### **Context within the Vaughan Tomorrow Framework**

At this time, and given the extensive consultative process that all stakeholders have participated in with the ESS, Official Plan (OP) and other individual master plans, it is important to highlight the context of the ESS relative to the City's growth management program, Vaughan Tomorrow.

Vaughan Tomorrow consists of four linked elements which identify and address the ongoing challenges and opportunities that will shape the future of the City of Vaughan. One of the four elements identified is the "individual master plans". One of the master plans is the Employment Sectors Strategy Study.

The goal of the Employment Sectors Strategy Study was to identify the current and future employment mix in the City and determine how Vaughan can meet the needs of a growing community and encourage good quality employment opportunities. The ESS is also intended to provide the basis for developing contemporary policies and strategies that will ensure that the City's employment areas remain competitive, providing jobs, a balanced assessment base and sustainable long-term growth. The ESS will inform the Official Plan and be a guiding document to updating the City's 10-Year Economic Development Strategy (EDS).

The targeted sectors and associated recommendations in the ESS, are by necessity, broad in nature as it provides the foundation upon which the City will form its land use policies through the OP in response to employment growth targets established by the Province and Region. Thus the general recommendations provided in the ESS, are incorporated within land use, urban design, and other policies addressed in the OP and other master plan studies currently completed or underway.

Furthermore, the recommendations set out in the Study are an overarching set of sector recommendations which will need to be considered and weighed within the fuller and detailed context of the EDS. All of the recommendations are noteworthy, but all may not be achievable. Through the EDS, priorities in sector attraction and area development will be established, taking into account, funding, staffing resources, timing and other external factors, some of which are not within the City's control. Action steps within the EDS will provide a more detailed approach that the Corporation and Economic Development Department will take in implementing the recommendations.

It is the actions identified in the forthcoming 10-Year Economic Development Strategy using the findings in the ESS which will distinguish Vaughan from municipalities both near and far and contribute to building a complete and sustainable community.

### The Study Process

The work plan for the ESS involved four major stages of work over a one-year time frame, which commenced in early Spring 2009.

**Stage 1** focused on research, data collection and preparation of a background paper on the employment base. Initial meetings were held with the Study Team to review the study process and discuss the public consultation approach.

**Stage 2** focused on assessment of the City's Strengths, Weaknesses, Opportunities and Threats. Included in Stage 2 were a series of consultation workshops with Council members; staff; business leaders; government, education, labour and training representatives; PowerStream; Vaughan Chamber of Commerce and Vaughan Chinese Business Association. Workshop sessions were held on July 6 and 14, 2009.

At the July workshop sessions, Hemson reviewed the goals and objectives of the ESS; presented the findings from Phase (Stage) 1: current business and employment base. Vaughan's SWOT analyses were also reviewed with the participants. Following the conclusion of these workshops the Preliminary Findings of Phase 1 were posted onto the *Vaughan Tomorrow* website for comments and feedback.

In addition, to encourage feedback from the development and real estate community, Economic Development Staff sent out detailed information packages with past findings and presentation materials, including a short feedback / comment sheet. The recipients were also invited to attend a future stakeholder workshop.

As work progressed on the ESS, Hemson and Hardy Stevenson held the second workshop on September 16, 2009.

**Stage 3** - Key target sectors were identified and proposed. The consulting team further identified areas of special opportunities, for which policy supports may be required. Drafting of the recommendations for strategic policy measures begun and a third stakeholder workshop was held on November 5 to seek input on the city-wide and area-specific policies, as well as sector-specific policies.

**Stage 4** – Through this stage, Hemson Consulting fine-tuned the study and the policy recommendations that were received at the Economic Development Committee meetings of December 8 and February 12. The final report was then prepared for presentation and adoption by the Economic Development Committee, then Council.

#### Public Consultation Process

A series of three public stakeholder workshops have been held to solicit input and feedback on the Study. General notification of the stakeholder workshops were posted on Vaughan City Page Online. Information was also included in the Business Link newsletter, which has a distribution (direct mail) of 6,000, as well as an on-line presence.

Invitation letters to workshops were sent to representatives from a sample of business sectors; educational institutions; federal and provincial government agencies; labour and training establishments; development and real estate community; the Greater Toronto Marketing Alliance; York Region Economic Strategy & Tourism Department; PowerStream; the Vaughan Chamber of Commerce and Vaughan Chinese Business Association.

#### Findings: Target Sectors

The study has identified the following sectors:

- Building products
- Advanced manufacturing
- Transportation, logistics, warehousing and distribution
- Environmental and green industries
- Headquarters
- Cultural Industries, including tourism
- Professional, scientific and technical services
- Educational services, health care and social assistance

Furthermore, these targeted sectors were categorized by growth potential and presence for Sectors to Nurture, Sectors to Retain, Sectors to Attract, Sectors to React.

The high-growth and high-presence sectors, include the construction and building products cluster, which are currently well established in the community, but should still be nurtured to move into new value-added product/service segments.

In addition, population-driven employment sectors have been added to address the anticipated future population growth. There will be increased demand for retail trade, educational services and personal household services, etc. to meet the needs of local residents.

The sectors for retention are sectors that are well-established (high presence) in the community, but have lower growth potential. These sectors include manufacturing, transportation, warehousing and wholesale trade. Vaughan's historical strengths in these sectors should not be discarded as these sectors still represent good employment generators and economic contributors. For example, the food processing sector has the potential to be refocused in new product segments, particularly ethnic and specialty organic products.

The professional, scientific and business services sector, together with information and cultural industries and environmental or green industries, were identified as sectors for attraction. Community assets such as the new hospital will give rise to spin-off healthcare and social services. Targeting these sectors provides employment for a segment of the current population that is having to commute to work outside the community. Cultural and creative industries, including arts, recreation and tourism complete the list of sectors to attract.

The low-growth and low-presence sectors are sectors to react as opportunities present themselves. These sectors may include headquarters (major office), research and development, and public administration. These sectors are less well-organized and/or changing, requiring that the City be nimble in its policies and Economic Development approaches to capture these opportunities.

### **Relationship to Vaughan Vision 2020**

This report is consistent with Vaughan Vision 2020 Goal: *Plan and Manage Growth and Economic Vitality*. The ESS informs the Official Plan and the Growth Management Strategy 2031.

### **Regional Implications**

N/A

### **Conclusion**

The ESS has undertaken an analysis of the economic and market forces shaping the economies of Vaughan, in the immediate term (five to ten years) and reaching out to 2031.

The recommended employment sectors have been developed through a thorough analysis of Vaughan's employment base; consultations with key stakeholders; followed by further sector refinements taking into account the existing Strengths, Weaknesses, Opportunities and Threats.

The set of recommended sectors being proposed recognizes that there are sectors that should be retained (i.e. they have a high presence in Vaughan) despite current economic and global trends. It proposes sectors to be nurtured, i.e. those with slow growth, but have community, social and cultural benefits. And sectors that should be attracted. The area-specific recommendations seek to capitalize on transformational opportunities presented by the hospital development, public transit investments, and distinct locational advantages of certain employment areas within a broader GTA region.

Two separate but related studies have been carried out by the City concurrently with this assignment. The first is the Employment Land Needs Study based on the population and employment forecasts of the Region of York. The second is the Commercial Land Use Review which analyzes the City's long term requirements for commercial space and its spatial allocation across the City.

In planning for the City's future employment base and developing a policy framework to guide future decision-making, there is clearly a need for a coordinated and integrated approach which will be reflected in the new Official Plan. To ensure that this coordination/integration occurred seamlessly throughout the planning process, the consultants engaged in all three studies have been required to interact and, together with the Official Plan Core Team, produce results which are complementary and supportive of the City's future plans.

The findings revealed and presented in the ESS throughout the Study process have been used extensively for the work undertaken in the Official Plan and in addition will be a guiding document to updating the City's 10-Year Economic Development Strategy (EDS).

**Attachments**

None

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Respectfully submitted,

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