

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 14, 2009

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The underlying purpose of corporate visitation is to gain familiarity with a company's business operations and to ascertain and help remedy current and future issues and concerns. Staff conducts corporate calls on an ongoing basis and compiles the information in a corporate calling file accessible to all Economic Development staff. Any issues or 'red flags' that a business may identify becomes a priority and are dealt with immediately. Although, the calls are an effective part of the program, the ability to share the information and to utilize it in benchmarking with other jurisdictions is not available.

Benefits of Synchronist Business Information System

The purpose of acquiring the Synchronist Business Information System[®] for the EDD is to gain greater value from our corporate visitation program. Synchronist is a business analysis tool allowing EDD to understand the challenges and potential each company contributes to Vaughan's future economy, not just its past performance. Through the use of Synchronist, Vaughan can develop objective and scientific business assessments that are measurable against leading North American municipalities, regions and states.

Synchronist covers the spectrum of any Corporate Calling program, from interview design, to relationship management, economic performance forecasting, portfolio asset mapping and key performance indicators (KPI). Users can access 108 key performance indicators covering the full range of product and portfolio issues. By benchmarking key performance indicators against a large user network, this application helps objectively assess the company's value, growth, risk, and satisfaction and technology levels.

Synchronist gives Economic Development organizations control over existing business information, where users are in a leadership position to manage their community's economic portfolio. This system has changed the way Economic Development professionals approach business retention. Synchronist bundles advanced business retention strategies, sophisticated interview design, assistance tracking/service delivery management, competitive intelligence, intranet and database technology, BRE resource library. The key strength of Synchronist is its community of committed users.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. In particular, this report addresses Vaughan Vision 2020 Goal: *Plan & Manage Growth & Economic Vitality*.

Regional Implications

One of the many benefits of using the Synchronist application is elimination of barriers to regional collaboration and facilitating better sharing of information.

Conclusion

The Synchronist system will allow Economic Development to effectively share information, improve understanding of individual business and sector performance and provide an objective and balanced assessment of the local economy, relative to North American jurisdictions. Data from Corporate Calling will be stored in one place, accessible in real time and from any location with internet access.

With the use of the Synchronist, the City develops better industry sectors and company intelligence, thus enabling it to make more effective decisions about deploying Economic Development resources.

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Attachments

Not applicable

Report prepared by:

Martina Kortisova, Community Business Development Coordinator
Shirley Kam, Senior Manager of Economic Development

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Item 2, Report No. 4, of the Economic Development Committee, which was adopted, as amended, by the Council of the City of Vaughan on December 14, 2009, as follows:

By approving the following contained in the memorandum from the Director of Economic Development, dated December 10, 2009:

“Therefore, noting that various funding sources and strategies have been used for participation in previous business missions, staff recommend that the funding strategy for the China Business Mission 2010 and future business missions be that all costs incurred are fully funded from the foreign business development account in the Economic Development Department operating budget.”

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CHINA TRADE MISSION 2010

The Economic Development Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Economic Development, dated December 8, 2009, be approved;
- 2) That the following members of Council and staff participate in the Confederation of Greater Toronto Chinese Business Association’s China Trade Mission in May 2010:

The Mayor;
The Chair of the Economic Development Committee;
The City Manager;
The Director of Economic Development; and
The Senior Manager of Economic Development; and
- 3) That staff provide additional information for the Council meeting of December 14, 2009 that further expands on the rationale of why it is important for Vaughan to participate in the subject Trade Mission and report on the funding strategy.

Recommendation

The Director of Economic Development in consultation with the Mayor, Chair of the Economic Development Committee and City Manager, recommends that:

1. This report be received and
2. That the Committee approve participation in the Confederation of Greater Toronto Chinese Business Association’s China Trade Mission in May 2010, with representation from Council and staff.

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. Under this definition, activities related to attracting and retaining business investments contributes to the economic vitality of the City. Global competition in the form of trade and business investment, forces even the smallest of enterprises to operate on the world stage. With the assistance of the City, access to government officials and business contacts can be made more readily available.

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Economic Impact

This report and associated costs are budgeted within the Department's 2010 Operating Budget. As per corporate practice, the Department's budget covers the cost of staff participation, group and incidental costs. Staff costs are approximately \$6,800. Group and incidental costs is estimated at approximately \$3,000 and promotional materials may account for another \$3,000-4,000.

Council's participation (hotel, airfare, individual meals) will be covered by the Council member's corporate office budget. The anticipated cost is \$6,800, see Attachment 1.

Communications Plan

Should Committee approve participation, notification will be provided to the Vaughan Chamber of Commerce and the Vaughan Chinese Business Association.

Purpose

To seek Committee direction, on or before January 31, 2010, on participation in the Confederation of Greater Toronto Chinese Business Association's China Trade Mission in May 2010.

Background – Analysis and Options

With a population of 1.3 billion people, annual GDP growth averaging greater than 10 per cent, rising incomes levels and a growing middle class, China's potential as a consumer market is phenomenal. While other countries are undertaking measures to penetrate the Chinese markets, Canada is seriously lagging behind in both market share and two-way investment growth. We must change this or risk being left behind in the race for global competitive advantage in which China is an increasingly important player.

The process for entering the Chinese market begins with developing relationships. China is a vast and complex country, making doing business difficult. The economy is diverse and has many distinct economic regions. Obtaining reliable information is a challenge, as is forging the right connections to advance one's commercial interests, but without these connections, municipal and provincial government efforts to enter the Chinese market may be significantly hampered.

The City of Vaughan last undertook a Business Mission to China in March 2008. Since that mission, the City has received a number of business and political delegations arising from the contacts that were established. The groups received included:

- Zhejiang/Shanghai Business Leaders delegation (July 21, 2008)
- Huadu (November 26, 2008)
- Yangzhou (December 8, 2008)
- Shanghai Changning District (September 2009)
- Zibo, City (November 9 & 10, 2009)

These delegations have all expressed an interest to further develop business relationships, in addition to the cultural connections. The City has also received informal invitations from Huadu, Yangzhou and Zibo for such diverse interests as sports exchanges, culinary and food exhibitions, as well as trade and economic co-operation.

Following Shanghai Changning's visit to Vaughan this past September, a formal invitation was received to visit Changning in November or December 2009. Changning's sectors include information technology (and in particular, digital media technology), headquarters, transportation

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and logistics. Changning's six hospitals are a solid foundation for the development of bio and life science sectors, providing healthcare services to a strong expatriate community as well as medical research and commercialization activities.

Based on the number and nature of these incoming delegations, it is quite clear, that Vaughan has generated very positive impressions during its mission. To continue the work that began in 2008, it is necessary to take measures to build and maintain "Guangxi" (relationships) through continuity of contact. A special feature of doing business in China, "Guangxi" includes relationships with the government bodies, investors and partners that are nurtured over a longer period of time than what is commonly anticipated in the North American approach to relationship building.

China Trade Mission 2010

The Confederation of Greater Toronto Chinese Business Association (CGTCBA) is organizing a Trade Mission to China in 2010 with the goal of promoting greater economic, business and cultural ties; and to support the Canada Pavilion at the World Expo in Shanghai. The proposed timeframe for the Mission is May 19 to 30, 2010, inclusive.

Attachment 1 is the China Trade Mission 2010 program. The mission covers Shanghai, Beijing and Hong Kong; however there will be opportunities for municipal delegates to visit their sister or partnership cities. Business events planned include:

- Pre-arranged business appointments
- Visits to key industrial zones
- Meetings with local economic development agencies and business associations
- Briefings on business opportunities and sectoral information
- Attendance at the featured Economic and Business Development Forum in Beijing
- Opportunities to showcase the local municipality, its products, services or expertise are available.

The Mission will encompass the following sectors: finance; investment; real estate development; education and training; logistics, health sciences and technology. Vaughan's participation in the Mission will expand on these sectors to also include advanced manufacturing and green building products to align with the City's recommended sectors under the draft Employment Sectors Strategy Study currently underway.

Mission Planning

The CGTCBA is comprised of associations from Mississauga, Scarborough York Region, Toronto and Richmond Hill/Markham. Mission planning and business introduction or facilitation will be handled by the CGTCBA.

Thus far, CGTCBA has fifteen confirmed delegates, including Mayor Barrow of Richmond Hill, Mayor McCallion of Mississauga, Economic Development and business delegates. Mr. Will Sung, President of the Richmond Hill & Markham Chinese Business Association will be participating. Mr. Sung also serves as President of the Vaughan Chinese Business Association. The Italian Chamber of Commerce in Toronto has confirmed that a representative will be participating.

The cost of the Mission is \$6,800 inclusive of international and domestic economy-class fares, accommodations, group meals and receptions, local transportation, admissions and access to World Expo 2010. Costs not covered include personal expenses, travel visa and insurance.

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As per corporate practice, the Economic Development Department's base budget will cover City Staff's costs and any unforeseen land transportation costs, meals and incidental costs. Costs for participating Council members shall be borne by Council member's corporate budget.

Should the Committee and Council approve the Mission, Economic Development staff will commence to customize the program with Huadu, Shanghai Changning and Yangzhou officials. In co-operation from the Vaughan Chamber of Commerce, staff will publicize this Mission to local businesses, soliciting their interest.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. Specifically, this report fulfills Vaughan Vision 2020 Goal: Plan and Manage Growth and Economic Vitality.

Regional Implications

Not applicable

Conclusion

Since the City's Business Mission to China in 2008, there has been significant incoming business and government delegation activities. Undertaking this Mission in 2010, along with other Greater Toronto Area Mayors allows Vaughan to demonstrate its commitment to working in the Asian region for the longer term. The presence of a larger group of political and business representatives, at such proud events as the Shanghai World Expo, creates tremendous goodwill for both countries, as well as facilitates access to Chinese business groups for our local firms.

The desired outcome in the longer term is to derive greater employment opportunities and property tax revenues through local business expansion and new investment from China.

Attachment

1. China Trade Mission 2010 Program

Report prepared by:

Shirley Kam, Senior Manager of Economic Development
Tim Simmonds, Director of Economic Development

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 3, Report No. 4, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.

3 EMPLOYMENT SECTORS STRATEGY STUDY - STATUS UPDATE

The Economic Development Committee recommends approval of the recommendation contained in the following report of the Director of Economic Development, dated December 8, 2009:

Recommendation

The Director of Economic Development, in consultation with the City Manager, recommends that this report and the presentation from Hemson Consulting Limited be received.

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 or 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 Study, its status and findings has been communicated following the model used by *Vaughan Tomorrow*. Findings, presentation materials and background reports related to the Study are posted on www.vaughantomorrow.ca

Purpose

To provide the members of Economic Development Committee and Council with an update on the progress of the Employment Sectors Strategy Study.

Background – Analysis and Options

On August 31, 1994 Council adopted OPA No. 450, the City's Employment Area Growth and Management Plan, which regulated land use and development in Vaughan's employment areas. OPA No. 450 was approved by the OMB on June 29, 1995.

There have been minor changes to the extent of the City's employment lands, as designed in the Vaughan Official Plan, since 1995. However, there has not been a review of the overall OPA No. 450 policy regime. The policies of OPA No. 450 were developed in response to the conditions of the early 1990s. Today, Vaughan and its businesses and industries are facing new challenges and the current plan needed to be updated.

On June 23, 2008, Council provided direction to proceed with an Employment Sectors Strategy Study. Hemson Consulting Limited (along with subconsultants, EDP Consulting and Hardy Stevenson and Associates) were retained to lead the ESS in late November 2008. Staff involved in the study team includes representatives from the Corporate Policy, Policy Planning, Cultural Services and Economic Development Departments.

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The ESS is an integral part of the Vaughan Tomorrow growth management program and is 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 support the Official Plan Review and contribute to updating the City's Economic Development Strategy.

The Study Process

The workplan for the ESS involves 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 SWOTs 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.

Having reviewed attendance by the development and real estate community, the EDD sent out information packages with past findings and presentation materials, including a short feedback / comment sheet. The recipients were invited to attend the following stakeholder workshop. Only one response was received – from Metrus Properties.

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

Stage 3 - The ESS is currently at the end of Stage 3. Key target sectors have been proposed for consideration. The consulting team has identified areas of special opportunities, for which policy supports may be required. They are currently drafting recommendations for strategic policy measures. 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 encompasses the drafting and finalization of the ESS. This stage fine-tunes the policy recommendations for adoption of the ESS by 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 of 6,000 hardcopies, as well as online 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.

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Findings: Target Sectors

The study has identified the following growth 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.

<p><u>Sectors to Retain</u></p> <p>Manufacturing Transportation and warehousing Wholesale trade</p> <p>Low</p>	<p>High</p>	<p><u>Sectors to Nurture</u></p> <p>Building products Construction / Utilities Retail trade Educational, personal household services</p> <p>Growth potential</p> <p>High</p>
<p><u>Sectors to React</u></p> <p>Headquarters (major office) Research & development Public administration</p>	<p>Presence</p> <p>Low</p>	<p><u>Sectors to Attract</u></p> <p>Environmental & green industries Headquarters Professional, scientific and business services Information and cultural/creative industries Health care and social services</p>

As the table shows, 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.

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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.

Next Steps in the Study Process

Stage 4 - Hemson is in the process of refining the policy recommendations based on the input received at the November stakeholders' workshop as well as follow-up meetings and discussions with staff.

Hemson will prepare the draft ESS to circulate to staff and Senior Management Team for comment and review. Subject to internal review, a final draft will be presented to the Economic Development Committee for its consideration and approval, then released for public comment. Additional steps will include a presentation to Economic Development Committee and ultimately, approval by Council.

The finalized ESS will be published and communicated to all stakeholders and will be posted on the Vaughan Tomorrow website.

The timing for the completion of the ESS is synchronized with the completion of the draft Official Plan. It also coincides with the commencement of the Economic Development Strategy.

Relationship to Vaughan Vision 2020

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

Regional Implications

The final draft of the ESS will be circulated to the Region of York's Economic Strategy and Tourism Department for comment.

Conclusion

The objective over the next two months is to finalize the ESS for approval by the Economic Development Committee and Council.

Attachments

Not applicable

Report prepared by:

Martina Kortisova, Community Business Development Coordinator
Shirley Kam, Senior Manager of Economic Development
Roy McQuillin, Manager of Corporate Policy

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Item 4, Report No. 4, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.



4 NEW BUSINESS – ADDITIONAL COMMITTEE MEETINGS IN 2010

The Economic Development Committee recommends that additional Economic Development Committee meetings be held in 2010, as follows:

January 18, 2010 at 2:00 p.m.

February 8, 2010 at 2:00 p.m.

March 1, 2010 at 10:00 a.m.

The foregoing matter was brought to the attention of the Committee by the Director of Economic Development.

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Item 5, Report No. 4, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on December 14, 2009.



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NEW BUSINESS – BUSINESS LINK

The Economic Development Committee recommends that the verbal report of the Director of Economic Development, be received.

The foregoing matter was brought to the attention of the Committee by the Director of Economic Development.