

CITY OF VAUGHAN

**EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 29, 2010**

Item 1, Report No. 5, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on June 29, 2010.

**1 ECONOMIC DEVELOPMENT STRATEGY – PRESENTATION AND UPDATE**

The Economic Development Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Economic Development, dated June 21, 2010, be approved; and
- 2) That the August 30th meeting commence at 10:00 a.m.

**Recommendation**

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

1. THAT the verbal presentation from Millier Dickinson Blais be received;
2. THAT the comments received from the Economic Development Committee be incorporated into the draft report of the Economic Development Strategy; and
3. THAT a meeting of the Economic Development Committee be scheduled for August 30, 2010 to receive the final report and presentation on the Economic Development Strategy.

**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 costs associated with the preparation of the Economic Development Strategy were approved in the 2010 Economic Development Department's Operating Budget. Any additional action items related to the strategy that may impact on future operating budgets will be submitted during the annual budget process.

**Communications Plan**

The Economic Development Strategy process, findings, and presentation materials will be available in hard copy format and distributed to Mayor, Members of Council and Senior Management. Additional "hard" copies will be available upon request. The strategy will be highlighted in the September Economic Development Newsletter, *Business Link*, which is distributed to the Vaughan business community. In addition, an electronic copy in a PDF format will be posted to the 'documents' section of the Economic Development Department's website. The approval of the strategy will be promoted to community stakeholders, citizens and community groups.

**Purpose**

To provide the members of the Economic Development Committee and Council with an overview of the proposed Economic Development Strategy.

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

The City's current Employment Area policies (OPA No. 450) and the Economic Development Strategy are based on the conditions of the early 1990's.

In April 2009, Council approved the formation of an Economic Development Committee to be established as a Special Purpose Committee of Council with a mandate to provide assistance and advice to Council in the pursuit of ensuring economic vitality. Also, to provide oversight in the development, implementation, monitoring and renewal of the City's Economic Development Strategy.

In addition, Council also created and approved Council Priority #10 as part of the Council Priorities Plan, "Develop and implement an economic development strategy and process to position Vaughan as the premier destination for business in Canada."

Furthermore, Item 4 of Council Priority #10 requests "the review of the City's current Economic Development Strategy in partnership with the business community and that the review of the Economic Development Strategy will include benchmarking similar municipalities across North America to obtain best practices. Implementation of the revised strategy will include input from our external stakeholders."

Competition amongst cities and regions for people and business has become increasingly intense and global. In addition, the future growth of national economies will lie heavily in the success of its collective cities and regions. As Vaughan continues to grow toward a population of approximately 400,000 residents it is imperative to create a focused and strategic plan for the City of Vaughan's economic development activities in order to be successful as an attractive location for people, business, investment and visitors.

The Economic Development Strategy will set out a sustainable plan for Vaughan which will strategically develop our economy, our community and our city in a way that will enable Vaughan to take a permanent place on the global stage as a premier destination for people and business in Canada and the Greater Toronto Area.

To ensure Vaughan will capture this opportunity, the Economic Development Department has recently completed the Vaughan Employment Sectors Strategy (ESS). The purpose of the ESS was to identify the employment sectors and sub-sectors that the City of Vaughan should retain and attract and accompanying measures that will enhance the City's long-term competitiveness for sustainable, equitable and manageable growth of Vaughan's economy.

With Council approval of the 2010 budget in late January, 2010, the Request For Proposal (RFP) to identify a Consultant for the Economic Development Strategy was released through Purchasing (RFP 10-052). All of the appropriate procedures and policies as they relate to the RFP process were managed by Asad Chughtai, Manager of Purchasing/Contract Services - Supplies and Services.

Seven proposals via sealed bid were received in the Purchasing Department by the closing deadline of February 19, 2010. All of the proposals were thoroughly evaluated using a preset criteria by a cross departmental team led by Economic Development. The review team had representation from Finance, Corporate Policy; Planning; Engineering and Parks and Recreation.

The project was awarded through the Purchasing Department on March 5, 2010 to the consultancy of Millier Dickinson Blais.

#### **About the Consultants**

Millier Dickinson Blais is Canada's largest specialist economic development consultancy, with offices in Toronto, Hamilton and Harrowsmith.

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The founding partners of the company are widely recognized as some of Canada's most effective development professionals with experience at the local, national and international level.

Millier Dickson Blais has carried out a wide range of economic development strategic planning exercises across Canada, including the economic development strategy for the City of Calgary (Winner of the 2008 Economic Developer's Association of Canada award for best strategy).

Brock Dickinson, founding partner, is the lead on the Vaughan Strategy. Brock has served in numerous Economic Development roles throughout his professional career and also serves as the Assistant Director of the Economic Development Program at the University of Waterloo. Brock has also held the position of Director of ICT and Advanced Manufacturing with the Toronto Region Research Alliance. In addition to leading a number of rural, municipal and regional economic development initiatives Brock spent six years as a consultant with the United Nations Environment Programme (UNEP) directing sustainable development projects in more than 30 countries on five continents.

#### Context and Background Information

In addition to extensive consultation with staff in the Economic Development Department, and one-on-one interviews with external business stakeholders, the following documents were provided for the information of the consultants, in the preparation of the strategy;

- "Industry Cluster Analysis": York Region Planning and Economic Development Committee,
- "The Vaughan Consolidated Growth Management Strategy – 2031, Work Plan Approval and Direction to Proceed"
- "Preparation of New Vaughan Official Plan"
- "Transportation Studies and Environmental Assessments in the City of Vaughan – 2006"
- "Planning for Tomorrow, Part 1, York Region Population and Employment Forecasts":
- "Planning for Tomorrow, Part 2, 2031 York Region Land Requirements":
- "York Region Employment Land Area Analysis"
- "Comparative Analysis of Growth Scenarios"
- "York Region Employment and Industry Report 2007"
- "Provincial Paper – Planning for Employment".
- "Employment Sectors Strategy" 2010
- DRAFT Vaughan Official Plan 2010 (emphasis on Chapter 5: Economy, Chapter 9: Building A Great City"
- York Region 10-Year Tourism Strategy 2009
- Vaughan 5-Year Tourism Strategy 2006
- Environmental Master Plan – "Green Directions Vaughan" 2009
- Parks & Recreation Master Plan "Active Together" 2008
- DRAFT Creative Together Cultural Plan 2010

#### Strategy Framework

The Economic Development Strategy for Vaughan consists of several key elements, each providing data, insight and analysis leading to a focused and tactical action plan for achieving specific economic development objectives.

The first element of the strategy consists of an economic base analysis, which builds upon the community's Employment Sectors Strategy Study by analyzing trends and opportunities emerging from each of the City's seven target sectors. In this portion of the report, key demographic, labour force and business patterns trends are explored, with a goal of better understanding the specific niches and focal points of Vaughan's strengths in its target areas.

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This is complemented by a wide series of one-on-one interviews and surveys of key community stakeholders. These interviews assist in bringing local perspective and input to the research process, and serve as a qualitative balance to the quantitative components of the economic base analysis.

This information is then examined in light of Vaughan's competitive position in the economic development arena. The project team examines the economic base analysis data and the input from the community in order to develop a "value proposition" for the community – a statement of competitive advantages and positioning that serves to differentiate the City of Vaughan from its economic development competitors.

In part, this value proposition rests on the idea of identifying key areas of opportunity where Vaughan should focus many of its economic development programs and efforts moving forward. In light of this value proposition, the Economic Development Strategy goes on to explore key City development opportunities such as the Vaughan Metropolitan Centre and the Vaughan Enterprise Zone. The key focus of this review is to link development activities in these areas more explicitly to the targets and value proposition described earlier in the strategy, and to highlight aspects of these development projects that may be effectively linked to the new strategic focus of economic development activities.

All of these elements are then linked to a discussion of the City's existing sister city relationships internationally, and a discussion of how best to create new partnerships in the international arena to assist Vaughan in furthering its economic development goals.

In the final stages of the strategy, consideration is given to implementation of the economic development strategy. This includes a discussion of key marketing approaches and messages for achieving economic development objectives, as well as a consideration of current staffing structures, and their appropriateness for delivering the strategy.

Finally, the strategy contains a significant and wide-reaching economic development action plan, identifying specific projects to be undertaken or implemented by the Economic Development Department and its partners.

This plan includes both detailed descriptions of these proposed actions, but also an overview of the rationale behind each action, an indication of the action's overall prioritization within the larger strategy, and a description of potential partners in the action's implementation.

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

This report is consistent with Vaughan Vision 2020 Goal: *Plan and Manage Growth and Economic Vitality*.

#### **Regional Implications**

N/A

#### **Conclusion**

New realities, new ideas and new opportunities will emerge that could not possibly be envisioned during the crafting of this strategy. Therefore, the strategy should be a dynamic and evolving plan that lays the foundation for the work of the City's economic development department.

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The Strategy should be used in the following ways:

1. As a non-statutory guide for directing economic development initiatives, and the strategic investments into specific sectors, projects and developments.
2. As direction into the development of the departments workplans and budgets – the activities and resource allocations of the City's economic development department should demonstrate alignment with, and the achievement of, the key performance indicators, goals and objectives of the Strategy.
3. As the source of ideas and inspiration for community action and collaboration – involving the Vaughan community of businesses, institutions, organizations, associations, levels of government and other stakeholders.

The Vaughan Economic Development Strategy will be a 10-Year implementation plan that is a catalyst to achieving the vision of the Official Plan and Master Plans. The strategy will qualify all strategic initiatives or ensuing actions on the part of the City's economic development department and is created with Short-Term 2010-2013, Mid-Term 2014-2017 and long-term 2018-2021+ initiatives to support the vision of a greater level of prosperity for the city and its residents.

**Attachments**

Not applicable

**Report prepared by:**

Tim Simmonds, Director of Economic Development

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Item 2, Report No. 5, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on June 29, 2010.

**2 VAUGHAN BUSINESS ENTERPRISE CENTRE (VBEC): MID-YEAR STATUS REPORT FOR  
THE PERIOD OF JANUARY 1, 2010 – JUNE 4, 2010**

**The Economic Development Committee recommends approval of the recommendation contained in the following report of the Director of Economic Development and the Manager/Senior Business Consultant of VBEC, dated June 21, 2010:**

**Recommendation**

The Director of Economic Development and the Manager/Senior Business Consultant of VBEC recommend that this report be received for information purposes.

**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 creating a resource for entrepreneurs, youth and new businesses in the City.

**Economic Impact**

There is no economic impact from the receipt of this report.

**Communications Plan**

A communication plan is not applicable to this report.

**Purpose**

The purpose of this report is to appraise Council of the projects, activities and core areas of work in which the Vaughan Business Enterprise Centre has been involved for the period between January 1 – May 31, 2010.

**Background – Analysis and Options**

The Vaughan Business Enterprise Centre (VBEC) was established in 2001 through a partnership between the City of Vaughan and the Ontario Ministry of Economic Development and Trade.

The Centre maintains an important role within the Vaughan economic development framework by engaging four primary audiences. Vaughan residents that are;

- Starting A Business – (Business Start-Ups)
- Growing A Business – (Business less than five years)
- Youth
- Entrepreneurship

These four primary audiences are vital to the economic health and sustainability of Vaughan and the Province. Supporting these audiences through VBEC's services and programs compliments the work being undertaken in the City's Economic Development Department and fills a critical role in the Vaughan business community.

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Provincial Update

The Ministry of Economic Development and Trade now reports that there are 57 Small Business Enterprise Centres (SBECs) across Ontario. These Centres contributed to the economic growth of the Province by creating 13,600 new jobs, 11,500 business start ups and the expansion of 1,556 businesses for the reporting period of April 1, 2009 - March 31, 2010.

On June 2, 2010, Minister Papatello addressed the managers of the 57 Small Business Enterprise Centres at the “Innovation Through Collaboration” conference and commended the dedication, work and economic impact that is being accomplished at the Small Business Centres. To show support for the SBC initiative, the Province has confirmed that each centre will be receiving an additional \$30,000 in base funding on an annual basis. The Province is requesting that the funding be dedicated to strengthening and enhancing the areas of customer service and database management.

Attachment 1 provides a snapshot of Ontario's Small and Medium Enterprises as provided by the Ministry at the SBEC conference.

Provincial Process Working Group

At the end of every month the 57 Small Business Enterprise Centres upload their business statistics into the Ministry's Enterprise Centre Reporting (ECR) system. The data categories are Economic Impact, Client Contacts, Seminars/Workshops, Outreach/Networking/Presentations, Events Hosted and Mentoring. The Ministry is currently in the process of reviewing the various reporting fields within this database to ensure clearer definitions and consistency in information reporting.

Since April, VBEC staff have been actively engaged in taking a lead on the provincial reporting working group and has provided input to the Ministry's Regional Advisor on a number of topics to improve reporting. VBEC staff are now part of two Ministry working groups (ECR Definitions and Economic Data Measurement). The goal of the working group is to enhance definitions in the tracking mechanism to ensure consistency and enable a standardized trend analysis and comparison method.

Vaughan Business Enterprise Centre Overview

In its ninth year of operation the Vaughan Business Enterprise Centre (VBEC), a Character Community supporter, continues to be a valuable resource for its core audiences; Starting A Business, Growing A Business, Youth and Entrepreneurs. Through the provision of such services as one-on-one consultations, library and electronic resources, business name registrations and the delivery of business seminars, educational workshops and networking opportunities VBEC fosters an environment conducive to successful business enterprise development thereby contributing to a vibrant local economy.

**VBEC Business Activities January - May, 2010**

Between January 1, 2010 and May 31, 2010 VBEC staff responded to and facilitated;

Telephone Calls	1,835
Client Walk-ins	817
Business Consultations	601
Business Registrations and Renewals	267
New Jobs	601
Seminars/Events -306 Attendees	10

Client consultation summary breakdown by Sectors

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Agriculture	1
Import/Export	19
Construction	181
Hospitality/Food	37
Manufacturing	25
Retail	33
Service	275
Technology	19
Wholesale Distributors	11
Tourism	0
<b>Total Consultations</b>	<b>601</b>

As part of VBEC's connection and outreach with small business entrepreneurs, clients requesting referrals to local professionals or businesses is very common. In the last five months VBEC clients have contacted the Centre requesting referrals to professionals and local businesses as indicated in the chart below.

Client Referrals Summary (breakdown by Referral as defined by the Ministry)

Accounting	26
Legal – General	26
Legal – Intellectual Property	4
Finance – General	23
Finance – Investors	7
Import/Export	14
Other	40
<b>Total</b>	<b>140</b>

Business Seminars and Workshops

As part of the operational improvements that are taking place at VBEC, an annual calendar of seminars and event dates has been created. Core seminars are now offered quarterly and clients are being provided the option of choosing a date that best fits their schedule. Historically, seminars were scheduled only three months in advance. By strategically planning and developing a yearly calendar of seminars and workshops promotional efforts are well utilized providing the client with enhanced service options.

Four specialized seminars are being introduced this year with "Real Estate in Your Business" being the first. This seminar focused on assisting home based businesses move to an office location.

Specialized Environmental Initiatives

The partnership with Powerstream continues to grow and foster information exchange on energy conservation for the small business community. Sustainable business practices and green business development is integral to the growth and expansion of Vaughan businesses as well as Ontario.

VBEC has made partnership alliances with Green-Connections, which is a networking and mentoring group of small businesses who are dedicated to exploring and sharing environmentally-friendly practices, products and ideas. The goal is to encourage all businesses to 'Go Green. Two sessions have been scheduled, one in Council Chambers on July 12 and another at Earth Rangers in October.

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##### Specialized Diversity, Arts & Culture Initiatives

VBEC is fostering liaisons and engaging with business owners relating to Diversity, Arts and Culture. As this was identified as a growth employment sector for Vaughan within the Employment Sector Strategy, initiatives will become part of a specialized series of seminars or future special conferences as it relates to Vaughan's small business development.

VBEC will be continuing to expand and enhance the services available to newcomers. It is important for Vaughan to create an environment where they feel welcomed and obtain the information needed to increase their business skills and knowledge or further the specialized skills they have acquired. Currently through a partnership with COSTI VBEC offers specialized business seminars at COSTI offices. VBEC also ensures that business owners are aware of the free COSTI Language Training at the Workplace program where immigrants who may have difficulty with the English language receive job-specific language training.

A new research initiative to remove barriers for individuals with learning disabilities as it relates to small business entrepreneurship training is taking place between VBEC and COSTI. A future specialized seminar for individuals with learning disabilities wanting to start a business is the desired outcome of the initiative. The York Region Learning Disabilities Association will be contacted to partner in the initiative.

##### Conferences/EXPO:

VBEC has participated/hosted two Conferences during the reporting period. The "Going Global Import/Export Conference" took place on April 16, 2010 and was very well received with 164 registrants.

VBEC hosted an E-business Conference on May 8. This half-day conference consisted of two presenters speaking on social media to assist business owners understand new social media tools to help grow their business. Anticipated attendance based on the previous year was estimated at 65, a record 96 attendees participated in the event this year.

VBEC also participated at a School Board Conference on May 10 speaking to 184 Grade 12 Graduating students entering apprenticeship or alternate programs.

VBEC will be holding its Annual Business Expo on February 16, 2011. The proposed topic will focus on e-business.

##### **YOUTH INITIATIVES**

##### Summer Company

Students aged 15 to 29 returning to school in the fall have an opportunity to commence their own business during the summer. The Ministry of Economic Development and Trade provides a grant of up to \$3,000 to approved students.

In total, 46 local students applied to the Ministry's Summer Company Program through VBEC. A record 12 Summer Company students received approval by the Ministry for Summer Company funding this year. The quality of business plan submissions recommended by VBEC staff resulted in the Ministry providing a very quick turnaround time on approvals being granted.

Throughout the summer months, Summer Company utilizes a great deal of staff resourcing time. As part of the program deliverables throughout June, July and August, VBEC's Summer Company students receive business ownership training, mentoring and advice. Eight mandatory meetings, along with daily journal entries by both students and VBEC staff take place for each

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student to ensure business plan goals are being met. Professionals in specialized areas of practice are mentors for all 12 students.

VBEC is very pleased that eight mentors are registered for the 2010 Summer Company initiative, three of which are new. These mentors are made up of business professionals who believe in giving back to the community and who act as positive role models for the youth entrepreneurs.

#### Youth Week

New liaison and cross promotion opportunities have taken place between VBEC and Recreation and Culture programming. VBEC participated in two Youth Week Outreach Initiatives. The following year VBEC will be represented in the Youth Week Publication materials and Youth Week will be highlighted in VBEC's youth section on the website.

#### Business Plan Challenge Update

The Business Plan Challenge is an initiative that the Ministry has phased out and will not be offering. Emphasis is being placed on growing the Summer Company initiative.

#### Co-Op Program

VBEC provides the opportunity for high school and university co-op placements in order to assist youth in learning business development skills and furthering their knowledge in entrepreneurship. VBEC's current placement has been with the Centre for a four month period earning four course credits in the process. The partnership is a mutually rewarding experience and continues to develop VBEC's reputation within both School Boards and local post-secondary educational institutions. VBEC offers a quality placement for high achieving students interested in the field of business.

### **OPERATIONS**

#### Operational Efficiencies

The Director of Economic Development and Manager of VBEC have been reviewing administrative and financial processes to better align the operations of the Centre with City policy and procedures.

In addition, the operational roles and responsibilities of all three staff members are being reviewed in an effort to improve operational efficiencies and effectiveness (functions/services/information flow). As part of service excellence to our clients, cross-training of duties/responsibilities has taken place ensuring that operational requirements are met and exceeded.

VBEC Staff have recently began compiling a breakdown of the individual consultations by Sector. This will give staff an opportunity to better align future programs, workshops and initiatives that better match the needs of the small businesses in Vaughan. This information is also now a part of the reporting function to the Ministry.

#### Information Technology

Updates to the technology infrastructure are scheduled to be completed during June and July. The IT update will transition VBEC into the City of Vaughan IT infrastructure. This linkage will allow for greater accessibility and efficiencies.

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To reduce VBEC's carbon footprint, a reduction in electrical usage, toner requirements and unwanted paper waste within the Centre was achieved through phasing out individual staff printers And moving to a single centralized copier.

VBEC's current website was updated in May with content and section updates. Development of the Vaughan On-Line VBEC page is currently underway and the current website will be migrated into the City of Vaughan's Economic Development Page, titled, "Small Business Development - VBEC". This positioning will dramatically enhance VBEC's marketing potential as the small business development arm of Economic Development.

VBEC currently offers Wi-Fi FREE to clients working in the VBEC boardroom on development plans/research and utilizing the Centre's business library. This benefit has attracted clients to the Centre and made it easier for them to keep in touch with their businesses while performing necessary research.

#### Service Standards

VBEC's current client service standards meet and exceed established best practices as set by the Ministry of Economic Development and Trade.

#### Sustaining Partnership

VBEC's services were strengthened through funding received from two sustaining partners, Powerstream and CIBC. In-kind sponsorship is another benefit to both VBEC and local businesses and VBEC is pleased to have received in-kind sponsorship from Sharp Canada.

#### City Cross-Promotion Activities

VBEC has created new partnership opportunities with various City of Vaughan Departments. The cross-promotion of initiatives assists not only in the promotion and dissemination of materials as a whole but fosters further linkages with small business and City of Vaughan programs. The in-kind support received through the Recreation and Culture Department, Vaughan Public Library and Access Vaughan have been paramount in continuing to grow VBECs outreach into the Community.

#### Library Services

VBEC is very pleased to have the Vaughan Public Library as an educational resource partner. The Library provides in-kind services regarding the Library Guide for VBEC services and courses. Special seminars are arranged at the various Libraries across the City to ensure that clients in all communities have an opportunity to attend VBEC seminars close to home. The Library is also providing in-kind services where it will be reviewing the VBEC Resource Library catalogue.

#### Recreation and Culture - Online Course Registrations

Through an in-kind partnership with Recreation and Culture, a first for VBEC's is the technological advancement of online seminar registration. Beginning in August of 2010, VBEC seminars will be highlighted in the Recreation and Culture Guide and online seminar registration will be implemented. This is an innovative and improved service that VBEC is able to offer its clients and highlights the Vaughan Vision of Departments across the City working together and collaborating to enhance productivity, cost effectiveness and innovation while pursuing excellence in service delivery.

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#### **FUTURE DIRECTIONS**

##### Social Media

The Ministry is currently researching and promoting the use of social media within SBEC locations. Some of the SBEC locations have begun the process of creating a policy document that could eventually be used as a framework document for use across the SBEC network.

VBEC has promoted two E-Business Conferences highlighting how important the internet is for business development and growth in small businesses and the topic has also been chosen as the theme of the upcoming Business Expo in February 2011. Many Vaughan residents and business owners are currently utilizing social media sites. Therefore, VBEC will explore opportunities to utilize the social media that it teaches within its seminars and conferences.

One of the most important considerations with the use of social media is the support it may offer in targeting one of VBEC's core audiences – Youth. Social media may give VBEC the opportunity to grow the Summer Company Program as well as highlighting VBEC services for young entrepreneurs.

##### Relationship to Vaughan Vision 2020

This report is consistent with Vaughan Vision 2020 Goal: *Plan and Manage Growth and Economic Vitality.*

##### Regional Implications

Not applicable

##### Conclusion

Small business growth remains an important aspect of economic development for the City of Vaughan. Vaughan's economic prosperity and growth in population will continue to expand and small business development will continue to grow exponentially in Vaughan for a number of years. VBEC is committed to quality service, innovative program development aimed at building and supporting the small business community and fostering economic development in Vaughan.

##### Attachments

1. Ministry of Economic Development and Trade Snapshot of Ontario's Small and Medium Enterprises
2. VBEC Advisory Committee Meeting Minutes, January 22, 2010
3. VBEC Advisory Committee Meeting Minutes, March 26, 2010

##### Report prepared by:

Lorena Marcucci, Senior Business Consultant/Manager, Vaughan Business Enterprise Centre

(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. 5, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on June 29, 2010.

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#### CHINA TRADE MISSION 2010

The Economic Development Committee recommends approval of the recommendation contained in the following report of the Director of Economic Development, dated June 21, 2010:

##### 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 Economic Development staff be directed to continue investigate/develop the following business initiatives that were a direct result of the Mission;
  - a) Establishment of Vaughan products in a Canadian Import Centre located at the International Commodities Trade Centre in YiWu
  - b) Further define appropriate economic development initiatives that support the signing of the Letter of intent with Changning District, Shanghai
  - c) Coordinate and host a site visit for the Solar Panel manufacturing facility
  - d) Continue marketing the Vaughan Metropolitan Centre to the Chinese Real Estate Investment firms that expressed a direct interest in this development
  - e) Build and strengthen the relationship with the Confederation of Greater Toronto Chinese Business Associations and other potential partners such as Invest Hong Kong.

##### 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.

##### Economic Impact

The associated costs for the Mayor, Chair of the Economic Development Committee and three staff members; City Manager, Director of Economic Development and the Senior Manager of Economic Development, to participate in the Confederation of Greater Toronto Chinese Business Association's 2010 China Trade Mission were budgeted within the Economic Development Department's 2010 Operating Budget.

##### Communications Plan

Communications pertaining to the China Trade Mission conforms with the City's corporate communications policies. Please see Attachment A for media coverage received by the Mission.

A post mission memorandum was previously distributed to Mayor and Members of Council and the Senior Management Team highlighting the mission. Also, the mission will be highlighted in upcoming Economic Development communications including targeted communications that will be identified as potential initiatives and projects related to doing business in China.

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##### **Purpose**

To report on the City's participation in the Confederation of Greater Toronto Chinese Business Association's China Trade Mission May 19 – 30, 2010.

##### **Background**

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)
- Zibo, City (June 8, 2010)

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. Changning's sectors include information technology (and in particular, digital media technology), headquarters, transportation 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 had 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.

On December 14, 2009, Council approved participation in the Confederation of Greater Toronto Chinese Business Association's (CGTCBA) China Trade Mission May 19 – 30, 2010. (Economic Development Report No. 4 Item 2)

The Confederation of Greater Toronto Chinese Business Associations' organizing committee designed the mission to promote greater economic, business and cultural ties between the Greater Toronto Area and China, and to support the Canada Pavilion at the World Expo 2010 in Shanghai. The participating Municipalities and business delegates were also given the opportunity to promote investment, products and services, explore opportunities for joint ventures, and source potential suppliers.

This was achieved by the CGTCBA hosting "anchor" events throughout the 10 days. Events included;

- Pre-arranged business appointments
- Visits to key industrial zones
- Meetings with local economic development agencies and business associations

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- Briefings on business opportunities and sector information
- Attendance at the featured Economic and Business Development Forum in Beijing
- Opportunities to showcase the local municipality, its products, services or expertise were available.

#### Business In China

China responded quickly to the global economic downturn and, as a result of a combination of monetary, fiscal, and bank-lending measures, China's 2009 GDP grew 8.7 percent. Projections are for annual average growth in the high single digits for the next five years.

China stands as the world's third largest market for luxury goods behind Japan and the United States, and some studies estimate that there are now more than 200 million Chinese citizens with a per capita income over USD 8,000. Over the next several years, most economists predict a surge in the number of people achieving true middle class status. Thus, increasing the 'buying' power and potential for increased imports.

However, throughout the Mission, Economic Development staff was given the opportunity to further identify the unique characteristics, opportunities, and challenges of doing business in China through face-to-face meetings, conversations and business presentations. The information and knowledge gained is invaluable, as staff work to better educate and inform Vaughan businesses of potential business opportunities.

In general, the role of business in China often lacks predictability in its business environment. A transparent and consistent body of laws and regulations would make the Chinese market more predictable. However, China's current legal and regulatory system can be inconsistent, and often arbitrary. Implementation of the law is inconsistent. Lack of effective Chinese government protection of intellectual property rights is a particularly high level issue for many companies.

China has made significant progress toward a market-oriented economy, but parts of its bureaucracy still seek to protect local firms, especially state-owned firms, from imports, while encouraging exports.

China retains much of the structure of a planned economy. A five-year program or in some cases much longer, sets economic goals, strategies, and targets. The State and the Communist Party directly oversee business. The understanding of free enterprise and competition is overshadowed by political connections or goals and at some time trump commercially-based decisions.

Certain industrial sectors in China are prone to over-investment, leading to over-capacity, over-production, and declining prices in affected industries.

Foreign businesses tend to under-estimate the challenges of market entry in China. Encouraged by a government eager for foreign capital and technology, and enticed by the prospect of 1.3 billion consumers, thousands of foreign firms have charged into the Chinese market. These companies often do not sufficiently investigate the market situation.

#### Entering the Chinese Market and Municipal Engagement

It is highly recommended that a company should visit China in order to gain a better perspective and understanding of its potential market and location. Especially given China's rapidly changing market and large area, a visit to China can provide a company great insight into the country, the business climate, and its people. Chinese companies respect "face-to-face" meetings, which can demonstrate a Canadian company's commitment to working in China.

Obtaining reliable information is a challenge, as is forging the right connections to advance a company's commercial interests, but without these connections, a company's efforts to enter the Chinese market may be significantly hampered.

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Throughout the course of the mission it became clear that having representation by our municipal officials and members of the Chinese Business Association provided the industry delegates a greater amount of respect, credibility and access into the Chinese marketplace than they would have received if trying to “do business” on their own.

This is a key point as to why it is important that the Municipality remain active in international business development and maintain a level of continuity as long-term relationships are key to creating a solid business plan in China. To maximize a local company's contacts, Economic Development staff can aim at forming a network of relationships with people at various levels across a broad range of government and non-government organizations locally and abroad. Thus giving Vaughan companies a distinct advantage in doing business in China.

#### Business Development Activities and Outcomes

Over the 10 day-mission, the Vaughan delegation visited Shanghai (including Changning District), Yiwu, Beijing, Yangzhou, and Hong Kong.

Business development-focused meetings were held in all cities visited. The themes for the business meetings included: official introductions for high-ranking political figures and business dignitaries; investment attraction presentations; discussions on investment opportunities; exchanging ideas and success stories; distribution of bilingual (English and Simplified Chinese) promotional materials (Attachment B) and official gift exchanges.

The results of some of these meetings are highlighted below in addition to the pictures in Attachment C.

#### Pre-Mission – May 17 & 18

Councillor Sandra Yeung Racco, Chair - Economic Development Committee traveled to Hong Kong prior to departure of the full delegation. During this time, Councillor Racco was hosted at the Government House in Huadu and able to meet with the government officials there. The Huadu government brought together area businesses who have been keenly interested in creating a Gem Stone Exhibition and potential Gem Stone Centre of Excellence for Chinese investment in the Greater Toronto Area. The opportunity to continue building Vaughan's profile in the Huadu area was also a benefit.

#### Day 1 – Wednesday, May 19 - Toronto

##### Travel Day

Prior to departure, local municipal representatives and business delegates participated in interviews with local Chinese-speaking media outlets at Pearson International Airport.

#### Day 2 – Thursday, May 20 – Shanghai

##### City: Shanghai

Following an unscheduled landing in Tokyo, Japan, the Delegation arrived in Shanghai and were greeted by local officials at an informal dinner reception.

#### Day 3 – Friday, May 21

##### City: Shanghai - World Expo Canada Pavilion

The CGTCBA coordinated a morning Business Session at the Canada Pavilion within the Shanghai World Expo. Working with the Ontario Ministry of Economic Development & Trade, Department of Foreign Affairs & International Trade and the Canadian Chamber of Commerce in Shanghai, the session brought more than 50 Chinese business and government officials to hear

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about the business and economic development opportunities within the Canadian, Ontario and Greater Toronto markets.

Mark Roswell, also known as “Dashan” and Canada’s Commissioner General to Expo 2010, kicked off the Shanghai Reception. Considered China’s most famous foreigner, Dashan is an entertainer and celebrity in the Chinese media. His appointment at Expo was most apt, as he truly is Canada’s cultural ambassador and a prominent symbol of East meets West. Dashan eloquently established the common threads and linkages between his home region (he’s a Richmond Hill native) and his adopted country.

Mr. Nadir Patel, Canadian Consul General to Shanghai who earlier in the year, visited with the CGTCBA and the delegation, gave a presentation on the opportunities that he saw in China, and specifically in the Shanghai-region. Greetings and key business messages were then delivered by the three municipal Mayors and presidents of the Chinese business associations.

Mr. Philip Wong, Consul – Economic Affairs Ontario was also on hand to greet the delegation. Prior contact with Mr. Wong was made during the City’s visit in March 2008.

Following the morning briefing session, the Mayors were interviewed by Chinese media. A luncheon provided further opportunities to network with business leaders on an one-to-one basis. Promotional collateral materials were distributed at display tables and banner signage was displayed at reception areas.

#### City: Shanghai - Changning District

During the 2008 Business Mission, contact was established with local York Region businessman and developer, Mr. Tommy Gong, who introduced Vaughan to the Yangpu and Changning Districts of Shanghai. While working on a number of office development projects, and more recently a seven-star Four Seasons hotel (due to open in 2011) and the North America Plaza (a mixed use Class A office project), Mr. Gong developed extensive connections with municipal officials in Shanghai, and specifically Changning. Ties with Mr. Gong, whose background and local knowledge in both Chinese and Canadian markets, are invaluable assets in creating and building bridges for further cooperation and potential investments.

In September 2009, officials from Shanghai Changning visited the City of Vaughan. The purpose of Vaughan’s reciprocal visit in 2010, was to sign a Letter of Intent (see Attachment D) regarding economic cooperation with Changning.

In addition to visits to local cultural and community centres, the Vaughan delegation visited the Shanghai Hongqiao Linkong Business Park, a master-planned business park encompassing an area of more than five square kilometers. Due to favourable locational advantages, transportation linkages (proximity to Hongqiao, Shanghai’s domestic airport) and financial incentives, the Changning government was able to attract many international headquarters to the Hongqiao Linkong Business Park. In addition to head office uses, other activities that are present include science and research development, support services and residences.

While Changning is an important transportation and logistics hub, its strengths in office development, medical technologies, information and digital media industries dovetail closely with Vaughan’s future employment sectors. Changning is expected to send a delegation to Vaughan this coming November or December.

#### Day 4 – Saturday, May 22

#### City: Yiwu

During the 2008 Business Mission, Vaughan established contacts with L&D Investment

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Consulting (Helen Dong), whose core business is to assist Chinese companies to expand outside China. In July 2009, Ms. Dong led a 30+ member delegation from Shanghai/Zhejiang to the Toronto-area, including Vaughan. More recently, Ms Dong introduced the City to Mr. Edison Luo of Zhejiang Regional Economic Cooperation Promotion Association, based in the city of Yiwu.

Yiwu is known as China's Commodity City. Founded in 1982, the International Commodities Trade Centre now encompasses more than 43-million square feet of commercial space dedicated to exported small goods and commodities; and attracts more than 200,000 incoming business people daily, in addition to the 13,000 overseas or expatriates living there. In addition to the wholesale trade, Yiwu is fully integrated to provide distribution and warehousing services, transportation logistics and customs clearance. The scale of Yiwu's commodities markets may be better understood in this way: if one spends three minutes per booth/showroom, eight hours per day, it would take more than a year to complete the entire commodities trade space.

Yiwu is also developing an Imported Goods Centre. The purpose of Mr. Luo's recent visit was to encourage the development of a Canadian booth/floor space, featuring Canadian-made products. The Vaughan delegation met with Yiwu municipal representatives and toured Yiwu's export commodities trading markets as well as the Imported Goods Centre during this visit.

The Imported Goods Centre, covers an area of over 530,000-square feet, and is expected to attract 27,000 kinds of commodities from 52 countries. A number of countries currently have booth space developed in the Imported Goods Centre, however, the Canadian exhibits are still in initial stages of development. Elias Custom Metal Fabrication, a local Vaughan company, participated in the visit and initiated discussions about opportunities to develop and outfit the Canadian space.

Following this visit, the Economic Development Department will be working with Mr. Luo and Ms. Dong to seek opportunities for Vaughan products to be showcased.

#### Day 5 – Sunday, May 23

##### City: Beijing

The Vaughan delegation rejoined the CGTCBA group to travel to Beijing. A short visit was made to the Great Wall.

#### Day 6 – Monday, May 24

##### City: Beijing

In co-operation with Invest Beijing International and the National Development & Reform Commission, the CGTCBA organized the China-Canada Economic, Trade & Investment Promotion Conference, focused on developing an understanding about the current investment environment and policies within China. Following remarks from the Mayors, presentations from Chinese Ministry of Information and Industry, Canadian Trade Commissioners and Invest Beijing were received.

In preparation for the Conference and to inform Chinese business attendees, a Delegate Directory (see Attachment E) featuring profiles and desired business or economic activities, was distributed by the CGTCBA. Additionally, municipalities and business delegates were provided with display space for distribution of promotional collateral materials, both hardcopy and electronic format. Vaughan's materials were very well received.

The afternoon session consisted of pre-arranged business meetings, in a breakout format by selected sectors. Four major sector breakout groups were formed:

- Aerospace, aviation, information technology, machinery and manufacturing;

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- Life sciences, medical and pharmaceuticals;
- Real estate, green building and housing construction;
- Finance and investment, education and training.

Vaughan's delegation met with Chinese representatives from solar photovoltaic, environmental services, real estate and investment interests. Two leads were generated as a result of these meetings: Solar photovoltaic (Solar Panel Manufacturer) and real estate development. Representatives of the solar photovoltaic firm have indicated an interest in establishing a manufacturing presence in Vaughan to take advantage of provincial Feed-in-Tariff incentives under the Green Energy Act. Discussions are currently taking place for a site visit to Vaughan.

The Vaughan delegation made a visit to the Shijingshan District of Beijing, in support of the City of Mississauga and Mississauga Chinese Business Association's signing of a Letter of Intent for Economic Cooperation with Shijingshan. Officials from Shijingshan welcomed Vaughan's support as it indicates a greater level of cooperation that they may expect from the Greater Toronto Region.

#### Day 7 – Tuesday, May 25

##### City: Beijing

A breakfast meeting was held between the Mayors, CGTCBA executives, the Ambassador of Canada, Mr. David Mulroney and Mr. Duane McMullen, Commercial Program Manager with the Trade Commissioner Service in Beijing. Individual delegates met the Ambassador in less formal discussions.

The delegation was formally received at the Diaoyutai State Guest House by the Chinese Ministry of External Affairs. This reception was arranged by the Consul General of China in Toronto, Madam Zhu Taoying.

#### Day 8 – Wednesday, May 26

##### City: Yangzhou

The Vaughan delegation traveled to Yangzhou via Nanjing. In Yangzhou, the delegation was met by officials from the Foreign Affairs Office of Yangzhou. A tour of Slender West Lake was arranged for the delegation to gain a better understanding of the growing importance of the tourism sector.

Vice Mayor Wen Daocai formally received the Vaughan delegation at a reception at the Yangzhou State Guest House. The 15<sup>th</sup> Anniversary of our friendship relationship was celebrated with official gift exchanges and a dinner reception. Yangzhou officials indicated an interest to escalate our friendship relationship to sister city status. Discussions also took place regarding establishing a Vaughan garden either at Slender West Lake or at a Yangzhou city park.

#### Day 9 – Thursday, May 27

##### City: Yangzhou

The second day in Yangzhou was dedicated to industry visits and business discussions. The day began with a meeting with the Yangzhou Bureau of Commerce and Enterprise, followed by a visit to the New Light Source Demonstration Hall in the Yangzhou Economic Development Zone. This Demonstration Hall was established to showcase LED lighting technologies, alternative or renewable energy technologies and their applications. Enterprises engaged in these technologies were provided with prominent showroom areas, and they included Siemens, General Electric, and others.

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The delegation also made visits to industries involved in semiconductor parts and pipeline technologies. Some key observations from these visits and meetings:

- Municipal government involvement is central to the establishment of the Economic Development Zone – they provide the framework for a master planned business park which includes land uses varying from residences, to major industrial areas and learning centres.
- Traditional industries in Yangzhou such as shipbuilding and automotive parts are being maintained, however, the focus is clearly shifting to newer value added industries such as solar photovoltaic, environmental, electronics and information technology industries.
- Entrance to the Chinese markets by foreign firms require support of municipal government officials.
- With the exception of land intensive uses such as the pipeline manufacturer, most other industries are housed in multi-level facilities, including production, quality control, research and development.
- Use of advanced manufacturing technologies is clearly evident, however, industries are still very labour intensive, with clear hierarchical labour – management structures.

Through the City's request, the Yangzhou Foreign Affairs Office made special arrangements with Mr. Emeid, CEO of Elias Custom Metal Fabrication to make personal visits to metal fabrication companies. Feedback received from Mr. Emeid indicate that he found these visits to be insightful, and useful for developing connections. Please see attachment F He recognizes that while the business potential exists, it is a longer term endeavour to develop the business relationship and thus the importance of Guangxi.

The Vaughan delegation met with government and economic development officials from the Yangzhou – Weiyang District. This meeting was arranged in order to provide introductions and facilitate Weiyang's upcoming visit to Canada this Fall.

#### Day 10 – Friday, May 28

##### City: Hong Kong

The Vaughan delegation rejoined the Trade Mission in Hong Kong. Briefings were held with the Canadian Trade Commissioner (John Zimmerman); Invest HK (Charles Ng); Hong Kong Trade & Development Council (Christopher Jackson) and Bassanio So, Assistant Government Chief Information Officer with the Hong Kong Special Administrative Region (SAR). The CGTCBA delegates received information about the assistance and support that was available to Canadian companies entering the Chinese markets.

In addition to the CGTCBA-organized events, the Vaughan delegation held private meetings with officials from Hong Kong Energy and Minerals (Mr. Yan Kim Po, Chairman) and Sun Hung Kai Properties (Mr. David Au, Director). The purpose of these meetings was to promote Vaughan as a destination for potential investment, specifically the Vaughan Metropolitan Centre. Both of these firms have worked in the Canadian markets. Sun Hung Kai Properties, in particular, has an extensive portfolio in commercial and large scale residential mixed use projects.

#### Day 11 – Saturday, May 29

##### City: Hong Kong

A visit was made to the Hong Kong Science and Technology Park (HKSTP) to learn about the joint university/business initiative. HKSTP was established with the objectives of spurring innovation and enabling growth of manufacturing and technologies in the following clusters: electronics and semiconductors; biotechnology; precision engineering; green technologies; and IT/telecommunications. In addition to research and development work tied to the university,

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HKSTP provides access to incubation space, industrial sites for manufacturing and access to venture capital providers. This integrated cluster approach has proven to be successful as it has attracted more than 300 companies, from start-ups to multinationals, to locate.

On this final evening in Hong Kong, the delegation was hosted by the Hongkong Shanghai Banking Corporation (HSBC) at their main offices. HSBC's Managing Partner (a Canadian expatriate), was on hand to provide a business overview of investment and their perspectives on China's growing influence on the world's economy.

#### Day 12 – Sunday, May 30

##### *Travel Day*

The CGTCBA Trade Mission to China is officially concluded, with departure from Hong Kong for Toronto.

#### Post-Mission Business Development Activities

Several actions will be undertaken as a direct outcome of the City's participation in the CGTCBA Business Mission to China:

1. Follow-up on all business contacts made, with particular attention given to those with foreign direct investment potential and Solar PV manufacturing facility.
2. The City of Vaughan continue to dialogue with Canadian Trade Commissioner Service in Canada and abroad about the investment potential which exists in Vaughan.
3. The City of Vaughan explore initiatives to introduce local businesses to foreign markets utilizing connections currently established by the City.
4. The City of Vaughan develop a plan for reciprocal visits to maintain and build on relationships and connections established during this mission.
5. Create a targeted communication effort to Vaughan businesses that highlights the forthcoming Canadian Import Centre in Yiwu.
6. The City of Vaughan take a more active involvement with local Chinese business associations.

#### 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

The mission opened doors to high-level networking opportunities and the exchange of new ideas with Chinese government and business leaders. It provided Vaughan new access and comprehensive insight into the dynamic Chinese market – its vast scale of economy, diversity and potential.

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 the Chinese Business Associations and 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,

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creates tremendous goodwill for both countries, as well as facilitates access to Chinese business groups for our local firms.

Chinese investors seek and rely on the acceptance of their government officials as a first step to developing a dialogue with foreign businesses. Through the networks and connections of these parties, the City of Vaughan was able to meet with the appropriate officials to facilitate the appropriate business introductions.

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.

**Attachments**

Attachment A – Media Coverage Associated with China Trade Mission

Attachment B - Promotional Materials

Attachment C - Photo Gallery from the China Trade Mission 2010

Attachment D - Signed Letter of Intent (English and Chinese)

Attachment E - Delegate Directory – China Trade Mission 2010

Attachment F - Letter from Elias Custom Metal Fabrication Ltd.

**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 4, Report No. 5, of the Economic Development Committee, which was adopted without amendment by the Council of the City of Vaughan on June 29, 2010.

**4 KLEINBURG ECONOMIC DEVELOPMENT STRATEGY**

**The Economic Development Committee recommends approval of the recommendation contained in the following report of the Director of Economic Development, dated June 21, 2010:**

**Recommendation**

The Director of Economic Development, in consultation with the City Manager, recommends that this report be received for information.

**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 then, activities related to attracting and retaining business investments contributes to the economic vitality of the City.

**Economic Impact**

All costs associated with the preparation of the Kleinburg Economic Development Strategy were approved through the capital budget process.

**Communications Plan**

The communication process for the Kleinburg Economic Development strategy began with a letter to the Kleinburg BIA outlining the Strategy process (Attachment A). In addition to the consultations and interviews that will occur throughout the study process, broad communication of the KEDS process, findings, presentation materials and background reports related to the Study will be routinely posted on the Economic Development website. The final report will be presented to Council and distributed in hard copy format. In addition, an electronic copy in pdf format will be posted to the Economic Development Department's website.

**Purpose**

To provide the members of the Economic Development Committee and Council an overview of the Kleinburg Economic Development Strategy RFP and process.

**Background - Analysis and Options**

The downtown or main street area is the heart and soul of a community. It represents the origins of the community and the ongoing expression of local community development and public life. These areas are rich in architectural heritage and are usually the first place our forefathers sought to live, shop, celebrate, worship, and entertain.

However, downtown/village core areas have gone through profound economic changes in recent decades due to shifts in shopping and purchasing patterns. As well, businesses have resisted change when the market changed and the downtown/main street generally is no longer seen as "the destination" for shopping, dining, entertainment, or every day needs.

Based on findings of the Kleinburg-Nashville Heritage Conservation District Study and Plan and the Kleinburg Core Area Study, the Kleinburg-Nashville Focus Area Review (Secondary Plan)

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more clearly defines policies related to appropriate land use definitions, permitted uses, development standards, and the scale and massing of buildings for the Mainstreet Commercial and Core Area of Kleinburg.

The very successful Mainstreet approach to revitalization used in small Canadian and American towns involves four key elements: community engagement and collaboration, physical design, enhanced built and natural environment, marketing and communications, and economic development.

The consulting professionals retained by the Economic Development Department of the City of Vaughan will research and develop a strategy which will create a vibrant, Mainstreet Commercial and Core Area in Kleinburg through the attraction, retention and development, and promotion of businesses as per uses outlined in the Official Plan. This strategy will provide guidance to local community groups, such as the Kleinburg Business Improvement Association (KBIA) and Kleinburg & Area Ratepayers Association (KARA) and detail the appropriate business mix and potential action steps to make Kleinburg “the destination village” in the Greater Toronto Area for people to live, shop, and visit.

#### Components of the Study

Analyze historical and current economic sector mix, reviewing:

- Ownership/leadership capacity
- Level of tourism attraction
- Business life cycles

Define the market characteristics.

- Residential profile, needs, and wants analysis
- Visitor profile, needs, and wants analysis
- Competitive influences
- Expenditure and shopping patterns

Inventory of the business mix in Kleinburg Mainstreet Commercial and Kleinburg Core Area,

- Existing businesses (with business activity description and categorization into the NAIC system)
- Future development projects such as the Pierre Burton Artifacts/Museum
- Attractions (such as the McMichael Canadian Art Collection and Doctor's House)
- Festivals and events

Assess strengths, weaknesses, opportunities, and threats (SWOT) facing Kleinburg:

- Current business stakeholder performance
- Loss of village/historical character
- Competitive factors
- Cost of doing business
- Stakeholder and community cooperation
- Permitted uses, Heritage Conservation District Designation, development standards

Prepare an analysis of Kleinburg's economic role within the broader region.

Conduct a business owners' survey focusing on the Kleinburg Core and Mainstreet Commercial revitalization, assessing business owners' issues and needs.

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Determine market potential for new businesses by analyzing Mainstreet Commercial and Kleinburg Core Areas and identify business opportunities and target markets – where patrons are coming from:

- Local residents
- Visitors
- New events, cultural activities
- Partnership opportunities with local attractions (e.g. McMichael)

Identify the initiatives that Kleinburg should focus on over the next ten years in order to facilitate:

- The retention of existing businesses in the Kleinburg Core and Mainstreet Commercial Areas
- Extended local and tourism attendance and activity
- Capitalization on many natural heritage features to support green tourism
- Wedding tourism
- Aesthetic appeal of the village core

#### Strategy Timeline

##### Stage 1: May 17 - July 30

Preparing the Request for Proposal (RFP)  
Internal RFP review and approval  
Release of RFP through Purchasing  
Deadline for questions to be submitted by proponents  
Close RFP  
Evaluation of RFP Submissions  
Optional: Interview of Proponents  
Award

##### Stage 2: August 9 - October 29

Strategy Process  
Consultations/Workshop/Research  
Draft Strategy

##### Stage 3: November 1 - November 26

Final Report/Strategy

#### 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

Main Street revitalization has occurred in Markham and Unionville and a similar revitalization in Kleinburg will create a third key “Main Street” to strengthen the region’s position as a destination for visitors and residents alike.

#### Conclusion

This Strategy will help establish a vision for future development, define the business/residential mix that will enhance local service delivery, instill a sense of belonging for residents stimulate the local economy, enrich the local social and cultural life and draw visitors to the vibrant community of Kleinburg - a destination or choice.

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**Attachments**

A. Letter to Kleinburg Business Improvement Area

**Report prepared by:**

Tim Simmonds, Director, Economic Development Department

(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.)