

ECONOMIC DEVELOPMENT COMMITTEE – DECEMBER 8, 2009

EMPLOYMENT SECTORS STRATEGY STUDY - STATUS UPDATE

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.

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.

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 refocussed in new product segments, particularly ethnic and specialty organic products.

The professional, scientific and business services sector, together with information and cultural industries and environmental or green industries, were identified as sectors for

attraction. Community assets such as the new hospital will give rise to spin-off healthcare and social services. Targeting these sectors provides employment for a segment of the current population that is having to commute to work outside the community. Cultural and creative industries, including arts, recreation and tourism complete the list of sectors to attract.

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

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

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Respectfully submitted,

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