

**millierdickinsonblais** inc.

# **Building a Gateway to Tomorrow's Economy**

**City of Vaughan Economic Development Strategy  
2011-2021**

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## Contents

1	Executive Summary .....	4	5.2	Goods Movement Hubs/Initiatives across Canada and the United States .....	37
2	Introduction.....	6	5.3	Opportunities and Assets .....	41
3	Edge Cities, Mega Regions and Incubation: Vaughan in its Metropolitan Context .....	8	5.4	Challenges.....	44
4	Vaughan’s Value Proposition & Strategic Focus .....	12	5.5	Considerations for Vaughan.....	44
4.1	Sector Based Clusters .....	13	6	Vaughan Metropolitan Centre .....	45
4.1.1	Defining Vaughan’s areas of Cluster Convergence .	13	6.1	Transit-Oriented Development .....	47
4.1.2	Targeted Areas of Convergence and “Incubation” ...	17	6.2	Opportunities and Assets .....	52
4.1.3	Vaughan’s ‘Pyramid of Support’ .....	17	6.3	Considerations for Vaughan.....	57
4.2	Convergence Sector Highlights and Implications .....	21	7	International Friendship and Twin City Relationships .....	58
4.3	Convergence Sector: Innovative Research, Development, and Design .....	22	7.1	Best Practices.....	59
4.3.1	Global Trends and Context .....	23	7.1.1	The Hanseatic Model.....	59
4.3.2	National/Provincial Trends and Context.....	25	7.1.2	Best Cities Global Alliance .....	59
4.3.3	Local Trends and Context .....	27	7.1.3	The St. Catharines, Ontario – Oulu, Finland Model .	60
4.3.4	Considerations for Vaughan.....	28	7.1.4	The Global Hometown Model.....	61
4.4	Convergence Sector: Advanced Goods Production and Movement.....	28	7.2	An International Business Development Strategy for Vaughan .....	63
4.4.1	Global Trends and Context .....	28	7.3	International Learning Partnerships .....	68
4.4.2	National/Provincial Trends and Context.....	30	7.4	Practical Implications.....	70
4.4.3	Local Trends and Context .....	32	8	Marketing Vaughan .....	72
4.4.4	Considerations for Vaughan.....	33	8.1	Economic Development Marketing and Place Branding ..	72
5	Vaughan Enterprise Zone .....	34	8.2	Key Marketing and Branding Considerations .....	73
5.1	Development Phasing and Land Use .....	35	8.2.1	Web Presence and Social Media .....	73
			8.2.2	Publications .....	75
			8.2.3	Partnerships and Relationships.....	76
			8.2.4	Memberships .....	76

- 8.2.5 Business and Community Engagement ..... 77
- 8.3 Vaughan’s Core Activity Areas ..... 78
  - 8.3.1 Brand Integration and Place Branding ..... 79
  - 8.3.2 Sector-specific Marketing ..... 80
  - 8.3.3 Location-specific Marketing..... 83
  - 8.3.4 Partnership and Relationship Building ..... 85
- 8.4 Marketing Action Plan ..... 86
  - 8.4.1 Brand Integration and Place Branding ..... 86
  - 8.4.2 Sector-specific Marketing ..... 86
  - 8.4.3 Location-specific Marketing..... 86
  - 8.4.4 Partnership and Relationship Building ..... 87
- 9 Vaughan’s Staffing & Operational Structure ..... 88
  - 9.1 Staffing Economic Development Services ..... 88
  - 9.2 Creative Economy Development: A New Mandate for Economic Development ..... 88
  - 9.3 Economic Development Functions..... 90
  - 9.4 Vaughan Business Enterprise Centre ..... 91
  - 9.5 Reorganized Department Structure ..... 92
    - 9.5.1 Realigned Positions..... 93
    - 9.5.2 Proposed Positions ..... 94
  - 9.6 Budgetary Considerations..... 95
- 10 Strategic Goals and Action Plan ..... 97
  - 10.1 Building a Gateway to Tomorrow’s Economy ..... 103
- Glossary of Terms ..... 125

## 1 Executive Summary

This Economic Development Strategy for the City of Vaughan was developed based on a need to integrate economic development activities into a greater framework of partnerships and activities focused on creating a vibrant community life that is inclusive, progressive, environmentally responsible and sustainable. It is a 10-year plan that provides a compass for both public and private resources to achieve those goals, and ties together all of the work done through the Vaughan Vision 2020 Growth Management Plans. As such, it presents Economic Development Department activities as a necessary component to achieving all of the goals and objectives for the City over the next 10 years.

The Strategy represents the culmination of several months of work by staff and an external project team from the consulting firm of Millier Dickinson Blais. As per the original RFP, the report is broad and wide-ranging, covering issues as diverse as economic development target sectors, key development zones within the City, strategic analysis of the City's competitive positioning, an overview of potential economic development marketing directions, a reorientation of the City's international municipal partnerships, and a restructuring of economic development staffing.

To cover this broad range of issues, the report has been broken into key chapters, each addressing a different set of economic development issues. Chapter 1 consists of this Executive Summary, while Chapter 2 is an introduction, providing insight into the key deliverables outlined in the original RFP.

Chapter 3 begins by providing a thematic overview of Vaughan's context in light of current thinking on urban issues and economic development. It begins by analyzing the City's role as an "edge city" – a major centre of future growth at the "gateway" or access point to the GTA "mega region." Because of its geographic position, ample supply of developable land and proximity to major transportation

corridors (especially rail and highway), Vaughan's existing position on the "edge" of the GTA could make it one of the primary investment and economic nodes in the GTA region (and beyond) over the next 20 years. This chapter suggests that Vaughan begin to think of its edge position in the context of a gateway: goods, people, financial flows and economic activity will all flow in and out of the mega region through Vaughan. In this sense, Vaughan is both the entryway and the exit from the GTA, and occupying this position brings considerable economic advantage. To cement this position, the report suggests that Vaughan adopt a "city as incubator" concept to complement its gateway positioning. With investment and economic activity flowing through the community, the City may capture this activity and reap its benefits by establishing structures, programs and activities that provide Vaughan-based businesses with competitive advantages and support services over businesses in other communities. In essence, other communities may have incubators – places where emerging businesses may access increased levels of support – but Vaughan IS an incubator. While the edge city role of gateway will bring investment potential to the community, the incubator role will keep it there.

Chapter 4 builds on the results of the seven sector overviews found in the background economic analysis report, to begin to define a strategic direction for Vaughan's economic development work. Rather than pursuing a scattershot approach to chasing targets in seven distinct sectors, the Strategy looks at areas of "convergence" or overlap between the target sectors. In this manner, it identifies nodes of economic activity where Vaughan is developing strong economic "clusters" or centres of competitive advantage, which may be used to distinguish Vaughan from its competitors, and to attract key investments to the community based on a genuine "value proposition" to business. Through this detailed analysis, the Strategy defines two key areas of activity: the convergence targets sector of "Innovative Research, Development & Design" and the convergence sector of "Advanced Goods Production & Movement." Each of these

convergence sectors is described and explored in detail, and a set of specific economic development opportunities and assets identified.

Chapter 5 examines opportunities in the Vaughan Enterprise Zone, with a particular focus on ways in which the Zone supports the edge city “gateway” role in economic development. A range of best practices in economic development are considered, and linked to opportunities in this area of the City. Chapter 6 provides an overview of opportunities and activities in the Vaughan Metropolitan Centre (VMC). It considers the VMC’s gateway role as well, and considers best practices in transit-oriented development which provide insight into how Vaughan can make use of the pending subway connection to the rest of the GTA. It also considers the implications of the VMC as an anchor in efforts to promote and enhance arts and cultural activities within the community. These are considered in light of the “creative economy” theories of Dr. Richard Florida and the City’s recent Cultural Plan.

Chapter 7 examines the City’s existing municipal twin and friendship city relationships. It suggests that the existing relationships exist primarily for cultural purposes, and that economic development needs are reflected in a different set of international partnerships. It lays out a series of options for new partnerships building on the “gateway” profile of the City, and looks at logical economic rather than strictly cultural connections.

Chapter 8 examines marketing issues in an economic development context, and lays out a series of objectives for Vaughan as it begins to consider its options for the implementation of this Strategy. In particular, it speaks to ways in which marketing tools may be positioned to further the goals of the Strategy. While a portion of this discussion relates to traditional marketing approaches (websites, brochures, trade shows, etc.), it also considers ways in which the emerging social media tools of Web 2.0 may be employed by the City to further its economic development objectives.

Chapter 9 examines the staffing structure of Vaughan’s Economic Development function in light of the new strategic direction. It also considers comparable operations in other jurisdictions, and makes a series of recommendations regarding the reorientation of some staffing resources within the department. In general, this restructuring creates a department fully aligned with the Corporation’s strategic plans while focusing efforts through business development and retention and expansion.

Chapter 10 provides a detailed Action Plan to be pursued in the implementation of the broader Economic Development Strategy for Vaughan. It divides the proposed actions under four main goals:

1. Position Vaughan as the gateway of economic activity to the Greater Toronto Area
2. Develop Vaughan as the incubator of entrepreneurial and economic activity for the economic region.
3. Provide best-in-class economic development services.
4. Grow Vaughan’s dynamic quality of place and creative economy.

This report is in part based on the Vaughan Background Economic Analysis and Appendices report completed at the start of the Economic Development Strategy process by Millier Dickinson Blais. This background report built off of the results of the Employment Sectors Strategy report, and provided the foundational information that guided the development of the Strategy. This associated report includes detailed sector overviews of the seven sectors identified through the Employment Sectors Strategy, a summary of public consultation findings undertaken through the Economic Development Strategy process, a set of definitions of industrial codes used extensively within the background report, and a draft policy on the hosting of foreign delegations.

## 2 Introduction

Recently, the City of Vaughan has launched a process to reorient and renew its economic development operations. While there has been significant success in the past, the challenging realities of the 21<sup>st</sup> Century economy call for new directions, new ideas and new approaches to enhancing economic growth, attracting investment and ensuring that opportunity continues to be a significant part of Vaughan’s quality of life. From this perspective, the primary goal of this strategy is to set out a sustainable plan allowing Vaughan to take its place on the global stage as a premier destination for both people and business. In order to achieve this, a strategy has been identified which:

- Strives for overall excellence while building on existing strengths
- Showcases Vaughan as a place to achieve significant business success
- Promotes creativity, innovation, entrepreneurial, and environmental best practices
- Utilizes sophisticated targeting and messaging tactics to reinforce the positive image of the City
- Builds and enhances the community’s international reputation and profile
- Supports the growth of small business and entrepreneurship

While these activities will cover a wide range of issues and resources, the focus of the strategic plan itself is rooted in the real world. From this perspective, the strategy’s actions and directions are:

- Positive, productive and realistic
- Tangible and achievable
- Affordable and actionable given the resources available
- Appealing to potential partners both within the community and outside

At the same time, they are based in a sound understanding of what makes Vaughan different – in a sense of its unique “value proposition” to local business and entrepreneurs, to external partners and to potential investors. By linking this unique sense of how Vaughan can best meet the needs of economic actors to specific targets and areas of activity, the strategy seeks to differentiate Vaughan from its competitors. At the same time, it considers many of the community’s existing plans and projects – from the Enterprise Zone to the Metropolitan Centre to the City’s international partnerships – in light of how they may connect, reinforce and strengthen the overall economic development direction.

This plan is ambitious and far-reaching. Within the City’s economic development operations, it will require a reorientation of staffing and a reallocation of some resources. From this perspective, it is based on the notion that 21<sup>st</sup> Century economic development will look and feel different than what preceded it. It will be based in different realities, different industries, and different skills. It will be implemented by different players, with different approaches and different tools. But ultimately, the goal of Vaughan’s economic development strategy remains the same: to position a dynamic and growing City, situated on the leading edge of one of North America’s most dynamic economic centres, to attract key investments, key people and key community assets in order to create a thriving, healthy economy rooted in a high quality of life.

From this latter perspective, the Strategy seeks to build on Vaughan’s unique identity as a rapidly growing “edge city” linked to a large and dynamic “mega region”. It describes the City’s opportunity to position itself as a “gateway” to and from the mega region, and to anchor its economic development activities in the thematic concept of “the City as incubator.” This unique and powerful approach to economic development builds on the City’s key economic assets, and significantly distinguishes it from its competition in the emerging global economy.

Four key goals were developed to guide the City's economic development activities. Each goal has a discrete number of objectives and required actions in order to achieve those goals. Where possible, the objectives and actions from other strategies and plans from Vaughan Vision 2020 have been included to establish a commitment from the Economic Development Department to pursue those actions. To achieve economic prosperity through the year 2020, the Economic Development Department will:

- 1. Position Vaughan as the gateway of economic activity to the Greater Toronto Area**
- 2. Develop Vaughan as the incubator of entrepreneurial and economic activity for the economic region.**
- 3. Provide best-in-class economic development services.**
- 4. Grow Vaughan's dynamic quality of place and creative economy.**

### 3 Edge Cities, Mega Regions and Incubation: Vaughan in its Metropolitan Context

The “Edge City” concept was developed by an American Author Joel Garreau, in his 1991 book *Edge City: Life on the Frontier*. At the time, Garreau was attempting to address what he viewed as the third wave of urban form moving into new frontiers. He noted that after the mass suburbanization of residential uses post World War II, came the “mall” of America, with the movement of major retail out of the downtown core in the ‘60s and ‘70s. This was followed closely by the movement of much of the rest of the economic activity traditionally centred on the downtown area, including the majority of jobs, out to the periphery of the city through to the late ‘80s and early ‘90s.

In the American context, edge cities:

- Had 5 million square feet or more of leasable office space, or the workplace of the “Information age”
- Had 600,000 square feet or more of leasable retail space, or a “fair-sized” mall of 80-100 shops and boutiques
- Accommodated more jobs than bedrooms
- Were perceived by the population as a regional centre of jobs, shopping and entertainment
- Were primarily rural or residential as recently as 30 years before

These centres exemplified the decentralization of economic and commercial activity. Office campuses and large-scale mall developments replaced office towers, street-level storefronts, and downtown department stores. In a way, this has been the dominant urban form in the last half century, giving rise to American centres like the Meadowlands/Hoboken in New Jersey, White Plains in New York, Tysons Corner in Virginia, and Burbank in California. In the Canadian context, Garreau suggests that the North York-North

Yonge, Midtown-Yorkville, and DVP-401 areas could be considered Edge Cities for Toronto.

Much of the growth and economic opportunity in the edge city was fuelled by lower land prices, greenfield development opportunities, and market demand. Land was simply cheaper and more plentiful in the peripheries of metropolitan areas and permitted lower density developments. As well, much of the workforce of the metropolitan area had vacated the older city in favour of the suburbs, and the jobs and population-related services were simply following the workforce to those areas.

There has been considerable debate between urban thinkers about the appropriateness and sustainability of this type of development. Some of these Edge Cities were never really “Cities” in the traditional sense of the word, in that they never fully replicated the urban form and systems that were present in traditional downtowns and metro areas. The resulting dispersed urban form and segregated land uses, built to automobile scale, makes improvement through redevelopment, intensification and transit expansion slightly more difficult than redevelopment in many grid-based older urban areas. This challenge is highlighted by the most recent economic downturn being felt across the globe, and the effects that it is having on urban form and many of these Edge Cities or older suburban cities.

Suburban areas populated through lax mortgage and lending practices, especially in the US, have been hit particularly hard by the economic downturn. As well, edge cities and periphery areas through the US and Canadian Great Lakes region, long a manufacturing heartland but more recently affected by industrial decline have also experienced challenges. These areas are struggling with high rates of residential and office vacancy, declining population, the shuttering of retail outlets and malls, and generally diminishing economic opportunity. Many of those areas are now struggling to re-invent themselves, primarily by implementing policies to encourage more



urban development, such as higher densities, transit expansions, or mixed use developments. And though some strong progress is being made in many of these areas, it remains a very difficult proposition to redevelop to accommodate uses and systems that these areas were never designed to accommodate.

So what will be the fate of these edge cities given a somewhat new reality in the global economy, where traditional patterns of consumption and production are giving way to entirely new economic systems?

In 2010, Richard Florida released *The Great Reset* to explain the new realities in which cities and Mega Regions (As identified in his article *The Rise of the Mega Region*<sup>1</sup>, and popularized in his book *Who's Your City?*) will compete for people and business investment. Florida suggests that after each historical economic downturn, there has been an economic “reset” that changed the way people lived and worked, and shaped the geographic and economic distribution of cities and regions. The “new normal” that has emerged as a result of the most recent economic downturn will reflect:

- New attitudes towards consumption and ownership, especially for big-ticket items like houses and cars
- The transition of millions of service jobs into middle-class careers that utilize the creative and innovative talents of those workers
- New and different types of infrastructure for moving goods, people, and ideas at a faster pace
- A very different and much denser economic landscape organized into “Mega Regions” that drive the development of new industries, jobs, and quality of life

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<sup>1</sup> Florida, R., Gulden, T., and Mellander, C. *The Rise of the Mega Region*. The Martin Prosperity Institute, 2007.

In the context of geographic distribution, Florida suggests the Mega Region is the new economic region through which cities will compete at the global scale. These agglomerations combine older downtowns and urban areas, as well as the sprawling offices and malls in edge cities and smaller areas in the urban periphery into larger mega regions that in some cases span all other boundaries, including political. One of the key elements of success within these mega regions, Florida suggests, is the ability to move people and goods – “the tangible bits of the real world” – at a similar rate with the flow of electronic information through the virtual world.

Alternative modes of transportation, from intra-regional high-speed rail, to regional heavy or light rail, paired with mixed-use intensification to support that development are primarily seen as the ways to connect the mega region. This is especially relevant given the intensification that could occur in these areas, and associated congestion should traditional forms of commuting continue. Overall, this suggests that areas more efficiently connected to the major city-centres that will have the highest concentrations of jobs, innovation, and commercial activity, will be positioned well for economic prosperity as the new economy progresses.

Vaughan does not have many of the developments that would characterize it as an “Edge City” in the traditional sense of the term. Vaughan does have a significant portion of leasable retail space and status as a destination for retail and entertainment, as well as a significant portion of residential development. However, the City lacks some of the major office development that has occurred in other cities surrounding large centres, such as Markham or Mississauga in Toronto, or Kanata in Ottawa. The city is instead home to significant industrial and manufacturing uses that have instead been the primary driver of the economy.

In fact, Vaughan is more of a city on the edge, than an “Edge City”. There is no question that the City’s location at the edge of Toronto provides a major opportunity. In recognition of the demand coming

from the Northern GTA to access the downtown area, the TTC is expanding the York-Spadina line to the city, terminating at the Vaughan Metropolitan Centre. The transit connectivity, that the subway and associated expansion of regional transit to feed that subway line represents, ensures that there is potential in the VMC for a range of commercial, office, and residential uses.

Of primary importance to the city are the existing and planned transportation connections that connect it with, and represent important features for the Tor-Mon-Tawa (Toronto-Montreal-Ottawa) mega region. The subway represents a high-capacity connection to downtown Toronto. Simply put, this connection opens a range of opportunities for the city to connect with the rest of the Mega Region, primarily for the movement of people. It positions Vaughan as a “gateway” or entrypoint to the GTA and the mega region beyond, a centrepoint in the movement of goods and people in and out of the nation’s largest market. And with the movement of people comes the movement of ideas, creativity, and innovation. Vaughan has an opportunity to use its “edge” position to become the focal point of new development in the GTA, and an incubator of next generation enterprise. Where traditional economic development programs may seek to designate specific buildings or offices as incubators, Vaughan has a unique opportunity to make the entire City an incubator, attracting, nurturing and growing the next generation of economic activities for the broader region. By setting itself as an incubator of design and innovation, Vaughan will position itself as a city on the cutting edge, rather than a city on the peripheral edge.

By way of that connection to Toronto, Vaughan is connected to other important transportation networks throughout the Mega Region as well. Should high-speed rail ever develop along the Windsor-Quebec corridor, the City will be directly connected to a major hub along that rail line. But Vaughan’s strengths for business and economic development are about much more than being on the edge of Toronto. As home to the largest CPR intermodal facility in Canada,

the city represents a major economic gateway for both import and export within the Mega Region, via a transportation method that is widely believed to be a “greener” choice than other methods. The city is one of the Mega Region’s gateways to the Asia-Pacific region, and one of the Asia-Pacific Region’s gateways to Tor-Mon-Tawa. The Asia Pacific Region gateway opens opportunity to the world’s largest market for green building products and advanced manufactured goods, among other economic opportunity.

These strengths are in addition to those that come with excellent highway connections, proximity to Canada’s largest airport, and strengths in goods production and movement. Vaughan is not an Edge City, it is a city on the edge of the economic region, set for population and employment growth. In summary, if cities and regions are to start competing globally as larger economic units, then Vaughan is positioned to be a leader within the larger economic region.

As an area forming the urban edge of the GTA, with a large supply of greenfield lands and development opportunities, Vaughan is a key location for future residential, commercial, institutional, and industrial development in the GTA and the larger economic region. In and of itself this is a strong asset to draw investment to the community. However, the city should not be content to house the same types of developments that have characterized urban areas in the outer areas of metropolitan centres over the last several decades. The focus should be on the development of high-value targets: businesses and talented people that can assist with the development of the city and produce benefits to the local economy that increase economic, social, and environmental well-being.

In order to ensure that Vaughan differentiates itself from other similar areas in this competition, an alternative approach to economic development service delivery could be used in light of the city’s vacant lands, industrial base, infrastructure, and geographic positioning. While other cities mention the desire to create an

incubator of innovation and business venture, Vaughan has the potential to **be** an incubator of innovation and business venture. The Economic Development Department, the Vaughan Business Enterprise Centre, and a range of other public and private partners will focus on creating a proactive and unified system of business support services to nurture business ventures of all types and sizes. Instead of a bricks and mortar facility, the City and its vacant lands and development opportunities will provide the spaces in which business ventures can grow.

For example, the VMC has the opportunity to develop as an incubator of research and design, culture, and environmental sustainability. City policies should encourage these uses, economic development services should expand the local knowledge base to encourage innovative development, investment attraction should focus on bringing these types of firms to the VMC, and work should be done to encourage collaboration and cross-fertilization of ideas between the businesses in the VMC. Doing so will facilitate the attraction of cutting edge people to spur creativity and innovation and position the city and the local economy within the “new normal.”

Similarly, the Vaughan Enterprise Zone represents an opportunity to demonstrate industrial operations within the “new normal”, where sustainability and innovation are more prominent. The City can attract innovative industrial firms, while encouraging existing firms to locate there and expand. As a largely vacant area with minimal existing infrastructure, there is an opportunity to develop a true eco-district - one that utilizes cutting edge technologies like district heating and co-generation - to “green” traditionally energy-intensive industries.

The city’s geographic positioning and connectivity provide businesses access well beyond the city’s borders, while those same assets provide the world access to the City’s business ventures and creative capacity. Overall, the focus will be on creating resources, tools, expertise, and infrastructure that may not be accessible

elsewhere that can facilitate these interactions, and support the growth of businesses of all sizes, in all areas of the economy.

## 4 Vaughan's Value Proposition & Strategic Focus

The City of Vaughan has identified seven (7) target sectors to serve as areas of focus for the City's economic development activities through the recently completed Employment Sectors Strategy. These target sectors, which are discussed in detail in the Background Economic Analysis and Appendices report, include:

- Advanced manufacturing
- Professional, scientific and technical services
- Transportation, logistics, warehousing and distribution
- Corporate headquarters
- Building products
- Cultural industries and tourism
- Educational services, health care and social assistance

However, there are two areas of concern surrounding these target sectors. The first lies in the number of sectors involved. There are seven areas of focus, each of them quite broad in nature, begging the question if indeed there is sufficient 'focus' to the target sectors. The second concern is, perhaps, closely related to the first. In and of themselves, these targets are not necessarily remarkable or unique, as many other communities in the province or country have identified similar target sectors.

In the GTA alone, 10 communities have targeted advanced manufacturing, as well as three regional municipalities. Reflecting this common approach, both the Greater Toronto Marketing Alliance (GTMA) and the Toronto Region Research Alliance (TRRA) have made advanced manufacturing a priority action area in their regional activities. This is in addition to several other communities in the GTA that have targeted traditional manufacturing as well.

As the ESS makes clear, each of these target areas has a certain logic and strength in the context of Vaughan's economy. The

challenge lies in the ability to understand the local context in creating a value proposition that is unique and compelling, allowing Vaughan to build its competitive advantage over other communities while differentiating itself in marketing the city to potential investors. In doing so, the City will have a clearer, more focused set of targets for future economic development activities.

The very notion of pursuing investment in "target sectors" of the economy is based upon the economic development concept of "cluster development," the idea that industry groups together in nodes of concentration. These nodes arise where resources are thickest – where concentrations of talent, of infrastructure and amenities, of financial capital, etc., are present and available to participants within the cluster. Vaughan, for example has identified building products as a target sector. This might be based on the presence of, or ability to, develop a thickness of building products related resources located in Vaughan. Or perhaps the development of the sector can be linked to a set of external forces, interconnected to provide a network of support that is unmatched by other communities, i.e. land use policies that encourage the use of green construction materials and sustainable techniques in development. In part, the collective set of these support structures are often included in the consideration of an economic "cluster".

Economic development practitioners have long embraced the concept of cluster development as a key component of their strategic activities. Introduced by Harvard University's Michael Porter in 1990, cluster theory describes the interactions of concentrations of interconnected businesses, suppliers and associated institutions within particular sectors of business and industry. Clusters may be defined in four ways:

- Geographically (i.e. interactions within a specific region)
- Horizontally (i.e. interactions between businesses to share resources)

- Vertically (i.e. interactions based on supply chain management)
- Sectorally (i.e. interactions between businesses in a given business field)

## 4.1 Sector Based Clusters

### 4.1.1 Defining Vaughan’s areas of Cluster Convergence

Initially, the term “cluster” was applied only to large and significantly resourced industry concentrations, particularly the world leaders in given fields (such as Silicon Valley for ICT or Zurich for pharmaceuticals). More recently, economic development practitioners have taken to employing the phrase in a less grand sense, and more as a “short hand” for explaining the potential to grow local economies by building on areas of concentration and interconnectedness within their own community. In most cases, the clusters identified are geographic and sectoral in nature.

Most communities will have several business sectors where there is evidence of a concentration of business activities and opportunities. These are often referred to as areas of local competitive advantage, and form the basis of strategic targeting exercises in economic development activity. Vaughan’s seven target areas represent, in this sense, the community’s belief that seven geographically concentrated sector clusters are present within its local economy, or at least that they may be developed over time. However, as noted above, the challenge lies in a community’s ability to differentiate itself from other communities with similarly identified business sectors. What Vaughan’s value proposition should seek to do is to differentiate the community by identifying aspects or facets of its clusters that are rare or even unique.

The solution to this challenge lies in understanding the interactions between a community’s sector-based clusters. Many communities have a strong building products sector. Many have a strong

advanced manufacturing sector. However, far fewer have strength in both. From this perspective, each time an additional cluster is identified, the community’s value proposition to a certain segment of potential investors is strengthened.

This approach to the value proposition allows communities to identify those specific areas of strength that are complimentary to each other, and thus identify the point or points at which the community has a regional, national or global competitive advantage. These advantages may then form a key part of the larger value proposition that may be used to lure or attract external investment to the community, or to anchor increased internal investment.

At a practical level, this approach suggests that Vaughan’s area of greatest competitive advantage lies in activities that incorporate more than one element of activity from different cluster strengths. For example, unique competitive advantages begin to emerge at the point of overlap between advanced manufacturing and the building products sector, where the fringes of these sectors begin to merge. Few communities, like Vaughan, are strong in both the advanced manufacturing and building products sector. Vaughan should be able to significantly out-compete many other communities for investments that rely on or are linked to both of these sectors.

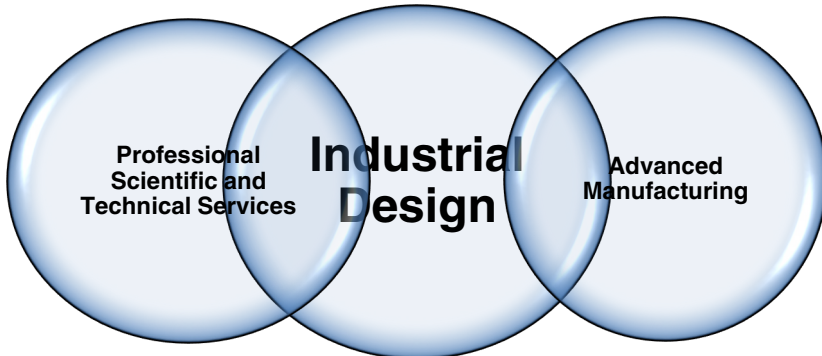
Following this idea of convergence, it is possible to begin to map out a model of how multiple sectors relate to and support other target sectors. These relationships and areas of convergence generate an optimal value proposition for Vaughan on the basis of a particular configuration of cluster activity in the community.

Where two circles show overlapping interests and activities, the community has an area of competitive advantage at a regional or national level. In Vaughan’s case the ESS discussed each sector in detail including subsector activities by North American Industry Codes (NAICS). This work was expanded on in the Background Economic Analysis report. Reviewing this research paints a picture of

how these activities in various sub-sectors may be related to each other.

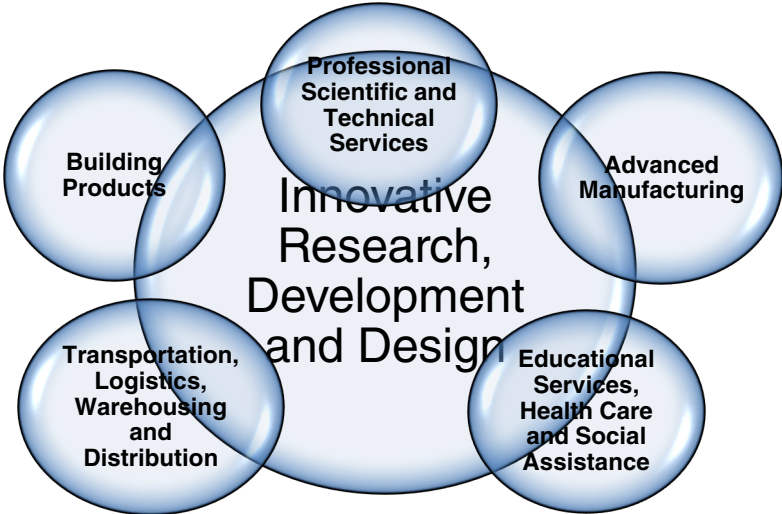
The figure below notes this convergence concept at the two-sector level. Where the professional, scientific, and technical services (PSTS); and advanced manufacturing sectors converge, there is an innovative sector focused on the design of products and processes. The sector draws specializations from the PSTS sector in computer systems and design, as well as manufacturing process expertise to create innovative new high-value products with excellent design or efficient manufacturing methods for use in advanced manufacturing companies.

Figure 1: Sector Convergence - Industrial design



As additional clusters are added to the convergence model, the narrower the focus or specialization of the convergence cluster, and the stronger Vaughan’s value proposition becomes.

Figure 2: Convergence - Innovative research, development and design



The model presented in the figure above suggests that in Vaughan’s case, five of the target sectors or clusters have a concept in common: innovative research, development and design. Figure 18 describes the activities related to innovative research, development and design in each of the five sectors.

The Organization for Economic Co-operation and Development defines research and development as, “creative work undertaken on a systemic basis in order to increase the stock of knowledge...and the use of this stock of knowledge to devise new applications”<sup>2</sup>. Design is a broad based concept that may apply to a product, system or structure. The unifying theme is creativity and application to products, systems and structures.

<sup>2</sup> OECD Factbook 2008: Economic, environmental and social statistics <http://puck.sourceoecd.org/vl=789024/cl=16/nw=1/rpsv/factbook/070101.htm>

As a convergence sector, there are a few broad categories of activities within Vaughan’s innovative research, development and design cluster:

- Industrial design and prototyping including product and equipment design and application;
- Systems design including computer, record management, manufacturing and logistical systems;
- Engineered materials for manufacturing, transportation and building applications
- The design of space and buildings including research and application of green technologies and concepts
- Medical and pharmaceutical research.

Educational Services, Health Care and Social Assistance	<ul style="list-style-type: none"> <li>• Electronic records management</li> <li>• Advanced medical equipment design and development</li> <li>• Computer systems design services</li> </ul>
Professional, Scientific, and Technical Services	<ul style="list-style-type: none"> <li>• Architectural and engineering design</li> <li>• Computer systems design</li> <li>• Industrial design and prototyping</li> </ul>

Figure 3: Innovative research, development and design activities

Target Sector	Innovative Research, Development and Design Activities
Advanced Manufacturing	<ul style="list-style-type: none"> <li>• Robotics and automation systems</li> <li>• Advanced control systems</li> <li>• Innovations in processing</li> </ul>
Transportation, Logistics, Warehousing and Distribution	<ul style="list-style-type: none"> <li>• Tracking and GPS systems</li> <li>• Efficiency modelling</li> </ul>
Building Products	<ul style="list-style-type: none"> <li>• Green product development and prototyping</li> <li>• Green building modeling</li> </ul>

Returning to the idea of the value proposition and investment attraction, Vaughan should direct attraction and growth strategies at companies actively engaged or interested in the activities discussed here. The strength in the value proposition is that companies that are focused on or have activities in any area of innovative research, development and design will be attracted to Vaughan for the diversity and depth of activities already in Vaughan. This diversity and depth offers companies the opportunity to perhaps expand their own activities, collaborate with others, or seek opportunity in the value chain through securing suppliers or customers in Vaughan.

As the convergence sector profile will demonstrate though, some of this development will be dependent on additional external forces. For example, the creative people that are engaged in innovative research and design activities require a certain type of firm in an area, but also a set of inter-connected services and qualities that combine to make an area an attractive place to live.

Similar to the model presented above, advanced manufacturing shows evidence of convergence with transportation, logistics, warehousing and distribution (TLWD) as well as building products.

As a convergence sector there are three broad categories of activities where advanced manufacturing, TLWD and building products exhibit overlap:

- Composites including the development and application of paints, coatings, resins, auto parts, wood products and other transportation and building product parts, components and materials.
- Green technologies including the development, manufacture and application of energy (power and heating/cooling) and waste management systems.
- Development and application of robotics and automated and advance control systems in building, construction and warehousing and logistics applications.

Figure 4: Convergence – Advanced goods production and movement

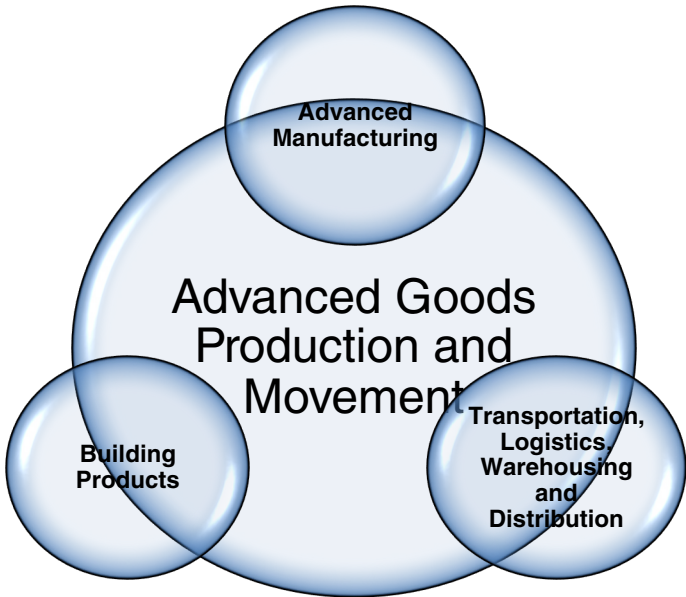


Figure 5: Advanced goods production and movement activities

Target Sector	Advanced Goods Production and Movement
Advanced Manufacturing	<ul style="list-style-type: none"> <li>• Development and applications in waste reduction and energy conservation</li> <li>• Development and use of robotics, automation and advanced control systems</li> </ul>
Transportation, Logistics, Warehousing and Distribution	<ul style="list-style-type: none"> <li>• Application of products and concepts to reduce waste and conserve energy</li> <li>• Use of robotics, automation and advanced control systems</li> <li>• Plastic product manufacturing</li> <li>• Chemical manufacturing</li> <li>• Transportation equipment manufacturing</li> </ul>
Building Products	<ul style="list-style-type: none"> <li>• Application of energy efficient heating, cooling and electrical systems</li> <li>• Chemical manufacturing</li> <li>• Engineered wood products manufacturing</li> <li>• Cement and concrete product manufacturing</li> </ul>



Like innovative research, development and design, the development of the advanced goods movement and production sector will rely on external forces as well as the strength of the component clusters. These will be outlined in the sector profile.

#### 4.1.2 Targeted Areas of Convergence and “Incubation”

While the convergence sectors represent areas where activities in each of the traditional target sectors intersect, they also represent some of the core activities within each of these sectors. For example, due to the complexity of modern goods movement and the pressures to reduce negative environmental impacts from those activities, the transportation, logistics, warehousing, and distribution sector relies heavily on advancements in green technologies, composites, and automation, all segments of advanced goods movement and production. As well, advancements in education, health care and social assistance rely heavily on the development of a strong innovative research, development, and design sector, with creative people and firms at the core. By looking at each of these convergent sectors as the area of activities fundamental to the growth of each of the component sectors, two important benefits emerge.

First, these convergent sectors provide a focal point for the City, the local community, and local businesses when considering economic and community development services. These areas are the foundational framework upon which elements of economic and community development in the city, such as business assistance programs, international partnerships, investment attraction and retention, marketing, and development approvals can be based. Similar to the way an incubator would align services based on the sector it serves, the larger community can develop its business assistance and incubation services and efforts focused on discrete areas where important local economic sectors can benefit.

Accordingly, services delivered to grow these core activities will inherently benefit the component sectors – the convergent sectors represent an innovative way to support the growth of a diverse range

of sectors in the local economy. By focusing services in this way, the City (and community and business leaders) is leveraging limited assets to benefit the larger economy.

Consider the Vaughan Business Enterprise Centre (VBEC) as an element of the “Vaughan as an incubator” theme. By focusing on these discrete areas in addition to their existing support for small business across the economy, their services potentially extend much further than just the entrepreneur or small business they are assisting. By supporting that creative entrepreneur with a new product or process in the innovative research, development, and design sector today, their services could in turn be supporting the development of the local (or national, or even global) advanced manufacturing sector, tomorrow. Expansion of their services to larger businesses will extend this potential. The same can be said for all service delivery and business stakeholders in the city. By focusing on these areas, there is certainly potential for broader, spin-off effects in different areas of the local economy.

#### 4.1.3 Vaughan’s ‘Pyramid of Support’

The development of a value proposition and genuine cluster-growth and strategy, however, is not merely an exercise in identifying areas of convergence. It is a more nuanced approach that attempts to articulate core messages about how the configuration of the cluster strengths may be deployed to meet the needs of business in a way that drives economic growth and increased employment. It is about identifying specific and tangible reasons why an existing local business, a new entrepreneur or an external investor would choose to invest or reinvest funds within the community.

This shift is discussed at length in a range of specialist literature, including Per Lundequist and Dominic Power’s 2002 paper *Putting Porter into Practice? Practices of Regional Cluster Building: Evidence from Sweden*<sup>3</sup>. They suggest that economic developers

<sup>3</sup> European Planning Studies, Volume 10, Issue 6 September 2002 , pages 685 - 704

“use the term ‘cluster’ as something of a buzz word that represents a shift away from narrowly focused firm-based strategies to more holistic regional economic development approaches...”

They also argue that this activity, while not clustering in the traditional sense, has proven highly effective in a range of jurisdictions. This revised cluster theory represents a significant shift in economic development thinking, as it suggests that a range of local actors – not just businesses – can play an important role in driving economic growth. As the US Department of Commerce has argued, “Cluster theory also describes how factors external to the firm impact competitiveness and innovation. It is not just the characteristics of firms that create a truly competitive cluster; there are regional factors external to the firm that matter as well.” As alluded to above, success within many knowledge-based industries depends on the product or service produced, largely related to the creative talent that a firm has access to. The quality of infrastructure and amenities in a place is increasingly responsible for attracting people, rather than the types of jobs or companies present in an area. Attractive, sustainable, and liveable places, with a range of services that support both the population and business ventures have been proven to appeal to the most coveted creative talent.

This connects back to the notion that clusters arise where resources are thickest, where concentrations of talent, of infrastructure and amenities, of financial capital, etc., - all factors external to the firm - are present and available to participants within the cluster.

The process of mobilizing these external factors is still not entirely understood. However, in 2004 Maryann Feldman and Johanna Francis argued that there are three basic stages of cluster formation. They describe these in *Homegrown Solutions: Fostering Cluster Formation* as:

- The movement from latent entrepreneurship to active entrepreneurship

- The initial formation of the cluster
- The development of a fully functioning entrepreneurial environment within an innovative and adaptable industrial cluster

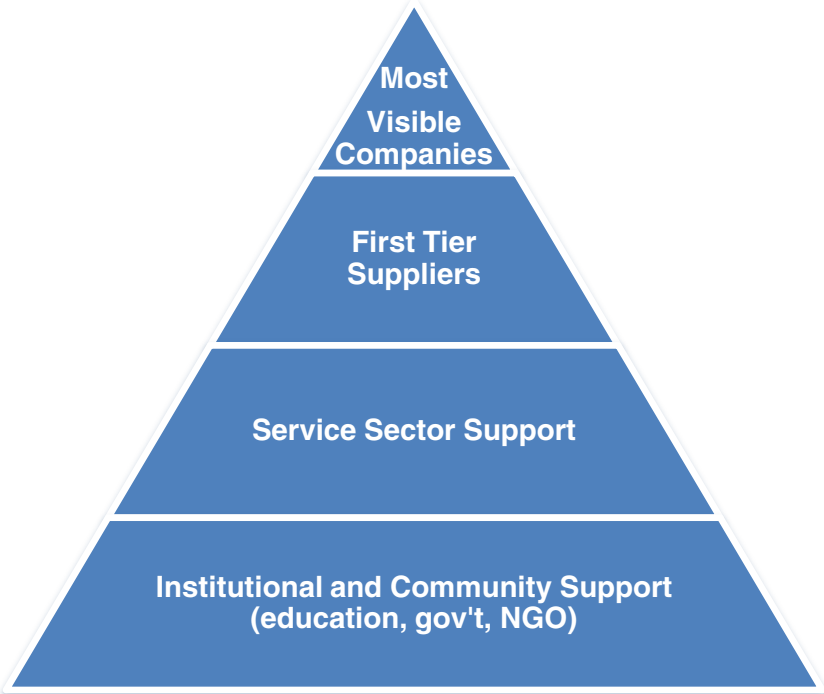
By linking the early stages of cluster development directly to this latter factor, the “entrepreneurial environment”, Feldman and Francis are rooting the cluster in a specific operational environment or business climate of a given community – which for entrepreneurial development means an area rich with opportunity, commercial and industrial interconnectedness, support structures, and human and financial capital.

In the previous section of the chapter, two areas of industrial connectedness emerged that are of particular interest to Vaughan: Innovative research, development and design, as well as advanced goods production and movement. The following section of the chapter demonstrates that this interconnectedness needs to be embedded in a broader network of community and institutional support. Millier Dickinson Blais uses a pyramid model (seen in Figure 6 below) to visualize this broader network of support systems required for a fully functioning, innovative and adaptable industrial cluster to thrive.

The top of the pyramid is represented by companies operating in the areas of convergence. The next layer is composed of first tier suppliers – those companies that supply the immediate inputs to the companies in the targeted area. In populating this layer of the pyramid, the question to ask is, “what are the inputs required by the target firms and what, if any, of those goods are supplied locally?” The subsequent layer is composed of services required of businesses including financial and professional services. However, recall the focus is not on services required of all businesses but by those businesses operating in the convergence areas. Finally, the

bottom layer of the pyramid is composed of a broader set of institutional support.

Figure 6: Pyramid of Support



To further understand the lower tiers in the pyramid, Millier Dickinson Blais employs a value chain assessment using a methodology developed by Dr. Edward Feser, the head of the Department for Urban and Regional Planning at the University of Illinois at Urbana-Champaign (UIUC). In the course of his work on regional economic analysis and supply chains, Dr. Feser has done detailed analysis on national level US statistical data related to input/output of sales, in order to develop a measurement of the relative strength of inter-industry linkages. Feser’s work shows the connection between ‘Core’ and ‘Linked’ Industries. The average propagation length (APL) is

used to note the strength of the industry connection, both forwards (linked industries that ‘purchase’ from the core industry), and backwards (linked industries that ‘supply’ the core industry). Generally speaking, the average propagation length is the average number of steps or time it takes a stimulus in one industry to propagate and affect another industry<sup>4</sup>. The lower the APL value, the tighter the linkage between a specific industry and the core industry. The relationship is noted by the figure below.

Figure 7: Conceptual Diagram of Industry Linkages



For Vaughan, this type of analysis offers a unique way of exploring the broad set of agencies and institutions supporting a convergence cluster. This can then be compared to the actual agencies and institutions in place in Vaughan to fully describe the value proposition and drive investment attraction.

Data in a Canadian context was obtained at a June 2009 workshop with Dr. Feser, supported by the Ontario Ministry of Agriculture, Food, and Rural Affairs. This data was used as a basis for the industry linkage analysis in this project. The methodology that was employed for this analysis was as follows:

<sup>4</sup> Dietzenbacher, E. and Romero, I. Production Chains in an Interregional Framework: Identification by Means of Average Propagation Lengths. *International Regional Sciences Review*, 2007

1. The industry clusters were first defined by four digit NAICS codes for the purposes of data analysis and sector characterization, as noted in the ESS. These select NAICS codes were then used as the NAICS definition of each of the target sectors.
2. Dr. Feser's analysis relies on 180 generalized industry groupings containing one or more 4 digit NAICS code. The NAICS codes within the target sectors were then attributed to their respective 'industries' in order to undertake the linkage analysis. These became the 'core' industries; of which there were multiple for each target sector.
3. A list was then produced of the top 20 backwards linked industries (suppliers) for each of the core industries. In order to undertake further analysis, each of the backwards linked industries was related back to the four-digit NAICS code(s) that defined it.

Despite the analysis being based on statistical evidence of industry relationships, there are several notes that must be made regarding the limitations of the analysis. Ideally, each of the convergence zones would correspond with a major NAICS industry sector or four-digit NAICS industry group.

- Industries included in the target sector NAICS definition may include industries with a very weak connection to the core activities of the target sectors.
- The analysis provides the strength of the industry linkage, but little information about how the industries are linked, or through what products. An explicit indication of what products or services link different industries could be useful when looking at industries with weak relationships.

Through the Feser-style analysis outlined above, the pyramid of support can be developed for both convergence sectors identified in

Vaughan. The contents of these pyramids are represented in the figures below.

**Figure 8: Support for Vaughan's Innovative Research, Design and Development Convergence Sector**

First Tier Suppliers	Architectural, engineering and related services (5413), , management, scientific and technical consulting services (5416), computer systems design and related services (5415), specialized design services (5416)
Service Sector Support	Employment services (5613), office administrative services (5611), facilities support services (5612)
Institutional and Community Support (education, government, NGO)	Civic, social, professional and other similar organisations (8134), other personal services (8129), food services and drinking places (7221-7224), accommodations (7211-7213), amusement parks, arcades and gambling industries (7131/7132), child day-care services (6244), community, food and other relief services (6242/6243), individual family services (6241), elementary and secondary schools (6111)

**Figure 9: Support for Vaughan's Advanced Goods Production and Movement Convergence Sector**

First Tier Suppliers	Paint, coating and adhesive manufacturing (3255), Coating, engraving, heat treating and allied activities (3328), Resin, synthetic rubber, and artificial and synthetic fibres and filaments manufacturing (3252), Plastic product manufacturing (3261), Rail transportation (4821), Electric power generation, transmission and distribution (2211), Veneer, plywood and
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	engineered wood product manufacturing (3212), Basic chemical manufacturing (3251), Other chemical product manufacturing (3259), Rubber product manufacturing (3262), Glass and glass product manufacturing (3272), Architectural and structural metals manufacturing (3323), Petroleum product wholesaler-distributors (4121), Ventilation, heating, air-conditioning and commercial refrigeration equipment manufacturing (3334), Engine, turbine and power transmission equipment manufacturing (3336), Other general-purpose machinery manufacturing (3339), Electrical equipment manufacturing (3353), Other miscellaneous manufacturing (3399)
Service Sector Support	Wholesaler-distributors including Electrical, plumbing, heating and air-conditioning equipment (4161), Metal service centres (4162), Lumber, millwork, hardware and other building supplies (4163), Construction, forestry, mining and industrial machinery, equipment and supplies (4172), Computer and communications equipment and supplies (4173), Chemical (except agricultural) and allied product (4184) and Management of companies and enterprises (5511), Air transportation (4811 and 4812), Automotive equipment rental and leasing (5321), Administrative services (5611), Employment services (5613)
Institutional and Community Support	Transit and ground passenger transportation (4851 through 4855), Accommodations (7211 through 7213), Other amusement and recreation industries (7139)

### 4.2 Convergence Sector Highlights and Implications

This analysis provides for a targeted approach to investment attraction, uncovering linkages between detailed industries and noting where industries occupy the areas of convergence between the target sectors. It is important to understand that it does not necessarily eliminate the work associated with the sectors that were identified in the ESS and the strategy that form each of these convergent sectors.

Instead, it complements the activity by indicating what activities within the sectors are most closely associated with Vaughan’s value proposition and which supplier industries will provide the necessary support to businesses within the target industries (building local supply capacity). Theoretically, the value proposition for these suppliers is the presence of a strong local marketplace for their goods and services.

Local economies are typically divided into the export-oriented activities and local provision activities. Innovative research, development and design offers the potential to link with the targeting of corporate headquarters for firms providing these services to export throughout Ontario, Canada and around the globe. However, there is also potential to expand the activities of existing firms to capture a greater degree of the local market. Given the diversity and convergence of five significant local industries and the growth projections for the city, there is a great deal of potential in the local market for local firms engaged in these activities. Further:

- Innovation, notes Richard Florida, is a central theme in city regions that dominate the world’s economic landscapes.
- Design is becoming the new mantra in corporate survival. Design is no longer just about creating the ‘next’ product but rather creating a design driven culture, where firms learn and apply understandings of how to connect with their customers

on a deeper level<sup>5</sup>. The most common example of this today is Apple which combines the diversity of basic functions with interface, appearance and applications making their products 'the' products to have.

- Research and development (R&D) is an essential component to innovative design, and spending on R&D is increasing. Both the American House Committee on Science and Technology and the European Commission recognize the importance of research in maintaining a thriving economy. According to Statistics Canada, domestic spending on research and development has increased from \$24.7 billion in 2003 to \$29.2 billion in 2007<sup>6</sup>; an increase of 18% in 4 years.

Vaughan is in a unique position to capitalize on this growth by creating a design oriented culture within the city and the approach to economic development. This will include not just the growth and attraction of firms engaged in these activities, but also fostering or "incubating" these activities in other firms in Vaughan. Vaughan should also be concerned with creating a place that is desired by design-oriented firms and their employees.

Vaughan's cluster convergence in advanced goods production and movement puts the city in a unique position to address these global trends. One of the clear opportunities for Vaughan is to develop the composites sector in the local area. Earlier identified as one of the activity segments in this convergence sector; composites stand out as an opportunity for Vaughan.

Composite materials can be lighter, stronger and more energy efficient with the added benefit of being partially or completely biodegradable. Transportation equipment and parts, paints, coatings,

<sup>5</sup> Do you matter: How design will make people love your company. Robert Brunner and Stewart Emery 2008

<sup>6</sup> <http://www40.statcan.ca/l01/cst01/scte01a-eng.htm>

resins, engineered wood products, glue laminated timber and fibre cement can all potentially be made from composite material. The materials can reduce waste and carbon emissions in both their manufacture and end use and as such are becoming increasingly popular in the manufacturing of vehicles and parts as well as the building products sector. Within this convergence cluster, Vaughan has an incredible concentration and strength in plastics manufacturing. This, coupled with the Magna NRC Composites Centre of Excellence, places composites and the associated manufacture of plastics, resins and other chemical products firmly in the centre of advanced goods production and movement cluster and set it as a clear target for the City's economic development efforts.

In addition, the following trends provide a preliminary rationale for investment into the rest of the convergent sector:

- As manufacturing, construction and distribution all move to improving efficiencies and cost competitiveness, the use of robotics, automation and advanced control systems is increasing.
- The global environmental movement is having a significant impact on manufacturing processes and product development; distribution systems and energy use; as well as building construction as all seek to lower overall carbon emissions and waste throughout product lifecycles.

A more detailed description of each of these convergent sectors as well as an analysis of global and national trends that affect them follows.

### 4.3 Convergence Sector: Innovative Research, Development, and Design

The innovative research, development, and design cluster, being at the convergence of several other sectors, is not about what Vaughan makes, it is about what Vaughan does. While the old economy was

concerned with mass manufacturing and economies of scale, the new economy is concerned with improving experiences and promoting the innovative concepts that emerge through smart design. Innovative research and development are key components of intelligent design.

Traditional industry sectors can be assessed and quantified using NAICS codes and data derived from Statistics Canada. However, a similar approach to innovative research, development, and design is more difficult, undermined by the fact that the NAIC system does not comprehensively cover all of the activities found within this convergence sector in an existing NAICS category. As with advanced manufacturing, this sector is as much about tools and processes as it is about the product produced. For the purposes of this strategy, the activities in this sector include:

- Research and development
- Industrial research and prototyping
- Medical equipment research and prototyping
- Development and incorporation of advanced control, robotics, and automation systems
- Innovations in processes (manufacturing, logistics/supply chain, and customer satisfaction)
- Efficiency modeling
- Engineering design
- Architectural, interior, and landscape design
- Green product development and prototyping
- Green building modeling
- Computer systems design
- Graphic and other specialized design

As such, the cluster has implications on economic prosperity in a city through business activity alone, but also through place-making and sustainable design, which contribute to the building of a great city

capable of attracting and supporting innovate firms and creative people.

#### 4.3.1 Global Trends and Context

The advanced manufacturing discussion alluded to the changes taking place in the patterns of production and consumption. Mass production has been shifting to lower cost locations, while the remaining production facilities in North America turn to producing higher value products. However, there is evidence to suggest that the shifts taking place in the economy run deeper than this.

Low cost manufacturing jurisdictions will not be content to stay low cost. As product process and manufacturing knowledge increases, the products from China and India will move up the value chain. Firms in Canada and the Western World will soon see the BRIC nations closing in on the manufacture of those high end goods seen as the ‘safe haven’ for North American manufacturers. The lesson here is that firms in Canada need to be continually focused on research, development, and design. Canadian firms need to become design leaders.

Design is not just about drawing, it is about thinking. It is not just about form, it is about innovation. Products and services need to be developed and delivered with customer experience in mind. Design is becoming the new mantra in corporate survival. Design is no longer just about creating the ‘next’ product but rather creating a design driven culture, where firms learn and apply understandings of how to connect with their customers on a deeper level<sup>7</sup>. The quintessential example is Apple. Apple’s iPod and iPhone products became a huge consumer hit not simply because of form or even purpose. Both form and purpose are important, but even more important is how the customer interacts with the product. Richard Martin, Dean of the Rotman School of Business at the University of

<sup>7</sup> Brunner, R. And Emery, S. (2008). Do you matter: How design will make people love your company.

Toronto offers the following understanding about design, “design is about refusing to accept apparent trade-offs and instead innovating around them to produce creative resolutions.”<sup>8</sup>

How exactly are firms responding to this new world order? The advertising industry in London can offer an example.<sup>9</sup> The industry is composed of a set of professionals that come together to work on individual projects; similar to the structure of a jazz band. The pieces are mixed and matched according to the project, and individual members have a highly improvisational role. The approach is similar to what others refer to as flexible specialization,<sup>10</sup> whereby smaller firms or clusters of firms are specialized on specific products; however, each output is unique and tailored to customers’ needs. The final good or service competes on qualitative attributes rather than cost.

The convergence discussion at the outset of this chapter explained that clusters are defined when there is a certain density or thickness of opportunity, of commercial and industrial interconnectedness, of support structure, and of human and financial capital. The discussion here is leading to a similar conclusion; that a design oriented economy will result in sets of smaller, interconnected firms operating within close proximity of one another. This proximity or cluster of activity offers a number of positive spin offs to participating firms:

- The development of interpretive communities that can advance product design and development
- Transferability of skills between the area where they were gained and a related area
- Flexible/short notice for procurement of product inputs enabled by density of firms

<sup>8</sup> Martin, R. (2006). What innovation advantage? *Business Week*. January 16, 2006

<sup>9</sup> Grabher, G. (2002). The project ecology of advertising: Task, talents and teams. *Regional Studies* 36 (3). Pp 245-262

<sup>10</sup> Scott, A. (2006). Creative cities: Conceptual issues and policy questions. *Journal of Urban Affairs* 28 (1). Pp. 1-17

- Increasing ability to handle global rather than regional clients based on the high degree of specialization of firms
- Highly fluid and competitive labour markets develop, allowing each firm the possibility to attract the very best

The immediate advantage for Vaughan is that it need not attempt to create this cluster, but rather to understand the existing components of the cluster, and strengthen them to encourage further development.

Labour markets that appear around industry agglomerations are of particular importance to cities and city regions. In a design economy, labour (skill and talent) is the most important input for a firm. It is the agglomeration of skills and talent that leads Richard Florida’s argument that cities and inter-connected “mega regions” are the economic engine of the new economy. Only in those urban areas, he argues, will there be a sufficient pool of skills and talent for leading innovation, creativity, and design to take place.

In part, this insight is reflected in a similar work that describes four global trends relevant to the design city and the design economy<sup>11</sup>:

- The role of urban agglomerations and the city region is intensifying. Cities need to recognize their positioning within North America’s primary city regions
- Places compete in a world of imperfect competition, each needs to understand its niche and differentiating features
- Dynamic firms are globally interconnected; this increases opportunities for cities to interact with other cities
- Routine tasks can be outsourced, while design tasks cannot

Why should a city care about its design and the design economy? In ‘The place of design: Exploring Ontario’s design economy’, Tara

<sup>11</sup> Grabher, G. (2002). The project ecology of advertising: Task, talents and teams. *Regional Studies* 36 (3).



Vinodrai suggests that cities and regions can realize a design dividend<sup>12</sup> and realize and strengthen the local economy by:

- Generating revenue and employment through their own work
- Generating revenue and employment for others through collaborative project work and local sourcing
- Adding value to the products and services of others
- Contributing to innovation across sectors
- Participating in and enhancing community engagement and identity
- Developing quality of place

Citing a report produced by the New Zealand Institute for Economic Research which found there is a strong, positive correlation between competitiveness and the use of design, Vinodrai makes a strong argument for the value of design in the economy (see figure below). Other studies have shown that design indeed raises productivity and contributes to national competitiveness. In attempting to capture the design dividend, several nations have embarked on national and regional design policies. These policies typically have the following goals and objectives<sup>13</sup>:

- Increasing the adoption of design among business
- Strengthening the design workforce through education
- Raising public awareness of design
- Improving the built environment
- Creating a strong cultural identity or brand

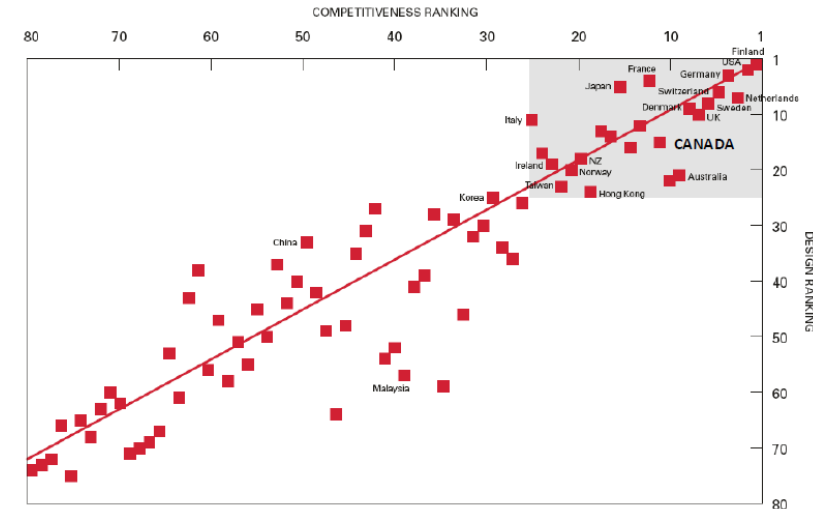
Nordic countries have some of the longest and most in-depth experience in building a design culture. Norway hosts national awards and sponsors seminars and educational programs for design.

<sup>12</sup> Vinodrai, T. (2009). The place of design: Exploring Ontario's design economy retrieved from [http://martinprosperity.org/media/pdfs/The\\_Place\\_of\\_Design-TVinodrai.pdf](http://martinprosperity.org/media/pdfs/The_Place_of_Design-TVinodrai.pdf)

<sup>13</sup> Ibid.

They are also using industrial design in their approach to development assistance through 'Design without frontiers'<sup>14</sup>. Sweden also supports design led initiatives and promotes energy reduction and environmental sustainability through design projects. Both Sweden and Finland use public procurement to showcase and promote local design. These programs have shown to increase employment and the design economy in their respective countries, while contributing to important city-building and unique place branding as well.

Figure 10: Relationship between national competitiveness and design



Source: New Zealand Design Taskforce, 2003.

4.3.2 National/Provincial Trends and Context

While other countries are realizing that design is critical to international competitiveness, Canada has been slow to adopt a design culture. Perhaps the most notable inclusion of design in the provincial economy is in the case of Quebec, which has introduced

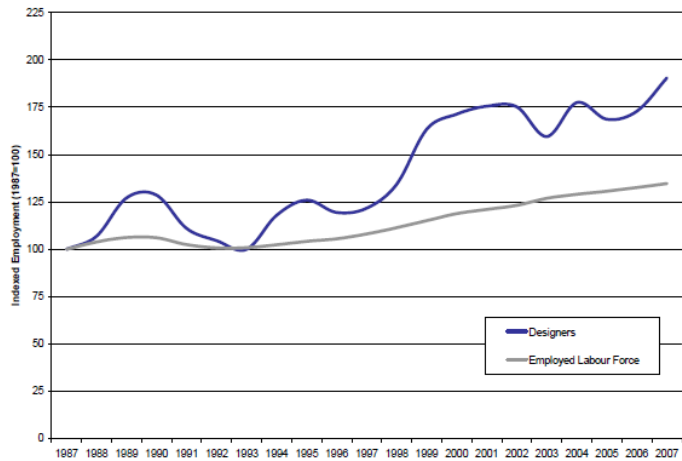
<sup>14</sup> [www.norskform.no](http://www.norskform.no) and [www.doga.no](http://www.doga.no)

several policies and initiatives to develop design-led value added products. The re-location of the offices of the International Council of Societies of Industrial Design and the International Council of Graphic Design Associations to Montreal is testament to Quebec’s success in the design economy.

Ontario, by contrast has been less embracing of the design economy than Quebec. Still, Vinodrai’s research shows that while growth in Ontario’s design industry and workforce has been volatile, it has also been outpacing the broader provincial economy.

Figure 11: Growth of Ontario’s Design Workforce, 1987-2007<sup>15</sup>

Figure 3: Growth of Ontario’s Design Workforce, 1987-2007



Source: The Place of design: Exploring Ontario’s Design Economy

The research also shows that while there are similar patterns in the growth between the design workforce and the design industry, the growth in the design workforce has outpaced the growth of the design industry. This is consistent with the fact that those employed

<sup>15</sup> Vinodrai, T. (2009). The place of design: Exploring Ontario’s design economy retrieved from [http://martinprosperity.org/media/pdfs/The\\_Place\\_of\\_Design-TVinodrai.pdf](http://martinprosperity.org/media/pdfs/The_Place_of_Design-TVinodrai.pdf)

in design occupations work in a variety of industries. Within the design occupations (as defined by Vinodrai), industrial design has been showing the fastest rate of growth.

Figure 12: Employment Growth by Design Occupation in Ontario, 1991-2006<sup>16</sup>

	1991	1996	2001	2006	Average Annual Growth (%)
Architects	3,415	3,375	5,135	5,200	2.8
Landscape architects	580	560	1,095	765	1.9
Industrial designers	1,625	2,795	4,505	4,630	7.2
Graphic designers	12,880	15,880	20,230	24,290	4.3
Interior designers	3,700	3,510	5,515	5,990	3.3
Other designers <sup>†</sup>	3,350	3,535	3,570	4,275	1.6
All Design Occupations	25,550	29,655	40,050	45,150	3.9
All Occupations	5,435,845	5,401,395	5,992,765	6,473,730	1.2

<sup>†</sup> Includes theatre, fashion, exhibit and other creative designers. Note: Numbers may not add due to rounding; Growth is calculated as annual compound average growth rate.

Source: The Place of design: Exploring Ontario’s Design Economy

The research in Ontario confirms the findings of the research conducted in other jurisdictions. Those engaged in design occupations are more likely to:

- Be self-employed or working for small firms
- Work from home
- Be engaged in short-term contracts
- Participate in social and professional networks
- Work and live in urban centres (around agglomerations of other designers and the design industry)

Some other findings about the design industry in Ontario are relevant for understanding of design and its importance for a city:

- Institutions help create an ecology of design
- Designers draw from other sectors of the economy

<sup>16</sup> Ibid.

- Clusters of designers breed more designers

#### 4.3.3 Local Trends and Context

Section nine of the City’s new Official Plan outlines the priorities for Vaughan in “Building a Great City.” Primarily, the policies revolve around:

- creating high-quality spaces within the public realm
- ensuring excellent and contextually significant design for the built environment
- Promoting developments and buildings that use energy and resources in a sustainable manner

As noted previously, Vaughan’s local innovative research, development, and design cluster is difficult to define by traditional sector profiling activity. A number of the assets and trends will have positive influences on the growth of the cluster, including:

- A strong base of advanced manufacturing firms that provide a local market poised to utilize the innovations of a design cluster for improved products and processes
- Transportation connections already exist to the City of Toronto, and the coming subway connection will provide a more direct link to the downtown core, and the workforce and market that exists there
- The Magna-NRC Composite Centre of Excellence is an important venue for composite product innovations and developments in the city
- A strong and growing base of professional, scientific, and technical services workers in the city, which includes a number of research and design fields
- The Vaughan Metropolitan Centre should focus on providing both a location for design firms, and the opportunity to produce a high-quality public and private landscape that

appeals to creative workers within the design cluster, including live-work opportunities

- Positioning within one of the densest urban agglomerations in North America, which contains a concentration of both professional and financial services supported by a network of skilled individuals and post-secondary institutions
- New prestige employment areas and downtown developments that offer opportunities to showcase design excellence and sustainability in city-building, supported by land use policies in the new Official Plan
- Green construction demonstration projects through the Kortright Centre already showcase Vaughan’s design capabilities in sustainable construction
- Concentrated population of individuals with post-secondary educations – a strong local creative capacity

#### 4.3.4 Considerations for Vaughan

As a city leading innovative research, development and design, Vaughan must create a policy and regulatory environment that encourages design and innovation. There are several opportunities for Vaughan to do so, most notably the VMC and the Enterprise Zone. Through creative implementation of municipal zoning and collaboration with third party stakeholders, the City can encourage:

- Green building design principles
- Architecturally iconic buildings
- Cultural and design communities
- Flexible and adaptable live and work spaces
- Liveable spaces that attract cultural and design workers

Design workers have highly transferable skills, so a strong cluster of design workers has positive implications for the development of a wide range of sectors. Therefore, labour force is the primary asset for this cluster. A city needs to be the place to attract creative, knowledge, and/or design workers - in part, this is accomplished by ensuring that sustainability and high-quality private and public spaces are top of mind in City-building activities

#### 4.4 Convergence Sector: Advanced Goods Production and Movement

The advanced goods production and movement sector in the city of Vaughan encompasses elements of the advanced manufacturing; transportation, logistics, warehousing, and distribution; and building products sectors. Primarily, there are three broad activity categories where those three sectors overlap to produce the advanced goods production and movement sector:

- Composite materials
- Green technologies
- Industry-specific robotics and advanced control systems

The rationale for the identification of this convergence sector is rooted in the strengths of the city in the context of each of those larger sectors as well - the role of the Greater Golden Horseshoe in goods movement, the available land resources in the city, the city's transportation connections, and the ability to access a number of large markets from within the city. To understand the opportunities associated with the sector, it is necessary to understand the national and international context in which it exists. A discussion of these trends and opportunities follows.

##### 4.4.1 Global Trends and Context

Composite materials consist of two or more materials combined in a way that maintains the unique characteristics of each component material. For example, concrete is a composite consisting of cement and gravel. The two constituents of a composite material are basically binders or matrices, and reinforcements. The reinforcement material is stronger and stiffer than the matrix, but the matrix binds the typically discontinuous fibres of the reinforcement together to form the material. Demand for the materials in the marketplace has traditionally been driven by cost reduction and improved performance

of the materials over “traditional” materials, but they have numerous other advantages over traditional materials:

- High strength to weight ratio
- Ability to be formed and moulded
- Inherent durability
- Low capital investments required for manufacturing facility conversion

Several larger trends illustrate the strength of the composites industry, which is considered to be a \$19 Billion (USD) industry based somewhat on healthy growth of wind energy, aerospace manufacturing, and pipe & tank manufacturing segments.

- The BRIC<sup>17</sup> market has been the fastest global growth segment over the past five years, with the market increasing a combined rate of 10% - growth is projected at 9% over the next five years
- The Asian market, primarily buoyed by demand in China and India, became the largest regional composite market by shipments in 2008, with demand slowing through the onset of the global economic downturn
- Some of the strongest industry growth has been in the aerospace segment - the aerospace industry is forecasted to demand \$57 Billion in composite materials from 2007-2026
- Global sales for carbon fibre reinforced plastics is forecasted to grow from \$15 Billion in 2008 to \$28 Billion in 2014, and further to \$50 Billion by 2025

Low relative investment in undertaking composite material production, especially in equipment, has led to one primary trend

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<sup>17</sup> Brazil, Russia, India, and China

associated with composite material manufacturers. Many of the manufacturers and composite moulding companies with the largest market share are smaller, more entrepreneurial ventures. As well, since the introduction of composite materials is still occurring in many fields, and many new materials are still being developed, the door is open for these small ventures to develop highly innovative and specialized products or new processes for developing materials.

The green technologies sector is incredibly broad and contains a number of different industry segments. Within the context of the advanced goods production and movement sector of convergence, the green technologies sector primarily includes the development, construction, application, and installation of energy and waste management systems. This has specific relevance to the sector as more traditional industrial activities like manufacturing, transportation, building, and construction are looking for ways to enhance the sustainability of their current practices by framing every operational or locational decision within a “green” perspective.

Broadly speaking, several trends are globally, or universally, impacting the green technologies sector. Primarily though, many developments and innovations are a result of increasing concern of a potential future climate crisis, which is driving the exchange of traditional avenues of economic growth with more sustainable solutions that can accomplish the same economic development goals. Further:

- Global levels of new investment in sustainable energy projects increased six-fold (605%) between 2002 and 2008, and 67% between 2006 and 2008 alone
- Between 2007 and 2008, the fastest growing alternative energy segments by investment were Geothermal (149%) and Solar (49%), with Wind and Solar accounting for the highest levels of investment in 2008

- Emerging markets, primarily China and India, are increasingly turning to more green building products and processes to accommodate their explosive population growth and urbanization in more sustainable ways

The green construction applications market, which remains one of the largest markets for composite materials, is estimated to reach \$6.1 Billion by 2013 in North America, which represents an average growth rate of 5% per year from current levels. Primarily, this includes composite materials used in residential components like windows, doors, bath tubs, and swimming pools, but also rebar, utility poles, and cooling towers for industrial applications.

The integration of robotics, automation, and advanced control systems remain an effective way to implement productivity and efficiency gains in industrial activities. This segment could include a range of processes or products, such as the design of automated packaging systems for building components, robotic systems for cross-docking of freight, or the manufacturing of precision machinery. Primarily, many of the advancements in the segment are being driven by advancements in other related areas, such as Information Technology.

Several trends with regards to technology integration and advancements in industrial applications are emerging, and have a potential impact within the robotics, automation, and advanced control systems segment:

- Wireless communications and smart phone technology are increasingly being integrated into industrial practices and machinery/asset management, showing advancements in areas like monitoring and quality control, planning, safety, and employee-to-employee communication
- Security is a growing concern as control systems are integrated with a company's business networks, and are thus

threatened by the same cyber attacks - security strategies for industrial software and hardware, to maintain the integrity of the automated industrial systems against cyber threats, is an emerging area of activity

- Software and hardware advancements in areas like virtualization/cloud computing, visualization, and software as a service (SaaS) are having profound impacts on cost-reduction, planning, robotic accuracy and measurement, predictive equipment monitoring, and the integration of advanced industrial systems

#### 4.4.2 National/Provincial Trends and Context

The positioning of the advanced goods production and movement sector in Canada reflects the positioning of its component sectors. Productivity and efficiency gains are driving developments in the sector, and many advances are being made within the context of “greening” the industry. In the three relevant areas of focus for Vaughan, there are several trends of note at the national/provincial level.

For composite materials, Canada benefits from being next to a large customer:

- The U.S. market for reinforced plastics is forecasted to grow 2.8% annually, reaching 2.3 Billion pounds of resin and 1.3 Billion pounds of reinforcements by 2013.
- Reinforced thermoplastics are forecasted to exhibit similar performance, increasing 2.9% per year to 1.5 Billion pounds in 2013 in the U.S., with reinforced polypropylene and nylon composites also exhibiting above average growth.

With 75% of Canadian exporting activity in the sector aimed at the U.S. market, Canadian firms are well positioned to take advantage of that demand, especially given strengths in plastics and resins in Ontario.

Though growth comes from several different industry sectors, much of the demand in the U.S., and also in Canada, has been in the automotive, alternative energy, and utilities sectors. The automotive industry, a primary component of the advanced manufacturing landscape in Canada, but especially Ontario, is particularly drawn to composite materials based on the strength to weight advantages over other materials. The alternative energy sector is likewise drawn by the weight to strength ratio, with the wind industry's interest in composite materials for wind turbine blades, being just one example.

The integration of alternative energy technologies into the public grid could represent a major opportunity for composite material growth as well. The emergence of the Smart Grid, which will enable the two-way information and energy flow required for both time-of-use pricing and smaller-scale energy generation, provides opportunities for a number of composite materials to be used in cables, power electronics, cable insulators, or energy storage devices.

As noted in the building components profile, the *Green Energy Act* (GEA) provides a primary driver for the development and implementation of green technologies in Ontario. Within the advanced goods production and movement sector, the act has implications on the types of energy used to power sector activities, the types of materials manufactured, and the ways in which those goods are moved, all with an emphasis on environmentally sustainable methods and products. Primarily though, the GEA mandates that a high level of activity associated with the initiatives under the act, must be performed in Ontario. This includes construction and labour, but also the manufacturing of a large portion of the materials used in those projects.

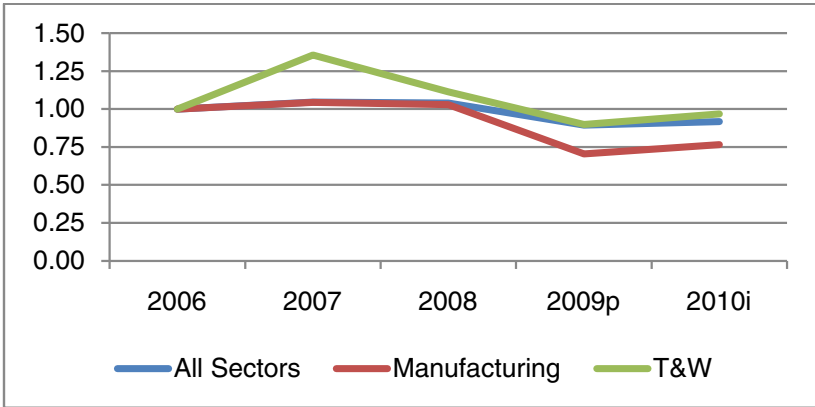
For example, once the GEA and the associated Feed-In Tariff (FIT) program came into effect, more than 1,000 applications were received by OPA during the first phase of the program, resulting in the approval of large- and small-scale projects that will generate over 2,600 MW of green energy. With the stipulations that require a

portion of goods and labour to come from Ontario, these projects are well positioned to offer numerous opportunities to businesses within the advanced manufacturing and building components sectors in Ontario.

Underlying these developments and drivers is the third segment: advanced control systems, automation and robotics; which has an influence on the design, manufacture, transportation, and application of industrial products including composite materials and green technologies. By far, the most prevalent trend within this segment is the integration of technology to reduce costs and improve productivity. Though some of this may be process-based improvements, a large portion of these improvements are based on capital investments in machinery and equipment that allows for higher productivity. In order to compete globally, investment in high-tech equipment is paramount.

The downturn has somewhat affected spending on machinery and equipment in some sectors across Canada and Ontario, but that appears to be rebounding moderately into 2010, as illustrated on the next page.

**Figure 13: Capital Expenses for Machinery and Equipment, Indexed to 2006 Levels, Canada**

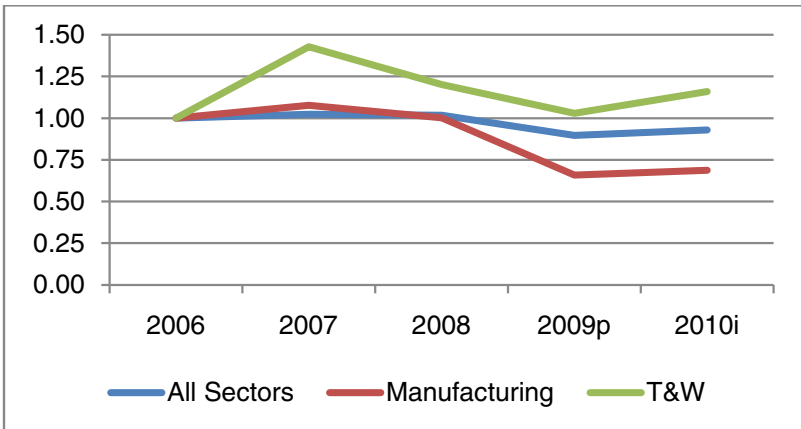


p = preliminary 2009, i = intentions for 2010

T&W = Transportation and Warehousing

Source: Derived from Statistics Canada Private and Public Investment in Canada, Intentions Survey by Millier Dickinson Blais, 2010

**Figure 14: Capital Expenses for Machinery and Equipment, Indexed to 2006 Levels, Ontario**



Source: Derived from Statistics Canada Private and Public Investment in Canada, Intentions Survey by Millier Dickinson Blais, 2010

**4.4.3 Local Trends and Context**

Vaughan’s local advanced goods production and movement sector is difficult to define by employment, as it is composed of a range of different industrial subsectors. A number of the assets and trends illustrated in the Background Economic Analysis and Appendices report will have positive influences on the growth of the advanced goods production and movement sector, including:

- Large motor vehicle parts manufacturing, plastic product manufacturing, furniture and cabinet manufacturing, and architectural and steel building components manufacturing sectors
- Concentrated employment in furniture, plastics, structural metals, resins, synthetic fibres, motor vehicle parts, navigational, measuring, medical, and control instruments, and metalworking machinery
- A manufacturing sector dominated by firms with fewer than 20 employees, suggesting ability to integrate technology easily or occupy specialized niche areas of the market
- Highway 427 expansion further into the City, as well as transit improvements to ease congestion
- Presence of the Magna-NRC Composite Centre of Excellence in Vaughan
- Strong support through the new Official Plan for green industries and environmentally responsible green products, as well as eco-districts that use district energy, recycle industrial by- or co-products, and share resources or facilities; strong policies focused on promoting efficient movement of goods through transit expansions; and strong policies regarding energy efficient residential construction
- Strong industrial presence in computer systems design and related services



- Large contiguous parcels of land capable of accommodating large-scale and high-tech, integrated production/transportation/warehousing facilities
- Existing or emerging strengths in both transportation of goods, and the logistical support structures for transporting or storing goods
- Presence of some of the largest residential developers in the Greater Toronto Area, supportive of environmental building policies
- Presence of green-building projects, as well as supportive residential building education programs
- The Vaughan Business Enterprise Centre is an assets within the sector, where new entrepreneurial and small-business ventures will likely account for much of the development

#### 4.4.4 Considerations for Vaughan

Innovation in the sector is just as likely to come from small firms and entrepreneurs as it is from large companies, highlighting the need for the VBEC to support entrepreneurial and small-medium sized businesses with more industry-specific services.

The sustainability-related priorities of a city can fit well with both the industrial practices of the cluster, and the possibility of a robust local market for products and processes supplied by the cluster. With Vaughan’s strong commitment to land use policies that encourage sustainability and green building, it is naturally a good fit for the cluster.

A local concentration of computer and industrial design skills will likely produce a strong base for development of advanced products and processes within the cluster, especially given increased automation and computerization to achieve efficiency and productivity. Like business and incubation services directed at firms, regard should be given to developing training programs and attracting skilled workers within these transferrable fields. This in part highlights the importance of quality of place, even in an industrial context.

Though capital and operational investments are paramount to being globally competitive within a private sector context, government regulations, incentives, and support are driving a large portion of development in the cluster and providing an immediate business case in some respects – the momentum that the GEA has generated is an example.

## 5 Vaughan Enterprise Zone

The Vaughan Enterprise Zone covers more than 3,800 acres, or approximately 1,566 hectares of employment land at Vaughan's western boundaries. The size of the enterprise zone makes it one of the largest employment areas in the Greater Toronto Area, and paired with transportation infrastructure in close proximity, potentially one of the most valuable employment areas in the province. The existing profile of the Enterprise Zone includes national head offices, international and national logistics and distribution centres, and some manufacturing. Overall, the area is projected to accommodate 60,000 jobs over the next 20 years.

The strength of the area is the existing transportation network that services it. Presently the employment area has direct access to Highway 407, as well as Highways 7, 27, and 50. In addition, Highway 427, which already connects to the Enterprise Zone, is planned to expand northward through the Enterprise Zone to Major Mackenzie Drive, opening up industrial and commercial opportunities north of Highway 7. All of these routes provide access to the Highway 401 corridor, which connects to the rest of Canada and important North American trade networks. Various other environmental assessment projects are completed, underway, or planned for the road network around the Enterprise Zone, most notably on Highway 50 and Major Mackenzie Drive in the local area, but also the GTA West corridor which would construct a 400-series highway from the Wellington County/Halton Region area to the Enterprise Zone in Vaughan, among other improvements.

The key transportation feature of the Enterprise Zone is the Canadian Pacific (CP) intermodal rail yard, which is the largest CP intermodal facility in Canada. Connected to the CPR MacTier Subdivision portion of the CPR Mainline, the facility is connected directly to Deltaport in Vancouver, which handles the majority of Asia-Pacific freight in Canada. Presently, the facility handles upwards of 400,000 containers annually, with CPR forecasting

growth of 5-7% per annum for the next 20-25 years<sup>18</sup>. To accommodate the expanded freight and truck movements at the facility, additional measures are being taken to improve truck access. The proposed plans for the expansion of the facility have incorporated an access to Major Mackenzie Drive (where access is exclusively from Rutherford Road at present) that will allow the pass-through operation of trucks, by entering from Rutherford Road and exiting at Major Mackenzie Drive. The Enterprise Zone also allows quick access to the CN intermodal facility in Brampton, as well as the CN marshalling yard in Vaughan.

The location at the western edge of the City provides the Enterprise Zone with quick access to Pearson International Airport as well. With the expansion of Highway 427 into the Enterprise Zone, even easier access to the Airport will be provided.

With planned employment expansion to 60,000 jobs, transit is an important feature for the Vaughan Enterprise Zone. Existing transit services in the area are provided by GO Transit (bus), York Region Transit, VIVA and Brampton Transit. Though currently serviced, expansions will likely be needed to achieve the transit connectivity required to support projected employment within the Vaughan Enterprise Zone. A number of these expansions are already planned for the area, with a GO Train stop on the proposed Bolton rail line and expansions to the VIVA network along the Highway 7 corridor.

In summary, within the Greater Toronto Area context, the Vaughan Enterprise Zone has excellent existing transportation access, which will be further enhanced with the development of the transportation network around it, most notably the Highway 427 expansion. The Enterprise Zone already contains a major goods movement hub in the CPR intermodal facility, and offers quick access to other facilities like Pearson International Airport and the CN marshalling yard and

<sup>18</sup> 427 Transportation Corridor Environmental Assessment Report, 2010

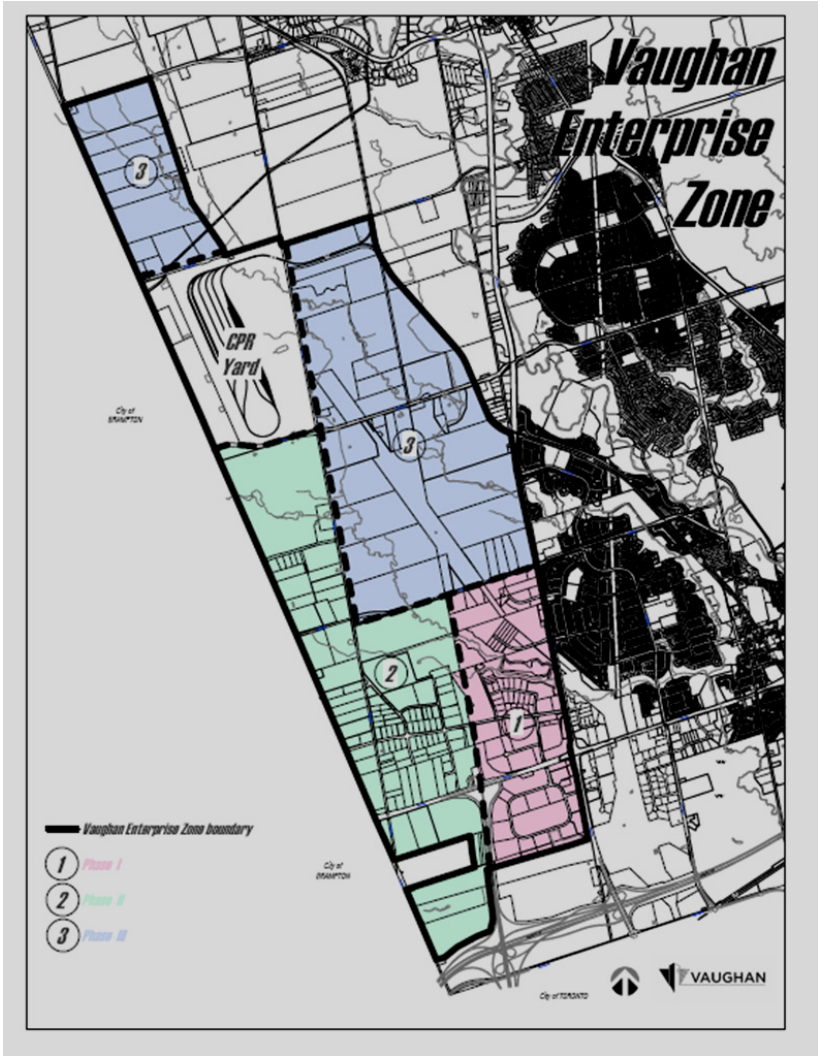
intermodal facility. The position of the Enterprise Zone offers businesses options to move any type of product, low- or high-value, in cost-efficient or time-sensitive ways.

**5.1 Development Phasing and Land Use**

As one of the largest remaining employment areas in the Greater Toronto Area, development of the Vaughan Enterprise Zone must occur in a deliberate and careful fashion to ensure sustainable development of those lands. This is especially relevant given that demand for lands in the Enterprise Zone will likely continue to rise once the corridor and construction plans are finalized for the Highway 427 expansion, and opportunities in other areas of the GTA diminish. The City has developed a phasing plan to address this need. The figure below outlines the development of the Enterprise Zone over the next 20-25 years.

Phase	Notes
Phase I	<ul style="list-style-type: none"> <li>Substantially developed except for lands adjacent to the Highway 427 corridor</li> <li>Fully serviced</li> <li>Mix of employment uses and some limited commercial</li> </ul>
Phase II	<ul style="list-style-type: none"> <li>Area bordering Peel Region</li> <li>Employment uses to complement office employment uses approved in the City of Brampton</li> <li>Partially serviced</li> </ul>
Phase III	<ul style="list-style-type: none"> <li>Currently unserviced</li> <li>Secondary plans are being completed</li> <li>Highway 427 route alignment finalization underway</li> <li>Home to large distribution uses and transportation/logistics providers: Sears Canada National Distribution centre, SLH Transport and Consolidated Fastrate</li> </ul>

Figure 15: Vaughan Enterprise Zone, Development Phasing



Source: City of Vaughan, 2010

The West Vaughan Employment Area (WVEA) Secondary Plan, which governs the Enterprise Zone, includes two designations for industrial development in the new City of Vaughan Official Plan: General Employment and Prestige Employment. The General Employment designation is intended to accommodate industrial, manufacturing and warehousing uses that are often incompatible with other uses based on noise, emissions, outdoor storage, or other factors, as well as ancillary office uses. The Prestige Employment designation accommodates light industrial, manufacturing, and warehousing uses that do not produce noise and emissions, and do not require outdoor storage, as well as limited office uses (below 7,500 square metres). Only small-scale, employment-supportive retail and office uses are permitted within the area to serve the daily needs of employees and visitors to area businesses.

Prestige Employment in the secondary plan area will be held to a higher built form and urban design standard than other industrial development, and will be focused on the Nashville Road, Highway 50, Highway 27, Major Mackenzie Drive, Rutherford Road, Huntington Road, and Langstaff Road corridors. Parkland uses are also included in the secondary plan area to enhance the attractiveness of the area, and serve the social and recreational needs of area employees and visitors. Most new parkland in the area will be directed to areas adjacent to existing open spaces like the hydro corridor, natural heritage features, and the existing and planned trail network.

The general policy directions for the WVEA include:

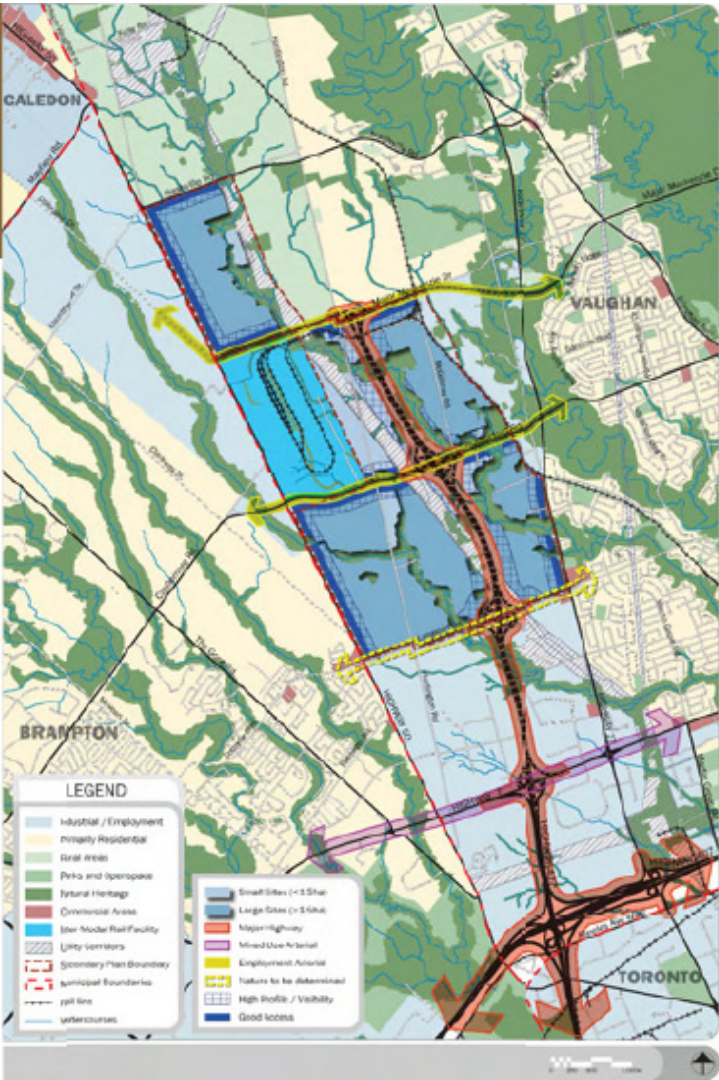
- Retaining of large, consolidated parcels of land that can accommodate large-scale employment uses, especially in close proximity to the CP intermodal facility
- Permitting smaller development parcels for smaller-scale employment uses where natural heritage and topography limit the development of large industrial buildings in the area

south of Rutherford Road and east of the planned Highway 427 extension

- Restricting uses that conflict with employment uses in the WVEA, including residential, major office, and retail
- Permitting some small-scale retail or office uses in Prestige Employment areas
- Encouraging flexible development that is capable of supporting some employment intensification and change over time

A range of general and prestige employment uses can be accommodated in Vaughan's employment areas. What distinguishes the Phase III/WVEA lands is the ability to accommodate both prestige development and a significant portion of land-intensive industrial, manufacturing and warehousing uses that require large parcels, excellent transportation facilities and relatively lower land costs. Since there are currently no block plans, plans of subdivision or servicing plans in place, the City has the flexibility to plan for large industrial uses; this is a factor that is extremely rare across the GTA.

Figure 16: Vaughan Enterprise Zone, Land Use Plan



Source: West Vaughan Employment Secondary Plan Study, 2010

## 5.2 Goods Movement Hubs/Initiatives across Canada and the United States

By looking at the practices in a number of goods movement initiatives and hubs across Canada and the U.S., the City can gain some perspective on the positioning of the Vaughan Enterprise Zone as a hub for goods movement, and the potential structures that the City may wish to become more engaged in to permit that type of development.

### Asia-Pacific Gateway and Corridor Initiative (APGCI)

The Asia-Pacific Gateway and Corridor initiative is a package of investment and policy measures focused on establishing the best transportation network and global supply chain in North America and Asia. Specifically the APGC is a network of transportation and infrastructure, including the B.C. lower mainland and Prince Rupert Ports, the principal road and rail connections stretching into western Canada and into the United States, key border crossings, and major Canadian airports.

The rationale for the gateway and corridor strategy is based on geographic proximity, business connections and increased international trade flows. Primarily though, Canadian ports are geographically the closest North American Ports to Asian-Pacific ports. A total of \$591 million in investments are being made to improve strategic marine, road, rail and air transportation to support improved capacity along the corridor. Projects within the APGCI include:

- Port of Prince Rupert Container Security Program enhancements
- New interchanges and road infrastructure
- Highway (Trans Canada and Yellowhead) improvements (twinning, widening) across several provinces
- Road/rail grade separations

### **Canamex Trade Corridor**

Implemented after the advent of the North American Free Trade Agreement, the Canamex Trade Corridor is a High Priority Corridor under the US National Highway Systems Designation Act. The corridor has four goals:

- Improve access for the north-south flow of goods, people and information
- Increase transport productivity and reduce transport costs
- Promote a seamless and efficient intermodal transport system, and
- Reduce administration and enforcement costs through harmonized regulations.

The Province of Alberta continues to invest heavily in developing and improving the highway infrastructure along the Canamex Trade Corridor including the twinning the highway from the B.C. to the Montana border. Current projects include interchange improvements on the Anthony Henday Drive in Edmonton and Deerfoot Trail in Calgary.

### **North America Super Corridor Coalition (NASCO)**

The NASCO coalition members include cities, states, provinces and private sector representatives along the corridor through central and eastern Canada, central United States and Mexico. The governments of Quebec, Ontario, Manitoba and Saskatchewan are all members. The coalition members are dedicated to maximizing the efficiency and security of existing trade and transportation infrastructure to create jobs and improve the environment. It is believed the corridor supports \$1 trillion in trade and commerce between the three countries.

The NASCO corridor markets itself as ‘the single most attractive location to retain, expand and attract new business for the

international trade, manufacturing and transportation industries. The coalition encourages the member governments to improve transportation infrastructure.

### **Port Alberta**

Port Alberta is an initiative centred on creating a role for the Edmonton Region as an international, multimodal transportation hub, connected to the world’s markets. The initial plans for Port Alberta are centred on the Edmonton International Airport, but after establishing roots at the airport will spread opportunities around the Edmonton Region and eventually throughout the province. The initiative is a key element of the Asia-Pacific Gateway Corridor, serving as a key inland port for the movement of goods along the corridor. Port Alberta is also a member of the NASCO coalition and connected to the Canamex trade corridor.

The vision for the Port is to act as an entry-point for western Canada – planes, trains and trucks will enter into Port Alberta with loads from Alberta and around the continent, and leave with the loads redistributed and redirected, full of value-added products, or with products destined for export abroad. The strengths of Port Alberta are transportation assets, and the strong Albertan economy. Primarily the asset for Port Alberta is Edmonton International Airport, but development will also rely on:

- Edmonton’s excellent location at the cross-roads of major highway networks including the Yellowhead Highway, the Queen Elizabeth II (and the CANAMEX trade corridor), and Highway 63
- Expansions to Edmonton’s existing CP and CN rail infrastructure to permit more timely service
- Close proximity to the Port of Vancouver and the Port of Prince Rupert

Rapid growth in containerized trade has created supply chain bottlenecks at port areas, so inland ports have an opportunity to offer processing and distribution with less congestion. The vision for Port Alberta is to become a Logistics Service Centre and Energy Super Hub through a three-stage process:

- creation of a “virtual” cargo consolidation logistics service centre to maximize the use of existing facilities
- creation of a container depot to address current transport deficiencies, and
- creation of a logistics park based on European and US examples

Based on that opportunity, three key actions form the basis for the creation of Port Alberta:

- effective marketing of Port Alberta and co-ordination of the numerous private and public stakeholders and partners to deliver the key messages
- addressing infrastructure issues on rail network, highway corridors, and throughout the Alberta Capital Region
- addressing policy shortcomings that prevent the realization of the maximum economic development potential of Port Alberta such as highway, rail, marine and air policies regarding freight limitations

### **Calgary, Alberta**

Calgary is making great strides at becoming a significant transportation and logistics hub in Western Canada. The transportation overview bills the city as Western Canada’s inter-modal distribution centre with significant connections to Western Canada and other locations in North America by road, rail and air. Calgary’s location at the junction of the trans-Canada and Queen Elizabeth II Highways, proximity to the population centres in Western Canada and the Calgary International Airport are all important assets

to Calgary’s success. Calgary participates in both the Canamex trade corridor and the Asia Pacific Gateway and Corridor Initiative. The city is home to the Van Horne Institute, a transportation public policy research group, and the SAIT/University of Calgary combined certificate in supply chain management and logistics and BSc. in transportation and logistics. While Calgary has been experiencing significant population growth, the road infrastructure is continually expanded and upgraded to handle the growing population of residents and businesses.

### **Prince George Airport**

The Prince George Airport is aggressively looking to capitalize on the Asia-Pacific Gateway and Corridor initiative and become a major destination for inbound flights from Asia. The Airport Authority has recently developed more than 300 hectares of Airport property for commercial and industrial use as the Prince George Global Logistics Park. The overall vision for the park includes both aviation and non-aviation businesses, but primarily businesses associated with:

- Distribution
- Assembly, packaging, and value-added manufacturing
- Inspection, sorting, testing, relabeling, and repacking
- Long term storage
- Light manufacturing

In addition to the development of the business park, the Prince George Airport has undergone a number of improvements over the past several years in order to increase capacity at the airport. The intention is to draw a number of the cargo flights along the Great Circle Routes that originate in Japan, China and the eastern United States. Presently these flights refuel in either Anchorage or Fairbanks Alaska, but it is anticipated that with the runway and navigational improvements that have been made to the airport, an additional 1,500 cargo flights could be landing at the airport per year. The initiative supports the existing businesses in the area, but also

provides potential for economic development opportunities around the storage of goods and finishing or light manufacturing of semi-processed goods that are destined for Canadian and U.S. market by rail or truck.

To make the case for Prince George as an alternative to other inland airports on the major cargo route, the Airport markets closer proximity to major Asian ports and close proximity to the Port of Prince Rupert, close proximity to major intermodal infrastructure (CN Worldwide Distribution and Intermodal Centre), rail access to the U.S. and Canada, and truck access to major Canadian and U.S. markets.

### ***CentrePort Initiative***

The CentrePort is Manitoba's 20,000-acre inland freight port centred on Winnipeg's James Armstrong Richardson Airport. The initiative participates in the Asia Pacific Gateway and Corridor Initiative as well as the NASCO Coalition. The initiative involves using the airport and surrounding greenfield lands as a hub to import goods from Asia and Europe and then distribute those goods throughout North America by air, road, and rail. The initiative is a result of the strong relationship between all levels of government and the private sector. In order to implement the plans for CentrePort, the Government of Manitoba introduced legislation to authorize the creation of a corporation (CentrePort Canada Inc.) to oversee the port and fast track investment and economic development decisions for the lands around the port.

In addition to land opportunities around the Airport, CentrePort offers access to the national network of highways, a 24-hour international airport, access to the Port of Churchill and the St. Lawrence Seaway via Thunder Bay, and access to intermodal and marshalling yards for CN and CP within Winnipeg. Building on the Asia-Pacific Gateway and Corridor Initiative advantages, CentrePort has been designated as Canada's first Foreign Trade Zone (FTZ), offering manufacturing,

distribution, warehousing or other operations within the inland port's 20,000-acre site access to Duty deferrals and Goods and Services Tax (GST) exemptions. A key development of Centreport will be the development of CentrePort Canada Way, a four-lane divided highway what links CentrePort with the Perimeter Highway. The University of Manitoba's Transport Institute, in conjunction with Red River College, offers a certificate in supply chain management.

Further, the CentrePort initiative has been designated a one-window test case approach to international goods movement facilitation. The one-window approach consists of two important components: a task force to provide simplified interaction with the CentrePort Corporation, and a program to raise awareness of the FTZ-like programs available.

### ***Port Des Moines, Des Moines, Iowa***

Des Moines, Iowa's Inland Port is a member of North America's Inland Ports Network, an organisation profiling the inland ports and best practices in North America's Super Corridor Coalition (NASCO). NASCO is a coalition of businesses and governments spanning from Mexico through the American Heartland and Central and Eastern Canada. The port is at the intersection of Interstate 80 and 35, has access to air cargo services through the Des Moines International Airport and is served by several of America's largest rail providers. The port is also a Free Trade Zone providing special customs procedures that can eliminate import and export fees for firms engaged in international trade.

The Iowa Inland Port profiles several businesses that are results of, and contributors to the port's success. Included are: Iowa Cold Storage offering 200,000 ft of storage capacity with a variety of temperature ranges as well as packing and inventory management services. This facility is particularly important given the agricultural output of Iowa and the surrounding states. In the Iowa Interstate Railroad connects Des Moines to Omaha, Nebraska and Chicago,



Illinois bringing significant cargo traffic to Des Moines for shipment further abroad. Finally, PDM Distribution Services is an integrated packaging, warehousing and logistical services and distribution firm serving the Des Moines area. Supplementing the Cold Storage services available in the area, the firm provides value added agricultural services including food grade manufacturing and fulfillment.

### **Aurora, Illinois**

Aurora was selected by Expansion Solutions Magazine as one of the top 5 cities for Logistics in 2008 citing the city's location and proximity to major Highways, airports and rail lines as reasons for their success as a transport hub. The interstate highway system puts two thirds of the U. S. consumer market within a single day's drive of Aurora. The city is located 40 minutes from the Chicago O'Hare International Airport and 45 minutes from Chicago Midway Airport. The City itself owns and operates the Aurora Municipal Airport with 3 runways handling 180 flights each day. The city is also located at the intersection of the BNSF mainline from Chicago and EJ&E's 'outer belt line' giving it excellent rail access to all points in the United States. Several long haul and short haul freight carriers as well as a specialized carrier for transport and industrial machinery have terminals in the city.

While the city has strengths in logistics and advanced manufacturing the Magazine notes the city has a diversified economy including agricultural enterprises and cultural activities. The city has 17 first class and second tier business parks and has built has built a 43 mile fibre optic network providing businesses and residents with high speed, wireless internet access. Companies and facilities of note in Aurora include the international customer service centre of Weyerhaeuser and a high-tech robotic equipment training facility operated by Toyota Motor Corporation.

## **5.3 Opportunities and Assets**

When considering the Vaughan Enterprise Zone as a location for investment, several opportunities should be noted:

- The Vaughan Enterprise Zone remains one of the largest employment areas in the GTA, with the flexibility to provide large, contiguous parcels – this will become increasingly important in the future as land supply decline around the rest of the GTA
- As a largely undeveloped area, and looking at the urban design features of existing tenants like Sobeys, Adidas, and Totalline, the opportunity exists to continue development of the Enterprise Zone as the City's Prestige Business Park along the major routes, establishing strong urban design guidelines to maintain that identity
- Though the Intermodal facility is the only major trade infrastructure within the Enterprise Zone, the close proximity to CN's marshalling yard and Pearson International Airport provide businesses in the enterprise centre access to truly multi-modal transportation options – the expansion of Highway 427 further into the Enterprise Zone will increase opportunities to access the Airport
- Along with the major road corridors, the extension of the Highway 427 Corridor into the Enterprise Zone offers opportunities to develop prestige industrial uses with highway visibility, as other municipalities in the GTA are doing. The longer-term construction of the GTA West corridor route will offer a similar opportunity

Any development of the Vaughan Enterprise Zone as a goods movement hub must differentiate it from the other goods movement initiatives in the country. For example, CentrePort has defined itself

as the Country's only Foreign Trade Zone. There is an inherent differentiation that comes from the intermodal facility being a major gateway for goods in the Greater Toronto Area, as well as the focus of the area primarily on the movement of goods by rail-truck interface, where other hubs are centred on air connections. There are several opportunities that could be explored:

- Based on the City's established base of transportation and logistics firms, develop multi-storey logistics facilities in the area as a showcase for other goods movement hubs in Canada, or become a Goods Movement Centre of Excellence, specialized in rail transportation
- Explore international opportunities through the Vaughan Chinese Business Association (VCBA) for direct connections between Asia and the GTA-Vaughan, i.e. manufactured goods, niche food products, or building materials; develop and build the identity of Vaughan as an international trade gateway
- The proximity to the Pearson Eco-business Zone southwest of the Enterprise Zone might be a good example for eco-development principles into the Enterprise Zone, with a view to "greening" industry and goods movement businesses that locate in the Enterprise Zone

The CPR Intermodal facility in Vaughan provides a direct connection to the Port of Metro Vancouver, the busiest marine port in Canada and the centre of Canadian-Asian Trade. The location of the facility within the Vaughan Enterprise Zone could facilitate opportunities around:

- The backhaul of goods for export to international destinations like Asia

- The backhaul of goods for domestic destinations through Domestic repositioning (DRP) of containers
- Opportunities for the processing (assembly and packaging) of goods imported to the Greater Toronto Area

Domestic repositioning has grown as a result of the increased containerization of freight, globalization, punitive tariffs for empty container storage, lack of space in terminals, and the unbalanced flow of goods from west to east. Permitted under Canadian Law, domestic repositioning allows for the use of a foreign-owned container as if it were brought into Canada for domestic use, without paying import tax on the actual container. There are a large number of empty containers that flow westward from Ontario but that number would be much higher (actually double) if DRP was not permitted<sup>19</sup>.

As an example, an international container can be loaded in Toronto with goods bound for Edmonton, where it is offloaded and the empty container then continues to the port of exit and onto a ship. In 2005, some 100,000 domestic loaded marine containers moved from Central/Eastern Canada (mainly Toronto) to Alberta (mainly Calgary or Edmonton) and were released empty towards their point of exit through Vancouver<sup>20</sup>. Generally speaking an average marine container train leaving the Central/East for Western Canada will consist of approximately 30% empty containers, 40% loads for international export, and 30% DRP loads, with approximately 80% of DRP loads destined for Alberta or BC<sup>21</sup>. Therefore, there could be some opportunities for local Vaughan businesses to connect with markets in western Canada, and use DRP as a means to deliver goods.

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<sup>19</sup> Marinova Consulting Ltd. & partners, The Use of Containers in Canada, 2006.

<sup>20</sup> *ibid*

<sup>21</sup> *ibid*

Canada's favourable tax environment provides a further opportunity to capitalize on the international connections of the Vaughan Enterprise Zone. Foreign Trade Zones (FTZs) typically offer advanced goods movement infrastructure, streamlined customs processing, and tax/duty deferrals and exemptions in order to support export-oriented industries. Unlike U.S. FTZ policies and programs which are focused on specific zones or designated areas, Canada's "FTZ-like" programs and policies can be applied to companies located anywhere in Canada. These programs place Canada on par with those of other FTZs across the globe, but the ability to apply them anywhere in the country represents a major benefit.

The three "FTZ-like" programs of note are the Duty Deferral Program (DDP), the Export Distribution Centre Program (EDCP), and the Exporters of Procession Services (EOPS) program.

The Duty Deferral Program (DDP), which offers a postponement or refund of duties paid on goods that are imported into Canada for companies that store goods before releasing them for sale in Canada, import/export goods without substantially altering them, or use imported goods in the production of other goods for export. DDP participants can make use of one or more components: a customs bonded warehouse, a duties relief program, and a drawback of duties.

The Export Distribution Centre Program (EDCP) benefits companies that import and/or acquire goods in Canada, process them to add limited value, and export the semi-processed goods. The program is of particular benefit to businesses involved in activities like distributing, disassembling, reassembling, displaying, inspecting, labelling, packing, storing, testing, cleaning, diluting, maintaining and servicing, preserving, sorting, grading, trimming, filing, slitting or cutting; the types of businesses that would be well-suited to an area with a direct international link and transportation connections.

The Exporters of Processing Services (EOPS) program relieves participants of GST/HST charges on imported goods belonging to non-residents provided those goods are imported for processing, distribution, or storage, and are subsequently exported.

Though the programs are available Canada-wide, there are still opportunities to differentiate. For example, the CentrePort initiative noted above provides an example for the streamlining of the processes, by putting all information necessary to access both the port and the government programs in one place. As a major goods movement hub, and to encourage the location of value-added activities in the transportation, distribution, warehousing, and logistics sector, Vaughan could work to create a similar entity for the Vaughan Enterprise Zone, either in partnership with the Provincial and Federal governments, or under a more informal approach administered by the City. With a direct connection to international goods movement infrastructure, the City, and more specifically the Vaughan Enterprise Zone, is well positioned to support companies engaged in international trade.

Due to its flexibility, opportunities in the Vaughan Enterprise Zone should be marketed to both companies looking to relocate to Vaughan and existing Vaughan companies that could benefit from re-location to the Vaughan Enterprise Zone.

Looking back to the target sectors and areas of convergence, the Enterprise Zone is appropriate for a number of targeted businesses and local areas of strength. The Official Plan opens the area to general and prestige industrial uses, as well as small commercial or office development. The existing uses in the area are generally compatible with this vision, so the Enterprise Zone remains a blank canvas, of sorts, and an opportunity to develop an innovative industrial park compatible with the general intent of the Official Plan to promote sustainability and a high quality public realm.

Overall, the Enterprise Zone remains an excellent option for companies within the advanced goods production and movement sector, especially those that integrate manufacturing with distribution and administrative functions. It provides a major goods movement asset, excellent transportation connections, and a base of companies engaged in various segments of the convergent cluster. In addition, the new Official Plan is supportive of green technologies and large, integrated facilities, which are characteristics of many of the firms that would be within the convergent sector. In summary, the Enterprise Zone remains an excellent choice for traditional manufacturing; transportation, logistics, warehousing, and distribution; and building component companies, as well as companies within the advanced goods production and movement convergent sector (composites, green technologies, and robotics/advanced controls).

## 5.4 Challenges

Notwithstanding the opportunities and assets in the Vaughan Enterprise Zone, there are several challenges that have been created largely from external forces, but also current shortcomings with the business park itself.

- Growing congestion across the GTA, especially along major highway corridors, presents a major problem for the Enterprise Zone regardless of goods movement by truck or rail; intermodal connections rely on truck movements
- Manufacturing in Canada is changing and the products produced are shifting away from traditional low-value materials to higher-value, labour intensive materials. This is in some cases diminishing the importance of rail connections for some industries; however, intermodal transportation remains important for the movement of goods at the GTA level

- Despite servicing available in the southern portion of the Enterprise Zone, servicing is still not available in areas in the North, which is especially pressing given the location of the intermodal facility

## 5.5 Considerations for Vaughan

The Enterprise Zone, as a leader in transportation, warehousing and logistics in Canada, is Vaughan's portal to the world. It is the ways and means by which local innovators can access points around the globe and gain access to cutting edge inputs for their products.

Canadian Pacific's intermodal yard, Canada's largest, is the direct link to the growing markets in Asia. Stronger links with Delta Port in Vancouver and ports in Asia, will increase import and export opportunities for locally based companies.

"FTZ-like" programs can be delivered across Canada, so communities should focus on developing innovative infrastructure and programs that streamline goods movement and support the tax-based advantages that these programs provide for companies in international trade.

Based on advantageous tax policies in Canada, companies have an opportunity to explore a high-value area of transportation and distribution focusing on value-added services in the sector, such as processing, packaging, assembly, and logistics; these opportunities should be the basis for the development of the Enterprise Zone as a transportation and logistics hub.

## 6 Vaughan Metropolitan Centre

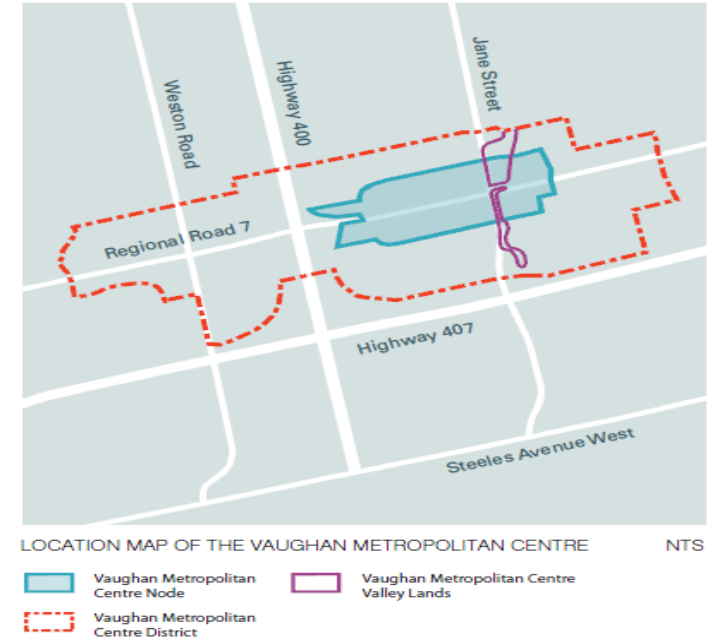
The City of Vaughan is undergoing significant growth, and has completed a considerable amount of planning to ensure that future development will be sustainable. The amalgamation of several communities originally created the City of Vaughan, but beyond those unique village core areas, a central focal point with a coordinated and unique downtown identity is still missing. To answer this concern, and the realities of growth planning in the Greater Golden Horseshoe, the City of Vaughan created a plan to construct a creative, cultural, and economic core area to service the growing needs of the city.

The Vaughan Metropolitan Centre (VMC) includes the Vaughan Metropolitan Centre District, which is the broader surrounding area and permits a wide range of commercial and employment uses; and the Vaughan Metropolitan Centre Node, the provincially-designated Urban Growth Centre located along the Highway 7 corridor. The Urban Growth Centre will include similar uses at higher densities.

The Vaughan Metropolitan Centre has the potential to be the focal point of Vaughan and an example in best practices for the development of a 21<sup>st</sup> century urban core. The VMC will showcase Vaughan’s leadership in incubating culture, design, and sustainable building practices to create a place of vibrancy and culture.

It will encourage a sense of community, and will adhere to the overall vision that the City has imagined. A city that promotes diversity, innovation and opportunity for all citizens, fostering a vibrant community life that is inclusive, progressive, environmentally responsible, and sustainable represents the vision in Vaughan 20/20.

Figure 17: Location of Vaughan Metropolitan Centre



Source: City of Vaughan, Vaughan Metropolitan Centre Brochure, 2009

The draft secondary plan for the Vaughan Metropolitan Centre includes the following general objectives for the development of the area:<sup>22</sup>

- Create of a distinct downtown containing a mix of uses, civic attractions, and a critical mass of people by 2031
- Create complete neighbourhoods, including a range of distinct and transit-oriented mid- to high-density residential options

<sup>22</sup> City of Vaughan. (2010). VMC Objectives, April 19th, 2010 community meeting. Retrieved from <http://www.vaughantomorrow.ca>

- Attract and accommodate of a variety of employment uses characteristic of a regional central business district (government offices, retail, and business services of all sizes)
- Attract a University or College to the downtown area
- Optimize the existing and planned investments in rapid transit, including higher densities at strategic nodes and high regard for walkability
- Create a hierarchical grid network of streets and pathways logically linked to the larger system
- Develop a rich and generous open space system tied primarily to the Black Creek natural system
- Position natural features and functions prominently in the development
- Ensure development incorporates green building materials and technologies
- Employ high-quality standards on the urbanity, materials, and design of the development, ensuring design excellence

One of the key elements of the new VMC will be the planned subway terminal at Highway 7 and Millway Avenue which will link the city to downtown Toronto and York University. This linkage will open up transportation routes for millions of residents, employees, and visitors to Vaughan. The station for the subway will also be the focus of height and density in the area, with heights of 6-35 storeys prescribed for the mix of office and retail uses in close proximity to the terminal, by the draft VMC secondary plan.

Overall, the VMC represents a very interesting opportunity for the City of Vaughan. The opportunity to develop a downtown area basically from a vacant land concept to full plan realization, offers a unique opportunity in downtown development, especially since many areas in North America are struggling with downtown re-development. Development is proactive and anticipating the function of the downtown, rather than reactive and trying to recover the past

cultural value of the downtown. As such, the city has an opportunity to set the vision for the area and create economic and land use policies that exclusively support that vision.

It is the vision that is still in question, especially from an economic development perspective. Based on draft policies it is clear that the area is to be mixed use, containing a diverse range of commercial, major office, retail, and residential uses, with regard to transit supportiveness and excellent urban design. Looking at the City's target clusters, a number fit into those parameters, including headquarters, the PSTS sector, educational services, and cultural industries. The VMC offers an opportunity for the clustering of all of those sectors, but in a cultural context, perhaps it presents an opportunity to localize or concentrate a sector of activity which is currently dispersed in smaller pockets around the city.

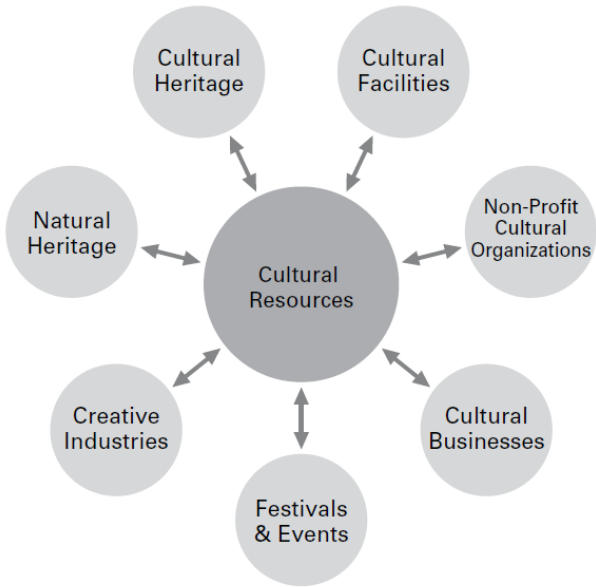
The cultural industries are presently spread out across the city, and there is no clear cluster or district, like the ones that many other cities enjoy based on those industries. In a tourism context, many of these industries are cultural draws for the area, and their disbursement across the city presents some barriers to visitors that wish to package several of those amenities into one visit.

As was discussed in the PSTS industry profile (See page 10 in the Background Economic Analysis and Appendices Report), the VMC should be a location that is attractive for the professional, scientific, and technical services sector. This sector tends to be characterized by small, home-based businesses. In order to accommodate growth in this sector the VMC should offer a diverse range of office spaces at different sizes and configurations for these types of businesses, equipped with IT and co-working capabilities.

The VMC can be the cultural and tourism hub for the city, in addition to its other proposed economic and social functions. As was discussed previously, the quality of public services, arts, entertainment venues, and outdoor activities play a major role in

encouraging corporate headquarters to locate and attract employees within the VMC. A major driver for corporate headquarters is finding a diversified and educated pool of labour in their chosen location, however in attracting these highly skilled people, the quality of living becomes a very attractive 'selling' feature. Professionals need to know that if they are going to relocate their family for work that they will have the amenities needed to sustain or improve their quality of life. The VMC can be the central focal point, or “hub”, with “spokes” that radiate out to the various other cultural industries in the city. In some cases, the VMC can even provide the centrally-located spaces to benefit those industries, such as a performing arts centre to support local artists, educational opportunities, or some live-work studio space that can act as a natural point of interaction for the creative and cultural industries around the city.

Figure 18: Cultural Resources



Source: Authenticity, 2008

Figure 18 further displays that there are many avenues where culture can flourish in the VMC. When looking at the larger 'cultural resources' industries such as the natural heritage, and non-profit organizations become a part of the overall culture in the VMC. In focusing those cultural industries within the VMC, the city in turn starts to develop a tourism hub as well, with supporting accommodations, restaurants, and retail, given the “attraction” potential that some cultural industries have as a destination.

In order to support the VMC as a destination, there are opportunities for enhancement of the existing entertainment amenities that are currently found in the area. Overall, the City has a number of creative and cultural industry strengths disbursed across the city, making it difficult for residents and tourists to package these amenities into coordinated Vaughan “experiences”. By creating stronger virtual and physical connections radiating out from the VMC, the city can enhance the overall quality of its cultural and tourism industries.

The key, however, remains in how the City both shapes the vision of the VMC for connectivity with local residents, employees, and visitors, but also how it designs streetscapes and public areas that promote the VMC as a suitable area for a range of different types of business and development investments. The recent changes in Ontario's tourism regions will play a significant role in the marketing and management of tourism opportunities for Vaughan. It will be important that Vaughan be an active member in the new Regional Tourism Organization (RTO) that is formed, as this new tourism region takes shape. Strong collaboration, partnerships, and communications will be necessary to ensure opportunities are realized.

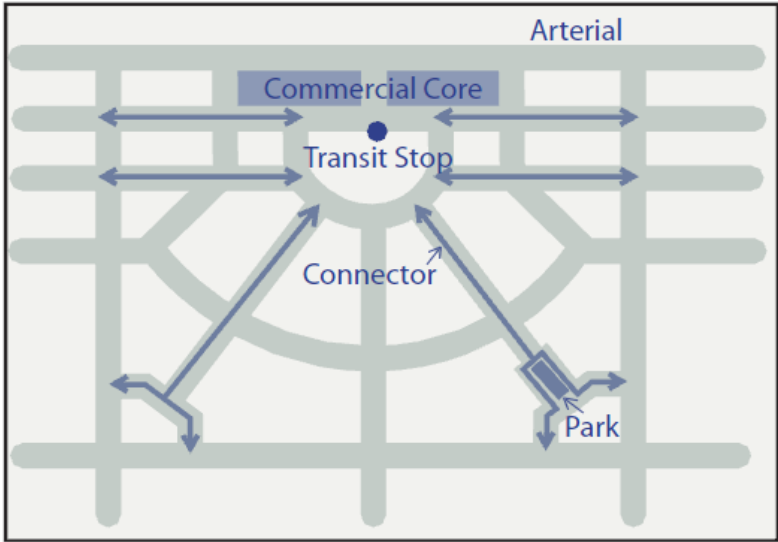
**6.1 Transit-Oriented Development**

Transit-oriented development (TOD) has become very popular in recent years, especially as cities begin to accommodate larger populations, more jobs, and increased movement of goods. This

concept is becoming increasingly important for the city of Vaughan, as currently a number of industries such as manufacturing are experiencing in-commuters of up to 20,000 employees according to the Vaughan ESS Report. Overall Vaughan experiences a net gain of workers of more than 25,000 people according to 2006 Statistics Canada labour flow patterns. However residents employed in Education Services, Finance and Insurance, PSTS and Information and Cultural Industries are commuting out of Vaughan for work. The VMC should continue to help Vaughan retain the labour force. Transit-oriented development should be kept at the top of mind in Vaughan as proximity to the workplace, and ease of getting there are major factors in an individual's choice of where to live/work.

According to EMBARQ<sup>23</sup>, the WRI Center for Sustainable Transport, TOD is strongly associated with mixed-use and pedestrian friendly design, as is the case with Vaughan's plan for the VMC. This means there will be residential and commercial uses near the transit station, supported by appropriate employment and residential densities to maintain the effective connection of the VMC to the larger regional transit system. The dense neighbourhoods of older cities are proof that neighbourhoods organically developed and clustered around avenues with streetcars, horse-drawn carts, and walking pathways and it is this urban form that many areas are struggling to recreate in new developments, in recognition of the vibrancy it can create for a neighbourhood.

Figure 19: Transit-oriented Development of Cluster Buildings



Source: City of Calgary (2004). *Transit Oriented Development Best Practices Handbook*<sup>24</sup>

As is shown above, buildings are grouped together or clustered around the transportation node or along strategic corridors, offering a "one-stop" opportunity to conveniently access a variety of destination on foot. These buildings can aid in framing a distinct character of the area, while creating an easily accessible and walkable environment. The proposed VMC will be developed in a similar fashion, in that it will include a wider range of commercial, employment, and residential uses at more medium to high densities.

<sup>23</sup> EMBARQ. (2010). *Transit-Oriented Development*. Retrieved from <http://www.embarq.org/en/solution/transit-oriented-development>

<sup>24</sup> City of Calgary. (2004). *Transit Oriented Development Best Practices Handbook*. Retrieved from [http://www.calgarytransit.com/.../transit\\_oriented\\_development\\_guide\\_lines.pdf](http://www.calgarytransit.com/.../transit_oriented_development_guide_lines.pdf)



The following case studies will outline several examples of cities that have grown largely due the establishment of transit-oriented development.

**Washington, DC**

In Washington, DC, neighbourhoods were largely torn apart following the 1968 riots which devastated Washington's inner city economy, through the burning of some 1200 buildings, which accounted in part for an overall loss of jobs and a major increase in insurance rates. On some blocks only rubble remained for decades. It was in 1991 and 1999, when the U St/Cardozo and the Columbia Heights Metro Stations (respectively) were built that the economy began to recover<sup>25</sup>. The subway line (now called the Green Line) brought transit access to residents that desperately needed it. Presently, land values in the neighbourhood are suggested to be between 12 and 20 percent higher within 300 feet of a Metro station.

This example demonstrates how the extension of an existing subway line can substantially help to improve the economic conditions in an area. In Vaughan’s context, what should be noted is the potential for the subway to be a significant driver of economic investment.

**Mockingbird Station, Dallas, Texas**

Located on Mockingbird Lane and North Central Expressway in Dallas, TX, this light rail station is served by the North Central segment of the Dallas Area Rapid Transit (DART). This line opened in January 1997 and services the Mockingbird Station residential and retail development, as well as nearby Southern Methodist University. This cluster around the station includes offices, loft-style residential development, Angelika Film Center & Cafe, and a number of well known retail stores.

<sup>25</sup> Wikipedia, 2010. *1968 Washington, D.C Riots*. Retrieved from [http://en.wikipedia.org/wiki/1968\\_Washington,\\_D.C.\\_riots](http://en.wikipedia.org/wiki/1968_Washington,_D.C._riots)

Figure 20: Mockingbird DART Station, Dallas, TX<sup>26</sup>



Mockingbird Station has the highest density population within three miles of any mass transit station in Texas. It is also the northernmost DART station serving two lines along the transit system. The area is undergoing transition, as dozens of residential conversions and new high rise condos are bringing more permanent residents to the downtown area, which is a long-term goal for Vaughan as well in the VMC. Redevelopment on Main Street has turned the downtown into a bustling place for restaurants, hotels, and residential towers.

The City of Dallas contributed \$160 million in public funds which attracted \$650 million in private investment including one arts plaza, a mixed use office, residential development in the Arts District, and the new home of the 7-Eleven headquarters. This example demonstrates the major developments that tend to take place in areas where major transportation linkages have been made. While it

<sup>26</sup> Mockingbird Station. (n.d). <http://www.mockingbirdstation.com/thestation.aspx?link=stat>

can be a question of what came first-development or transportation- in this case a coordinated approach was taken to ensure that development would be sustainable and take full advantage of transportation investments.

**Montreal, Quebec**

The city of Montreal has seen continued growth, and with this growth came the need for an expanded transportation system. Being highly dependent on cars, the city established a metropolitan Transportation Agency (AMT) in 1995 to promote public transit use, improve existing services in the system, and plan for new facilities as the system expands. Figure 21 (to right) displays the transit system (subway and train) in Montreal, Quebec.

Figure 21: Montreal, Quebec's Transit System



In 2000, a commuter line servicing the south shore, the area located directly across the St. Lawrence River from Montreal, was constructed. In 2002 service was extended to Mont-Saint-Hilaire, home to approximately 14,000 persons and located 40km east of downtown Montreal.<sup>27</sup>

After the commuter train linking Mont-Saint-Hilaire to downtown Montreal began operating, the town of Mont-Saint-Hilaire decided to create a residential development around the station called Village de la Gare, based on transit-oriented development (TOD) concepts. The objective of the project was to create a multifunctional district around public transit systems, but also to preserve the town's natural character. By installing a range of services close at hand the development was meant to encourage people to bicycle or walk, and thereby reduce the use of cars and preserve the quality of life in the area<sup>28</sup>. This approach is similar to Vaughan, in that encouraging a vibrant, walkable city is a major goal for the VMC.

The project began in 2002 and is expected to be completed in 2012. Much progress has been made, including:

- Construction of 100 of the 1,000 housing units
- Completion of the station
- Amendment to the Town's by-law to accommodate the new types of construction in this area
- Completion of road and landscaping improvements in the village

<sup>27</sup> Canadian Mortgage and Housing Corporation. (2010). *Transit-oriented development case study: Village De La Gare, Mont-Saint-Hilaire, Quebec*. Retrieved from [http://www.cmhc-schl.gc.ca/en/inpr/su/sucopl/sucopl\\_007.cfm](http://www.cmhc-schl.gc.ca/en/inpr/su/sucopl/sucopl_007.cfm)

<sup>28</sup> Transport Canada. (2010). *Village de la Gare: Transit Oriented Residential Development*. Retrieved from <http://www.tc.gc.ca/eng/programs/environment-utsp-villagedelagare-1092.htm>

The project was made possible by collaboration between the municipality, the metropolitan transit authority, and a private developer. At completion, it will include 1,000 residential units, approximately 2,300 m<sup>2</sup> (24,750 sq. ft.) of commercial space, a primary school, public open space and landscaping, bicycle routes and pedestrian pathways, all within 750 metres of the train station. Nearly 15 per cent of the land area will be used for parks and public open space.

To date, nearly one-third of the residential area has been built and occupied. Development will progress at the pace of about 100 residential units a year plus the adjoining green space, landscaping and pathways. The developers of this project held a belief that transit-oriented development should not rely exclusively on the existence of public transit, rather, it should incorporate transit use within a living environment that is well-planned and attractive to its residents and users.

Another example from Montreal is the extension of the subway line to the nearby community of Laval. The Montmorency Station was built in 2007 and is the last stop on the Orange line, linking downtown Montreal to Laval. Development around this station includes College Montmorency, Laval House of Arts, and two shopping centres. When it was built it was expected that this line would carry approximately 35,000 passengers a day, but is now requiring expansion as almost 60,000 passengers a day are using the line<sup>29</sup>.

This station serves a sprawling community college, provides a direct link to a new regional bus terminal, and features broad, well-lit stairways and a colourful approach to finishes showcasing suburban architecture which is said to offer a clear expression of the cultural

identity of the city. Parking spaces in the generous park-and-ride are offered free of charge as a public transit incentive.

Similar to Vaughan's situation, these examples demonstrate the development that takes place when a new transit system is introduced. It also exemplifies a city proactively increasing transit accessibility in order to reduce road congestion and promote a walkable, thriving downtown while protecting green spaces; all are goals in the development of the VMC.

### ***Symphony Park, Las Vegas, Nevada***

Symphony Park is a blend of diverse developments which will make up the first modern-day city neighbourhood in Las Vegas. Community design and guiding principles of sustainability have allowed the development to achieve gold certification stage 2 status through the Leadership in Energy and Environmental Design for Neighbourhood Development (LEED-ND) rating system of the U.S Green Building Council.

This development stems from two key projects: The Smith Center for the Performing Arts, Las Vegas' first performing arts center, and the renowned Cleveland Clinic Lou Ruvo Center for Brain Health. Upon completion, it is planned that Symphony park will include a variety of uses, such as office/medical, residential, 2 hotels, 1 hotel/retail complex, and other retail stores.

The City donated the 4.75-acre site for The Smith Center, a planned multi-theatre complex. The main theatre in the complex would have a capacity 2,050 seat capacity. The center, now under construction, will offer a blend of performances by local arts groups as well as first-run touring attractions. It will feature music, theatre and dance companies from all over the world and will be home to the Las Vegas Philharmonic and Nevada Ballet Theatre. Upon its planned opening in early 2012, this facility will be the first regional performing arts center in the Las Vegas Valley.

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<sup>29</sup> CBC News. (2008). *MTC a victim of its own success*. Retrieved from <http://www.cbc.ca/canada/montreal/story/2008/04/15/qc-mtccomplaints0415.html?ref=rss>

Also planned for Symphony Park is the World Jewellery Center. The center will be an important, centralized marketplace for international gem and jewellery manufacturers and distributors, and a distinctive jewellery shopping destination for the public. Proposed amenities feature gem grading labs, secure shipping and receiving, exhibition space, restaurants, and a Foreign Trade Zone<sup>30</sup>.

While this example does not support transit development centered on rail or subway, it does support the development that takes place when cities are walkable, and sustainable. While the visitor numbers are much higher in Las Vegas than Vaughan, it does emphasize the importance of creating a downtown that supports the arts and culture in attracting people, especially with unique amenities, but also creating liveable spaces.

### 6.2 Opportunities and Assets

The case studies discussed above show examples of transportation improvements that have taken place due to a need for greater accessibility and accommodation of a growing population in a sustainable manner. These case studies also highlight best practices in development around an expanded transit system, or an important transit system node. As noted above, many times a development is created primarily because there is an existing transit system in place, and an effective transit system can often be a driver for new investment, such as a post-secondary satellite campus development. Vaughan's Official Plan sets out a 'vision for transformation' built on eight key themes. While connections to cultural planning and development exist across all eight themes, particularly strong connections are found in the themes shown in figure 22.

The development of the Vaughan Metropolitan Centre brings about a tremendous amount of opportunity to continue to grow the existing tourism and creative/cultural industries. Physical connections will be

made to the other areas of the city, as well as the greater region and Toronto, providing logical connections to downtown Toronto and York University. With a cohesive cultural and tourism focus in the Centre, complementing its economic importance, it should also become a destination for tourists, but also the residents of Vaughan, York Region, and Toronto.

Figure 22: Key Themes in Vaughan's Official Plan

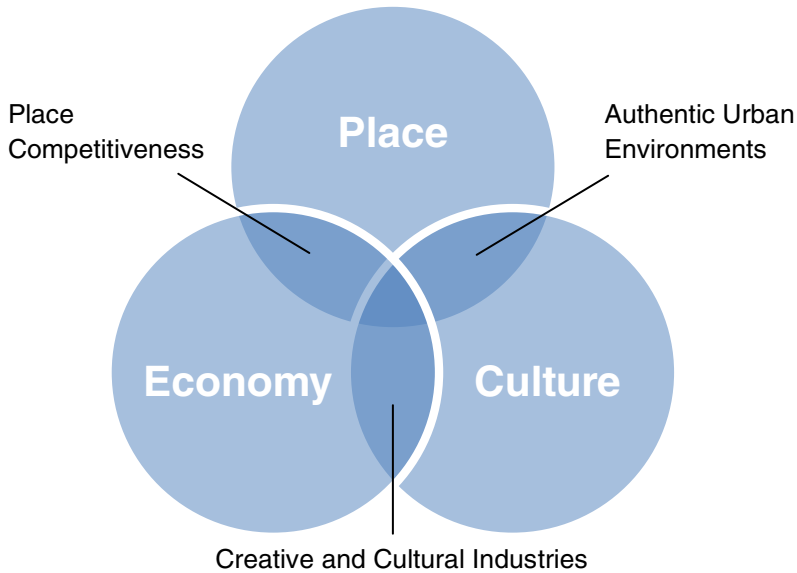


The vision for Vaughan, as cited in the Cultural Plan, suggests that there are strong linkages between the economy, place, and culture. The economy in Vaughan is strong, however growth can occur in making stronger connections between the economy and the sense of place and between the sense of place and culture in the city. It is when connections are made between the economy and culture that the creative and cultural industries can grow. In realizing the areas of convergence the city is creating place competitiveness, growing the creative industry and growing an authentic urban environment which sets it apart from other urban centres. The VMC should be the logical place where these three factors can come together, offering an

<sup>30</sup> City of Las Vegas. (2010). *Symphony Park*. Retrieved from <http://www.lasvegasnevada.gov/Government/7598.htm>

attractive location for those professionals (i.e. PSTS) who place high value in living in an area that not only offers them the amenities they require, but also offers them a feeling of belonging, and the vibrancy that the cultural industry has to offer. Vaughan needs to take steps to ensure that these types of people are attracted to the city, as these individuals attract employers who are seeking highly skilled and creative professionals. In today's world, it must be realized that just offering jobs is not enough- a strong sense of place is vital for attracting and growing the overall economy in Vaughan.

Figure 23: Creative City Vision for Vaughan



Source: Adapted from Authenticity, 2008 by Miller Dickinson Blais

The VMC will have a broader focus on cohesive place-making, not individual projects. A key element of that vision is a green sustainable downtown area. According to the Vaughan Official Plan, 50% of residents will be within 200 metres of transit service (less

than a 5-minute walk) and 90% will be within 500 metres of transit service (10 minute walk). The new downtown is expected to include streetscapes, parks, open spaces, and urban squares. It will include a design review process for major projects and significant buildings, with public art being a major focus. The VMC will include a diverse mix of housing opportunities, which will help to keep the downtown thriving and affordable for a range of demographic groups.

The City of Vaughan needs to ensure that the VMC reflects other growth and vibrant centres around the world; a centre where the arts, culture, entertainment, and community life can grow. Keeping in mind the goals of the Vaughan Official Plan several opportunities should be noted:

- As discussed in the cultural sector profile, wedding tourism may hold some potential for Vaughan. Weddings bring together a range of businesses, including food and drink, hall rentals, transportation services, and entertainment (DJ's, musicians) to name a few. With an area focused on nurturing these cultural industries, as well as the potential for new or higher profile banquet and hospitality facilities, a stronger cluster may form in Vaughan and there may be incentive to try to target wedding tourism. This includes targeting receptions of weddings held elsewhere in the GTA, by providing world-class accommodations and facilities; having a unique and strong cluster of wedding-support industries, as noted above; or targeting opportunities for local businesses to showcase their strengths, primarily through trade or bridal shows.
- Cultural tourism is a subset of tourism that explores a region's culture, specifically the lifestyle of the people in the area, the history of those people, their art, architecture, religion(s), and other elements that shape their community. As noted before, the Vaughan Metropolitan Centre could be the place that brings together the creative industries of the city. The subway station will include local art and architecture but should also build on the

city's strengths in showcasing local talent through art exhibitions, buskers, galleries, etc. Transportation connections to local cultural attractions such as the McMichael Canadian Art Collection and the historic Village of Kleinburg should be easily accessible so that logical connections can be made between those attractions, and the complementary features of the VMC. Joint marketing throughout the York Region and Toronto area should emphasize the options for celebrating art and culture that exist in Vaughan, and the ease of reaching these destinations.

Creative industries thrive when people are able to use their knowledge and share information. According to Landry & Bianchini, authors of *The Creative City* the industries of the twenty-first century will depend increasingly on the generation of knowledge through creativity and innovation". In building the cultural industry in Vaughan, the city should use the creative talents that currently exist to conduct further spatial analysis with a Geographical Information Systems (GIS). This tool can expand on the present cultural mapping initiatives in the city completed through the Cultural Plan, and further aid planners in designing an appropriate planning process and facilitating community decision based on the present geographic concentrations and clustering of cultural industries in the city. The study may inform local planners about the types of flexibility in policies or regulations that may be needed in the VMC to accommodate potential relocations of industries or entrepreneurs to the area.

'Economic Gardening' refers to community economic development activities focused on increasing the competitive capabilities of local business owners, especially those with specialized skills and high potential goods and services<sup>31</sup>. Stakeholder interviews revealed that some of this is already happening in Vaughan, such as the

activities done by the Enterprise Promotion and Investment Centre (EPIC)-a business incubator which assists prospective entrepreneurs from marginalized communities by providing various forms of support for business initiatives. This is being completed by a non profit organization called Human Endeavours. By mobilizing the community and promoting self reliance, as well as setting up model socially responsible businesses and integrating economic and social development it is the hope of Human Endeavour that partnering with socially conscious businesses, non-profit organizations, and governments will aid in reducing inequalities and vulnerability in the community and surrounding area. Many of the clients that visit Human Endeavour are individuals of various cultural backgrounds who have immigrated to Canada for a better life. Allowing these individuals an opportunity to realize their business endeavours in Vaughan could create a new wave of entrepreneurial activity with strong cultural and tourism emphasis.

Economic Gardening can also be used in the future in combination with Geographic Information Systems (GIS), as it will allow the city to target its business retention and expansion activities on specific geographic or economic clusters in the cultural industries throughout the city. As part of the economic gardening process, the city can begin to articulate the strengths of the VMC as a cultural industry business location.

The City of Vaughan has become very well known for its high number of banquet hall facilities. However, what it lacks is a facility to host large scale conferences and conventions that can accommodate large business functions (trade shows, conventions). The Toronto Congress Center includes 33 meetings rooms and 500,000 square feet of space for conferences. While this may be larger than what Vaughan requires, the city is currently missing opportunities to host large-scale events such as tradeshow, exhibits, conferences, etc, below the level where the larger conference markets (Toronto, Ottawa, and Niagara Falls) are

<sup>31</sup> Economic Gardening Canada. (2010). Retrieved from <http://www.economicgardening.ca>.

competing. This would include more national or regional types of shows, but could still attract volumes of visitors above where Vaughan has capacity to presently accommodate them.

The example of Symphony Park, Las Vegas describes a downtown centre which includes a mixture of businesses, but primarily in a trade or conference context, the World Jewellery Center (WJC). The WJC includes manufacturing, distribution and retail sales of gems and jewellery, with potential to attract business investment, but also tourism investment through wholesale and retail operations, as well as the capacity to host industry shows. Recently, in downtown Toronto Ontario-grown diamonds which came from the DeBeers Canada Victor Mine in northern Ontario were put up for sale. After May 1, 2010 the gems were transported around Canada to be exhibited in other major cities<sup>32</sup>. This represents the type of activity that a conference centre in Vaughan could be well positioned to attract. As the economic and cultural centre of the city, with a range of proposed complementary businesses concerned with entertainment, hospitality, and accommodations, and transportation connections to the greater region, the VMC may represent the most logical place for such a facility.

Through the facilities developed in the VMC, Vaughan could offer more support to cultural festivals and events. Cities with a strong and vibrant cultural sector routinely experience outstanding economic growth because:

- Economic benefits of a strong cultural sector include increasing innovation, productivity, and returns on the city's brand

<sup>32</sup> Fort Francis Times Online. (2010). *Say it with a home grown gem: First Ontario-made diamonds go up for sale*. Retrieved from <http://www.ftime.com/node/232945>

- Exports from the region increase in terms of both volume and monetary value
- The inclusion of more people in arts and culture, along with the development of a participatory, "Live Culture" environment, helps to spread the positive economic externalities associated with culture<sup>33</sup>

Vaughan encompasses five distinct communities (Kleinburg, Maple, Concord, Woodbridge and Thornhill), each with its unique history and character. A number of festivals are currently held in Vaughan such as the Woodbridge Fall Fair, and the Binder Twine Festival.

The city's demographic profile exhibits a large number of ethnicities in Vaughan, each bringing to the community a different culture and different set of experiences. Most recent immigrants to Vaughan by selected place of birth include; Russian Federation, India, Ukraine, Israel, Philippines, South Korea, Pakistan, Romania, and the Peoples Republic of China. Businesses from finance to manufacturing will prosper as they are able to attract the best talent in the world with ease, and a primary concern for new immigrants is their ability to integrate quickly into their new communities. Celebrating the cultural differences in Vaughan, especially through the development of the VMC, but also through the promotion of festivals, parades, and activities, reflects the openness of the community and its ability to welcome newcomers and their new traditions. As the cultural centre of the city, the VMC represents a logical place to anchor cultural festivals and activities.

Culinary Tourism is defined as the pursuit of unique and memorable culinary experiences of all kinds, often while traveling but also at "home".<sup>34</sup> Canada is renowned all over the world for its exceptional

<sup>33</sup> Martin Prosperity Institute. (2008). Funding to arts and cultural organizations by the City of Toronto 1990-2008. Retrieved from <http://www.martinprosperity.org>

<sup>34</sup><http://www.Culinarytourism.org>.

quality of life, distinctive and diverse landscapes, fascinating history and an incredibly rich cultural heritage, all of which make it a unique and topnotch destination for culinary tourism. Cities such as Vaughan that are home to a range of cultures are at an advantage as today many tourists as well as local residents are looking for something new and authentic.

- Vaughan has a wide variety of restaurants featuring Japanese, Chinese, Thai, Indian, Vietnamese and Korean cuisines and outstanding Italian restaurants. Stakeholder interviews revealed that Vaughan is well known for their authentic cuisine, and this should be expanded upon. Based on the existing strengths in the area, but also the vision to expand the entertainment and hospitality uses in the VMC, it may be a logical place to concentrate the expansion of culinary tourism.
- An example of culinary tourism tied to a theme park setting is Disney World's Epcot Centre, where tourists can visit the 'World Showcase'. The centre includes pavilions, shops, attractions, and restaurants that represent the culture and cuisine of 11 countries<sup>35</sup>. While Canada's Wonderland may not have any plans to develop this kind of attraction, it could be worth developing a similar style attraction either in partnership with Canada's Wonderland, or in close proximity to the park in the VMC. A major concern amongst stakeholders was that tourists come to Vaughan and visit Wonderland and then head home, missing out on the other opportunities within the area. A culinary attraction could offer theme-park lovers an exceptional dining experience after an adventure-packed day.

<sup>35</sup> Walt Disney World. (2010). Retrieved from <http://disneyworld.disney.go.com/parks/epcot/>

As part of the initiative, the city will need to determine the type of approach it will take on culinary tourism. The figure below suggests an approach that the city might take to develop their culinary industry.

Figure 24: The three steps to Culinary Tourism



Source: <http://www.Culinarytourism.org>, 2010

1. **Learn:** Vaughan needs to learn what constitutes best practices in culinary tourism product development and marketing.
2. **Develop:** Vaughan will need to define what the culinary product is. Will it be a tour company? Restaurant? Winery? Destination? A culinary tourism brand will be established to reflect the range of ethnicities of the area.



- 3. **Promote:** Once the background work has been completed (such as a culinary tourism portfolio) a plan will need to be established on how it will best be promoted.

The VMC has the potential to be a highly attractive area for highly-skilled individuals and the knowledge-based industries that employ them. The design of the VMC should consider the types of high-quality urban spaces that these professionals are looking for, in order to attract new residents and creative industries.

- The VMC will have a mix of major office, unique retail, entertainment, open space, and transit-connectivity. Regard should be given to maintaining the vision for the area as a true urban, mixed-use node that can support a range of individuals and industries. Established policies for high quality urban design should be adhered to, to make sure that the VMC develops as envisioned and remains a unique and interesting place.
- Most importantly, the VMC must be differentiated from other areas in the GTA based on its design.
- Vaughan's new official plan (2010) positions the city as a leader in environmental protection and sustainable building. Green building practices are encouraged, which will be an attractive feature in the VMC for professional, scientific, technical services (PSTS) industry workers in choosing where to live, work, and do business. A VMC with innovative architectural and engineering design, and sustainable building practices, will ensure that the City of Vaughan is utilizing the areas of convergence that set it apart from other cities.

### 6.3 Considerations for Vaughan

There are several examples in North America where transit centres have attracted cultural industries, educational institutions and corporate head quarters. The Vaughan Metropolitan Centre offers incredible opportunity to attract skilled and creative workers and industry to the area.

The VMC can become a centre where arts, culture, entertainment and community life can grow, or the centre of a hub and spoke model for creative and design industries, educational institutions, and corporate headquarters.

Considerations need to be given to flexible, mixed use, live and work space to accommodate creative and design workers that maybe combining their home with their office.

## 7 International Friendship and Twin City Relationships

Municipal twinning is an ancient practice dating back to 9<sup>th</sup> Century Europe and the sister city relationship of Paderborn, Germany with LeMans, France. Modern twinning efforts expanded greatly during the reconstruction efforts following the Second World War, and as an ongoing effort at citizen diplomacy during the Cold War. The relationships created over the years have taken a wide variety of forms and aspects, and a growing body of “best practices” is now emerging to guide communities as they assess and consider their options for productive economic, social, cultural and recreational partnerships with sister communities around the world.

The City of Vaughan has a number of existing “Friendship and Twin” city relationships with communities including:

- Sora, Italy (1992) Friendship City
- Ramla, Israel (1993) Friendship City
- Sanjo, Japan (1993) Friendship City
- Yangzhou, China (1995) Friendship City
- Baguio, Philippines (1997) Twin City
- Delia, Italy (1998) Friendship City
- Lanciano, Italy (2002) Friendship City

The International Partnership Policy of the City of Vaughan has been in place since 1991 and it indicates two forms of International Partnerships: Friendship Agreements and Twin City Agreements. These partnerships are also characterized by the type of collaboration that they propose to cultivate: cultural or educational relations or economic opportunity development.

In 2007, Council approved a report directing staff to bring forward recommendations for new economic partnerships with suitable

partner cities in China, northern Italy, USA and any other jurisdiction offering excellent growth opportunities for Vaughan.

In addition to the current partnerships, in 2006, the City of Vaughan also entered into an informal agreement with an office of the University of Calabria in Cosenza, for the purpose of exploring innovative programs for young professionals and the business community.

Following Vaughan’s 2007 business mission to Italy, initial discussions took place with respect to a potential relationship with Parma. In addition, Council placed a moratorium on new partnerships with any jurisdiction in Italy for a period of at least five years in order to focus on existing partnerships and the inherent opportunities realized from existing ties.

Given the number and varied directions with respect to International Partnerships, this strategy re-examines the City’s International Partnerships; its future activities with existing partners; new partnership proposals and handling protocols; resource requirements; and benefits to the City.

In the City of Vaughan, there is a distinction between twin cities and friendship cities. Using a human relationship analogy, those cities with whom Vaughan has the closest and most formal of relationships, we would consider twin cities. Whereas relationships with friendship cities are less formal, and the relationship is generally accepted as still evolving. Notwithstanding these differences, international partnership programs raise awareness of global issues; build and strengthen bridges of mutual understanding and respect; and promote economic development.

## 7.1 Best Practices

As mentioned, there is a growing body of “best practices” now emerging to guide communities as they assess and consider international business development and international relationships. The strategy identifies four leading options that will assist Vaughan in creating a solid IBD Program which in time may lead to further more formal partnerships.

### 7.1.1 The Hanseatic Model

In the late Middle Ages, the fragmented political structure of Europe left many cities and towns feeling isolated, unprotected and economically vulnerable. In 1241, the small north German city of



The Hanseatic League

Lubeck created a series of alliances with other communities in order to enhance security, create stability and – above all – to promote new economic and trade opportunities. It began by forming an alliance with the City of Hamburg, followed soon after by the City of Cologne. In 1266, this alliance of cities (known as the Hansa or Hanseatic League) was granted special

trade rights in England, and began a period of rapid expansion.

By about 1350, the Hanseatic League had grown to include 170 member towns and cities, and had become one of the most powerful political and economic forces in Europe. Its influence was eroded during the Thirty Years War, and the Peace of Westphalia which ended that war in 1648 formally signalled the end of Hanseatic power. European power increasingly gravitated toward a strong group of emerging nations, including Spain, France, England and Sweden.

In recent years, however, the advent of globalization has led some theorists to suggest that the declining power of national governments in a globalized economy allows towns and cities to once again reassert their influence, and to establish productive international partnerships between cities even when they are geographically separated.

The Hanseatic League is often held up as a model of how such structures may be established, nurtured and maintained over time. Modern advocates suggest that “neo-Hanseatic” models of municipal cooperation will begin to emerge as cities identify potential partners with whom they may pursue common economic, political and cultural goals.

Neo-Hanseatic models are often attractive to small and mid-size municipalities, as they allow communities with corresponding interests to pool their limited resources. In theory, such co-operative approaches also lend themselves to more effective lobbying and political pressure tactics. However, the primary motivation for neo-Hanseatic models – as with the ancient Hanseatic League – appears to be for the promotion of economic activity.

### 7.1.2 Best Cities Global Alliance

The Best Cities Global Alliance is probably the most successful neo-Hanseatic model involving a Canadian city. The Alliance is a

coalition of eight cities working cooperatively to attract “mega-conferences” of 10,000 delegates or more to their communities. The eight member cities are:

- Cape Town, South Africa
- Copenhagen, Denmark
- Dubai, United Arab Emirates
- Edinburgh, Scotland
- Melbourne, Australia
- San Juan, Puerto Rico
- Sydney, Australia
- Vancouver, Canada

While in one sense each of these cities is competing with the others to attract conferences to its community, the reality is that these large-scale conferences do not visit the same city year after year – rather, they move from global venue to global venue. The rationale behind the Best Cities Global Alliance is thus to gather and share intelligence on those organizations and associations holding mega-conferences, thereby allowing member cities to improve their “bids” for conference hosting opportunities, and to improve their chances of winning large value conference contracts.



At the same time, member cities can promote their partners when hosting large events within their own communities. In this way, the eight member cities collaborate to improve their individual performances within this particular area of economic activity.

Each of the eight cities makes an annual contribution to the organization, a portion of which is used to hire a General Manager who coordinates the organization’s activities. The organization operates under the auspices of a Board of Directors representing each of the eight communities, with the Chair selected on a rotating basis among all eight communities. The organization is presently based in Denmark.

### 7.1.3 The St. Catharines, Ontario – Oulu, Finland Model

In 2001, economic development staff at the City of St. Catharines in the Niagara Region of southern Ontario began to consider possible international linkages in an effort to kickstart a sagging manufacturing economy. Recognizing the need to diversify the economic base, they searched for a potential partner that had successfully shifted from the old to the new economy, but also a partner that could conceivably offer creative opportunities for new economic and cultural partnerships on an ongoing basis.

For a number of reasons, the St. Catharines team ultimately settled on the community of Oulu in northern Finland:

- The two communities were roughly the same size at 120,000-130,000 people
- Oulu had been a traditional manufacturing centre that transformed itself in the 1990s into a world-leading centre of wireless communications and information technology development
- Oulu had been ranked by *Wired Magazine* as one of the “10 smartest cities in the world”
- Finland was ranked by Transparency International as the most honest country for business in the world
- Finland was ranked by the World Economic Forum as the “most competitive economy in the world”
- Finland was ranked by the World Economic Forum as the “most technologically-advanced economy in the world”

Beginning in 2001, St. Catharines courted Oulu, proposing an informal partnership focused on creating economic linkages between the two communities. The Canadian community positioned itself as a “gateway to North America” for Oulu-based firms, where they could



enter the huge North American market from a Canadian “safe haven” with multiple, specialized support programs drawing support directly from St. Catharines municipal staff, and then – once more firmly established – take advantage of NAFTA to expand into the US market. At the same time, St. Catharines-based exporters could gain a toehold in European markets through Finnish partnerships, particularly in the

fields of wine, tourism and professional training.

Ultimately, 16 Finnish firms have established operations in St. Catharines, while a 17<sup>th</sup> firm that was already operating in the community closed a Montreal-area facility to consolidate its operations within St. Catharines. Some 50 Canadian jobs have been created through the partnership to date. Although initiated by the municipality (with financial support from the Industry Canada-administered Community Investment Support Program), the relationship has now largely been taken over by the private sector, with many of the incoming investments handled by a new St. Catharines company called The Scandic Group (TSG).



TSG is an innovative, results-oriented business development firm that specializes in the internationalization of Scandinavian-based companies.

Headquartered in St. Catharines, Ontario, TSG currently represents the North American interests of more than a dozen firms from Finland, Sweden and elsewhere in northern Europe.

The firm offers a range of support services and structures to Scandinavian firms, including Export Partner programs, market entry analysis and market assessment research, access to financing and in-market representation. TSG also works closely with regional governments – and particularly the Finnish Ministry of Employment and Economy – to assist with export development and foreign market entry programs.

TSG’s Canadian team consists of 9 staff headed by John Savio (a former software executive and entrepreneur) and Greg McCandless (a long-time economic development professional who has worked for municipalities including Fort Erie, St. Catharines and Richmond Hill).

The success of the St. Catharines-Oulu model prompted a number of other Scandinavian communities (including Lulea, Sweden and Bodo, Norway) to seek similar relationships with St. Catharines, earning the community a reputation as the “Nordic Gateway” to North America.

**7.1.4 The Global Hometown Model**

In early 2008 the Town of Markham unveiled a new economic development strategy. The strategy described a series of “enabling environments” that would be required to achieve success in the new economy. One of the targets of this activity was the “building of the global city” – in other words, the development of a community that was fully linked to and integrated into the increasingly globalized economy.

To achieve this end, the strategy suggested, Markham had to look beyond its historical international business ties, and establish new international connections that would carry it further in the future. The strongly multicultural and multilingual nature of the community were seen in this context as a foundation for creating new or enhanced international linkages and relationships, utilizing the community's own human resources to open doors to international economic opportunities. Within the strategy, this was referred to as the "global hometown" approach.

Underlying this global hometown concept is the notion that the community's existing national, cultural, and ethnic communities routinely maintain links and contacts with other members of those same communities in other countries. Residents of Chinese descent or Polish descent or Moroccan descent (for example) often retain links and close connections to their former homes and communities. In a globalized economic environment, such links are immensely valuable, and there is an opportunity for Markham to leverage those existing relationships in a manner that promotes and enhances additional investment attraction and trade partnerships for the community's benefit. Such activity is well-positioned for success, as the benefits of the relationship can apply equally to both ends of the newly-created international relationship.

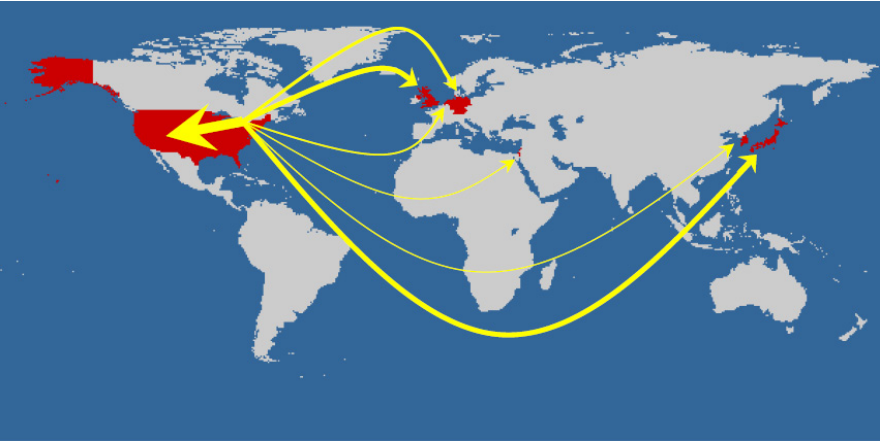
This approach also equally assumes, however, that there is a "disconnect" between the patterns of Markham's *existing* international business linkages, and its *potential* international linkages. In essence, those countries that represent the best targets under this approach are not necessarily those on which Markham's business community is presently focused.

Ownership of Markham's Top 100 firms suggested that the existing international business linkages emphasize relationships with the following countries (in descending order of magnitude):

- United States

- United Kingdom
- Japan
- Bermuda
- Germany
- Israel
- The Netherlands
- South Korea

These could be displayed on a map as illustrated below:

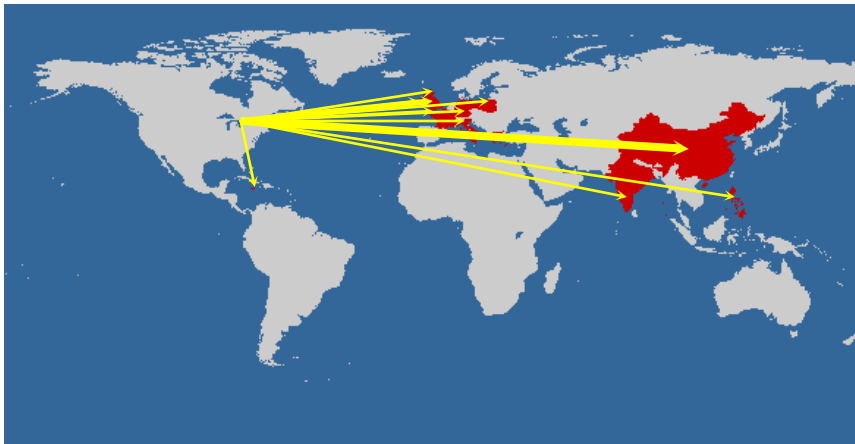


The "global hometown" strategy, in contrast, emphasized the following countries by virtue of their "people connections" to Markham:

- China
- England
- India
- Scotland
- Ireland
- Italy
- Germany

- France
- Greece
- Jamaica
- The Philippines
- Poland

These are shown on the following map:



While there was some overlap between the two approaches (notably in the UK and Germany), the analysis suggested that Markham was well-positioned – given local human resources – to pursue new international partnerships with countries that had previously been ignored. Markham economic development staff have recently taken significant steps in this direction, launching campaigns focused on India, and leading a recent trade mission to China. In both instances, they have leveraged significant support from the community’s own Indian and Chinese populations, and leveraged those local connections into contacts, intelligence and business opportunities abroad.

## 7.2 An International Business Development Strategy for Vaughan

From an economic development perspective, the City needs to form a strategy for partnerships beyond Friendship and Twin Cities; partnerships that can enhance the business development opportunities in Vaughan. There must be a strategy in place to approach potential economic partners that can benefit Vaughan, or can benefit from a partnership with Vaughan. The new economic strategy advocates this type of program instead of the more cultural or social partnerships facilitated through traditional Friendship and Twin city relationships. As such, a more detailed discussion of the objectives of such a partnership strategy, as well as the opportunities associated with that potential partnership structure is warranted.

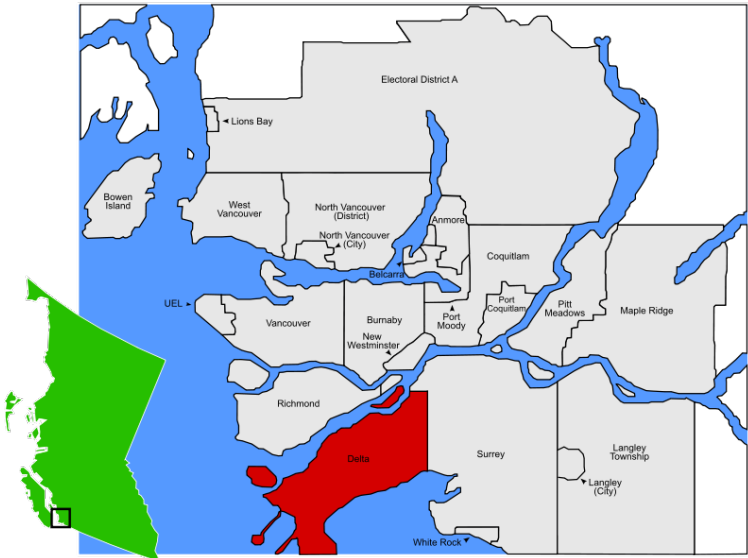
Vaughan should incorporate elements of each of the four models outlined above into the International Business Development (IBD) partnerships strategy, so that the objectives of Vaughan’s international business development are tied to bringing economic benefits to Vaughan’s businesses and residents.

The key objectives for Vaughan’s IBD strategy are:

1. To support local economic development by providing local businesses with an additional tool to access new markets, achieve growth, and retain their competitive edge (Hanseatic Model)
2. To support local economic development by pursuing foreign investment attraction (St. Catharines-Oulu Model)
3. To create or leverage opportunities arising from multicultural or ethnic communities (Global Hometown Model)
4. To enhance Vaughan’s global image (Global Cities Alliance)

At the same time, the development of the Vaughan Enterprise Zone – with its important CP rail connections linking Vaughan to the larger global economy – suggest a potential anchor for IBD efforts. The rail

connections into Vaughan essentially originate in western Canada, and primarily at the port facilities in the Vancouver suburb of Delta, British Columbia. A community of about 120,000 people, Delta is located at the southern edge of the Greater Vancouver area.



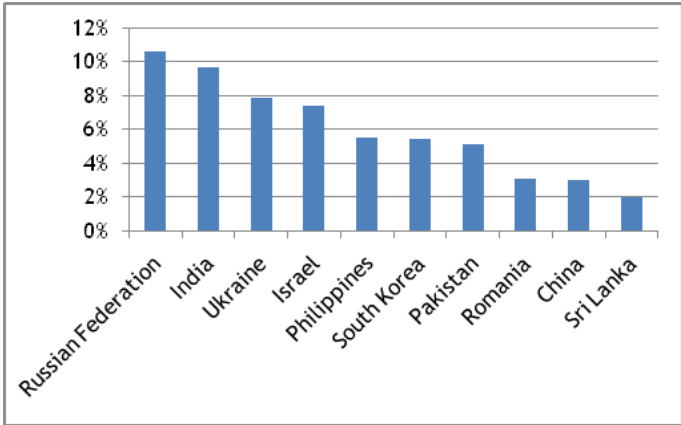
The CP rail lines originating in Vaughan essentially terminate in Delta, where they are linked to Asia-Pacific trade through the Deltaport Container Terminal, one of Canada's largest container terminals. An obvious potential for partnership exists between Delta and Vaughan, based on the following factors:

- Asia-Pacific goods carried by CP Rail and destined for the Ontario market enter the country through Delta and make their way to Vaughan
- Goods produced in Ontario and destined for markets in the Asia-Pacific region pass through Vaughan before heading west to Delta

- The realities of rail traffic suggest that CP Rail has little desire to stop at additional locations along the route from Vaughan to Delta; such stops cause delays and make goods transport less profitable
- Vaughan and Delta may both take advantage of the existing flow of goods to expand existing strengths in transportation, warehousing and logistics, while cooperatively pursuing new opportunities for packaging, light assembly and value-added manufacturing.

Through the Asia-Pacific linkages of cargo moving in and out of Delta, Vaughan should then seek to partner with additional communities across the Asia-Pacific region to form a mutually supportive and targeted trade and economic development partnership. Statistics Canada data suggests that recent immigration patterns into Vaughan point to strong people-based connections to a number of Asia-Pacific communities. The following chart displays data on the community's top sources of recent immigration.

Figure 25: Top 10 Recent Immigrants in Vaughan by Place of Birth, 2006



Source: Derived from Statistics Canada, Census of Population, 2006 by Millier Dickinson Blais



This suggests that a “global hometown” approach to identifying partners in the Asia-Pacific region could draw on local resources to support efforts in the following countries:

- Russia
- India
- The Philippines
- South Korea
- Pakistan
- China
- Sri Lanka

However, the nature of economic development partnerships is such that preference must be given to partnerships that present significant economic opportunity. The struggling economies of Pakistan, Sri Lanka and even the Philippines offer limited opportunities to Vaughan from an economic development perspective.

At the same time, Japan’s strong economy and the rapidly growing Indonesian economy may also be of interest in the later timeframe of the strategy. In that regard, partnerships may one day be pursued with areas like Kobe, Japan, or Jakarta Utara, Indonesia, which both exhibit similar characteristics to Vaughan.

Kobe, Japan is an Edge City within the Keihanshin metropolitan region (which includes Osaka and Nagoya), Kobe is home to Japan’s fourth busiest port, and is a major rail and highway transportation hub. A traditional centre of advanced manufacturing and food processing, the community has growing strengths in biotechnology and information technologies. It is a major centre for Japanese multinationals including Mitsubishi and Kawasaki. More than 100 western multinationals have located their regional head offices in Kobe. Kobe has no existing twinning relationships with Canada.

Also, Jakarta Utara (North Jakarta), Indonesia is an Edge City within the Greater Jakarta metropolitan area of Indonesia. The Tanjung

Priok port facility – the largest in Indonesia and the 26th largest in the world – is located in the community. An access point to a fast-growing emerging market, this particular relationship also takes advantage of a growing desire on the part of Indonesian industries to cooperate with Canadian partners, a subject of ongoing discussion with organizations including the Canadian manufacturers and Exporters. Local industry has a heavy focus on automotive, electronics and biomedical opportunities, and the Jakarta regional economy exhibits a heavy reliance on international trade. There is a growing demand for environmental technologies, particularly with respect to water quality, water distribution and water treatment. Neither Jakarta Utara nor metropolitan Jakarta has any existing twinning relationships with Canada.

While communities in the developed world with their established markets and sophisticated economic engines will be of particular importance in this context, some less-developed economies also hold strong potential. In 2001, US investment firm Goldman Sachs published a report which identified the BRIC countries (Brazil-Russia-India-China) as ideal economic partners. Some more recent observers have included Indonesia on this list, referring to BRIIC countries. From this perspective, Vaughan should consider the development of a “Best Cities Global Alliance”-style partnership.

Within this context, it must consider how existing and potential economic and trade linkages connect it to other communities and partners internationally. From this perspective, it may be appropriate to consider links to other global “mega regions” (using Richard Florida’s terminology described in Chapter 3), and within those mega regions, to connect with other “Edge Cities” – fast growing centres of economic activity at the periphery of these mega regions, situated where trade and transportation links are strongest and most dynamic. The choice of partner communities should also be directed by apparent economic linkages in terms of common industrial and trade characteristics, which will allow Vaughan to promote a St.

Catharines/Oulu-style “win-win” relationship as the basis for an ongoing economic development partnership. Wherever possible, this should build on the “people connections” of those already living within Vaughan, in order to build bridges via existing national, ethnic, linguistic and cultural connections.

From the perspective of an Asia-Pacific orientation, partnerships with the following communities are recommended;

- **Delta, British Columbia** – located at the southern edge of the Greater Vancouver Area, Vaughan’s existing rail connections from the Enterprise Zone run directly to Delta and its Deltaport facility. Delta is thus the other end of the Asia-Pacific/Tor-Mon-Tawa gateway and trade corridor that holds significant potential for Vaughan. Delta is also well-positioned to help fund a joint approach to partners across the Asia-Pacific region, as it is eligible for funding through the British Columbia Ministry of Municipal Affairs’ “BC-Asia-Pacific Municipal Twinning Program” which offers \$50,000 seed funding to communities seeking to partner across the Asia-Pacific region.
- **Vladivostok, Russia** – this community of 595,000 is Russia’s largest seaport on the Pacific coast. An entry point into one of the BRIC countries, and an opportunity to build upon the presence of the large Russian population within Vaughan, Vladivostok is seeking to increase its international trade linkages. Its current major imports and import needs include food products, medical technologies and medicines, automobiles and automotive products and environmental technologies. Vladivostok has no existing twinning relationships with Canada.
- **Chennai, India** – formerly known as Madras, Chennai is home to one of the six largest port facilities in India, and one of only two to see traffic increase during the global recession of 2008-2009. A major automotive manufacturing centre, the

community is increasingly a centre of advanced materials, as well as a focus in the growing Indian electronics, software and IT industry. Another entry point to the BRIC economies, Chennai is also situated in Tamil Nadu state, which gives it strong cultural and linguistic connections to Vaughan’s Sri Lankan population. Chennai has no existing twinning relationships with Canada.

- **Yiwu, China** – An Edge City of the Jinhua Prefecture-level city, Yiwu is a major market and trade centre in China’s coastal zone. Providing another entry to the BRIC nations, and building on the asset of Vaughan’s growing existing population of Chinese origin, Yiwu has also expressed interest in partnerships with Vaughan. An important local and regional transportation hub, Yiwu relies on international trade connections to service its rapidly growing economy. It has been highlighted by investment firms including Morgan Stanley as a significant growth centre in the Chinese economy.

These potential partners and trade links are displayed below:



The rapid growth of the Asia-Pacific economy and Vaughan's emerging natural trade linkages with that region underlie this particular set of international partnerships. This should not preclude future consideration of Atlantic-oriented opportunities. This approach would likely link Vaughan to outbound US ports such as New York City, and then onwards to potential partners in locations including the United Kingdom, Germany, Italy and Brazil. Should the Asia-Pacific program prove successful, additional resources could be allocated to this effort at a future time.

As noted before, the Economic Development Department was instructed through a council resolution to investigate a relationship with Parma, Italy. The area has a strong economic presence in food processing, most notably the multi-national food and dairy company Parmalat SpA, and agriculture. However, in light of the proposed direction of the Economic development Department to seek out economic partnerships rather than Friendship or Twin city relationships, Parma may not necessarily represent as high-value an economic partner as other cities identified as potential economic partners in this chapter.

In addition, consultation with industry and community leaders has resulted in the suggestion that Vaughan, based on strong national trade relationships between the countries, should be focusing on a US partner as well. In a way, this thinking is based on the principles outlined in the Hanseatic model. The two countries exchange approximately \$1.5 Billion in goods – and people to people contact – daily. Collectively, that trade volume accounted for over \$560 Billion in trade between the two countries in 2007. As a gateway to trade for the country's largest market, the City is uniquely positioned to become an integral part of the expansion of that trade – especially given that 70% of this trade is transported by truck and prominent pieces of truck-rail infrastructure that support long- to short-haul trade reside in the city in the CP Rail intermodal yard and the CN marshalling yards.

Considering the convergence sectors though, Vaughan seems positioned well to facilitate a partnership with a certain type of U.S. city. The focus on advanced industrial technologies, including research, development and design in materials, lends itself to a “targeting” of a specific US partner. In addition, elements of growing that type of sector – the creative economy, quality of life, transportation connectivity – further assist in the narrowing of potential partners.

Two additional partners from the U.S. should be pursued. Each potential U.S. partner demonstrates similar advantages in terms of a potential partner for the City. Both are home to major universities with centres and institutes focused on a number of Vaughan's target areas; primarily advanced materials, but also transportation, logistics, and construction research, with growing orientation towards “green” industries. As well, both Cities have previously been identified as leaders within the emerging creative economy. Either community represents a potential partner for the City on the basis of the advancement of similar economic development goals:

- **Dayton, Ohio** – Dayton is the fourth largest metropolitan area in Ohio, home to the University of Dayton, and is noted as part of one of the two major logistics centres in the United States, having 60% of the U.S. population, 60% of U.S. manufacturing capacity, and 60% of the Canadian population within 500 miles.<sup>36</sup> Dayton is home to the National Composites Centre (NCC), which is recognized as the national centre of excellence for the development and commercialization of composite materials and manufacturing processes for the aerospace, defence, ground transportation, commercial, and infrastructure markets. In addition, Wright State University in the City provides

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<sup>36</sup> Page, D. Dayton Region a Crucial Hub for Supply Chain Management. *Dayton Daily News*. Published on December 21, 2009.

innovative research and academics in logistics and supply chain management. The City of Dayton supports a number of research pursuits in advanced materials and manufacturing, transportation technologies, small business development, and the creative and cultural economy, including sponsorship of a number of incubators and institutes focused on those fields.

Dayton does not have any existing twinning relationships with Canada. Over the short term, Dayton provides an excellent potential partner for Vaughan, given alignment of priority sectors, especially transportation and logistics, and importance as a hub along the national and international goods movement chain. That in itself is a significant rationale for partnership, but both cities can also point to similarities as emerging creative economy centres, with resources devoted to growth of those industries. Overall, Dayton, Ohio should be viewed as a potential U.S. partner over the shorter term.

- **Austin, Texas** - Austin is the Capital City of the State of Texas, home to the main campus of the University of Texas and a strong arts and cultural cluster that continues to keep the City among the highest rated cities in the United States for quality of life. Considered a major centre for the high tech sector, the city has emerging industries within the clean energy, digital media, wireless, and biotech/life sciences sectors, with strong support for the development of locally owned small businesses. In addition, the development and retention of creative industries and people in the city is a noted priority, supported by staff resources across the department of economic development. Of primary concern to Vaughan may be the presence of materials, transportation, and construction research capacity at the UT campus in Austin, which includes facilities like the “virtual” Texas Materials Institute, the Centre for Transportation Research, the Construction Industry Institute, and the Construction

Materials Research Group. Any of these may be a logical basis for a partnership between the two cities – Vaughan can provide a laboratory or incubator environment for the application of advanced technologies developed there, especially given the confluence of materials production and transportation opportunities and importance in the City and the “virtual” nature of materials research at the TMI.

Austin does not have any existing twinning relationships with Canada. However, over the short-term, the potential for an international partnership with Austin may be limited for Vaughan. Though there is some overlap between economic priorities and objectives between the two cities, Vaughan may not necessarily align with the priorities of Austin for an international partner in the short term, based on limited potential benefit for Austin. However, with the more sophisticated development of industries within advanced goods movement and production, as well as the development of the creative economy in the City, Vaughan may prove to be an excellent partner in innovation for Austin.

### 7.3 International Learning Partnerships

With the designation of the lands at Highway 400 and Major Mackenzie Drive for the development of a hospital, the City may have an opportunity to develop an associated science and technology park, potentially with a focus on a niche area of life or medical sciences. It should be noted, however, that the sector is especially crowded across the Greater Toronto Area with many communities either targeting life sciences, or establishing research and technology parks to accommodate life sciences and related industries. For example, the Town of Oakville is currently planning the development of a life sciences research and technology park on the lands adjacent to the proposed new hospital in Oakville. Thus it is necessary, as the City of Vaughan moves forwards on the planning for the hospital and adjacent lands, that it do so with a focused set of objectives and priorities.

Within that context, a differently structured international partnership may be of some value for Vaughan. Where the previously identified partnerships were based on mutual economic benefit and opening trade routes, these partnerships would instead be focused on gathering best practices information that can be used by Vaughan in the development of its own science and technology park. They would be international learning partnerships, from which Vaughan can learn about the experiences in developing similar parks, as well as establish direction on what industrial niche the park will serve. These are established as learning partnerships because Vaughan has potentially more to gain from a partnership than its partner. Without an existing focus on the development of life sciences industries, there can be little mutual benefit to the partnership over the short-term. However, by informally aligning with these partners and building a relationship, Vaughan can begin to build momentum behind the development of its own science and technology park.

Based on the size and characteristics of the City, and the potential size of the research park in Vaughan, two U.S. partners with existing master planned science and technology parks come to light: Skokie, Illinois and Cambridge, Massachusetts.

- **Skokie, Illinois** – Skokie is a village of approximately 64,000 people in the suburbs of Chicago. In 2003, ForestCity Science and Technology Group announced the redeveloped a vacant 23 acre Pfizer campus into the Illinois Science + Technology Park, focused on a range of early-stage to established life sciences companies. The NorthShore University Health System, a comprehensive, fully integrated, healthcare delivery system that serves the greater North Shore and northern Illinois communities is an anchor tenant of the research park, but the park is also just 10 minutes from Northwestern University. Among the other tenants are companies focused on nanotechnology, pharmaceuticals, medical devices, and laboratory support. In addition, the

Science + Technology Park is located along the Chicago Transit Authority's Yellow Line, offering connections throughout the Metro Chicago Area.

Presently, Skokie does not have any twinning relationships with Canada. Similar to the economic partnerships noted above, Skokie may be a good first international learning partnership to pursue. While there are major tenants at the technology park, the park is still designated for development. Thus it would be a good partner to engage at the early, conceptual stages, as many of the initial development issues may still be present.

- **Cambridge, Massachusetts** – Cambridge, a city of approximately 106,000 people within the greater Boston area, is home to two of the most prominent institutions in the U.S.: Harvard University and the Massachusetts Institute of Technology (MIT). The latter institution, MIT, forms the anchor of the University Park, a 27-acre ForestCity Science and Technology Group development containing 1.3 million square feet of research space, 250,000 square feet of hotel, restaurants, and retail space, as well as 674 residential units. The park is home to several prominent institutions in the biosciences industry, and presents a best practice example of the integration of a research park into an urban area.

Cambridge does not have any existing twinning relationships with Canada. Like Austin, Cambridge represents a longer-term partner for Vaughan. As the master planning process progresses on the hospital lands, Cambridge may prove to be a valuable partner to have from a learning standpoint. The University Park is largely built out and contains a number of prominent companies, not to mention positioning at the centre of an existing biotechnology cluster within the Greater Boston Area. In building a learning relationship with the City, Vaughan can begin to craft a vision about what the science and technology park should focus on, as well as the resources and activities required to achieve that vision.

## 7.4 Practical Implications

The approach described above carries with it a number of implications. In large part, it de-emphasizes the existing international relationships. While it is true that from an economic development perspective, the existing relationships do not offer significant economic benefit, from a cultural and community perspective, they are very valuable.

In the case of Vaughan's "twin" and "friendship" cities that are social/cultural partnerships, there is usually strong community group support that maintains continuity of contact independent of the City. In the past, the activities of community groups have included reciprocal social/cultural visits (educational and personal exchanges); cultural celebrations; etc. Community groups do some very significant work, and it is recognized that the City reaps the benefits of those efforts.

To this end, these relationships should be continued by the City as a socio-cultural function, with ultimate responsibility for maintaining and promoting the existing relationships assigned to a newly redefined Creative Economy function. This option would be preferable. The City would focus on leveraging these relationships to enhance its placemaking and community development efforts. For example, Sora has initiated professional exchanges in urban design and planning fields, providing expertise to the City in the development of piazzas or public squares. It has also sent cultural exhibits to the City and provided funding for bursaries for local students. The outcomes, while not immediately apparent, do have indirect economic benefits as it enhances the City's attractiveness to its ethnic populations

In the past, the City has experienced significant formal and informal resource allocation requests (capital and human) associated with social/cultural partnerships, without the benefit of sufficient consultation, preparation or proper budgeting. So how can the City

work with its existing partnership cities in ways that sets out realistic expectations and is equitable to all groups and the City?

Through research undertaken in the preparation of the strategy, it was apparent that the City's current practice with respect to hosting official delegations requires clarification. What expenses and activities will be covered: accommodations, transportation, tours, official receptions, staff involvement?

Staff of the Economic Development Department has set forth a proposed policy (Attached to the Background Economic Analysis and Appendices document as Appendix B) for the hosting of foreign delegations. This policy is fair and distinguishes between delegations from twin cities, versus friendship cities and other non-related delegations. The policy also sets out guidelines for staff involvement with the delegation so that there is an appropriate allocation of both time and budget.

At the same time, the wide scope of the proposed economic development approach to new international business development needs to be approached as a multi-phase program of activity, with checks and balances built in at each stage. This will allow staff to identify logical points in the larger process where an assessment of overall effectiveness may be used in order to refocus or fine tune efforts before critical decisions are made.

In the case of International Business Development, the partner cities may or may not have a local population supporting its activities with Vaughan. Without the support of local community groups, City Staff and Council will need to have much greater reliance on external agencies such as international chambers and business aggregators; consulates; federal and provincial economic development agencies. The process of fostering trust and communication in order to achieve economic and social benefits, require regular reciprocal visits and/or local representation or agents in the partner market.

Responsibility for new international partnerships would lie with the Director. The following phased approach to new international partnerships should be considered:

- Year One/Two: discussions with Delta, BC regarding partnership opportunities; discussions with Dayton, OH regarding partnerships opportunities; initial discussions with Skokie, IL
- Year Three: cooperation with Delta, BC to identify and target Asia-Pacific partners;
- Year Four: funding applications from Delta, BC to Asia-Pacific Twinning Program; initial discussions with Austin, TX regarding possible partnerships
- Years Five-Six: exploration of opportunities and programs with Asia-Pacific partners
- Years Seven-Eight: establishment of Asia-Pacific partnerships
- Years Nine-Ten: delivery of Asia-Pacific programs; Initial discussions with Cambridge, MA

This phased approach may be accelerated should circumstances warrant, but allows Vaughan to explore options in a low cost, low pressure environment before committing to significantly larger or formal relationships.

## 8 Marketing Vaughan

### 8.1 Economic Development Marketing and Place Branding

Major new investments in a community, be it a large new business facility or the major expansion of an existing facility, are critical for the development of the local economy, creating jobs and direct and indirect economic spinoffs for other industries and the community. In part, this has been the focus of economic development marketing efforts for some time; to primarily market the area as “business friendly” to companies looking for a new location, or those deciding on expansions.

With the emergence of the new knowledge-based economy and recognition of some non-traditional economic development targets as major economic drivers, i.e. place-building, people (whether existing or potential residents, or tourists) rather than companies are increasingly the focus of economic development marketing efforts. The attraction and retention of a diverse range of residents and tourists has explicit implications on the local economy, including the expansion of the skills or human capital in the local workforce, demographic and cultural diversification of the local population, and a continued circulation of external tourism dollars in the local economy.

Broadly speaking, communities engage in economic development marketing for a variety of reasons, including:

- Attraction, retention, or expansion of businesses
- Attraction and retention of new talent, new residents and tourists
- Improvement or enhancement of the community’s international, national, or local profile

- Promotion of unique policies or programs that differentiate the community from international, national, or local competition

The scope and focus of economic development marketing varies from community to community. Strategies can be at the macro or community/regional level, down to the neighbourhood or even site level. Similarly, communities may be engaged in high-profile international marketing activities, while others will have more of a domestic or regional focus on their efforts. Some communities may be focused on a key set of economic or industrial sectors, while other communities may be engaged in the attraction of a key set of demographics or occupations and skilled individuals. Structurally, some communities will market themselves alone, while other communities will be engaged in more regional external marketing organizations that have the advantage of pooled resources.

It is clear that from community to community, there is no “one-size” strategy for marketing efforts. The efforts will be focused on the unique set of challenges and opportunities that each community faces towards achieving its economic development goals.

Place branding also plays a primary role in economic development marketing. It is the actual brand or identity of the community that will contribute to the all important differentiation of the area from other places.

Effective place branding requires a strategic approach to public relations, as well as the realization that the formation and management of an image or brand for an area is an ongoing, interactive and community-wide process. Place branding is much more than the development of a logo, tagline or slogan. It requires brand identity with community-traction and buy-in, a strong steward that will ensure the place brand is communicated consistently on a long-term basis, and a commitment from stakeholders community-



wide to stay engaged in the process and promote and deliver on the core messages of the brand.

Contrary to popular belief, branding and market development is not always entirely focused on communications strategies. In place branding, an important component is the co-ordination of resources and experiences to maintain consistency with an established brand. It is a strategic process for developing and maintaining a place identity that is compelling and relevant to all key audiences.

Overall place branding should be considered an exercise in communication, coordination and organization of all of the variables that influence a city's image. However, it is easier said than done to create a brand for the city that can survive over the long term.

Underlying marketing and branding principles is the network of individuals and organizations that can contribute to marketing and branding of a community. Just a sampling of some of these players includes provincial, regional and local governments; chambers of commerce; regional marketing or tourism organizations; community development corporations; economic development agencies and departments; property developers; universities and colleges; as well as individual business and the local residents of the community. Given the number of potential influencers on a community's image, the critical element of marketing and branding success is the degree to which these numerous players coordinate and align their activities with the over-arching vision for the community.

## 8.2 Key Marketing and Branding Considerations

### 8.2.1 Web Presence and Social Media

Many marketing specialists say that if you are not online, you do not exist. But it is not enough to just be online; what matters is how websites and web presence are managed and utilized.

For any business, a well-thought-out Web page can be a critical component to the marketing of the products and services of that company. Customers need to find information quickly and efficiently, and that information needs to be at a standard that leaves the customer informed about the business, and pleased with the experience. In a municipal economic development context, the web presence of a municipality should consider those same principles. Municipalities should take the perspective of a time-pressed site selector or business owner, and ensure that websites consider the following key factors: speed, ease of navigation, interactivity, and provision of useful, complete, and current data.

Above all else, this requires keeping the basics of design in mind when considering web presence. The webpage should load quickly, with minimal interruptions between accessing the site and accessing the data the user wants to see. Purely from a speed perspective, municipalities should consider limiting the number of 'clicks' it takes to reach desired information. The standard rule for economic development websites is under three 'clicks.'

In addition to timeliness and speed, there are several things that need to be noted with regards to website design:

**Contact Information:** The website should provide contact information like names, phone numbers and name-specific email addresses on every page. If applicable, staff members that deal with specific economic development tasks or industries should be identified.

**Data availability and uniqueness:** Many site selectors suggest including data that is not available anywhere else, on the website, an example being a news feed that highlights recent company expansions or developments and brings together information that would otherwise be dispersed in different outlets. Data that is available somewhere else (i.e. Statistics Canada) can be provided in

a more streamlined format than would be found elsewhere, but more specific data like the top employers, a list of unions operating in the community, local education or management anecdotes, testimonials, local incentives, development regulations, and specific building and site information can be very useful and more custom additions to a website. At the least, the International Economic Development Council (IEDC) suggests that the following key data elements should be included in the website:

- Leading employers
- New companies and developments in the area
- Average salary by occupation
- Workers compensation and unemployment insurance
- Percent of workforce organized
- Real and personal property tax
- Average cost of sites
- Utilities
- Quality of life data for urban and suburban areas

**Visibility:** To ensure that the site is easily found and accessible by search engine, municipalities should employ a range of search engine optimization (SEO) techniques, such as the use of key terms and phrases (commerce, economic development, industrial land, building permits, business expansion etc.). If a business types the community name and any of those key terms, the economic development website, or at least the community website, should be at the top of the search results.

**Benchmarking and analytics:** Presently there are a range of tools that allow for the benchmarking of a website against itself, or similar sized sites. Analyzing the number of hits, return visitors, and time spent on the site alone, gives an indication of the types of information your visitors are looking for, and if your messages are reaching the audience. Google provides a range of free tools to accomplish some of these tasks. In addition, Google tools can provide an indication of

the types of terms being used to search out economic development; information that can be used to ensure that there is an appropriate keyword density in the website to optimize visibility on search engines.

**Mobile Web and Devices:** Formatting and design of a website becomes more of an issue as mobile devices or smart phones are increasingly integrated into the market. Their continued expansion into both business and consumer markets, as well as the growing use of Web 2.0 tools like Twitter and Facebook which have been heavily integrated into mobile devices, there will likely be more pressure to assure that websites are compatible with mobile web standards. To ensure accessibility to a range of devices, regard should be given to the site's formatting in different window sizes, the availability of text-only information, and the speed with which the website loads.

**Maps, Location and GIS:** Websites can include a range of location-specific or context data, but the one basic element that must always be present is a map. Municipalities should not assume that international investors and site selectors know where the community is located, so a map highlighting the location of the municipality, especially in relation to the major centres around it, should be provided.

Many communities have integrated web-based Geographic Information Systems (GIS) portals to their websites, in order to convey a range of development and demographic information about the community. These site selection portals often include information about vacant lands or buildings, utilities, community facilities, lease rates, sale prices, and servicing information, as well as integrate a range of search functionality to allow users to filter information quickly. Demographic and labour force information is also often included, either for the community or potentially even at the site level.

More sophisticated tools add in analytical functions – proximity searches, buffering, distance measurement, drive time – to the mapping elements to give the user more opportunities to customize the information they are looking for. Through these sites, users often also have access to customizable, downloadable content or reports that can be generated from the web-based portal.

**Social Media:** Direct outreach, communication and relationship building is changing with the advent of user-centred Web 2.0 information sharing tools like wikis, blogs, mobile applications, and RSS feeds. More specific social media tools like Facebook, Twitter, YouTube, Flickr, and LinkedIn, to name a few, are further changing social interaction. These tools allow economic development organizations to reach out to the wider community and potential investors or visitors easily through the internet, and as such, represent a major opportunity within the marketing and branding fields. Though many communities are implementing these tools well into their economic development activities, effective use of these tools still remains somewhat open.

Several experts suggest a number of steps in social media integration to ensure that the initiative has the highest potential for success. Social media, whether business or personal, thrives on the principles of quality, quantity, and authenticity with regards to content, so ensuring that the social media strategy of a community adheres to those principles is paramount. Generally speaking the launch and operation of social media initiatives in a community should be a multi-step process:

1. Align the use of the tools with the overall economic development strategy, and define goals for the integration of social media tools towards the broader economic development goals. As well, generate internal of organizational sponsorship and commitment to the use of the tools and the time required to use them

2. Understand the intended audience and the channel through which they will be reached, including the language and culture of the tool. Understand the tools that can be used to measure or enhance social media use
3. Start small with integration of a few tools at first and prioritize to keep the initiative on track, but primarily join in on the conversation – engage stakeholders, solicit feedback, remain active in the conversation
4. Measure the results of the initiative against the original goals of the program

Overall, economic development agencies need to understand that the pay-offs from the integration of social media tools into economic development marketing will likely not be immediate. However, over time the adherence to the principles of quality, quantity, and authenticity of content, as well as genuine connection with community stakeholders and virtual networks, will ensure that the community stays top of mind.

### 8.2.2 Publications

Despite the growing influence of the web and social media tools in economic development marketing, print publications and marketing materials still form an important part of economic development marketing. This is especially important with regards to tradeshow attendance, trade missions, and direct mail campaigns. As such, regard should be given to producing some print materials and publications that can be sent to or left with potential investors or visitors, existing businesses, or the residents of the community. Potential publications include sector-specific profiles, community profiles, business directories, site-specific brochures, or information about unique programs and policies in the local area.

With that being said, trends are suggesting that the majority of information is now being accessed from the internet or other forms of new media. As such, consideration needs to be given to having all of these marketing materials in electronic format as well, allowing for transmission over email. As noted previously, much of the content of more traditional print profiles is being integrated into websites through GIS portals, in more customizable formats, as well.

### 8.2.3 Partnerships and Relationships

Economic development marketing does not have to be done solely by the community alone. There is incentive to build partnerships for economic development for various reasons, but the pooling of resources alone presents a major opportunity. At the least, economic developers should be building relationships with as many important stakeholders, organizations and decision makers to ensure that the community is visible.

Economic development marketing-focused partnerships can take a variety of forms, and involve a variety of partners. For example, it may make sense for adjacent communities within the same region that have the same investment targets to pool resources in order to market the strengths of the region to potential investors. In doing so, the larger pool of resources provides the opportunity to reach a larger potential market. Investment leads that are generated are then dispersed among the member communities. A range of examples of regional marketing organizations exist in Ontario, such as the Greater Toronto Area Marketing Alliance (GTMA), the Southwestern Ontario Marketing Alliance (SOMA), and the Ontario East Economic Development Commission (OEEDC). The formation of the Regional Tourism Organizations (RTOs) in Ontario also demonstrates regional economic development marketing.

A community may also partner with other organizations within the same community for the purposes of economic development marketing, especially in some specific target areas. For example, for

some communities that do not have a tourism marketing function, the local Chamber of Commerce or Business Improvement Areas (BIAs) may prove to be valuable partners in marketing the community as a destination. Since their members have an interest in supporting the local business community, it is a logical activity for them to partner in. Further, partnership with ethnic or cultural organizations in a city may lead to the development of Friendship or Twin city relationships, international trade or business development opportunities, or the attraction of new residents or visitors to a community.

A community may also partner or build a close relationship with higher levels of government for the purposes of economic development marketing, especially based on alignment of target sectors with those of the higher level of government. Federal governments have resources devoted to the attraction of foreign investment, and a community's partnership with those functions, and distribution of marketing content and materials to them, ensures that when business development leads are generated they are on the list of potential investment locations.

Overall, there are a range of partnership and relationship opportunities for communities to explore with regards to economic development marketing activities. Primarily though, the community should let their economic development strategy dictate the types and focus of these partnerships.

### 8.2.4 Memberships

Memberships represent an excellent means for a community to both market the area and ensure that they are up-to-date on trends that could potentially affect economic opportunities for their local economies. Memberships maintained by an economic development entity could include economic development organizations, such as the International Economic Development Commission (IEDC); sector-specific organizations, like the Canadian Manufacturers and Exporters (CME); project-specific organizations, like the North

America's SuperCorridor Coalition (NASCO); or community organizations, like the local chamber of commerce.

Primarily, economic development entities should seek out opportunities where networking and professional development are readily available. As part of their membership, they will have exclusive access to other members and organizational resources in highly targeted areas, providing both marketing and relationship building opportunities.

### 8.2.5 Business and Community Engagement

Engagement with the existing business community is an often overlooked area of opportunity with regards to economic development marketing. Much of the traditional marketing efforts have been focused on the external market and attracting investment, with little regard for the investment that could come from the existing business community.

In an economic development marketing context, it is important to consider all local businesses potential ambassadors for the community. Some local business owners have potentially large business and personal networks, and thus potentially large audiences should they have the desire to market the local community. That is why business engagement and outreach is paramount to economic development marketing. A community must make sure that it responds quickly to the needs of the local business community, and that the local business community has a generally positive view of doing business in the community. If there is a message to be shared by these individuals, it will likely be influenced primarily by their continued experience with the local community government and administration.

But this informal creation of ambassadors stretches beyond just the business community. Local residents of a community have a major part to play in the development and propagation of community image, which can have profound effects on the community's

economic development potential. One market where local residents have an especially large influence is tourism, where the perceptions of those residents have the potential to affect the number of visitors attracted to the area through the "visiting friends and relatives" (VFR) segment of the market.

Continued engagement of the business community and local residents can take a variety of forms and utilize several different avenues. In terms of business community engagement, an economic development entity can undertake a comprehensive business visitation or business retention and expansion program. The idea is to keep informed of the opportunities and challenges that local businesses are facing, and address them quickly. Each visit represents an opportunity to build a better relationship with the local business community, as well as inform businesses about successes and opportunities in the city, or promote connections with other businesses, organizations, or academia.

Beyond that, the community can engage in any number of other outreach activities with the local business community in order to shape opinions of the community. For example, a semi-regular publication with a high-level report on business activity in the community may be an effective way to reach the audience. In addition, the city can facilitate business networking opportunities, whether virtual (i.e. LinkedIn) or through workshops, focus groups, or business forums. Again, these efforts promote a positive engagement with the local business community, and represent opportunities to shape the opinions of local business people.

Reaching the residents of the local community can be slightly more difficult, as economic development personnel do not characteristically connect with the general population. The primary messages should be focused on the community's strengths, such as diverse employment opportunities, excellent quality of life, tourism or entertainment amenities, and community services. Since the audience is wider and more diverse than the business community,

the messages should be clear, logical, and concise to reach everyone. Overall the focus of wider community outreach should be information transfer, but also inspirational testimonials and local success stories.

A wider variety of channels is also available with regards to community outreach, including:

- Local media and advertising
- Information booths at community events
- Print publications and information packages
- Social media groups or events
- Community summits

Business and community outreach is an important part of economic development marketing. Both parties have a major part to play in the formation of the community’s image, and both could potentially have an impact on both internal and external investments in the community. Therefore, paired with all externally-focused marketing efforts, there should be an internally-focused component as well.

### 8.3 Vaughan’s Core Activity Areas

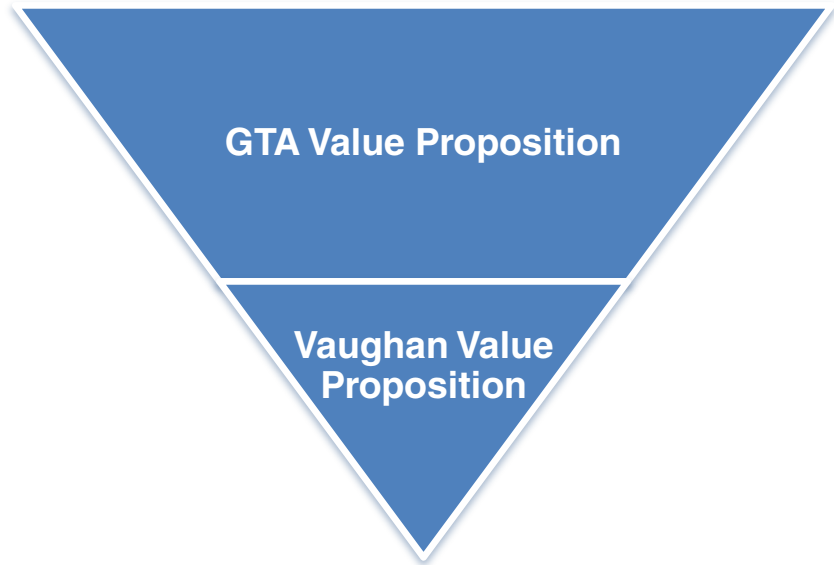
Economic development marketing in Vaughan should be a multi-segment approach based on several core activity areas, including:

- Brand Integration
- Sector-specific marketing
- Area-specific marketing
- Partnership and relationship building

What underlies all economic development marketing in the City of Vaughan is clear communication of the city’s value proposition. As part of the Greater Toronto Area, Vaughan shares in the same strong general value proposition that is true of the entire GTA: access to a highly educated labour force, strong transportation links, excellent

quality of life, and access to research and post-secondary institutions. Articulation of the value proposition that differentiates Vaughan from the rest of the GTA will be paramount for the attraction of both businesses and people, especially in the international context, where Vaughan may be closely associated with Toronto by people and businesses outside of Canada.

Figure 26: Focusing on Vaughan's Value Proposition



The City must take the broad regional value proposition and focus it on the specific strengths found in the city. What are the competitive advantages that the city has, that cannot be found elsewhere in the GTA, Ontario, and potentially even Canada? Some of these unique qualities, which begin to drive the formulation of the city’s value proposition include:

- Direct intermodal connections to the Asia-Pacific Region via the CPR intermodal facility and the Port of Metro Vancouver (Deltaport)
- Access to the provincial network of highways, but primarily Highways 407 and 427
- World-class entertainment (Canada's Wonderland) and cultural facilities (McMichael Canadian Art Collection), as well as nationally recognized recreation and conservation areas (Kortright Centre) and by unique historic village core areas
- Strong building component cluster and the head office location of many major developers in the GTA
- Enviable supply of employment lands with prestige and general industrial designations, and available industrial buildings, all strengthened by lower business costs than elsewhere in the GTA
- A new downtown area at the northern-most termination of one of the busiest subway lines in Canada
- Planned home to one of the newest Hospitals in the GTA, offering excellent local health care and opportunities for development of a health-centred campus
- Reputation as the "Banquet Hall Capital of Canada", with a concentrated supporting network of specialized wedding/event-related culinary services
- Strongly concentrated industrial workforce in a range of manufacturing, transportation, and distribution sectors
- Unique entrepreneurial, business attraction and business retention opportunities in "innovative research, development, and design" and "Advanced goods production and movement" industrial convergence areas

Few of these unique qualities alone are likely a 'tipping point' for companies considering a location. Each builds a specific strength into the final unique value proposition, which is an assessment of all

of these factors combined. The City should draft marketing materials with these unique factors in mind.

### 8.3.1 Brand Integration and Place Branding

The City of Vaughan has long been identified as "The City Above Toronto" in all City communications, including economic development marketing materials. However, stakeholder consultation leading to the development of the City's new brand suggested that while this branding did explicitly differentiate the City from Toronto and the GTA, it was starting to become a little stale and may have been affecting the external perception of the city. The City has now developed a new brand and logo for all city activities.

The new logo design captures the essence of Vaughan's history and reflects its continued transformation into a vibrant urban area, while conveying a modern, progressive and welcoming brand and messaging. These are all core principles that should be conveyed through economic development marketing activities, reflecting the development of the City since the creation and adoption of the previous branding. However, the finished branding and logo will have enough flexibility and adaptability to allow each business unit to develop unique messaging consistent with the brand.

As one of the most prominent departments engaged in marketing and communications at the city, it will in part be the job of the Economic Development Department to promote the new branding for the city, with customized key messages to replace those currently consistent with the old logo and slogan. This includes integration of the new logo and design features into all economic development marketing materials, as well as the formulation of messages that are consistent with the modern, progressive, and welcoming qualities of the brand.

As a steward of the brand, it will also be the Department's responsibility to distribute the new brand throughout the business community. Presently, many of the businesses within the city still

identify with the previous tag-line and logo, as well as the connotations that come with it.

There is only so much influence the City (as a corporation) can have over the true branding or imaging of the city (as a community), but through consistent use of the new logo and dissemination of the key messages to support it, the Economic Development Department can at least inform local businesses and residents of the direction the city is heading with the new brand.

Each of the city’s seven target sectors, as well as the two convergent sectors, require knowledge or intellectual capital as an industrial input. Thus, marketing the city to attract a broad range of creative and innovative people will benefit all areas of the local economy. It is here that the place-branding of the city takes on a greater importance – differentiating the city from others in the competition for people and talent. The place-brand must clearly articulate the advantages to living in or visiting the area, as well as appeal to businesses and developers looking to invest in the area.

As noted previously, place-branding is a comprehensive process requiring input from a broad range of stakeholders. This strategy can only go as far as suggesting major themes that should be reflected in that branding. The resulting place-brand must be a “made in Vaughan” solution, and should ensure that it can gain the buy-in of the City, the local business community, local community organizations, and city residents.

In recommending a new place-branding for the community, the strategy recognizes that slogans and mottos are now viewed as outdated in the local community and administration. So the brand will be more than a tag-line to be placed on banners and brochures. It should be integrated into all aspects of marketing materials and methods. It should reflect existing policies and be compatible with achieving the visions in Vaughan Vision 2020. This strategy puts

forth several ideas that could form the basis of a place-branding activity:

- Vaughan as a city on the edge of the economic region; an important regional economic gateway and partner
- Vaughan as a city-wide incubator of business and creative ventures, innovation, design and development

Overall, the Cultural Plan implicates the Economic Development Department in the development of a place-brand, considering the diverse range of cultural amenities. This strategy recommends building on all of the City’s assets and amenities, in line with these two key themes. Primarily though, the branding will have to be compatible with the city’s new logo.

### 8.3.2 Sector-specific Marketing

Although the City of Vaughan has identified seven target sectors to guide economic development activity over the next 10 years, the strategy has justified in several places that this is still too much. As noted in the value proposition chapter of the report, devoting activities to seven target sectors suggests that there may not be sufficient “targeting” of activities at all. There are several areas of convergence between those sectors that may represent economic development opportunities, or a means of further targeting marketing activities for the benefit of the other target sectors. Therefore, a high priority marketing area for the city is within each of the convergence sector areas: innovative research, development, and design, and advanced goods production and movement.

This does not replace marketing within the seven other target sectors, but instead enhances it by providing the framework for a more targeted approach. By targeting marketing messages to support the convergence sectors, the City will also be articulating the value propositions for each of the target sectors. For example, a prime concern of businesses within the advanced goods production



and movement sector is access to transportation systems. This is a concern of each of the three component sectors as well. The same can be said for innovative research, development, and design. Value proposition elements like proximity to York University, transit connectivity, and a highly skilled population are elements that will appeal to each of its component sectors as well. Thus instead of focusing on undertaking sector-specific marketing in nine discrete areas, the new marketing approach in this strategy recommends activities in two sectors.

The City of Vaughan should develop sector-specific marketing materials similar to the brochures that have already been produced, such as the “Vaughan. Open for Business” investment profile, in line with information and services that support the development of businesses in the convergent areas. Each one of these materials would identify the key marketing messages for the sector, outline the broad business case for the city of Vaughan, identify resources in support of the sector, highlight the success stories of local businesses, and use testimonials from local business leaders to support the sector-specific business case. Having these brochures in print and electronic format allows for distribution in a variety of means, but each should primarily be posted to the City’s website.

The Economic Development Department section of the City’s website may also need to be revised to reflect these changes. Presently, there is an “industry sectors” section of the website, but it is primarily concerned with the city’s strengths in manufacturing, transportation, retail trade, tourism and hospitality. The website should be re-organized to direct the user more easily to industry-specific parts of the website. With regards to website reconfiguration, the rule of three “clicks” should provide the overall direction.

In addition to the brochures, publications, and website reorganization, the City will need to engage with both the local businesses in the sector, and larger organizations within each sector. As part of the marketing strategy, the city may want to investigate

attendance at industry specific tradeshow and conferences, perhaps as an exhibitor, to engage with external investors and promote Vaughan as a potential business location. The focus should be both international and domestic events, and potential examples include the National Urban Freight Conference in the U.S., the Advanced Manufacturing and Technology Show (AMTS) in Dayton, the Composite Expo in Russia, or the Green Building Festival in Toronto.

Though there are specific niche areas within each sector, as outlined in the sector profiles and the value proposition, some of the key messages, or value propositions, to consider for the development of marketing messages in each target sector include:

#### **Advanced Manufacturing**

- Stable manufacturing work force and well established industrial base
- Enviaible supply of industrial lands and buildings to accommodate expansion, with competitive rates
- Excellent transportation infrastructure, complemented by major rail facilities and close proximity to the airport
- Proximity to post-secondary institutions and home to the NRC-Magna Composite Centre of Excellence

#### **Professional, Scientific, and Technical Services (PSTS)**

- Strong PSTS sector growth by employment, stronger than any other jurisdiction in the GTA between 2001 and 2006
- Significant opportunities to employ highly-skilled individuals that live in Vaughan and work in Toronto
- Strong land use policies to support the location of major office developments in mixed use areas with high transit-connectivity

### **Transportation, Logistics, Warehousing and Distribution**

- Access to major rail transportation infrastructure such as the CN marshalling yard and the CPR intermodal facility which is Canada's largest intermodal facility
- Opportunities for facility location along the extended Highway 427, providing quick access to Pearson International Airport
- Quick access to Highway 407 for time-sensitive deliveries
- Large contiguous parcels of land to accommodate land-intensive distribution facilities, complementary strengths in trucking and freight arrangement

### **Corporate Headquarters**

- Excellent access to transportation infrastructure such as Highways 400, 407 and 427, Pearson International Airport, and the Spadina-York subway extension
- Currently the city is home to 107 headquarter operations employing 11,700 people
- Proximity to Downtown Toronto, the 3<sup>rd</sup> largest financial centre in North America
- Major office and prestige employment areas in the city; opportunities around the future subway station in the Vaughan Metropolitan Centre

### **Building Products Cluster**

- Land use policies supportive of green building and energy efficient construction
- Proximity to significant transportation infrastructure
- Green construction demonstration projects at the Kortright Centre

- City is home to many of the GTA's largest residential developers

### **Cultural Industries**

- Major destination retail development (Vaughan Mills) and Canada's largest theme park in the city
- Niche strengths in specialized food services and wedding-related industries
- Home to the McMichael Canadian Art Collection and the Kortright Centre, both major cultural facilities
- New opportunities for tourism, hospitality, and cultural industry development in the high-density Vaughan Metropolitan Centre

### **Educational Services, Health Care and Social Assistance**

- Close proximity to York University
- Health care and educational opportunities surrounding the development of a new hospital campus
- Capacity for a downtown, satellite post-secondary educational institution
- Ethnically diverse population base and culturally welcoming community

The exact value propositions for each of the target sectors and associated areas of convergence will need to be developed further based on the type of activities being undertaken. For example, within the educational service, health care and social assistance sector, development will largely be based on quality of life enhancements and marketing to attract new health care workers to live in the city. In some cases, this may require attraction of skilled immigrants to fill the opportunities coming from the new hospital. That will require a

different value proposition than that of the manufacturing sector, which can play off of the existing strengths in labour and physical infrastructure to attract businesses or promote local expansions.

In summary, sector-specific marketing activities, whatever form they finally take, should be organized in the following three priority “sectors”:

- Innovative research, development, and design – focusing on building the Vaughan case for professional services, education, headquarters, and health care
- Advanced goods production and movement – focusing on building the Vaughan case for manufacturing, transportation, logistics, warehousing, and distribution, and building products
- Business and creative Incubation – focusing on building the case for Vaughan in cultural industries, and small business within all sectors

### 8.3.3 Location-specific Marketing

In addition to industry sector-based marketing, the City of Vaughan has significant marketing opportunities tied to specific areas of the city, most notably the Vaughan Metropolitan Centre and the Vaughan Enterprise Zone. Despite the City’s other employment lands and development opportunities, such as the Highway 400 North lands and the Hospital Site, these two areas have been prioritized for location-specific marketing as they represent some of the most significant areas of location-specific economic opportunities in the city. Much of the marketing of the other areas will be covered through Vaughan’s other areas of activity.

The Vaughan Metropolitan Centre has the potential to be the economic, social, and cultural hub of the City. It is the area of the city that will accommodate the highest density developments, offering opportunities for mid- to high-density residential, major office

development, and major tourism and cultural investments. As a blank canvas, the city has an opportunity to identify a discrete set of opportunities based on the larger vision, and pursue specific developments within the target sectors. Overall, marketing materials and messages should be shaped to convey that message for the Vaughan Metropolitan Centre – that it will be an important economic, cultural, and tourism hub for both the city and York Region.

Development in the Vaughan Metropolitan Centre will take a variety of forms, and may require some innovative partnerships to fully realize the vision. Public-Private Partnerships (P3) often represent good ways for both the private sector and public sector to benefit from development, and should perhaps be investigated for the purposes of developing specific facilities in the area. To facilitate those partnerships, the economic development marketing focus can be on the major developers in the GTA, and real estate investment firms, as well as specific types of appropriate businesses.

Some of the opportunities which are appropriate or preferable to advance the economic development vision for the Vaughan Metropolitan Centre as an economic and cultural hub include:

- Major office and regional/national/international headquarter operations in PSTS, public administration, education, and health care
- Mid- to high-density residential development in a variety of configurations
- A major conference or trade show facility
- A multi-use performing arts centre
- High-quality open spaces and public art installations
- A post-secondary institution
- Destination retail uses
- High-density hotel developments
- Unique live-work or co-work opportunities to appeal to small entrepreneurs and businesses in the cultural industries

The first phase of VMC marketing will need to focus on developers and major companies to initially build-up the area. Once the area is established and opportunities become more tangible, marketing should be focused externally, to new businesses that could locate in the area, and internally, to smaller entrepreneurs or large commercial/office that may wish to relocate based on the advantages in the area. Like the industry specific marketing, there will be several key messages that should be considered when marketing the Vaughan Metropolitan Centre as an investment location:

- Termination point for the extended York-Spadina Subway
- Major node for TTC and YRT/VIVA Transit routes
- Existing and unique entertainment cluster already in the area
- Only a few landowners in the area; each is committed to the vision for the VMC

As the VMC develops, it may become a major differentiator for the City and define the City's quality of life. If developed according to the vision, the VMC will provide the right type of entertainment, housing, transit-connectivity, open space and employment opportunities that appeal to highly-skilled and young professionals, as well as members of the "Creative Class". As such, the VMC should be a major component of any initiatives aimed at attracting and retaining the highly-skilled individuals that can support the cultural, PSTS, health care, education, and headquarter target sectors.

The Vaughan Enterprise Zone offers a different set of potential location- and industry-specific opportunities for the City of Vaughan. There is an undeniable inherent identity for the area owed to the location of the CPR intermodal facility within the zone, and that is of a transportation and logistics hub. As such, that imaging and informal branding for the area should be pursued. The image is further enhanced by the present highway infrastructure, proximity to Pearson International Airport, and the planned expansion of Highway

427 through the Enterprise Zone. Like the Vaughan Metropolitan Centre, the vision for the area has already been defined through land-use policies, and economic development marketing activities will need to support that vision.

As a logistical hub with excellent international transportation connections, in a city with strengths in several goods producing and goods movement areas, some of the opportunities which are appropriate or preferable for the Enterprise Zone, and should thus be pursued for the area, include:

- Integrated manufacturing/office operations
- Land-intensive distribution facilities
- Light manufacturing of semi-processed goods for the GTA market
- Prestige employment uses in manufacturing, transportation, warehousing, and distribution
- Retail and commercial businesses that service the employment in the area

Again, marketing should be focused both externally and internally. A prominent opportunity for Vaughan may be the relocation of existing industrial businesses that are looking to expand, or looking to capitalize on the advantages of the Vaughan Enterprise Zone.

Overall, the Vaughan Enterprise Zone will be an appropriate location for a range of industrial and some commercial opportunities. What is of primary importance is that the following key messages are articulated when marketing the Enterprise Zone:

- Large contiguous parcels of employment land with both general and prestige employment designations
- Transportation and logistics hub with international connections through the CPR intermodal facility, and quick access to Pearson International Airport

As part of the marketing of the area as a logistics and transportation hub in North America, the City may want to investigate membership in key organizations concerned with economic gateways and goods movement, in order to market the area along with the work of those organizations. A key example is the North America SuperCorridor Coalition (NASCO); of which the City of Brampton and Province of Ontario are members. The city might also want to get involved in the Ontario-Quebec Continental Gateway and Trade Corridor, which covers the international trade and intermodal infrastructure between the Atlantic economic gateway and the Asia-Pacific gateway.

### 8.3.4 Partnership and Relationship Building

As noted previously, partnerships and relationships are an important component of economic development marketing. The pooling of resources and building of relationships with trade partners and organizations can open a number of new opportunities. For Vaughan, there should be two key areas of focus for partnership and relationship building: international (including Friendship and Twin) and regional.

Marketing to the international community should focus primarily on two areas: aligning with international partners and building relationships with Vaughan's ethnic communities and organizations. To align with international partners, the city should give some regard to making sure the Friendship and Twin cities have both introductory and industry/location specific data about Vaughan. Looking at the proposed international partners, the city may want to produce all marketing materials in Russian, Hindi, Mandarin, and Indonesian, as well as any other region-specific dialects. To assist further with communicating the message to the international community, the City's website, or at least key areas of the economic development component of the site, should be easily translatable into the above languages. As the Friendship and Twin cities disseminate information about Vaughan, the potential investment leads can be directed to a more comprehensive web-based resource.

Beyond Friendship and Twin city relationships, the city should look to market opportunities internationally through Vaughan's various ethnic organizations. The Vaughan Chinese Business Association and the Greater Toronto Chinese Business Associations, for example, specialize in building relationships between Canadian and Chinese businesses and promoting trade between the two countries.

By building a relationship with the organization, Vaughan can stay informed of emerging opportunities, and assist in facilitating inward investments from China, or assist Canadian companies with market entry and investment in China. If there are similar organizations in Vaughan or across the GTA in the other ethnic groups concentrated in Vaughan, such as Russian, Indian, South Korean, Filipino, Pakistani or Sri Lankan, the Economic Development Department should engage them as well to further assess any other partnerships for trade promotion that could be undertaken.

Partnership and relationship building in economic development marketing does not have to be entirely business-focused either. By building the relationships with the international Friendship and Twin cities, and the ethnic organizations in the area, the City can begin to craft a marketing strategy to attract new residents to the city of Vaughan. Canada is facing a labour shortage, and many experts are citing increased attraction of skilled immigrants to mitigate the problem. By aligning with these international partners and ethnic organizations, the city may have an avenue to reach these skilled immigrants.

In terms of regional partnership and relationship building, Vaughan is fortunate enough to be part of the Greater Toronto Marketing Alliance (GTMA) and the Toronto Region Research Alliance (TRRA), both of which are engaged in external economic development marketing for the Toronto Region. As well, York Region has a business development function concerned with advancing the Regional economy, of which Vaughan's target sectors form a significant part of. Primarily, Vaughan should be focused on better

utilizing the connections with these organizations to pool resources, and reach the wider international markets that these organizations are engaged with.

Lastly, the City should investigate opportunities to partner with some of the major transportation operators in the area, including CP Rail, CN Rail, and the Greater Toronto Airport Authority, in joint marketing efforts. The focus should be developing the idea that Vaughan is one of the region's primary gateways, and a significant component of goods movement in and out of the economic region, especially the GTA.

## 8.4 Marketing Action Plan

The themes and the actions below relate back to Vaughan's four economic development marketing activity areas.

### 8.4.1 Brand Integration and Place Branding

With the development of a new logo and branding for the city, there is an opportunity to change the image of the city and revise marketing messages to reflect that new identity. As well, the City should capitalize on the new branding to craft a unique place-brand that differentiates it from other areas of the GTA, Ontario, and Canada.

Actions:

- a. Coordinate a brand development summit that meets every three years – stakeholders reconvene to reaffirm that the City's brand and value propositions are relevant and resonate with targeted audiences.
- b. Develop the overall value proposition for the City focused on engaging potential residents and visitors, consistent with the new brand (modern, progressive and welcoming) to be used as the guiding principles in all marketing efforts.

- c. Assess media opportunities (e.g. print, social media, radio) for delivering marketing and promotional programs that enhance the overall brand recognition of the City.
- d. Develop public relations activities.
- e. Seek opportunities for co-branding and cross-promotion.
- f. Integrate the new logo and styles into all of the economic development marketing materials

### 8.4.2 Sector-specific Marketing

Based on the areas on convergence between the City's target sectors, as well as aligning with the city as an incubator theme, the Economic Development Department should engage in target sector and sector convergence specific marketing activities.

Actions:

- a. Reorganize the industry sectors section of the economic development website into the following thematic areas:
  - o Innovative research, development, and design
  - o Advanced goods movement and production
  - o Business and creative incubation
- b. Develop an inventory of local, regional, provincial, and national resources that can support the core areas of activity in each of those thematic areas
- c. Cross references the industrial groupings in the areas of convergence, the seven primary sectors, and the pyramids of support with third party business directories to identify a list of target companies for investment attraction marketing
- d. Focus inward marketing on entrepreneurs and businesses within the areas of convergence

### 8.4.3 Location-specific Marketing

As significant areas of economic opportunity for the City, the Economic Development Department should focus location-specific marketing efforts on the Vaughan Metropolitan Centre and the Vaughan Enterprise Zone.

Actions:

- a. Update the Vaughan Enterprise Zone section on the City's website outlining potential industrial and commercial opportunities, phasing of the business park, servicing availability, and key land use policies aimed at regional and national industrial developers, manufacturers, transportation companies – update information on an ongoing basis
- b. Brand communications and publications about the Vaughan Enterprise zone with the “transportation and logistics hub” vision
- c. Investigate membership in North America SuperCorridor Coalition (NASCO) as a means for targeted marketing initiatives in transportation and logistics
- d. Market the strengths of the Enterprise Zone inwardly to existing companies and entrepreneurs that are either looking to expand or relocate, or those that could benefit from the transportation advantages in the Enterprise Zone
- e. Update the Vaughan Metropolitan Centre section of the City's website outlining potential office, residential, and commercial opportunities in the VMC, development status, as well as more information about the economic vision for the area as it develops
- f. Market the Vaughan Metropolitan Centre as the economic, social, and cultural hub of the city, and rebrand marketing materials to reflect the “hub” idea – as a significant quality of life advantage, targeting young professionals and highly-skilled individuals – where possible use Web 2.0 and social media tools to engage with the intended audience
- g. Undertake a prioritization exercise to identify preferred cultural, accommodations, hospitality, and entertainment facilities for development in the VMC – target marketing of the area towards those uses
- h. Investigate the use of P3 partnerships to develop strategic infrastructure in the VMC. To facilitate partnerships,

economic development marketing targets should be major developers in the GTA, and real estate investment firms, as well as specific types of appropriate businesses.

#### 8.4.4 Partnership and Relationship Building

Vaughan is in an area rich with economic opportunity and strong business development entities. In order to build the city's international and regional profile, the Economic Development Department should seek to build partnerships and pursue relationships with community and ethnic organizations, industry-based organizations, and area stakeholders.

Actions:

- a. Engage York Region, the GTMA and the TRRA more fully in regional marketing initiatives and trade show/trade mission attendance – ensure the opportunities in Vaughan are clearly articulated to them on a regular basis, and they are informed of the city's new branding and messaging.
- b. Work closer with the Federal and Provincial government on international business development activities.
- c. Work closer with the Vaughan Chamber of Commerce in delivering coordinated key messages and brand to existing and incoming businesses.
- d. Investigate the feasibility of joint projects or partnerships with CP Rail, CN Rail, and the Greater Toronto Airports Authority to further promote the city as a goods movement hub and gateway to the GTA.

## 9 Vaughan’s Staffing & Operational Structure

Successful implementation of the Action Plan is dependent on having the right people and the right jobs. The following section of the chapter offers recommendations for the alignment of the Economic Development Department’s human resources with the goals and initiatives identified in the Action Plan.

The existing City of Vaughan Economic Development Department has a staff complement of 5.5, with an additional staff complement of 3.0 in the associated Vaughan Business Enterprise Centre (VBEC). Exclusive of the external VBEC, the internal department is divided into two major components: economic development and tourism. However, the Director of Economic Development has responsibility for all three components.

A more detailed breakdown of the Director’s management responsibilities is below:

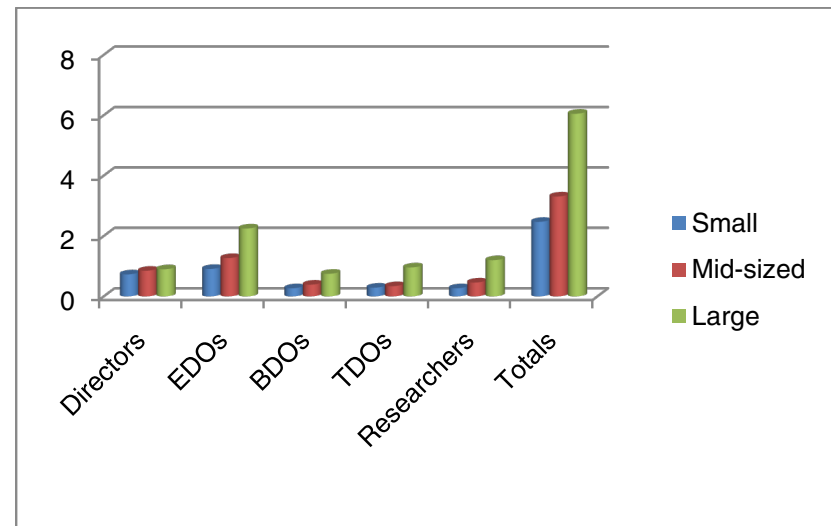
1. Economic Development (4.5 staff) – includes business attraction, business retention and external marketing (plus a part-time clerical position)
2. Tourism (1 staff) – includes visitor marketing, media and public relations and product and infrastructure development
3. Vaughan Business Enterprise Centre (3 staff) – includes individual support for business start-ups and entrepreneurship programming

### 9.1 Staffing Economic Development Services

Millier Dickinson Blais completes the only nation-wide economic development salary survey which also evaluates the organization’s staffing levels. Of the 147 communities that responded to the survey in 2009, 21 had service territories of more than 150,000 people (Large), 41 serviced between 50,000 and 150,000 people (Mid-sized), and 85 had populations less 50,000 (Small).

The following graph shows the average staffing level for a Canadian community of more than 150,000 people is approximately six (6.05). This suggests Vaughan’s Economic Development Department, at 5.0 full-time equivalent staff (exclusive of the VBEC and clerical staff), is slightly undersized compared to its peer communities in Canada.

**Figure 27: Average Economic Development Staffing Levels of Canadian Communities, by Size of Community**



Abbreviations: EDOs (Economic Development Officers), BDOs (Business Development Officers), TDOs (Tourism Development Officers)

Source: Millier Dickinson Blais Inc. 2009 National Salary Survey of the Economic Development Profession

### 9.2 Creative Economy Development: A New Mandate for Economic Development

This strategy and the accompanying action plan is built on the understanding that modern Canadian economic development requires new actions and activities, but also new ways of structuring



economic development programs. The pillars the strategy was built on, especially creativity and convergence, address one of the most prominent trends in global economic development today: the emergence of the creative and knowledge-based economy, both firms and workers, as a means of driving economic prosperity. Sustainability, arts, culture, place, design, and innovation have become priorities, and municipalities are increasingly devoting resources to achieving the results that make them effective competitors for talent and investment at the global scale.

Vaughan is no different. Previous work conducted by the City of Vaughan, including AuthentiCity's 2010 Cultural Plan, the Employment Sectors Strategy, and the new Official Plan recognize the importance of these factors, and include policies that devote resources to more contemporary, city-building objectives.

In part, this reorganization recognizes the opportunities associated with the newly formed Regional Tourism Organizations in Ontario. With much of the destination marketing activities moving to these organizations, resources at the city level can focus more on destination development; of which the creative economy and cultural industries are a critical component.

Interestingly, the recently completed Cultural Plan implicates the Economic Development Department as the lead in a number of its recommendations and gives credibility to the notion of modifying Vaughan's approach to its economic development mandate in support of the creative economy. Most specifically Actions 1.1, 1.2, 1.3, 1.4, and 3.3 in the Cultural Plan speak to specific opportunities in this space.

- *Action 1.1: Build on current strengths in the creative cultural industries to support growth in the sector*

This action includes using existing resources like the VBEC and the recently completed cultural mapping resources to continue to

develop creative firms and entrepreneurial ventures; enhancing existing initiatives to build a more complete suite of support and incubation systems for businesses in the cultural or creative industries

- *Action 1.2: Promote and market the City of Vaughan as a cultural tourism destination with unique cultural experiences and amenities.*

This action builds off of the Official Plan's emphasis on the boosting of existing, and discovery of new, cultural resources. Cultural tourism has, for several years been one of the fastest-growing and lucrative segments of the North American travel industry and Vaughan is well poised to position itself within that space.

- *Action 1.3: Strengthen existing and support the development of new festivals and events in Vaughan by developing a cultural festival and events strategy.*

This is to be done in partnership with the City's Recreation and Culture Department, and should be carried out by new staff resources in the restructured Economic Development Department. The importance of festivals as both economic and community drivers were a strong theme throughout the consultation and community engagement process of the Official Plan.

- *Action 1.4: Undertake a place-branding strategy that leverages Vaughan's unique cultural assets to articulate a unique and compelling identity for the City*

With quality of place being a major concern for creative people and firms, the branding of a place, especially to differentiate from other communities is paramount; as a lead marketing agency for the City, the activity naturally fits within the mandate of the Economic

Development Department, but should be given a higher regard, especially in the development of the creative economy.

- *Action 3.3: Develop existing and potential creative clusters and cultural centres in neighbourhoods and civic spaces.*

The Vaughan Official Plan establishes a strong commitment to community amenities as part of the goal of building strong and diverse neighbourhoods with unique character and sense of place. It is these spaces, potentially areas like the VMC, which will appeal to creative workers and firms.

These initiatives highlight the need for a revised structural and programmatic approach from the Economic Development Department. Where there was little emphasis or resource backing before, there must now be a focus on creative economy building and the support of creative cultural pursuits. However, this is not necessarily at the loss or to the detriment of other functions in the department. It may be more prudent to instead redefine the focus of the department away from strictly tourism, towards development of the creative economy, which includes tourism as a subsector.

In the revised structure, tourism development would be undertaken through larger creative economy-building efforts; creative cultural product development for example. Through the creative economy staff, the department would work to build the city's unique identity, cultural character, and sense of place, which would also have effects on tourism development. Examples of "products" and activities that serve both creative economy and tourism development include:

- Pursuing the feasibility of a convention centre and a performing arts centre
- Working with the city's key day trip oriented assets like Canada's Wonderland, Vaughan Mills, Kortright Centre and McMichael Canadian Art Collection to link them to other

creative and cultural interests in the community, enhancing the total experience for visitors and residents

- Developing niche sector opportunities such as becoming the GTA's wedding capital and meeting/conference centre
- Enhancing plans for the Vaughan Metropolitan Centre so that it can become the arts/culinary/cultural experience that people want to visit and live in

Primarily though, the new focus will be on liaising between the City and Regional governments and the creative and cultural industry sector (including the tourism industry) and ensuring that the City's new approach to economic development is consistent with the development of the creative economy. The staff resources behind the initiative will be concerned with a range of activities to ensure that the City is diverse, tolerant, and open to new ideas. Duties will include supporting recreation and culture department activities, providing input on the alignment of incubation and business support services to meet the needs of creative industries and creative people, supporting festival and event development, and managing the ongoing development and positioning of neighbourhoods and the Vaughan Metropolitan Centre, according to the economic and cultural vision for the City.

### 9.3 Economic Development Functions

The economic development function has an essential role to play when it comes to business attraction, business retention and investment marketing. Some additional aspects that the department should consider when developing its human resources plan:

1. The strategic action plan places a strong emphasis on collaboration and connectivity, to build a global city based on the strong international linkages that already exist in Vaughan. Whether it is through formalized Friendship or Twin city relationships or more informal structures that link business leaders, there is merit in having a person dedicated

to developing the networks. The relationships should initially be trade and transportation focused with one particular opportunity being with the Vaughan Enterprise Zone and partnering with similar cities in a global alliance (e.g. Delta, British Columbia and Vladivostok, Russia). Eventually these trade and transportation linkages open up investment opportunities.

2. As noted above, the 2010 Cultural Plan identifies Economic Development as the lead to “Undertake a place-branding strategy that leverages Vaughan’s unique cultural assets to articulate a unique and compelling identity for the City.” This is particularly important because the diversity of the city’s cultural and creative assets pose a challenge to communicating a coherent image of Vaughan to residents, potential investors and visitors. Defining and promoting this image is an ongoing proposition that will require dedicated resources to ensure that all community stakeholders and local businesses are committed to advancing that place branding.
3. Vaughan’s investment attraction program will require ongoing staff resources concentrating on the industry priorities that are identified in the strategy’s “sweet spot” convergent sectors, and supporting the development of activities within the City’s target areas. Staff should be consistently promoting and developing incubation and business support services within these defined target areas, but especially in the convergence sectors.
4. Vaughan should step up its business retention and expansion initiative with a targeted corporate call program. Optimally, this part of the initiative will support the creative economy and sweet spot investment attraction initiatives by providing competitive intelligence on the strengths and

weaknesses of the local business environment, acting as a source of referrals for incoming investment opportunities (such as by suppliers and customers of local industries), and creating interest among local business leaders to become references and testimonials for promotional campaigns and investment activities. As well, the initiative will introduce the changing array of economic development and incubation services that are available through the Economic Development Department and the VBEC.

5. Finally, staff resources should continue to be allotted for research support to the investment attraction and retention initiatives, as well as the creative economy initiatives in the short term, until staff complement is increased in that area.

#### 9.4 Vaughan Business Enterprise Centre

The Vaughan Business Enterprise Centre is recognized as a valuable resource and has the freedom to add additional programming where resources permit, in addition to offering a core set of programming mandated by the Province. In this partnership with the Province of Ontario, the City provides cash funding in order to hire a Manager and Small Business Consultant, and also provides an in-kind contribution through provision of the infrastructure necessary to run the Centre (e.g. office space, computers, information technology support). The province recently increased its annual contribution to \$95,000 which essentially covers the administrator position and program funding.

Compared to a handful of municipalities around its size, Vaughan’s financial contribution appears to be in the middle of the pack.

- The Municipality of Chatham-Kent makes no cash contributions to their Enterprise Centre, but does offer free rent, administration, etc.

- The City of North Bay makes a \$10,000 contribution and offers space in City Hall. The Enterprise Centre is operated arms length from the City and also services Nipissing District.
- The City of Kingston contributes approximately \$200,000 to its Enterprise Centre. It also services Frontenac County and it operates rent-free courtesy of the Kingston Economic Development Corporation.
- The City of Sault Ste. Marie (through the Sault Ste. Marie Economic Development Corporation) provides \$102,000 and in-kind rent, information technology, etc.

While the Enterprise Centre is obliged by the Province to measure the number of interactions it has with clients, it would be worth considering further evaluations to more easily identify where resources should be delivered.

An annual survey of its client base can put into quantitative terms the level of services that the Enterprise Centre has provided. The following measures are examples of those that can be measured:

- Providing individual business consulting services
- Attracting new small business investment
- Offering a user-friendly, accessible and material-rich resource centre.
- Providing a user-friendly website that encourages small businesses start-ups
- Creating more jobs in the small business sector
- Responding quickly to inquiries

Future increases in service should place a strong emphasis on success in creating jobs and generating wealth in the community, but also enhancing service levels to its clients. As noted previously, expansions to the existing incubation and networking services delivered by the VBEC, especially within the areas of convergence,

may be an excellent initial step in developing the City as an incubator concept – of which the VBEC will be an integral part.

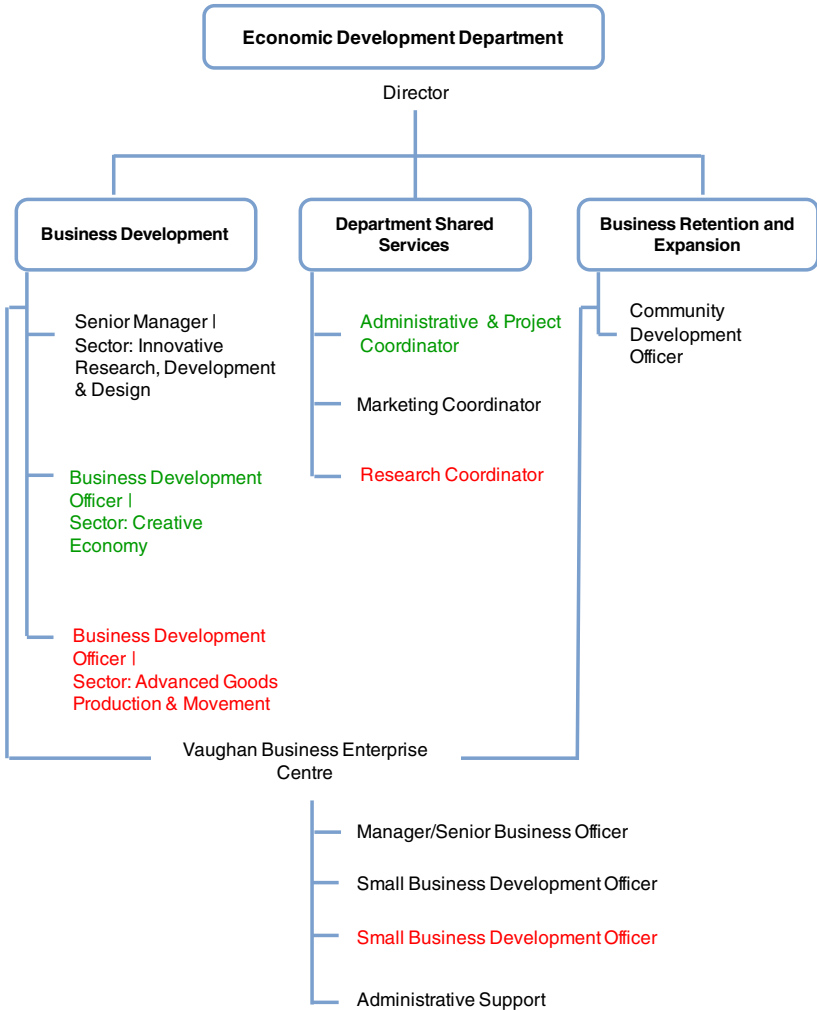
## 9.5 Reorganized Department Structure

Within the reorganized Economic Development Department, there will be two main sections:

1. Business Development
2. Business Retention and Expansion

The structure of the department though, will change somewhat. The following organizational chart illustrates that revised structure based on the programming recommendations in this report and a revised approach to economic development.

Figure 28: Vaughan Economic Development Department, Proposed Organizational Structure



The proposed organization chart highlights the addition of three positions (represented in red in the figure) and the realignment of two positions (represented in green on the figure).

9.5.1 Realigned Positions

Budget considerations associated with the realignments should be fully addressed through further discussion with Senior Management, Human Resources and the Finance department to determine the financial impact to the Corporation. However, an item of note which was identified during this work is that as the Administrative & Project Coordinator position would cause a negative impact on the budget, the realignment of the Manager of Tourism to a Business Development Officer would have a positive impact thus creating a potential offset in costs.

Administrative & Project Coordinator

In the current department structure, the department has a part-time (24 hours per week) administrative support position. In addition, as a shared resource on a temporary basis the department has been able to use the Assistant to the Commissioner in a full-time contract role to offset much needed department support. Unlike a majority of other departments, Economic Development does not have a dedicated Administrative role. It is recommended that the part-time administrative position be redefined to be an Administrative & Project Coordinator and work as a full-time shared resource to the department. The expanded role will require the individual to be knowledgeable in administrative duties and project management and also work more closely with the Director in a key support position but not fully dedicated to the Director.

Business Development Officer: Creative Economy

The Manager of Tourism position would be redefined within the Economic Development Department to be an Economic Development Officer and would be the primary resource to building the Creative and Cultural Industries with a strong focus on a placemaking approach which is strongly advocated in the new Draft Official Plan and most recently in the Council endorsed Cultural Plan *Creative Together*. In fact, the Cultural Plan clearly articulates that

the economic development department undertake a number of actions tied to the growth of cultural and creative industries and increase staff resources to do so.

Unlike other economic sectors, cultural and creative industries are a diverse mix of occupations and businesses with a unique land-use, labour market, and business strategy 'check-list' that foster the conditions that allow them to thrive. Firms can be capital intensive (such as film or television) or be clustered in small and medium enterprises (such as fashion or design). Higher rates of part-time work, contract work, and work outside of traditional times of day in creative occupations means that geographical clustering in cities and social interaction is an economic imperative. Cultural and creative industries have the unique advantage of attracting firms and increasing trade in other knowledge industries.

As more organizations and businesses turn to creativity as their competitive edge, a better engagement of the distinct characteristics of this sector is needed. To support the needs of this highly talented yet mobile labour force, the Economic Development Department can leverage the connections of place, culture and the economy to retain and intensify employment in the cultural and creative industries.

### 9.5.2 Proposed Positions

#### **Small Business Development Officer**

This position is being proposed to support the ongoing work of the Vaughan Business Enterprise Centre and also increase the capacity of the organization to offer a full suite of incubation-style services. This position is recommended with the understanding that the full development of incubator-style programming from the VBEC represents a significant expansion of the core services currently offered. Thus, there will be an eventual need for expanded staff resources in the VBEC, to continue offering core and expanded services.

Based on the direction identified in the strategy, this individual will work with the other business development officers to develop specialized incubation services within each of the targeted areas of activity. The refinement of these programs will be an ongoing exercise, and this dedicated staff person will assist greatly in that regard, allowing the existing VBEC staff to focus on their core responsibilities.

This position should be added as soon as a clear revenue source(s) is identified by the small business centre which can offset the budget impact. Therefore, the financial impact to the corporation is neutral.

#### **Business Development Officer: Advanced Goods Production & Movement**

This position will be part of the City's business development system responding to inquires and undertaking a targeted approach to building the sector. Business attraction activities will be focused on the three key areas noted in the convergence sector chapter: composites, green technologies, and automation. As well, the position will play a key role in the development of incubation programs, specifically around the advanced goods production and movement sector, delivered through the VBEC. Inherently, this position will have a key role in the development of employment lands across the city, including the Vaughan Enterprise Zone.

Although identified by the convergent sector it's important to understand that it doesn't eliminate the work associated with the sectors that were identified by the ESS and the strategy that form this new convergent sector: manufacturing; transportation, warehousing, distribution, and logistics; and building components. More generally, this position can be characterized by a more industrial sector focus for business development activities.

## Research Coordinator

This workload has traditionally been split between marketing and community development. However, the requirement and volume of information has expanded as a result of the new strategic direction recommended, and information is required in a more expedited timeframe. With a more targeted approach to Economic Development as building capacity rather than just a response organization, information availability will be critical in developing strategic workplans and responding to the changing environment. The research coordinator will be a shared service among the entire Economic Development Department.

## 9.6 Budgetary Considerations

As previously identified, the addition and realignment of staffing resources is a critical element to accomplish the actions, objectives and fulfill the goals of the 10 year strategy. These activities will enhance Vaughan's status as a vibrant community and the gateway of business to the GTA, as well as promote the development of a high quality of place that can attract a diverse range of people and an incubator of new and existing business activities. In the new knowledge-based global economy, jobs and investment follow people to a community rather than the opposite, so these activities are critical to the prosperity of the city. The estimated annual budget impact, (base salaries and benefits) to fulfill the staffing recommendation is \$175,000.

Throughout the preparation of the strategy it has been paramount to create a focused direction for the economic development work undertaken by the City of Vaughan and be mindful of the costs associated with the proposed actions to achieve the desired outcomes.

For that reason, Millier Dickinson Blais and department staff have conscientiously worked to create a set of actions that could be

achieved with minimal impact to the department's current operating budget, which in and of itself will be a key performance indicator in that the responsibility to plan and stay focused on the strategy will be consequential for the Department.

Therefore, the actions and programs for the first five years of the strategy are very achievable through the redirection of the tourism programming budget of \$75,000 to the general economic development budget. This action fully aligns with the staffing recommendation and in turn maintains a stable budget forecast.

Although the City is moving toward a multi-year budgeting process it will be important to note that a comprehensive review of the strategy should be undertaken at the midpoint as to better align the department budget for the remaining five years of the strategy.





## 10 Strategic Goals and Action Plan

In order for Vaughan to achieve the vision noted in *Vaughan Vision 2020*, it must capitalize on its strategic advantages of the City as a gateway for economic opportunities and an incubator of entrepreneurship, creativity, and innovation. With that in mind, specific goals have been developed to guide the City's economic development activities over the next 10 years. The goals continue the "Edge City", economic gateway, and incubation themes, and are supported by objectives and actions that provide a framework to achieve those goals. Each of the objectives have been developed within three general areas of activity: building a foundation, incubating ideas and ventures, and realigning resources to support the broader objectives.

This document, and the associated goals and objectives bring a focus to the economic development of the city. Where numerous opportunities exist for Vaughan over the next 10 years, this document prioritizes those opportunities and provides the framework to capitalize on the highest-value opportunities.

The following Action Plan seeks to design an implementation program for the Economic Development Strategy. The actions listed have been divided into four key goals, as noted in the introduction:

- 1. Position Vaughan as the gateway of economic activity to the Greater Toronto Area**
- 2. Develop Vaughan as the incubator of entrepreneurial and economic activity for the economic region.**
- 3. Provide best-in-class economic development services.**
- 4. Grow Vaughan's dynamic quality of place and creative economy.**

This chapter provides an overview of the strategic goals and the objectives as they relate to each of the goals.

## Goal One

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### **Position Vaughan as the gateway of economic activity to the Greater Toronto Area.**

The first goal is intended to build on the "Edge City" and gateway concepts presented several times in the strategy. The goal recognizes that geo-political borders are inconsequential to business and flows, especially in a globalized economy, and connections to international trade flows position Vaughan as an excellent gateway to the Greater Toronto Area and the economic region.

With its significant supply of developable lands, its position at the confluence of major regional transportation routes and systems, and its rapidly growing population, Vaughan will play a key role in the GTA as an "Edge City" – poised on the periphery of the existing metropolis, but central to its future growth and expansion. This advantageous competitive position could make Vaughan the key economic development driver of the GTA over the next twenty years, and its "edge" position suggests that Vaughan will increasingly be the gateway for goods, business and investment travelling to and from the GTA.

The gateway concept rests in part on the notion that Vaughan will increasingly become a logical entry and exit point for goods, technologies, materials and even people coming to and going from the GTA. The Vaughan Enterprise Zone, with its significant rail and highway connections, is the focal point for these efforts, though the Metropolitan Centre will also play an important role in certain sectors (such as arts, culture, tourism and professional services).

This "gateway" positioning, however, will require enhanced levels of connectivity in order to be successful. City economic development

staff must work with a range of public and private partners to develop, expand and maintain an array of 21<sup>st</sup> Century infrastructure including rapid transit connectivity, digital infrastructure, innovative and sustainable energy systems, and streamlined goods movement systems.

By enabling connectivity through infrastructure enhancements, the City can pursue economic and learning partnerships to generate value from these connectivity enhancements. Current partnership relationships with municipalities outside of Canada focus primarily on cultural and friendship benefits. To better support economic development efforts, a new series of international partnerships should be explored. These efforts should be oriented toward the central goals and ideas prioritized by the larger economic development strategy, including partnerships that support the “edge city” gateway model, and partnerships that build upon existing areas of economic interest – particularly in the two convergence areas of “Innovative Research, Development and Design”, and “Advanced Goods Production and Movement.”, but also learning partnerships focused on providing staff with direction on moving the science and technology park agenda forwards.

#### **Goal One Objectives:**

- 1.1 Recognize and build upon transportation linkages and 21<sup>st</sup> Century technology infrastructure development as a key competitive factor in Vaughan’s “Edge City” characteristics, and enhance the community’s role as a gateway to the GTA for new business and new investment.
- 1.2 Develop a twinning and municipal partnership program that will more effectively support the City’s economic development objectives.

## Goal Two

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### **Develop Vaughan as the incubator of entrepreneurial and economic activity for the economic region.**

Part of Vaughan’s unique opportunity in economic development relates to its positioning as a key location for future development within the GTA. The growing shortage of greenfield land within the GTA, and the large supply of such land in Vaughan, will in and of itself begin to attract potential investment to the community. To ensure that this investment chooses Vaughan over other alternatives, and to focus investment support on high value targets, Vaughan should seek to differentiate its economic development service offerings from other GTA communities in a way that enhances the likelihood that desired forms of investment come to the community.

In part, this may be achieved through a massive, City-wide initiative focused on business incubation, i.e. the support services, infrastructure and collaborative tools that will help businesses develop genuine competitive advantages. In essence, other communities may have incubators – but Vaughan will be an incubator. The entire focus of economic development efforts will be on creating a proactive system of business support systems and spaces that will provide businesses located in Vaughan with access to resources, tools and expertise that may not be accessed elsewhere.

Part of Vaughan’s competitive positioning in the economic development arena arises from the convergence of strength and assets in the key target niche of innovative research and development. In this area, existing business strengths, labour force resources and community assets and infrastructure overlap to create

a compelling set of advantages for attracting investment linked to these areas of innovation activity. The challenge for the City on the action side is that these competitive advantages may not be widely recognized or understood outside of the community. A twofold approach to this area of interest is therefore required: first, the development of a marketing and communications approach that conveys the community's Innovation "value proposition" and second, a series of initiatives and activities designed to enhance overall levels of innovation within the community.

Vaughan's competitive positioning in the economic development arena also arises from the convergence of strength and assets in the key target niche of innovative design. In this area, existing business strengths, labour force resources and community assets and infrastructure overlap to create a compelling set of advantages for attracting investment linked to this area of innovation activity. To fully develop this aspect of its potential, Vaughan must emphasize the development of a design cluster within the overlapping industry target areas it has identified. In order to achieve this, Vaughan must seek to become a regional centre of design activity.

Lastly, Vaughan can capitalize on the convergence of strength and assets in the key target niche of "Advanced Goods Production & Movement" to realize economic opportunity. In this area, existing business strengths, labour force resources and community assets and infrastructure overlap to create a compelling set of advantages for attracting investment linked to this area of industrial activity. To fully develop this aspect of its potential, Vaughan must emphasize the development of an advanced goods cluster within the overlapping industry target areas it has identified.

With strengths in those convergent areas, as well as a supportive policy environment, the City should work with key interests in the building sector to develop a campaign for raising awareness of and involvement in the "green building" movement, perhaps under the

theme "Designing the Community." In part, this is intended to build or incubate the technical capacity of Vaughan in key green building materials and principles. Over the longer term a growing local concentration of this activity in the already competitive building component sector will build the profile of the city as a centre of green design.

**Goal Two Objectives:**

- 2.1 Develop an "Incubation Vaughan" program, in which the entire community and its economic development programs are positioned as an incubator of innovative business practice and leading edge investment opportunities.
- 2.2 Develop a specialized component of the incubation program targeting the "Innovation in research and development" convergence area described in the strategy.
- 2.3 Develop a specialized component of the incubation program targeting the "Innovation in Design" convergence area described in the strategy.
- 2.4 Develop a specialized component of the incubation program targeting the "Advanced Goods Production & Movement" convergence area outlined in the strategy.
- 2.5 Undertake projects focused on the built environment, environmental sustainability and green design with the ultimate goal of enhancing local technical capacity and industry development in the green building sector.

# Goal Three

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## **Provide best-in-class economic development services.**

Vaughan has unique opportunities in economic development based on geography and access. However, geography and access are no longer enough in a global competition for investment and talent. Cities must now provide an extended suite of programs to complement their natural competitive advantages, and make economic development service delivery itself a competitive advantage. This can mean the extension of existing services, a redeployment of resources to other strategic areas to gain efficiency, or an entirely new mandate or focus for service delivery. Overall, to ensure that new investment chooses Vaughan over other alternatives, and to fully support the development of new business ventures in the community, as well as allow the city's existing businesses to grow with the community, Vaughan must maintain existing and develop new best in class services to create a competitive advantage.

The Small Business Enterprise Centres across Ontario have evolved a series of support programs and initiatives that are relatively homogenous (e.g. Summer Company, Youth Business Plan Competition, and Small Business Week). However, each of these programs grew out of the initiative of a local SBEC office, and while the province mandates that each Centre provide a minimum set of activities, it encourages creativity and innovation in program design. With this in mind, VBEC should seek to reorient a portion of its programs to support the larger "incubation" agenda.

In part, this reflects an expansion of existing programming. Where VBEC training and programming traditionally targeted individual

entrepreneurs and micro-businesses, for example, these efforts should be expanded to engage a much wider set of businesses. And while basic services for new entrepreneurs must be maintained, many of these additional services may be focused on the narrower incubation targets areas described through the strategy (e.g. innovation, advanced goods). In essence, the VBEC becomes the delivery agent of expanded "virtual incubation" programs that offer specialized business incubation systems outside the traditional confines of a physical incubator space. This echoes the notion that the City of Vaughan itself becomes an incubator, while allowing VBEC and economic development staff to "field test" an ever-growing range of business support programs.

Virtual incubation models are well-established (and can be modelled, for example, on the program at the Waterloo Technology Accelerator in Waterloo), both in terms of delivery structures and in terms of revenue generation models. It is reasonable to expect that, over time, the revenue from virtual incubation will be sufficient to staff and support a significantly expanded range of business support services, supporting a continued expansion of services as the economy and the needs of local businesses expand over time.

New services and support structures require new approaches to service delivery. Engagement and direct communication is changing, and economic development is no exception. Marketing, relationship building, communication, and networking are increasingly being done in the "virtual" world, and communities that are not engaged in online initiatives are missing out. This is especially relevant given that economic development activities are increasingly focused on people, and the attraction of skilled individuals as a means of facilitating local business growth and new investment attraction. Early movers have embraced new social media tools as a way to meet these new objectives, and used these often inexpensive tools to enhance or maximize the value of existing economic development practices like public engagement and consultation, as well as marketing. However,

these new tools come with new challenges. In order to ensure that resources are being effectively distributed and the implementation of social media and Web 2.0 tools is effective, the approach taken to their use and implementation must be well thought out and genuine, with a commitment from management.

Finally, a new approach to economic development service delivery in the City highlights the need for a new structure for the primary economic development service delivery agents in the City. Existing functions are not necessarily lost based on this reorganization, but resources are diverted instead to areas that will maximize benefits given new strategic focus and new priorities.

#### **Goal Three Objectives:**

- 3.1 Reposition the Vaughan Business Enterprise Centre to offer a wider range of services in support of the overall incubation effort, and to serve a greater range of established businesses.
- 3.2 Investigate the use of new Social Media and Web 2.0 tools on the City's website, and engage in online communities and discussions in support of business development and marketing goals.
- 3.3 Align the staffing structure of the Economic Development Department with opportunities outlined in this strategy.
- 3.4 Develop and adopt benchmarks for Vaughan's economic development performance and business climate against other similar jurisdictions.

## Goal Four

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### **Grow Vaughan's dynamic quality of place and creative economy.**

In a knowledge economy, the key competitive asset in all industries is the quality of human resources. To sustain genuine growth and development within Vaughan, the community must prioritize the attraction and retention of key talent to the community, and the linking of that talent to appropriate opportunities within the local economy. In part, this relates to the availability of quality job opportunities, which is largely addressed through the broader incubation initiative. Equally, however, talent is attracted to and remains in specific places; it seeks locations that combine career opportunity with quality of life, quality of experience and quality of place.

As a result, economic development success relies in part upon success in "place-building" – the alignment of strategic effort and resources to create an environment appropriate to the needs of knowledge workers. This activity connects strongly with elements of the Official Plan and the Cultural Plan for Vaughan.

Vaughan's tourism approach should be broad, seeking to grow tourism as an industry by attracting new investment and positioning the industry to support and grow high value, high wage knowledge jobs and occupations within the community. In part, this requires an adjustment of how the industry is viewed. Where other communities view tourism as a standalone sector, Vaughan will view it as a vital component of the development of the creative economy. Inherently the industries are linked. For example, cultural festivals and events showcase and celebrate local capabilities, while also drawing visitors to the area. By placing an emphasis on the support for creative

entrepreneurs and industries, and the development of cultural amenities and infrastructure, the city can enhance its attractiveness for visitors, but also the quality of life for its residents. The formation of Regional Tourism Organizations in Ontario, focused on destination marketing, allow this type of focus on destination development at the local level. By reorienting the focus, the City can maximize benefits over several industries.

The Vaughan Metropolitan Centre will transform the social life of the City of Vaughan, by creating an arts, culture and entertainment district linked by rapid transit to the entire City and beyond, to the GTA. This area will become both a logical area of activity, but also a key draw to the community. Economic development staff, working closely with cultural and recreational interests, must ensure that this new focal point does not detract from existing assets, but builds upon them and contributes to their continued success. This may be achieved through a “hub and spokes” strategy in which the Metropolitan Centre becomes a centrepiece of activity and investment in this arena, but is deliberately linked by transportation services, programming, branding and marketing, and joint activities with other existing arts, culture and tourism assets in order to “broaden” or “thicken” the overall appeal of Vaughan as a destination. In part, this effort will rely on physical infrastructure and public works investments, but in part it will require careful and collaborative effort by City staff.

Expanding on models already used in other small business enterprise centres across the province, the VBEC should launch an ongoing “Cultural Enterprise” program to continually engage with the creative and cultural industries sector in Vaughan. Many independent artists, performers and cultural actors do not regard themselves as business people, and often struggle to make their efforts financially sustaining and viable. The “Cultural Enterprise” movement helps these individuals to see themselves as small business operators, and improves opportunities for cultural entrepreneurs to manage, develop

and grow their cultural and artistic enterprises. This has the dual effect of strengthening the local economy and quality of place, while simultaneously strengthening the local arts and culture presence.

With a new approach to economic development in the City, a new approach to marketing is needed. Prominent opportunities have emerged in the local economy in a marketing context –the new city logo, targeted sector marketing, the Vaughan Metropolitan Centre and the Vaughan Enterprise Zone as significant development opportunities, and economic partnerships and relationships. As well, in the global competition for talent and new investment, success in part relies on the ability of a community to differentiate itself from competitors, and create a unique and compelling “brand” for itself. A new marketing approach, more in line with these opportunities and realities is needed.

#### **Goal Four Objectives:**

- 4.1 Pursue place-building and creative economy development as a means of enhancing efforts to attract creative class and knowledge workers to Vaughan as a tool for supporting the broader incubation and development agenda.
- 4.2 Develop a “hub and spokes” approach to cultural, tourism and creative industries linkages in the City, focusing “hub” activities in the Vaughan Metropolitan Centre, and linking other key assets (Kleinburg, Kortright, Canada’s Wonderland) as “spokes” to ensure connectivity between key assets and programming.
- 4.3 Leverage Vaughan’s image as a welcoming community.
- 4.4 Undertake a more detailed and comprehensive marketing initiative based on economic development priorities outlined in the Strategy and other Vaughan 2020 Strategies.

## 10.1 Building a Gateway to Tomorrow's Economy


As there is no consensus definition for economic development, there is no single strategy, policy, or program for achieving success. The unique mix of geographic, political, economic, and social attributes of a community will present a distinctive set of challenges and opportunities, and different approaches to economic development are needed for each community.

Vaughan's Economic Development Strategy provides a compass for the City and its private, non-profit, and public sector partners to move towards enhanced employment, investment, and quality of life in the city. It is not a statutory document, but rather a starting point for the City's economic development work providing the ability to address unforeseen challenges with adaptable strategies. The vision for the City has been established through the strategies and plans of the *Vaughan Vision 2020* program, and the Economic Development Strategy integrates economic development activities as a necessary component in achieving that vision over the next 10 years.

Each strategic action is described in detail below, and fixed to a proposed implementation schedule over a ten-year period. The objectives are each assigned a set of key performance indicators or metrics which may be used to assess progress on the implementation of the proposed actions. Where possible, complementary actions, and actions that have been assigned to the Economic Development Department through other Vaughan 2020 Strategies and Plans are included. The action plan is not intended to replace annual workplans and business plans which drill down into the actual tactics and approaches that will be taken to fulfill the objectives and ultimately work to fulfilling the goals. Rather, it provides the broad strategic actions that should guide these specific tactics, as well as consideration of when each action should be integrated into annual workplans.

# Vaughan’s Action Plan

To ensure consistency between the City’s economic development strategy and the other strategies and plans from the *Vaughan Vision 2020* program, the action plan below includes objectives and actions from City-approved plans that either implicate the Economic Development Department as the lead in the action, or require resources from the Economic Development Department to ensure the action or policy is completed. The legend below identifies the icons that are used in the plan to note actions or policies that are contained in other strategies or plans. It should be noted that in some cases, these plans contained ongoing policy directions, which are included as actions in this action plan.

Action Plan Legend	
Symbol	City of Vaughan Strategy
<b>OP</b>	City of Vaughan Official Plan
<b>CT</b>	Creative Together: A Cultural Plan for the City of Vaughan
<b>D</b>	Diversity: Vaughan’s Greatest Asset
	Green Directions Vaughan
<b>ESS</b>	Employment Sectors Strategy



**Goal 1: Position Vaughan as the gateway of economic activity to the Greater Toronto Area**

**Objective 1.1: Recognize and build upon transportation linkages and 21<sup>st</sup> Century technology infrastructure development as a key competitive factor in Vaughan’s “Edge City” characteristics, and enhance the community’s role as a gateway to the GTA for new business and new investment.**

Required Actions	Timeline for Launch	Key Performance Indicators
<p>1.1.1 Build a solid understanding of transportation planning and infrastructure, as well as the constraints, and ensure that public works and engineering officials at the City, Region, and Province are aware of key City economic development messages and priorities through ongoing engagement.</p> <p>a. Integrate this increased knowledge and awareness into economic development marketing efforts to build the notion that Vaughan is the most logical access point to the larger GTA.</p>	<p>2011/2012</p>	<p>Number of transportation, warehousing, and logistics companies in Vaughan</p>
<p>1.1.2 Ensure the long-term flexibility, vitality and competitiveness for employment areas in Vaughan.</p> <p>a. Work with the Planning Department to incorporate economic development comments in the review of development applications.</p> <p>b. Work with Planning Department to further the use of Community Improvement Plan (CIP) tools to support the remediation and reuse of sites in employment areas.</p> <p>c. Implement a regulatory and policy checklist to ensure business costs and benefits are always considered when changes to regulations and policies are being planned.</p> <p>d. Develop an annual forum with the real estate industry to solicit feedback on Vaughan’s competitiveness and industry requirements for employment areas.</p> <p>e. Support and promote new land use and design policies respecting employment areas in economic development marketing materials and City’s website.</p> <p>f. Benchmark municipal taxes, regulations, development and permit approvals processes and timing against competing municipalities.</p> <p>g. Work with economic development organizations and gateway partners to develop competitive incentive packages for business location and expansion.</p> <p><b>OP</b></p>	<p>2011/2012 - Ongoing</p>	<p>Total dollars invested in new transportation infrastructure</p> <p>Portion of City covered by wireless and public access services</p> <p>Number of Major Office developments in the Vaughan Metropolitan Centre</p>

1.1.3	<p>Position the Vaughan Metropolitan Centre as Vaughan’s premiere office node.</p> <ul style="list-style-type: none"> <li>a. Target real estate brokers and national site selectors to promote the VMC as the premiere office node, specifically developments of greater than 12,500 square metres.</li> <li>b. Develop an understanding of the site selection process of provincial and federal governments to attract a major government office or civic agency to the community.</li> <li>c. Develop programs and partnership opportunities to establish supporting elements including upscale hotels, convention and meeting spaces, parking structures, arts centres, restaurant nodes to attract major office uses and corporate headquarters.</li> <li>d. Develop specialized marketing and promotional materials including interactive technologies.</li> </ul> <p><b>OP ESS</b></p>	2011/2012 - Ongoing	
1.1.4	<p>Study the feasibility of implementing a one-window approach to development approvals in the Vaughan Enterprise Zone; a program modeled after the CentrePort Initiative to administer City policy, streamline approvals, and provide connections to Canada’s “FTZ-like” programs.</p> <ul style="list-style-type: none"> <li>a. Seek partnerships from other levels of government, mainly the Government of Canada and the Province of Ontario.</li> </ul>	2013	
1.1.5	<p>Launch a digital infrastructure initiative within the community focusing on building out wired and wireless capabilities across the City. Deliverables could include service on public transit to a wireless node covering the entire Vaughan Metropolitan Centre to the enabling of signalling and RFID technologies to encourage development of the Enterprise Zone.</p>	2014	

**Objective 1.2: Develop a twinning and municipal partnership program that will more effectively support the City’s economic development objectives.**

Required Actions	Timeline for Launch	Key Performance Indicators
1.2.1	Establish and adopt criteria for evaluating potential formal friendship, twin, international, and educational partnership relationships.	2011/2012
1.2.2	Explore potential economic development partnerships with Dayton, OH and Austin, TX.	Number of municipal partnerships with an economic development focus
1.2.3	Create an “Asia-Pacific Gateway” association with a series of like-minded	2011/2012 (Dayton, OH) 2014 (Austin, TX) 2011/2012 (Delta, BC)

<p>communities to develop and enhance trade connections, investment opportunities and collaborative approaches to economic development.</p> <ul style="list-style-type: none"> <li>a. The crux of the relationship depends upon a viable connection with Delta, BC, linking the Vaughan Enterprise Zone to the Asia-Pacific region.</li> <li>b. Once a partnership has been established with Delta, the two communities should jointly identify a range of potential partners across the Asia-Pacific region, using the list of cities identified in this Strategy.</li> </ul>	<p>2013-17 (Other Asia-Pacific Partners) 2018 (Formal Asia-Pacific Gateway)</p>	<p>Number of trade missions and economic development teams visiting Vaughan</p> <p>Number of new investments from partner cities</p> <p>Number of collaborative economic development projects with partner cities</p>
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## Goal 2: Develop Vaughan as the incubator of entrepreneurial and economic activity for the economic region

### Objective 2.1: Develop an “Incubation Vaughan” program, in which the entire community and its economic development programs are positioned as an incubator of innovative business practice and leading edge investment opportunities.

Required Actions	Timeline for Launch	Key Performance Indicators
<p>2.1.1 Expand the corporate calling program to introduce the changing array of economic development &amp; incubations services available, and to ensure wider contact with the business community.</p> <ul style="list-style-type: none"> <li>a. Meet directly with at least 200 companies in the seven ESS target sectors each year, with a particular emphasis on companies with links to the two convergence area targets.</li> <li>b. Establish a communications protocol with York Region and the Ministry of Economic Development and Trade regarding corporate calls made to local businesses, i.e. information sharing about issues that are municipal in nature.</li> </ul>	<p>2011/2012</p>	<p>Number of new businesses locating in the community</p>
<p>2.1.2 Develop an annual or semi-annual forum to showcase the City and its existing and new activities to the business community, with the participation and involvement of Council and Senior Management.</p>	<p>2012</p>	<p>Number of corporate calls per year</p>
<p>2.1.3 Make retention of existing manufacturing industries a priority.</p> <ul style="list-style-type: none"> <li>a. Create opportunities to showcase locally made products, particularly advanced manufacturing products, using trade shows, business missions, and virtual technologies and other interfaces.</li> <li>b. Develop an understanding of the educational or skills gaps experienced by local industries.</li> <li>c. Look to attract major skills training centres.</li> <li>d. Attract and/or improve access to federal and provincial programs and spending that support Vaughan’s manufacturing base and creates long-term stability in manufacturing industries and jobs.</li> <li>e. Develop a specialized networking and mentoring program using both regional organizations (such as the Innovation Synergy Centre in Markham) and key local residents (including retirees).</li> <li>f. In co-operation with the Mayor’s Office, develop a recognition program for</li> </ul>	<p>2012/2013</p>	<p>Number of participants in virtual incubation programs</p>

<p>local businesses, e.g. milestone celebrations, corporate citizenship awards, etc.</p> <p><b>OP ESS</b></p>	
<p>2.1.4 Building on models developed by the University of Waterloo Technology Accelerator and others, deliver a series of “virtual” incubation programs, in which incubation-style support and advisory services may be accessed by local companies, but without the need for renting physical space within a traditional incubator.</p>	<p>2012</p>
<p>2.1.5 Remain flexible and accommodating for new and advanced manufacturing uses.</p> <ul style="list-style-type: none"> <li>a. Continue to assist landowners in navigating the approval process for applying to convert or redevelop buildings or develop lands to accommodate more advanced manufacturing activities.</li> <li>b. Work with the public and private sector to create a virtual convergence centre of advanced manufacturing in Vaughan in order to assist small businesses in product creation, product standards and testing or showcasing of local products.</li> </ul> <p><b>ESS</b></p>	<p>2012</p>
<p>2.1.6 Identify opportunities to attract post-secondary institutions including a new university or college.</p> <ul style="list-style-type: none"> <li>a. Work with the Vaughan Health Campus of Care, York University and other partners to establish a medical or nursing school, recognizing that Vaughan needs to find its niche market in bio and life sciences given the crowded marketplace.</li> <li>b. Develop international learning partnerships to determine best practices in the development of the hospital lands, with a potential focus on the life sciences sector.</li> <li>c. Work with post-secondary institutions to address educational gaps in current and emerging disciplines that support the targeted sectors.</li> </ul> <p><b>OP ESS</b></p>	<p>2012/2013 – Ongoing</p>
<p>2.1.7 Improve the availability of angel and venture capital in Vaughan.</p> <ul style="list-style-type: none"> <li>a. Develop a database of local investors and companies seeking investment opportunities.</li> <li>b. Develop and facilitate a program for training entrepreneurs in techniques</li> </ul>	<p>2012/2013 - Ongoing</p>

	for accessing capital from these sources.	
2.1.8	<p>Encourage the maintenance of smaller office and employment space as a means of assisting smaller firms and proprietorships; and facilitate the expansion of home-based businesses.</p> <ul style="list-style-type: none"> <li>a. Work with local realtors to build exposure for smaller spaces through internet interfaces, or potentially through City or provincial websites.</li> <li>b. Work with the Building Standards Department to evaluate potential for expedited review process for interior alterations in smaller spaces.</li> </ul> <p><b>ESS</b></p>	2013
2.1.9	Building on the “Economic Gardening” model, develop an economic gardening program focused on existing small and medium-sized business within the community.	2013

Objective 2.2: Develop a specialized component of the incubation program targeting the “Innovation in research and development” convergence area described in the strategy.		
Required Actions	Timeline for Launch	Key Performance Indicators
<p>2.2.1 Develop an inventory of targeted firms within the innovation value chain in Vaughan, building an understanding of who the key public and private players are, which support resources are present and which are missing, and what kinds of investment attraction targets exist to fill gaps or localize the supply chain.</p> <ul style="list-style-type: none"> <li>a. Identify current research and development activities in Vaughan, and develop partnerships with the Ministry of Research and Innovation (MRI), the Ontario Centres of Excellence (OCE) and the Toronto Region Research Alliance (TRRA) to better position these activities in light of externally-driven investment attraction and funding initiatives.</li> </ul>	2012 (Update in 2017)	<p>Unique visitors to the web-based innovation portal</p> <p>Number of attendees at annual innovation forum</p> <p>Change in the number of firms and assets identified in innovation inventory over time</p>
<p>2.2.2 Develop marketing materials focused in the innovation target area, including specialized communications for use in investment attraction activities.</p>	2012 (update in 2016)	<p>Scope of partnership activities with other</p>

2.2.3	Develop an “innovation portal” as a sub-component of the economic development web presence, with a particular eye to connecting research and concept to commercialization and deployment opportunities.	2014	agencies involved in the innovation space
2.2.4	Host an annual Innovation Forum for regional business, with content divided between presentations from successful innovators, and presentations from agencies and structures in Vaughan playing a support role in the innovation arena; the key thematic message of these events should be that Vaughan is both a centre of innovation activity and a place in which such activity receives superior levels of support.	2014 – Ongoing	

**Objective 2.3: Develop a specialized component of the incubation program targeting the “Innovation in Design” convergence area described in the strategy.**

Required Actions	Timeline for Launch	Key Performance Indicators
2.3.1 Establish a working group on industrial design, through which local companies and key external resources may be brought together 2-3 times a year to discuss industry challenges, emerging tools and resources, and global best practices. Inviting key national or international design figures to address each meeting should ensure high level participation from across the GTA, with the flow of ideas and focus of discussion benefitting Vaughan. This discussion should be linked to growing regional expertise in areas such as: a. vehicle component design b. medical device development	2013	Number of participants in “Entrepreneurship by Design” program
2.3.2 Launch an annual one-day long “Entrepreneurship by Design” program, in which new entrepreneurs and small businesses are introduced to the potential uses of design within their operations, and the sources of design support with the Vaughan area. Partners include the Vaughan Business Enterprise Centre and the Ministry of Economic Development and Trade.	2014	


**Objective 2.4: Develop a specialized component of the incubation program targeting the “Advanced Goods Production & Movement” convergence area outlined in the strategy.**

Required Actions	Timeline for Launch	Key Performance Indicators
2.4.1 Conduct a detailed analysis of programs from other levels of government	2011/2012	Change in the number of

<p>focused on companies engaged in international commerce, i.e. “FTZ-like” programs, and develop relationships with other levels of government to liaise between businesses and federal government agencies.</p>	<p>firms and assets identified in innovation inventory over time</p>
<p>2.4.2 Establish an Advanced Goods Movement working group, bringing together key individuals from the manufacturing, transportation, logistics and materials research sectors, with a goal of assisting economic development staff in exploring and implementing initiatives to strengthen Vaughan’s position as the “gateway” to and from the GTA for advanced goods and materials.</p> <p>a. While initial discussion may focus on transportation and logistics infrastructure and systems to support goods movement, the ultimate goal should be on the establishment of Vaughan’s reputation as <i>THE</i> logical location for the assembly, packing, warehousing, distribution and handling of advanced materials, components and other high-value products.</p>	<p>2013</p> <p>Number of new advanced goods firms locating to the community</p> <p>Distribution reach of marketing materials developed to support investment attraction effort</p>
<p>2.4.3 Develop an investment attraction campaign focused on key growth areas within the advanced goods production and movement sector, including:</p> <p>a. Targeting of specific industries such as the composite materials sector.</p> <p>b. Developing marketing materials to promote their strength and potential in Vaughan.</p> <p>c. Engaging the industry through key organizations, research facilities and trade shows.</p>	<p>2013</p>
<p>2.4.4 Develop an inventory of targeted firms within the advanced goods production and movement value chain, building an understanding of who the key public and private players are, which support resources are present and which are missing, and what kinds of investment attraction targets exist to fill gaps or localize the supply chain, updated every two years from Year Four.</p>	<p>2014</p>
<p>2.4.5 Explore and evaluate potential for multi-storey distribution and logistics buildings, including “rack-supported” buildings currently observed in some parts of Europe and Asia. Seek to become one of the first communities in the GTA/H to build a multi-storey logistics facility.</p> <p><b>ESS</b></p>	<p>2016</p>



**Objective 2.5: Undertake projects focused on the built environment, environmental sustainability and green design with the ultimate goal of enhancing local technical capacity and industry development in the green building sector.**

Required Actions	Timeline for Launch	Key Performance Indicators
<p>2.5.1 Foster linkages between the World Green Building Council, Toronto and Region Conservation Authority, Kortright Centre and its Archetype House program to leverage demonstration opportunities, education, and skills training for Vaughan’s building product industries.</p> <p><b>ESS</b></p>	2011/2012	<p>Number of LEED-certified (or equivalent) sites and projects in community</p>
<p>2.5.2 Establish Vaughan as a leader in the green economy by attracting, supporting and cultivating a wide range of value-added industries that provide services and products that promote environmentally responsible practice, respond to the reality of climate change, future energy scarcity and other environmental imperatives, and reflect environmental and sustainability objectives in their operations.</p> <p>a. Work with Region of York to attract new investment in green building sectors and industries and encourage greening of Vaughan’s building products sub-sector.</p> <p><b>OP ESS</b></p>	2011/2012 – Ongoing	<p>Number of individuals and companies with green building expertise</p> <p>Number of tradeshow or conferences focused on green building and green construction held in Vaughan</p>
<p>2.5.3 Develop a business attraction and retention strategy to encourage environmentally-friendly or progressive businesses to set up in Vaughan.</p> 	2014	
<p>2.5.4 Work with key interests in the building sector to develop a campaign for raising awareness of and involvement in the “green building” movement, perhaps under the theme “Designing the Community”, with a goal of presenting Vaughan as a centre of green design strength in the larger construction and building materials industry as capacity builds.</p>	2015	
<p>2.5.5 Undertake campaign to attract a Centre for Excellence related to building products and technology.</p> <p><b>ESS</b></p>	2015	
<p>2.5.6 Seek opportunities to establish eco-districts in each of the target areas: Vaughan Metropolitan Centre, Vaughan Enterprise Zone, and the Highway 400</p>	2016	

North employment areas.

- a. Use the large parcels of flexible vacant land in the city to support the establishment of true eco-districts where cutting edge green energy and cogeneration technologies are used to power business parks and development hubs, and “green” traditionally energy intensive industries.

### Goal 3: Provide best in class economic development services

#### Objective 3.1: Reposition the Vaughan Business Enterprise Centre to offer a wider range of services in support of the overall incubation effort, and to serve a greater range of established businesses.

Required Actions	Timeline for Launch	Key Performance Indicators
3.1.1 Expand VBEC programs to support the larger “incubation” agenda, including a focus on the incubation target areas of innovation, design, and advanced goods.	2012	Number of virtual incubation support programs
3.1.2 Through the Vaughan Business Enterprise Centre, partner with lead government agencies that will deliver workshops and initiatives to the community and businesses with a focus on the promotion of equity in the labour market, inclusiveness in the private workplace, and issues relating to access to jobs and trades for foreign trained professionals.	2013	Number of participants in VBEC programs  External funding and fees raised through VBEC programs

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#### Objective 3.2: Investigate the use of new Social Media and Web 2.0 tools on the City’s website, and engage in online communities and discussions in support of business development and marketing goals.

Required Actions	Timeline for Launch	Key Performance Indicators
3.2.1 Develop a Social Media strategy and Policy clearly outlining the benefits and costs of implementing Web 2.0 tools in economic development practices.	2013	Staff time devoted to social media activities
3.2.2 Support the launch and operation of the “innovation portal” and other creative economy projects with Web 2.0 tools in order to promote initiatives and events, collect feedback and enable ongoing consultation with creative professionals.	2014	Operational dollars/funding devoted to social media initiatives  Number of City-led discussions or posts

	<p>Number of online participants – followers, friends, connections, etc.</p> <p>Number of business connections facilitated</p>
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Objective 3.3: Realign the staffing structure of the Economic Development Department with opportunities outlined in this strategy.		
Required Actions	Timeline for Launch	Key Performance Indicators
<p>3.4.1 Realign staff resources in the economic development department to focus on the opportunities noted in this strategy:</p> <ul style="list-style-type: none"> <li>• Creative economy and cultural industry development</li> <li>• Small business development services</li> <li>• Convergence area development</li> <li>• Friendship and Twin cities and international economic and learning partnerships</li> <li>• Expanded business retention and expansion programs</li> <li>• Business incubation</li> </ul>	2011/2012	<p>Number of creative and cultural industries in the city</p> <p>Number of corporate calls</p> <p>Number of incubation “clients” served by the Economic Development Department and the VBEC</p>

Objective 3.4: Develop and adopt benchmarks for Vaughan’s economic development performance and business climate against other similar jurisdictions.		
Required Actions	Timeline for Launch	Key Performance Indicators
<p>3.4.1 Participate in professional organizations, including board position participation (e.g. Economic Developers Council of Ontario, Economic Developers Association of Canada, International Economic Development Council).</p>	2012 – Ongoing	<p>Economic Development Awards won</p> <p>Economic Development</p>

3.4.2 Enter marketing and communication materials in provincial, national and international competitions.	2012 – Ongoing	Department Survey
3.4.3 Develop a semi-annual report card to Council on economic development activities.	2012 – Ongoing	

## Goal 4: Grow Vaughan’s dynamic quality of place and creative economy


**Objective 4.1: Pursue place-building and creative economy development as a means of enhancing efforts to attract creative class and knowledge workers to Vaughan as a tool for supporting the broader incubation and development agenda.**

Required Actions	Timeline for Launch	Key Performance Indicators
<p>4.1.1 Build on the strengths in the creative cultural industries to support growth of the creative economy in Vaughan.</p> <ul style="list-style-type: none"> <li>a. Gain understanding of OMAFRA’s assessment tools for local economic development to assist in attracting the creative and cultural industries.</li> <li>b. Develop funding sources including partnerships with various levels of government and the private sector to support artists, cultural programs, events, and facilities.</li> <li>c. Continue to develop Vaughan’s cultural mapping systems and capacities to support strategies and investments in the creative cultural industries.</li> <li>d. Examine the potential for an Entrepreneurial Leadership platform to mentor and encourage the cultural industry sector.</li> <li>e. Develop initiatives to attract creative talent, investment and industries.</li> <li>f. To better understand quality of place development, undertake a survey of creative industry workers to indicate their motivations for locating in Vaughan, updated at three-year intervals.</li> </ul> <p><b>OPCT</b></p>	<p>2011-2015</p>	<p>Number of creative class workers as evidenced through labour market data</p> <p>Percentage of creative class workers as compared to other GTA communities</p> <p>Ranking of Quality of Life by third party observers</p> <p>Number of new immigrants</p>
<p>4.1.2 Work with the newly formed Regional Tourism Organization – District 6 and York Region Tourism to ensure that Vaughan accesses tourism marketing investments from Provincial funding.</p> <p><b>CT</b></p>	<p>2011/2012 - Ongoing</p>	<p>Use of third party ranking such as the “Bohemian Index” of Richard Florida</p>
<p>4.1.3 Support and promote diverse housing options, including home-based work opportunities, as a means of attracting cultural and creative industry workers.</p> <p><b>OP</b></p>	<p>2011/2012 – Ongoing</p>	<p>Number of participants in the “Cultural Enterprise” program</p>
<p>4.1.4 Promote the City’s policy of walkable, transit supportive and integrated retail developments to potential business investors.</p>	<p>2011/2012 - Ongoing</p>	

<b>OP</b>	
<p>4.1.5 Develop a “small business cultural enterprise” program supporting tourism, cultural and arts sector businesses through the Vaughan Business Enterprise Centre.</p> <p>a. Turn the “Cultural Enterprise” model into an ongoing, year-round series of programs, workshops, training sessions, support tools and capacity building exercises, and utilize cooperative and collaborative tools (marketing co-ops, online toolkits, etc.) to enable individuals in the sector to better support each other’s activities.</p>	2014
<b>CT</b>	

**Objective 4.2: Develop a “hub and spokes” approach to cultural, tourism and creative industries linkages in the City, focusing “hub” activities in the Vaughan Metropolitan Centre, and linking other key assets (Kleinburg, Kortright, Canada’s Wonderland) as “spokes” to ensure connectivity between key assets and programming.**

Required Actions	Timeline for Launch	Key Performance Indicators
<p>4.2.1 Establish a staff, “hub and spokes” oriented working committee to coordinate efforts between economic development, culture, planning and public works in order to ensure that strong infrastructure and transit links exist to support this model. The Strategy contains “best practice” models of successful Transit-Oriented Development (TOD) initiatives in other communities to serve as models for this effort.</p>	2011/2012	<p>Number of “hub and spokes” programs undertaken</p>
<p>4.2.2 Protect the economic vitality of small-scale retail in Vaughan’s historic villages of Nashville/Kleinburg, Woodbridge, Maple, and Thornhill and support the development of business associations in these areas as a means to enhance retail opportunities and attract visitors.</p> <p style="text-align: center;"><b>OP</b></p>	2011/2012 – Ongoing	<p>Number of new arts, culture, tourism and entertainment investments, particularly in the Metropolitan Centre</p>
<p>4.2.3 Work with Community Services to strengthen existing and to support the development of new festivals and events in Vaughan by developing a cultural festival and events strategy.</p> <p>a. Review and develop recommendations for a corporate and community festivals and events strategy that includes funding and marketing strategies.</p> <p>b. Consider the establishment of new festivals of international calibre that are</p>	2011-2017	

	linked to emerging cultural hubs such as the Metropolitan Centre.	
	<b>CT</b>	
4.2.4	<p>Recognize the VMC as the City’s cultural and creative hub by undertaking initiatives to plan, market and promote the downtown using specialized marketing and promotion approaches that reflect the “cool factor” of target audiences.</p> <ul style="list-style-type: none"> <li>a. Direct new arts facilities, including a large performing arts theatre, visual arts centre, and convention and conference centre infrastructure to locate in the Vaughan Metropolitan Centre.</li> <li>b. Showcase work of local cultural and creative industries and artists in public spaces within the Vaughan Metropolitan Centre.</li> </ul>	2011/2012 - Ongoing
	<b>OPCT</b>	
4.2.5	<p>Work in partnership with Regional Tourism Organization - 6 to explore the feasibility of opening a tourism or visitor kiosk within the Vaughan Mills Mall.</p>	2012
	<b>ESS</b>	
4.2.6	<p>Explore the feasibility of expanding the food, beverages and hospitality sector in Vaughan with the goal of creating diverse and welcoming communities through the shared language of food. Examples include:</p> <ul style="list-style-type: none"> <li>a. Culinary centre or institute</li> <li>b. Farmers markets</li> <li>c. Ethnic food showcases</li> </ul>	2012
	<b>ESS</b> 	
4.2.7	<p>Make Vaughan a destination for multi-day conventions, conferences and tradeshows.</p> <ul style="list-style-type: none"> <li>a. Encourage development of facilities necessary to attract major events, including full-service hotels and convention and conference centres that contain large meeting spaces and food service capabilities.</li> <li>b. Focus on attracting conventions related to the major sectors identified in this strategy e.g. Construct Canada, Canadian Manufacturers &amp; Exporters, Council of Ontario Construction Associations, Ontario Sustainable Energy Association, etc.</li> </ul>	2017
	<b>ESS</b>	
4.2.8	Target additional trans-regional amusement facilities to supplement Canada’s	2018



<p>Wonderland. This may take the form of a marine park or other theme park uses.</p> <p><b>ESS</b></p>	
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**Objective 4.3: Leverage Vaughan’s image as a welcoming community.**

Required Actions	Timeline for Launch	Key Performance Indicators
4.3.1 Implement a “welcome” program for companies and business professionals locating to Vaughan.	2012	Number of newcomers assisted through VBEC and partner organization programs
4.3.2 Engage Vaughan and GTA-based organizations (e.g. Confederation of Greater Toronto Chinese Business Association, Italian Chamber of Commerce of Ontario) that reflect the ethnic/cultural diversity of the City, to leverage their network and connections in order to increase local business investment and access to capital and talent.	2012 – Ongoing	
4.3.3 Through the City’s international business development activities, market the City as an immigrant-friendly community.	2013	
4.3.4 Through VBEC, work with organizations such as COSTI and Human Endeavour to deliver programs that assist newcomers to establish business and social enterprises, and encourage integration into the local community, including work and volunteer placements.	2013 – Ongoing	

**Objective 4.4: Undertake a more detailed and comprehensive marketing initiative based on economic development priorities outlined in the Strategy and other Vaughan 2020 Strategies.**

Required Actions	Timeline for Launch	Key Performance Indicators
4.4.2 Undertake a place-branding strategy to articulate a unique and compelling identity for the City. Engage in brand integration and place-branding activities: <ul style="list-style-type: none"> <li>a. Coordinate a brand development summit that meets every three years – stakeholders reconvene to reaffirm that the City’s brand and value propositions are relevant and resonate with targeted audiences.</li> </ul>	2011/2012 – Ongoing	Media coverage  Community Survey  Number of new economic

<ul style="list-style-type: none"> <li>b. Develop the overall value proposition for the City focused on engaging potential residents and visitors, consistent with the new brand (modern, progressive and welcoming) to be used as the guiding principles in all marketing efforts.</li> <li>c. Assess media opportunities (e.g. print, social media, radio) for delivering marketing and promotional programs that enhance the overall brand recognition of the City.</li> <li>d. Develop public relations activities.</li> <li>e. Seek opportunities for co-branding and cross-promotion.</li> <li>f. Integrate the new logo and styles into all of the economic development marketing materials.</li> </ul>	<p>partnerships launched</p> <p>Regional marketing initiatives undertaken</p> <p>Number of online hits in location- and sector-specific areas of the economic development website</p> <p>Number of partners and participants in place branding sessions</p>
<p>4.4.3 Undertake sector-specific marketing initiatives:</p> <ul style="list-style-type: none"> <li>a. Reorganize the industry sectors section of the economic development website into the following thematic areas: <ul style="list-style-type: none"> <li>o Innovative research, development, and design;</li> <li>o Advanced goods movement and production; and,</li> <li>o Business and creative incubation.</li> </ul> </li> <li>b. Develop an inventory of local, regional, provincial, and national resources that can support the core areas of activity in each of those thematic areas.</li> <li>c. Cross references the industrial groupings in the areas of convergence, the seven primary sectors, and the pyramids of support with third party business directories to identify a list of target companies for investment attraction marketing.</li> <li>d. Focus inward marketing on entrepreneurs and businesses within the areas of convergence.</li> </ul>	<p>2012</p> <p>Number of inquiries, both internal and external, about location in the VMC or the Enterprise Zone</p>
<p>4.4.4 Undertake location-specific marketing activities in key priority areas:</p> <p><b>Vaughan Enterprise Zone</b></p> <ul style="list-style-type: none"> <li>a. Update the Vaughan Enterprise Zone section on the City’s website outlining potential industrial and commercial opportunities, phasing of the business park, servicing availability, and key land use policies aimed at regional and national industrial developers, manufacturers, and transportation companies – update information on an ongoing basis.</li> </ul>	<p>2012</p>

<ul style="list-style-type: none"> <li>b. Brand communications and publications about the Vaughan Enterprise zone with the “transportation and logistics hub” vision.</li> <li>c. Investigate membership in North America SuperCorridor Coalition (NASCO) as a means for targeted marketing initiatives in transportation and logistics.</li> <li>d. Market the strengths of the Enterprise Zone inwardly to existing companies and entrepreneurs that are either looking to expand or relocate or those that could benefit from the transportation advantages in the Enterprise Zone.</li> </ul> <p><b>Vaughan Metropolitan Centre</b></p> <ul style="list-style-type: none"> <li>e. Update the Vaughan Metropolitan Centre section of the City’s website outlining potential office, residential, and commercial opportunities in the VMC, development status, as well as more information about the economic vision for the area as it develops.</li> <li>f. Market the Vaughan Metropolitan Centre as the economic, social, and cultural hub of the city, and rebrand marketing materials to reflect the “hub” idea – as a significant quality of life advantage, targeting young professionals and highly-skilled individuals – where possible use Web 2.0 and social media tools to engage with the intended audience.</li> <li>g. Undertake a prioritization exercise to identify preferred cultural, accommodations, hospitality, and entertainment facilities for development in the VMC – target marketing of the area towards those uses.</li> <li>h. Investigate the use of P3 partnerships to develop strategic infrastructure in the VMC. To facilitate partnerships, economic development marketing targets should be major developers in the GTA, and real estate investment firms, as well as specific types of appropriate businesses.</li> </ul>	
<p>4.4.5 Undertake partnership and relationship building activities:</p> <ul style="list-style-type: none"> <li>e. Engage York Region, the GTMA and the TRRA more fully in regional marketing initiatives and trade show/trade mission attendance – ensure the opportunities in Vaughan are clearly articulated to them on a regular basis, and they are informed of the city’s new branding and messaging.</li> <li>f. Work closer with the Federal and Provincial government on international business development activities.</li> </ul>	<p>2011/2012</p>

<ul style="list-style-type: none"> <li>g. Work closer with the Vaughan Chamber of Commerce in delivering coordinated key messages and brand to existing and incoming businesses.</li> <li>h. Investigate the feasibility of joint projects or partnerships with CP Rail, CN Rail, and the Greater Toronto Airports Authority to further promote the city as a goods movement hub and gateway to the GTA.</li> </ul>	
<p>4.4.6 Redesign and establish an ambassador program to promote Vaughan’s core strengths to potential investors.</p> <p><b>ESS</b></p>	<p>2013</p>

## Glossary of Terms

**BRIC:** refers to the emerging economies of Brazil, Russia, India and China

**CMA:** Census Metropolitan Area, a geographic location used for data collection and analysis by Statistics Canada

**Creative:** a term developed by Dr. Richard Florida in his work on economic prosperity. Used to describe a specific class of industry, worker or occupation characterized by the use of complex mental skills rather than machine or muscle-based skills

**Creativity:** the ability to generate something new; the production by one or more person of ideas and inventions that are personal, original and meaningful; a mental process involving the generation of new ideas or concepts, or new associations between existing ideas or concepts.

**Cultural Tourism:** a subset of tourism which explores a region's culture, specifically the lifestyle of the people in the area, the history of those people, their art, architecture, religion(s) and other elements that shape the community.

**Cultural Planning:** the strategic and integrated use of cultural resources in urban and community development.

**DART:** Dallas Area Rapid Transit

**Economic Gardening:** refers to community economic development activities focused on increasing the competitive capabilities of local business owners, especially those with specialized skills and high potential goods and services.

**EDO:** Economic Development Officer

**Employment land:** refers to the land area occupied primarily by industrial-type buildings including industrial multiples. It is distinct from an Employment Area, which refers to a land area that is occupied primarily with employment land uses, but in some cases also accommodates retail and major office uses.

**ESS Report:** refers to the Employment Sectors Strategy study completed for the City of Vaughan.

**FTE:** full-time employee or full-time equivalent employees

**FTZ:** Foreign Trade Zone

**GDP:** Gross Domestic Product, an economic tool for assessing and comparing economic activity and output

**GEA:** Green Energy Act, a 2009 piece of Ontario legislation that seeks to encourage and support investment in the alternative energy sector

**GGH:** Greater Golden Horseshoe area encompassing the GTA, Hamilton, Halton Region and Niagara Region

*Greater Toronto Area*: refers to the geographic area made up of the City of Toronto and the Regional Municipalities of Halton, Peel, York and Durham. It is distinct from the Toronto Census Metropolitan Area (CMA) and the GTAH.

*Greater Toronto Area and Hamilton (GTAH)*: refers to the geographic area made up of the City of Toronto, the City of Hamilton and the Regional Municipalities of Halton, Peel, York and Durham. It is distinct from the Toronto Census Metropolitan Area (CMA) as defined by Statistics Canada.

*GTMA*: Greater Toronto Marketing Alliance, a cooperative economic development marketing agency for the municipalities of the GTA

*Growth Plan for the Greater Golden Horseshoe (2006)*: a framework for implementing the Government of Ontario's vision for building stronger, prosperous communities by better managing growth in the region to 2031. It provides direction on how that growth is to be accommodated and all municipalities in the GGH must comply.

*Headquarters*: refers to the headquarters of a particular organization as it is typically defined - the main office from which an organization such as a commercial enterprise is managed and usually where the chief executive officer works.

*IEDC*: International Economic Development Council, a Washington, DC-based economic development organization

*LEED Certified*: refers to certification under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System, which sets out standards for the environmentally sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.

*LEED-ND*: Leadership in Energy and Environmental Design for Neighbourhood Development

*Location Quotient*: refers to a common economic base analysis method. This technique compares the local economy to a reference economy and attempts to identify specializations in the local economy. The location quotient technique is based upon a calculated ratio between the local economy and the economy of some reference unit.

*NAICS*: North American Industrial Classification System, a statistical tool based on the grouping of similar sectors of employment into discrete categories

*905 Communities*: Refers to the Regional Municipalities of Halton, Peel, Durham and York.

*Official Plan*: refers to the City of Vaughan's new official plan. An official plan describes a municipal council's policies on how land in that community should be used. It is prepared with input from groups and individuals within the community and helps to ensure that future planning and development will meet the specific needs of each community.

*PSTS*: Professional, Scientific and Technical Services

R&D: Research and Development

*SWOT Analysis*: refers to a Strengths, Weaknesses, Opportunities and Threats Analysis, which is a commonly used approach to assessing a firm's or community's competitive position.

TLWD: the Transportation, Logistics, Warehousing and Distribution sector of economic activity

TOD: Transit-Oriented Development

TRRA: the Toronto Region Research Alliance, an R&D-focused economic development organization serving the GTA, Hamilton and Waterloo Region

TSG: The Scandic Group

*Urban Growth Centre*: a term used in the *Growth Plan for the Greater Golden Horseshoe* (2006) referring to locations that are to be planned as focal areas for investment in institutional and region-wide public services, as well as commercial, recreational, cultural and entertainment uses. Specific density targets must be met for the Urban Growth Centres which, in the case of the Vaughan Metropolitan Centre, is 200 residents and jobs combined per hectare.

*Value Chain*: a chain of activities and transactions, including those linked to both suppliers and customers, for a firm operating in a specific industry

*Vaughan Business Enterprise Centre (VBEC)*: refers to a facility that provides various services for entrepreneurs and new business owners in addition to existing businesses. Services include one-on-one advice meetings, regulatory information, seminars, literature and online business registration.

*Vaughan Enterprise Zone*: refers to one of the City's planned major new employment areas, located generally in the City's west end. Two major highways — Highway 427 and Highway 407 — provide access to the "Zone".

*Vaughan Metropolitan Centre (VMC)*: refers to the City's urban growth centre, as identified in the Provincial Growth Plan for the Greater Golden Horseshoe (2006).

*Vaughan Tomorrow*: refers to the City's growth management program.

## **Acronyms**

VBEC: Vaughan Business Enterprise Centre

VMC: Vaughan Metropolitan Centre.