

## 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:

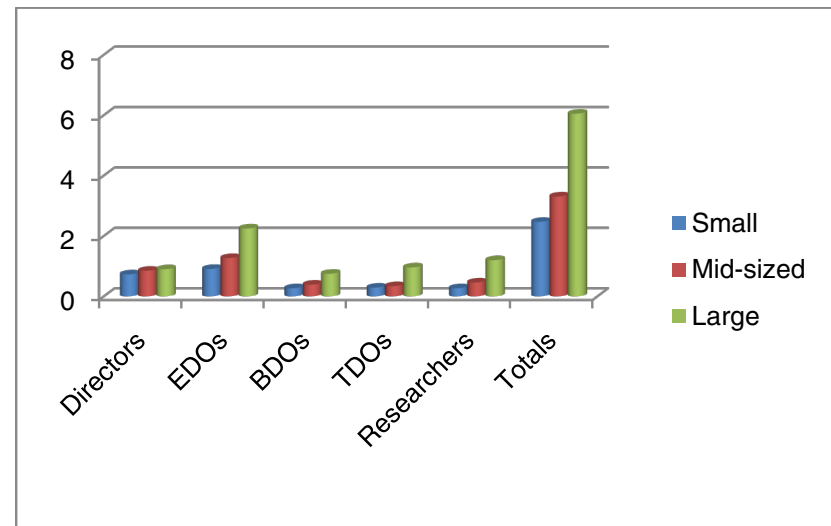
1. Economic Development (4.5 staff) – includes business attraction, business retention and external marketing (plus a part-time clerical position)
2. Tourism (1 staff) – includes visitor marketing, media and public relations and product and infrastructure development
3. Vaughan Business Enterprise Centre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

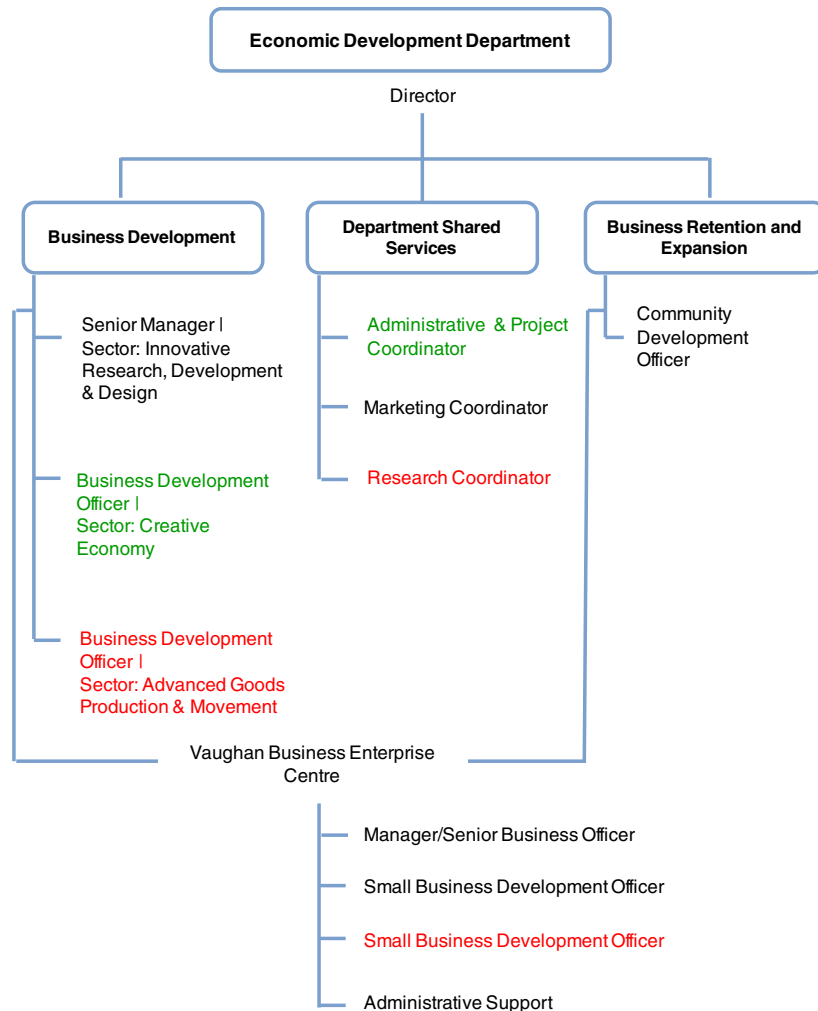
## 9.5 Reorganized Department Structure

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.