

ECONOMIC DEVELOPMENT STRATEGY

2014 PROGRESS UPDATE

PRIORITIES AND KEY INITIATIVES COMMITTEE

Economic Development Programs:

- ▶ Economic Cluster Development
- ▶ New Business Investments and Expansions
- ▶ VBEC – Small Business Development
- ▶ Convergent Sector Advances
- ▶ Foreign Business Development
- ▶ Employment Zone Development
- ▶ Business Communications Support

Vaughan Economic Snapshot

Market Indicators 2014 vs. 2013

INDICATORS	2014	2013
Population ¹	317,000	315,006
Business Establishments, August ¹	10,900	10,231
Number of Employees, August ¹	195,000	186,019
Total Value of Construction ²	\$890.8 M	\$1,102.4 B
Average Housing Price, All Home Types ³	\$653,595	\$665,760
Industrial Vacancy Rate, Q4 ⁴	3.3%	3.0%

Sources: 1. York Region Planning Department

2. City of Vaughan, Building Standards Department

3. Toronto Real Estate Board

4. Avison Young, Greater Toronto Area Industrial Market Report, Q4 2014

Vaughan's economic successes are supported by positive numbers in the marketplace.

Vaughan ranked

#1 **IN ONTARIO**
REAL ESTATE
INVESTMENT

CANADIAN
Real Estate Wealth

Investment confidence is evident as the city is ranked #1 for real estate investment by the Canadian Real Estate Wealth magazine in 2014.

Attracting Business and Job Creation

10,900+ Businesses and 195,000 Jobs in 2014



A 2.7% business growth and 3.1% employment growth from 2013 to 2014. Vaughan's economic base accounted for 38% of the regional economic base, an increase from 36% in 2013.

Supporting our Growing Economy

148 Business Service Calls

- ▶ 61% at growth point in their business cycle
- ▶ 49% introduced new products
- ▶ 88% employment needs stable/increasing
- ▶ 35% of those with issues identified in recruitment of skilled labour

A diverse local business base can contribute to 80% of all investments in the community. A business retention service program that includes corporate site visits, supplier referrals, and export market development are core deliverables.

Generating New Economic Activity

1.8 million SF of new investments and expansions



Athena Automation's new \$40 million machine assembly and integration systems centre located in the Vaughan Enterprise Zone.

Vaughan Business Enterprise Centre

Streamlining Small Business Service Delivery



**Vaughan Business Enterprise Centre/
Economic Development Department**

**OPEN
HOUSE**

Come join us for a celebration of VBEC's new offices.

Wednesday, September 17

11:30 a.m. - 2:00 p.m.

Relocation of VBEC from Beaverbrook House to Vaughan City Hall was successfully communicated and celebrated with the business community.

Small Business Development

Powering Business Start-ups for a Vibrant Economy

VBEC SERVICES 2013 vs. 2014	2014	2013
General Inquiries	4,991	3,546
Consultations	1,458	872
New Businesses	346	181
Expansions	161	27
Jobs Created	772	653
Seminars, Outreach and Activities	307	213
Total Attendees and Contacts	6,764	3,362

VBEC saw an increase of 67% in business consultations from 872 to 1,458 from 2013 to 2014.

Fostering Youth Entrepreneurship

Continuing the TEDx Momentum with TEDxYouth@Vaughan



VBEC experienced a remarkable increase in outreach and event attendance totaling more than 6,700 in 2014.

York Entrepreneurship Development Institute

Launch of Not-for-profit Business Start-up Accelerator



With the support of York Region, VBEC partnered with the York Entrepreneurship Development Institute (YEDI) to deliver business support services to not-for-profit organizations.

Convergent Sector Development

Creative and Cultural Industries



Arts Exposed Conference presented by York Region Arts Council was hosted in Vaughan and attracted more than 150 people from the creative industries.

Convergent Sector Development

Collaboration and Supporting Tourism Stakeholders



Vaughan annual festival celebrations includes: the Bindertwine Festival, Thornhill Village Arts Festival, Vaughan Film Festival, Woodbridge Fall Fair, and Woodbridge Farmers Market.

Convergent Sector Development

Marketing Support Programs for Tourism Industry



For the first time, Luminato Festival organizers chose an arts venue outside of Toronto, the McMichael Canadian Art Collection, to host their event.

Convergent Sector Development

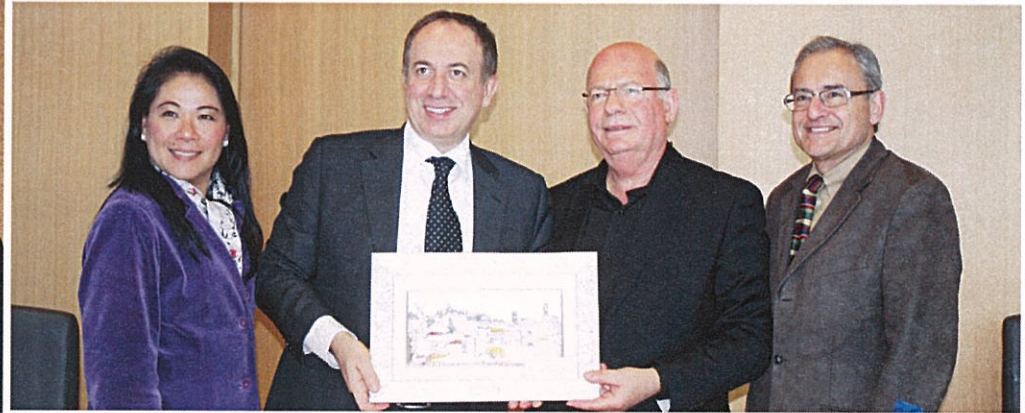
Hospitality Industry Advances



The Universal EventSpace conference and event venue by PetersandPauls', a 85,000 square feet facility scheduled to open in summer 2015.

International Business Development

Helping Businesses to Grow Beyond Our Borders



The City welcomed ten delegations from countries including China, Italy, Israel, Korea, and the US.

Employment Zone Development

Vaughan Metropolitan Centre



Mayor Maurizio Bevilacqua, Premier Kathleen Wynne and Mitch Goldhar, CEO, SmartCentres, officiating the KPMG ground breaking for the first office tower in the Vaughan Metropolitan Centre.

Employment Zone Development

Vaughan Metropolitan Centre



Cortel Group's topping off ceremony for EXPO City Tower 1 in July to mark the occasion for the tallest building in Vaughan at 37-storeys.

Building a World-Class City

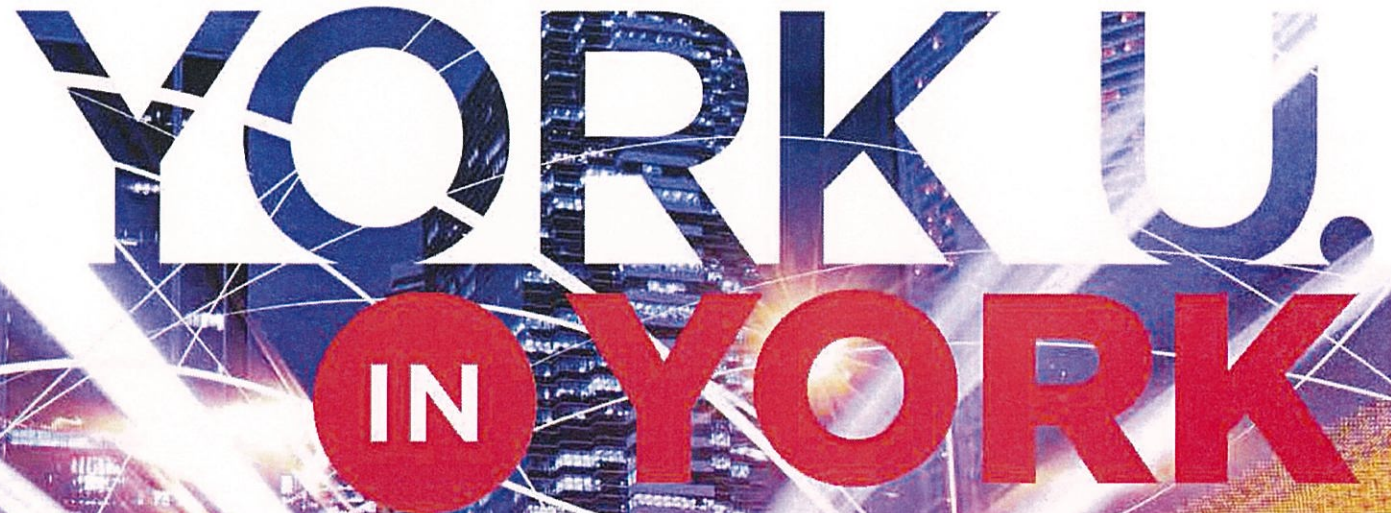

A Destination of Choice for Businesses and Residents



Working together to generate new economic activity for social and community benefits.

Best-in-Class Economic Development

Enhancing Vaughan's International Profile

The graphic features the text 'YORK U.' in large, blue, stylized letters at the top. Below it, the words 'IN YORK' are displayed in red, with 'IN' enclosed in a red circle. The background is a vibrant, abstract composition of glowing white and yellow lines, resembling a network or data flow, set against a dark blue and purple cityscape at night.A photograph of four people—two men and two women—standing together and smiling. They are dressed in professional business attire. The man on the far left is wearing a dark suit and tie, while the woman next to him is in a grey blazer. The woman on the far right is wearing a blue and white striped polo shirt. The background of the photo is a blurred cityscape at night.

The City of Vaughan received two economic development awards from the International Economic Development Council and the Economic Development Association of Canada for the York U. in York institutional attraction proposal.

Promoting a Culture of Business Excellence

Vaughan is a Business Pioneer



The City of Vaughan is the first municipality to partner with Deloitte to launch the GTA call-for-participation for its Canada's Best Managed Companies program.

Communications and Marketing Support

Newsletters | eNewsletters | eBlasts | Publications | Website

November 6, 2014



ATHENA AUTOMATION BREAKS GROUND ON MANUFACTURING FACILITY

Leading up to the summer construction season, building activity is set to heat up in the Vaughan Enterprise Zone (VEZ). In May, plastics processing machinery maker Athena Automation broke ground on a new \$40 million system centre for machine assembly and integration. The 155,000 square foot (14,400 m²) plant is located near to Athena's current research and assembly facility on New Enterprise Way.

Founded in 2003 by Robert Schol of Hasky Injection Molding Systems Inc., Athena is a cutting-edge manufacturer of injection molding machines. The new plant will allow Athena to assemble higher machine shipments starting in 2015. The new building will feature dedicated areas for mold trials and extended runs, a quality control lab, a staff amenities area, including a 10,000 sq ft multi-level cafeteria, modern fitness centre and medical office. "We are implementing these measures as a result of outstanding customer responses. Our vision of becoming a leader in automation," said President and CEO Schol.

The new facility also builds upon Schol's environmental efforts, with an expected 41 per cent improvement on energy efficiency over standard industrial buildings, using geothermal cooling and heating, rooftop solar panels, green roofs, as well as high efficiency water recycling, resin conveying and drying systems.

This summer, a flurry of industrial building activity is also set to take off. Subura will be expanding its distribution centre on New Enterprise Way. Opened in 2009, Subura's state-of-the-art 100,000-square-foot distribution centre is set to expand by another 84,000 square feet. The additional space will serve as a warehouse facility with an office component.

NEO Developments is also set to break ground on its last building site at 142 Stone Ridge Road. Although there is no committed tenant, NEO received site plan approvals to develop a 150,000 square foot multi-tenant industrial building, joining the VEZ corporate tenants, Kuglerdown Matreus, Accurate, and 160-180 Wines and Oils. The new facility stands at the gateway of the five-way 427 extension.

"The Vaughan Enterprise Zone is a key area of future economic growth for our community and we believe our business will be a leader in this area. We will continue to work hard to ensure supporting our growing business community and we will continue to work hard to ensure our community has the best possible future. We understand that the Canadian economic landscape is constantly in flux and we must be prepared to adapt and evolve."

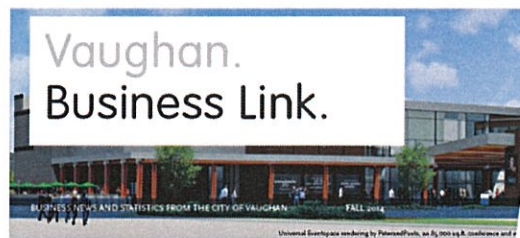


FEDERAL FUNDING FOR EXPORTERS

If you are an exporter or are to be eligible for up to \$10,000 in new international markets. The program supports research in target countries, competitive analysis, business cases. As well, the program supports economic strategy based on the research and materials are also supported.

The Foreign Trade Zones - 5 is one of four components of the program. It is designed to help Zone (FTZ) owners and the program supports non-profit organizations in benefits linked to strategic.

Non-replicable contribution for activities spanning a 12 month period of up to 5 recipient success stories. Federal support cannot be used for other purposes.



INDUSTRIAL AND COMMERCIAL ACTIVITY CONFIRM VAUGHAN IS THE PLACE TO BE

As Vaughan's industrial availability rate continues to hover around the mid-4 per cent mark, demand for industrial space is now pushing some leading developers to consider speculative projects. Notable developers such as the Surface Group, Zim Group and Metro are all expected to kick off their new speculative projects in the following quarters with each building exceeding 100,000 square feet according to recent reports from CBRE Limited.

This past quarter saw significant economic growth with 19 transactions completed in Vaughan. The largest transaction was at 1 Royal Oak Boulevard, a 194,800 square foot property purchased by Augus Investments Limited. In the Concord area, a recent lease transaction will bring German-based BASF Canada Inc. to the City. BASF has leased the 145,500 square foot facility at 15 Administration Drive. The new facility will be utilized for processing and assembly of products distributed to BASF's international manufacturing operations.

Heading into the summer construction season, Vaughan launched a couple of significant institutional projects. This past June, the City of Vaughan broke ground on an exciting new Civic Centre Resource Library. Designed by ZAS Architects, this 30,000 square foot facility will be designed to LEED Silver standard. The new millennium generation will be the building design's focus - a library for the information age, incorporating new technologies, and creating a welcoming hub for the community. The library is anticipated to open in 2015. City officials along with representatives from Mackenzie Health and local MPP Steven Del Duca participated in a ground-breaking for the early site work for the hospital.

For local companies searching for a spot to host corporate meetings and functions, the new Universal EventSpace by PeterandPaul's will be opening its doors in September 2014. The Zim Group broke ground on the 85,000 square foot facility in July providing a much-needed corporate and entertainment venue, to complement the Holiday Inn Express and Element Hotel properties in the burgeoning Vaughan Enterprise Zone.

Other notable expansions in the City include: the 150,000 square foot addition to Vision Group and a 203,000 square foot expansion to the Home Depot Rapid Deployment Centre, which opened this past February. Coming this fall, Vaughan Mills will wrap up construction of its 200,000 square foot addition in time for the holiday shopping season. Featuring a new entertainment court, a redesigned food court and 50 new retail stores, the addition will offer retail opportunities for the more than 13 million customers that frequent Vaughan Mills annually.

"Vaughan's been an exceptional community to work in," said Brian Cohen, Regional President of Allan Windows Technologies, another local business that expanded in 2014. Taking on more than 15,000 square feet at the Cedar Road location. "We know that our



TORONTO FC ANNOUNCES PROFESSIONAL SOCCER TEAM IN VAUGHAN

On January 21, The Toronto Football Club (TFC) announced the name and home venue of their new USL Pro League. The TFC will play their home games in a new stadium at the Ontario Soccer Centre in Vaughan.

"This will help fill the gap between our academy level and our first team," said TFC general manager Tim Bezbatchenko in a press conference at Vaughan's City Hall. "We're here to play the long game."

"There is a lot of talent in the Greater Toronto Area, and Ontario... and for me this day marks their future," said TFC coach Greg Vanney. "It's a pathway for them to get to the TFC team, to get to the pro team."

Vaughan Mayor Maurizio Benincosa has been pushing for the creation of the team. "Life comes down to one essential thing and it is hope," said Mayor Maurizio Benincosa. "To me, this team will be a great source of inspiration for so many here in the City of Vaughan and the Greater Toronto Area."

The new stadium is at Ontario Soccer Association (OSA) headquarters at Morningside Road and Highway 7. The OSA will be paying to build the stadium, which will have seating capacity for 3,500 fans.

Construction of the new \$15 million OSA field will start in the spring, and opening day is scheduled for July 1, which is when the team is also scheduled to play its home opener.



EMBRACING THE VALUE OF CULTURAL INVESTMENTS IN THE VAUGHAN METROPOLITAN CENTRE (VMC)

The City of Vaughan has initiated a study to explore the development of creative industries, arts, cultural hubs, and programming for the VMC. The Cultural Framework and Public Art Study will propose engagement opportunities for residents, the business community, and arts and non-profit organizations. The study is scheduled to be completed by January 21, 2015.



Vaughan eBusiness Link

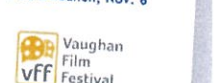


KPMG Breaks Ground for First Office Tower in the Vaughan Metropolitan Centre

In October, a groundbreaking ceremony was held for the new KPMG Tower in the Vaughan Metropolitan Centre (VMC): the City of Vaughan's emerging downtown core. The renowned professional service organization, with locations across the globe, chose Vaughan for one of its corporate office headquarters.

With residential development well underway, this marks the first office tower to begin construction in the VMC. KPMG estimates that they will be employing roughly 500 people once their new office opens. The 15-storey, 365,000-square-foot building, pursuing LEED Gold Certification, is set to

Vaughan Film Festival Media Launch, Nov. 6



All media are welcome to attend the 2015 Vaughan Film Festival (VFF) media launch taking place at Vaughan City Hall (2141

Business communication circulation includes more than 10,000 printed newsletter distributions with 10,000+ e-Newsletter subscribers.

Collaboration for a Promising Future

Vaughan's Strategic Partners



CAMERA di COMMERCIO
ITALIANA dell'ONTARIO



Government of Israel
Economic Mission to Canada



Vaughan will continue to leverage its relationships with York Region and other strategic economic development partners.

Next Steps

Economic Development 2015-2018 Business Plan

- ▶ Community Improvement Plan (CIP) Study
- ▶ Cultural Framework and Public Art Policy Study
- ▶ Vaughan International Commercialization Centre Strategy
- ▶ International Business Development Program
- ▶ Toronto 2015 Pan Am Games Torch Relay
- ▶ VMC Marketing Plan Implementation
- ▶ VBEC – Small Business Development Programs