

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 24, 2015**

Item 2, Report No. 2, of the Priorities and Key Initiatives Committee, which was adopted without amendment by the Council of the City of Vaughan on March 24, 2015.

## **2 UPDATE ON THE ECONOMIC DEVELOPMENT STRATEGY (EDS)**

**The Priorities and Key Initiatives Committee recommends:**

- 1) That the recommendation contained in the following report of the Executive Director, Office of the City Manager, dated March 10, 2015, be approved; and**
- 2) That Communication C1, presentation material titled “Economic Development Strategy, 2014 Progress Update”, be received.**

### **Recommendation**

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

1. THAT this report and presentation be received for information purposes only.

### **Contribution to Sustainability**

Green Directions Vaughan embraces a Sustainability First principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Under this definition, activities related to economic development contributes to the sustainability of the City.

### **Economic Impact**

There is no economic impact associated with receipt of this report.

### **Communications Plan**

Economic Development has summarized these actions and outcomes in the Business Link Newsletter – Year in Review edition, available in hardcopy and electronic formats. This newsletter has been mailed to more than 9,000 businesses and other subscribers, as well as being distributed at the Vaughan Chamber of Commerce’s Annual Mayor’s Outlook Luncheon.

### **Purpose**

The purpose of this report is to provide Council with an annual overview of the actions and progress that has taken place in the implementation of the 10-year Economic Development Strategy: ‘Building a Gateway to Tomorrow’s Economy’.

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

Council adopted the Economic Development Strategy (EDS) entitled “*Building a Gateway to Tomorrow’s Economy*” in September 2010. The EDS 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 that is inclusive, progressive and environmentally sustainable. It is a 10-year plan that provides direction for both public and private resources to achieve those goals, and ties together all of the work done through the Vaughan Vision 20|20 Growth Management Plans.

This report provides a progress update based on the 2014 activities and initiatives.

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##### **New Business Investments and Expansions**

In 2014, the Economic Development Department worked on 12 projects totaling 1.8 million square feet of space. Existing Vaughan-based companies accounted for one-half of all projects, and occupied 35 percent of all the space. New establishments (e.g. new branch, speculative buildings) accounted for one-third of all projects, and 41 percent of the space; while relocations from other communities accounted for 17 percent of projects, and 23 percent of space.

The manufacturing sector accounted for 42 percent of all projects, occupying 363,000 square feet of space. This is followed by warehouse/distribution, with three projects accounting for a total of more than 1.1 million square feet of space.

The majority of completed projects occupied new space, either as building additions or brand new construction. Another 1.6 million square feet of new industrial or commercial space was added to Vaughan's building inventory as a result of these projects. Three projects occupied 213,000 square feet of existing space, in a series of lease transactions. Looking back over 2014, Vaughan experienced one of the lowest industrial space availability rates in its history, with a rate of 3.4 percent in Q3 2014 (source: Colliers International), compared to 4.2 percent for the same period in the previous year. This shortage of industrial space has an impact on deal completions, with search times being drawn out.

Carrying over into 2015, the City's multi-disciplinary development teams will be working on projects which include food and beverage processing; cabinetry manufacturing; auto parts; fitness centre; pharmaceuticals; transportation and logistics. These leads and prospects are considering locations throughout the City, as their facilities requirements necessitate industrial/commercial space. However, staff will be paying particular attention to the VMC in terms of office and retail developments. Several of the landowners have retained real estate broker services for their sites, and Economic Development will be working closely with those brokers to ensure that they are supported with marketing collateral materials as well as development facilitation services.

##### **Convergent Sectors Advances**

Vaughan's diversified economic base continues to draw investment. Gains in the strong industrial sectors would be further enhanced with additional investments from the three convergent sectors: Creative Economy; Innovative Research Development and Design; and Advanced Goods Production and Movement. These convergent sectors are predicated on knowledge, learning and value-added economic activities that have transformative applicability for a number of industry sectors.

##### **Creative and Cultural Industries**

Business development activities related to the creative, cultural and knowledge-based industries include: tourism development; village core revitalization; VMC placemaking and capacity building for arts organizations.

For the first time, York Region Arts Council held their annual conference in Vaughan attracting 150 attendees and surpassing previous years' attendance. Held during Small Business Week, the Arts Exposed Conference dovetailed into the Vaughan Business Enterprise Centre's (VBEC) entrepreneurship training, with opportunities to meet with funders and mentors. Although funding for the Arts Exposed Conference has now concluded, YRAC will be launching the Artrepreneur Program in 2015. Supported by the Ontario Arts Council, Artrepreneur is a 12-week program designed to equip independent artists, arts businesses and collectives with the vital business skills needed for success in all arts disciplines and industries. By incubating artists of all disciplines in one program, there is collaboration and the cross-pollination of ideas, tools, tips and best practices, resulting in a well-rounded understanding of what it takes to "make it" as an artist.

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The Taskforce on Festivals and Community Events, led by the Recreation and Culture Department tabled a report in 2014 on how the City could support local festivals and events. The report examined opportunities for streamlining permitting, coordination of services-in-kind and marketing support. The City was represented at the Bindertwine Festival, Thornhill Village Arts Festival and Woodbridge Fall Fair.

Adding to the roster of large event venues in Vaughan, byPetersandPaul broke ground on their 85,000 square foot Universal Event Space conference and event facility. Located in the Vaughan Enterprise Zone, Universal Event Space is a complement to the small hospitality cluster that has developed in the western quadrant of the City.

Also on the tourism front, Economic Development made presentations to ten hospitality groups looking for investment opportunities in the GTA. Facilitated by the Greater Toronto Marketing Alliance and Ministry of Tourism, Culture and Sport, the City was given an opportunity to make pitches to hospitality management groups following a networking session.

#### Innovative Research Development & Design

Attracting a post-secondary educational institution is highly desired goal of both the York Region Economic Development Action Plan and the City's Economic Development Strategy. In 2014, the Ministry of Training, Colleges and Universities opened a call for proposals for university expansions to provide another 60,000 undergraduate seats in the Province. Recognizing that York Region was underserved in post-secondary education, York University issued a call for interest from local municipalities. The proposal was to locate a satellite campus to accommodate 1,000 students within 160,000 square feet of facilities in year one, with projected growth to 15,000 students within 2.4 million square feet by year ten. The City of Vaughan was one of two finalists in York University's site selection, submitting a bid proposal for a site in the VMC.

Staff is continuing to work with two other post-secondary educational institutions to explore opportunities for local delivery of educational programming as a first step in extending their reach into the community. Senior staff from both these institutions have toured local sites and met with their representatives. At this time, feasibility studies are being carried out.

#### **VBEC – Small Business Development**

The VBEC staff delivers entrepreneurship training and small business support. Since 2001, VBEC has operated out of the Beaverbrook House located at the corner of Keele Street and Major Mackenzie Drive. To streamline resources and gain better efficiencies, VBEC was relocated to Vaughan City Hall in March 2014. The relocation proved successful, improving client access to a number of City departments (e.g. Licensing, Building Standards) and creating closer working relationships with Economic Development.

VBEC improved their business consultations numbers by 67 percent, from 872 in 2013 to more than 1,400 in 2014. Resulting from these consultations, 346 businesses commenced operations, a 23 percent startup rate; and created employment for 772 people in 2014. The dominant industry sectors coming through VBEC include: Other Services (which includes personal services – 18 percent); Professional, Scientific & Technical Services (13.6 percent); and Construction Services (11.5 percent).

<b>VBEC Services</b>	<b>2013</b>	<b>2014</b>
General Enquiries	3,546	4,991
Consultations	872	1,458

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New Businesses & Expansions	181 new 27 expansions	346 new 161 expansions
Jobs Created	653	772
Seminars, Outreach & Event Activities	213	307
Total Attendees & Contacts	3,362	6,764

New in 2014, VBEC launched Starter Company, an entrepreneurship program targeting youth under the age of 30, with grants, mentorship and assistance. Projected to accommodate twenty youth over the two-year program duration, VBEC has already had 12 youth entrepreneurs accepted in its first year. There are already eight youth applicants in the pipeline for 2015. More can be accommodated however Provincial grant funding is limited to the approved twenty. Another youth-focused program, Summer Company was renewed for another year. Twenty-eight students fostered by VBEC were accepted into the Summer Company, double the number of acceptances in 2013. Biz Teen Camp, a partnership between the Recreation and Culture Department and VBEC, targeting tween kids was once again at full capacity.

Also new in 2014, VBEC with the support of York Region, partnered with the York Entrepreneurship Development Institute (YEDI) to deliver an Existing Not-For-Profit Track program at Vaughan City Hall. YEDI is a free and rigorous start-up accelerator, based out of the Schulich Executive Education Centre at York University. The program offered business training, mentorship, and consultation for non-profit organizations to create business models that are economically feasible and minimize reliance on funders and donors. The inaugural session saw executives from 11 organizations graduate with the tools necessary to support their sustainability and long-term social impact. Built upon the success of the first session, VBEC and YEDI are accepting applications for a second session that will run from March 18 to June 17, 2015.

#### **Economic Cluster Development**

Although business attraction and in particular, foreign direct investment garners most of the spotlight, business retention is one of the most important core functions in Economic Development. A diverse, local business base can contribute 80 percent of all investments in the community. A business care program that includes corporate site visits, supplier/client referrals, export market development, business networking and advocacy are core deliverables.

In 2014, the Economic Development Department completed 148 corporate visits. Some of the key findings include the following:

- 61 percent of those surveyed were at a growth point in their business life cycle; only 10 percent were experiencing a decline.
- 49 percent of businesses introduced new products within the last five years.
- 54 percent of businesses expected to introduce new products in the next two years.
- When asked about future expansion, over the next three years, 41 percent of companies were optimistic.
- 88 percent of businesses stated that employment needs were stable or increasing.
- Recruitment of skilled labour was identified as an issue by 35 percent of businesses.

Overall, the snapshot of the business community, garnered through the corporate calling program, as well as the York Region Employment Survey indicates a stable and steady position. In 2014, Vaughan was home to more than 10,900 businesses, employing 194,900 people. This represents a 2.7 percent business growth and 3.1 percent employment growth from 2013 to 2014. Vaughan's business community accounted for 38 percent of the overall Regional business community, up from 36 percent a year ago.



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##### **Foreign Business Development**

One of the City's goals is to build its international presence and establish Vaughan as a gateway for economic activity in the GTA. There were no outbound missions in 2014, however Economic Development staff continued to work with partners such as the Italian Chamber of Commerce (ICCO), Canada China Business Council (CCBC), Canada Israel Chamber of Commerce (CICC) and the Greater Toronto Marketing Alliance (GTMA) in lead generation, as well as working with existing businesses to compete, find new markets, develop supplier relationships and alliances.

The highest volume of international business development activities took place in the Italian market, with a number of business delegation visits, business meetings, as well as marketing initiatives. The City's Italian language materials on its business website was further enhanced in 2014, as well the City's investment package was distributed to more than 700 contacts of the ICCO.

Based on a relationship cultivated during the 2012 Business Mission to Italy, the City welcomed a seven-person business delegation from Verona in June 2014. In co-operation with ICCO, a B2B workshop was held to explore business opportunities in the construction and building materials sectors. This workshop subsequently led to a reciprocal business mission in October 2014. In co-operation with ICCO and the Verona Chamber of Commerce, five Vaughan businesses were able to participate in a business mission with costs covered by Italian organizations. Canadian buyers and distributors of marble products, contractors and builders had one-on-one meetings with their Italian counterparts.

Working with the Ministry of Economic Development, Employment and Infrastructure, Vaughan hosted two business workshops on Exporting to the US. Both sessions were well attended. For 2015, Economic Development is working on creating a more targeted workshop, focused on the Building Products sector, in association with the US Commercial Service and the Ministry of Citizenship, Immigration and International Trade.

Outcomes from the City's international business development activities in 2014 include technology acquisitions by two local businesses, as well as two incorporations. Although operations have not commenced yet, two Italian firms have incorporated within Vaughan.

##### Vaughan International Commercialization Centre

The 2012 Exploratory Mission to Israel identified and it was confirmed during the 2013 Business Mission that some form of business incubation or commercialization assistance would be very helpful to businesses that are considering selling into or establishing a presence in North America, and vice versa. While there are firms offering specialized services, i.e. legal, human resources, accounting, and financial services, there were few resources to assist with companies that needed to commercialize or localize products for the North American context. Economic Development began discussions with York University, Centennial College, York Region, ventureLAB and other potential partners on the feasibility of such a project. An analysis is being completed on potential business models, niches, and value propositions and includes an examination of the services being delivered by various regional innovation centres, such as Communitech (Waterloo), McMaster Innovation Park (Hamilton), MaRs (Toronto) and ventureLAB (York Region). It is expected that a report on the Vaughan International Commercialization Centre will be brought to a future Committee of the Whole Working Session for discussion.

##### Social/Cultural Relationships

The City of Vaughan's diverse cultural base attracts visitors and delegations from many parts of the globe. In 2014, the City received 18 visit requests for cultural delegations, partnership opportunities and/or business visits. The City welcomed ten incoming delegations including:

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- China: Shanghai Changning, Zibo, Changchun
- Italy: Velletri e Lariano, Verona, Italy-Canadian College of Healthcare Leaders, Delia, San Nicola da Crissa
- Israel: Ramla
- Korea: Dangjin

The City officially received the US Consul General in Toronto Jim Dickmeyer; Ambassador Rong-Chuan Wu of Taipei, Taiwan and Mayor Yoel Lavi of Ramla, Israel.

#### **Employment Zone Development – Vaughan Metropolitan Centre**

Development of the Vaughan Metropolitan Centre continued in 2014 across a number of fronts. Expo City, a 1,935-unit residential development project achieved a landmark status, with Tower 1 of 5 being substantially completed, becoming the tallest building in the City at 37 storeys. Project developer: Cortel Group held a topping off ceremony for Tower 1 in July to mark the occasion. SmartCentres broke ground on the KPMG Tower, a 365,000 square foot office tower and commercial complex in October 2014.

The Altus Group completed the Vaughan Metropolitan Centre – Office Development Pro-Forma Scenario Study in 2014. This work illustrated the rent gap which exists between the greenfield office developments of the VMC, relative to competing office nodes in Mississauga, Richmond Hill / Markham and North York Centre. In order to compete for office tenants, it was recommended that the City consider financial and planning tools available through a Community Improvement Plan. Council directed staff to initiate a study on implementing a Community Improvement Plan for the VMC and other intensification areas. Working with the Purchasing, Development Finance, and Policy Planning Departments, a Request for Proposal was issued and Hemson Consulting was retained in December 2014 to complete the CIP Study. Target completion date for the CIP Study is September 2015.

The City initiated a Cultural Framework and Public Art Strategy for the VMC in 2014. The premise of the study is to provide recommendations for cultural engagement opportunities, public art installations and business development opportunities related to design and innovation. The City engaged The Planning Partnership to lead the study and consultations are now underway with stakeholders that range from landowners / developers; residents; Vaughan Public Libraries; York Region Arts Council; businesses and the Vaughan Chamber of Commerce. Targeted completion date for Phase 1 of the Cultural Framework and Public Art Strategy is September 2015.

In addition to the two studies discussed above, there is ongoing work related to open spaces, streetscapes and the Black Creek Renewal through the Planning, Engineering and Transportation Services Departments.

#### **Business Communications Support**

The City's Economic Development Strategy challenges staff to develop best-in-class economic development practices. To this end, the City received top honours in marketing for its York U. in York special purpose brochure. In September, the City received a Bronze Excellence in Economic Development Award from the International Economic Development Council (IEDC), a non-profit membership organization representing more than 4,500 economic development professionals globally. The Economic Developers Association of Canada (EDAC) awarded Vaughan its highest honours, the Grand Prize Cup, also for its York U. in York brochure.

The City's Business Link and e-Newsletters continued to grow in distribution volume. The four-edition hardcopy Business Link newsletter as well as the e-Newsletters each has a circulation / subscribership of 9,000.

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##### **Next Steps**

As identified in the Economic Development 2015-2018 Business Plan, the Department intends to undertake the following objectives:

1. **Community Improvement Plan (CIP) Study** – Support the development of Vaughan's new downtown, the VMC and the creation of a Community Improvement Plan.
2. **Cultural Framework and Public Art Policy Study** – In collaboration with the Urban Design Department, create a Cultural Framework and Public Art Policy focused on the VMC and other intensification areas.
3. **Vaughan International Commercialization Centre (VICC) Strategy** – Develop a strategy for implementing a Vaughan International Commercialization Centre, as an approach to attracting foreign direct investment from firms wishing to have a soft landing spot while entering the North American market.
4. **International Business Development Program** – Continue to develop the International Business Development Program focusing on establishing targeted investment attraction strategies, promoting export development support resources and continuously building strategic partner networks in Italy, Israel, US and China.
5. **Toronto 2015 Pan Am/Para Pan Am Games Torch Relay** – In collaboration with the Recreation & Culture Department, plan and implement the Pan AM Torch Relay and Community Celebration Event, enhancing Vaughan's profile and building community pride.
6. **VMC Marketing Plan Implementation** – In collaboration with the VMC Development Facilitator, LiveWorkLearnPlay (LWLP) and VMC stakeholders, Economic Development will be launching its marketing plan to generate public awareness of the VMC, as well as promote the downtown as a design and innovation corridor.
7. **VBEC** – Complete delivery of Starter Company program in accordance to agreement with the Ministry of Research and Innovation.

##### **Relationship to Vaughan Vision 20|20**

This report is consistent with the priorities previously set by Council. Specifically, this report assists in fulfilling Vaughan Vision 20|20 Goal: Manage Growth and Economic Well-Being.

##### **Regional Implications**

Economic growth and prosperity occurs irrespective of municipal boundaries. Vaughan will continue to leverage its relationships with the York Region Economic Strategy Branch, the Greater Toronto Marketing Alliance, Vaughan Chamber of Commerce, Ministry of Economic Development Employment & Infrastructure and Ministry of Research & Innovation to ensure that its economic development goals and objectives are met. The Economic Development Department will continue to engage with York Region Economic Strategy in attracting office development for the VMC, examining tools to leverage investments.

Copies of all of the City's Economic Development materials have been distributed to stakeholders throughout the year. In addition, as the Region refreshes its Economic Development Action Plan in 2015, Economic Development will continue to advocate for support, including funding, for complex projects such as the innovation hub that require multi-level government buy-in.

##### **Conclusions**

The Economic Development Strategy approved by Council in 2010 is aligned with a number of the City's masterplans (i.e. Vaughan Official Plan 2010, Green Directions Vaughan, and Creative Together Cultural Plan) and Vaughan Vision 20|20. The work that has been undertaken in the past four years is moving towards the fulfillment of those goals and objectives. From the

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development of policies to support for arts and culture, to creating planning and financial tools to attract office investment, and development of business incubation services, the City's Economic Development is one of a collaborative effort that involves not only Council and staff, but also the development industry, educational institutions, government agencies and local businesses.

The City's successes are borne out in metrics such as employment and business growth, and a growing share of the Region's employment base. In 2014, the City was home to more than 10,930 businesses employing almost a 195,000 people. This translates to 2.7 percent business growth and 3.1 percent employment growth from 2013 to 2014. Vaughan's share of Regional employment has also increased from 36 percent to 38 percent.

In 2014, the Department worked on projects totaling 1.8 million square feet of space. The sectors covered by these projects are diverse, ranging from supply chain and logistics to food and beverages, building products, machinery fabrication, hospitality, and office development. In international business development activities, while the City did not undertake any missions in 2014, staff did assist Vaughan businesses to partake in business development opportunities in Verona, Italy, as well as technology transfers between Israel and Vaughan. Staff also undertook extensive research, analysis and stakeholder engagement (more than 100 potential partners) to develop the VICC and other international business development strategies, which will be tabled for Council discussion in the coming months.

Large and notable projects such as the VMC will require a longer incubation period. However, multi-disciplinary teams are working towards developing financial and planning tools to aid in office attraction; as well as arts and cultural programming projects. As this new term of Council begins, one of the City's top priorities is the Vaughan Metropolitan Centre, ensuring that the downtown is a vibrant urban core, with employment opportunities, housing choices and a lively arts and cultural scene that drive traffic and investment.

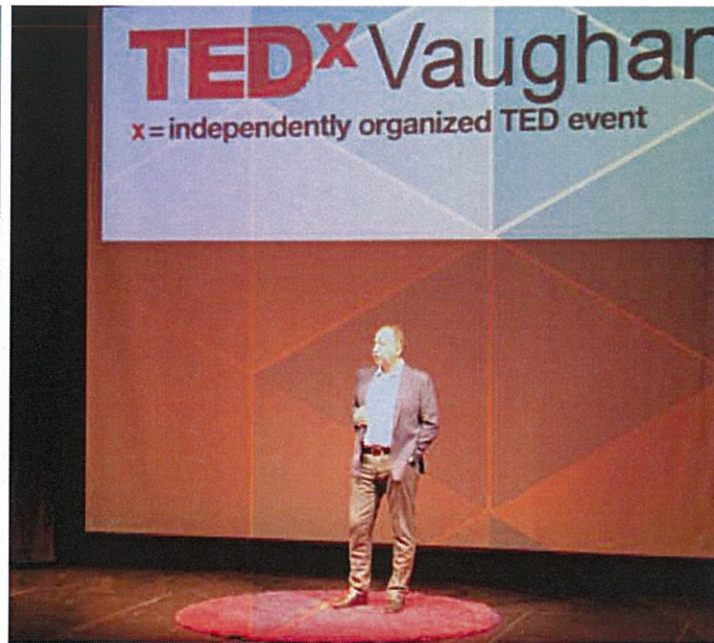
#### **Attachments**

None

#### **Report prepared by:**

Shirley Kam, Senior Manager of Economic Development  
Jennifer Ladouceur, Director of Economic Development





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 Communication  
 Pkl: Mar 10/15  
 Item: 2

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 <sup>1</sup>	317,000	315,006
Business Establishments, August <sup>1</sup>	10,900	10,231
Number of Employees, August <sup>1</sup>	195,000	186,019
Total Value of Construction <sup>2</sup>	\$890.8 M	\$1,102.4 B
Average Housing Price, All Home Types <sup>3</sup>	\$653,595	\$665,760
Industrial Vacancy Rate, Q4 <sup>4</sup>	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**

**HOUSE** **OPEN**

**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

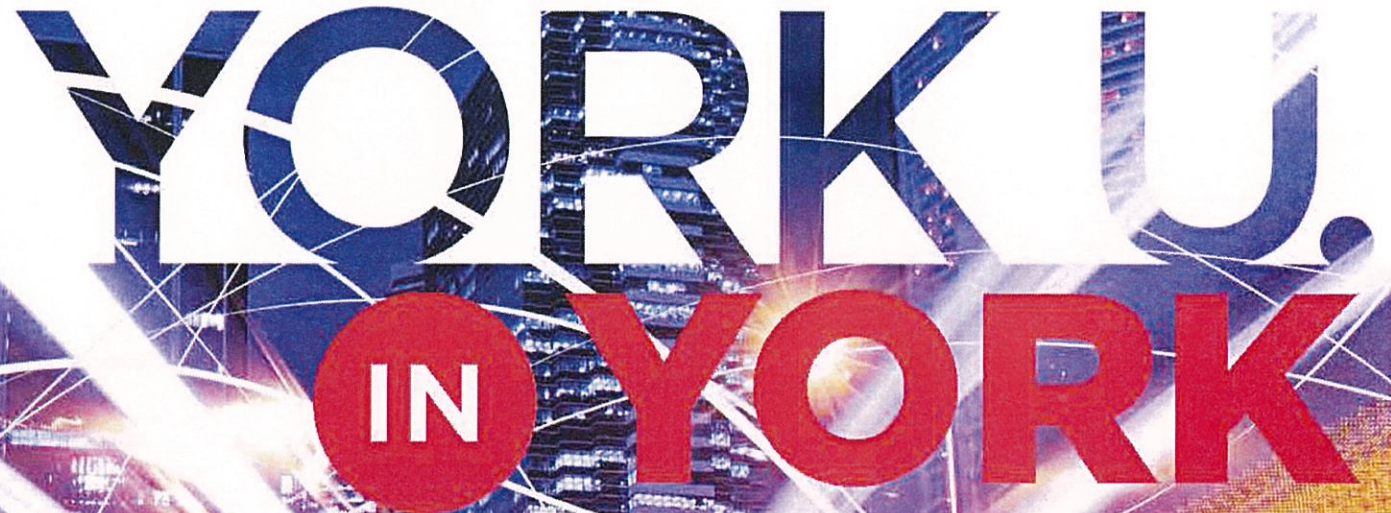


Working together to generate new economic activity for social and community benefits.



# Best-in-Class Economic Development

Enhancing Vaughan's International Profile

A large graphic featuring the text 'YORK U.' in large, blue, stylized letters at the top. Below it, the words 'IN YORK' are displayed in red, with 'IN' inside a red circle. The background is a vibrant, abstract collage of a city skyline at night, overlaid with glowing white and yellow lines that suggest a network or infrastructure. In the bottom left corner, four diverse professionals (two men and two women) are standing and smiling, dressed in business attire.

**YORK U.**  
**IN YORK**

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.



Newsletters | eNewsletters | eBlasts | Publications | Website

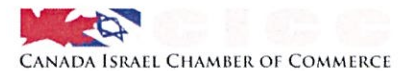
Business communication circulation includes more than 10,000 printed newsletter distributions with 10,000+ e-Newsletter subscribers.

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



# 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

## **PRIORITIES AND KEY INITIATIVES COMMITTEE – MARCH 10, 2015**

### **UPDATE ON THE ECONOMIC DEVELOPMENT STRATEGY (EDS)**

#### **Recommendation**

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The purpose of this report is to provide Council with an annual overview of the actions and progress that has taken place in the implementation of the 10-year Economic Development Strategy: 'Building a Gateway to Tomorrow's Economy'.

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

Council adopted the Economic Development Strategy (EDS) entitled "*Building a Gateway to Tomorrow's Economy*" in September 2010. The EDS 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 that is inclusive, progressive and environmentally sustainable. It is a 10-year plan that provides direction for both public and private resources to achieve those goals, and ties together all of the work done through the Vaughan Vision 20|20 Growth Management Plans.

This report provides a progress update based on the 2014 activities and initiatives.

#### **New Business Investments and Expansions**

In 2014, the Economic Development Department worked on 12 projects totaling 1.8 million square feet of space. Existing Vaughan-based companies accounted for one-half of all projects, and occupied 35 percent of all the space. New establishments (e.g. new branch, speculative buildings) accounted for one-third of all projects, and 41 percent of the space; while relocations from other communities accounted for 17 percent of projects, and 23 percent of space.

The manufacturing sector accounted for 42 percent of all projects, occupying 363,000 square feet of space. This is followed by warehouse/distribution, with three projects accounting for a total of more than 1.1 million square feet of space.

The majority of completed projects occupied new space, either as building additions or brand new construction. Another 1.6 million square feet of new industrial or commercial space was added to Vaughan's building inventory as a result of these projects. Three projects occupied 213,000 square feet of existing space, in a series of lease transactions. Looking back over 2014, Vaughan experienced one of the lowest industrial space availability rates in its history, with a rate of 3.4 percent in Q3 2014 (source: Colliers International), compared to 4.2 percent for the same period in the previous year. This shortage of industrial space has an impact on deal completions, with search times being drawn out.

Carrying over into 2015, the City's multi-disciplinary development teams will be working on projects which include food and beverage processing; cabinetry manufacturing; auto parts; fitness centre; pharmaceuticals; transportation and logistics. These leads and prospects are considering locations throughout the City, as their facilities requirements necessitate industrial/commercial space. However, staff will be paying particular attention to the VMC in terms of office and retail developments. Several of the landowners have retained real estate broker services for their sites, and Economic Development will be working closely with those brokers to ensure that they are supported with marketing collateral materials as well as development facilitation services.

### **Convergent Sectors Advances**

Vaughan's diversified economic base continues to draw investment. Gains in the strong industrial sectors would be further enhanced with additional investments from the three convergent sectors: Creative Economy; Innovative Research Development and Design; and Advanced Goods Production and Movement. These convergent sectors are predicated on knowledge, learning and value-added economic activities that have transformative applicability for a number of industry sectors.

#### Creative and Cultural Industries

Business development activities related to the creative, cultural and knowledge-based industries include: tourism development; village core revitalization; VMC placemaking and capacity building for arts organizations.

For the first time, York Region Arts Council held their annual conference in Vaughan attracting 150 attendees and surpassing previous years' attendance. Held during Small Business Week, the Arts Exposed Conference dovetailed into the Vaughan Business Enterprise Centre's (VBEC) entrepreneurship training, with opportunities to meet with funders and mentors. Although funding for the Arts Exposed Conference has now concluded, YRAC will be launching the Artrepreneur Program in 2015. Supported by the Ontario Arts Council, Artrepreneur is a 12-week program designed to equip independent artists, arts businesses and collectives with the vital business skills needed for success in all arts disciplines and industries. By incubating artists of all disciplines in one program, there is collaboration and the cross-pollination of ideas, tools, tips and best practices, resulting in a well-rounded understanding of what it takes to "make it" as an artist.

The Taskforce on Festivals and Community Events, led by the Recreation and Culture Department tabled a report in 2014 on how the City could support local festivals and events. The report examined opportunities for streamlining permitting, coordination of services-in-kind and marketing support. The City was represented at the Bindertwine Festival, Thornhill Village Arts Festival and Woodbridge Fall Fair.

Adding to the roster of large event venues in Vaughan, byPetersandPaul broke ground on their 85,000 square foot Universal Event Space conference and event facility. Located in the Vaughan Enterprise Zone, Universal Event Space is a complement to the small hospitality cluster that has developed in the western quadrant of the City.

Also on the tourism front, Economic Development made presentations to ten hospitality groups looking for investment opportunities in the GTA. Facilitated by the Greater Toronto Marketing



Alliance and Ministry of Tourism, Culture and Sport, the City was given an opportunity to make pitches to hospitality management groups following a networking session.

#### Innovative Research Development & Design

Attracting a post-secondary educational institution is highly desired goal of both the York Region Economic Development Action Plan and the City's Economic Development Strategy. In 2014, the Ministry of Training, Colleges and Universities opened a call for proposals for university expansions to provide another 60,000 undergraduate seats in the Province. Recognizing that York Region was underserved in post-secondary education, York University issued a call for interest from local municipalities. The proposal was to locate a satellite campus to accommodate 1,000 students within 160,000 square feet of facilities in year one, with projected growth to 15,000 students within 2.4 million square feet by year ten. The City of Vaughan was one of two finalists in York University's site selection, submitting a bid proposal for a site in the VMC.

Staff is continuing to work with two other post-secondary educational institutions to explore opportunities for local delivery of educational programming as a first step in extending their reach into the community. Senior staff from both these institutions have toured local sites and met with their representatives. At this time, feasibility studies are being carried out.

#### **VBEC – Small Business Development**

The VBEC staff delivers entrepreneurship training and small business support. Since 2001, VBEC has operated out of the Beaverbrook House located at the corner of Keele Street and Major Mackenzie Drive. To streamline resources and gain better efficiencies, VBEC was relocated to Vaughan City Hall in March 2014. The relocation proved successful, improving client access to a number of City departments (e.g. Licensing, Building Standards) and creating closer working relationships with Economic Development.

VBEC improved their business consultations numbers by 67 percent, from 872 in 2013 to more than 1,400 in 2014. Resulting from these consultations, 346 businesses commenced operations, a 23 percent startup rate; and created employment for 772 people in 2014. The dominant industry sectors coming through VBEC include: Other Services (which includes personal services – 18 percent); Professional, Scientific & Technical Services (13.6 percent); and Construction Services (11.5 percent).

<b>VBEC Services</b>	<b>2013</b>	<b>2014</b>
General Enquiries	3,546	4,991
Consultations	872	1,458
New Businesses & Expansions	181 new 27 expansions	346 new 161 expansions
Jobs Created	653	772
Seminars, Outreach & Event Activities	213	307
Total Attendees & Contacts	3,362	6,764

New in 2014, VBEC launched Starter Company, an entrepreneurship program targeting youth under the age of 30, with grants, mentorship and assistance. Projected to accommodate twenty youth over the two-year program duration, VBEC has already had 12 youth entrepreneurs accepted in its first year. There are already eight youth applicants in the pipeline for 2015. More can be accommodated however Provincial grant funding is limited to the approved twenty. Another youth-focused program, Summer Company was renewed for another year. Twenty-eight students fostered by VBEC were accepted into the Summer Company, double the number of

acceptances in 2013. Biz Teen Camp, a partnership between the Recreation and Culture Department and VBEC, targeting tween kids was once again at full capacity.

Also new in 2014, VBEC with the support of York Region, partnered with the York Entrepreneurship Development Institute (YEDI) to deliver an Existing Not-For-Profit Track program at Vaughan City Hall. YEDI is a free and rigorous start-up accelerator, based out of the Schulich Executive Education Centre at York University. The program offered business training, mentorship, and consultation for non-profit organizations to create business models that are economically feasible and minimize reliance on funders and donors. The inaugural session saw executives from 11 organizations graduate with the tools necessary to support their sustainability and long-term social impact. Built upon the success of the first session, VBEC and YEDI are accepting applications for a second session that will run from March 18 to June 17, 2015.

### **Economic Cluster Development**

Although business attraction and in particular, foreign direct investment garners most of the spotlight, business retention is one of the most important core functions in Economic Development. A diverse, local business base can contribute 80 percent of all investments in the community. A business care program that includes corporate site visits, supplier/client referrals, export market development, business networking and advocacy are core deliverables.

In 2014, the Economic Development Department completed 148 corporate visits. Some of the key findings include the following:

- 61 percent of those surveyed were at a growth point in their business life cycle; only 10 percent were experiencing a decline.
- 49 percent of businesses introduced new products within the last five years.
- 54 percent of businesses expected to introduce new products in the next two years.
- When asked about future expansion, over the next three years, 41 percent of companies were optimistic.
- 88 percent of businesses stated that employment needs were stable or increasing.
- Recruitment of skilled labour was identified as an issue by 35 percent of businesses.

Overall, the snapshot of the business community, garnered through the corporate calling program, as well as the York Region Employment Survey indicates a stable and steady position. In 2014, Vaughan was home to more than 10,900 businesses, employing 194,900 people. This represents a 2.7 percent business growth and 3.1 percent employment growth from 2013 to 2014. Vaughan's business community accounted for 38 percent of the overall Regional business community, up from 36 percent a year ago.

### **Foreign Business Development**

One of the City's goals is to build its international presence and establish Vaughan as a gateway for economic activity in the GTA. There were no outbound missions in 2014, however Economic Development staff continued to work with partners such as the Italian Chamber of Commerce (ICCO), Canada China Business Council (CCBC), Canada Israel Chamber of Commerce (CICC) and the Greater Toronto Marketing Alliance (GTMA) in lead generation, as well as working with existing businesses to compete, find new markets, develop supplier relationships and alliances.

The highest volume of international business development activities took place in the Italian market, with a number of business delegation visits, business meetings, as well as marketing initiatives. The City's Italian language materials on its business website was further enhanced in 2014, as well the City's investment package was distributed to more than 700 contacts of the ICCO.

Based on a relationship cultivated during the 2012 Business Mission to Italy, the City welcomed a seven-person business delegation from Verona in June 2014. In co-operation with ICCO, a B2B



workshop was held to explore business opportunities in the construction and building materials sectors. This workshop subsequently led to a reciprocal business mission in October 2014. In co-operation with ICCO and the Verona Chamber of Commerce, five Vaughan businesses were able to participate in a business mission with costs covered by Italian organizations. Canadian buyers and distributors of marble products, contractors and builders had one-on-one meetings with their Italian counterparts.

Working with the Ministry of Economic Development, Employment and Infrastructure, Vaughan hosted two business workshops on Exporting to the US. Both sessions were well attended. For 2015, Economic Development is working on creating a more targeted workshop, focused on the Building Products sector, in association with the US Commercial Service and the Ministry of Citizenship, Immigration and International Trade.

Outcomes from the City's international business development activities in 2014 include technology acquisitions by two local businesses, as well as two incorporations. Although operations have not commenced yet, two Italian firms have incorporated within Vaughan.

#### Vaughan International Commercialization Centre

The 2012 Exploratory Mission to Israel identified and it was confirmed during the 2013 Business Mission that some form of business incubation or commercialization assistance would be very helpful to businesses that are considering selling into or establishing a presence in North America, and vice versa. While there are firms offering specialized services, i.e. legal, human resources, accounting, and financial services, there were few resources to assist with companies that needed to commercialize or localize products for the North American context. Economic Development began discussions with York University, Centennial College, York Region, ventureLAB and other potential partners on the feasibility of such a project. An analysis is being completed on potential business models, niches, and value propositions and includes an examination of the services being delivered by various regional innovation centres, such as Communitech (Waterloo), McMaster Innovation Park (Hamilton), MaRs (Toronto) and ventureLAB (York Region). It is expected that a report on the Vaughan International Commercialization Centre will be brought to a future Committee of the Whole Working Session for discussion.

#### Social/Cultural Relationships

The City of Vaughan's diverse cultural base attracts visitors and delegations from many parts of the globe. In 2014, the City received 18 visit requests for cultural delegations, partnership opportunities and/or business visits. The City welcomed ten incoming delegations including:

- China: Shanghai Changning, Zibo, Changchun
- Italy: Velletri e Lariano, Verona, Italy-Canadian College of Healthcare Leaders, Delia, San Nicola da Crissa
- Israel: Ramla
- Korea: Dangjin

The City officially received the US Consul General in Toronto Jim Dickmeyer; Ambassador Rong-Chuan Wu of Taipei, Taiwan and Mayor Yoel Lavi of Ramla, Israel.

#### **Employment Zone Development – Vaughan Metropolitan Centre**

Development of the Vaughan Metropolitan Centre continued in 2014 across a number of fronts. Expo City, a 1,935-unit residential development project achieved a landmark status, with Tower 1 of 5 being substantially completed, becoming the tallest building in the City at 37 storeys. Project developer: Cortel Group held a topping off ceremony for Tower 1 in July to mark the occasion. SmartCentres broke ground on the KPMG Tower, a 365,000 square foot office tower and commercial complex in October 2014.

The Altus Group completed the Vaughan Metropolitan Centre – Office Development Pro-Forma Scenario Study in 2014. This work illustrated the rent gap which exists between the greenfield office developments of the VMC, relative to competing office nodes in Mississauga, Richmond Hill / Markham and North York Centre. In order to compete for office tenants, it was recommended that the City consider financial and planning tools available through a Community Improvement Plan. Council directed staff to initiate a study on implementing a Community Improvement Plan for the VMC and other intensification areas. Working with the Purchasing, Development Finance, and Policy Planning Departments, a Request for Proposal was issued and Hemson Consulting was retained in December 2014 to complete the CIP Study. Target completion date for the CIP Study is September 2015.

The City initiated a Cultural Framework and Public Art Strategy for the VMC in 2014. The premise of the study is to provide recommendations for cultural engagement opportunities, public art installations and business development opportunities related to design and innovation. The City engaged The Planning Partnership to lead the study and consultations are now underway with stakeholders that range from landowners / developers; residents; Vaughan Public Libraries; York Region Arts Council; businesses and the Vaughan Chamber of Commerce. Targeted completion date for Phase 1 of the Cultural Framework and Public Art Strategy is September 2015.

In addition to the two studies discussed above, there is ongoing work related to open spaces, streetscapes and the Black Creek Renewal through the Planning, Engineering and Transportation Services Departments.

### **Business Communications Support**

The City's Economic Development Strategy challenges staff to develop best-in-class economic development practices. To this end, the City received top honours in marketing for its York U. in York special purpose brochure. In September, the City received a Bronze Excellence in Economic Development Award from the International Economic Development Council (IEDC), a non-profit membership organization representing more than 4,500 economic development professionals globally. The Economic Developers Association of Canada (EDAC) awarded Vaughan its highest honours, the Grand Prize Cup, also for its York U. in York brochure.

The City's Business Link and e-Newsletters continued to grow in distribution volume. The four-edition hardcopy Business Link newsletter as well as the e-Newsletters each has a circulation / subscribership of 9,000.

### **Next Steps**

As identified in the Economic Development 2015-2018 Business Plan, the Department intends to undertake the following objectives:

1. **Community Improvement Plan (CIP) Study** – Support the development of Vaughan's new downtown, the VMC and the creation of a Community Improvement Plan.
2. **Cultural Framework and Public Art Policy Study** – In collaboration with the Urban Design Department, create a Cultural Framework and Public Art Policy focused on the VMC and other intensification areas.
3. **Vaughan International Commercialization Centre (VICC) Strategy** – Develop a strategy for implementing a Vaughan International Commercialization Centre, as an approach to attracting foreign direct investment from firms wishing to have a soft landing spot while entering the North American market.
4. **International Business Development Program** – Continue to develop the International Business Development Program focusing on establishing targeted investment attraction strategies, promoting export development support resources and continuously building strategic partner networks in Italy, Israel, US and China.
5. **Toronto 2015 Pan Am/Para Pan Am Games Torch Relay** – In collaboration with the Recreation & Culture Department, plan and implement the Pan AM Torch Relay and

Community Celebration Event, enhancing Vaughan's profile and building community pride.

6. **VMC Marketing Plan Implementation** – In collaboration with the VMC Development Facilitator, LiveWorkLearnPlay (LWLP) and VMC stakeholders, Economic Development will be launching its marketing plan to generate public awareness of the VMC, as well as promote the downtown as a design and innovation corridor.
7. **VBEC** – Complete delivery of Starter Company program in accordance to agreement with the Ministry of Research and Innovation.

### **Relationship to Vaughan Vision 20|20**

This report is consistent with the priorities previously set by Council. Specifically, this report assists in fulfilling Vaughan Vision 20|20 Goal: Manage Growth and Economic Well-Being.

### **Regional Implications**

Economic growth and prosperity occurs irrespective of municipal boundaries. Vaughan will continue to leverage its relationships with the York Region Economic Strategy Branch, the Greater Toronto Marketing Alliance, Vaughan Chamber of Commerce, Ministry of Economic Development Employment & Infrastructure and Ministry of Research & Innovation to ensure that its economic development goals and objectives are met. The Economic Development Department will continue to engage with York Region Economic Strategy in attracting office development for the VMC, examining tools to leverage investments.

Copies of all of the City's Economic Development materials have been distributed to stakeholders throughout the year. In addition, as the Region refreshes its Economic Development Action Plan in 2015, Economic Development will continue to advocate for support, including funding, for complex projects such as the innovation hub that require multi-level government buy-in.

### **Conclusions**

The Economic Development Strategy approved by Council in 2010 is aligned with a number of the City's masterplans (i.e. Vaughan Official Plan 2010, Green Directions Vaughan, and Creative Together Cultural Plan) and Vaughan Vision 20|20. The work that has been undertaken in the past four years is moving towards the fulfillment of those goals and objectives. From the development of policies to support for arts and culture, to creating planning and financial tools to attract office investment, and development of business incubation services, the City's Economic Development is one of a collaborative effort that involves not only Council and staff, but also the development industry, educational institutions, government agencies and local businesses.

The City's successes are borne out in metrics such as employment and business growth, and a growing share of the Region's employment base. In 2014, the City was home to more than 10,930 businesses employing almost a 195,000 people. This translates to 2.7 percent business growth and 3.1 percent employment growth from 2013 to 2014. Vaughan's share of Regional employment has also increased from 36 percent to 38 percent.

In 2014, the Department worked on projects totaling 1.8 million square feet of space. The sectors covered by these projects are diverse, ranging from supply chain and logistics to food and beverages, building products, machinery fabrication, hospitality, and office development. In international business development activities, while the City did not undertake any missions in 2014, staff did assist Vaughan businesses to partake in business development opportunities in Verona, Italy, as well as technology transfers between Israel and Vaughan. Staff also undertook extensive research, analysis and stakeholder engagement (more than 100 potential partners) to develop the VICC and other international business development strategies, which will be tabled for Council discussion in the coming months.



Large and notable projects such as the VMC will require a longer incubation period. However, multi-disciplinary teams are working towards developing financial and planning tools to aid in office attraction; as well as arts and cultural programming projects. As this new term of Council begins, one of the City's top priorities is the Vaughan Metropolitan Centre, ensuring that the downtown is a vibrant urban core, with employment opportunities, housing choices and a lively arts and cultural scene that drive traffic and investment.

**Attachments**

None

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