Regional Municipality of Waterloo

Economic Development Committee

Minutes

Thursday, October 27, 2016

11:00 a.m.

Waterloo County Room

150 Frederick Street, Kitchener

Present were: Chair H. Jowett*, D. Jaworsky, G. Lorentz, J. Nowak, K. Seiling, S. Strickland, and B. Vrbanovic

Members absent: D. Craig

K. Seiling assumed the Chair for the start of the meeting.

Declarations of Pecuniary Interest under the Municipal Conflict of Interest Act

None declared.

Delegations

a) Tony LaMantia, CEO, Waterloo Region Economic Development Corporation (WREDC)

Tony LaMantia, CEO, Waterloo Region Economic Development Corporation (WREDC) appeared before the Committee to provide an update on WREDC activities and provide WREDC Performance Metrics. He provided a presentation, a copy of which is appended to the minutes. He highlighted the ramp up priorities, 2016 accomplishments, performance measures, Township opportunities and inventing the future with a look forward. He explained the metrics in detail and the impacts they have had.

*H. Jowett entered the meeting at 11:20 a.m. and assumed the Chair.
Committee members had questions with respect to the organization’s name and branding. The brand is “Waterloo EDC” and the legal name is not changing.

A question was raised on how the value of investment is determined. T. LaMantia responded that it is based on the value of investment that the company will make in the Region, which includes capital investment and salary, wages and benefits.

There was discussion about advanced manufacturing and how it is defined and how support can be provided to help that area grow. Areas of success were highlighted. Questions related to succession planning while continuing to grow companies were noted and the activities that are planned to assist in this area.

The passport to success for 2017 was reviewed and that the focus will be to attract and retain a foreign captive audience and qualified investors.

Mike Murray, Chief Administrative Officer stated from a Regional perspective, the collaboration between Regional staff and WREDC has been positive and the roles and responsibilities continue to evolve. The working relationships between the municipalities and WREDC is very good as is the initiative of creating a joint strategy. The relationship between the Cities and the Region continues to be very positive and the whole community benefits.

**Information and Correspondence**

a) Update - Business Process Review

Michele Sergi, Director Community Planning provided an update that the process regarding development applications has been initiated and a further report will be brought back to Committee in the Spring of 2017.

b) Update - Brownfields Finance Tax Incentive Review

M. Sergi provided a presentation, a copy of which is appended to the original minutes. She highlighted the Brownfields financial incentives program, summary by numbers, review and investment strategy. With respect to the Brownfields program, M. Sergi outlined the review process and timeline. There will be consultation with the area municipalities.

c) Airport Master Plan

M. Murray provided an overview with respect to the Airport Master Plan and noted a report is coming to Planning & Works Committee on November 1st in advance of the public consultation centre on November 10th. The master plan is being set up based on a series of triggers for traffic volumes. Infrastructure investment will be timed closely to passenger activity and be able to respond to changing demands in the industry.
A copy of a flyer for a Chamber of Commerce event with Howard Eng (CEO, GTAA) to be held on November 15, 2016 was circulated.

Other Business

A copy of a perspective insert in the Globe and Mail was circulated to Committee members.

Next Meeting

A meeting will be scheduled in the Spring of 2017.

Adjourn

Moved by B. Vrbanovic

Seconded by G. Lorentz

That the meeting adjourn at 12:35 p.m.

Carried

Committee Chair, H. Jowett

Committee Clerk, L. Wetzel
Vision

To be locally rooted, internationally competitive and globally renowned
RAMP UP PRIORITIES

1. Set collaborative tone with the Board, funding partners and stakeholders
   • Monthly EDO meetings, Township and City Tours, Quarterly CAO/Mayor meetings
   • Toronto Waterloo Corridor core member
   • Bi-monthly Board meetings, Committee meetings
   • Community Involvement – Events, Sponsorship, Speaking Engagements

2. Bring on key direct reports and ramp-up operations
   • Director leadership team hired (x3)
   • 8.5 FTE + 1 Contract + 3 Co-ops hired
   • 3 FTE hiring in progress
2016 ACCOMPLISHMENTS
1. Forge track record of clear FDI/scale up wins

- Developed eCRM-generated Dashboard: 29 deals with pipeline > $400M
- Deals announced: ETAS, NCC Group, Highview Residences
- Supported establishment of Toronto – Waterloo Region Corridor
- Inaugural 2016 AutoTech Symposium
- Foreign Missions, Foreign Delegations, International Companies, Domestic Companies
2016 ACCOMPLISHMENTS

2. Build best-in-class “go to” Concierge Service

- Hired Business Development team
- WREDC placed in Top 10 ranking* of Canadian EDCs
- Established as “First point of contact” for any potential investment opportunity
- WREDC, Municipal EDO, Communitech Working Group
  - ICCI 2017 Application, Sector Definition, Data Requirements, Sector Advisory Group
  - Individual Township Meetings – Erin, Lucinda
  - Maria Suarez as SPOC for Townships
- “Building Your Future” Event for area companies

*Site Selector Magazine September 2016; Owned by Conway Inc. and utilizes Conway data
2016 ACCOMPLISHMENTS
3. Create inventory of Investment/Shovel-Ready Sites

- In progress: Development of comprehensive list of available sites (greenfield and brownfield)
- “Investment Ready: Certified Site Program” Educational session
- In progress: Inventory of Shovel Ready sites
- In progress: Development of “One Source for Data” with Region of Waterloo
2016 ACCOMPLISHMENTS
4. Develop unifying narrative/integrated marketing plan

- Hired Director of Marketing and Communications: Additional 2 FTE in progress
- Developed Waterloo Region EDC brand visual and tagline
  - Exchange Magazine October 31st; Perspective Waterloo Region Globe and Mail Insert October 27th
  - Open House November 22nd
- Supported 2016 FDI events, visits and missions
- In progress: “Why Waterloo” core narrative with regional stakeholders
- In progress: Develop Waterloo Region EDC marketing collateral
- In progress: Develop Waterloo Region EDC website
Performance Measures

- PUF Reports: Monthly update and review of Pipeline, Upside and Forecast
  - ~29 deals valued at approximately $444 million
  - Report trends on pipeline growth, conversion, sectors, etc.

**2016: Investment $**

![Chart showing investment distribution]

- Closed: $140,300,000
- Forecast: $9,000,000
- Upside: $132,000,000
- Pipeline: $162,500,000

**2016: Investment by Sector**

- ICT/Tech: $193,500,000
- Financial Services: $249,100,000
- Advanced Manufacturing: $1,200,000

- Progress on 3 remaining Operational Planks

- Marketing - Future Considerations:
  - Web visits, # of pages visited, # of leads, amount of time spent on website, newsletter sign up, LinkedIn (connections), Twitter (followers)
Township Opportunities… Big Action/Potential

• Manufacturing-centric (average or circa 15% of employment)
• Positioning Employment Lands for new investment, opportunity for Provincial Investment Ready/Certified Site designation to support marketing
• Need to work with the Region of Waterloo (infrastructure support—e.g. roads, GO Station layover, transit, synchronizing DCs, water and sewage treatment, etc.)
• Larger opportunity to connect the region by improving transit in the Townships (BIG IDEA)
• Review of local incentives to determine impact of programs on business models (Region)
• Natural tension between new FDI promotion efforts and retention/expansion
• “A rising tide lifts all boats” … but the boats need to be seaworthy to handle the tides
• Now that team is largely in place, we need to do more to support capacity in the Townships
Inventing the future. A look forward

- Healthy pipeline of high confidence investments scheduled for 2017
- Continued support of local business expansion and retention
- Key Foreign Missions upcoming for rest of 2016 – Germany, Japan/Korea
- Planning underway for 2017 Foreign Missions – Expanding US focus, UK, Germany
  - ICCI Funding Application completed for 2017
  - Key Sector Focus: Advanced Manufacturing (Food, Auto, Other), ICT, Financial Services
- Leadership of Mayoral Missions
- Increased support for development of YKF Region of Waterloo International Airport
- Acceleration of our promotion of this region across the globe in collaboration with regional stakeholders
- Greater local community outreach and involvement
Thank you!
BROWNFIELD PROGRAM REVIEW & CTC INVESTMENT STRATEGY
Brownfields

Financial Incentives Program

Program has 3 components:

1. Phase Two Environmental Site Assessment (ESA) Grants (ending 2017)
2. Regional Development Charge (RDC) Exemptions
3. Joint Tax Increment Grant (TIG) Program
SUMMARY BY NUMBERS

11 Regional Development Charge Exemptions Approved ($14,448,277)
9 Joint Tax Increment Grants Approved ($16,529,620 – Regional Portion Only)
24 Phase 2 ESA Grants ($611,264)
42 Grant applications approved by the Region since 2007
577 Million dollars estimated combined increase in assessment value of sites
2,368 New residential units proposed to be created by approved sites
1,054,033 Square feet of new non-residential floor area proposed
31,551,951 Million dollars approved by Region to incentivize brownfield re-development
Assignment

BFIP Review & CTC Investment Strategy

- Assess the impact and value of incentives
- Evaluate successes
- Determine the best return on investment
- Develop a business case
1. Market review 6 station areas
2. Model 35 development scenarios
3. Test 3 changes to BFIP
4. Interim Report One
5. Analyze BFIP within incentive structure
6. Test 3 non-BFIP incentives
7. Isolate incentive value of ION
8. Interim Report Two
9. Identify pilot opportunities
10. Recommendations

Final Report from NBLC: August 2017