



REPORT

**Economic Development
in Leeds and Grenville**

APRIL 2015

Prepared by Andy Brown, CAO

www.leedsgrenville.com

Table of Contents

Part 1: Executive Summary	1
Part 2: Introduction And Background	2
Part 3: Findings	4
Part 4: Recommendations	17
Part 5: Conclusion	22

Part 1: Executive Summary

The United Counties of Leeds and Grenville has been performing economic development activities through dedicated staff and resources since 2003. Over the years, various organizational changes have occurred and today, the current economic development department has three full-time staff (Economic Development Manager, Economic Development Officer and an Administrative Assistant) and a net 2014 budget of \$480,000. The department is located on the 3rd floor of 32 Wall Street in Brockville.

In 2013 the Counties was approached by the Brockville and District Chamber of Commerce to consider amalgamating its economic development department with the departments of the City of Brockville and Towns of Prescott and Gananoque. External funds were sought to undertake a feasibility study of a separate, non-profit economic development corporation, but none was available. Therefore in 2014 the Counties was asked to fund a portion of the study (Brockville had committed \$15,000).

After consideration Council decided to undertake a review of its own department. Council felt the Department is valuable and a good investment for the Counties but it wished to determine if any changes should occur. The work plan consisted of two key activities: consultation with the municipalities in Leeds and Grenville and a review of current trends and activities in economic development.

Consultations took place with the ten local municipalities and the three separated municipalities. Based on the consultations and a review of the current trends, the conclusion was that the Counties was performing a valuable service. The review identified five key strategic priorities: leadership and capacity building, communications, business investment and attraction, business retention and expansion, and tourism.

Based on these key strategic priorities, staff may prepare annual work plans that implement the priorities. Each year the work plans will be renewed and past activities evaluated. In five years the Counties should consider a further review to determine if changes should occur at that time.

Part 2: Introduction and Background

The United Counties of Leeds and Grenville has been performing economic development functions for the past twelve years. In 2002 the Counties engaged a consultant to prepare Leeds-Grenville Economic Development Strategy. Following this receipt of this strategy, Council hired of an Economic Development Co-ordinator. The following year, the City of Brockville and the Towns of Prescott and Gananoque collaborated with the Counties in economic development through a joint services agreement which focused on business development. This arrangement was found to be ineffective and did not meet the anticipated goals and objectives, and therefore was discontinued in 2007. Since that time the Counties has undertaken its own economic development activities through its Economic Development Department.

In 2008 the Counties revamped its economic development department and established the current structure. This included hiring an Economic Development Manager, an Economic Development Officer and administrative support. At the same time, Council adopted an Action Plan which built upon the Strategic Plan, a competitive economic analysis and the previous five years of work and accomplishments. Since 2010, each year staff updates the Action Plan and uses these actions/strategies as the basis of their annual work plans.

During the 2014 budget deliberations, Council was requested to fund a feasibility study to examine the establishment of a regional economic development corporation. Council decided not to participate and/or fund the feasibility study, but rather decided to undertake a review of the department. In May 2014 an Economic Development Review Steering Committee was formed comprised of the following members of Council:

Doug Struthers, Chair
Ron Holman, Warden
David Gordon
Roger Haley
Frank Kinsella
Jim Pickard

The Chief Administrative Officer (CAO) undertook the responsibilities of the review with the Committee's guidance and assistance. Terms of reference were adopted which

included two key activities: research and consultation. The goal of the Committee was to complete the review and present a final report to Council in November 2014.

As part of the review, staff undertook research in the following areas:

1. Current economic development practices and structures for an upper-tier economic development department, focusing on eastern Ontario,
2. Trends in economic development,
3. Performance measures and how they could be used,
4. Regional work by the EOWC/EOMC Eastern Ontario Economic Development Strategy, the province, the community futures development corporations, workforce development agencies, and the separated municipalities
5. Past and present work plans and strategies, including the Counties and local municipalities.

Due to time constraints, the Review Steering Committee decided to consult the local municipalities' relevant staff, members of local economic development committee and/or Councils. The local municipality's CAO and Mayor/Reeve were asked to provide the people for the consultation process. During July and August 2014, the CAO along with some members of the Committee met with representatives from all ten local municipalities. The CAO met with representatives of the three separated municipalities.

Part 3: Findings

1. Where are we today?

1.1 Diversity

The United Counties of Leeds and Grenville is comprised of ten diverse local municipalities. It has three separated municipalities within its borders and three municipalities outside of the Counties which influence economic activities within the Counties. The diversity of the local municipalities includes:

- population and demographics
- organizational structure, resources, including staffing
- economic sectors
- differing initiatives and priorities
- growth verses declining
- leadership

Each local municipality in Leeds and Grenville is unique in size and character. They range in population from 628 in Westport to 15,085 in North Grenville. Most municipalities are realizing little to modest growth with the exception of North Grenville. The average age of residents in each municipality varies – some municipalities have younger families while many are smaller households with an aging population.

In terms of property assessment, this ranges between \$2 billion in Rideau Lakes to \$83.5 million in Westport. The breakdown by commercial, industrial, farm and residential assessment is significantly different between all municipalities, though residential assessment is the predominant type of assessment. The ranges of assessment are:

- for residential assessment, this ranges between 82% of total assessment in Westport to 95% in Rideau Lakes;
- for commercial assessment, this ranges between 1% of total assessment in the Front of Yonge to 17% in Westport;
- for industrial assessment, this ranges between 0% in Westport to 4 % in Edwardsburgh Cardinal;

- for farmland assessment, this ranges between .4% in Westport to 3% in Front of Yonge.

Based on this assessment data, there is a very high reliance on residential taxation in Leeds and Grenville with lower tax revenues generated from business and agriculture.

Only one municipality, North Grenville, has any dedicated economic development staff. Most municipalities rely upon their CAO or Planner to deal with economic development. Of the 10 local municipalities, 7 have economic development (or community development) committees comprised of residents, business people and council members. Some of the committees are very active in economic development activities while other committees only perform minimal functions.

In general terms, most municipalities in Leeds and Grenville have three common sectors: agriculture, manufacturing and tourism. In the case of manufacturing, only 4 municipalities have business/industrial parks. Meanwhile, tourism is the key sector in the remaining 6 municipalities.

In regards to economic strategies and plans, 4 municipalities have adopted plans or strategies and are using these documents to guide their economic development activities. One municipality is expecting to prepare a strategy in the near future and the remaining 5 do not have any, or intend to prepare and adopt such documents. Economic development activities ranged from grants to local events/organizations, hosting some events, to a full economic development program with significant resources.

Finally, based on the consultations, each municipality seeks different levels of support from the Counties in terms of economic development. Some rely on the Counties department, whereas others rarely use the resources. However, all feel that there is a value in the Counties economic development department.

1.2 Impacts on Local/Regional Economy

The local and regional economy is impacted by several factors. They include globalization, demographics, world events, technology, workforce, and government policies. Two recent studies by the Eastern Ontario Wardens' Caucus provide data on the realities facing eastern Ontario, in particular the rural

Counties including Leeds and Grenville.¹ The studies provide a clear profile of eastern Ontario's economy, past and present.

Based on the research and consultation, the following factors are key impacts on the economy in Leeds and Grenville:

1.2.1 Globalization

Over the past two decades, there has been a significant loss of manufacturing jobs in Leeds and Grenville (including the separated municipalities), as well as across Canada and the U.S. Many of the manufacturing jobs have gone off shore to countries in Asia. Many of the larger private sector employers in Leeds and Grenville have disappeared or reduced their levels of employment and investment. This is due primarily to costs – the costs of manufacturing and shipping goods is much less in those countries than it is in Canada or the U.S.

This impact has caused a shift in jobs from the traditional manufacturing sector to the service sector, often at lower rates of pay and benefits. Though there appears to be a gradual return of some manufacturing in Canada, it is occurring with fewer jobs due to technology and process improvements. Between 2006 and 2011, there has been a loss of 816 jobs in the manufacturing sector in Leeds and Grenville (excluding Brockville, Prescott and Gananoque).² Meanwhile, during the same period of time there has been an increase in jobs in the wholesale and retail trade (880 jobs) and a further increase in the public administration sector (815 jobs).

1.2.2 Demographics

The population of rural eastern Ontario is not increasing at the same pace as the rest of Ontario. For example, between the years 2001 and 2011, the population of eastern Ontario, excluding Ottawa, increased by 6.17%

¹ The 2 documents are A Report on the Financial Sustainability of Local Government in Eastern Ontario (February 2012) and the Eastern Ontario Economic Development Strategy (February 2014)

² Eastern Ontario Economic Development Strategy: Appendix A Regional Profile p.14

compared to the Ontario growth of 12.64%.³ For Leeds and Grenville, its population, during the same period, has increased by only 1% or .1% per year.⁴

Furthermore, the population in Leeds and Grenville is aging faster when compared to Ontario. This translates into a shrinking workforce as many of the baby boomers retire, or work longer. Furthermore, it places greater demands on the social and health care sectors, though this could also place a higher demand for jobs in those sectors. Median personal and household income is lower than Ontario and there is a greater reliance on government transfers verses earnings.⁵

1.2.3 World Events

Today no economy operates in isolation. Events in one country can have a dramatic impact on other countries' economies. In 2008 the financial markets collapsed in the United States, followed by countries in Europe. Fortunately, this collapse had a lesser impact on Canada primarily due to its strong and well-regulated banking system.

However, there has been an impact, especially in trade to the United States and other trading partners. Given the fact that Ontario still has a significant reliance on manufacturing in its economy, Ontario is having a slower recovery from the collapse than most of the other provinces. By extension, this impacts local businesses and manufacturers that rely upon the supply, transportation, export trade or international business.

Similarly, the downturn impacted tourism. Ontario has seen a decline of 9.3% from core foreign markets and 15% from the United States over the past six years. Unfortunately, due to changes in the provincial tourism reporting there is no data on the impacts of tourism for Leeds and

³ *Ibid.* p.1

⁴ A Report on the Financial Sustainability of Local Government in Eastern Ontario p.27

⁵ *Ibid* pp.29-34

Grenville, but based on anecdotal comments, tourism businesses in Leeds and Grenville have struggled through the past 5 years.

1.2.4 Technology

Today business is reliant upon technology, even the businesses that are labour-intensive. Whether it is in manufacturing or the service sector, technology plays a role. In terms of infrastructure for business, there is now a requirement for high-speed Internet and cellular coverage.

In eastern Ontario, the Eastern Ontario Regional Network has completed its project to ensure 90% of all residents and businesses in the region have high-speed broadband. This provides significant opportunities for the use of technology by business. At the present time, the Network is completing an analysis of cellular coverage for the region in attempts to improve its coverage as well.

With the advances of technology, manufacturing is relying less of labour and more on robotics. This impacts the workers by requiring fewer workers and higher skilled workers.

1.2.5 Workforce

As the population in Leeds and Grenville ages, more people retire, and as technology advances, there is a large gap between the skills of available employees and the jobs available. Employers are finding it more difficult to find qualified and skilled employees. The education and training programs are not corresponding to the requirements of the employers. Too often there is a disconnect between the post-secondary schools and employer requirements.

A challenge for businesses in Leeds and Grenville is the ability of employers to attract professionals. Whether it is for business purposes (engineers, accountants, lawyers) or for healthcare (doctors), it is difficult to attract the professionals to the area due to the 'rural' location and/or employment opportunities for their spouse/partner. Many of the professionals seek locations where there are higher education institutions and urban centre amenities often not found in rural areas, or they have a

spouse/partner who wishes to be actively employed in a similar or other profession.

A similar situation exists for immigrant workers. However, in lieu of quality of life and employment opportunities for a spouse/partner, immigrants face isolation and lack of ethnic culture and institutions.

Due to globalization and the advances of technology, people can often work from anywhere. The traditional industrial and business parks are not required for many of the new entrepreneurs who can work from their homes, requiring only high-speed broadband Internet and cellular services. As well, there is emerging the 'solopreneur' who is self-employed and often contracts out his/her services or production on a contractual basis. He/she has no employer and allegiance to one employer. Many times the solopreneurs are not considered when data is collected for economic performance.

1.2.6 Government Policies

The cost of doing business in Ontario is high. Two key areas are energy and employment. In terms of energy, electricity costs are high across Ontario. In some areas of Leeds and Grenville, the electricity distribution system requires significant upgrades. Some industries are experiencing blackouts and power failures that results in lost production and significant costs of restarting operations.

The costs of employment also have an impact on employers. The mandatory benefits and minimum wage often pose a burden on small businesses, especially in the retail, food and hospitality sectors. Furthermore, the province is currently considering an Ontario pension plan that most likely would require pension premium contributions from both the employer and the employee.

Trade agreements are another government policy which impacts economic development. Though the U.S./Canada free trade agreement has been in place for numerous years, the Canadian government recently signed an agreement with the European Union. This may provide local businesses with opportunities and see new business grow.

2. Overview of Counties Economic Development Department

The United Counties of Leeds and Grenville's Economic Development Department is located at 32 Wall Street in Brockville. The offices are relatively new with space for meetings. The staff consists of three full-time people – an Economic Development Manager, an Economic Development Officer, and an Administrative Assistant. The net budget for 2014 is \$480,000 (\$660,000 in expenses and \$180,000 in revenues). Approximately 41% of the budget goes towards salaries and benefits while the remainder is spent on material/supplies, purchased services, projects and internal chargebacks.

The budget aligns with the 2014 Action Plan and Strategic Alignment which identifies seven goals. They are:

- Goal 1 – Maintain and Build Economic Readiness
- Goal 2 – Implement Strategy for Retention and Expansion of Existing Businesses
- Goal 3 – Take a Leadership Role in the Development of Tourism
- Goal 4 – Create Entrepreneurial Development Strategy
- Goal 5 – Develop and Support Business Attraction Opportunities
- Goal 6 – Support Area Redevelopment, Community Development & Quality of Life
- Goal 7 – Implement a Strategic Marketing Approach

For each goal, action plans are developed and implemented. In general, over the past several years staff has been able to work within the action plans, with the exception of unscheduled events that may occur, such as the Park Canada decision to reduce the hours of operation of the Rideau Canal and the closure of the Kemptville Campus of the University of Guelph. Due to these two unscheduled events, staff must realign their resources and therefore cannot accomplish some of the planned activities and projects.

Economic development activities involves not only the Counties Department, but may also involve the local and separated municipalities, the local Community Futures Development Corporations, the provincial ministries, various economic development and tourism agencies/organizations, politicians (local, provincial and federal), and many other stakeholders. This work requires effective communications, coordination and cooperation.

Over the past five years the Economic Development Department has been instrumental in not only key economic development activities in Leeds and Grenville, but also other corporate-wide initiatives, including the development of the Counties website, branding

and the Integrated Community Sustainability Plan. The work on these projects is now complete.

Another activity by the department is the development of community profiles, data collection, an on-line business directory, and property listing, as well as maintaining this data and ensuring this information is current. This data is valuable not only to the Counties, but also for all local municipalities, local and regional economic development agencies, the public, and investors.

A significant accomplishment of the department over the past several years is the preparation of various marketing tools. These include improving the Counties on-line presence primarily through the website for "Invest" and "Visit", producing professional videos and photography that are available for promotion and marketing, use of the eNewsletter, television ads and programs, and currently working on a regional profile and community guide.

In summary, the Counties Economic Development Department has had significant accomplishments over the past five years. The local municipalities, through the consultation process, all agreed it was important to retain the Counties Economic Development Department and understood the benefits of the Counties in regional and local economic development activities.

3. Municipal Input/Comments

As noted in the Introduction, municipal input and comments was solicited from each of the local municipalities. Below is a summary of the input and comments from the Counties ten local municipalities.

- a) Though there are a variety of economic development activities undertaken by local municipalities, few have any formal program.
- b) Some municipalities wish to continue as status quo ('and a little better') while some wish to grow their economic base.
- c) The Counties does an excellent job in its Leadership and Economic Development Summit.
- d) The Counties has excellent data and information, and dissemination, including the on-line business directory, community profiles, property listings. The website is very useful.

- e) Some of the smaller municipalities are more focused on 'community' development rather than economic development.
- f) Counties should continue in a leadership role and enhance the communications with the local municipalities.
- g) There needs to be some projects that require the collaboration of the Counties and some or all local municipalities, such as tourism development.
- h) For tourism, it is mainly focused on day-trippers throughout Leeds and Grenville, there is a lack of accommodations outside of Brockville and Gananoque, and a full inventory of tourism assets is missing.
- i) Often everyone is working independently or competing rather than cooperating.
- j) Counties is effective in referring investors to appropriate municipalities, and providing any assistance through such inquiries.
- k) A few of the local municipalities feel the Counties department is important but not a lot of interest in working together.
- l) Some local municipalities would like to see the Counties take on a larger local role in economic development (the local municipalities are smaller municipalities with limited resources).

4. Trends in Economic Development

Today economic development is significantly different than it was several decades ago. The large manufacturers are not locating in rural eastern Ontario or creating jobs as they once did. Rather, there has been a significant and steady reduction in the number of large manufacturers in Ontario since the early 1990s. This has resulted in the loss of high-paying blue-collar jobs and lost tax revenues for all levels of government. Economic developers understand that the chance of securing a new, large manufacturer is very small. Their primary focus must be on retention and expansion of existing manufacturers and businesses, as well as working with new entrepreneurs and businesses.

The past decades of decline in the manufacturing sector has seen growth in the service sector. This sector includes professionals, scientific and technical services, health care and social services, retail, finance and insurance, public administration, accommodations and food services, education, transportation and logistics, construction, and energy.

Some manufacturing is slowly returning to Ontario. However, it is not returning with the same jobs. In order to be competitive in the global economy, the new manufacturing is 'advanced' manufacturing, often relying upon technology rather than labour. The jobs

that do come with advanced manufacturing are often highly skilled and/or professional jobs.

A key area of growth in the Ontario economy is small businesses, often with less than 5 employees. These businesses require different supports than traditional large manufacturers and businesses. For example, they often need:

- highly technical and skilled staff
- business advice and counselling,
- the use of incubators and innovation centres to start up,
- support and bridging from the research and development stage to commercialization,
- financing, and
- other professional assistance (i.e. legal, accounting, risk)

This presents a new array of requirements for economic development departments, often relying on partnerships and collaboration with other stakeholders and agencies. For example, economic development departments must work with innovation centres, business development centres, entrepreneurial centres, financial advisors and education and training institutions.

Another new area for economic development is the emergence of the 'solopreneur', 'self-employed' or 'free agent'. Over the past two decades, these workers have increased nearly two times faster than 'paid employment'. Many of them do not require significant capital investments to start or operate, and rely on high speed bandwidth and cellular telephone as their primary business infrastructure. The challenge for local economic developers is to find ways to support and encourage these workers which again requires different services from the traditional services of economic developers.⁶

A recent study and report titled the Eastern Ontario Economic Development Strategy identified three themes for the region:

- workforce development and deployment,
- technology integration and innovation, and

⁶ "The Theory & Practice of Economic Development" prepared by Matthew Fischer & Associates inc., April 2013 pp. 15-17

- enhanced transportation systems.

The sponsors of this report are currently examining proposed actions and developing an implementation plan that would hopefully improve the economy of eastern Ontario. Based on the themes, the approach to economic development is considerably different from past directions. In part, this is to ensure that the themes and actions can be applied across the entire area of eastern Ontario, and also in the fact, like Leeds and Grenville, eastern Ontario has a very diverse economy and no one or two sectors were prevalent. The work that will come out of this region-wide study will not replace the Counties or local economic development, but rather will be overarching and support the efforts of the Counties and local municipalities.

Tourism in Ontario is also seeing changes in direction. People are more mobile today than ever, have access to world-wide transportation systems, and often venture to locations outside of Ontario and Canada. Though, this is somewhat in contradiction to the fact that almost two-thirds of Ontario's visitors are from Ontario. This may mean changing marketing plans from international visitors to Ontarians.

Tourists are seeking a different type of tourism experience than a decade ago. There is more interest in eco-tourism, agri-tourism, and geo-caching. The use of the Internet and technology are important to tourists today. They are seeking unique experiences, activities that can be bundled up either by themselves or by others. This means much more cooperation and coordination amongst tourism businesses, the need for rural high-speed Internet, and ensuring a good on-line presence with functions which enables the tourist to make choices, book/reserve easily, and continuously provide up-to-date information.

Today, economic developers are adapting to this new landscape by:

- continuously refining their strategic plans,
- revamping marketing efforts – use of multimedia, GIS, social media, specific focus,
- adapting to changes in funding,
- using metrics – tracking performance,
- remodelling organizations,
- fostering partnerships and regional efforts, and
- increasing the focus on leadership development.

5. Other Counties in Eastern Ontario

A review of eleven⁷ upper-tier Counties' roles and activities in economic development, including their structures showed a wide range of economic development departments and activities. A summary of the Counties' economic development focus, excluding Leeds and Grenville, is provided below:

Frontenac	internal department focusing on community sustainability, trails and local community improvement plans
Haliburton	internal department focusing on tourism
Hastings	internal department focusing on tourism, creative economy, local foods, natural resources, community development and manufacturing
Lanark	internal department focusing on tourism, and provide funding to Valley Heartland Community Futures Development Corporation for economic development activities
Lennox & Addington	internal department focusing on manufacturing and business, and tourism
Northumberland	internal department focusing on advanced manufacturing, agriculture and agri-business, education, emerging technologies, food processing, logistics, plastics, tourism, and video experience prosperity
Prescott-Russell	internal department focusing on agriculture and agri-business, local foods, tourism, and the commercial sector
Peterborough	separate non-profit regional economic development corporation with the City, focus on advanced manufacturing, aerospace, agriculture, energy, tourism development, water
Renfrew	internal department focusing on economic development including tourism development, agriculture and forestry, promotion of tourism by separate organization (Ottawa Valley Tourist Association)
Stormont, Dundas & Glengarry	internal department focusing on manufacturing, technology, food and beverage processing, bio-products manufacturing, distribution and warehousing

⁷ Prince Edward County or Kawartha Lakes were not included since they are single-tiered municipalities

Each county is comprised of different local municipalities. Some counties have numerous urban settlement areas with employment lands, while other communities are primarily rural.

6. Regional Economic Development Corporation

In the fall of 2013, the Brockville and District Chamber of Commerce met with Counties Council requesting its participation in a regional economic development corporation. Council's reaction to the idea was mixed and many questions were posed. Council directed the CAO to work with the separate municipalities' CAOs to examine the concept of a regional economic development corporation.

Over the pursuing months, the CAOs investigated funding opportunities to undertake a feasibility study on the concept. Unfortunately there were no available funds at the time and therefore a request was made to the Counties to fund the study in its 2014 budget. Council decided not to fund the study.

The Brockville and District Chamber of Commerce continues to pursue the regional economic development corporation. It has hosted information sessions for local politicians and businesses to promote the concept. During the consultations for this review, only one local municipal representative supported the concept. One other municipality felt that it may be an ultimate goal, but 'small steps' must be taken beforehand, demonstrating proof that cooperation and collaboration is successful.

Council decided to complete this review before proceeding forward with any consideration of a regional economic development corporation. Based on the survey of the above Counties, only one County, Peterborough, has a separate corporation with the City of Peterborough. Interestingly, this County has the highest budget for economic development, exceeding \$1 million annually.

Part 4: Recommendations

Based on the consultations and research, a series of recommendations are being proposed relating to Leeds and Grenville's Economic Development Department. Overall, the Department and its activities are functioning well and achieving the established goals. The following recommendations are minor in nature and support the ongoing efforts of Leeds and Grenville's Economic Development Department. A key change is the reduction of the Counties strategic priorities to four: leadership and capacity building, communications, manufacturing/business development and investments, and tourism.

Leadership and Capacity Building

- a) Continue with the annual Economic Development summit. This forum was found to be very valuable to participants and area municipalities. It provided an opportunity to share success stories, network and explore new opportunities.
- b) The Department continues to offer assistance to interested local municipalities in building their economic development capacity. Once the capacity is built, the Counties should step back and allow the local municipalities to move forward. In offering assistance, the level and amount of assistance may depend on the work demands and available resources.
- c) The Counties, with input from the local municipalities, should seek out opportunities to further build capacity. For example, the Counties may wish to organize with interested municipalities workshops or sessions on business retention and expansion programs (use local examples), or a session to provide a review of resources available to municipalities in economic development. Some of these initiatives will require the leadership of the Counties' CAO through the regular meetings of the Leeds Grenville CAOs.

Communications

- a) Communications between local and separated municipalities should be enhanced, where possible. New forms of media should be considered, such as a portal or on-line forum for dissemination of information. The Leeds Grenville economic development practitioners should continue to meet quarterly and consider protocols for sharing information and investment leads. Such protocols and collaboration must be evaluated continually to ensure each party is participating effectively and established goals and objectives are being met.

- b) Economic Development should continue with the publishing of the eNewsletter and maintaining the Economic Development and Tourism webpages, the data/information, profiles, on-line business directories, videos and photos. Local municipalities should be encouraged to access and use these resources.
- c) At the present time the Economic Development Department is responsible for some of the corporate communications for Leeds and Grenville, including the overall Counties website project. These responsibilities should be transferred to the Clerk's or Information Technology Department. This would alleviate some of the time spent by Economic Development on corporate matters. This would not remove the department's responsibility to maintain its own section of the website, including updating webpages and maintaining the data/information.

Manufacturing/Business Development and Investment

- a) Due to the importance of business retention and the opportunities for growth and expansion, it is recommended a formal business visitation program be implemented. Any visitation program should align with the local municipal staff – they should be invited to participate and provide input. For example, the Department should schedule two to three visits per month minimum.
- b) The Department should continue to maintain a current listing of available properties for business investment. In order to ensure this is complete, it requires local municipalities' participation and agreement with Realty Boards serving the region.
- c) The Business Directory listing should be enhanced with the use of Geographical Information Systems (GIS) to enable website users to quickly locate and identify businesses, along with relevant information and data.
- d) Manufacturing/business development activities by the Counties should focus on those municipalities with industrial/business parks and/or municipal services. No municipality would be precluded however, the primary focus should be towards municipalities that have existing industry/business areas and parks and/or municipal services. There is also an opportunity to work with the separated municipalities in this area.
- e) Since few local municipalities have serviced industrial/business areas, the viability of dry serviced lands should be increased by better communications and understanding of the potential uses and types of private services.
- f) A formal marketing plan should be developed annually for business investment. This may include using the resources and opportunities of the Ontario East

- Economic Development Commission and the province to participate in investor attraction events and trade shows. Each year a budget would need to be approved to participate in such events. However, due to the fact that this is a very high cost venture and low success in attracting manufacturers, such costs should not exceed other more productive activities.
- g) The formal marketing plan should be communicated to local municipalities.
 - h) The Counties should pursue partnerships with local and regional entrepreneurial ventures, such as Launch Lab, the Angel Network, and the local food hub. Once again, such partnerships need to be evaluated against the Counties goals and objectives and available resources.
 - i) The Counties should participate in any regional opportunities evolving out of the Eastern Ontario Economic Development Strategy. Over the next few years, it is expected that the action plans will be implemented. The work of this strategy will complement the work of local economic development.

Tourism

- a) In conjunction with the local municipalities, the Counties should complete a tourism strategy for Leeds and Grenville. This project has been considered over the past several years but due to other tourism priorities, it has not been completed. The strategy will provide the Counties with direction in tourism development and a tourism marketing plan.
- b) The tourism strategy should consider the use of technology where possible.
- c) After the tourism strategy is completed, the Counties should consider a trails strategy. The trails should consider walking, cycling and other uses. Trails are found in the Integrated Community Sustainability Plan. In the meantime, the Roads Department and GIS should map the existing trails.
- d) The Counties supported the project called Visitor Experience Opportunities Concept (VEOC) for the Rideau Canal in response to Parks Canada's 2013 announcement to reduce the operating hours of the canal. Based on this work, there are still ideas to be initiated and implemented, and the Counties should remain committed to its leadership role. In the future, a VEOC for the Thousand Islands may be beneficial to consider.

Other

- a) From time to time the department will have special projects that would enhance economic development. Prior to pursuing such special projects, a full work plan and budget, including staff time, should be developed. Based on this plan, if resources are available, then the special project will be initiated.
- b) From time to time, the department must react to decisions impacting the local economy. Examples include the Parks Canada decision to reduce the hours of operation of the canal in 2013, or the closure of the Kemptville Campus of the University of Guelph, or a plant closure. When such unplanned phenomena occur, staff should determine if it is possible to continue with the existing work plan or make changes. Should changes be required, the Economic Development Manager should submit such changes to the CAO for direction and a decision.
- c) From time to time, site selection inquiries occur with little to no prior notification. Staff must evaluate the request, re-prioritize activities and quickly respond in order to position Leeds and Grenville as a site of choice, where applicable.
- d) Annually, the Economic Development Manager should prepare an annual work plan based on the department's established goals and objectives. These goals should focus on the 5 following areas:
 - Leadership and Capacity Building
 - Business Investment and Attraction
 - Business Retention and Expansion
 - Tourism
 - Communications

The work plan should provide details as to what projects and work is planned, the estimated costs, the time required by staff, any revenues, and the expected outcomes. The outcome should be related to a performance measure or metric that will indicate success and/or completion.

- e) Any consideration of a regional economic development corporation concept as proposed by the Brockville and District Chamber of Commerce should be deferred indefinitely. The Counties and the separated municipalities should strive to work collaboratively where possible. Prior to Council considering the regional model again, staff should be able to report back to Council on how such collaboration is working and if there warrants a need to consider the consolidation of the four economic development entities.

- f) The annual economic development budget has been steadily increasing over the past 5 years. Given the present budget and staffing level, it is difficult to foresee any need for a significant increase in the budget, other than inflation and/or for a one-time special project as approved by Council.

Considering the work plan and budget, the staffing level appears to be sufficient. This does not preclude the need for additional staff from time to time based on a special project or work providing resources are available.

However, it is important to note that some planned activities may recommend adding resources going forward (ie. tourism strategy recommendations). In such cases, Council will consider these needs during its annual budget deliberations.

Part 5: Conclusion

Overall, the Counties Economic Development Department has grown and, based on the findings in this report, is on the 'right track'. Though there are some small 'tweaks' as outlined in the above recommendations, there does not need to be any significant changes, either with the structure, budget or work.

Each year the CAO and Manager should update the work plan, and in five years, undertake another review to determine if further changes are required.

Attachments

The following documents are appended to this report:

1. List of background resources / review documents
2. 2015-15 Economic Development Implementation Plan

Economic Development Review Research

Internal Documents:

1. Leeds-Grenville Economic Development Strategic Plan – Final Report (Economic Growth Solutions Inc), July 2002
2. United Counties of Leeds and Grenville Competitive Economic Analysis (McSweeney & Associates), March 31, 2005
3. United Counties of Leeds & Grenville Economic Development Action Plan, November 19, 2008
4. Leeds-Grenville 2013 and 2014 Economic Development Action Plans

Other Upper Tier and Municipal Plans/Strategies:

1. Prescott and Russell Economic Development Plan – Final Report (Millier Dickinson Blais Inc.), February 22, 2011
2. County of Hastings Economic Development Strategy (Blais & Associates), January 2007
3. Peterborough Economic Development 2013 Quarterly Reports and 2014 Budget
4. Stormont Dundas & Glengarry CAO's Confidential Report to Council re: services delivery review of economic development, August 13, 2012
5. County of Northumberland 2011 to 2014 Strategic Plan
6. Lanark County: What the future may hold – Vision 2025
7. Town of Gananoque Economic Development Strategy 2014 – 2016

8. Village of Merrickville-Wolford Economic Development Strategic Review and Action Plan, October 15, 2013
9. Township of Edwardsburgh/Cardinal Economic Development Strategy, May 7, 2012
10. Municipality of North Grenville Economic Development Strategy
11. Township of Front of Yonge Community Profile, 2013

Regional Documents:

1. Eastern Ontario' Economic Development Strategy (Millier Dickinson Blais), February 2014

ED Performance Measures:

1. Measuring Up! Performance Measurement for Economic Development: A Guidebook for Economic Development Practitioners (Ontario Ministry of Agriculture, Food and Rural Affairs) 2013
<http://swea.ca/wp-content/uploads/2013/03/PMR-presentation.pdf>
2. Presentation to the 2012 Economic Development Association of Canada Conference titled: Performance Measurement for Economic Development
3. 2013 Economic Development Performance Indicators for the Ottawa Valley Economic Development
4. Performance Measurement in Economic Development (Prepared by Matthew Fischer & Associates Inc. for EDAC/ACDE) September 2011
<http://edac.ca/wp-content/uploads/2014/03/Final-Report-Oct-20-Performance-Measurement-in-Economic-Development-EDAC-Project-Sept-version Addition May7 2013.pdf>
5. State-of-the-Art Measures in Economic Development, International City/County Management Association, January 12, 2012.

Other Documents:

1. Theory & Practice of Economic Development: A Basic Guide for an Economic Development Program (Matthew Fischer & Associates Inc.) April 2013