



Working together with our community

## Council-In-Committee Meeting – November 15, 2023

Subject: Economic Development Strategy  
Report Number: CD-23-089  
Division: Community Development  
Department: Economic Development  
Ward: All Wards  
Purpose: For Decision

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### Recommendation(s):

THAT report CD-23-089 Economic Development Strategy, be received for information;  
  
AND THAT input be received on the new Economic Development Strategy, as attached to report CD-23-089, and a decision deferred until the Implementation Plan is considered at the December CIC meeting and subject to the approval of the 2024 budget.

### Executive Summary:

Economic development is all about attracting and growing businesses; creating and retaining jobs; and making our communities better places to live.

By attracting and growing local businesses, the Norfolk economy is strengthened by an injection of locally produced goods and services. Strong businesses pay taxes that go towards vital services such as roads, fire, infrastructure and schools. Businesses also provide good jobs that put money in people's pockets and allow for a higher quality of life. Those dollars flow out into the community, creating a multiplier effect – expanded business, more jobs, and enhanced economic sustainability into the future. Economic development has a lasting impact on a community.

Based on the above, staff are pleased to present a new Economic Development Strategy for 2024-2027 along with accompanying support documents.

The four core themes and goals are: **Support & Retain; Attract; Grow; and Connect.** These core themes, as summarized through the report, form the foundation for the new strategy and are the focus for the work that lies ahead.



## Discussion:

### Background

#### *Phase 1*

The County retained a consultant, KPMG, to conduct community and stakeholder engagement, review the 2019 Norfolk Economic Development Strategy, provide other municipal economic development practices, undertake scoped background research, and offer expert opinions on directions that Norfolk should consider for priorities in a new 4-year Economic Development Strategy. This Phase 1 work started in May 2023, was completed and presented to the Economic Development Advisory Committee (EDAC) in August and then later to Council-in-Committee (CIC) on September 12, 2023. KPMG's summary presentation is included as Attachment A to this report.

Based on this background work, KPMG suggested and identified a number of key priorities to consider in the development of the new Strategy. These included:

- Investment in the economic development department
- New business investment and job creation
- Business Retention and Expansion (BR&E)
- Investment readiness
- Talent attraction
- Branding refresh

The KPMG Final Report, including summary of survey results, SWOT Analysis, comparator municipalities and more details on the priorities to consider is available at: <https://pub-norfolkcounty.escribemeetings.com/filestream.ashx?DocumentId=19091>.

The accompanying Staff Report CD-23-069 for the September CIC Meetings is also available for further background at:

<https://pub-norfolkcounty.escribemeetings.com/filestream.ashx?DocumentId=19090>

### *Phase 2*

Following the KPMG report, staff undertook Phase 2 of the project which included further engagement through EDAC, peer reviews, another Council Workshop, further review of potential priorities and actions along with a deep dive into statistics not previously available and utilized. The statistics collected are broad but provide valuable background and information as a resource for the preparation of the Strategy and future use. They are compiled into an Environmental Scan document which is Attachment B to this report.

The Phase 1 KPMG work and report, public and stakeholder engagement, environmental scan, further research, Council workshop, EDAC feedback and additional staff consideration for the priority actions and next steps has informed this staff report and the new Economic Development Strategy 2024-27 (see Attachment C).

## **Overview of New Strategy**

All the research and engagement identified countless opportunities and provides many options for direction. Knowing we can't be all things to all sectors or people we have focused on core best practices that align with our strengths, priorities, and opportunities. With all the above documents and research as our compass, we have identified 4 core themes, and these are reflected in our four primary goals: **Support & Retain; Attract; Grow; and Connect**. It is important to note that all ideas and opportunities have been documented and identified and staff will keep a close eye on the economy and will pivot as funding or opportunity arises, in order to maintain the integrity of the plan itself.

These core themes, as summarized below, form the foundation for the new strategy and are the focus for the work that lies ahead. The outline below provides additional context to the goals, priorities and recommended actions in the new Economic Development Strategy 2024-27, which is attached to this report for consideration.

### *Goal 1: Support and Retain*

This first goal is about renewing our commitment to the many incredible businesses that have already made their home in Norfolk. We'll be working proactively to minimize barriers to growth, and to maintain a culture of unwavering business support through regular, dedicated contact and communication with our existing business community. As part of this effort, we'll be developing and implementing a Business Retention and Expansion Action Plan, to provide ongoing support and service. Also, we'll be pursuing

potential avenues for funding and working with partners to attract more visitors to the area.

Generally speaking, business retention and expansion (BR&E) has been the economic development go-to tool for decades. It has been proven to have one the best ROIs and is measurable in the short term – unlike Foreign Direct Investment, which tends to have a large ROI but a long sales cycle and resource intensive. Consider the following three historic sectors that were identified in the KPMG report as key areas of opportunity we have in Norfolk:

- Agriculture = 1,210 establishments
- Manufacturing = 181 establishments
- Arts, Entertainment, Recreation, Information and Culture = 140 establishments

Developing and implementing a solid BR&E program is an easy win for Norfolk County. It's a proven methodology with proven results. A solid BR&E is heavy on resources and can be carried out by a well-seasoned EDO and Students. We often call on our partners such as Venture Norfolk, Chamber of Commerce and BIAs in launching the BR&E campaign. BR&E is about business visitation. It's not just a survey, it's a relationship. It's going out to meet the business large and small, to identify red flag and green flag issues. As you can see by the number of businesses in Norfolk, this is no simple task. It will require staffing, administration and follow-up.

At a high level, BR&E involves collecting tombstone information – something we do not currently have. It involves the implementation of a Customer Relationship Management (CRM) system for this information to be stored and updated on an ongoing basis. Staff would connect directly with businesses to find out their staffing, expansion potential or potential changes, need for access to capital or other business services, skills development, etc. Many of the potential answers require in-depth follow-up and connecting of the business to our partners such as Venture Norfolk, Innovation Centre's, federal and provincial agencies and many others. This is a concierge service that ties in with the results of the BR&E survey.

It is a widespread practice for municipalities to contribute financially to these grassroots business services mentioned above to further help our business with specialized services. This leads us to potentially formalizing partnership agreements with Venture Norfolk and the Brantford Brant Small Business Enterprise Centre, to deliver or assist with those critical services on our behalf.

### *Goal 2: Attract*

Attracting new business investment and job creation in the region is one of the main goals of the plan. The plan outlines four objectives that will help to enhance both the economic competitiveness and environmental stewardship of the area - ensuring that sustainability and innovation are guiding principles. We'll be looking for new ways to attract creative industries, along with value-added food processing, and new partnerships with neighbouring communities. And, we'll be exploring ways to make

industrial lands available to potential business investors. It is important to note that economic development is regional by nature.

### Agriculture and Manufacturing

The new strategy recognizes that agriculture and agri-tourism continue to be foundational elements within our area. We strongly believe that looking at value-added food processing and a potential food hub or terminal is a solid strategy objective. We also recognize that the arts, culture, and entertainment sectors will continue to be fundamental to the county's strategy as well. What follows below is a discussion of some of the key considerations driving the new priorities and objectives under the theme "Attract".

The manufacturing industry in Norfolk produces 2,829 jobs, accounting for 11.1% of all jobs in 2022. Our exports for this sector in 2020 were \$1,472,942,135.

The agricultural industry in Norfolk, at 2,246 jobs, accounted for 8.8% of jobs in 2022. Our exports in 2020 were \$507,811,372.

The manufacturing and agriculture industries are the two sectors with the highest dollar amount in exports, solidifying their importance in the Norfolk economy.

### Employment Lands for Investment

Employment lands are properties designated in an official plan for clusters of certain business and economic uses, including manufacturing, warehousing, offices and associated retail, post-secondary education, medical and health services along with many others.

Long-term planning and looking at a strategic approach in Norfolk's ability to appropriately match the industry needs with the available inventory of lands is significant and critical to attract investment. The plan is to lay the foundation to attract industry, institutional and business to our community to fill gaps and needs that support our already strong manufacturing and agriculture clusters.

In Norfolk, we currently have zero vacant county-owned industrial lands. An inventory of industrial lands has been created and the Planning Department has worked with a consultant on an employment lands review as part of the growth study, which will shed more light on the current and future opportunities. The growth study will continue to inform the Economic Development Strategy as will many others corporate plans; and the Economic Development Strategy will continue to inform new plans being considered and implemented as well to ensure full alignment with the overall strategic plan of Norfolk.

Having a solid and up-to-date inventory of private and public lands along with the full specs on each property is mission critical when being considered for investment by site selectors. And when we talk about this inventory, it is not with blinders on. We want to look at all possibilities that can contribute to sustainable growth that aligns with our

corporate values while protecting our deeply rooted agriculture and natural heritage assets.

It is not unheard of to have partnership with private developers and landowners to come together to create industrial parks, large scale sites with provincial caliber parameters, post-secondary institutions or a simple innovation park or campus.

This priority looks at undertaking a business case for new Business Park development (either municipally-owned or possible joint venture). This is a large undertaking but would be done in a staged, collaborative approach. A next step is to develop needs studies by sectors, such as advanced manufacturing, health sciences or other emerging sectors. The potential to create space for innovation, healthcare, institutional or other campuses may not just be in a traditional suburban location but could explore the possibilities for central, urban areas like downtowns as well.

### *Goal 3: Grow*

This theme is all about the people – the talent that runs the local economic engine, and that will continue to be required and developed as Norfolk County moves towards its future goals. Recognizing that people seek more than just employment opportunities, Norfolk County boasts an unmatched quality of life, striking a harmonious balance between affordability and the unparalleled beauty of our natural surroundings. We'll be working with partners to attract entrepreneurs, students, newcomers, and temporary workers, promoting opportunities for skilled labour and agricultural careers in the area. And, we'll ensure that opportunities for education, housing, and transit “grow” as part of the strategy as well.

### *Newcomer Squad*

The heart of Norfolk County's potential rests on the diversity of its people. By actively seeking entrepreneurs, students, newcomers, and temporary workers, we enrich our community with varied perspectives, skills, and innovations.

Our “Newcomer Squad” aims to ensure smooth integration for those new to Norfolk County by fostering partnerships that prioritize inclusion. Additionally, we understand the power of mentorship for those with an entrepreneurial spirit, thus aiming to link them with local leaders to facilitate success. By promoting Diversity, Equity, and Inclusion through workshops, we establish a foundation for a robust and inclusive local economy. Lastly, by undertaking a case study on the quality of life for our workers, we aim to continually refine the Norfolk experience, ensuring it remains attractive and fulfilling.

### *Innovative Housing and Transportation Strategies*

The pillars of a thriving community also include accessibility and affordability in housing and transportation. By collaborating with BIAs, local chambers, and promoting mixed-use development, we aim to rejuvenate our downtown areas, making them hubs of economic and social activity. Other forms of housing opportunities for seasonal workers (agricultural, tourism sector, etc.) can be further considered with other departments through zoning and new building techniques. Additionally, the undertaking and



implementation of a Transit Master Plan will explore bridging the gap between employment opportunities and our labor force, helping with commute options and accessibility.

### Tailored Training and Educational Programs

For Norfolk County to remain competitive and progressive, the development of our workforce's skills and knowledge is paramount. Through strategic collaborations with various stakeholders, including governmental bodies, educational institutions, and local businesses, we'll work to ensure that training is available that taps into areas like agricultural leadership and innovation. Recognizing the shift in global economic trends, we're also keen on identifying opportunities in emerging technologies, positioning Norfolk County as a beacon for innovative rural education.

### Goal 4: Connect

This theme is about optimizing use of our Economic Development branding and marketing along with ensuring we have the capacity and tools to deliver on the programs and services outlined in the Strategy. It's about highlighting the unique value propositions that differentiate Norfolk from the competition. It's about building our own capacity and the capacity of our partners to do the important work that is ahead of us. It's about facilitating the connections within our community that make us stronger – things like transit, industry clusters, and business incubation. And it's about building important relationships throughout our business network and service support agencies.

### Building the Economic Development Brand

When you think of Norfolk's Economic Development brand, what comes to mind? How does the brand make you feel? Branding is more than a logo, it's creating a strong, positive perception that residents and visitors can identify with and feel connected to.

Within the Economic Development Department there have historically been a few brands including Norfolk Tourism, Norfolk Business, Direct from Norfolk, and Ontario's Garden (2010). Recently, Visit Norfolk, Find Your Folk, and Amplify Norfolk have been adopted successfully. We've also used partner brands like Ontario's South Coast (2006), Ontario's Southwest, Cruise the Coast, Toast the Coast, and others. As a department, we will partner with communications to determine a plan on an overall branding strategy related to economic development. There are currently issues with the Economic Development website ([norfolkbusiness.ca](http://norfolkbusiness.ca)) that we will be working to address, as well as wholesale change with the Tourism website.

### Communicating the Comparative Advantage of Norfolk

For this priority, we need to prepare a community profile and investment package to target various sectors. This is another item that Norfolk has been lacking and far behind other municipalities. The Environmental Scan prepared as background to the Strategy is a big step forward to provide some data to prepare an updated profile. Having a solid infrastructure and growth plan in place will also further support the ability to market Norfolk. Using a range of medium, including profile videos and testimonials, we can communicate the advantages of investing in Norfolk.

### Develop the Capacity and Tools to Deliver

Under this section, we are also going to address the allocation of resources and establishment of service levels to meet the priorities and objectives assigned to the Economic Development department under the new Strategy and considering core services. The extent of success on the economic priorities and actions for Norfolk is correlated to the priorities and resources within Economic Development to execute on it.

As part of the background work for the Strategy, a deeper budget analysis was conducted on 16 regions within Ontario compared to Norfolk, using the following variables: Total Population, Total Budget, Total Economic Development Budget, Percentage of Budget Allotted to Economic Development, and Dollar Spend Per Capita on Economic Development. To get a clearer idea of staffing levels, Norfolk was compared against 6 communities, using the following variables: full-time employees, part-time employees, summer students, and contracted staff. It is clear from the KPMG work and further background research that Norfolk is significantly lagging behind most municipalities in terms of resourcing (and implementation of these actions) and is operating near a minimum level of service while continuously having to “punch above our weight”.

Appropriate resourcing is critical simply to maintain services and to maintain key statistical information that is vital to our success and the businesses, investors, and developers we serve and wish to attract. Simply put, Economic Development is everything in a community - from the roads, to shops, to biking trails, to festivals. Staff in the Economic Development Department “connect the dots” between people and businesses every day to help them thrive, and we ultimately create a stronger, more profitable community.

In this new and evolving economy, now is the perfect time to consider redesigning Norfolk Economic Development Department's landscape for the future. This will be further explored in the Implementation Plan and the Strategy actions.

Economic Development is structured differently across the country and globe and every municipality is unique. With all the above in mind, in some municipalities, the creation of an EDC – (Economic Development Corporation) has proved to be highly successful. An EDC is a separate entity from a municipality - it is at arm's length. It is governed by a Board of Directors - usually made up of City CAO, Council member(s), industry leaders and sector specific memberships such as Healthcare, Manufacturing, Arts and Culture, Agriculture etc.; it still works in tandem with the public's and Council's interests. EDC's can operate outside the confines and bureaucratic process that can slow economic development actions. With an EDC, there is an opportunity to implement projects more quickly, and respond to the public's needs with a more dynamic approach. We can look to communities such as St. Thomas who are experiencing tremendous growth in all sectors. This can likely be attributed to the presence of the St. Thomas EDC.

This would also further open doors for creating a dedicated Destination Marketing Organization (DMO), which could benefit the community by encouraging tourism. The



DMO is able to work with our regional tourism organizations that are funded primarily throughout the province. Currently, the Economic Development Department is acting as the DMO for Norfolk.

And though we don't want to debate the pros and cons today, this is something that would be explored as part of the Strategy implementation.

Furthermore, we will conduct a review of existing or new tools that may be available to capitalize on or creating new funding opportunities and establish or re-invigorate incentive programs with the aim of best supporting the priorities and actions in the Strategy. This includes a fulsome overhaul of Norfolk's Community Improvement Plan (CIP). The CIP is a tool that allows a municipality to direct funds and implement policy initiatives toward a specifically defined project area. Norfolk's CIP establishes a framework for support and implementation of programs that may be used to encourage the maintenance, rehabilitation, and redevelopment of properties in the County. This include a suite of incentives designed to drive tax assessment growth, improved downtowns including façades, environmental remediation, and repurposed buildings, etc. It is past the 5-year review time and a refresh is in order, especially considering Norfolk's financial position and our goal of focusing efforts on key areas. Another option to explore which would help support local partners conducting tourism efforts is to conduct a stakeholder-based study on municipal accommodation funding for consideration.

## **Implementation Plan and Economic Action Fund**

The next step is to prepare an Implementation Plan for the priorities and actions within the Strategy. This framework will include a general outline or chart of the action's main deliverable, expected timeframe or priority level, departmental/staff lead, resource and potential budget implications along with starting to establish key performance indicators.

If we are serious about taking action on this strategy, and helping improve the economy and community with strong delivery and lasting effects, we need to look at appropriate levels of funding and resources. Generally, many municipalities are 10-20 years ahead of us and have been undertaking, evolving and innovating many of the priorities and actions outlined in the Strategy that we are just about to start. We don't simply want to just 'catch up' but to 'leapfrog' ahead. There are several new actions for Norfolk that could help us get there.

In this regard, one option being explored is the creation of an Economic Action Fund that would be utilized and leveraged specifically towards the action items in the Strategy with priority to outward and business-facing initiatives. This could be deployed and leveraged similar to the Economic Recovery Action Plan Fund in 2021-22 that was a strategic \$250,000 investment from the existing Council Initiatives Reserve that with subsequent grants and other partnership funding combined to over \$835,000 and when considered with external partner grants supported by Norfolk reached over \$1M into

local economic initiatives. At the end of the initiative, the majority of actions were completed and a remaining balance was returned to the reserve.

The Implementation Plan framework and recommendations for the Economic Action Fund along with resource implications of the Strategy's priority actions will be prepared for consideration at the December CIC meeting. The new Strategy and Implementation Plan are recommended to be contingent upon the 2024 budget consideration. Should the amount of resource be limited, the Strategy will need to be scaled back to even more basic levels.

#### **Financial Services Comments:**

As signaled in Report CD-23-069 New Economic Development Strategy Phase 1, the 2024 New Budget Initiative (NBI) process and earlier in this report, funds and/or resources would likely be required in order to effectively implement action items in the proposed strategy. Economic Development staff are recommending that a decision on the strategy be deferred until the implementation plan framework is provided in December which would include an estimate of potential costs associated with implementing the priority actions.

It is important to note that staff brought forward an NBI as part of the 2024 NBI process, noted in report CS-23-159, for an Economic Development Action Fund for \$150,000 to deliver on actions from the new strategy. However, this initiative was not brought forward in the list recommended for inclusion in the 2024 Levy Supported Operating Budget. Financial Management and Planning staff will work with the Economic Development team to review and seek alternative financing options when the implementation plan framework is brought forward to Council in December.

#### **Interdepartmental Implications:**

This strategy and many components of it are broad strokes that may connect or have implications to departments throughout the corporation. Many of the goals will be completed through collaboration with Communications, Planning, Engineering, and others. The implementation will be mindful of other department work plans and capacity as we unfold this comprehensive new Economic Development Strategy.

#### **Consultation(s):**

As per the KPMG report, engagement was conducted including 2 focus groups, and 15 one-on-one engagement sessions. In addition, KPMG conducted an online survey with the assistance of the Economic Development Department and the Corporate Communications and Customer Service Department with 396 respondents.

The Economic Development Advisory Committee was engaged at the June 21, 2023, meeting, participated as part of the phase one engagement process, reviewed the final

KPMG report during their August 29, 2023 meeting, and was further engaged and provided feedback on the final strategy at the October 18<sup>th</sup> meeting.

When KPMG met with EDAC on August 29<sup>th</sup> and presented the findings of the draft priorities, EDAC echoed some concerns related to affordable housing and housing for workers, and also endorsed a process-mapping document that would make the county process clearer for those accessing services.

In addition, a meeting was held on August 24<sup>th</sup> with the County Senior Leadership Team (SLT) to obtain additional input and feedback.

Council participated in a workshop in April 2023 and on September 25, 2023, to review feedback and provide input on direction for the new Strategy.

### **Strategic Plan Linkage:**

This report and all attachments align with and directly action the 2022-2026 Council Strategic Priority Empowering Norfolk - Putting the tools and resources in place to ensure our businesses' and residents' success. The preparation of the new Economic Development Strategy is a direct action item to implement this strategic priority which includes "Developing strategies that support our changing needs and encourages innovation in Norfolk". Further,

- The KPMG report and the attached Strategy have significant focus on this pillar, which creates an environment where the County can act as a catalyst for business start-up and ongoing expansion and successes.
- Foster and build partnerships with the community, partnering with the community, institutions, and industry to address the needs of Norfolk.
- Create a place where businesses and residents can thrive.

This report and the strategy also align and help implement most of the other 2022-2026 Norfolk Strategic Priorities, including Building Norfolk, Connecting Norfolk, Sustaining Norfolk and Serving Norfolk.

### **Conclusion:**

With the KPMG report, public engagement, and council input in mind, staff have found a balance to implementing a plan that will ensure all our traditional sectors (such as Agriculture, Manufacturing, and Tourism) are supported, while increasing our focus on new and emerging opportunities within sectors such as Food Processing, Advanced Manufacturing, Health Sciences and Creative Economy. Existing businesses will be supported as they expand and grow.

With the appropriate backing, the new Economic Development Strategy 2024-2027 is sound, strong, realistic and achievable. It aligns with the corporate priorities,

engagement and expectations from our community and partners while charting some new courses to balance our economic objectives.

Our previous strategic milestones have paved the way, but it's our proposed strategy – attuned to the current economy's pulse and the aspirations of Norfolk's communities – that envisions a future filled with growth and inclusivity.

With the guidance of our four central goals, we have a clear roadmap to drive Norfolk's economic narrative forward. Together, armed with this strategy, we will chart our course towards a brighter, prosperous tomorrow for Norfolk.

#### **Attachment(s):**

- Attachment A – Phase 1 - KPMG Summary Presentation September 2023
- Attachment B - Norfolk Environmental Scan 2023
- Attachment C - Economic Development Strategy 2024-2027

#### **Approval:**

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