

Staff Report



To	Committee of the Whole
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, January 10, 2022
Subject	2022-2026 Economic Development and Tourism Strategic Plan

Recommendation

1. That the 2022-2026 Economic Development and Tourism Strategic Plan be approved.
 2. That the revised terms of reference for the Guelph Economic Development Advisory Committee be approved.
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Executive Summary

Purpose of Report

With the expiration of the City of Guelph’s 2010-2020 Economic Development and Tourism Strategy: Prosperity 2020, the 2022-2026 Economic Development and Tourism Strategy creates a new flexible, resilient path forward for the City of Guelph’s Economic Development and Tourism department including Guelph Junction Railway (GJR) over the next five years.

Extensive stakeholder engagement for this revised strategy was completed prior to March 2020 but was paused due the COVID-19 pandemic and re-initiated in 2021.

The strategy focuses on building Guelph’s economic clusters, workforce development, placemaking, increasing GJR revenues and marketplace identity. It includes a benchmarking analysis that compares Guelph’s economic performance across six categories to 14 peer competitor communities, as well as a comprehensive industry cluster analysis.

The strategy will evolve to reflect a data refresh in 2022, when census data is released to validate any data assumptions followed by a full review in 2023 to account for pandemic recovery. A more robust engagement and review of the strategy will be undertaken in 2025 to prepare for Council approval in early 2026.

Key Findings

In September 2020 a corporate reorganization created a new Economic Development and Tourism department (EDT), which increased the scope of the strategy to include the function of tourism in addition to economic development, and the Guelph Junction Railway (GJR). The 2022-2026 Economic Development and Tourism Strategy will set the stage to direct the efforts of the department over the next five years and aligns with Guelph’s Community Plan and Guelph. Future

Ready, particularly around the pillar of Powering our Future, and will guide and support COVID-19 economic recovery for the city.

The Economic Development Strategic Plan includes the following:

- A new vision for the department: distinct, resilient, and bold, Guelph is a center for innovation, creation, and community.
- Five guiding principles to serve as a framework to structure the development and implementation of the strategy.
- Six strategic goals:
 - **Goal 1: Expand support for existing businesses** - Guelph can leverage its identified strengths by supporting its large and many small businesses in established clusters and priority sectors.
 - **Goal 2: Attract targeted investment** - Guelph must be able to clearly articulate local investment opportunities and build relationships with target audiences in order to continue to attract investment that supports industry clusters and priority sectors.
 - **Goal 3: Champion an innovative and entrepreneurial ecosystem** - Guelph has demonstrated strengths specifically in future-focused business models such as circular, social, and cooperative. Guelph needs to continue to support entrepreneurs and small businesses of all types (including home-based).
 - **Goal 4: Advance talent attraction and skill development** - Guelph needs a unified approach between community partners, placemakers, other levels of government and the private sector to continue to attract and train the kind of workers Guelph's local economy needs.
 - **Goal 5: Build a must-see visitor destination in Ontario** - Guelph has an opportunity to leverage the downtown core, university and college campuses, and recreation assets to drive recovery and growth in this sector.
 - **Goal 6: Enhance Guelph's unique brand for business, talent, and visitors** - A well-articulated branding strategy strengthens a community's sense of place by creating alignment between the language and messages created for and by business, community, and visitors.

The strategy leverages and builds on the business engagement activities conducted in early 2020 and the Community Plan's year of listening. Additional targeted engagement was done in 2021 with staff, business service organization representatives and appointees to Council's Tourism and Economic Development Advisory Committees. In addition to engagement, the strategy is further informed by supporting economic analysis reports:

- The **Community competitive assessment report** compares Guelph to 14 Canadian communities in Ontario, whose size, demographics, and economics are similar to Guelph's and offer policies and best practices that the community can look to for inspiration. Over 40 metrics were collected for the City of Guelph and the benchmarking (comparator) communities. The metrics fall into the following six categories: People and Diversity, Talent, Economic Vitality, Innovation, Equity, and Quality of Place.

- The **Cluster analysis report** provides economic analysis of three industry clusters in Guelph, as well as three priority sectors (sectors that demonstrate competitive advantages that requires specific support).

To accompany a renewed vision and priorities for the department, a revised terms of reference was created in 2021 in coordination with GEDAC. The proposed new mandate of this committee is to:

- Be a voice for businesses in City initiatives put forward by staff that may have identified economic development impact;
- Monitor the performance of the Economic Development and Tourism Strategy; and,
- Champion economic development programs and initiatives.

Financial Implications

The institution of the Municipal Accommodation Tax is imperative to the implementation of key destination management and marketing activities outlined in this strategy; this was not included in the 2022/23 budget and will come to Council on February 7, 2022.

The 2022/23 budget included a proposal for funding to enhance the City's support of business services in Guelph to enable the full implementation of the economic development initiatives outlined in the strategy. This was not approved.

As such, staff will monitor external and alternative funding opportunities as they are made available to enable implementation of the tactics, initiatives and activities as outlined in the strategy.

Report

In November 2008, Guelph City Council committed to the development of a ten-year Economic Development and Tourism Strategy for Guelph — Prosperity 2020. Prosperity 2020 led the delivery of economic development and tourism services between 2010 and 2020, in a coordinated approach with our local business, government, and tourism support partners. Over the course of Prosperity 2020's implementation, Guelph became a community well-recognized for its fast and diverse population growth, well-performing labor force, and progressive business support networks. The ten-year implementation plan put in place a number of foundational tools and partnerships from which the 2022-2026 EDT Strategy continues to build on and enhance.

The Economic Development and Tourism (EDT) Strategy is the result of this extensive community engagement, research, and plan scan work, as well as targeted engagement with Guelph's business community and support ecosystem. In addition to these two guiding documents, Guelph has 27 plans that deal with economic benefit and inform EDT's work. The EDT team has a role in informing other City work when it overlaps with developing the strong and diverse economy envisioned in the Community Plan.

Guelph's Community Plan

Guelph's Community Plan is built upon sustaining meaningful relationships and creating value for residents, businesses, and visitors by investing in a shared, overarching vision for Guelph.

Guelph. Future Ready 2019-2023

The Strategic Plan, with a core vision that we will be Future Ready, is a far-reaching mandate that envisions an inclusive, connected, prosperous city where we look after each other and our environment. The directions are grounded by the core values that influence everything we do: integrity, service, inclusion, wellness, and learning.

2022-2026 Economic Development and Tourism Strategy

Armed with clear and focused direction from the strategic work noted above, this strategy was further informed by respected, professional expertise in economic development and tourism; local, regional, and global best practices; and input from several City departments and courageous and bold community leaders.

Guiding Principles

Five guiding principles serve as a framework to structure the development and implementation of the strategy:

Cluster-focused. Pursue opportunities that support industry cluster growth. Decades of economic research has demonstrated that industry clustering is a key component of innovation and economic growth. Strategic activities undertaken through this strategy will identify and support emerging and established local industry clusters.

Opportunity for all. Use an equity lens to guide economic development and tourism efforts. Cities and companies that are destinations for talent are welcoming to all, regardless of race, gender, sexual orientation, or immigration status. Support should be considered for inclusive and accessible business programming and placemaking efforts that are reflective of Guelph's diversity.

Collaborative spirit. Engage private and public partners to build Guelph's marketplace image and address obstacles. It's the role of City government and economic development officials to serve as the backbone organization for collaboration to tackle large picture economic challenges. Partnerships through this strategy should be aligned to ensuring that the actions taken by individual actors serve the city's broader priorities.

Data-driven. Effectively and consistently use data to help guide decision-making. Data should be used to measure Guelph's economy, but also drive innovation, predict and prescribe for the future, and define how we serve our visitors and businesses. The pursuit of good data and insights is invaluable in supporting our partners and measuring the effectiveness of our goals.

Continuous learning. Encourage ongoing training and improvement among City leadership, staff, and partners. As conditions change, stakeholders will need to adapt. Guelph's economic development and tourism strategic actions are designed with continuous iteration and improvement in mind and should be seen to serve as steppingstones in our processes, policies and people practices.

Established Industry Clusters in Guelph

Guelph's cluster support approach is centered on three existing industry clusters and three priority sectors. Established clusters include:

Advanced manufacturing

Guelph is home to Conestoga College's motive power trades campus that includes trade and skills training in automotive, truck and coach, heavy equipment, recreational vehicles, and motorcycles and benefits from proximity to Next Generation Manufacturing Canada—the Federal Supercluster for advanced manufacturing.

Agri-innovation

Guelph is home to Bioenterprise Canada's National agri-innovation accelerator that is driving innovation across the agri-tech and food industry. The University of Guelph, known as Canada's food university, is internationally recognized as the center of excellence in agri-innovation, bio-science, nutritional science, and food science.

Life Sciences

University of Guelph is also an internationally recognized center of excellence in bio-science. The sector is supported by a strong supply chain in professional services.

While the following priority sectors are not yet defined industry clusters, they are demonstrating competitive advantages and rapid growth or in the case of tourism, require specific support which will drive economic opportunity.

Clean Technology

Guelph's commitment to use and manage energy differently drives green technology innovations and solutions both through Our Energy Guelph and Alectra's Green Energy and Technology Centre.

Information and Communications Technology

With identified strengths in specialized talent, this sector is growing and taking advantage of the city's location on the Innovation Corridor.

Tourism

While all sectors and many businesses have experienced unprecedented revenue losses and interruptions due to COVID-19, the tourism sector businesses were particularly impacted and will require tailored programming support to guide recovery.

Performance measurement

The City and community partners will collaborate to implement the goals and priorities within the framework of the City's values and the strategy's guiding principles. The following key performance indicators will help the City to track, measure and analyze the effectiveness of the strategy, and make course corrections as needed.

Guelph Economic Development and Tourism Key Performance Indicators

- **Business outreach** – the number of businesses proactively connected with to provide supports and service to meet business needs.
- **Business support and development** – measuring the programming, initiatives, activities and services provided to advance business growth.
- **Investment attraction** – determining the success of programming and services that attract new business interest and investment into the city.
- **Marketing and promotions** – measuring the various channels and means of connecting with target audiences.
- **Service excellence** – measuring the ability to deliver appropriate services that meet the needs of business in the most appropriate way.
- **Operational** – measuring how we utilize available internal networks and support other organizational departments.
- **Key projects** – measuring the special initiatives work that enhances and supports but is not part of the core division functions.

Engagement

Stakeholder engagement activities to support the Economic Development and Tourism Strategy process were completed in 2019 and early 2020, interrupted by the global COVID-19 pandemic and recommenced in 2021. The engagement work was completed separately for economic development and tourism audiences to ensure key themes and opportunities raised were targeted and relevant to stakeholders. The Guelph Economic Development Advisory Committee and Tourism Advisory Committee both participated and provided guidance.

Engagement activities undertaken between November 2019 and February 2020, included:

- Three round table sessions for business stakeholders
- Online survey open to Guelph businesses
- 20 key business and community leader interviews
- Cross-departmental meetings with City staff
- Meetings with department staff
- Sessions with each the Downtown Advisory Committee and Guelph Economic Development Advisory Committee

Engagement activities undertaken July to September 2021, included:

- One round table session with tourism industry stakeholders
- One presentation and engagement session for business service organizations
- Internal meetings with department staff
- Two presentation and engagement sessions with the Guelph Economic Development Advisory Committee and the Tourism Advisory Committee

Input provided via the spectrum of stakeholders, businesses, partners, and Council committee engagement has informed the strategy and provided additional context to the extensive year of listening the City conducted in completion of Guelph's Community Plan. Further engagement will be undertaken for 2023 and 2025 updates to provide recommendations on any changes due to pandemic recovery or other economic factors not currently captured in the strategy.

Data Collection

Economic performance data will be available once the 2021 census is completed. In order to benchmark Guelph, the strategy uses Polaris Intelligence to provide 2020 geo-demographic data. Other data sources such as the Canada Business Counts, Labour Force Survey and social media analytics were used to supplement Polaris data, where relevant.

A data refresh will be undertaken in 2022, when census data has been released to validate any data assumptions made in the strategy. The City has partnered with the Guelph Chamber of Commerce on a business census survey to help inform industry specific COVID-19 recovery efforts in early 2022.

Revised Guelph Economic Development Advisory Committee Terms of Reference

From an advisory standpoint, Council approved the pause of the Downtown Advisory Committee (DAC) in 2020 pending completion of the Economic Development and Tourism Strategy. Those members remaining on DAC were appointed to the Guelph Economic Development Advisory Committee (GEDAC) for a term ending November 2021, or until the strategy is completed and a revised terms of reference developed.

The revised terms of reference have been created in coordination with GEDAC and follow the newly established policies for advisory committee meeting procedures, public appointments and committee administration. The revised terms of reference were unanimously endorsed for Council-approval by the GEDAC committee on September 7, 2021.

The proposed new mandate of this committee is to be a voice for business related to City initiatives put forward by staff that may have identified economic development impact; monitor the progress of the Economic Development and Tourism Strategy; and champion economic development programs and initiatives.

The Tourism Advisory committee terms of reference remains as-is but will be reviewed during the next term of Council and come forward with any required changes in the 2023 strategy refresh.

Financial Implications

The institution of the Municipal Accommodation Tax is imperative to the implementation of key destination management and marketing activities outlined in this strategy.

It is estimated that this new consumer tax will generate between \$500,000 to \$850,000 per year in added revenues to support destination development. The City would retain 50 per cent of these revenues for new and enhanced destination management projects and programs, and the remaining 50 per cent to be provided to an external entity for destination marketing purposes. Municipal Accommodation Tax revenues was not incorporated into the 2022/23 budget and will come to Council for approval on February 7, 2022.

The City is not the sole provider of all services required to fully implement the tactics, initiatives and activities outlined in this strategy. Servicing agreements would be needed to ensure one-on-one business services and programming would be in place such as consulting, market research, referrals, mentorship for female,

BIPOC, student, circular economy and small businesses. The 2022/23 budget included a request for \$300,000 per year for the duration of the strategy for agreements with organizations that deliver these services locally. This budget request was not approved.

As such, staff will monitor external and alternative funding opportunities that will impact the scope of tactics, initiatives and activities that can be undertaken throughout the implementation of the strategy.

Consultations

Tourism Advisory Committee

Guelph Economic Development Advisory Committee

Guelph Chamber of Commerce

Business Centre Guelph Wellington

Downtown Guelph Business Association

Innovation Guelph

Strategic Plan Alignment

The development and implementation of a new Economic Development and Tourism Strategy is a deliverable of the City's strategic plan and guided by all directions within the strategic priority of Powering our Future as well as directions included within:

1. Sustaining our Future
 - Cares for the local environment, responds to climate change and prepares Guelph for a net zero carbon future
2. Working Together for our Future
 - Develops strategic partnerships with stakeholders to improve service delivery
3. Building our Future
 - Works to enhance community well-being
 - Continues to build equitable, strong, vibrant, safe, and healthy communities

Attachments

Attachment-1 2022-2026 Economic Development and Tourism Strategic Plan

Attachment-2 Supporting reports for 2022-2026 Economic Development and Tourism Strategic Plan

Attachment-3 2022-2026 Economic Development and Tourism Action Plan

Attachment-4 Guelph Economic Development Advisory Committee Terms of Reference

Attachment-5 Economic Development and Tourism Strategic Plan Presentation

Departmental Approval

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