

The Benefits of a Regional Economic Development Organization

Report Developed by the Brockville and District
Chamber of Commerce with Regional Consultation
among Economic Development officers, Mayors, and
Council

Economic Development in the Leeds and Grenville Region

Background

As part of the Chamber Report on the Benefits of a Regional Economic Development Organization, a brief summary of both the positive changes and challenges that the region has had in the last 10 years is helpful in understanding where we are presently, and what the next steps might be in taking economic development to the next level.

In 2008 after working on the groundwork for approximately 5 years, the County Economic Development Department was established to represent the 10 municipalities and the large geographical area of Leeds and Grenville. Since 2008, this Department has done an enormous amount of work collecting data and information on the region. It has created a very investment oriented brand and has built an excellent web-site that showcases the area as one where lifestyle grows good business. This Department has been very active in hosting regional forums and other events to build on communication, linkages, and to showcase innovation. In addition to these large endeavours, the Department has been engaged in the regular economic development activities such as marketing and business attraction.

The County Department covers the vast amount of the region geographically and represents approximately two-thirds of the population. The separated municipalities, while not big in area, represent a high proportion of industry, commercial and institutional presence, and infrastructure that make them significant drivers for most of the regional economy. These municipalities are all very active in economic development, with Brockville having a very long established and active Economic Development Department. Gananoque has a dedicated economic development office and supports tourism, and Prescott is implementing its economic development strategy primarily through its CAO.

In the last few years there have been positive changes in the Johnstown area resulting in a rejuvenated port and significant industries for the area. North Grenville has experienced prenominal commercial and residential growth, and its proximity to Ottawa will continue to drive its growth. At the same time, there have been closures and shrinkage in a number of industries including the chemical plants in Augusta. While the multinational companies in the area have provided good jobs, there have been closures and cut backs as part of their global decision making process. On a positive note, there have been a number of locally owned businesses that have expanded and are now significant employers in the area.

There have been many more changes in the local economy and in economic development activity than have been mentioned in this brief background. There is increased competition between every region of North America for investment and in the future this competition will become even more intense. Locally we need to take our economic development efforts to the next step as part growing business in this region.

Issue: Will the municipalities of Leeds and Grenville benefit from the establishment of a Regional Economic Development Organization

Background: Due to an increasingly competitive global economy, the efforts of smaller urban centers to engage effectively in attracting, retaining, and expanding business now demands a level of resources and marketing that is often not achievable by their municipal governments. In recent years, communities across Ontario have demonstrated considerable success in fostering economic development through more integrated, regional approaches. A recent report conducted by **The Brockville and District Chamber of Commerce** gathered responses from some of these regions to gain greater insight on the potential benefits and drawbacks of pursuing a Regional Economic Development Organization for the economic region of Leeds and Grenville.

In previous discussions on this matter, some concerns were expressed regarding the possible loss of local municipalities' capacity to attract business unilaterally, or to exercise its mandate to craft homegrown economic development strategies that focus narrowly on the interests that lie within their municipal boundaries. Further, the perceived potential for increased bureaucracy arising from employing this regional economic development model has led some to question its appropriateness as municipal authorities across the region continue to avoid budgetary waste wherever possible.

Fortunately, the recent findings contained in the **Chambers** report indicate that these potential constraints are not featured in the surveyed regions that have established Regional Economic Development Organizations. Respondent communities instead expressed enthusiasm for their regional approach to economic development and highlighted numerous benefits including:

- A better “face’ for the promotion of the region to prospective external investment
- Expanded base of resources and expertise to pursue (and provide to) business
- Increased capacity to create economic development plans that benefit entire region
- Improved access of business to information, facilitation, and arbitration services
- Enhanced ability to develop long-term, multistage and/or cross-sector business development plans

To improve Leeds Grenville’s capacity to seek new opportunities and investment for the region, it is clear that the current splintered approach will continue to provide slower and uncertain results with less value per dollar compared to the integration of business development efforts into a regional effort. Given the proven successes of regional economic development organizations in regions across Ontario with similar characteristics to Leeds Grenville, it is clear that the numerous benefits of switching to this approach can be achieved with minimal loss of municipal control, and without the need for expanded or costly bureaucracy.

It is therefore the recommendation of the *Chamber* that serious consideration be given to the development of a regional economical development organization for Leeds Grenville. We feel that our common goals to attract, retain, and expand business and investment in the region demand a consolidated approach to economic development that is enhanced by pooled resources and expertise.

Report on the Benefits of a Regional Economic Development Organization

The Brockville and District Chamber of Commerce has conducted a survey of how some counties and regions approach economic development and have found that approximately 12 to 15 areas in Ontario have been very successful with a centralized operation. In most cases these centralized economic development organizations are corporations with Boards made up partly of politicians representing the municipal interest, and business people with a keen interest in economic development.

From our survey, the Chamber thinks this is the time for all of Leeds and Grenville and the separated municipalities to create a regional economic development organization that will handle the higher level initiatives including marketing, prospecting, and business retention activities.

Our Report, drawn from our survey addresses the following items:

- 1. The Benefits**
- 2. What Others are Doing**
- 3. Possible Organization Structures**
- 4. The Scope of the Regional Organization**
- 5. Funding**
- 6. Issues that may be in the way**
- 7. Why this is important to Leeds and Grenville region**
- 8. Time is not on our side**
- 9. What are the Next Steps**

Appendix 1 – Survey findings & Scope of Regional Organizations Surveyed

Appendix 2 – Map of Ontario showing regions using a regional or corporate ED model

Appendix 3 – Slide summarizing “New Approaches to Regional Economic Development

The Benefits of a Regional Economic Development Organization

1. A regional organization, from our Survey, would have much more depth than our present approach, which is a somewhat splintered approach. The organization would be the face of the region to outside investors, and it would also take care of business retention and expansion for the region. We would have a much better chance of growing investment and the associated jobs if we are promoting what the whole of Leeds and Grenville has to offer, rather than one municipality or regional part.
2. By pooling our staff, we can get individuals to become more focused on particular sectors. Rather than being jacks of all trades, we can have people become more expert in a sector. This will enable them to relate better to an inquiry because of their knowledge of that sector's particular needs. Our competition in Ontario, along the 401 and in the southwestern part of the Province, is for the most part represented by regional organizations that have developed experts in industry sectors.
3. Industry, entrepreneurs, and investors work at a fast pace. They want answers to all of their questions very quickly. A split-up organization often has trouble providing the data, and has trouble devoting the time to a hot lead. Because that jack of all trades economic development officer has conflicting job requirements, they can't devote the time to that hot inquiry, and can lose the lead because of the bureaucracy in their structure. This is especially true when that prospect is looking for something that crosses municipal boundaries, or deals with significant infrastructure requirements. If our competition can get back quicker and with a more in depth response, then we are at a disadvantage.
4. Other regional organizations we surveyed develop long term focused business plans. These plans identify target areas of investment attraction that fit their region, developing affordable budgets for the area that they are targeting, and communicating very well what their plans are to the politicians and to the public. Because it takes a long time for results in economic development, it is important to establish a multi-staged plan, evaluate it and not abandon it, if progress is being made.

5. Most regional organizations are set up with the staff accountable to a Board and the Board in turn accountable to the municipal politicians. This corporate structure offers a level of expertise on economic development from the Board member that is not in a municipal organization. The corporate structure also can provide more detailed accountability in activities and results than may be found in a municipal organization. In addition, the Board and their business and political contacts can become key ambassadors in dealing with prospects.

6. In our survey, many of the respondents saw the need, after a lead is established, to have an expeditor or facilitator help the investor or prospect to the next step. There are numerous potential roadblocks or delays from planning, environment, hydro, infrastructure issues, etc., that can be resolved with someone who can understand each party's situation, and can work with them to see if there is a solution that is mutually acceptable. We believe that if this role was part of the regional organization's mandate, we would increase our success rate for getting shovels in the ground.

7. With a regional organization we will have the critical mass to take on projects that while not directly related to industry attraction, or business retention, or investment attraction, would be important for the overall improvement of the economic positioning of the region. Often these projects are heavily supported by other levels of government, but require a critical mass at the local level to work. A regional organization would be able to evaluate these as they came along, formulate proposals, and implement these programs.

What others are doing:

The Chamber survey shows that most medium sized areas in the Province have adopted a Regional Economic Development organization, and many of them have adopted a corporate structure, rather than having them as departments of a municipality. Some of the areas we surveyed that presently have Economic Development organizations reporting to a municipal structure are moving to the corporate model

Larger cities have, in many cases, set up organizations that have a corporate structure because this structure can relate to business needs better than a city department. Ottawa, Windsor, London, are examples of this structure. When looking at a map of Ontario most of the population outside of the major centres is located in areas with a regional approach to economic development. A marked up map in Appendix 3 shows the areas with a regional approach.

The scope of the Regional Organization

While each organization is unique, there is a commonality in the scope that municipal entities cover. In general, other organizations deal with financing, labour market, and employment recruiting and training. As an example, the widest scope of economic development activity that we could look at is that of the Peterborough Region. Their four pillars are:

- Manufacturing and Small Business
- Innovation
- Tourism
- Agriculture and Rural

Other regions we surveyed had a much narrower scope and worked with municipalities and other organizations within their region for local issues.

According to economic development experts, a centralized organization should be heavily involved in Business Retention and Expansion (B.R. & E.), because this is the single most important activity that can grow jobs in the community. Business attraction and a local brand for these pillars is best handled in a centralized organization representing the region.

Another area that should be in the scope of the regional organization is that of having a dedicated facilitator to deal with governments, regulatory authorities and officials that become part of the process in actually getting shovels in the ground. Using Real Estate sales as an example, showing the property is just a small part of the process. Without this competent Real Estate person involved, the process can be very onerous on both the vendor and the purchaser, and it could actually collapse. It is crucial to have a competent person from the Economic Development organization to coordinate and shepherd potential opportunities to a successful conclusion. It is likely too much to ask the person who is seeking opportunities or managing the overall operation to fill this role.. Our survey showed cases where these organizations found that this was so important that they were going to assign people within their offices to specifically carry out this role.

Separate from this organization, there is a role for economic development on a local level. For example if a town or village wanted to set up a special brand, organize an event, or invest in infrastructure to directly bring business to their area, this is best handled locally. It could involve a full time, or part time person and would probably involve volunteers and other municipal officials to make it happen. Merrickville is a good example of a village or community that did a lot of work locally to create a very successful brand. Other examples include BIA type projects, events, festivals, and some infrastructure projects that are part of that small community's economic development.

Possible Organization Structures

In looking at setting up a regional organization, it would be prudent to talk to a number of regions for advice in governance models. The corporate structure, in broad terms, would have a Board (maximum of 10 to 12 members) who were drawn half from the business world, and half from politicians in the region. Our survey found that if the Board is too big, it doesn't provide the leadership and focus needed. If the Board does not have right balance of politicians, there have been cases where its direction does not align with the general direction of the community and its primary funders.

The advantage of a Corporation and a Corporate Board is that it is able to develop a strategy and focus better than a department of the municipality. It can maintain that focus and it can be made more accountable for activities and results than a municipal department. The corporate model is less susceptible to interference from politicians' pet projects and shifting priorities.

This does not mean that a department of municipality, or a commission, would not work. There are examples of this governance model working well in some regions. In both cases, the actual offices of the Economic Development Organization are best separated from the municipal offices. In some regions, they are located in Business Centres, creating almost a "one stop shop"

Funding

Presently in Leeds and Grenville, at the County level, the Economic Development Department has a budget of over \$400,000. Brockville has a budget of over \$200,000. In addition there are tourism budgets in Brockville, economic development budgets in Gananoque, Prescott, Kemptonville and other communities that relate to the scope of regional economic development. On top of this, there are leveraged funds coming from other levels of government. There is significant money going into economic development in the region, but it is split up into many pots.

In investigating how other regions provide the funding for a regional organization, there are a number of formulas that could be looked at. The simplest formula used in a number of areas is based on population. If the area adopted regional organization, it could start off with the pooling of the existing budgets and then over a 5 year period shift to population based formula.

Issues that may be in the way

When we showed our initial survey results to a number of politicians and economic development people in the area, the Chamber received generally enthusiastic support, but did encounter those who raised the following issues:

- Leeds and Grenville is a very diverse region
- We can't afford to create another bureaucracy
- Industry is dying or gone, why spend money on trying to attract it
- There is a lot of history between municipalities that would impede cooperation
- The council won't spend taxpayers' money on something where they can't get a direct return in assessment for the taxpayers in their area

These issues all have some validity, but the Chamber believes that they can all be addressed. To start off, we have to adopt two guiding principles to move the area and the region forward.

- 1) We ALL benefit if there is development ANYWHERE in the region. (Development draws on labour and creates jobs from throughout the Counties, and wherever it locates there are spinoffs to other areas)
- 2) Economic Development is an investment, not an expense. (This means that there is uncertainty in what our returns will be. It also means that the returns may take years to come into play.)

On the issue of the diversity of Leeds and Grenville, there are certainly different economic drivers depending on where you live. While not perfect, the boundaries of Leeds and Grenville are the most logical ones to use for a regional economic development approach. There are a number of people that have talked about corridors and the different drivers that would be in play along the river, in the Kemptville to Prescott corridor, or in the northern areas along the Rideau. A strong Economic Development organization can address these drivers much better than three or four municipalities getting together on what is essentially an ad-hoc approach.

The problem with an ad-hoc approach is that because Economic Development is an investment with an unknown timeline on the returns, those contributing funds to an ad-hoc approach may lack staying power. In addition, there may be limited resources available to work on each of these initiatives, so the lack of success may be because of the management of the project rather than the validity of the overall plan.

What would work better would be to set up an organization that was set up with a focus on the regional drivers, and that organization had the resources and longevity to carry out these initiatives. The idea of tailoring economic development activities to these corridors and to other initiatives and areas could be part of a project based approach by this organization.

On the issue of another level of bureaucracy being created, there are examples in other areas of the province that show that this is not a problem. In most other areas that have a regional approach to economic development, they use a semi-autonomous corporation. Their governance model consists of a small Board of Directors, generally less than 12 people, and often a mix of municipal politicians and appointees with a background in business and an interest in economic development.

These semi-autonomous corporations have shown that they are very focused, nimble in responding to opportunities, flexible in approaches to staffing and managing projects. They are held accountable and they communicate well with their regional supporters. These are attributes that are not normally thought of when describing a bureaucracy. In some cases these organizations hire specialists for a project and for that project only, and then hire other specialists to conduct other projects. This is something that would be difficult to do in a bureaucracy.

One of the advantages of regional economic development is that people working in this organization can become specialized rather than the “jack of all trades” situations with stand-alone economic development offices. They also are assigning staff to follow through on leads to try and facilitate the development through planning and regulatory issues. In the semi-autonomous corporations that the Chamber has looked at, they have focused goals, work objectives for the staff, and regular reporting to the municipalities on the progress and status of the projects and initiatives that they are working on.

In talking to people about our survey and getting their input, we found that business want answers quickly, they have tight timelines, and those areas that can respond quickly are the ones that will potentially get the investment. We also heard numerous examples emphasizing the importance of having a facilitator working with the potential investor to try and address the inevitable roadblocks that can come from regulatory bodies such as a planning department, MOE, conservation authority, etc. This means that the regional organization cannot have a bureaucratic makeup if it wants to move quickly to satisfy the investor’s time lines and issues.

If anything, there may be some push back from local bureaucracies in dealing with the investor and the facilitator helping him. However if we want economic development, we have to try and find ways that each side can see what each other’s issues are, and then hopefully come to a workable solution to let the development go forward. Under this regional organization, the process can be much more dynamic with the ability to bring in more help to try and find a way to make the development happen.

On the issue of industry dying, we have to have a balanced approach to the different drivers in economic development. Industry is still a significant driver throughout Leeds and Grenville and we can't abandon it. We need a strong B.R. & E. program to address local industries issues, and to help them grow their operations here. Leeds and Grenville is still a viable area for a wide variety of industries to locate and grow in as we have many attributes compared to other areas. We have to focus on uncovering new opportunities. We have to attract not just multi-nationals to the area, but try and attract entrepreneurs to the area. Our best corporate citizens are the ones where the head office or owner is located in the area. The balanced approach to economic drivers includes tourism, institutional and government investment, agriculture, cultural support and other drivers. We have to develop an approach that addresses each area with some plan that is practical and is balanced with the funding available and the potential of success from that economic driver.

On the issue of the history between municipalities and how that impedes cooperation, we need to see that we are much stronger together on economic development than working separately. The areas that the Chamber surveyed all probably have similar ongoing issues as neighbouring municipalities, but they have wisely chosen to keep economic development above the fray. If municipalities look at economic development as an investment that they are partners in, rather than annual expense, it is no longer part the traditional discussions on historical items that have caused friction between municipalities.

On the issue of spending money where the taxpayer does not get a direct return on the money spent, we have to have a broader outlook. While the taxpayer often grumbles about taxes increasing, their biggest complaint is what they perceive as government inefficiency. The taxpayer also knows that it is vitally important for the area to grow, otherwise it will shrink. They all know that Leeds and Grenville has to find a way to have good jobs in the area, to enable people to stay, and to attract young people to ensure that we have a vibrant community.

The taxpayers also know that we all benefit if there is development anywhere in the region. Many people commute from one part of the region to another, and are happy to do so. As long as the economic development organization is being well run and is communicating their plans and strategies, the community will support it. They will understand that it takes time to get results, and the money being put into economic development is an investment and will carry some risk.

Why this is important to the Leeds and Grenville region

We are in a very competitive market for outside jobs, and in Ontario, other regions have a lot more depth in their economic development organizations than we have locally. This puts us at a disadvantage for this type of investment. We also know that the economy is changing and that we have to be looking at several drivers all at the same time. We have to invest in creating an environment that will help entrepreneurs and start-ups. Presently we are too splintered to have a strategy to try and develop this economic driver.

We talk about Leeds and Grenville's great strategic location, and the quality of life in living anywhere in the region, however many areas of Ontario make the same claim. We need to be better sales people proactively reaching out to the potential investor whether it is in industry, tourism, small business startups, commercial developments or residential investment.

We need economic development to attract younger people and families to the area. All of North America is aging, so we have to try and get some sort of demographic balance or our local services won't be able to fund the needs of the older population. There are opportunities out there and we are lucky that we are relatively close to Ottawa, which is dynamic and growing, and becoming a large metropolitan area. We have to find ways to connect more with the Ottawa economy whether it is government, entrepreneurial, commercial, or residential developments.

In all of our efforts, we should put the most emphasis in trying to help and develop companies that produce goods or services that bring money into the area, as they have a larger multiplier effect to the local economy. Other types of investments do not have the same multiplier effect because they rely just on the local economy for their existence. A new sub-division or commercial development brings creates a lot of economic development activity when it is being built, but after that it tapers off unless that development continues to bring in money from outside the region.

Time is not on our side

We all know that in the last few years there have been a large number of plant closures and restructurings, and it is very difficult to replace those jobs. We also know that the area's population is not growing, and that the demographics are rapidly shifting to an older population base. Time is not on our side, we should be working now to put a more effective organization in place.

The Chamber does not think that the existing Economic Development offices planning to cooperate on certain projects or some ad-hoc approach to look at corridor projects will work. The problem with this is that each organization has their own bosses to answer to both for the overall outcome, and for the time that they can devote to the cooperative initiative. If a prospective investor was looking at the region, and wanted answers to his questions quickly, there probably wouldn't be the coordination and communication channels set up to be able to satisfy him. A proper organization with defined roles and responsibilities would be much more effective in all areas of marketing, and prospecting.

The Chamber thinks that a step by step approach to developing an effective regional organization would not work. Hiring a person to try and coordinate projects between the existing offices would be somewhat effective, and may show all in the region the benefits of having a pooled approach. However, when the effectiveness of this is evaluated sometime in the future, the overall objective of a regional approach may have been forgotten.

There is a need to develop the right model for a regional organization, and it has to be one that suits the uniqueness of our region. We believe that by studying some of the other areas that have regional organizations we can quite quickly find out what works, and what to stay away from. In addition, there are people who are well experienced in regional economic development out there that we can use as consultants to develop the framework for the organization. We will have to accept the recommendation of the model presented; not study it to death, and not have a process where it sits in limbo while we wait for it to be accepted by the various municipalities.

What are the next steps?

From our survey and discussions with a number of people in the region, we believe that the time is now to look very seriously at what it would take to create a regional economic development organization.

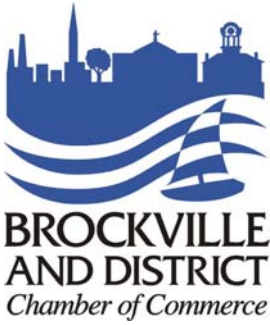
We think that the municipalities should form a task group of politicians and business persons to study what other areas are doing, and the details of their operation

To assist the task group, an experienced Economic Development Executive who has run an Economic Development department, or a regional corporate organization should be hired. We think that a Report should be produced outlining the best practices of regional organizations, and a proposed structure showing the overall scope, governance, the internal structure, and possible funding mechanisms.

We also think that the investigation should include both organizations that have been highly successful as examples of best practices, and organizations that have had issues with governance and performance issues in order that the Report presents a comprehensive picture.

The Chamber also believes that when the municipalities consider a regional approach the two guiding principles, previously articulated; have to be adopted to move the area and the region forward.

- 1) We ALL benefit if there is development ANYWHERE in the region. (Development draws on labour, and creates jobs for people living anywhere in the Counties, and wherever it locates, there are spinoffs to other areas)
- 2) Economic Development is an investment, not an expense. (This means that there is uncertainty in what our returns will be. It also means that the returns may take years to come into play.)



Regional Economic Development Research conducted by the Advocacy Committee of the Brockville and District Chamber of Commerce-

DRAFT / RESEARCH STAGE

Chamber Economic Development Models – Summary of Interviews – June 2012

In conducting the interviews, it was hard to compare the answers to the questions directly, as no two organizations had the exact same mandate or regional scope. It is important to first provide some background on the scope that each organization had, in addition to their answers to the questions.

1) Economic Development is a creature that has many arms and tentacles, with many organizations and agencies, and levels of government, doing work on a small part it. For the purposes of this survey the parts of Economic Development that are handled at the municipal level include those listed below. In no cases were all of these handled exclusively by one organization. These include:

- Attracting companies from outside the area
- Business Retention and Expansion (B,R, & E)
- Development and site selection (dealing with planning and development issues)
- Tourism
- Small Business or Enterprise Centers
- Entrepreneur Development
- Agriculture Business
- Small Community Development Projects – Signage, marketing, Main St projects

Scope:

Organization and contact	Scope	Regional mandate	Other municipal organizations that are involved in the scope described above

<p>Quinte Economic Development Corp (Chris King CEO)</p>	<p>Very narrow focus – Attracting outside industrial investment</p> <p>Tourism – handled by Cities, BRE by Cities, Planning and site issues by Cities (Quinte hands off leads)</p>	<p>Belleville, Quinte West (Trenton), Brighton</p> <p>Sterling had considered joining at one time.</p>	<p>Cities and Chambers handle other arms of ED</p> <p>Planning and Economic Development are part of one department in the City of Belleville (which is unusual)</p> <p>Small Business Centre, Manufacturing Consortium operate separately, but they are in the same location</p>
<p>Organization and contact</p>	<p>Scope</p>	<p>Regional mandate</p>	<p>Other municipal organizations that are involved in the scope described above</p>
<p>KEDCO Kingston Economic Development Corp (Jeff Garrah CEO)</p>	<p>Very wide scope including Business attraction, marketing, setting up conferences, tourism, labour market surveys but NOT final site selection and building details (this is done by the City and is considered by KEDCO a disadvantage to investment)</p>	<p>Only the City of Kingston. They communicate with Lennox and Addington re Loyalist Twp, and also talk to Gananoque</p>	<p>City of Kingston takes care of Planning and final Site selection issues. KEDCO considering a “Development Facilitator” to stick handle projects through planning and site selection</p>
<p>Sault Ste Marie Econ Dev Corp (John Febbraro Dir. Industrial Marketing)</p>	<p>Very wide scope including Industrial Marketing, Tourism, Conventions, Enterprise services, Developers and site selection</p>	<p>Mostly the Sault and nearby communities, but has extensive dialogue and partnerships with other Northern Ontario organizations in all areas of E D</p>	<p>City handle Planning and final site selection, but the Economic Developers facilitate this process to mitigate roadblocks</p>

CTT Kitchener Waterloo Cambridge (Jordan Duff)	Only new business attraction and primarily foreign investment	Regional Mandate – 3 large cities and several townships	Cities responsible for their own B R & E, also leads handed off to City ED's
Niagara Economic Development Department (formerly a Corp, now part of the Niagara Region Govt) Verne Milot – Mgmt Alan Teichroeb -VP	Very wide scope including Industrial Marketing, Tourism, Conventions, Enterprise services, Developers and site selection	Regional Mandate	5 large municipalities and have their own ED people within each City and work collaboratively with Corp
Organization and contact	Scope	Regional mandate	Other municipal organizations that are involved in the scope described above
Peterborough Kate Young (Communications) Dan Taylor (CEO)	<ul style="list-style-type: none"> • Manufacturing and Small Business • Innovation • Tourism • Agriculture and Rural <p>Includes all support services and physician recruitment</p>	Peterborough City and County including 8 combined townships Total population served 138,000	Set up focused organizations that they work with including: Peterborough Innovation Cluster Kawartha Food Farm Fresh County and some townships still have ED on their staff(s)
Prince Edward County Deb Williams (Interim Manager)	Economic Development was County Department, but now they are setting it up as a Commission with a much wider and holistic scope (reduced	County including all towns and townships	Setting up Community Development Commission that will deal with wider scope of ED, sustainability, and social and cultural

	duplication). Commission will have 8 members with only 3 politicians		development
Thunder Bay Cathy Callum (Executive Assistant)	All ED activities for the City, only that rather than being a Department, they are set up as an independent Commission	City of Thunder Bay population 108,000	Key member of Northwestern Ontario Regional Economic Development Area (REDA) an umbrella organization that will deal with major regional ED issues and infrastructure
Organization and contact	Scope	Regional mandate	Other municipal organizations that are involved in the scope described above
St. Thomas / Elgin			
Windsor Essex	Corporation serving Manufacturing, Agri-business, and starting on regional tourism	City of Windsor and Essex County (has been operating for 50 years) Work with 9 municipalities	
Timmins			

Scope: General comments on those surveyed as it relates to our area of Leeds and Grenville

- Peterborough and Prince Edward had regional responsibility for the whole county. Niagara had a wide regional responsibility with some lower tier activities being conducted by the cities. The others had smaller regional areas, with Kingston being the only one focused on the city alone.
- A number of these Economic Development Organizations address are a one stop shop, with many different areas serviced under one roof. In Quinte's case, they have a narrow role but are physically located with other ED organizations.
- Dealing with site selection and Planning is a significant role for them. Whether there is an internal ED Department in the Municipality or they are dealing directly with Planning, it is a vital part of landing projects and dealing with developers.

Our Survey was interested in Economic Development Organizations that operated either on a regional basis, or had a governance model where they were not a Department of a municipality. We conducted a search of all but the major municipalities in Ontario and found 10 examples of either a regional model, or a model that was either a Corporation or was a Commission.

We were interested in their history, their scope, and their governance model. We were also interested in finding out what we thought would be challenges to them operating as a regional body or as a stand-alone organization.

Some of our topics for our survey included:

- What is the history of your organization, and what was the driving force to get you to adopt this model?
- How do you deal with regional issues if you are serving a region with a number of municipalities?
- How do you deal with the politics and the politicians?
- How is your organization financed?

Listed below are summaries of answers to these topics:

Organization	History	Dealing with regional issues	Politics	Financing
Quinte Economic Development Corp (Chris King CEO)	Started as part of amalgamation in 1998, then in 2004 switched to a Corp able to get financing through higher govt. levels	They operate in a small area, and hand off leads to Cities, based on the investor's preference.	Through their Board they have as members, the Mayors. They feel that this is not a big issue.	Presently staff of 2 and levy of \$3.00 per capita
KEDCO Kingston Economic Development Corp (Jeff Garrah CEO)	Before amalgamation there was a small operation, that morphed into KEDCO when the areas combined	Not an issue	They have had issues, with the politicians and Board not in line. Now the Board selection is much closer controlled by the politicians	Has very wide mandate. Staff of 18 and budget of \$2.5 million. Most comes from City, some Province, a little from private sector

Organization	History	Dealing with regional issues	Politics	Financing
Sault Ste. Marie Econ Dev. Corp (John Febbraro Dir. Industrial Marketing)	Became corporation to become eligible for certain government financing	Very open process. Requests are put out to all to even playing field	Has good communication with Councillors. Uses them as part of ED process in dealing with leads	Large operation 19 people, part City, part leveraging province, some private, funding SBE Office
CTT Kitchener Waterloo Cambridge (Jordan Duff)	Started in 1967, originally included Guelph, since 1987 only K-W, Cambridge and 4 townships	They show the leads everything, but leads decide. Each City has a very different make-up, so logically business goes to the best fit (Cambridge – greenfield, Waterloo-tech.)	It has happened, with politicians speaking out on direction, but by good communication, especially with the Mayors, there is an understanding of direction and decisions made.	8 people, relatively small operation. Funding in order of contribution: Region of Waterloo, 3 Cities, 2 of the 4 Twps., Private Partners, Province, funding for special projects
Niagara Economic Development Department (formerly a Corp, now part of the Niagara Region Govt.) Verne Milot – Transition Consultant Alan Teichroeb – Vice President Business Development	Operated for 13 years as an arms-length Corporation. In 2010 the Region had issues, and commissioned a review. Starting in late 2012 it will become a Department of the Region, with a public/private Advisory Body. It may go back to a Corporation a few years after its restructuring.	To attract business need to establish brand of “Team Niagara” as nobody would know where the many small municipalities are. Presently difficult with 5 cities, c/w their own ED’s, and many small municipalities to get consensus	Niagara region has lost a lot of heavy industry, especially since 2008. Politicians are very impatient to see it replaced, and may have unrealistic expectations. New organization will hire sector experts (on contract) to provide very focused, results oriented, efforts in each sector.	New organization will have 12 people (including 6 contract sector consultants). Base Budget \$1.7 million with most of the funding coming from the Regional Government.

Organization	History	Dealing with regional issues	Politics	Financing
<p>Peterborough</p> <p>Kate Young (Communications)</p> <p>Dan Taylor (CEO)</p>	<p>Incorporated in 1998 and then established sub organizations such as:</p> <p>Peterborough Innovation Cluster</p> <p>Kawartha Food Farm Fresh</p>	<p>The region has the County, the City, and 8 townships. They have some staff dedicated to the County and outlying areas. They are very conscious in simultaneously looking out for both the region and the individual areas. They market accordingly.</p>		<p>17 Staff Funding based on population, able to get independent financing, and grants only available to Corps (not governments)</p>
<p>Prince Edward County</p> <p>Deb Williams (Interim Manager)</p>	<p>ED was a county Dept. for 10 years, now in 2012 setting up a Commission with Board (2 Councillors, 3-5 appointees, 1 mayor ex officio)</p>	<p>From a survey, they have been very successful promoting wine and cheese, however other sectors need promotion</p>	<p>This new model is holistic involving economic, social and cultural, environment etc. and will have many partners. It will be hard to get</p>	
<p>Thunder Bay</p> <p>Cathy Callum (Executive Assistant)</p>	<p>Started in 2006. City felt it would give better service through an independent development commission</p>	<p>Service only the City but have affiliation with Northwestern Ontario Regional Economic Development Area (REDA)</p>	<p>No major issues, good communication with quarterly reports to Council</p>	<p>City funding</p>

Organization	History	Dealing with regional issues	Politics	Financing
St Thomas				
Windsor Essex	Set up 50 years ago, reorganized 3 years ago.	Works with 9 municipalities. Develop 5 year economic roadmap with very large public involvement and get buy-in on focused plan, and who does what.	Has sector committees In Manufacturing and Agri-business with large private sector representation giving credibility to direction and focus.	

Our Chamber Survey is looking at different models and we asked how they would evaluate their model. These are some of the responses:

Organization	Their evaluation of their model	Issues to work on
Quinte	<p>Corp is very focused. They are getting positive feedback. They relate well to business and entrepreneurs because of their location in a business center adjacent to Loyalist College</p> <p>They are successful and are looking at adding another person (from 2 presently) to keep up with the inquiries.</p>	<p>Have to be clear on definition of what Economic Development is, to stay focused</p> <p>Still need someone (in the City in their case) to do the legwork and not drop the ball.</p> <p>Developers never happy</p>
KEDCO	<p>Very biased that the external model is the best</p> <p>Have a very tight reporting system to ensure that they are focused and are meeting their objectives</p> <p>Good communication with Council to keep them informed and part of the development process and business plan.</p>	<p>Need a “Development Facilitator” to stay with the file and work with the City Planning Staff</p>
Sault Ste. Marie	<p>Independent Corp much more acceptable to business than dealing with City Hall</p> <p>Have a strong and committed Board whose recommendations carry weight</p> <p>Involve the Council a lot in assisting development, communicate very well with Council so they know what is</p>	<p>When working with other organizations on a “joint” project it is important to get everyone on side, otherwise there is a “two faced” approach from the participants.</p>

	<p>going on at all times.</p> <p>Involvement in many partnerships outside their direct area</p>	
<p>CTT Kitchener Waterloo Cambridge</p>	<p>Very Focused</p> <p>Good marketing people, and excellent follow up mechanisms with qualified leads</p> <p>Not directly responsible for B R &E but leverages this to facilitate further investment, and collaborative investment</p>	<p>Present Board too large and restructuring to get smaller and more active members</p> <p>Larger communities such as GTA, Ottawa even more focused with sector experts that can work with potential leads</p> <p>Hand off leads to local ED and have to follow up</p>
<p>Thunder Bay</p>	<p>Able to provide very quick service.</p> <p>Board representation works well 6 Directors from the community, 2 Councillors, Mayor, and CAO</p>	<p>Business Retention and Expansion should be focused on</p>

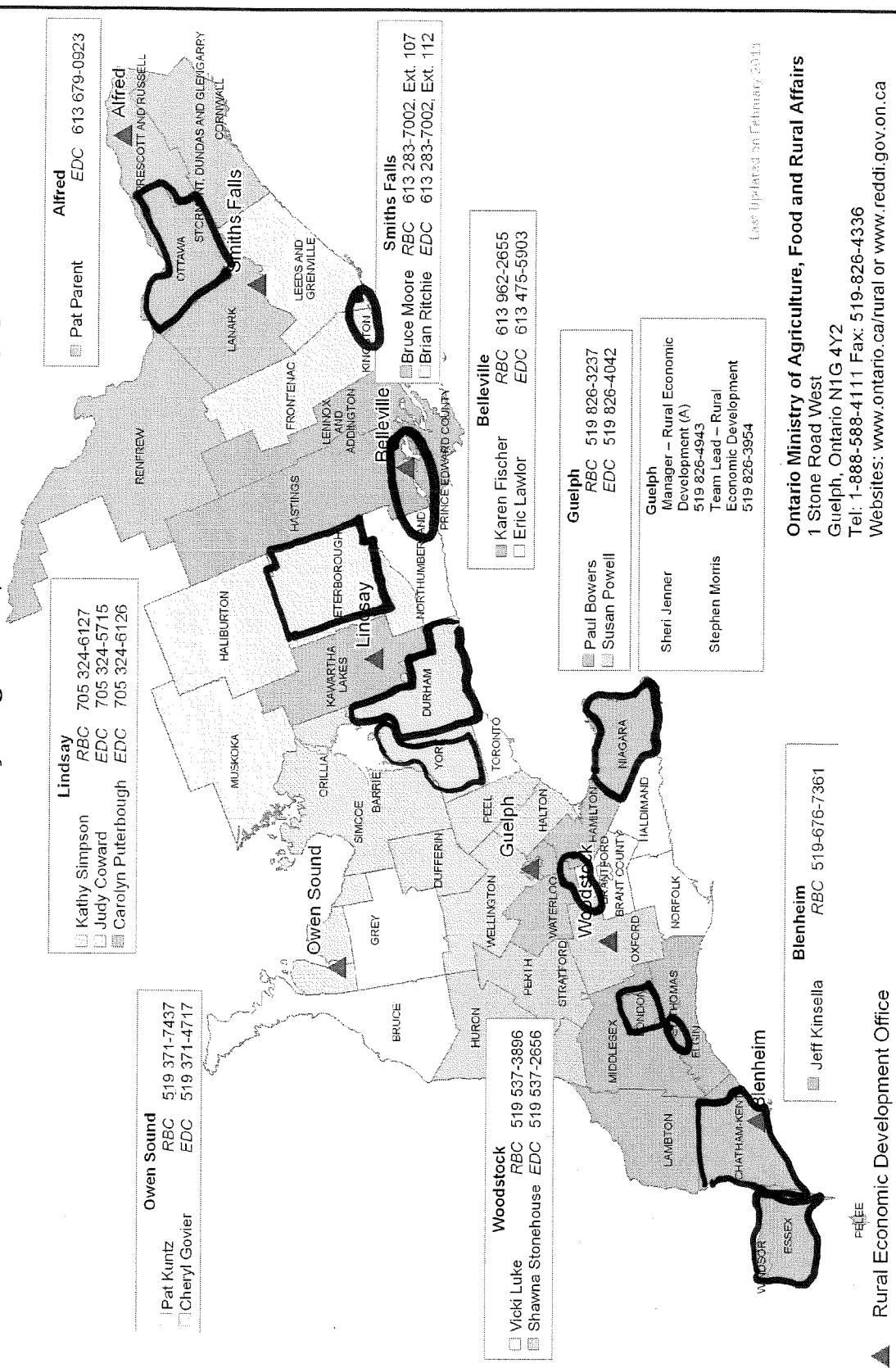
Preliminary findings from the Survey:

- 1) A regional arm’s length organization can work really well because of focus and the ability of the staff to specialize in an area of economic development (i.e. outside investment, tourism, specific sector attraction)
- 2) A Board of Directors with passionate people can set the overall direction, focus and goals. There should be a mix of members with business expertise, and politicians. The Board should be kept small, as they seem to work better.
- 3) There needs to be defined roles and measurable objectives, with staff focusing on specific areas. Much better results can be obtained with specialists rather than “jacks of all trades”
- 4) There needs to be good communication channels with municipal politicians and the public on the objectives, progress, and information on opportunities (that can be shared)
- 5) There needs to be a mechanism set up to deal with site selection and Planning to take the leads or projects to the next step.



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Rural Economic Development Office

HIGH LIGHTED AREAS ARE SHOWING REGIONAL E.D.O.

Changing Behaviour and Adopting New Approaches Leads to Better Outcomes

“From”

Competition among communities

Many visions of success

Communities working alone face capacity challenges (\$, Human Resources)

Ad hoc collaboration between municipalities, businesses, academic institutions and community groups

Short-term strategies to attract investment

“To”

Community regional collaboration to compete globally

Common vision for region where appropriate

Community regional collaborations pool resources to enhance capacity

A framework to build networks and find innovative new solutions to challenges and opportunities

Long-term planning to create “winning places” where businesses and people want to be

Enhanced outcomes:

- Job creation/retention
- Investment attraction/leveraged
- Business attraction (e.g. anchor companies)
- Business retention and expansion
- Commercialization
- Innovation/new technologies/Research and Development
- Labour force training

Strategic outcomes:

- Cluster development
- Partnerships (For example, private/public/community/ academic, aboriginal groups)
- Supply chain development
- Economic development strategies
- Sector development strategies
- Environmental benefits

Collaboration and Cooperation: New Approaches to Regional Economic Development

Rural Ontario Municipalities of Ontario/ Ontario Good Roads Association

February 28, 2012