

<b>To:</b>	Chair Keaveney and Members of Economic Development & Planning Advisory Committee
<b>Committee Date:</b>	May 5, 2022
<b>Subject / Report No:</b>	EDTC-ED-10-22
<b>Title:</b>	Investment Attraction Strategy
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<b>Reviewed by:</b>	Randy Scherzer, Deputy CAO
<b>Lower Tier(s) Affected:</b>	All
<b>Status:</b>	Recommendation adopted by Committee as presented; Endorsed by Committee of the Whole May 26, 2022 per Resolution CW79-22

## Recommendation

1. **That Report EDTC-ED-10-22 be received and the Investment Attraction Strategy be endorsed;**
2. **That staff be directed to develop and execute the first mission as per the 2022 contribution agreement for CanExport Community Investments Subprogram; and**
3. **That staff maintain the relationship with ThinkCOMPASS and enter an annual contract to execute the three-year strategic action plan alongside staff as per annual budget approval.**

## Executive Summary

Staff were successful in receiving funding from CanExport Community Investments Subprogram through Global Affairs Canada to develop Grey County's first Investment Attraction Strategy. ThinkCOMPASS was retained to develop the strategy, attached to this report.

The Investment Attraction Strategy is a vehicle for helping the County realize the economic development related objectives in the Official Plan. The strategy will identify

how investment attraction can play a role in helping Grey County create and maintain a growing and diversified economy.

To achieve this goal, the strategy will target two primary approaches to investment, including Business Retention and Expansion (BR+E) and Foreign Direct Investment (FDI).

## Background and Discussion

Investment attraction as a whole, will help to diversify the economic base of Grey County. This region is growing very quickly, mostly however, through residential development. To plan for and provide sustainable growth, Grey County needs to find a balance. Focusing on opportunities that bring economic diversity, will not only support employment and wages, but will also balance assessment ratios and enable community well-being.

Grey County has a wide reaching and deep-rooted entrepreneurial spirit. Given that 70% of the businesses in Grey County are home-based or sole proprietors, it is common practice for individuals to start and operate personal businesses. Eventually, many of these individuals secure employment when the right opportunity arises, demonstrating a labour churn that often goes unnoticed. This churn in many ways is responsible for supporting employment growth amongst key employers and large companies, even though the reported unemployment rate hovers at near full-employment.

Grey County also has a history of collective effort and cluster development, where organizations such as Excellence in Manufacturing Consortium (EMC) and the Bluewater Wood Alliance, now the Wood Manufacturing Cluster of Ontario (WMCO) were born. These entrepreneurial and collective attitudes and approaches are key to influencing and driving further investment in the County.

Two primary approaches to investment targeted through this strategy includes Business Retention and Expansion (BR+E) and Foreign Direct Investment (FDI). Grey County has a strong history of BR+E practices. This strategy is therefore completely wrapped in a retention focus given the high importance and care Grey County and its member municipalities place on existing businesses.

FDI is regarded as yet another tool that staff can now lean on to support existing business through targeted investment attraction. This practice, however, is relatively new to the Grey County team and requires a more detailed toolkit for success. Nevertheless, their investment attraction efforts will focus on:

- Sectors and foreign markets that generate a high return on investment;
- Align with provincial and federal government priorities;

- Leverage local strengths; and
- Bring broad economic benefits to improve sector diversity throughout the County.

The business opportunities that are of particular relevance for the County fall into four broad categories including:

- Agri-food companies;
- Clean-technology companies (hydrogen, energy storage, nuclear supply chain and isotope exports);
- Knowledge-based companies; and
- Tourism related companies.

The categories above have been identified through data and peer review to determine areas of concentration for staff to proactively target efforts. That said, where other opportunities arise, staff will apply the same investment attraction practice.

Regardless of the approach, a shared vision of Grey County at the local level is critical. The ability to clearly articulate real business opportunities that can be qualified and quantified are vital to leveraging Grey County's success in attracting investment.

### **Why Now?**

Over the past 30 years, Grey County has experienced relatively low growth. In the past five years, growth has accelerated significantly, mostly through residential development. It is important to develop the employment side strategically, in order to find balance and achieve sustainable growth for our communities. This is an important achievement for the County as per the vision set forth through the Official Plan.

Staff believe in a collective objective, with distinct roles for stakeholders who operate as a team. Over the years, this approach has been effectively demonstrated by other jurisdictions and organizations such as Southwestern Ontario Marketing Alliance (SOMA), Niagara Region, Greater Toronto Marketing Alliance (GTMA) and others, where investment attraction has been warranted by market conditions.

Today, Grey County finds itself in a position to be able to enter this market and actively pursue investment attraction to better support existing businesses, build the supply chain and welcome new investment.

The County's previous Economic Development Strategy (2015-2020) focused on Investment Readiness to set the necessary foundation. This Investment Attraction Strategy builds on the branding, inventory and labour force work that has already been completed and is being actioned by county and municipal staff collectively. Collectively, Grey County is ready to take the next step and pursue Investment Attraction.

### **First Investment Mission**

Staff were successful in receiving a second round of CanExport funds to develop and execute a preliminary investment mission based on direction of the investment attraction strategy. Following endorsement of the strategy, planning will begin as per the strategy, contribution agreement and approved 2022 budget.

## Legal and Legislated Requirements

There are no legal or legislated requirements relating to this report.

## Financial and Resource Implications

All actions identified through the strategy will be included in the annual budget for Council consideration. In 2022, the approved Economic Development budget includes \$45,000 for ongoing investment guidance and support, investment training and investment mission. The mission is supported with an additional \$16,350 in matching federal funds that were unbudgeted.

## Relevant Consultation

- ☒ Internal – Economic Development, Tourism & Culture, Planning, Deputy CAO, CAO
- ☒ External – Economic Development & Tourism Working Group, Economic Development & Planning Advisory Committee, All member municipalities, private sector.

## Appendices and Attachments

[Draft Investment Strategy](#)