

Committee of the Whole (2) Report

DATE: Tuesday, June 21, 2022

WARD(S): ALL

TITLE: 2021 YEAR IN REVIEW – ECONOMIC DEVELOPMENT

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

To receive Council endorsement of the '2021 Economic Development Year in Review'.

Report Highlights

- Vaughan is the largest economy and employment centre in York Region and surpassed regional, provincial and national economic growth rates in 2021, with nearly 19,000 businesses employing more than 236,000 workers and a real Gross Domestic Product (GDP) of almost \$25 billion.
- As measured by total employment and GDP, Vaughan's economy has surpassed pre-pandemic outputs by adding 20,000 jobs in 2021.
- Despite the ongoing effects of the COVID-19 pandemic, Vaughan is a destination of choice for investment in the Greater Toronto Area (GTA), building on a decade of economic growth as evidenced by unprecedented development activity, ranking top ten nationally for non-residential building activity.
- In 2021, the City delivered provincial, national, and international award-winning economic development and business advisory services. These include supporting small and medium-sized businesses, elevating the quality of life, and advancing strategic initiatives to create a competitive economy.

Recommendations

1. THAT the '2021 Economic Development Year in Review' be endorsed by Council, and physical/digital copies be distributed to Mayor and Council, Members of Parliament, Members of Provincial Parliament, local and regional partners, and all other relevant organizations/individuals.

Background

In 2018, Economic Development committed to producing annual reporting on the economic climate and business support activities in Vaughan. The purpose of the annual report is to:

- Highlight the services and programs provided by the City in support of economic growth
- Report on the economic activity within the City through core economic indicators

Vaughan's Economic Development department (ED) works to profile and support Vaughan's transformative, ambitious, and purpose-driven economy to make Vaughan a place where entrepreneurship, business, tourism, and art can prosper and grow.

ED's strategic objectives, as detailed in our 2020-2023 Strategic Business Plan, are to:

- Enable a climate for businesses to grow, prosper and create jobs.
- Advance economic opportunities and attract new investment.
- Enrich Vaughan's communities and economy through public art development.
- Effectively pursue service excellence.

The City's ED team is the go-to source for insight into Vaughan's economy. Department staff act as knowledge brokers and opportunity advisors who facilitate local economic capacity, resilience, and opportunity.

ED's services include:

- Promoting Vaughan's economic advantages and critical projects in target markets
- Engaging businesses and regional partners
- Developing and implementing economic development strategies, programs, and initiatives
- Counselling, mentoring, and training business leaders and providing access to resources
- Collecting, analyzing, and sharing economic, market, real estate, demographic, and competitive business data with clients and partners
- Working in collaboration with other City's departments to plan and curate public art spaces and installations
- Facilitating corporate partnerships and sponsorships for the City of Vaughan
- Providing customer relations support that exemplifies the City's dedication to Service Excellence

- Guiding businesses by understanding the overall landscape of Vaughan's business industry

ED continues to transform to streamline services, improve processes, and use collaborative communication approaches to deliver service excellence.

Council approved a corporate restructuring in Dec. 2021 creating the new Office of Communications and Economic Development (OCED). Based in the City Manager's Portfolio, OCED consists of Corporate and Strategic Communications, Economic Development, and Access Vaughan. This new structure allows for efficiencies between Corporate and Strategic Communications and Economic Development by removing silos and leveraging existing budget, staff resources, and institutional knowledge, enhancing citizen and business experience and providing opportunities.

The City proactively responded to the global COVID-19 pandemic to set the conditions for economic recovery.

On March 11, 2020, the WHO declared a global pandemic in response to COVID-19. On March 17, Vaughan became the first Ontario city and the first municipality in York Region to declare a state of emergency. That same day, Council endorsed the Vaughan Business Action Plan, which included temporary measures to safeguard the local economy and protect businesses and consumers.

The Vaughan Business Action Plan marked Phase 1 of the City's economic development response efforts to COVID-19 in March of 2020, followed by Phase 2 of the City's economic development efforts, the Vaughan Business Resilience Plan, in June of 2020. These efforts have yielded meaningful results for our businesses and supported the local economy's resilience.

In February of 2022, Council approved the City's third phase of economic development response to COVID-19, Advantage Vaughan. Amidst the easing of public health restrictions and increased vaccination rates seen in 2021, ED will continue to influence the economic growth that has been made possible by decisive and impactful efforts by the City and department to support the business community.

Previous Reports/Authority

[2018-2022 TERM OF COUNCIL SERVICE EXCELLENCE STRATEGIC PLAN,](#)
Committee of the Whole Report, March 5, 2019

[STRATEGIC BUSINESS PLAN FOR ECONOMIC AND CULTURAL DEVELOPMENT,](#)
[2020-2023,](#) Committee of the Whole Report (2), September 24, 2019

[Economic and Cultural Development Business Plan, 2020-23](#)

[2020 YEAR IN REVIEW – ECONOMIC AND CULTURAL DEVELOPMENT AND TOURISM VAUGHAN](#), Committee of the Whole (2) Report, June 8, 2021

[ADVANTAGE VAUGHAN: PHASE 3 OF VAUGHAN'S ECONOMIC DEVELOPMENT RESPONSE TO COVID-19](#), Committee of the Whole (Working Session) Report, February 9, 2022

[SUPPORTING VAUGHAN'S INNOVATORS – UPDATE AND NEXT STEPS](#), Committee of the Whole (Working Session) Report, February 8, 2022

[STRENGTHENING AND ADVANCING SMALL BUSINESS AND ENTREPRENEURSHIP SERVICES](#), Committee of the Whole (2) Report, March 8, 2022

[TOURISM VAUGHAN ACTION PLAN – 2022](#), Committee of the Whole (2) Report, March 8, 2022

Analysis and Options

Vaughan remains a catalyst for local, regional, provincial, and national economic growth. The local economy is growing, leading York Region, supported by best-in-class, award-winning economic development services.

The '2021 Economic Development Year in Review' publication includes many highlights that follow. Sharing this publication with key stakeholders will help raise the City's profile, attract new partners and investments, and support the expansion of the local business community.

Vaughan remains a destination of choice for investment, and a major regional economic driver as the largest economy and employment centre in York Region, outpacing regional, provincial, and national economic growth rates: despite revolving public health measures, supply chain impacts, and increasing inflation, Vaughan's economy exceeded pre-pandemic growth in 2021.

Vaughan remains the largest economy in York Region, contributing 37.5 per cent of all economic output in the Region. Vaughan accounts for more than half of the Region's real GDP in good-producing industries and nearly one-third of its real GDP in service-producing industries.

Vaughan's top three industries by economic output were:

- Finance, Insurance, and Real Estate (\$5 billion)
- Manufacturing (\$4.6 billion)
- Construction (\$3.9 billion)

Vaughan's real GDP totalled nearly \$25 billion, an increase of more than 7 per cent from the previous year, outpacing regional, provincial and national growth, reaching above pre-pandemic levels.

Vaughan is also the largest employment centre in York Region – providing more than 236,000 jobs, accounting for 38.6 per cent of all employment. The top three industries by employment are:

- Manufacturing, accounting for 18 per cent of all jobs
- Retail Trade, accounting for 15 per cent of all jobs
- Construction, accounting for 14 per cent of all jobs.

Vaughan's unemployment rate was 7.8 per cent, a 1.3 per cent decrease from the previous year and below the regional and provincial rates. Vaughan's labour force participation rate was 74 per cent in 2021, which measures the share of the working-age population working or looking for work. These figures sit above national, provincial, and regional rates, indicating a labour force that is ready, willing, and able to work.

Vaughan remains a city on the rise. Since 2010, Vaughan has issued more than 55,400 building permits totalling more than \$15.1 billion. Unprecedented building activity continued in 2021, which saw the City issue \$1.875 billion in building construction value – a significant investment into the community.

Vaughan ranked ninth nationally by the value of non-residential permits issued, ranking sixth and eighth by the value of commercial and industrial permits in Canada, respectively. In 2021, the City issued 527 non-residential building permits representing more than \$775 million in construction value and 33.5 million square feet in existing and new spaces.

Notable commercial and industrial investments representing 1,100 direct and indirect jobs across the City in 2021 include:

Company	Business Activity	Classification
Waste Connections of Canada	Provider of solid waste collection, transfer, recycling, and disposal services, along with recycling and resource recovery.	Head Office
GB Canada (Bomei Tex)	Canadian mattress components manufacturer with major clients such as Simmons, Serta, and Kingsdown	Industrial
General Assembly Pizza	Frozen pizza manufacturer	Industrial
S&S Activewear	Leading Canadian distributor of premium wholesale apparel	Industrial
TricorBraun	North America's largest primary packaging distributor and one of the largest purchasers of packaging in the world	Industrial
Likewize	Global wireless distribution and services	Industrial
Toronto Research Chemicals (recently acquired by LGC)	Subsidiary of leading global life science tools company, LGC, and manufacturer and supplier of specialized complex bio-chemicals	Industrial - Head Office
Sterling Industries	Manufacturer of medical devices and medical device components	Industrial - Head Office

Economic Development delivered award-winning services, programs, and initiatives to support small and medium-sized entrepreneurs, local talent, and the business community in 2021.

In 2021 ED staff exemplified service excellence, helping our businesses to yield meaningful results as they:

- Delivered 814 business advisory consultations.
- Answered more than 3,150 inquiries.
- Provided 78 webinars to more than 1,500 participants.
- Assisted the start or growth of 239 businesses.
- Facilitated a total of 32 pre-qualified site-selection inquiries.

ED was further recognized for its outstanding efforts in its economic development efforts. The City has been recognized with the following awards:

- International Economic Development Council (IEDC) Gold Award: Vaughanbusiness.ca (nominated best in show)
- International Economic Development Council (IEDC) Gold Award: Activate!Vaughan Innovation program (nominated best in show)
- International Economic Development Council (IEDC) Bronze Award: Breaking News Tourism Vaughan Familiarization Tour
- International Economic Development Council (IEDC) Bronze Award: Vaughan Rising Podcast
- Economic Development Association of Canada (EDAC) Marketing Award: vaughanbusiness.ca
- Economic Development Council of Ontario (EDCO) Winner: Fav Spot campaign
- Economic Development Council of Ontario (EDCO) Winner: Activate!Vaughan Smart City Innovation Challenge
- Ontario Tourism Resiliency Award: Familiarization Tour

2022 Look Forward

Vaughan's Economic Development department is dedicated to advancing economic opportunities, creating a climate for job creation, and increasing local investments through key projects and initiatives. ED has several standout projects and initiatives scheduled for 2022:

Initiative	Key Activities
Advantage Vaughan	A series of programs to support strategic pillars of the economy, including local small business owners and entrepreneurs, residents making up the City's talent base, and local organizations that animate the community.
My Main Street	Wrap-around community economic development support for new and existing small businesses, on main streets within Thornhill and the VMC.

Talent City Vaughan	Micro-grants up to \$10,000 for eligible non-profit community and social service organizations to host skills development and training programs that support Vaughan residents.
Vaughan Destination Master Plan	The Tourism Vaughan Advisory Committee will provide the TVC Board of Directors with guidance and expertise related to the development and implementation of the Vaughan Destination Master Plan.
visitvaughan.ca relaunch	Tourism Vaughan will be relaunching the visitvaughan.ca website in 2022, furthering the mission to market and develop Vaughan as a destination for tourists and business travelers.
Vaughan Business and Entrepreneurship Centre (VBEC) relaunch	A renewed mandate, brand, and strategic communications campaign for the Vaughan Business and Entrepreneurship Centre (VBEC) will be developed to reach and inform local entrepreneurs and residents about the front-line services offered by VBEC staff
Hosting Canada Soccer's 2022 Toyota National Championship	The City of Vaughan will host more than 500 athletes, officials, and volunteers from all across Canada, resulting in an estimated economic impact of \$700,000 to local tourism industry sectors, such as food and beverage, retail, and attractions.
Public Art Projects	Public art plans are advancing for several major permanent installations slated for the VMC in the near future. Cortel Group's EXPO City – CG Tower sculptural installation, and SmartCentres' VMC East Block North gateway feature.
Exploring innovative transit solutions for VEZ	Economic Development will host a roundtable discussion with employers in the Vaughan Enterprise Zone (VEZ) aimed at exploring and establishing innovative and cost-effective transit solutions to assist employers with their labour force needs.
Business-to-business plant tours	A series of business-to-business plant tours will provide learning and networking opportunities for Vaughan-based advanced manufacturing companies by matching two companies with similar interests and needs

Financial Impact

The costs associated with the '2021 Economic Development Year in Review' are included in the current approved budget — there are no new financial implications related to this report.

Broader Regional Impacts/Considerations

The '2021 Economic Development Year in Review' celebrates Vaughan as a city ideal for investment and business growth. The publication provides Economic Development's clients with an overview of the services and initiatives we provide.

A copy of the publication will be uploaded on vaughanbusiness.ca and distributed to critical local/regional partners and stakeholders, such as York Region Economic Development, the Vaughan Chamber of Commerce, other Chambers of Commerce, consuls in the Ontario and Canadian marketplaces, ministries, local and regional stakeholders, and prospective business relocation opportunities.

Conclusion

Despite the continued impacts of the COVID-19 pandemic, Vaughan remains a top destination for business investment and a vibrant community for residents to live, work and play. The accompanying '2021 Economic Development Year in Review' publication updates the City's economic activity and the programs, initiatives, and services offered by ED that positively impact business and employment growth and increase economic output. The Year in Review's content is for ED's three external core clients: small and medium-sized businesses, local talent, and the business community.

For more information, please contact Raphael Costa, Director, Economic Development, ext. 8274

Attachments

1. *2021 Economic Development Year in Review* – Economic Development

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